

Date of Hearing: June 27, 2018

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY

Chris Holden, Chair

SB 901 (Dodd) – As Amended June 7, 2018

SENATE VOTE: 39-0

SUBJECT: Electrical corporations: local publicly owned electric utilities: electrical cooperatives: wildfire mitigation plans and measures

SUMMARY: This bill requires electrical utilities to address deenergizing of electrical lines and the use of reclosers as part of wildfire mitigation. Specifically, **this bill:**

- 1) Requires an electrical corporation (IOU), as part of wildfire mitigation plans filed with the California Public Utilities Commission (CPUC), to provide a description of the factors the IOU uses to determine when it may be necessary to deenergize its electrical lines and deactivate its reclosers, health and welfare risks to customers who may lose power, and procedures for notifying customers impacted by deenergizing.
- 2) Requires local publicly owned electric utilities (POUs) and electrical cooperatives (CO-OPs), if governing boards determine that there is a significant risk of catastrophic wildfire resulting from the utility's electrical lines and equipment, to provide a description of the factors the utilities use to determine when it may be necessary to deenergize its electrical lines and deactivate its reclosers, health and welfare risks to customers who may lose power, and procedures for notifying customers impacted by deenergizing.

EXISTING LAW:

- 1) Requires an IOU to operate its electric distribution grid in its service territory and do so in a safe, reliable, efficient, and cost-effective manner. (Public Utilities Code § 399.2)
- 2) Requires the CPUC to develop formal procedures to incorporate safety in a rate case application by electrical or gas IOUs. (Public Utilities Code § 750)
- 3) Requires IOUs to construct, maintain, and operate its electrical lines and equipment in a manner that will minimize the risk of catastrophic wildfire posed by those electrical lines and equipment (Public Utilities Code § 8386[a])
- 4) Requires each IOU to annually prepare and submit a wildfire mitigation plan for the next compliance period to the CPUC for review, and requires specified elements to be included in the plans. (Public Utilities Code § 8386)
- 5) Requires the governing board of POU or CO-OP, if it determines there is a significant risk of catastrophic wildfire resulting from the utility's electrical lines and equipment, to present the measures the utility intends to undertake to minimize the risk of its overhead electrical lines and equipment causing a catastrophic wildfire. (Public Utilities Code § 8387)

FISCAL EFFECT: According to the Senate Appropriations Committee, ongoing costs of approximately \$875,000 annually (Utilities Reimbursement Account) for the CPUC to review, comment, and audit electrical corporations' wildfire mitigation plans.

BACKGROUND:

What is Deenergizing? An intentional action of an electric utility to implement an "unplanned outage" by turning off power to distribution lines in a proactive effort to prevent fires, typically during high wind events, which could blow down distribution lines or cause vegetation to come into contact with those lines.

What are Reclosers? Automated reclosers work much like enhanced circuit breakers. When an abnormal electrical current is detected on a power line, the line automatically shuts down. The recloser waits several seconds, then sends a burst of electricity through the line to see if conditions have returned to normal. If so, the recloser automatically restarts the flow of power. Reclosers are considered a key tool to prevent or minimize blackouts, particularly in rural areas. By restarting service on a line automatically, the recloser eliminates the need to send utility crews to fix many minor service disruptions.

However, if a power line is damaged, touching vegetation, or dangling toward the ground, an automatic recloser can pose a fire risk. The burst of current sent by the recloser to test a line can ignite dry plants.

San Diego Gas & Electric Company (SDG&E) and Southern California Edison (SCE) routinely reprogram reclosers during fire season so that the devices do not automatically try to restart power lines. Pacific Gas & Electric (PG&E) had a pilot program to evaluate this tool last year which media reports indicate was being done in the area of the North Bay area fires. Some reclosers were part of the pilot but other reclosers in the area were not part of the experiment. Instead, they were programmed to try up to three times to restart power lines that had shut down.

Disabling reclosers is an action separate from deenergizing and considered to be an alternative to shutting off power.

2017 Wildfires – The 2017 California wildfire season was the most destructive wildfire season on record, and saw multiple wildfires burning across California, including five of the 20 most destructive wildland urban interface fires in the state's history. Devastating fires raged in Santa Rosa, Los Angeles, and Ventura, and the Thomas Fire proved to be the largest wildfire in California history. These fires further demonstrated the fire risk in California. As a result of the fires and critical fire weather conditions, both the President of the United States and the Governor of California issued State of Emergency declarations.

SDG&E took action to deenergize specific circuits in December of 2017. The first group of deenergization events occurred during the period of December 4 through 12, 2017. There were 55 individual circuit deenergization events involving 28 circuits (some circuits had multiple deenergization events) in various eastern San Diego County communities. A total of approximately 14,000 customers were affected.

A second group of deenergization events occurred on December 14 and 15, 2017. There were six individual circuit deenergization events involving three circuits in various eastern San Diego County communities. A total of approximately 650 customers were affected.

In 2017, SCE also used deenergization as a measure to protect its system against fire safety hazards. The deenergization event occurred on December 7, 2017 and affected customers in the community of Idyllwild. Approximately 8,061 total customers were affected in SCE's and nearby Anza Co-Op's service territories. The deenergization event occurred in response to a Red Flag Warning in effect, SCE meteorological forecasting, field-validated extreme high winds and associated fire risks in the area.

According to SCE, during such an event, the company typically attempts to notify customers who could be affected prior to deenergization if timing allows. For the December 7, 2017 event, SCE notified city, county and government officials prior to deenergizing but was not able to notify affected customers prior to the outage occurring. SCE also utilizes other wildfire mitigation practices, such as blocking of distribution reclosers in High Fire Areas, prior to deenergization.

According to SCE, if the company elects to deenergize circuits, it is the last line of defense to protect public safety due to extreme fire weather conditions. Such an event must be authorized by its activated Incident Management Team.

PG&E reports that prior to this year it did not have a policy to deenergize lines as a fire prevention measure. PG&E reported that it did not proactively deenergize lines due to extreme fire weather conditions in 2017. However, in March 2018 PG&E announced that it is developing a program to deenergize lines during periods of extreme fire conditions and has been meeting with local communities to gather feedback.

Wildfire Mitigation Plans – As a result of legislation in 2016, the IOUs are now required to file Wildfire Mitigation Plans with guidance by the CPUC. The CPUC also approves these plans and ensures compliance with guidance and statute. These plans outline, describe and summarize electric IOU responsibilities, actions and resources to respond to emergencies and mitigate wildfires.

CPUC Resolution ESRB-8 – The CPUC has issued this resolution which is scheduled for its July 12th business meeting. The resolution would extend the requirements of a 2012 decision which only applied to SDG&E, to all electric IOUs, and require the utilities to have a deenergization plan. The directive requires the IOUs to meet with the local communities that may be impacted by a future deenergization event before putting the practice in effect in a particular area, requires feasible and appropriate customer notifications prior to a deenergization event, and requires notification to the Safety and Enforcement Division as soon as practicable after a decision to deenergize facilities and within 30 minutes after the last service is restored.

COMMENTS:

- 1) Author's Statement. Wildfires caused by power lines are not uncommon. Among the more notable fires have been the Witch, Butte, and most recently, the Wine Country wildfires, which cumulatively have burned hundreds of thousands of acres and destroyed thousands of structures. There is proof or evidence that these, and many other California wildfires over the years have been caused by downed or arcing electric power lines during extreme weather events.

As California's population grows, and development continues to move farther from urban boundaries, the wildland-urban interface expands. Recent estimates are that 3.6 million California homes are now located in higher risk interface areas. Despite the growing risk, electric utilities have an obligation to serve, which requires them to build transmission and distribution lines in these high risk areas. In recognition of the wildfire threat a downed power line may present, at least one utility has taken steps to evaluate the risk whenever an extreme weather event is predicted to occur in its service area. Public safety, particularly in high risk urban-wildfire interface areas, would be enhanced if all electric utilities adopted similar policies and procedures pertaining to temporarily shutting down power lines during extreme weather events.

- 2) Trees + Wind/Weather + Electric Lines = Fire. There is an elevated hazard for the ignition and rapid spread of power-line fires due to strong winds, abundant dry vegetation, and other environmental conditions. Consequently, the CPUC approved a deenergization plan for SDG&E in 2012 and is scheduled to extend that order to all electric utilities to do the same at its July 12th business meeting.

This policy is to be used only as a last resort. Without power, numerous unsafe conditions can occur. Traffic signals do not work, medical life support equipment does not work, water pumps do not work, and communication systems do not work.

Shutting off power without notice or mitigation can place customers at serious risk. Consequently, the IOUs are being directed to provide as much notice as feasible before shutting off power so the affected providers of essential services (e.g., schools, hospitals, prisons, public safety agencies, telecommunications utilities, and water districts) and customers who are especially vulnerable to power interruptions (e.g., customers who rely on medical life-support equipment) may implement their own emergency plans.

The deenergization plans are not intended to supplant other safety programs – particularly vegetation management – but is considered to be the last line of defense to protect public safety due to extreme fire weather conditions.

- 3) Layered Mandates. The IOUs are currently required to make several safety filings and proceedings are underway. The CPUC has already approved an SDG&E deenergization plan and has a resolution scheduled for adoption at its July 12th business meeting to extend that 2012 decision to all IOUs. These CPUC actions do not include a recloser policy.

Additionally, SB 1088 (Dodd) requires new safety plans mandated in that bill to include “protocols for disabling reclosers and deenergizing portions of the electrical distribution system that consider the impacts on public safety, as well as protocols related to mitigating the public safety impacts of those protocols, including impacts to critical first responders, and to health and communication infrastructure.”

The critical issue of deenergizing is now addressed in three different CPUC and legislative directives which may interfere with efficacy of the acts.

The CPUC should advise the author and the Legislature as to the consistency of proposed legislation with pending and prior commission decisions.

3) Related Legislation.

SB 1088 (Dodd) Among its other provisions, mandates that once the CPUC determines substantial compliance with an approved utility plan the utility's performance, operations, management, and investments addressed in the plan are reasonable and prudent for purposes of any subsequent commission proceeding. Status: Set in Assembly Governmental Organization Committee June 28th.

4) Prior Legislation.

SB 549 (Bradford) Requires an IOU to annually notify the CPUC of each time that capital or expense revenue authorized by the CPUC for maintenance, safety, or reliability was redirected by the IOU to other purposes. (Chapter 284, Statutes of 2016)

SB 900 (Hill) Requires the CPUC to develop formal procedures, as specified, to consider safety in a rate case application by an electrical corporation or gas corporation. (Chapter 552, Statutes of 2014)

SB 1028 (Hill) Requires the CPUC-regulated electric utilities to file annual wildfire mitigation plans and requires the CPUC to review and comment on those plans. Also requires POUs and electrical cooperatives to determine their risk of catastrophic wildfire that can be caused by their electric lines and equipment and, if a risk exists, submit wildfire mitigation plans to their governing board for its approval. (Chapter 598, Statutes of 2016)

AB 56 (Hill) Required the CPUC, in any ratemaking proceeding in which the CPUC authorizes a gas corporation to recover expenses for a federal transmission pipeline integrity management program, or for related capital expenditures for the maintenance and repair of transmission pipelines, to require the gas IOU to establish and maintain a balancing account for the recovery of those expenses. (Chapter 519, Statutes of 2011)

SB 879 (Padilla) among its provisions, included the same provision related to maintaining a balancing account for gas pipeline safety maintenance and repair as in AB 56. (Chapter 523, Statutes of 2011)

REGISTERED SUPPORT / OPPOSITION:**Support**

Bizfed - Los Angeles County
California Municipal Utilities Association
California Professional Firefighters
Congress Of California Seniors
Mendocino County Board Of Supervisors
Office Of Ratepayer Advocates
Pacific Gas And Electric Company
Rural County Representatives Of California

San Diego Gas & Electric
Silicon Valley Leadership Group
Sonoma County Board Of Supervisors
Southern California Edison

Opposition

None on file.

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