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**Via Electronic Filing**

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**Subject: Public Advocates Office's Comments on the Updated Revised Draft Guidelines for the 10-Year Electrical Undergrounding Plan (EUP)**

**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 the Office of Energy Infrastructure Safety's Updated Revised Draft Guidelines for the 10-year Undergrounding Distribution Infrastructure Plan (Plan or EUP). Please contact Nat Skinner ([Nathaniel.Skinner@cpuc.ca.gov](mailto:Nathaniel.Skinner@cpuc.ca.gov)) or Henry Burton ([Henry.Burton@cpuc.ca.gov](mailto: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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Public Advocates Office  
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## Table of Contents

I.	INTRODUCTION .....	1
II.	TECHNICAL ISSUES.....	1
	A. ENERGY SAFETY SHOULD REQUIRE UTILITIES TO EVALUATE SPECIFIC ALTERNATIVES TO UNDERGROUNDING. ....	1
	B. REPORTING THE ESTIMATED TIME OF PROJECT COMPLETION IS IMPERATIVE FOR ALTERNATIVES ANALYSIS. ....	4
	C. THE DEFINITION OF RELIABILITY SHOULD ALIGN WITH THE COMMISSION’S RELIABILITY METRICS. ....	5
III.	PROCEDURAL ISSUES.....	6
	A. ENERGY SAFETY SHOULD ESTABLISH A REASONABLE PERIOD FOR COMMENTS ON EUPS.....	6
	B. ENERGY SAFETY SHOULD REMOVE THE PAGE LIMIT ON STAKEHOLDER COMMENTS. ....	7
	C. ENERGY SAFETY SHOULD SPECIFY THAT IT WILL HOLD AT LEAST ONE WORKSHOP FOR EACH UTILITY’S EUP. ....	8
IV.	TRACKING REASONABLE COSTS .....	9
	A. ENERGY SAFETY SHOULD SCRUTINIZE REBUILD PROJECTS WHERE WILDFIRES WERE IGNITED BY UTILITY EQUIPMENT. ....	9
V.	LEGAL FLAWS IN THE REVISED DRAFT.....	10
	A. REBUILD PROJECTS MUST COMPLY WITH THE PROJECT ACCEPTANCE FRAMEWORK. ....	10
	B. SB 884’S PLAIN LANGUAGE REQUIRES UNDERGROUNDING PLANS TO LIST ALL PROJECTS THAT WILL BE CONSTRUCTED. ....	11
	C. SCREEN 3 MUST BE APPLIED TO A PORTFOLIO OF ALL UNDERGROUNDING PROJECTS THAT WILL BE PART OF THE EUP. ....	12
VI.	CONCLUSION.....	14

## I. INTRODUCTION

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits these comments in response to the Office of Energy Infrastructure Safety’s (Energy Safety) Updated Revised Draft Guidelines (Revised Draft), issued September 13, 2024.<sup>1</sup> The Revised Draft provides guidelines for electric utilities to submit electrical undergrounding plans (EUPs) pursuant to Senate Bill (SB) 884.<sup>2</sup> SB 884 authorizes large electric utilities<sup>3</sup> (utilities) to submit ten-year plans to underground distribution lines<sup>4</sup> 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.<sup>5</sup>

Cal Advocates has been actively engaged with Energy Safety and the Commission regarding the implementation of SB 884 since December 2022. Our emphasis has been on ensuring cost-effective and feasible plans. 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. TECHNICAL ISSUES

### A. Energy Safety should require utilities to evaluate specific alternatives to undergrounding.

The Revised Draft states that utilities must evaluate “at least two comparable Alternative Mitigations” for each undergrounding project.<sup>6</sup> The Revised Draft lists several exemplar alternates, such as covered conductor, but it leaves the choice of the alternatives entirely up to

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<sup>1</sup> Energy Safety, *Updated Revised Draft 10-Year Electrical Undergrounding Plan Guidelines* (Revised Draft), September 13, 2024, docket 2023-UPs.

<sup>2</sup> McGuire, Stats. 2022, Chap. 819. SB 884 is codified at Public Utilities Code § 8388.5.

<sup>3</sup> 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.

<sup>4</sup> Cal. Pub. Util. Code § 8388.5(c).

<sup>5</sup> Cal Pub. Util. Code §§ 8388.5(d), (e) and (f).

<sup>6</sup> Revised Draft at 40.

the utility.<sup>7</sup> This could allow a utility to select two unrealistic alternatives that are designed to appear costly, ineffective, or infeasible. This would result in a biased analysis that favors a predetermined outcome, such as more undergrounding. Energy Safety should not permit utilities to manipulate the analysis of alternatives in this manner.

For example, Pacific Gas and Electric Company (PG&E) consistently compares undergrounding to covered conductor as a standalone alternative, which is an unreasonable comparison.<sup>8</sup> PG&E currently uses its fast-trip settings (called Enhanced Powerline Safety Settings or EPSS) in all high fire-risk areas.<sup>9</sup> PG&E has stated that fully undergrounding a circuit can remove the circuit from the scope of EPSS.<sup>10</sup> However, PG&E has not made similar claims regarding covered conductor. It is therefore reasonable to assume that a covered overhead line in a high fire-risk area would remain in scope for EPSS; any reasonable comparison between undergrounding and covered conductor should take this into account. PG&E's own estimates suggest that covered conductor with EPSS is approximately twelve percentage points more effective than covered conductor alone, or 80 percent as effective as undergrounding.<sup>11</sup> Further, in its reports to investors, PG&E estimates that PG&E's wildfire mitigation plans and the layers of protection provided by EPSS, Public Safety Power Shutoffs, enhanced situational awareness, and suppression resources reduce economic losses by 93 percent.<sup>12</sup>

The current language of the Revised Draft allows utilities to select their own preferred alternatives to compare to undergrounding.<sup>13</sup> This could lead to unreasonable and unrealistic comparisons that are designed to favor undergrounding. This type of prejudiced analysis could

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<sup>7</sup> Revised Draft at 40.

<sup>8</sup> *Comments of the Public Advocates Office on PG&E's 2025 Wildfire Mitigation Plan Update*, May 7, 2024 in docket 2023-2025 WMPs at 38.

<sup>9</sup> PG&E, 2023-2025 Wildfire Mitigation Plan R6, July 5, 2024 at 3.

<sup>10</sup> PG&E's response to data request CalAdvocates-PGE-2025WMP-06, question 7, April 12, 2024.

<sup>11</sup> See Table ACI-PG&E-23-05-3 in PG&E, 2025 Wildfire Mitigation Plan Update R1, July 5, 2024 at 56. This table lists the effectiveness of covered conductor as 66.4 percent, the effectiveness of covered conductor with EPSS as 78.2 percent, and the effectiveness of undergrounding primary lines as 97.7 percent.

<sup>12</sup> PG&E Corporation 2024 Second Quarter Earnings, Slides 5, 20, 22, 30.  
[https://s1.q4cdn.com/880135780/files/doc\\_financials/2024/q2/Q224-Earnings-Presentation.pdf](https://s1.q4cdn.com/880135780/files/doc_financials/2024/q2/Q224-Earnings-Presentation.pdf)

<sup>13</sup> Section 2.7.10. Revised Draft at 40-41.

lead Energy Safety to approve undergrounding projects in locations where a cheaper and faster alternative is more appropriate to reduce both near-term and long-term wildfire risk.<sup>14</sup>

Energy Safety should revise the Revised Draft to add the following requirements to the alternatives analysis in Section 2.7.10:

1. For each undergrounding project, the utility must evaluate an alternative that consists of covered conductor paired with fast-trip settings and other operational mitigations (such as enhanced inspections).
2. For each undergrounding project, the utility must evaluate at least two additional alternatives (or combinations of alternatives) beyond the previous item. These alternatives must consist of either mature mitigations that the utility has deployed within the past four years (e.g., combinations of covered conductor, traditional overhead hardening, REFCL, etc.) or a new mitigation for which the utility has completed a successful pilot project (e.g., innovative modes of inspection).
3. The alternative mitigations must be realistic and reasonable combinations of mitigations. A utility may not evaluate a solo alternative mitigation such as covered conductor unless it currently deploys that solo alternative in high wildfire-risk areas (that is, deployed without additional operational mitigations).
4. Alternative mitigations must be assessed using comparable assumptions to undergrounding. For example, the unit cost of an alternative should be estimated based on an assumption that the mitigation will be mature and widespread, and will therefore benefit from similar economies of scale as assumed for undergrounding.<sup>15</sup>

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<sup>14</sup> “For any projects where the cost-benefit ratio falls below one, PG&E should either remove the project from its workplan, or replace it with overhead hardening, which is three times as fast to install and less than one-fourth as costly as undergrounding.” *Comments of the Public Advocates Office on PG&E’s 2025 Wildfire Mitigation Plan Update*, May 7, 2024 in docket 2023-2025 WMPs, at 13-14.

<sup>15</sup> See discussions in:

Cal Advocates, TURN, and MGRA, Joint Letter: “Implementation of Senate Bill 884 – Ten-Year Undergrounding Plans,” April 26, 2023 (filed in docket 2023-UPs on December 13, 2023) at 2 and Appendix A: “An undergrounding project should only be authorized for rate recovery when the utility has demonstrated that, compared to all other wildfire mitigation alternatives, it represents the best choice for the project location. . . . Decisions about whether to approve cost-recovery for particular undergrounding projects should be based on up-to-date, location-specific information for risks, costs, and alternative mitigations.”

*Comments of the Public Advocates Office on the 2023 to 2025 Wildfire Mitigation Plans of the Large Investor-Owned Utilities*, May 26, 2023 in docket 2023-2025 WMPs, at 15.

*Public Advocates Office’s Informal Comments on the Staff Proposal for the SB 884 Program*, September 27, 2023 at 9-10 (filed as Appendix A of *Public Advocates Office’s Comments on Undergrounding Plan Guidelines*, November 2, 2023 in docket 2023-UPs).

*Public Advocates Office’s Comments on Draft Resolution SPD-15 and the Staff Proposal for the SB 884*

**B. Reporting the estimated time of project completion is imperative for alternatives analysis.**

Energy Safety's Screen 2 Table does not have a column for the estimated completion time of projects.<sup>16</sup> Energy Safety should require an estimated completion time in Screen 2, where electrical undergrounding is compared with alternatives such as covered conductor. The historically slow pace of utilities' undergrounding efforts makes it imperative for Energy Safety to analyze the deployment speed of alternative mitigations. Comparing the relative speed of deployment between alternatives should be required. This will enable stakeholders and regulators to identify projects where hybrid solutions are appropriate.

For example, PG&E proposed undergrounding 2,000 distribution line miles in its Test Year 2023 General Rate Case (TY 2023 GRC). Based on PG&E's historical performance, The Utility Reform Network (TURN) estimates that it would take over 150 years for PG&E to complete the proposed mileage.<sup>17</sup> The Commission acknowledged that PG&E's pace of undergrounding has increased in recent years, but still expressed skepticism of PG&E's forecasting abilities with respect to undergrounding deployment.<sup>18</sup> The Commission approved undergrounding 1,230 distribution miles and also approved the installation of 778 miles of covered conductor.<sup>19</sup> This hybrid solution will protect more miles of electrical lines, be deployed faster, and cost less than PG&E's proposal.<sup>20</sup>

The hybrid solution adopted by the Commission in the TY 2023 GRC reflects an understanding that the deployment speed of undergrounding is slower than covered conductor. As a result, customers and the public will have prolonged exposure to wildfire risks while

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*Program*, December 28, 2023 at 19.

*Public Advocates Office Comments on Development of Guidelines for the 10-Year Undergrounding Distribution Infrastructure Plan (Undergrounding Plan)*, January 8, 2024 in docket 2023-UPs, at 6 to 7.

<sup>16</sup> Revised Draft, Appendix C at C-23 to C-26.

<sup>17</sup> D.23-11-069 in A.21-06-021, *Decision on Test Year 2023 General Rate Case for Pacific Gas and Electric Company*, November 16, 2023, at 285-286.

<sup>18</sup> D.23-11-069 at 285-286.

<sup>19</sup> D.23-11-069 at 800.

<sup>20</sup> The Commission authorized up to \$4.7 billion in capital expenditures, which is a reduction of \$1.2 billion when compared to the \$5.9 billion that PG&E requested to underground 2,000 distribution miles. D.23-11-069 at 294-297.

waiting for electrical undergrounding, when alternative mitigations could have been deployed much quicker.

The Revised Draft should be modified to require utilities to report the estimated completion time of each project. Otherwise, it will be difficult for the Commission and Energy Safety to analyze undergrounding projects and accurately compare them to alternatives, due to the lack of estimated completion time in Screen 2.

**C. The definition of reliability should align with the Commission’s reliability metrics.**

Screen 4 in the Revised Draft allows utilities to prioritize projects with a broad scope. Energy Safety states that the utility “may define reliability benefits to include benefits not related to Outage Program Events.”<sup>21</sup> Reliability benefits and metrics should be clearly defined in Screen 4 to avoid ambiguity and to align with the Commission’s reliability metrics.

The Commission defines reliability metrics in D.16-01-008 for the Annual Electric Reliability Reports. Metrics in the Annual Electric Reliability Reports include the indices defined in Institute of Electrical and Electronics Engineers (IEEE) 1366.<sup>22</sup>

Using the IEEE 1366 reliability metrics would ensure that utilities’ undergrounding plans reasonably examine how to address circuit-segments that historically have infrequent but long outages. Lengthy outages have financial impacts on customers. For example, PG&E estimates the cost of service interruption at \$3.17 per customer minute interrupted (CMI).<sup>23</sup> Therefore, the higher the total CMI on a circuit, the higher the customer value lost.

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<sup>21</sup> Revised Draft at 18.

<sup>22</sup> Reliability of service is measured using the following metrics:

- System Average Interruption Duration Index (SAIDI) is the total minutes of outage that an average customer on the system experienced in the reporting year,
- System Average Interruption Frequency Index (SAIFI) is the average number of sustained outages (i.e., outages greater than 5 minutes in length) that a customer on the system experienced in the reporting year, and
- Customer Average Interruption Duration Index (CAIDI) is the average duration of a single sustained outage (i.e., an outage that lasted for longer than 5 minutes) that a customer experienced in the reporting year.

<sup>23</sup> PG&E, 2024 Risk Assessment and Mitigation Phase Report, Workshop #3 PowerPoint at 25, June 18, 2024. The estimate of \$3.17 per CMI is expressed in 2023 dollars and is a weighted average value for all customer classes.

Incorporating standard reliability metrics (as defined in D.16-01-008) will also reduce data silos across the Commission and Energy Safety. This will allow the Commission and Energy Safety to holistically examine the circuits that utilities propose for undergrounding under SB 884 and estimate the proposed plan’s impact on systemwide reliability. As an example of reducing data silos, Energy Safety can examine projects in the 10-year EUP and assess the impact on the Worst Performing Circuits in the Annual Electric Reliability Reports.<sup>24</sup>

Energy Safety should align its definition of “reliability benefits” (in Screen 4) with the Commission’s reliability metrics. Doing so will improve the prioritization of undergrounding projects, by ensuring that utilities correctly evaluate economic and social impacts for the customers, as discussed above. Energy Safety will have a better understanding of how outage duration affects customers. In addition, Energy Safety will be able to compare projects in Screen 4 with the metrics in the Annual Electric Reliability Reports to understand the impact on the Worst Performing Circuits and the utility’s systemwide reliability.

### **III. PROCEDURAL ISSUES**

The Revised Draft outlines the process for public review and comment on utility undergrounding plans.<sup>25</sup> Energy Safety should make several revisions to this section to improve public participation. Effective public participation is crucial because the undergrounding plans will cover 10-years of undergrounding work and entail tens of billions of dollars in ratepayer impacts, if all projects are adopted and completed as proposed by the utilities.

#### **A. Energy Safety should establish a reasonable period for comments on EUPs.**

In previous comments, Cal Advocates stated that 30 days was insufficient for stakeholders to reasonably analyze and recommend improvements to utility undergrounding plans.<sup>26</sup> The Revised Draft removes the 30-day deadline for opening comments and the 15-day

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<sup>24</sup> There are two lists of the top 1 percent “Worst Performing Circuits” in each utility’s Annual Electric Reliability Report. One list is based on System Average Interruption Duration Index (SAIDI) and the other list is based on System Average Interruption Frequency Index (SAIFI).

<sup>25</sup> Revised Draft at 67-68.

<sup>26</sup> *Public Advocates Office’s Comments on the Draft Guidelines for the 10-Year Electrical Undergrounding Plan*, May 29, 2024 in docket 2023-UPs, at 1-3.



deadline for reply comments.<sup>27</sup> However, the Revised Draft leaves ambiguity and provides no assurance of a reasonable opportunity for stakeholder input. The Revised Draft merely states that “Energy Safety will accept opening and reply comments on the dates indicated on its published schedule.”<sup>28</sup> As currently written, the guidelines provide no guarantee that stakeholders will be allowed more than 30 days to identify issues and effectively respond to plans.

To ensure meaningful and robust participation, Energy Safety should specify a reasonable schedule for stakeholder input. In prior comments, Cal Advocates proposed three options that would each ensure stakeholders have opportunity to provide comments that will meaningfully inform Energy Safety’s Plan review:<sup>29</sup>

Option A: Retain the 30-day comment period, but make it an initial set of comments only for issue identification (akin to a protest of an application at the CPUC), and add a second opportunity for detailed stakeholder comments at the 6-month mark.

Option B: Retain the 30-day comment period for issue identification and have Energy Safety staff issue a draft staff analysis at the 5 or 6 month mark, with a second opportunity for stakeholder comment on the draft staff analysis 30 days later.

Option C: Provide 120 days for stakeholder comments after initial publication, and 30 days for reply comments, rather than the currently proposed 30-day and 15-day periods.

Energy Safety should adopt one of these approaches.

**B. Energy Safety should remove the page limit on stakeholder comments.**

The Revised Draft limits opening comments to 30 pages and reply comments to 20 pages.<sup>30</sup> Energy Safety provides no justification for these page limits.<sup>31</sup> The EUPs will establish decade-long programs for undergrounding substantial portions of utility distribution systems that may cost ratepayers tens of billions of dollars.<sup>32</sup> Arbitrarily limiting the public’s ability to review and provide input is unreasonable.

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<sup>27</sup> Revised Draft at 67.

<sup>28</sup> Revised Draft at 67.

<sup>29</sup> *Public Advocates Office’s Comments on the Draft Guidelines for the 10-Year Electrical Undergrounding Plan*, May 29, 2024 in docket 2023-UPs, at 1-3.

<sup>30</sup> Revised Draft at 67.

<sup>31</sup> Revised Draft at 67.

<sup>32</sup> Per PG&E’s 2025 WMP Update R1 at 24, the CPUC authorized \$3.674 billion to complete 1,230 miles of undergrounding work, removing approximately 1,000 miles of overhead conductor. Using this cost as

In its review of wildfire mitigation plans, Cal Advocates has provided extensive evidence showing that PG&E favors undergrounding over other mitigations that are faster to implement, substantially less expensive, and mitigate approximately 80 percent as much risk as undergrounding.<sup>33</sup> A ten-year EUP will require as much or more analysis to determine whether utilities are mitigating risk cost-effectively and selecting mitigations that are in the best interests of ratepayers. An overly broad EUP also potentially will result in leaving tens of thousands of miles of overhead conductor unmitigated if too many ratepayers resources are spent inappropriately undergrounding lower risk circuits.

Limiting public participation to 30 pages of comments – on substantial ten-year plans that present complex analytical issues and will lock in tens of billions of dollars of ratepayer costs– is unreasonable and unjustified. Energy Safety should revise the Revised Draft to remove the page limits on public comments.

**C. Energy Safety should specify that it will hold at least one workshop for each utility’s EUP.**

The Revised Draft states that “Energy Safety *may* hold one or more public workshops to discuss part or all of a submitted EUP.”<sup>34</sup> Workshops are an important venue for public participation. Public workshops allow intervenors and ratepayers to engage directly with the utilities and Energy Safety, to address questions outside of the discovery process, and to provide input on the proposed EUPs. Workshops are particularly valuable for stakeholders or members of the public who have limited resources to participate in the formal regulatory process.

Energy Safety should revise the Revised Draft to state an explicit intent to hold at least one workshop (and preferably two) for each EUP it receives.

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a baseline, PG&E’s plan for 10,000 miles of undergrounding would cost approximately \$29 billion.

<sup>33</sup> See discussions in:

*Comments of the Public Advocates Office on PG&E’s 2025 Wildfire Mitigation Plan Update*, May 7, 2024 in docket 2023-UPs, at 41-42.

*Public Advocates Office’s Opening Comments on the Draft Decision Approving Pacific Gas and Electric Company’s 2025 Wildfire Mitigation Plan Update*, September 18, 2024 at 7-9.

<sup>34</sup> Revised Draft at 68 (emphasis added).

#### IV. TRACKING REASONABLE COSTS

##### A. Energy Safety should scrutinize rebuild projects where wildfires were ignited by utility equipment.

Energy Safety should require utilities to state the wildfire cause for projects in rebuild areas.<sup>35</sup> For fire rebuild areas, it is important to know whether the fire was caused by utility equipment so that the Commission can examine whether the utility should be authorized to recover the rebuild costs from ratepayers.<sup>36</sup> The Commission normally disallows cost recovery if it finds that a utility did not prudently manage and operate its facilities prior to the fire.<sup>37</sup>

The Revised Draft states, “Only Circuit Segments that have been damaged by wildfire and have not previously been rebuilt are eligible.”<sup>38</sup> This clause prevents utilities from proposing to rebuild the same circuit-segment twice. However, there is no equivalent language in the Revised Draft to prevent utilities from passing on to ratepayers the costs of wildfires caused by imprudent utility management through the 10-year EUP.<sup>39</sup>

Energy Safety should add a Boolean data field to the Circuit Segment Identification Table that requires utilities to identify,<sup>40</sup> for each rebuild project, whether the rebuilding stems from a utility-related wildfire.<sup>41</sup> If a utility has caused a wildfire, the utility should explain how it will track and seek recovery of the costs of associated rebuilding projects. In particular, the utility should be required to explain why it is appropriate to include such rebuild projects in the

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<sup>35</sup> Section 2.4.3.1: “Identification of Circuit Segments in and out of High Fire Threat District and Wildfire Rebuild Area.” Revised Draft at 14.

<sup>36</sup> D.20-05-019 at 39: “Moreover, in the past, the Commission has disallowed ratepayer recovery for costs related to fires caused by utility equipment where the Commission found that the utility did not reasonably manage and operate its facilities prior to the fires.”

D.20-05-019 at 63: “When and if PG&E seeks recovery of costs associated with fires for which SED found violations, the Commission will conduct the reasonableness review required pursuant to Pub. Util. Code §§ 451, 454.9, and any other applicable law.”

<sup>37</sup> D.17-11-033 at 101, Conclusion of Law 1; Public Utilities Code § 451.1.

<sup>38</sup> Section 2.4.3.1: “Identification of Circuit Segments in and out of High Fire Threat District and Wildfire Rebuild Area.” Revised Draft at 14.

<sup>39</sup> Section 2.4.3.1: “Identification of Circuit Segments in and out of High Fire Threat District and Wildfire Rebuild Area.” Revised Draft at 14.

<sup>40</sup> Revised Draft, Appendix C at C-11: “Boolean” is listed as a Data Type in a column for C.1.6 Circuit Segment Identification Table. “Boolean” is not defined, but the definition is assumed to be “TRUE” or “FALSE”.

<sup>41</sup> Revised Draft, Appendix C at C-11

EUP rather than recording the costs of rebuilding in a Catastrophic Events Memorandum Account (CEMA).<sup>42</sup> The rebuilding expenses associated with the 2018 Camp Fire are an example of undergrounding projects for which CEMA is the correct method to record and review costs.<sup>43</sup>

## V. LEGAL FLAWS IN THE REVISED DRAFT

### A. Rebuild projects must comply with the Project Acceptance Framework.

The Revised Draft requires projects to meet the Project Acceptance Framework requirements “pursuant to [Public Utilities Code] section 8388.5(c)(2).”<sup>44</sup> However, the Revised Draft has a new section that conflicts with the Project Acceptance Framework.<sup>45</sup> Specifically, the Project Acceptance Framework has four screens that projects must pass to be eligible for undergrounding,<sup>46</sup> yet the new section allows rebuild projects to fail the project-level thresholds that are required in Screen 1.<sup>47</sup>

EUPs must meet all components of Public Utilities Code section 8388.5(c) without exceptions, since the statute specifies that plans “shall address or include, at minimum, all of the

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<sup>42</sup> The Commission reviews CEMA costs for reasonableness, pursuant to Public Utilities Code section 454.9.

<sup>43</sup> Decision on PG&E 2023 GRC at 479-482:

The Commission clarifies that all costs related to the [Camp Fire] “rebuild” shall be interpreted broadly and ... shall be presented to the Commission for a reasonableness review consistent with Pub. Util Code Section 454.9. ... We reject PG&E’s position that the cost forecasts for the Community Rebuild Program from 2023-2026 should not be subject to CEMA cost recovery because they relate to activities beyond traditional CEMA restoration work, to include undergrounding work that will provide superior and longer-lasting benefits to customers.

<sup>44</sup> Revised Draft at 10.

<sup>45</sup> Section 2.3.5: “Risk Calculations for Projects in Wildfire Rebuild Areas.” Revised Draft at 9.

<sup>46</sup> The Project Acceptance Framework has four screens:

- Screen 1: Circuit Segment Eligibility,
- Screen 2: Project Information and Alternative Mitigation Comparison,
- Screen 3: Project Risk Analysis, and
- Screen 4: Project Prioritization

<sup>47</sup> The project-level thresholds in Screen 1: High-Risk Threshold, Ignition Tail Risk Threshold, High Frequency Outage Program Threshold and Mitigation Risk Threshold.

following components.”<sup>48</sup> The new section of the Revised Draft purports to allow exceptions for rebuild projects. This is in clear conflict with the statutory requirements of SB 884. As Cal Advocates has stated previously,<sup>49</sup> SB 884 allows rebuild projects to be eligible, but requires rebuild areas to meet all components of Public Utilities Code section 8388.5(c).

**B. SB 884’s plain language requires undergrounding plans to list all projects that will be constructed.**

The Revised Draft does not require utilities’ undergrounding plans to provide a complete list of projects that the utility proposes to build as part of the ten-year plan.<sup>50</sup> In this respect, the Revised Draft is incompatible with the plain, unambiguous language of the statute. Public Utilities Code section 8388.5(c) requires each plan submitted to Energy Safety to include all projects that will be constructed.<sup>51</sup> Therefore, any project not included as part of the initial EUP submission cannot be constructed as part of the plan, and the Commission cannot approve cost recovery for any such project.

Cal Advocates has raised this legal issue previously, but Energy Safety has not addressed the problem in the Revised Draft.<sup>52</sup> Below is a passage from the comments Cal Advocates filed on August 9, 2024. Our recommended solution remains the same:

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<sup>48</sup> Public Utilities Code section 8388.5(c) has components (1) through (6).

<sup>49</sup> *Corrected Comments of the Public Advocates Office on Pacific Gas and Electric’s Topics for Discussion on Revised Draft EUP Guidelines*, August 9, 2024 in docket 2023-UPs, at 2-3.

<sup>50</sup> Revised Draft at 63.

<sup>51</sup> Public Utilities Code section 8388.5(c):

In order to participate in the program, a large electrical corporation shall submit to the office a distribution infrastructure undergrounding plan that shall address or include, at minimum, all of the following components:

- (1) A 10-year plan for undergrounding distribution infrastructure.
- (2) Identification of the undergrounding projects that will be constructed as part of the program, including a means of prioritizing undergrounding projects based on wildfire risk reduction, public safety, cost efficiency, and reliability benefits. Only undergrounding projects located in tier 2 or 3 high fire-threat districts or rebuild areas may be considered and constructed as part of the program. ...

<sup>52</sup> See discussions in:

Cal Advocates, TURN, and MGRA, Joint Letter: “Implementation of Senate Bill 884 – Ten-Year Undergrounding Plans,” April 26, 2023 (filed in docket 2023-UPs on December 13, 2023) at 2 and Appendix A: “SB 884 requires the undergrounding plans to include detailed project-specific information

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).<sup>53</sup>

**C. Screen 3 must be applied to a portfolio of all undergrounding projects that will be part of the EUP.**

Cal Advocates reiterates our previous comment that the guidelines must require utilities to submit a complete portfolio of all undergrounding projects to the Commission. The projects in this list should all have sufficient information for Energy Safety to undertake project-specific risk analysis (i.e., the information needed to pass Screen 3).<sup>54</sup>

The artificial split in the screen processes developed by Energy Safety between “Eligible Undergrounding Projects” and “Confirmed Projects” (i.e., between Screen 2 and Screen 3) is not consistent with the legislative requirements. The logic of the legislation requires that all projects

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demonstrating that undergrounding is the superior alternative when these factors are considered. ... The SB 884 process should require utilities to make this showing for each project before rate recovery for undergrounding is allowed.”

*Public Advocates Office’s Informal Comments on the Staff Proposal for the SB 884 Program*, September 27, 2023 at 10 (filed as Appendix A of *Public Advocates Office’s Comments on Undergrounding Plan Guidelines*, November 2, 2023 in docket 2023-UPs).

Discussion in Public Workshop on Draft Electrical Undergrounding Plan Guidelines, May 15, 2024.

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

*Corrected Comments of the Public Advocates Office on Pacific Gas and Electric’s Topics for Discussion on Revised Draft EUP Guidelines*, August 9, 2024 in docket 2023-UPs, at 5-6:

Energy Safety has stated that its responsibility is to approve electrical undergrounding plans rather than projects. 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. This view is 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).

<sup>53</sup> *Corrected Comments of the Public Advocates Office on Pacific Gas and Electric’s Topics for Discussion on Revised Draft EUP Guidelines*, August 9, 2024 in docket 2023-UPs, at 6.

<sup>54</sup> *Public Advocates Office Comments on the Draft Guidelines for the 10-Year Electrical Undergrounding Plan*, May 29, 2024 in docket 2023-UPs, at 5-6.

to be built as part of the plan<sup>55</sup> must be reviewed for their risk reduction in the initial nine-month review period.<sup>56</sup> The review of project-level risk reduction – and by extension, the cumulative risk reduction of the whole plan – would appear to be infeasible without the information required by Screen 3.

Screen 3 should apply to all projects considered in Screen 2, to satisfy the legislative requirement for Energy Safety to review all projects built as part of the plan within nine months.<sup>57 58</sup> Cal Advocates has commented previously that the submission of only 25 projects is in violation of Public Utilities Code section 8388.5(d)(2) and is inconsistent with SPD-15:

The Draft Guidelines would exacerbate the potential inconsistencies with SPD-15 by instructing that a utility need only provide 25 projects for the project risk analysis described in Screen 3 above, thereby leaving the majority of eligible undergrounding projects unanalyzed. As a result, Energy Safety may not have reviewed most of the projects received by the Commission for their contribution to risk reduction or reliability improvements under their risk assessment methodology. This also fails to meet the requirements of SB 884.

To remedy both issues, the Draft Guidelines should be modified to require a utility to provide all the information that the Guidelines identify as required to complete Screen 3 for all projects identified in Screen 2. Only by assessing the efficacy of a *complete* portfolio of projects can Energy Safety determine whether the Plan and its constituent set of complete projects adequately meet the requirements of the statute.<sup>59</sup>

Energy Safety has not resolved this problem in the Revised Draft.<sup>60</sup> Energy Safety should correct the Revised Draft to require utilities to provide Screen 3 information for all undergrounding projects. In the alternative, if a utility chooses to submit Screen 3 information

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<sup>55</sup> Public Utilities Code section 8388.5(c)(2).

<sup>56</sup> Public Utilities Code section 8388.5(d)(2).

<sup>57</sup> Public Utilities Code §§ 8388.5 (c)(2), (d)(2).

<sup>58</sup> Information on Screen 2 – Screen 4:

- Screen 2: Project Information and Alternative Mitigation Comparison,
- Screen 3: Project Risk Analysis, and
- Screen 4: Project Prioritization

<sup>59</sup> *Public Advocates Office Comments on the Draft Guidelines for the 10-Year Electrical Undergrounding Plan*, May 29, 2024 in docket 2023-UPs, at 5-6.

<sup>60</sup> Revised Draft at 11.

for only 25 projects, then those 25 projects would constitute the entirety of what Energy Safety can evaluate and the Commission can authorize for cost recovery pursuant to SB 884.

**VI. CONCLUSION**

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

Respectfully submitted,

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