August 8, 2024 **Via Electronic Filing**

Caroline Thomas Jacobs, Director
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California Natural Resources Agency
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Subject: **Comments of the Public Advocates Office on Pacific Gas and Electric Company's Topics for Discussion on Revised Draft EUP Guidelines**

Docket: **2023-UPs**

Dear Director Thomas Jacobs,

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) respectfully submits the following comments on *Pacific Gas and Electric Company's Topics for Discussion on the Office of Energy Infrastructure Safety's Revised Draft SB 884/EUP Guidelines*. Please contact Nathaniel Skinner (Nathaniel.Skinner@cpuc.ca.gov), or Henry Burton (Henry.Burton@cpuc.ca.gov), with any questions relating to these comments.

We respectfully urge the Office of Energy Infrastructure Safety to adopt the recommendations discussed herein.

Sincerely,

/s/ ***Angela Wuerth***

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I. INTRODUCTION

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits these comments to the Office of Energy Infrastructure Safety (Energy Safety) regarding implementation guidelines for Senate Bill (SB) 884 on electrical undergrounding plans (EUPs).[1] SB 884 authorizes large electric utilities (utilities) to submit ten-year plans to underground distribution lines and tasks Energy Safety and the California Public Utilities Commission (CPUC or Commission) to determine whether to approve, conditionally approve, or deny a utility's ten year plan.[2, 3]

In these comments, Cal Advocates responds to *Pacific Gas and Electric Company's (PG&E) Topics for Discussion on the Office of Energy Infrastructure Safety's Revised Draft SB 884/EUP Guidelines* (PG&E's Topics for Discussion), submitted on July 25, 2024.[4] We look forward to further opportunities, beyond these comments, to constructively engage with Energy Safety, share ideas, and develop effective policies to ensure wildfire mitigation is achieved consistent with the statutory mandate of SB 884.

II. PG&E's Topics for Discussion

A. High frequency outage program threshold.

Cal Advocates has no comments at this time.

B. If utilities are allowed to establish new thresholds when risk models are updated, then back-testing should be required.

Many of Cal Advocates' past comments on risk model updates to PG&E and Energy Safety are applicable to EUPs. Here, we reiterate critical points on the importance of back-testing models.[5]

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[1] McGuire, Stats. 2022, Chap. 819. SB 884 is codified at Public Utilities Code § 8388.5.

[2] Many of the statutory provisions in the Public Utilities Code relating to wildfires apply to "electrical corporations." See, e.g., Public Utilities Code § 8388.5. These comments also use the more common term "utilities" to refer to the entities that must comply with the wildfire safety provisions of the Public Utilities Code.

[3] See Cal Pub. Util. Code §§ 8388.5 (c), (d), (e) and (f).

[4] PG&E, *Topics for Discussion on the Office of Energy Infrastructure Safety's Revised Draft SB 884/EUP Guidelines* (Topics for Discussion), July 25, 2024, docket 2023-UPs.

[5] *Public Advocates Office Opening Comments on Pacific Gas and Electric's 2025 Wildfire Mitigation*

Risk models, based on up-to-date information, are an important planning tool. Such models can help a utility direct limited funds to mitigate the maximum amount of wildfire risk for the lowest cost to ratepayers. To this end, Cal Advocates supports utilities' efforts to refine their wildfire risk models. However, utilities should evaluate whether the shift in updated risk models and thresholds affects the estimated cost-effectiveness of the submitted EUP.

Cal Advocates supports Energy Safety's proposed requirement for risk model back-testing, including the thresholds, as part of every semiannual progress report. Back-testing would avoid the situation where PG&E asserts it is unable to adequately describe and justify the thresholds it is proposing. In 2022, Energy Safety directed PG&E to "describe and justify the threshold at which projects move forward even as risk prioritization evolves."[6] PG&E has consistently ignored this directive and failed to establish such thresholds.[7] And, PG&E states that it has no plans to evaluate the cost-effectiveness of projects in its current workplan against the outputs of its Wildfire Distribution Risk Model v4.[8]

At each semiannual progress report, the new thresholds and risk models should be used to evaluate the cost-effectiveness of projects in the current EUP workplan, to ensure that the thresholds are meaningful and the project prioritization evolves to reflect current information.

C. Projects in wildfire rebuild areas must comply with section 8388.5(c)(2).

Public Utilities Code section 8388.5(c)(2) allows for undergrounding projects located in rebuild areas to be considered and constructed as part of the 10-year distribution undergrounding plan. However, the language for wildfire rebuild areas is specific to eligibility. Projects included in the plan must continue to comply with the other requirements of Public Utilities Code section 8388.5(c)(2), including "prioritizing undergrounding projects based on wildfire risk reduction, public safety, cost efficiency, and reliability benefits."[9]

Plan, May 7, 2024 at 5-18.

[6] Energy Safety, *Final Decision on 2022 Wildfire Mitigation Plan Update Pacific Gas and Electric Company*, November 10, 2022 at 184-185.

[7] *Public Advocates Office Opening Comments on Pacific Gas and Electric's Revised 2023-2025 Wildfire Mitigation Plan*, August 22, 2023 at 13-14.

[8] PG&E's response to data request CalAdvocates-PGE-2025WMP-08, question 5, April 5, 2024.

[9] Public Utilities Code section 8388.5(c)(2).

Energy Safety's current *Draft 10-Year EUP Guidelines* already incorporate rebuild area eligibility. Projects "not located in Wildfire Rebuild Area or Tier 2 or 3 High Fire-Threat-District will be eliminated in Screen 1."[10] Thus, Projects, including ones located in wildfire rebuild areas, must continue to pass the remaining screens.[11] All projects, even if located in a wildfire rebuild area, are required to reduce wildfire risk and increase electrical reliability.[12]

D. Despite its assertions to the contrary, PG&E can submit historical GIS data relating to undergrounding projects.

PG&E's states that it is unable to report the GIS data requested in Table C.1.12 (Project Construction Table) and that it "does not track historical changes or planned undergrounding work in GIS".[13] PG&E has previously raised a similar issue and proposes that it be allowed to submit KMZ files for planned undergrounding information.[14] While PG&E does not track this information, several facts suggest that PG&E is capable of maintaining a record of the locations of its current and historic electrical distribution system for planning purposes.

First, a snapshot of asset location is routinely taken from the GIS system to develop the risk models. This snapshot is fundamental data on which the risk models and by extension project selection and development is based. Cal Advocates has previously commented that this snapshot should act as the historic baseline for any assessment of project selection and efficacy.[15] The snapshot, at a minimum, will give the historic location of assets being removed from service against which completed projects should be compared.

Second, the request for PG&E to provide the location of projects is not new. Project location has been a standing requirement of the WMP Quarterly Data Reports (QDR) since their inception.[16] It is reasonable to consider the undergrounding projects as a subset of the data already requested as part to the WMP. Further, QDRs have been provided for several years and

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[10] Energy Safety, *Draft 10-Year EUP Guidelines*, May 8, 2024 at 11.

[11] Screen 2: Project Information and Alternative Mitigation Comparison; Screen 3: Project Risk Analysis; and Screen 4: Project Prioritization.

[12] Public Utilities Code section 8388.5(d)(2).

[13] PG&E, *Topics for Discussion* at 3.

[14] PG&E, *OEIS SB 884 Draft Guidelines Opening Comments*, May 29, 2024 at 18**.**

[15] *Public Advocates Office's Comments on Undergrounding Plan Guidelines*, November 2, 2023 at 2.

[16] Energy Safety, *GIS Standard Guidelines v2.2*, June 22, 2022 at 118.

de facto form a historic record of system updates and changes from which the impacts of wildfire mitigation can be synthesized.

Thus, while historic information exists, PG&E is unwilling to submit GIS data through the single geodatabase (GDB) format, with the required data fields listed in the Draft 10-Year EUP Guidelines.[17] However, given that the proposed project location is now a requirement for both WMPs and for EUPs, PG&E should take this opportunity to develop processes that enable it to satisfy the demands of Energy Safety and the Commission. This approach would provide the most accurate understanding of the assets and system conditions on which project selection decisions were made.

E. Incorporation of new technology must be related to undergrounding.

PG&E requests clarification regarding the inclusion of new technologies in an undergrounding plan. However, PG&E does not explain its concern or confusion.[18]

SB 884 is specific to electrical undergrounding. New technologies should be considered as part of the alternatives analysis – that is, new technologies should be included in the risk reduction comparison between underground hardening and alternative mitigation strategies.[19] Energy Safety should direct utilities to include feasible new technologies (for example, rapid earth fault current limiters) in the alternatives analyses included under Screen 2 and Screen 3.

Deploying technologies other than undergrounding is outside of the scope of SB 884. If a utility identifies a new technology that reduces wildfire risk – either as a substitute or complement to undergrounding – then it should propose such a project in its general rate case. Energy Safety should not permit utilities to use an electrical *undergrounding* plan as a vehicle to propose other types of projects or operational practices.

Lastly, new technologies such as horizontal directional drilling may improve the feasibility or cost-effectiveness of undergrounding. Utilities should examine such technologies in

[17] Energy Safety, *Draft 10-Year EUP Guidelines*, May 8, 2024 at C-41 and C-42.

[18] PG&E, *Topics for Discussion* at 3: "An Electric Corporation may want to introduce new technology as a potential mitigation for consideration in the EUP. The guidelines are silent on how these mitigations would be introduced and considered for inclusion in the plan."

[19] Public Utilities Code section 8388.5(c)(4) requires each plan to provide a comparison of undergrounding to alternative mitigation strategies.

their undergrounding plans. If the new technology is viable, then it may affect the cost-benefit ratios for underground projects and the comparison to alternatives.

III. Legal Issues

A. Energy Safety should establish submission requirements that are consistent with Public Utilities Code section 8388.5(c).

Energy Safety has stated that its responsibility is to approve electrical undergrounding *plans* rather than projects.[20] Energy Safety's draft proposal defines a "plan" as a decision-making process for developing, selecting, and prioritizing undergrounding projects; Energy Safety does not regard a plan as entailing specific projects or workplans.[21] In addition to being inconsistent with the language of SB 884, Energy Safety's interpretation of SB 884 relies on Public Utilities Code section 8388.5(d) while overlooking section 8388.5(c).

SB 884 specifically identifies what a properly submitted undergrounding plan entails. Among other things, the undergrounding plan "*shall* address or include, at minimum": a 10-year workplan for undergrounding distribution lines; a *list of projects that will be constructed* and a means of prioritizing those projects; timelines for completing the projects; and an analysis of alternatives (emphasis added).[22] These elements are prerequisite conditions for participation in the program.[23]

In a nutshell, section 8388.5(c) spells out the entry requirements to participate, while section 8388.5(d) describes the judging criteria for Energy Safety.[24] If this were an apple pie contest at the county fair, the entry requirements would include the ingredients that may be used and the entrant's residency; while the judging criteria might be flavor, crispness of the crust, and appearance. However, the judges would not even consider a purported apple pie that did not contain apples. A 10-year EUP Guideline without specific projects is a purported apple pie without apples.

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[20] Public Utilities Code section 8388.5(d)(2).

[21] Discussion in Public Workshop on Revised Draft Electrical Undergrounding Plan Guidelines, July 25, 2024.

[22] Public Utilities Code section 8388.5(c), paragraphs (1) through (4) respectively.

[23] Public Utilities Code section 8388.5(c).

[24] Section 8388.5(e) identifies the minimum review criteria for the California Public Utilities Commission, including cost.

Energy Safety must revise its guidelines so that they include a list of essential elements – that is, the minimum requirements for completeness. Any submitted plan should be reviewed to ensure that it contains all the essential elements (and should be rejected if incomplete) before Energy Safety undertakes a substantive analysis. The list of essential elements must include, at a minimum, all the items identified in Public Utilities Code section 8388.5(c).[25]

IV. CONCLUSION

Cal Advocates respectfully requests that Energy Safety adopt the recommendations requested herein.

Respectfully submitted,

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[25] Public Utilities Code section 8388.5(c), paragraphs (1) through (6) respectively.