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**VIA ELECTRONIC FILING**

**OEIS Docket # 2024-SCs**

Suzie Rose  
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Office of Energy Infrastructure Safety  
715 P Street, 20th Floor  
Sacramento, CA 95814

**Re: San Diego Gas & Electric Company's Request for a 2024 Safety Certification Pursuant to Public Utilities Code Section 8389**

Dear Program Manager Suzie Rose:

Pursuant to Public Utilities Code Section 8389(e)-(f), San Diego Gas & Electric Company (SDG&E or Company) hereby requests issuance of a safety certification for the upcoming twelve months.

The Office of Energy Infrastructure Safety (Energy Safety) approved SDG&E's 2023 Safety Certification Request on December 7, 2023.<sup>1</sup> "A safety certification is valid for 12 months following the issuance of the certification."<sup>2</sup> An electrical corporation must submit a request for a Safety Certification "before the expiration of a certification,"<sup>3</sup> consistent with the schedule issued by Energy Safety each year.<sup>4</sup> Public Utilities Code Section 8389(f)(2) requires that Energy Safety "shall issue a certification within 90 days

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<sup>1</sup> Letter from Office of Energy Infrastructure Safety Director Caroline Thomas Jacobs to Dan Skopec, *Office of Energy Infrastructure Safety Issuance of San Diego Gas & Electric Company's Safety Certification*, December 7, 2023 ("2023 Safety Certification Approval"). Available at <https://efiling.energysafety.ca.gov/Search.aspx?docket=2023-SCs>

<sup>2</sup> Public Utilities Code Section 8389(f)(1).

<sup>3</sup> Public Utilities Code Section 8389(f)(2).

<sup>4</sup> *Office of Energy Infrastructure Safety's Safety Certification Guidelines (Safety Certification Guidelines)* (August 8, 2024) at 1, OEIS Docket No Guidelines-SCs, *citing* Pub. Util. Code §8389(f)(2).

of a request if the electrical corporation has provided documentation that it has satisfied the requirements of subdivision (e)” of Section 8389.<sup>5</sup>

On August 8, 2024, Energy Safety issued its Final 2024 Safety Certification Guidelines (2024 Safety Certification Guidelines) establishing the process by which electrical corporations could request a safety certification for the upcoming year.<sup>6</sup> Consistent with the 2024 Safety Certification Guidelines, this letter, the references cited, and the accompanying attachments comprise SDG&E’s documentation that it has satisfied the requirements of Public Utilities Code Section 8389(e) and Energy Safety’s guidance. Where applicable, SDG&E has noted the status of certain safety certification requirements that remain pending final approval by Energy Safety.<sup>7</sup> As all of SDG&E’s safety certification requirements are complete or have received an initial draft approval, SDG&E believes it will soon complete all safety certification requirements and will update this request upon receiving Energy Safety’s final approval of any necessary elements.<sup>8</sup>

### **1. Approved Wildfire Mitigation Plan – § 8389(e)(1)**

On March 27, 2023, SDG&E submitted its three-year comprehensive 2023-2025 Wildfire Mitigation Plan (WMP).<sup>9</sup> On October 13, 2023, Energy Safety issued a Final Decision approving SDG&E’s 2023-2025 WMP, noting, “SDG&E has a relatively strong Wildfire Mitigation Plan compared to the plans of the other large electrical corporations. ... SDG&E knows its wildfire risk and is focused on the highest risk circuits in its system.”<sup>10</sup>

On April 2, 2024, SDG&E submitted its 2025 WMP Update.<sup>11</sup> On August 21, 2024, Energy Safety issued a Draft Decision approving SDG&E’s 2025 WMP Update.<sup>12</sup>

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<sup>5</sup> Public Utilities Code Section 8389(f)(4) provides that “[n]otwithstanding paragraph (1), a safety certification shall remain valid until the division acts on the electrical corporation’s pending request for safety certification.”

<sup>6</sup> *Safety Certification Guidelines*, OEIS Docket No Guidelines-SCs.

<sup>7</sup> *Id.* at 6-7.

<sup>8</sup> *Id.*

<sup>9</sup> SDG&E 2023 Wildfire Mitigation Plan. Available at <https://www.sdge.com/2023-wildfire-mitigation-plan>

<sup>10</sup> *Final Decision on San Diego Gas & Electric Company’s 2023-2025 WMP*, OEIS Docket No. 2023-WMP (October 13, 2023) at 1, available at <https://efiling.energysafety.ca.gov/Lists/DocketLog.aspx?docketnumber=2023-2025-WMPs>.

<sup>11</sup> SDG&E 2025 Wildfire Mitigation Plan Update. Available at <https://www.sdge.com/2025-wildfire-mitigation-plan>

<sup>12</sup> *Draft Decision on San Diego Gas & Electric Company’s 2025 WMP Update* (August 21, 2024). OEIS Docket No. 2023-2025-WMPs.

Based on this draft approval, SDG&E submits that its WMP will receive final approval in short order and will update its Safety Certification request at that time.

## **2. Good Standing and Safety Culture Assessment – § 8389(e)(2)**

The 2024 Safety Certification Guidance established that “an electrical corporation can satisfy the ‘good standing’ requirement of Section 8389(e)(2) by agreeing to implement all of the findings (including recommendations for improvement) of its most recent safety culture assessment performed pursuant to Pub. Util. Code §§ 8386.2 and 8389(d)(4), if applicable.”<sup>13</sup> On March 22, 2024, Energy Safety issued the final 2023 Safety Culture Assessment Report for SDG&E, prepared by the National Safety Council, along with the recommendations of the Assessment.<sup>14</sup>

On April 5, 2024, SDG&E agreed to implement the recommendations of the 2023 Safety Culture Assessment.<sup>15</sup> SDG&E has thus satisfied the requirement that it is in “good standing” pursuant to Public Utilities Code Section 8389(e)(2).<sup>16</sup>

## **3. Safety Committee of Board of Directors – § 8389(e)(3)**

The 2024 Safety Certification Guidelines addresses the Board Structure and governance requirements established by Public Utilities Code Sections 8389(e)(3) and (e)(5) and includes a requirement that electrical corporations provide updates regarding their respective board safety committees. These requirements are addressed in turn.

### *a. SDG&E Board Safety Committee Members*

The members of the Safety Committee of SDG&E’s Board of Directors for 2024 are:

Robert J. Borthwick: Mr. Borthwick is the Chief Risk Officer for Sempra. His relevant safety experience includes 20 years working in the energy industry. He has held executive leadership roles in environmental

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<sup>13</sup> 2024 Safety Certification Guidelines at 2.

<sup>14</sup> *2023 Safety Culture Assessment for San Diego Gas & Electric Company*, OEIS Docket No. 2023-SCAs (March 22, 2024).

<sup>15</sup> *Agreement of San Diego Gas & Electric to Implement the Findings of the 2023 Safety Culture Assessment Report*. OEIS Docket No. 2023-SCAs (April 5, 2024).

<sup>16</sup> The 2024 Safety Culture Assessment has not yet been initiated by Energy Safety. Regardless of the timeframe for completion of the 2024 Safety Culture Assessment, by agreeing to implement the recommendations of its “*most recent*” Safety Culture Assessment, SDG&E has already satisfied the “good standing” requirement of Public Utilities Code §8389(e)(2). SDG&E notes that it has not yet participated in a safety culture assessment carried out pursuant to Public Utilities Code §8386.2. See Safety Certification Guidelines at 2.

health, safety, and compliance functions across energy infrastructure and renewable energy business segments.

Caroline A. Winn: Ms. Winn is the Chief Executive Officer of SDG&E. She has more than 30 years of experience of operational leadership experience. Ms. Winn has overseen executive roles in customer privacy, energy delivery and as the Chief Operating Officer. In prior roles, Ms. Winn was responsible for 24/7 operational safety and reliability of the transmission and distribution system in SDG&E's service territory as well as infrastructure planning to improve safety and reliability.

Trevor Mihalik: Mr. Mihalik oversees Sempra California. He also serves as Sempra's chief human resources officer with additional responsibilities including risk and compliance, human resources, audit services and insurance. Mihalik has extensive financial and leadership experience in the energy industry with wide-ranging knowledge of capital markets, mergers and acquisitions, financial reporting, treasury and risk.

Mr. Borthwick has served on the SDG&E Board Safety Committee since 2019. Ms. Winn joined the Safety Committee in 2021. Mr. Mihalik joined the Safety Committee in 2024.<sup>17</sup> Consistent with the 2024 Safety Certification Guidance, SDG&E has included detailed biographies of its Safety Committee members highlighting their relevant safety expertise and experience.<sup>18</sup>

Additionally, while not required by Public Utilities Code Section 8389(e), SDG&E notes that in 2019 the Company established a Community Wildfire Safety Advisory Council ("Community Advisory Council") comprised of independent community members who possess extensive public safety and wildfire experience. The Community Advisory Council meets four times per year and provides input and guidance to the Safety Committee and the Company on safety matters.

#### *b. The Safety Committee's Role in Overall Corporate Governance*

The Safety Committee advises and assists SDG&E's Board of Directors in the oversight of safely providing electric and natural gas services to the Company's customers. The Safety Committee's powers and responsibilities are delegated by the Company's Board of Directors. As set forth in the Safety Committee Charter, those powers and responsibilities include overseeing SDG&E's management of safety matters

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<sup>17</sup> Mr. Mihalik will retire from Sempra effective January 1, 2024. SDG&E will update Energy Safety on the selection of new Board Safety Committee members through its Quarterly Notification Letters describing Safety Committee activities and recommendations.

<sup>18</sup> See Attachment A. These biographies also note "safety-related education and experience for each safety committee member that is relevant to their role at the electrical corporation." (Safety Certification Guidelines at 3).

that affect the Company, its employees, contractors, customers, and the communities in which the Company operates. The Safety Committee also reviews the Company's incentive compensation structure related to safety and the Company's performance with respect to safety metrics. The Safety Committee regularly updates the SDG&E Board of Directors on safety matters addressed by the Committee and the Committee's recommendations to the Company.

*c. Significant Topics Covered by the Safety Committee Since the Issuance of the Last Safety Certification*

SDG&E's quarterly Board Safety Committee meetings include thoughtful and robust discussion of safety issues affecting the Company, including ongoing community and wildfire safety efforts. At each meeting, the Committee receives an update on the Company's safety performance metrics to date, including both safety incidents as well as insightful "near miss" reports. These meetings are summarized and reported to Energy Safety and the Commission in SDG&E's Quarterly Notification Letters documenting the ongoing implementation of SDG&E's Wildfire Mitigation Plan pursuant to Public Utilities Code Section 8389(e)(7).<sup>19</sup>

The 2024 Safety Certification Guidance further requires SDG&E to provide a description of significant topics covered by the Safety Committee since the issuance of the last Safety Certification.<sup>20</sup> Since SDG&E's last safety certification was granted, the Board Safety Committee has considered and recommended the following topics of significance:

- On November 7, 2023,<sup>21</sup> the Committee heard presentations addressing recent cybersecurity events at other major companies and the damaging impacts of cybersecurity incidents, as well as SDG&E's strong cyber awareness and preparation. During this meeting, the Committee also received an update on the proposed safety metrics for inclusion in SDG&E's 2024 incentive compensation structure.
- On February 28, 2024, the Committee received a tour of SDG&E's new Wildfire and Climate Resilience Center and received a wildfire safety update and summary of SDG&E's 2023 Wildfire Mitigation Plan results as well as forecasted 2024 and 2024 WMP targets. The Committee heard presentations

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<sup>19</sup> SDG&E's most recent quarterly notification to Energy Safety describing the actions and recommendations of the Board Safety Committee, as well as SDG&E's previous advice letters submitted pursuant to Public Utilities Code §8389(e)(7) are also available at SDG&E's WMP website, <https://www.sdge.com/2023-wildfire-mitigation-plan>.

<sup>20</sup> 2024 Safety Certificate Guidelines at 3.

<sup>21</sup> This meeting occurred after SDG&E's previous request for a safety certification but before it was granted in December 2023. SDG&E includes it in this submission for thoroughness.

on a history of SDG&E’s gas integrity management and safety programs, as well as the Company’s commitment to continuous risk reduction and good stewardship of its pipeline system.

- On April 23, 2024, the Committee received an update on SDG&E’s Moreno Compressor Station Modernization, as well as the results of the 2023 Wildfire Safety Culture Assessment conducted by Energy Safety. The Committee also received a presentation from an outside law firm, Hueston Hennigan, discussing the 2020 Oregon Fires in PacifiCorp’s territory, the litigation related to those fires, and an update on other utility-related wildfire claims and litigation throughout the country.
- On April 16, 2024, the Safety Committee performed a site visit to observe SDG&E’s strategic wildfire hardening initiatives, including covered conductor installation and undergrounding of infrastructure.
- On July 25, 2024, the Committee received presentations addressing risks associated with transmission static wires, and SDG&E’s actions and plans to mitigate risks associated with static wires. The Committee also received an update on SDG&E’s efforts to mitigate risks associated with Battery Energy Storage Systems, and a presentation on 2024 wildfire conditions.

*d. SDG&E’s Implementation of the Recommendations of the Board Safety Committee Since the Issuance of the Last Safety Certification*

The Board Safety Committee’s recommendations to SDG&E are summarized in SDG&E’s Quarterly Notification Letters submitted to Energy Safety and the Commission pursuant to Public Utilities Code Section 8389(e)(7). Committee recommendations and the actions SDG&E has taken in response to feedback from the Board Safety Committee since the issuance of the last Safety Certification include the following:

Recommendation	Status
Report on inspections of legacy gas transmission lines, and the Company’s programs to address public safety during gas incidents	Complete.
Report on the Company’s internal wildfire challenge sessions and any actions taken by the Company in response to prepare for the fall Santa Ana season.	Complete.
Report on 2020 PacifiCorp Fires.	Complete

Recommendation	Status
Field Visit to a Strategic Wildfire Hardening Site.	Complete
Report on potential hazards associated with battery energy storage systems, and SDG&E's efforts to mitigate battery safety risks.	Complete
Report on SDG&E's efforts to prepare for extreme weather events, including flooding and tropical storms, as well as lessons learned from prior events.	Pending: on agenda for upcoming October 17, 2024, Safety Committee meeting
Report on potential safety hazards associated with pole failures and SDG&E's efforts to mitigate pole failure risks.	Pending: on agenda for upcoming October 17, 2024, Safety Committee meeting

As discussed above, SDG&E's Board Safety Committee and its efforts at safety governance at the Company meet the requirements of Public Utilities Code Section 8389(e)(3).

#### **4. Executive Incentive Compensation Structure – § 8389(e)(4)**

On April 12, 2024, SDG&E submitted a letter to Energy Safety documenting its compliance with the executive compensation provisions of Public Utilities Code Sections 8389(e)(4) and (e)(6). On October 4, 2024, Energy Safety issued a Decision approving SDG&E's 2024 executive compensation structure, finding that SDG&E's executive compensation met the requirements of Public Utilities Code Sections 8389(e)(4) and 8389(e)(6)(A)(i).<sup>22</sup>

#### **5. Board-of-Director-Level Reporting to the Commission on Safety Issues – § 8389(e)(5)**

On August 29, 2024, the Commission hosted a Public Meeting on Utility Safety Practices, during which representatives from SDG&E, SoCalGas and Southern California Edison presented on safety matters and answered questions from

<sup>22</sup> *Office of Energy Infrastructure Safety Decision on San Diego Gas and Electric Company's 2024 Executive Compensation Structure Submission*, OEIS Docket No. 2024-EC (October 4, 2024).

Commissioners and the Director of Energy Safety.<sup>23</sup> SDG&E was represented by Robert Borthwick, Chief Risk Officer at Sempra Energy and Chair of the SDG&E Board Safety Committee, Kevin Geraghty, SDG&E Chief Operating Officer and Chief Safety Officer, Brian D'Agostino, SDG&E Vice President, Wildfire Mitigation and Climate Science, TaShonda Taylor, Vice President of Gas Operations and Jonathan Woldemariam, SDG&E Director of Wildfire Mitigation.

Consistent with the 2024 Safety Certification Guidance, SDG&E has met the requirements of Public Utilities Code Section 8389(e)(5) regarding Board of Director level reporting on safety issues.

#### **6. Compensation Structure for Executive Officers – § 8389(e)(6)**

See response to item 4 above.

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<sup>23</sup> Pursuant to the 2024 Safety Certification Guidelines, Energy Safety has instructed electrical corporations to provide any materials used or referenced in the public meeting in their Safety Certification requests to demonstrate that the electrical corporation has met this requirement. SDG&E's presentation is available on its website at <https://www.sdge.com/2025-wildfire-mitigation-plan>. The recording of the public meeting is also available on the Commission's website at <https://www.adminmonitor.com/ca/cpuc/other/20240829/>.



## **7. Implementation of Approved Wildfire Mitigation Plan, Safety Culture Assessment and Safety Committee Recommendations Quarterly Advice Letters – § 8389(e)(7)**

Since receiving its safety certification, SDG&E has continued to submit Quarterly Notification Letters to Energy Safety as required by Public Utilities Code Section 8389(e)(7).<sup>24</sup> These include:

SDG&E Quarterly Notification Letter (February 1, 2024);<sup>25</sup>

SDG&E Quarterly Notification Letter (May 1, 2024);<sup>26</sup>

SDG&E Quarterly Notification Letter (August 1, 2024).<sup>27</sup>

Each submission complies with statutory requirements because it (1) details the implementation of its approved wildfire mitigation plan and most recent safety culture assessment; (2) contains a statement of the recommendations of the Board of Directors' Safety Committee meetings that occurred during the quarter; and (3) summarizes the Company's implementation of the Safety Committee's recommendations.

### **Implementation of SDG&E's WMP**

The 2024 Safety Certification Guidance also requires that the electrical corporation "highlight the progress made toward completing WMP targets and explain any delayed or off-track efforts."<sup>28</sup> SDG&E continues to track 41 quantitative targets proposed in its 2023-2025 WMP, which are designed to mitigate the risk due to a fault on the electric system and reduce the impacts of PSPS to customers. SDG&E's detailed quarterly submissions demonstrate that it is making on-time and on-target progress toward the majority of its WMP targets.

SDG&E is committed to maintaining a continued pace to complete WMP initiatives that reduce wildfire and PSPS risk and enhance the safety and resiliency of its service territory. As demonstrated in its August 1, 2024 notification to Energy Safety, SDG&E has fire hardened approximately 51 miles of its electric system, including approximately 18 miles of undergrounding and 15.5 miles of covered conductor.

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<sup>24</sup> When Energy Safety transitioned to the Department of Natural Resources, Pub. Util. Code § 8389(e)(7) was amended to change the quarterly advice letter requirement to a notification to Energy Safety, with an information-only submission to the Commission.

<sup>25</sup> The Quarterly Notification Letters are available for review on SDG&E's website, at <https://www.sdge.com/2023-wildfire-mitigation-plan> and <https://www.sdge.com/2025-wildfire-mitigation-plan>.

<sup>26</sup> May 1, 2024 Quarterly Notification Letter, *supra*.

<sup>27</sup> August 1, 2024 Quarterly Notification Letter, *supra*.

<sup>28</sup> 2024 Safety Certification Guidance at 4.

SDG&E has completed its overhead transmission and distribution detailed inspection programs for the year and has performed additional patrol inspections on its 69kV transmission lines. In addition, SDG&E has completed 80% of its detailed vegetation inspections and is on track to complete the remaining 20% by year end.

The following nine programs are either experiencing delays or the program will not be implemented: Covered Conductor, Risk Informed Drone Inspections, Distribution Infrared Inspections, Wireless Fault Indicators, Standby Power Programs, Air Quality Index, Microgrids, Distribution Communications Reliability Improvements, and Fuels Management. Details on each of these programs are discussed below.

**A. Strategic Scope Changes Requested in SDG&E's 2023 Change Order Report and Rejected by Energy Safety**

SDG&E requested to implement strategic scope changes in 2024 for Distribution Infrared Inspections, Standby Power Programs, Distribution Communications Reliability Improvements, and Air Quality Index in its Change Order Report filed with Energy Safety on December 19, 2023. Energy Safety rejected these requests on May 31, 2024 noting that the requested changes do not reduce risk. SDG&E acknowledges that these programs are therefore off track in meeting the original target established in its 2023 – 2025 Base WMP. However, SDG&E confirms that for reasons stated in its Change Order Report and further described below, these programs either have no direct risk reduction impact and do not increase risk from that originally forecast in SDG&E's WMP.

Distribution Infrared Inspections

In 2024, SDG&E reevaluated the effectiveness of this program, transitioned to a risk-informed strategy, and requested to reduce the target from 9,532 structures to 300 structures. SDG&E expects to complete 6,500 inspections by year end.

In prior years, structures selected for this program were based on subject matter expertise and considered previously inspected structures to ensure no repeat inspections were performed in consecutive years. SDG&E found that this inspection program yielded only a 0.2% findings rate in 2023, calling the effectiveness and costs of this program into doubt. To optimize this program and make it more effective in 2024, SDG&E has elected to target specific areas in the Wildland Urban Interface (WUI) during peak load season. Structures were selected using a risk-informed strategy comprised of SDG&E's Asset 360 models, risk analytics models, and Intelligent Image Processing (IIP). For more information on the models and technology utilized, please refer to SDG&E's 2023 – 2025 WMP.

SDG&E will conduct an analysis on 2024 program findings to determine whether the risk-informed selection of structures and performing inspections during peak load times yields more informative results. SDG&E further notes that the same risk-informed strategy and target reduction was proposed in its 2025 WMP Update and approved by

Energy Safety. SDG&E will continue to evaluate and evolve this program based on findings in future years. SDG&E does not anticipate these changes will impact expected wildfire risk reduction as the Risk Reduction Estimation Methodology considers find rate, and this program yielded a very low find rate.

### Standby Power Programs

SDG&E proposed a change in approach to Fixed Backup Power in 2024, reducing the target from 300 to 58. SDG&E has completed over 1,200 residential projects and 16 commercial projects over the life of the program and historically targeted customers most impacted by PSPS events. In anticipation of its pending GRC decision expected in 2024 and no newly identified customers due to zero PSPS events in the past two years, SDG&E explored and evaluated additional mitigation approaches for its customers and decided to scale back on providing traditional fossil fuel generators to allow for more diverse offerings.

In 2024, although SDG&E will not meet its forecasted target of providing 300 generators, it expects to complete remaining projects pending from prior years and focus on evaluating alternative offerings. Generators provided in 2024 represent customers who were previously invited to participate in the program. This program does not provide wildfire risk reduction and adequately serves customers previously identified as most impacted by PSPS events.

### Distribution Communications Reliability Improvements (DCRI)

SDG&E proposed to reduce the target for this program from 60 to 15 base stations in 2024. SDG&E reevaluated the deployment plan for this program and modified it to incorporate construction efficiencies driven by other wildfire mitigation grid hardening initiatives, and to align with the settlement agreement proposed in its Test Year 2024 General Rate Case. Instead of a mass deployment of 60 base stations, SDG&E is taking a more strategic approach to optimize the design and standardization for planned sites including engineered steel foundation poles with telecommunication antennas attached at the top of the pole. In addition, SDG&E is making process improvements with substation and transmission facility engineering and operations groups to ensure proper site selection and more efficient design and construction processes.

As described in its 2023 – 2025 WMP, the privately owned LTE network will enhance communications that supports Advanced Protection Program (such as falling conductor protection (FCP)) and the Early Fault Detection (EFD) program. SDG&E will continue deployment for those two programs, which will utilize existing communications. DCRI itself does not directly impact risk reduction.

### Air Quality Index

Additional air quality sensors under this program are unnecessary and would be inefficient, as SDG&E's service territory in the HFTD is 100% covered with the existing 16 sensors. SDG&E proposed to change its 2024 target from six to zero for that reason. The Air Quality Program will continue to monitor and maintain the existing sensors, and it retains the ability to assess for future upgrades as necessary. This program provides no risk reduction as its purpose is to provide situational awareness.

## **B. Programs Off Track Due to Factors Outside of SDG&E's Control**

### Covered Conductor

SDG&E is at risk of meeting its 2024 Covered Conductor target of 60 miles due to design and engineering delays for approximately 20 miles of work. Design delays, acquisition of land rights, permitting, and environmental constraints pushed the forecasted issuance of jobs to construction into fourth quarter 2024. Additionally, SDG&E is experiencing supply chain issues for steel poles, which has delayed jobs being issued for construction. SDG&E expects to complete approximately 40 miles by year-end 2024. Ultimately, SDG&E is still forecasting to complete its three-year objectives by increasing the target miles in 2025, thus accomplishing the desired risk reduction by the end of the WMP cycle.

### Wireless Fault Indicators

SDG&E is pausing this program due to manufacturer upgrades to the currently deployed wireless fault indicators. The upgraded equipment requires additional communication requirements not currently compatible with SDG&E infrastructure, thus requiring SDG&E to evaluate and assess the feasibility of implementing the equipment. In addition, SDG&E is also evaluating other types of fault indicators from various manufacturers to determine best approach. In the interim, SDG&E will utilize SCADA devices and existing fault indicators to provide situational awareness and guide first responders to the likely location of a fault. Thus, the pause in this program does not impact risk reduction.

### Microgrids

SDG&E continues to experience delays with its Microgrid program in 2024 due to delays in acquiring appropriate and sufficient land rights, on-going supply chain issues resulting in an increase to material costs (i.e., battery, solar photovoltaic panels), and increased labor costs. SDG&E now anticipates completing the Shelter Valley and Butterfield microgrids in 2025. Both microgrids are commissioned and capable of serving customers using traditional fossil fuel generation, therefore meeting the risk reduction intent, but SDG&E does not consider the projects complete until renewable configuration is in service.

### **C. Program Optimization**

#### **Risk Informed Drone Inspections (RIDI)**

In 2023, SDG&E completed its first year of risk-informed drone inspections (RIDI), which evolved from its 2020-2022 drone investigation assessment and repair (DIAR) program. Because the DIAR program inspected all distribution structures in the HFTD, the RIDI program transitioned to a risk-informed strategy in 2023 and scoped 15% of the highest risk structures in the HFTD.

SDG&E recently reevaluated the scope of the RIDI program to optimize the number of inspections to perform, balancing the desired risk reduction with cost efficiency. The reevaluation consisted of a thorough risk analysis considering volume and severity of findings discovered in its first year of implementation (2023) against expected risk outcomes, which resulted in a determination of 6,500 inspections. SDG&E's 2024 Q1 and Q2 Quarterly Data Reports (QDRs) reflect the pause in this program as SDG&E conducted the analysis described above. SDG&E will submit a Change Order Report to Energy Safety requesting to reduce the target for this program from 13,500 to 6,500 inspections.

#### **Fuels Management**

SDG&E is evaluating various vegetation management activities and related costs to identify cost-efficiencies without incurring additional wildfire risk. The Fuels Management program is a non-regulated, discretionary activity SDG&E began in 2019 as an additional precautionary measure to reduce the risk of an ignition caused by utility infrastructure. The 2024 target for this initiative is 500 poles, and SDG&E expects to complete 151 poles by year-end.

SDG&E also notes that the recent Independent Evaluator Report addressing SDG&E's compliance with its 2023 WMP initiatives, completed July 30, 2024, also documented that "SDG&E has met or exceeded several large-volume quantifiable goals, demonstrating effectiveness of its mitigation strategies."<sup>29</sup> SDG&E thus meets Energy Safety's requirement to demonstrate meaningful progress toward the targets set forth in its WMP and has established that it has met the statutory requirement of Public Utilities Code Section 8389(e)(7).

#### **Implementation of Safety Culture Assessment Recommendations**

Consistent with Public Utilities Code Section 8389(e)(7), SDG&E's Quarterly Notification Letters to Energy Safety update stakeholders regarding the Company's

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<sup>29</sup> *Final Independent Evaluator Report on Compliance for SDG&E*, Bureau Veritas North America, Inc. (July 30, 2024). OEIS Docket No. 2024-IE.

implementation of the recommendations of its most recent safety culture assessment.<sup>30</sup> SDG&E notes that it agreed to implement its most recent Safety Culture Assessment recommendations in June of 2023 and no new Safety Culture Assessment recommendations have been issued from Energy Safety. The following represents an update of implementation to date. Progress on these recommendations is continuing and SDG&E will provide continued, more detailed updates in its Quarterly Notification Letters to Energy Safety.

Safety, including but not limited to wildfire safety, remains one of SDG&E's core values. SDG&E is continually working to promote innovation and enhancement of its safety culture. To highlight its efforts to implement the recommendations of its most recent safety culture assessment, to date, SDG&E has performed the following:

*Recommendation: SDG&E should continue to develop and implement actions to reduce barriers to prioritizing safety over job task goals. Leadership should consistently demonstrate to workers that safety is the top priority through communication, decision making, and taking action, especially when there is a short deadline or pressures to re-energize to reduce the customer impact of outages.*

Ongoing efforts to implement this recommendation include:

- Executive Safety Council dialogue sessions - SDG&E's Executive Safety Council serves as the centralized governing body for all safety committees, programs, and processes. Comprised of cross-functional leadership, the Council meets regularly to hear directly from employees on their safety experiences to identify opportunities for continued safety improvement by supporting safety initiatives, dedicating resources, and removing barriers to continually advance as a learning organization and reinforce SDG&E's culture of safety.
- Weekly leadership safety messages - SDG&E's Chief Safety Officer and rotating Executive Officers issue weekly safety messages to all employees via e-mail. These messages highlight key safety messages, weekly safety performance, teachings and reminders from recent safety incidents, and reinforce SDG&E leadership's safety commitment.
- Quarterly Business Updates – SDG&E hosts Quarterly Business Updates where executives provide information and updates on Company initiatives and answer questions from attendees. All employees are invited to attend these town hall-style events with both in-person and virtual attendance options provided.

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<sup>30</sup> SDG&E's Quarterly Notification Letters are available at <https://www.sdge.com/2023-wildfire-mitigation-plan> and <https://www.sdge.com/2025-wildfire-mitigation-plan>.

- Annual Safety Congress and Award Ceremony - This annual event recognizes SDG&E's numerous Safety Committees for their efforts to advance safety throughout the year. For SDG&E's 2024 Safety Congress, there was an executive panel dialog session, facilitated by SDG&E's Chief Risk Officer, that asked how the panelists were advancing safety culture within their organization. This event also included an award ceremony where an individual and team safety award was given to recognize employees who best exemplify the company's safety vision and values.
- Annual Start Strong Safety Event – Historically, we saw an uptick in safety incidents at the start of the year. To address this, starting in 2023, SDG&E established an annual Start Strong offsite safety event that gathers over 80% of our field labor workforce to reinforce key safety messaging and spread awareness of available resources. On January 9, 2024, approximately 1,400 field and represented workforce were transported to an offsite conference facility for a half day event. SDG&E executives demonstrated their leadership commitment to continually advancing our safety performance and safety culture by identifying available resources to help employees be mentally and physically fit to safely perform work.

*Recommendation: SDG&E should continue to recognize and mitigate the risk exposure posed by interactions with the public. Frontline workers feel supported in walking away from jobs where interactions with the public pose threats to the crew, but the risk remains a significant concern for SDG&E workers.*

Ongoing efforts to implement this recommendation include:

- Stop Work Authority - SDG&E leadership continues to emphasize that all employees are empowered to “Stop the Job” if ever an unsafe situation is perceived. Instances of stopped work are often recognized and shared in monthly safety subcommittee meetings and weekly near miss summary reports.
- Customer Awareness and Notification - SDG&E operational teams continue to deploy training and messaging regarding safe interactions with members of the public. SDG&E external communication teams continue to deliver public educational messaging leveraging numerous communication platforms to raise greater awareness and remind members of the public that SDG&E employees may be on their property performing work to maintain safety and reliability. In Q2 2024, SDG&E launched its Advance Customer Notification Process to a piloted group to notify customers of planned work on or around their property. SDG&E plans to continue to roll-out this process company-wide.
- Outage Notification - In Q1 2024, SDG&E deployed an Electric & Gas Outage Notification Optimization program where operational teams are partnering with the Customer Experience team to optimize outage notification experience based on

customer feedback and insights. Current focus areas include unplanned electric outages, estimated restoration times and gas outages. The objective is to increase the accuracy, frequency, and transparency of outage notifications to help reduce the risk of hostile customer interactions.

- Field Technology - SDG&E continues to advance deployment of its Geocall Electric Pre-Construction Mobile Fielding Application launched. The Geocall application is a leading-edge technology solution used to coordinate and optimize end-to-end field service processes, activities, and resources. The application integrates with GIS maps to include customer warning notifications (e.g., aggressive dogs, access codes, hostile persons) and includes opportunities for crews to include prerequisite and post completion notes. The primary objective is to provide a safe and easy field service experience for customers and employees.

*Recommendation: SDG&E should continue to build on its efforts to track trends in safety event-related reporting, specifically tracking the quality of near-miss investigations and addressing gaps in its Ignition Management Program*

Ongoing efforts to implement this recommendation include:

- Safety Dashboard - SDG&E continually deploys enhancements to its company-wide Safety Dashboard, accessible to all SDG&E employees, to increase data analytic functionality of leading and lagging safety metrics.
- Near Miss Reports - SDG&E tracks several qualitative and quantitative metrics related to Near Miss reporting, including percentage of anonymous and named reports, status of submitted reports with actionable follow-up, serious injury or fatality (SIF) potential, and category of reports. Starting in Q2 2023, SDG&E developed and began issuance of a Weekly Near Miss Summary Report. This Report is sent to all SDG&E employees and provides high level data analysis to identify trends and highlights follow-up action items, safety reminders and key teachings. This Weekly Near Miss Summary Report aims to recognize employees for speaking-up and highlight resulting safety improvements to encourage reporting.
- SDG&E's Ignition Management Program (IMP) has continued to improve and evolve. Training has been completed and follow-up continues to be conducted in the field with critical field personnel to ensure the efficiency and accuracy of data. Incorporating the Energy Safety Reg 29300 reporting requirement process into the IMP has also enabled a single path for information to flow from the field to Energy Safety, the CPUC, and internal data sources. Compiling various data types within an existing database has enabled enhanced analytics capabilities as well as the ability to incorporate not only actual ignitions but also evidence of heat events into the process of determining the overall ignition risk of various



areas and assets in the service territory. Training and communicating with mitigation owners will always be critical pieces of the program but additional next steps include working to incorporate findings into existing operational and planning models.

*Recommendation: SDG&E should increase engagement on the safety culture assessment within the workforce supporting wildfire mitigation initiatives*

Ongoing efforts to implement this recommendation include:

- Contractor Outreach – SDG&E is increasing awareness of safety culture initiatives and continuing to promote alignment during Contractor Safety Quarterly Meetings and Annual Contractor Safety Summits.
- Listening Sessions – SDG&E hosts wildfire “Double Down” and “Challenge” listening sessions to solicit input from cross-functional employees on efforts to advance wildfire mitigation initiatives.
- Tools & Resources – In advance of its 2024 assessment, SDG&E is working to identify additional tools and resources to promote increased survey participation.

SDG&E thus meets Energy Safety’s requirement to demonstrate progress in implementing the findings of its most recent safety cultures assessment and has established that it has met the statutory requirement of Public Utilities Code Section 8389(e)(7).

October 8, 2024

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In conclusion, SDG&E meets the requirements of Public Utilities Code Section 8389(e). Accordingly, SDG&E respectfully requests that you expeditiously issue it a safety certification for the upcoming year. Please contact me if you have any questions about this request.

Sincerely,

/s/ Dan Skopec

Dan Skopec

Senior Vice President

& Chief Regulatory Officer

SAN DIEGO GAS & ELECTRIC COMPANY

Attachments

Attachment A – SDG&E Board Safety Committee Resumes

**ATTACHMENT A**

**SDG&E Board Safety Committee Resumes**

*Robert Borthwick*  
*Caroline A. Winn*  
*Trevor Mihalik*

## ***Robert Borthwick – SDG&E Safety Committee Chair***

Mr. Borthwick has served in various capacities at Sempra over the last 20 years. He currently serves as Sempra's Chief Risk Officer as well as its Chief Compliance Officer. In addition to enterprise risk management and compliance, his responsibilities include emergency management, physical security and cybersecurity. Most recently, he was Deputy General Counsel for Sempra. Mr. Borthwick was previously general manager of Sempra Renewables, leading all aspects of Sempra's renewable energy subsidiary, including commercial development, finance and operations, as well as supporting the sale of its U.S. wind and solar assets. He was also vice president and general counsel at Sempra Infrastructure, LLC, where he led the legal, environmental, health and safety, regulatory, human resources and external affairs groups supporting both Sempra Renewables and Sempra LNG. He also served as vice president and general counsel for Sempra U.S. Gas & Power, and associate general counsel for Sempra Energy. He completed OSHA's 10-hour safety training course in 2019 and again in 2024.

### **Selected safety-related responsibilities:**

**Sempra Energy (2003-2012)** Mr. Borthwick worked extensively on San Diego Gas & Electric's litigation arising out of three 2007 wildfires, specifically the Witch, Guejito, and Rice fires. He provided advice on changes and enhancements to SDGE's inspection and fire prevention procedures.

**Sempra U.S. Gas & Power/Sempra Infrastructure (2013-2018)** Mr. Borthwick led a number of teams at Sempra U.S. Gas & Power and Sempra Infrastructure, including the environmental, health and safety (EHS) permitting and compliance functions. Safety practices included assigning a safety monitor to all major construction projects, establishing guidelines for qualified electrical worker designations, implementing a contractor safety screening process requiring contractors to meet safety metrics prior to submitting bids, establishing new minimum requirements for contractors performing critical lifts, and increasing the sharing of safety enhancements and lessons learned between plants and with industry groups. Mr. Borthwick led compliance committees for both companies and oversaw their annual risk assessments. Mr. Borthwick also served on the board of directors of two regulated public utilities, Mobile Gas in Alabama and Willmut Gas in Mississippi, from 2013 to 2016. In these board roles, he provided oversight on a variety of employee and public safety issues.

**Sempra Renewables (2018-2019)** As the General Manager for Sempra Renewables, Mr. Borthwick was responsible for operations, including health and safety. Sempra Renewables was a leader in safety compliance, conducting semi-annual safety summits to introduce new programs and share best practices, introducing a program to cross-train plant employees by having them lead semi-annual safety and environmental performance inspections at sister plants with support from safety and environmental professionals, and implementing a telemedicine service for employees at remote

operating plants to provide better access to health care services. The Copper Mountain Solar complex in Nevada and the Mesquite Solar complex in Arizona were the first solar generation facilities in the United States to receive OSHA's VPP (Voluntary Protection Program) certifications.

## **Sempra Energy**

**(2019-present)** As Deputy General Counsel, Mr. Borthwick's responsibilities included overseeing Sempra's compliance program and coordinating on compliance issues with its operating companies in California, Texas, Mexico, Peru, and Chile.,. He served as vice chairman of the board of directors of Luz del Sur ([luzdelsur.com.pe/en](http://luzdelsur.com.pe/en)), the largest electric company in Peru, from March 2019 to April 2020, when Sempra sold its interest in the company. Mr. Borthwick led Sempra's efforts to create and implement annual Safety Summits beginning in 2019 that bring together leaders from across the Sempra family of companies to discuss best practices and advance safety culture from a corporate governance perspective. He achieved the Certified Compliance & Ethics Professional (CCEP) certification from the Compliance Certification Board in October 2021. Further, he attained a Directorship Certification from the National Association of Corporate Directors (NACD) in December 2022, which included training on how to appropriately oversee risk management and safety from a corporate governance perspective.

In May 2023, Mr. Borthwick became Sempra's Chief Risk Officer. His responsibilities include enterprise risk management, safety, emergency management, compliance, physical security and cybersecurity. He continues to lead Sempra's annual Safety Summits attended by leaders from all of Sempra's operating companies. He also leads Sempra's safety culture initiatives focused on Sempra's leadership and employee behaviors and actions that impact the safety cultures across the enterprise.

## ***Caroline A. Winn – SDG&E Safety Committee Member***

Before becoming the Chief Executive Officer for San Diego Gas & Electric (SDG&E) in August 2020, Ms. Winn held a variety of leadership positions at SDG&E and Southern California Gas Company (SoCalGas). She has more than 30 years of experience in power engineering, construction and operation of natural gas and electric systems, and customer service. Her previous roles included: Director of Transmission and Distribution Asset Management and Smart Grid; Director of Supply Management; Vice President and Chief Customer Privacy Officer; Chief Energy Delivery Officer; and Chief Operating Officer. Under her leadership, SDG&E has become widely recognized as an industry leader in wildfire safety innovations and climate adaptation. As CEO, Ms. Winn has made it her top priority to create a more proactive safety culture, where employees actively look out for each other and are encouraged to speak up about risks and vulnerabilities they observe in their everyday work environments, be it in the field or office. Ms. Winn is also a champion of fostering psychological safety – taking away fears of humiliation, rejection, and punishment for speaking up.

### **Selected safety-related responsibilities:**

#### **Director of Transmission and Distribution Asset Management and Smart Grid (2007-2009)**

Ms. Winn was responsible for the 24/7 operational safety and reliability of the transmission and distribution system in SDG&E's service territory, infrastructure planning to meet growing and changing needs, as well as implementation of smart grid technologies to improve safety and reliability.

#### **Director of Supply Management (2009-2020)**

Ms. Winn managed the supply chain to support one of largest construction booms in the history of SDG&E and SoCalGas. She oversaw \$1 billion in procurement and logistics of materials and services.

#### **Vice President and Chief Customer Privacy Officer (2010-2015)**

Ms. Winn mobilized a first-of-its-kind taskforce dedicated exclusively to address and resolve gas infrastructure leaks around the clock, lowering response time from an average of 120 minutes to 30 minutes. She led the development of a Behavior-Based Safety Program for Customer Service Field Technicians, which was also adopted by Electric Operations, and had direct responsibility for customer service field employees who ensure customers' homes are safe from a gas delivery perspective. Under her leadership, SDG&E also executed a full-scale transformation of the customer services organization, driving a paradigm shift in the way the company viewed, interacted and valued customers.

#### **Chief Energy Delivery Officer (2015-2016)**

Ms. Winn was responsible for safe and reliable delivery of both natural gas and electricity to customers. In addition, she oversaw customer services, and external and state legislative affairs.

### **Chief Operating Officer (2017-2020)**

Ms. Winn was the prime architect of SDG&E's wildfire safety innovations and operating protocols during extreme weather events. Under her leadership, SDG&E undertook numerous fire hardening projects and implemented a suite of situational awareness tools, including a dense network of weather stations, high-definition, live-streaming cameras that allow first responders to detect smoke and fires, and fire weather forecast prediction and forecast models. She was responsible for the company's compliance and adherence to its Wildfire Mitigation Plan.

### **Chief Executive Officer (2020-Present)**

Ms. Winn serves as the executive sponsor of the company's Behavior-Based Safety Program, which includes leading indicators and identification of safe and at-risk behaviors. Other key endeavors she has undertaken to improve public, employee and contractor safety include:

- Spearheading a safety leadership program for front-line to executive-level employees that encompasses the International Brotherhood of Electrical Workers (IBEW) Code of Excellence.
- Establishing a contractor safety oversight organization, which engages a third-party administrator to ensure consistent qualifications, reporting of accidents and contractor accountability.
- Increasing field supervision job safety observations. In 2021, SDG&E conducted more than 15,800 safety observations, up more than sevenfold from just three years ago.
- Enhancing safety communications to include timely reporting of near misses and sharing of lessons learned across the organization. SDG&E launched an app in 2020 to make it easier for employees to report near misses and continues to improve the means for employees to proactively speak up regarding safety issues.

To further strengthen SDG&E's safety culture, Ms. Winn sponsored the development of an enterprise-wide Safety Management System (SMS) covering both its gas and electric operations and created a new executive position – chief safety officer – who is focused on fostering psychological safety and continuous improvement of processes and procedures to reduce injuries.

### ***Trevor Mihalik – SDG&E Safety Committee Member***

Trevor Mihalik is group president of Sempra, where his primary responsibilities are to oversee Sempra California's utilities, San Diego Gas & Electric and Southern California Gas Company. He is also responsible for several corporate functions, including risk and compliance, human resources and audit services and insurance. He previously served as chief financial officer for Sempra. Mr. Mihalik has extensive financial and leadership experience in the energy industry, with wide-ranging knowledge of capital markets, mergers and acquisitions, financial reporting, treasury and risk.

As group president of Sempra California and Board Chairman for SDG&E and Southern California Gas Company, Mr. Mihalik has ultimate oversight for safety operations for both companies, including interaction with operational personnel regarding construction and ongoing operations. During his tenure as Board Chairman for Sempra Infrastructure, Mr. Mihalik oversaw efforts to ensure that the company's Mexican business enterprises developed safety standards similar in design and operation to those applicable in the United States. As a former Board member for Oncor Electric Delivery, Mr. Mihalik participated with management in the assessment of the safety culture for one of Sempra's largest individual capital programs. In his various oversight roles, Mr. Mihalik routinely participates in efforts to observe operational safety, including attending SoCal Gas' Contractor Safety Congress and SDG&E's Utility Lineman Rodeo, participating in field site visits at both utilities aimed at assessing and understanding safety culture as well as personal and community safety, and attending front line worker safety briefings.

Prior to joining Sempra in 2012 as controller and chief accounting officer, he previously served in senior financial leadership roles that included chief financial officer roles at Iberdrola Renewables and Chevron Natural Gas. Mihalik began his career with Price Waterhouse, working in their Energy Group in the Houston and London offices.

He currently serves on the board of WD-40.

Mihalik graduated with a bachelor's degree in accounting, with an emphasis in finance, from Creighton University, holds a master's degree in business administration from Rice University and is a certified public accountant.