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INFORMATIONAL HEARING

Investor Owned Utility Wildfire Mitigation Plans: Will the Plans Reduce the Risk & Occurrence of Catastrophic Wildfires?

Tuesday, May 21, 2019

Wildfire Mitigation Plans; What Are They?

A wildfire mitigation plan (WMP) represents future activity to reduce the likelihood that utility infrastructure is the source of a catastrophic wildfire ignition and to make utility infrastructure more resistant to wildfire. The plans were first mandated for electrical corporations (IOUs) by the Legislature in 2016. Senate Bill 1029 (Hill) required IOUs to file annual WMPs and required the CPUC to review and comment on those plans. Local publicly owned utilities (POU) and electrical cooperatives were also required to determine the risk of catastrophic wildfire that could be caused by their electric lines and equipment and, if a risk existed, submit WMPs to their respective governing boards for approval.

Senate Bill 901 modified those requirements in a number of ways, including requiring a more nuanced and detailed list of information that the utilities must provide in the WMPs. A minimum of nineteen elements are required which were specified in SB 901 and can be expanded by the CPUC. The central elements are:

- Inspection and maintenance;
- Vegetation management;
- System hardening;
- Situational awareness;
- De-energization;
- Disaster preparedness and customer outreach; and
- Metrics for evaluation.

The CPUC was also directed by SB 901 to pursue enforcement actions for non-compliance with the plans. The IOUs that are required to file WMPs are Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE), San Diego Gas & Electric (SDG&E), PacifiCorp, Bear Valley Electric Service (Bear Valley), Liberty Utilities (Liberty). Two independent transmission owners also file: TransBay Cable and NextEraPacific.

Review & Approval Process

Plans must be submitted annually and are reviewed by the CPUC which will modify the WMPs when necessary and approve. The approval process only considers the necessity and efficacy of the activity in each WMP. Utility costs are tracked and considered in each utility's general rate case.

After SB 901 was signed by Governor Brown last fall, the CPUC initiated a rulemaking on October 25, 2018 (R.18-10-007) to review the initial plans. The proceeding has provided guidance on the form and content of the initial WMPs, provided a venue for review of the initial plans, and was intended to develop and refine the content of and process for review and implementation of WMPs to be filed in future years.

On February 6th WMPs were filed with the CPUC and can be found [here](#)¹. An expedited review of the plans was done by the CPUC as required by SB 901 which required each plan to be approved within three months of its submission. The CPUC reports that on February 13th it held a day-long workshop at which parties and members of the public were provided presentations about each filed WMP, and were able to ask questions and make statements. After the workshop, parties were asked to suggest topics that required additional attention for discussion at follow-up workshops. On February 26th and 27th a half-day workshop took place on the meaning of SB 901 approval of WMPs, and a full-day workshop occurred on February 27th to examine the filers' vegetation management plans as well as conductors and related system hardening. Over 300 people attended the workshops.

On April 29th proposed decisions (PDs) were issued for CPUC commissioner consideration which can occur as early as it's May 30th business meeting. The first PD is an over-arching guidance document and addresses issues that are common to all of the IOU WMPs. Specifically, it interprets SB 901; describes the procedural background of the proceeding; orders all IOUs to collect data and file reports on this year's WMPs; initiates a process to establish "metrics" to evaluate the WMPs, and makes clear that these metrics should focus on the success of mitigation at lowering the risk of catastrophic wildfires and not simply the number of trees removed or wires replaced; and creates a process for next year's WMPs.

The CPUC also issued separate PDs addressing the individual WMPs for PG&E, SCE, and SDG&E. A single combined decision on the WMPs of the three smaller IOUs was also issued as well as a single decision on the WMPs of independent transmission owners Trans Bay Cable LLC and NextEra Energy Transmission West, LLC.

A copy of each of the CPUC's PDs can be found [here](#).² A brief high-level summary of each PD provided by the CPUC is attached.

¹ Links to all wildfire mitigation plans, comments, and proposed decisions are here: <https://www.cpuc.ca.gov/SB901/>

² *Id.*

What's Next?

The IOUs have initiated much of the work specified in their WMPs. However, the CPUC has noted that the expedited process of the plan review process mandated by SB 901 has provided:

...little time to evaluate each Plan's effectiveness... We hope and expect improvement in the Wildfire Mitigation Plans each year through engineering and technological advances, but we will not solve the problem of catastrophic wildfires in one year. We and the electrical corporations we oversee are but a piece of the solution to mitigating catastrophic wildfires.

The CPUC's guidance decision outlines several actions by the IOUs in the coming months including:

- Requires the IOUs to make two filings in the next 12 months to describe any concerns about the effectiveness of any program in their individual WMPs;
- By July 30th the IOUs are required to file proposed metrics that assess whether the WMPs are having or will have the desired result – a reduction in catastrophic wildfire. The metrics cannot focus on the number of actions taken, but instead on how those actions measurably reduce the risk of catastrophic wildfire;
- By June 28th file proposals for data collection that: a) list the data the IOU collects that could be useful in assessing the effectiveness of its WMP in reducing wildfire; b) suggests new areas of data collection that could assist in assessing WMP effectiveness; c) proposes a schedule for collecting and using the data for future wildfire mitigation efforts; and d) proposes a manner of making the data available to third party researchers for the purposes of improving wildfire mitigation; and
- By August 30th the IOUs must convene a meet and confer session with the parties to the proceeding and other interested stakeholders for the purpose of initiating the 2020 WMP process.

Oversight Structure

The Committee has also observed that California finds itself alone in uncharted waters regarding the threat of catastrophic wildfire and how to prevent ignition by utility infrastructure. No other utility in the nation appears to have encountered this level of threat. Worldwide, only Australia is reported to be somewhat similarly situated. Consequently, there is no template for WMPs, evaluation, metrics, or oversight. Moreover, the CPUC's open rulemaking for review of the WMPs attracted no participation from wildfire experts so there were no public comments provided on the utility WMPs from safety experts. However, as mandated by SB 901 CALFIRE did comment directly, and confidentially, to the CPUC as part of the agency's memorandum of understanding on the filed WMPs.

2019 Budget Act – The island on which California finds itself along with the newness of wildfire safety regulation is acknowledged in pending funding issues for the 2019 Budget Act. The Administration has submitted several budget change proposals to address the ongoing threat of wildfires with several for CALFIRE and the Office of Emergency Services. For the CPUC, the Administration has submitted a request for \$41 million as part of the May Revise to “begin the implementation of a five-part action plan aimed at preventing and responding to catastrophic wildfires as laid out in the *Wildfires and Climate Change: California's Energy Future Report* Released on April 12, 2019.”

The CPUC reports that there are currently no policies or standards on what a good WMP policy looks like. They also have no articulated long-term vision for how wildfire risk from utility infrastructure is going to be reduced over the long term. Consequently they are seeking \$13 million for a contract to facilitate the development of wildfire mitigation policy to articulate the phasing of specific mitigation measures and goals that the state expects utilities to achieve through implementation of WMPs. They report that there are currently no policies or standards on what a good WMP looks like and there is no articulated vision for how wildfire risk from utility infrastructure is going to be reduced over the long term.

The CPUC is also seeking \$25 million to contract with independent evaluator(s) to review IOU compliance with SB 901, General Order 95, and all other applicable rules, orders and decisions regarding safety and wildfire risk. This team would be boots on the ground investigators inspecting the utilities infrastructure and safety protocol.

CPUC as Rate-maker & Climate Change Regulator & Safety Expert? – The CPUC was recently called out by the Governor’s Strike Force which criticized the agency for its deliberative process stating that:

The current structure of the CPUC does not align with California’s need for a regulator that can effectively address wildfire safety and can be nimble in today’s changing energy market. The CPUC has assumed a greater role in safety regulation, as well as in protecting consumers. However, its structure has not fundamentally changed. Further, its other obligations, including regulation of some transportation industries, telecommunications, and other industries has grown as the demands on the Commission as the state’s regulator of utilities have increased and become more complicated.

The Commission needs to strengthen its efforts as an evaluator of risk reduction and as a key line of defense to prevent wildfires caused by utility infrastructure. It must also be more nimble and provide necessary certainty more quickly than it does today in light of the changing energy market and heightened fire risk. Implementing a comprehensive strategy to improve safety, keep costs down and reach California’s clean energy goals requires a regulator that applies and enforces regulation in a predictable, timely, and fair way.

The Strike Force opined that the CPUC “needs to strengthen its efforts as an evaluator of risk reduction and as a key line of defense to prevent wildfires caused by utility infrastructure.”

Does the CPUC need to change? To some degree. But the committee may wish to step back and consider whether the CPUC is the right venue, has the right structure, and sufficient capacity to be a safety regulator. The growing responsibility of safety is stretching the commissioner's roles in oversight. Over the past few years CPUC President Michael Picker has publicly questioned the logic of the CPUC as a rate regulator which is also responsible for issuing safety recommendations.

The issue was also raised at a recent Senate hearing³ which explored how to promote utility safety. In testimony before the sub-committee, Dr. Paul Schulman with the Center for Catastrophic Risk Management at the University of California, Berkeley observed that the CPUC has many other competing missions with safety; it has many other organizations that consider safety part of what they do; and the CPUC has been understaffed.

The CPUC has so many policies it's supposed to be dealing with simultaneously: renewable fuels, environmental protection, global warming, rate affordability, as well as now worrying about the financial collapse of a monopoly utility and the loss of service that could come from that. That's a lot to put on people's plates and so it's not surprising that the attention and focus on safety could drift.

Does the CPUC have the bandwidth to dedicate the attention necessary to the development and oversight of safety for electric utility infrastructure? A very important question and one that might be worth of exploration:

Whether an independent board, dedicated to improving utility safety, would better promote the safety needs of California's utility infrastructure and ensure that the CPUC has sufficient capacity to address its other important regulatory functions.

Deenergizing

A significant element of the utility's WMPs is the requirement of protocols to proactively cut power to lines that may fail in certain weather conditions in order to reduce the likelihood that utility infrastructure could cause or contribute to a wildfire. This effort to reduce the risk of fires caused by electric infrastructure by cutting off power and creating outages is called "de-energization." Due to the important role that deenergization can play in ensuring public safety during an extreme weather event, as well as the impacts of deenergization on affected populations, the CPUC opted to address the implementation and logistics for deenergization of power lines in separate rulemaking (R.18-12-005). The program is now referred to Public Safety Power Shut-offs (PSPS).

This proceeding intends to: examine conditions in which proactive and planned de-energization is practiced; develop best practices that ensure an orderly and effective set of

³ See *Safeguarding Safety: Participation of Safety Advocates in a Regulatory Landscape*, Subcommittee on Gas, Electric, and Transportation Safety, Senate Committee on Energy, Utilities, and Communication, May 14, 2019 at <https://seuc.senate.ca.gov/content/2019-2020-subcommittee-hearings>

criteria for evaluating de-energization programs; ensure the electric utilities coordinate with state and local level first responders, and align their systems with SEMS (a statutory system required for managing emergencies involving multiple jurisdictions and agencies); mitigate the impact of deenergization on vulnerable populations; examine whether there are ways to reduce the need for deenergization; ensure effective notice to affected stakeholders of possible de-energization and follow-up notice of actual de-energization; and ensure consistency in notice and reporting of de-energization event.

The first phase of the proceeding is intended to ensure that the CPUC has adopted deenergization parameters and protocols in anticipation of the upcoming 2019 wildfires season. Those guidelines are the foundation for a proposed decision which was issued on April 26th. A copy of the decision is [here](#)⁴ and the guidelines are reflected in Appendix A of that PD.

The next phase of the proceeding will further refine the guidelines and consider an expanding list of issues including deenergization of transmission lines, reenergization of lines, mitigation measures such as cooling centers and the deployment of other power sources to critical facilities, and possibly vulnerable populations.

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⁴ See *Proposed Decision Adopting De-energization (Public Safety Power Shut-off) Guidelines (Phase 1 Guidelines)*, CPUC, April 25, 2019 at <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M285/K881/285881527.PDF>

Summary of Each Proposed Decision Provided by the CPUC

PG&E Proposed Decision

Determines that PG&E includes all statutorily required elements in its WMP, but requires follow-up on several matters, including the following:

- Metrics to measure how various mitigation measures reduce risk of catastrophic wildfires, and whether system hardening will achieve the same efficiencies used alone as when used in combination with other mitigation measures such as vegetation management;
- Summary of the results of the detailed inspections PG&E conducts in the High Fire-Threat District Tier 2 and 3 areas (the highest risk areas on the CPUC Fire Map) of its service territory to allow assessment of whether the fire mitigation measures proposed in the WMP are properly directed or need adjustment;
- Analysis of pole materials to inform why the utility recommends non-wood materials for distribution versus transmission structures, and why and in what circumstances these materials are superior to wood poles;
- Analysis of data to determine whether PG&E's new vegetation-pole clearances have contributed to reduced ignitions, especially during critical weather conditions;
- PG&E's efforts to partner with local departments of public works to develop skilled labor and other resources and address the resource constraints it alleges;
- Whether other mitigations could reduce the need for Public Safety Power Shutoffs or PSPS (also known as de-energization);
- Additional information on how PG&E intends to share information with first responders and other stakeholders, including providing information in real time during potential or actual emergency events; and
- Detail of how the utility disseminated wildfire information during the previous WMP cycle, the effectiveness of the communications and information-sharing, complaints or concerns expressed about the utility's communication and information-sharing, and what measures PG&E will take in the upcoming planning year to address any unanswered questions.

The full proposed decision is [here](#).⁵

⁵ See *Proposed Decision on Pacific Gas and Electric Company's 2019 Wildfire Mitigation Plan Pursuant to Senate Bill 901*, CPUC, April 29, 2019, at <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M285/K712/285712576.PDF>

SCE Proposed Decision

Determines that SCE includes all statutorily required elements in its WMP, but requires action in 2019 and future plans, including the following:

- A process for bringing SCE's "High Fire Risk Areas" into conformity with the CPUC's High Fire-Threat District area maps, or more detail on why SCE should not be required to do so;
- Explanation of the Enhanced Overhead Inspection program to ensure SCE's enhanced program does not simply consist of drive-by patrols;
- Verification that SCE's covered conductor and vegetation management programs will occur in the CPUC-adopted "High Fire-Threat Districts" during this 2019 WMP cycle;
- Discussion of how SCE's enhanced inspection and maintenance activities, including Light Detection and Ranging (LiDAR), will target distribution lines and not only transmission lines;
- SCE must inform local communities and residents of its vegetation management plans, especially when it plans large scale vegetation work in a heavily forested area; and.
- In future WMPs, discuss the strengths and weaknesses of its emergency preparedness, outreach, and response program as SCE engages with stakeholders during this upcoming fire season.

The full proposed decision is [here](#).⁶

SDG&E Proposed Decision

Determines that SDG&E includes all statutorily required elements in its WMP, and imposes additional requirements, including:

- SDG&E's next WMP must include a summary of the results of the detailed inspections it conducts in the High Fire Threat District Tier 3 area of its service territory;
- SDG&E may proceed with its proposed Fire Risk Mitigation plan to replace wood poles with steel poles in 2019, but must continue to assess the best materials to use for poles in High Fire-Threat District areas. In future WMPs, SDG&E must document that its selections for pole replacements are reasonable;

⁶ See *Proposed Decision on Southern California Edison's 2019 Wildfire Mitigation Plan Pursuant to Senate Bill 901*, CPUC, April 29, 2019, at <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M285/K866/285866094.PDF>

- Requires work with manufacturers to accelerate the production of new poles and covered conductors and conduct quality control on the production of this equipment;
- Allows 25-foot post-trim clearance where necessary and feasible, but requires SDG&E to propose detailed guidelines for where a 25-foot post-trim clearance for vegetation management is both feasible and necessary in next year's plan; and
- SDG&E must demonstrate that its community outreach program provides information to customers during wildfires in five languages.

The full proposed decision is [here](#).⁷

Small and Multi-Jurisdictional (SMJUs) Utilities Proposed Decision

Determines that the WMPs of PacifiCorp, Bear Valley, and Liberty each contain the statutorily required elements, and imposes additional requirements on each company, including:

- Requires Liberty Utilities to track additional data: number of elevated fire danger days in its territory, using indicators from the National Fire Danger Rating System or the National Weather Service's Red Flag Warnings, along with the number and types of potential ignition events; wire-down events and fault data, including data for previously unreported ignitions, and if applicable, where the investigating fire agency determined utility facilities to be the cause of ignition;
- Requires Bear Valley Electric Service to report additional data including faults and ignitions on dry days; deploy situational awareness such as cameras across its service territory and work with CAL FIRE to site the cameras and share camera information; and
- Requires PacifiCorp in future WMPs to assess the relative effectiveness of any system hardening activities to determine how best to prioritize these activities; discuss its efforts to coordinate its evacuation planning for isolated communities in its service territory with the appropriate agencies; conduct outreach in languages other than English; and gather and report fire incident data on "wires down" and fault events.

The full proposed decision is [here](#).⁸

⁷ See *Proposed Decision on San Diego Gas and Electric's 2019 Wildfire Mitigation Plan Pursuant to Senate Bill 901*, CPUC, April 29, 2019, at <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M285/K715/285715773.PDF>

⁸ See *Proposed Decision Approving 2019 Wildfire Mitigation Plans of Liberty Utilities/CalPeco Electric; Bear Valley Electric Service, A division of Golden State Water Company; and Pacific Power, A Division of PacifiCorp Pursuant to Senate Bill 901*, CPUC, April 29, 2019, at <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M285/K715/285715780.PDF>

Independent Transmission Operators (ITOs) Proposed Decision

Determines that the WMPs of Transbay Cable and NextEra substantially comply with the SB 901 WMP requirements, taking into account the fact that the ITOs are transmission-only utilities with limited infrastructure whose rates and cost recovery are regulated exclusively by the Federal Energy Regulatory Commission.

The full proposed decision is [here](#).⁹

⁹ See *Proposed Decision Approving NextEra Energy Transmission West, LLC's and TransBay Cable LLC's 2019 Wildfire Mitigation Plans Pursuant to Senate Bill 901*, CPUC, April 29, 2019, at <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M285/K881/285881540.PDF>