



Via Electronic Filing

June 10, 2024

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

Re: California Farm Bureau Reply Comments on Draft EUP Guidelines

Dear Director Thomas Jacobs:

The California Farm Bureau (Farm Bureau) appreciates the opportunity to submit Reply Comments on the Office of Energy Infrastructure Safety (OEIS or Energy Safety) Draft Guidelines for the 10-Year Electrical Undergrounding Plan (EUP). Farm Bureau represents agricultural energy customers that are located statewide and take service from the state's electric investor-owned utility companies. Farm Bureau has been active throughout the process, beginning with its consideration in the legislature to the current review of SB 884 directives and remains concerned at the potential ratepayer expenditure this program will entail. Farm Bureau wishes to support many of the comments raised by The Utility Reform Network (TURN), the Public Advocates Office (Cal Advocates), and Mussey Grade Road Alliance (MGRA) while pushing back on some of the contentions raised by Pacific Gas and Electric Company (PG&E).

As a non-residential customer voice (and possibly the only one in this process), Farm Bureau provides a unique perspective and bears a responsibility to our members who live or are near high fire threat districts (HFTDs) and are consistently plagued by reliability issues. However, agricultural customers have also been devastated by the currently and continually skyrocketing electric rates. We request that OEIS build upon much of the work that has already been done with the thoughtful comments of stakeholders representing only a portion of the many who will be saddled with the enormous expenditure of this undertaking.

I. The Draft Guidelines 30 Day Comment Period is Too Short and There Must Be an Opportunity for Stakeholders to Comment on Modifications

TURN,¹ Cal Advocates,² and MGRA³ all noted the difficulties with an initial 30 day comment period as well the lack of opportunity to comment on modifications.

Each party summarizes the constraints and issues with a 30 day comment period, particularly from TURN:

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 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.⁴

Stakeholders do not have dedicated teams and multiple people to review these dense plans the way utilities do. Of course, ratepayers also provide the financial support to the utilities for their efforts in reviewing the plans. The inequity in resources must be addressed by providing additional time for stakeholders if OEIS is truly interested in meaningful stakeholder engagement. As TURN later states, additional time for stakeholders should not impact the ability of OEIS to do its review, but rather would benefit from more complete and thoughtful feedback that would be allowed with additional time.⁵ The ratepayers the stakeholders represent, that will ultimately be responsible for the billions of dollars to undertake these programs, should be given a meaningful opportunity to address their concerns.

TURN also notes the time constraints with providing comments while taking up to 15 days to becoming a “Data Request Stakeholder”.⁶ That time will be in addition to PG&E’s request to further expand the time for response to data requests to five days,⁷ which could limit a stakeholder’s ability to comment to mere days, if the comments are based on information from the data requests. As stakeholders will agree, data requests are also rarely responded to in the complete fashion stakeholders intend which requires additional

¹ Comments of The Utility Reform Network on Draft 10-Year Electrical Undergrounding Plans Guidelines (TURN Opening Comments) at 2-3.

² Public Advocates Office’s Comments on the Draft Guidelines for the 10-Year Electrical Undergrounding Plan (EUP) (Cal Advocates Opening Comments) at 1-3.

³ Mussey Grade Road Alliance Comments on the Draft Guidelines for the 10-Year Electrical Undergrounding Distribution Infrastructure Plan (MGRA Opening Comments) at 13.

⁴ TURN Opening Comments at 2-3.

⁵ *Id.* at 3.

⁶ *Id.* at 2.

⁷ Pacific Gas and Electric Company’s Comments on the Office of Energy Infrastructure Safety’s Draft Guidelines for Submission of 10-Year Electric Undergrounding Distribution Infrastructure Plans Pursuant to Senate Bill 884 (PG&E Opening Comments) at 17.

requests and clarification. The current 30 day period provides no flexibility for those disputes. We want to encourage meaningful, well thought-out requests but provide stakeholders with no opportunity to review in order to ensure the right questions are being asked and adequate responses are received. The impacts that will occur from this endeavor necessitate greater opportunity for review and input.

All three parties note the need for the ability to comment on proposed modifications. Cal Advocates most pointedly addresses a potential flaw to not providing stakeholders an opportunity.

In addition, a process that does not provide an opportunity for stakeholder review of all projects could create perverse incentives for utilities to game the review process by withholding controversial projects until the end of the process to foreclose meaningful review.⁸

As has been the frustration in many other proceedings, meaningful engagement with stakeholders at the outset of a proceeding often ensures much swifter and smoother outcomes, but decisions to deny or hamper stakeholder engagement and understanding creates greater delay and turmoil. OEIS should review the proposals made by Cal Advocates, TURN, and MGRA and strike a balance that grants the current involved stakeholders an opportunity to be meaningful participants as well as opens the door for greater engagement which should always be the goal.

II. Cal Advocates, TURN, and MGRA Provide Significant Concerns with the Technical Aspects of the EUP That Must Be Corrected

Farm Bureau does not wish to simply regurgitate the many areas of concern raised by Cal Advocates, TURN, and MGRA but to echo those concerns and plead OEIS to seriously consider the positions being raised by the parties who have the most to lose in these plans.

TURN and MGRA are both apt to point out the “two alternative mitigations” floor is not sufficient. As MGRA states: “...utilities have a perverse incentive to underground because it is more highly profitable than other forms of mitigation due to the 10% return on equity they receive for working on capital projects. For this reason, it may be better to use more prescriptive directions for utility mitigation comparisons rather than leave them to the utilities. The optimal combination will also depend upon the technologies and infrastructure the utility has available.”⁹ TURN suggests: “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.”¹⁰ OEIS must ensure that *all* available alternative mitigation strategies are considered.

⁸ Cal Advocates Opening Comments at 3,

⁹ MGRA Opening Comments at 4.

¹⁰ TURN Opening Comments at 4.

Further, those alternatives must be considered on a level playing field. Cal Advocates provides extensive comments on the current systematic bias in the EUP that fundamentally disadvantages non-undergrounding alternatives.

What Energy Safety is currently proposing is the equivalent of comparing a \$1 bill to a \$10 bill: the bills are comparable in length, breadth, and thickness, but substantially different in their most important dimension - their value.¹¹

Farm Bureau is hopeful OEIS will take into consideration the range of fixes and proposals TURN, MGRA, and Cal Advocates have provided in order to ensure fairness and accuracy in determining the best mitigation strategies.

III. PG&E Misunderstands the Nature of the SB 884 Program

The SB 884 Program, as Farm Bureau has said repeatedly, is a **voluntary** program. In exchange for the billions of dollars and rate of return the utilities will receive, the minimum OEIS can demand is extreme transparency. OEIS should not relent in any of its data or modeling requirements and as addressed by stakeholders who are trying to protect ratepayers, OEIS should go farther.

PG&E laments the time it will take to model and gather the information required by OEIS.¹² However, it is unclear what timeline PG&E is working off besides their own. A 10 year plan should not be rushed and as stated above, greater and more meaningful engagement at the outset will ensure swifter and smoother outcomes throughout the 10 year process. PG&E can continue its ongoing duty to reduce the risks of wildfire within the existing Wildfire Mitigation Plan and General Rate Case process while it develops an EUP that is acceptable for the assurances it will be receiving in investment from ratepayers.

As OEIS plans to expeditiously process EUPs, it should not allow for corners to be cut in the creation of the EUP, but rather focus on the durability of the 10 year plan by providing more certainty over those 10 years. The focus at this stage should be on establishing methods to ensure other metrics such as performance are met and deviations from the EUP are limited. PG&E has unconvincingly argued that allowing for 10 years of substantial undergrounding at tens of billions in upfront investments from ratepayers will yield long term savings. However, at this stage PG&E and other utilities should be the parties required to significantly invest the necessary time and resources to establish an EUP worthy of ratepayer investment.

¹¹ Cal Advocates Opening Comments at 7.

¹² PG&E Opening Comments at 1-3.

IV. Conclusion

Farm Bureau appreciates the extensive work OEIS has undertaken in drafting these guidelines and appreciates the opportunity to highlight the many salient points raised by TURN, Cal Advocates, and MGRA that deserve strong consideration. The risk to ratepayers is tremendous from this undertaking and there should be no stone left unturned by OEIS to ensure ratepayers will receive the benefit of what they are paying for.

Sincerely,

A handwritten signature in black ink, appearing to read "K Johnston", written in a cursive style.

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