



# Assembly Committee on Utilities and Energy

Assemblymember Chris R. Holden, Chair

California Legislature

## INFORMATIONAL HEARING

### *2020 Investor-Owned Utility Wildfire Mitigation Plans: Will the Plans Reduce the Risk & Occurrence of Catastrophic Wildfires?*

Wednesday, March 4, 2020

#### **I. Wildfire Mitigation Plans; What Are They?**

A wildfire mitigation plan (plan) 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 plans and required the CPUC to review and comment on those plans. Local publicly owned utilities (POU) and electrical cooperatives (coops) 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 plans to their respective governing boards for approval.

Senate Bill 901 (Dodd, 2018) modified and enhanced those requirements in a number of ways, including requiring a more nuanced and detailed list of information that the utilities must provide in the plans. The POUs and coops were also specifically mandated to develop the same plans, with the same elements, and have them approved by each utility's governing board. A minimum of nineteen elements are required to be addressed in the plans which were specified in SB 901.<sup>1</sup> The central elements are:

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

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<sup>1</sup> Public Utilities Code sections 8386, 8387.

Plans are filed with the CPUC by 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 filed Trans Bay Cable and NextEraPacific.

The first substantive plans were filed with and approved by the CPUC in June 2019 through the rulemaking process. The IOUs were required to file progress reports regarding the implementation of their 2019 plans and the CPUC required the IOUs to take formal actions and file reports to the CPUC if they had concerns about the effectiveness of any wildlife mitigation action in their plans. Based on the experience of the 2019 plan filings, the CPUC revised the filing requirements for 2020 to require greater structure and consistency in data, receiving supporting data earlier in the planning process, and utilizing a structured and consistent approach to evaluate utility wildfire mitigation.

Later in 2019, the Legislature revised the scope and oversight of the plans to require that each annually filed plan cover the subsequent three-year period rather than just one year.<sup>2</sup> The regulation of plans, previously handled in a formal proceeding before a CPUC administrative law judge, is now being transitioned to a process run by the newly created Wildfire Safety Division (Division) and advised by a newly established Wildfire Safety Board with the CPUC.<sup>3</sup> The Division reviews each electric IOU's plan through a public process and provides guidance on plan development and structure as well as review timelines and filing requirements. The Division is required to approve or deny each plan within three months of submittal and for the Commissioners to thereafter ratify the Division's action by the approval of a resolution subject to public comment within prescribed timelines.

The schedule for filing, review, comment, and approval of the 2020 plans (copies of which are available [here](#)) is:

- Feb. 7, 2020: Utility Wildfire Mitigation Plans due;
- Feb. 18-19, 2020: Informational Workshops;
- Feb. 24-25, 2020: Technical Workshops;
- Apr. 7, 2020: Deadline for members of the public to submit comments on utility plans to the Division;
- Apr. 16, 2020: Deadline for IOUs to submit reply comments to the Wildfire Safety Division;
- May 7, 2020: CPUC Wildfire Safety Division issues a draft resolution recommending approval or denial of IOU plans; and
- Jun. 11, 2020: First opportunity for CPUC Commissioners to vote on the plans.

Going forward, the CPUC plans to decide on the electric IOUs 2020 plans by June 2020. Upon their approval, the Division will coordinate with other divisions in the CPUC on plan cost-recovery as well as plan compliance and enforcement. Plan cost-recovery from electric IOU ratepayers is largely evaluated and decided upon within each electric IOUs general rate case

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<sup>2</sup> Chapter 79, Statutes of 2019, amending Public Utilities Code section 8386.

<sup>3</sup> The Division will be transferred to the Office of Energy Infrastructure Safety within the California Natural Resources Agency on or after July 1, 2021 per AB 1054 and AB 111 (Chapter 81, Statutes of 2019).

proceedings. Active coordination between the CPUC’s various divisions regulating the operations and safety of the electric IOU infrastructure is critical for ensuring the effectiveness of efforts aimed at reducing catastrophic wildfires caused by the IOU equipment.

### **Utility Wildfire Mitigation Maturity Model**

The wildfire mitigation plan review and approval process has and will continue to evolve. Most significant for the 2020 plans is new process for submission and evaluation of the plans that will use 2019 data as a baseline and use a “maturity model” to evaluate the IOU’s progress over time in mitigating the risk of catastrophic wildfire. Based on lessons learned from the 2019 plan process, CPUC staff developed a formalized evaluation framework called the “Utility Wildfire Mitigation Maturity Model” (maturity model) which is available [here](#). The maturity model describes capabilities and corresponding maturity levels and is intended to provide the CPUC and the public with a nuanced and objective view of the utility’s wildfire mitigation capabilities and identify best practices that should be shared. The maturity model is a method of determining the starting point of the electric IOUs capabilities, and of assessing if the electric IOUs are doing enough to improve their capabilities over the 3-year horizon of the plans. The maturity model also highlights capabilities where one electric IOU can learn from another and drive more cross-sharing of best practices.

The maturity model evaluates the IOUs along 52 “capabilities” relevant to wildfire mitigation. The CPUC will report a score of where each IOU is today and where each IOU plans to be in three years on a scale of 0 to 4 for each capability and aggregate scores in ten categories. The IOU self-reports current wildfire mitigation abilities as well as where the utility plans to be in three years, by answering a survey. The IOUs answers were submitted along with their 2020 plan. The Division evaluation team is assessing the electric IOUs self-reported abilities and generating a score of 0-4 for each capability based on the utility survey. Survey responses may be examined in further detail or audited wherever there are concerns or doubts about an IOU’s responses.

## **II. Public Power Safety Shutoffs (PSPS)**

A significant element of each utility’s plan is to proactively cut power to distribution and transmission lines as a preventative measure of last resort if the utility reasonably believes that there is an imminent and significant risk that strong winds may topple power lines or cause major vegetation-related issues leading to increased risk of fire. This effort to reduce the risk of fires caused by electric infrastructure by cutting off power and creating outages is called “deenergization” or Public Power Safety Shutoffs (PSPS). The CPUC has opined that the IOUs have a statutory obligation to operate utility systems safely which does result in a requirement that the utilities deenergize systems “if doing so is necessary to protect public safety.”<sup>4</sup>

Customer impacts as a result of these events are significant. In response the CPUC has an ongoing proceeding in which it has examined conditions under which proactive and planned

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<sup>4</sup> California Public Utilities Code sections 451 & 399.2(a); CPUC D.12-04-024.

deenergization is practiced; developed best practices that ensure an orderly and effective set of criteria for evaluating deenergization programs; required the IOUs to 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); required measures to mitigate the impact of deenergization on vulnerable populations; examined whether there are ways to reduce the need for deenergization; required notice to affected stakeholders of possible deenergization and follow-up notice of actual de-energization; required specified notice to affected customers; and required notice and reporting to the CPUC of deenergization events.<sup>5</sup>

SDG&E began using PSPS as a wildfire mitigation measure in 2013. In 2018, SCE and PG&E initiated the use of PSPS. In October 2019, the greatest number of PSPS events were initiated in the State with the greatest number of customers impacted.

Each utility is required to address measures that will reduce the scope, duration, and frequency of PSPS events as part of their wildfire mitigation plans. Measures observed to be in use include: distribution line segmentation which avoids deenergization in areas outside of fire threat and more directly targets deenergizing to those areas with fire threat; line hardening (insulation of wires and covering or replacement of poles); line undergrounding; removing distribution line segments from service with the addition of generation to serve remote loads; generation at the substation level to serve deenergized communities; and mobile backup generation during PSPS events.

The CPUC has continued to examine how utilities use and institute PSPS events. In January the CPUC issued additional [proposed guidelines](#)<sup>6</sup> for the IOUs in order to ensure improved communication with utility customers before and during PSPS events and to minimize the impact to customers when PSPS events are implemented which would augment the guidelines already established. A decision by the Commission is expected in May. The enhanced measures would require the IOUs to:

- Restore service no longer than 24 hours after event;
- Engage in more robust regional collaboration;
- Conduct exercises with public safety agencies;
- Ensure communication resiliency;
- Meet specific needs of vulnerable populations;
- Strengthen online information accessibility;
- Publicly articulate PSPS decision-making process;
- Notify communications carriers proactively; and
- Address transportation impacts.

The CPUC has also opened an investigation of the actions of all IOUs related to the 2019 PSPS events to evaluate both the effectiveness and impacts of all phases of the PSPS events and utility compliance with CPUC regulations and requirements. The first phase will assess for each

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<sup>5</sup> See generally R.18-12-005, and specifically [D.12-04-024](#) at [http://docs.cpuc.ca.gov/PublishedDocs/WORD\\_PDF/FINAL\\_DECISION/165063.PDF](http://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/165063.PDF); [ESRB-08](#) at <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M217/K801/217801749.PDF>, and [D.19-05-042](#) at <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M296/K598/296598822.PDF>

<sup>6</sup> <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M325/K985/325985221.PDF>

utility: 1) the effectiveness of the utility's procedures to notify the public of the PSPS events (including the information provided and outreach efforts); 2) the utility's communication and coordination with first responders, local jurisdictions and state agencies; and 3) the utility's management of its resources to ensure public safety. In later phases of the proceeding, the Commission may consider taking enforcement action if it finds violations of statutes or its decisions or general orders have been committed and to enforce compliance, if necessary.

Links to all PSPS protocols, post-event reports, and other actions of the CPUC can be found [here](#).<sup>7</sup>

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<sup>7</sup> <https://www.cpuc.ca.gov/deenergization/>