**Wildfire Safety Division**

**Attachment 4: Annual Safety Culture
Assessment Process Proposal**

**November 2020**

**Resolution WSD-011 – Attachment 4**

**Contents**

## Executive Summary

Pursuant to Public Utilities Code §8389, by December 1, 2020, and annually thereafter, the Commission, after consultation with the Wildfire Safety Division (WSD), must adopt and approve a process for the WSD to conduct annual safety culture assessments for each electrical corporation subject to the Commission's jurisdiction.[1] The WSD here introduces an overview of how it plans to conduct annual safety culture assessments.

Upon Commission approval of the process for conducting safety culture assessments described herein, in early 2021, the WSD will release safety culture assessment submission requirements for electrical corporations for 2021. The WSD will expect electrical corporations to prepare their submissions by late spring of 2021 and plans to conduct its first safety culture assessment in the summer of 2021. Specific dates will be released together with the submission requirements in early 2021, and dates are subject to change with written notice by the WSD.

The WSD expects its safety culture assessment process to evolve year over year, and accordingly may phase in implementation of the full process described in this proposal, conducting select elements in 2021 and building on those elements in subsequent years, ultimately ramping up to a comprehensive steady-state process. Throughout this document, the WSD describes the process it aspires to conduct in 2021, while identifying some elements of the process which may be phased in as the process for conducting safety culture assessments evolves. The WSD plans to incorporate lessons learned each year to further improve and refine the proposed processes for safety culture assessments, for consideration by the Commission on an annual basis hereafter pursuant to Public Utilities Code §8389(d)(4).

The WSD provides the following information regarding its safety culture assessment process:
- **Starting point and vision** for the WSD's proposed safety culture assessment
- **Framework and scope** for the WSD's proposed safety culture assessment
- **Proposed process** for the WSD's safety culture assessment
  - This safety culture assessment process will also include an assessment of whether electrical corporations have met the Board structure and reporting requirements outlined in Public Utilities Code §8389(e)(5) and Public Utilities Code §8389(e)(3).
- **Next steps**

**Safety Culture Assessment Vision**
The WSD has an ambitious vision for its safety culture assessment, rooted in conviction that the safety culture of each electrical corporation (encompassing shared values, assumptions, and standards governing behavior, as well as the behavior that ensues) influences safety performance in the context of wildfire hazard mitigation. Accordingly, the WSD aspires to (1) assess a baseline for culture against which improvement can be measured over time, (2) ground its safety culture assessment in data-driven insight, and connect the results to known outcome metrics, (3) ground its assessment in cultural drivers of wildfire risk, (4) focus its assessment on wildfire safety but consider cultural elements that are relevant to broader safety outcomes, and (5) foster continuous and collaborative improvement.

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[1] For 2021, these electrical corporations are Pacific Gas and Electric Company, San Diego Gas & Electric, Southern California Edison, Liberty Utilities (CalPeco), PacifiCorp, Bear Valley Electric Service, Inc., Horizon West Transmission, and Trans Bay Cable.

**Framework and scope**

To achieve the vision for its safety culture assessment set out in this proposal, the WSD will assess select elements of culture, including leadership influence and workforce perceptions and behavior, as well as the organizational foundation that drives culture, which encompasses sustaining systems, structure and governance, and select safety enabling systems.

The WSD's annual safety culture assessment is distinct from and intended to be complementary to the broader safety culture assessment required of the Commission by Public Utilities Code §8386.2. While the Commission's safety culture assessment will cover safety culture broadly, the WSD's safety culture assessment will focus on safety culture in the settings most relevant to wildfire risk. The WSD will focus its assessment on wildfire safety by customizing assessment tools to identify whether overall culture for safety has reached the settings that most influence the public's exposure to wildfire risk and safety risks to employees doing wildfire mitigation work.

Each electrical corporation may conduct its own internal safety culture assessment in addition to the WSD's assessment. This safety culture assessment might measure additional elements most relevant to that electrical corporation's context and might not be focused exclusively on wildfire. The WSD's assessment of safety culture is intended to be complementary to, and not a replacement for, ongoing work to improve safety culture at each electrical corporation.

**Proposed process**

Verification of requirements, including Board structure and safety governance

From 2021 onwards, the WSD will leverage the process, described herein, subject to Commission approval per Public Utilities Code §8389(d)(4), to conduct annual safety culture assessments to assess whether electrical corporations meet minimum safety governance requirements as well as Board structure and reporting requirements pursuant to Public Utilities Code §8389(e)(5) and Public Utilities Code §8389(e)(3).

Safety culture assessment

After conducting its safety culture assessment, the WSD proposes to release an assessment each year, setting a baseline (or updated baseline) for culture and organizational foundation, and evaluating how organizational foundation may be influencing culture and how culture may be influencing outcomes. The WSD will base this assessment on four forms of data collected from the electrical corporations:

1. Targeted workforce survey, intended to assess culture across dimensions and settings particularly relevant to wildfire, including communication regarding safety between workforce and leadership
2. Organizational self-assessment and plan, intended to assess elements of organizational foundation[2] that heavily influence culture, including wildfire safety related communication across the organization, as well as each electrical corporation's targets and plans to improve
3. Supporting documentation requirement, which provides narrative information regarding objectives and lessons learned, supporting evidence for the organizational self-assessment, and detail regarding plan to improve
4. Interviews and observational visits, which will add nuance and context to the data types outlined above

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[2] Organizational foundation includes organizational sustaining systems (set of organizational antecedents and consequences that support effective safety management, leadership, and wildfire safety performance), certain governance elements (how systems or objectives relevant to wildfire safety are monitored), and certain safety enabling systems (systems and processes intended as specific mechanisms to improve safety). This is explained in detail in section 2.3.1.

The WSD will also consider key safety outcome metrics as submitted in each electrical corporation's latest Wildfire Mitigation Plan or related data submission.[3] These outcome metrics are separate from the WSD's evaluation of safety culture but will allow the WSD to further develop its understanding over time of how safety culture influences wildfire-related outcomes.

# 1 Starting point and vision

## 1.1 Statutory mandate

The WSD's safety culture assessment will evaluate safety culture at all electrical corporations subject to the Commission's jurisdiction. In addition, for those electrical corporations that request a Safety Certification, the WSD's annual safety culture assessment will serve as one of the inputs that the WSD will consider as it evaluates each electrical corporation's request.

Pursuant to Public Utilities Code §8389(d)(4), the WSD proposes a process to conduct annual safety culture assessments such that the following criterion outlined in §8389(e)(2) can be considered in the evaluation of future Safety Certification requests:
- Each electrical corporation's agreement to implement the findings of its most recent safety culture assessment, if applicable

Because safety culture is heavily influenced by overall governance, the WSD proposes to also evaluate the following within the same safety culture assessment process proposed in this document:
- Board-of-director-level reporting to the Commission on safety issues and a Safety Committee on the Board of Directors composed of members with relevant safety experience, pursuant to Public Utilities Code§8389(e)(5) and Public Utilities Code§8389(e)(3)

Pursuant to Public Utilities Code §8389(e), other categories of elements not addressed in this document must also be satisfied for the WSD to issue a Safety Certification to an electrical corporation. Elements covered by other processes within the WSD include the following:
- Wildfire Mitigation Plan approval status, per §8389(e)(1), covered by the WSD's Wildfire Mitigation Plan review, and Wildfire Mitigation Plan implementation, per §8389(e)(7), covered by the WSD's Wildfire Mitigation Plan compliance process
- Executive compensation structure, per §8389(e)(4) and (6), covered by the WSD's executive compensation assessment process

## 1.2 Vision for WSD annual safety culture assessment

The vision for the WSD's safety culture assessment is intended to further the WSD's overall vision:

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[3] Related data submissions may include Quarterly Reports, as required in Class B conditions, or other data submissions required as part of the WMP process

*A sustainable California, with no catastrophic utility-related wildfires, that has access to safe, affordable, and reliable electricity.[4]*

An organization's culture (encompassing shared values, assumptions, and standards governing behavior, as well as the behavior that ensues) is central to executing any strategy and a key driver of organizational performance.

Therefore, WSD views culture for safety at each electrical corporation as a critical enabler for safely designing and executing Wildfire Mitigation Plans and for achieving the WSD's broader vision.

Accordingly, the WSD will conduct a robust annual safety culture assessment. WSD's design of the safety culture assessment aspires to achieve the following:

1. **Assess <u>baseline for culture</u> against which improvement can be <u>measured over time</u>**
   The WSD's safety culture assessment will act as a longitudinal measure of safety culture across electrical corporations. This enables tracking of improvement in a consistent fashion year over year, as well as identification and sharing of best practices for improving culture based on what proves to be effective with time.

2. **Ground its safety culture assessment in <u>data-driven</u> insight, and connect the results to <u>known outcome metrics</u>**
   The WSD recognizes risk informed, data supported decision making as critical to success and a key principle for wildfire hazard mitigation activities.[5] This principle holds for the WSD's safety culture assessment as well, in that the WSD will inform much of its assessment from the data collected (both qualitative and quantitative) and drive towards increased understanding of how the cultural data collected relates to outcome metrics year over year (see section 2.3.2.2 for more detail). As the WSD evolves its proposed safety culture assessment process and method, it may refine the types of data collected in pursuit of more valid, reliable, and informative data which reflects the true culture for safety throughout each organization.[6]

3. **Ground assessment in cultural <u>drivers of wildfire risk</u>**
   The WSD recognizes that its annual safety culture assessment will need to be focused and plans to focus on elements of culture that influence the public's exposure to wildfire risk and risk to employees or contractors conducting wildfire hazard mitigation activities. The WSD expects to evolve its assessment to incorporate lessons learned and best practices over time.

4. **Focus on <u>wildfire safety</u>, but consider cultural elements which are relevant to broader safety outcomes**
   The WSD recognizes that an organization's culture for wildfire hazard mitigation is a subset of its overall safety culture. However, for the purposes of the WSD's annual safety culture assessment, it is important to identify whether this broader culture for safety has reached the settings that most influence the public's exposure to wildfire risk and the safety risks posed to supervisors and employees doing wildfire hazard mitigation work as defined by initiatives in each electrical corporation's most recent Wildfire Mitigation Plan. The WSD will focus its assessment accordingly (see section 2.3.2.1). The WSD and the Commission will

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[4] WSD Strategic Roadmap Appendix 2, available here
[5] WSD Strategic Roadmap, available here
[6] "Organization" here implies the employees within an electrical corporation and contractors to the electrical corporation who do work which influences wildfire mitigation outcomes. The exact scope will be defined in early 2021 as part of the method for executing this proposed process.

strive for coordination between the WSD's safety culture assessment and the Commission's broader safety culture assessment required by Public Utilities Code §8386.2 such that the assessments of safety culture in a wildfire context and safety culture overall may be complementary and mutually informative.

5. **Foster continuous and collaborative improvement and learning, ultimately driving towards a <u>culture of practicing safety</u>**
The WSD recognizes that changing culture throughout large organizations requires a clear vision and focused attention over time. The WSD aspires to support accountability for improving culture and promote continuous learning across electrical corporations such that a culture for safety becomes woven into the fabric of each organization.

## 1.3     Framework and scope

### 1.3.1     Framework for the WSD's safety culture assessment

In two separate investigations into utility safety culture, for Pacific Gas & Electric[7] and for Southern California Gas Company[8] the Commission enunciated certain minimal expectations for utility safety culture:

> "A public utility whose organizational culture and governance prioritize safety, makes safety the primary objective of the entire organization, encourages employees to report safety concerns with non-punitive outcomes, and that achieves a positive record of safe operation, can be described as possessing a high-functioning safety culture."

The WSD's proposed safety culture assessment process is rooted in the belief that culture for safety affects wildfire outcomes and accordingly is an important driver for all six WSD objectives: Public Safety, Property, Natural Resources, Reliability, Affordability and Climate Action.[9]

In particular, the WSD's safety culture assessment process will cover the following elements:
1. Verification of Board structure and reporting requirements pursuant to Public Utilities Code §8389(e)(5) and Public Utilities Code §8389(e)(3)
2. Safety culture assessment:
    ▪ Culture, including
        • Leadership influence: How leadership is perceived by the workforce to prioritize safety, and extent to which leadership encourages and practices key behaviors relevant to wildfire safety
        • Workforce behavior: Extent to which workforce practices key behaviors relevant to wildfire safety
    ▪ Organizational Foundation, including
        • Organizational sustaining systems: Set of organizational antecedents and consequences that support effective safety management, leadership, and wildfire safety performance

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[7] I.15-08-019, Order Instituting Investigation on the Commission's Own Motion to Determine Whether Pacific Gas and Electric Company and PG&E Corporation's Organizational Culture and Governance Prioritize Safety
[8] I.19-06-014, Order Instituting Investigation on the Commission's Own Motion to Determine Whether Southern California Gas Company's and Sempra Energy's Organizational Culture and Governance Prioritize Safety
[9] WSD Strategic Roadmap Appendix 2, available here

- Certain governance elements: How systems or objectives relevant to wildfire safety are monitored, and
- Certain safety enabling systems: Systems and processes are intended as specific mechanisms to improve safety

A detailed description of how each of these elements affects outcomes, including their relationship to other elements of the Safety Certificate is provided in Figure 2 below.

**Figure 2: Framework for safety culture assessment**
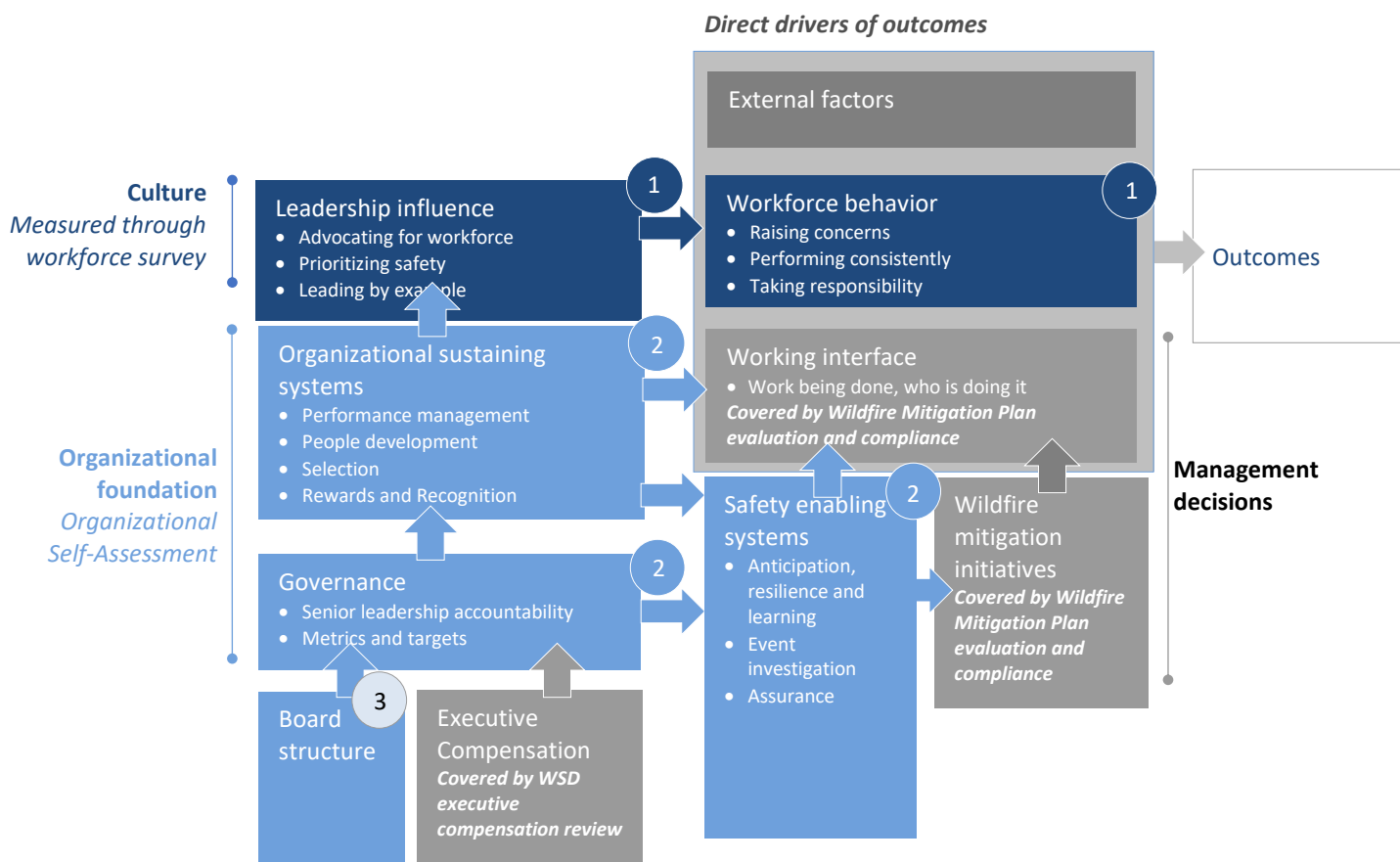


**Culture:** Assess throughout the organization via targeted, wildfire focused workforce survey

**Foundation:** Assess through organizational self-assessment, supporting evidence, and interviews / observational visits

**Board structure:** Assess whether electrical corporations meet minimum safety governance requirements as well as Board structure and reporting requirements pursuant to Public Utilities Code §8389(e)(5) and Public Utilities Code §8389(e)(3).

### 1.3.2     Scope for the WSD's safety culture assessment

#### 1.3.2.1      Focus of the WSD's safety culture assessment

As discussed in section 2.2, the WSD recognizes that culture for safety permeates an organization beyond the wildfire context. The WSD's annual safety culture assessment will focus on whether this broader culture for safety has reached the settings that most influence the public's exposure to wildfire risk and the safety risks for employees and contractors doing wildfire mitigation work.

Accordingly, the WSD will focus its annual safety culture assessment on wildfire context in two ways:
1. Assessment tools (see section 3.2) will measure some broader foundational elements of safety culture but in some instances be customized to focus specifically on wildfire context
2. The WSD's workforce survey (see section 3.2.2) will be constrained to focus on employees and contractors who conduct activities which touch wildfire mitigation initiatives as defined in the Wildfire Mitigation Plans both directly and indirectly. The WSD will work with electrical corporations to identify the appropriate criteria by which to identify this target population.

The WSD and the Commission will strive to share learnings and coordinate processes between the WSD's safety culture assessment and the Commission's broader safety culture assessment.

Each electrical corporation can conduct internal safety culture assessments in addition to the WSD's assessment which measure additional elements most relevant to that electrical corporation's context. The WSD's assessment of safety culture is intended to be complementary to, and not a replacement for, ongoing work to improve safety culture at each electrical corporation.

#### 1.3.2.2      Role of Wildfire Mitigation Plan outcome metrics

The WSD's safety culture assessment requires consideration of outcome metrics, which tie closely to the WSD's Utility Wildfire Mitigation Objectives outlined in the WSD's Strategic Roadmap[10] of Public Safety, Property, Natural Resources, Reliability, Affordability, and Climate Action. This is because the WSD's safety culture assessment is intended to measure improvements in safety culture, which together with other factors will in turn influence those outcome metrics which reflect the WSD's six objectives listed above.

The WSD will select a subset of relevant metrics submitted as part of the Wildfire Mitigation Plan requirements to consider in the context of a safety culture assessment. The WSD's Utility Wildfire Mitigation Objectives are meant to guide the determination of these relevant outcome metrics. Outcome metrics may be adjusted or modified as the WSD further develops its safety culture assessment method.

The WSD's safety culture assessment seeks to understand which elements of culture could be influencing those outcome metrics, both positively and adversely. The WSD recognizes that this knowledge will be built over time as the safety culture assessment and Wildfire Mitigation Plan processes evolve, and the WSD will strive for close coordination between its safety culture assessment and Wildfire Mitigation Plan processes such that conclusions regarding outcome metrics can be complementary.

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[10] WSD Strategic Roadmap Appendix 2, available here

The WSD recognizes that outcome metrics are distinct from indicators of culture, and they will be assessed accordingly. Specifically, the WSD will seek to understand over time whether improvements in culture and organizational foundation, shown through the workforce survey and organizational self-assessment, are accompanied by improvements in safety outcomes, as reflected by the data submitted annually in each electrical corporation's Wildfire Mitigation Plan. Similarly, if poor safety outcomes do occur, the WSD will seek to understand how each electrical corporation plans to address the cultural and organizational issues which contributed to those poor safety outcomes.

## 2 Proposed process for safety culture assessment

### 2.1 Annual assessment

Each year, the WSD proposes to release an annual assessment of electrical corporations, subject to change as the safety culture assessment process evolves. Specifically, the WSD proposes to cover the following in its assessment:

1. **Executive Summary**
    a. Overall assessment results: How organizational foundation may be influencing culture, and how this relates to wildfire safety performance
    b. Baseline for wildfire safety culture and organizational foundation against which improvement can be tracked
    c. Findings that electrical corporations seeking a Safety Certification must agree to implement, if applicable (see section 3.3)
2. **Verification of requirements, including Board structure and safety governance**
    a. Finding of whether electrical corporations have satisfied the board structure and reporting requirements in Public Utilities Code §8389(e)(5) and Public Utilities Code §8389(e)(3)
3. **Wildfire safety performance**
    a. Brief summary of wildfire safety performance over the past year, based on data from each electrical corporation's latest wildfire mitigation plan or related data submission[11]
4. **Wildfire safety culture**, informed by workforce survey (see section 3.3), as well as interview results and supporting documentation, if applicable
    a. Areas where culture is stronger or less strong (including overall baseline for wildfire safety culture); in future years, this could include progress from the last safety culture assessment
    b. How safety culture may be influencing safety performance in a wildfire setting, including public safety and safety of employees and contractors doing wildfire hazard mitigation work
    c. If applicable, potential interdependencies with Wildfire Mitigation Plans and other WSD processes
5. **Organizational foundation and plan**, informed by organizational self-assessment and plan, as well as interview results and supporting documentation, if applicable
    a. Areas where organizational foundation is stronger or less strong (including overall baseline for organizational foundation); in future years, this may include progress from the last safety culture assessment
    b. How organizational foundation may be influencing culture

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[11] Related data submissions may include Quarterly Reports, as required in Class B conditions, or other data submissions required as part of the WMP process

      c.   Potential interdependencies with Wildfire Mitigation Plans and other WSD processes

      d.   Commentary on plan to improve organizational foundation, if applicable

The WSD or Commission may modify the elements covered for 2021 above based on initial data collected in 2021.

## 2.2   Inputs for the WSD's assessment

To centralize learnings across electrical corporations and conduct an objective, data-driven assessment, the WSD will assess safety culture in a standardized way. The WSD's safety culture assessment will rely on five key forms of data or inputs collected. Here, a brief overview of each is presented.

These five forms of data, or inputs to the WSD's assessment, are described at a high level below. The exact requirements of utilities, specifically those described in sections 3.2.1-3.2.5, will be released separately in early 2021, as described in section 4.

The WSD might not collect every form of data described below for all electrical corporations in 2021 and may phase in select elements over subsequent years or modify the data collection process for smaller or multijurisdictional electrical corporations as well as independent transmission owners. The WSD will communicate the specific requirements for 2021 for each electrical corporation when it releases the detailed requirements for 2021, as described in section 4.

### 2.2.1   Verification of safety governance and Board-related requirements

From 2021 onwards, the WSD will leverage the process used to conduct annual safety culture assessments described in this proposal to also verify whether electrical corporations meet minimum safety governance requirements as well as Board structure and reporting requirements pursuant to Public Utilities Code §8389(e)(5) and Public Utilities Code §8389(e)(3).

In addition, in conducting the electrical corporation's safety culture assessment, the WSD will also consider and may recommend (to the extent not already occurring) that:

- Each electrical corporation should establish a Safety Committee at the Board of Directors (by whatever name), responsible for the Wildfire Mitigation Plans, Public Safety Power Shutoffs (PSPS), among other responsibilities, and reporting to the overall Board and to the Commission about safety matters.

- Qualifications for candidates for the Board of Directors should include safety expertise and risk management experience.

- The utilities should employ a Chief Safety Officer (or equivalent).

Documentation of some of these recommendations are already embodied in quarterly Tier 1 advice letters submitted in compliance with Section 8389 (e)(7), which must include

- a statement of the recommendations of the Board of Directors Safety Committee meetings that occurred during the quarter

- a summary of the implementation of the Safety Committee recommendations from the electrical corporation's previous advice letter filing

The WSD may also require additional information for the safety culture assessment such as

- a Safety Committee mission statement or charter
- a safety policy statement for the electrical corporation that clearly defines how safety expectations are communicated to employees

### 2.2.2 Workforce survey

Workforce surveys are a common practice for assessing the extent to which safety culture is perceived and practiced throughout an organization and are employed for the purposes of assessing safety culture broadly at many electrical corporations, including Pacific Gas and Electric, San Diego Gas & Electric, and Southern California Edison.

The WSD proposes to conduct a targeted survey to assess the extent to which key elements of safety culture related to wildfire hazard mitigation work are perceived and practiced by the employees and contractors of each electrical corporation doing wildfire hazard mitigation work. Note that the proposed workforce survey might not be administered to all electrical corporations.

Scope of the workforce survey: The workforce survey proposed here may be administered to employees and contractors at each electrical corporation who conduct wildfire hazard mitigation work as defined by the initiatives in each electrical corporation's Wildfire Mitigation Plan. The WSD will hold planning sessions with each electrical corporation to be surveyed in early 2021 to determine a consistent methodology for identifying and targeting this population. Some of the survey questions cover topics specifically related to wildfire safety, while others cover topics related more generally to safety culture, but with a view towards determining whether these elements of safety culture more generally are perceived and practiced specifically by employees doing wildfire hazard mitigation work. See section 2.3.2.1 for a more detailed explanation of how targeted workforce survey fits into the overall scope of the WSD's safety culture assessment and how it relates to other efforts related to safety culture more broadly, including the safety culture surveys conducted by electrical corporations and any which may be conducted as part of the Commission's safety culture assessment.

Content of the workforce survey: The proposed workforce survey will cover approximately 30 questions in six categories, as outlined below. Note that, as discussed in section 4 of this document, the actual survey will be released separately in early 2021 and is still under development. The below descriptions are intended to provide a directional overview of the proposed survey with select illustrative examples.

1. Leadership influence: How leadership is perceived by workforce, and extent to which leadership encourages and practices key behaviors relevant to wildfire safety
   a. Advocating for workforce: For example, extent to which employees feel encouraged by leaders to ask questions, raise suggestions regarding wildfire safety, and pause work for safety concerns
   b. Prioritizing safety: For example, extent to which employees feel that leaders seek out signs of wildfire safety hazards, have prepared employees to intervene in the event of a hazard or emergency, and communicate safety as a value
   c. Leading by example: For example, extent to which employees feel leaders demonstrate expectations by using mistakes or incidents as learning opportunities and hear out employee concerns before making decisions
2. Workforce behavior: Extent to which workforce practices key behaviors relevant to wildfire safety
   a. Raising concerns: For example, extent to which employees look for new wildfire hazards as work progresses and report concerns or mistakes

    b.   <u>Performing consistently:</u> For example, extent to which employees feel that they can correct errors early and have the skills and tools they need to do wildfire mitigation related work well

    c.   <u>Taking responsibility:</u> For example, extent to which employees feel their workgroups follow the procedures put in place related to personal and wildfire safety, and feel personally responsible for safety outcomes

<u>Data collection:</u> A critical element of any workforce survey is to administer it in a fair and unbiased manner so that the data received is a true representation of each employee's perceptions of the work environment and that these perceptions are not unduly influenced by the organization. To ensure unbiased data collection, the survey will most likely be administered by a third party selected by the WSD. Regardless of administration method, administration of the survey will need to comply with specific guidelines provided by the WSD to ensure the data received is accurate. These guidelines will cover the communication, administration, and collection of the survey.

### 2.2.3    Self-assessment and plan

<u>Process for completion of the self-assessment and plan:</u> The WSD may ask some electrical corporations to complete a single self-assessment for the organization and submit that self-assessment for evaluation by the WSD. In 2021, for each element of the self-assessment, the electrical corporation will indicate its perceived state in 2021 and its target state for the following year. Each electrical corporation will also provide its proposed actions to realize any planned improvement. To support the WSD's review, each electrical corporation assessed will provide a summary of its plan to improve against each element of the self-assessment as part of the self-assessment requirement, and a detailed description of its plan within the supporting documentation requirement (see section 3.2.4).

<u>Content of the self-assessment:</u> The WSD proposes a self-assessment for electrical corporations to evaluate elements of organizational foundation, specifically around organizational sustaining systems, governance, and safety enabling systems, further described below. Each element is intended to be directly under the influence of leadership at each electrical corporation, therefore creating accountability for improvement. Note that, as discussed in section 4 of this document, the actual self-assessment will be released separately in early 2021, is still under development, and may not be administered to all electrical corporations. The below descriptions are intended to provide a directional overview of the proposed self-assessment with select illustrative examples. The WSD may modify the elements below as development of the self-assessment progresses.

1.  **Organizational sustaining systems:** Set of organizational antecedents and consequences that support effective safety management, leadership, and performance. Illustrative examples include:
   - a.  <u>Performance management</u>: Extent to which safety performance and wildfire safety responsibilities are integrated into annual performance reviews and promotion decisions
   - b.  <u>People development</u>: Extent to which training and support resources are available to frontline leaders and workers
   - c.  <u>Selection:</u> Extent to which safety focus is incorporated into position descriptions and expectations for new hires
   - d.  <u>Contractor management:</u> Extent to which contractors are trained in identifying and addressing potential wildfire risks
   - e.  <u>Rewards and recognition:</u> Extent to which rewards and incentive systems support wildfire safety objectives

2.  **Governance:** Formal accountability mechanisms and targets. Illustrative examples include:

a. <u>Senior leadership accountability:</u> Extent to which accountability is clear for wildfire safety outcomes and wildfire safety objectives exist at appropriate levels of the organization

b. <u>Metrics and targets:</u> Extent to which wildfire safety measures and targets used internally are effective in providing actionable insight, and communicated throughout the organization

3. **Safety enabling systems:** Specific and direct mechanisms to manage and improve safety. Illustrative examples include:

a. <u>Event investigation:</u> Extent to which near misses and other weak signals are investigated, and how effectively the information from these investigations is used

b. <u>Hazard recognition:</u> Quality of the process used by the workforce to report potential wildfire hazards

c. <u>Anticipation, resilience and learning:</u> Systems and processes to encourage sensitivity to weak signals of wildfire risks, as well as processes and structures to create a learning organization

d. <u>Assurance:</u> Types of audits conducted, and how those findings are tracked and leveraged

For each element, each assessed electrical corporation will rate itself along a four-point scale which reflects how safety is viewed. The scale is broad, meaning that there are different ways to reach each level of the scale. The exact specifications of best practice are not prescribed, only general characteristics of high performance.

Each assessed electrical corporation may also submit specific supporting documentation for select elements and questions, enabling the WSD to verify responses with minimal data requests. This documentation would be collected as part of the supporting documentation requirement outlined in section 3.2.4.

<u>Content of the plan:</u> Each assessed electrical corporation will be expected to develop a plan to improve its organizational foundation that is tailored to the unique context of that electrical corporation and submit that plan together with the self-assessment for evaluation by the WSD. For 2021, each assessed electrical corporation will describe specific actions that it will take to drive improvement across each element of the self-assessment, if applicable. The WSD may require each electrical corporation seeking a Safety Certification to agree to make updates or revisions to its plan, if applicable (see section 3.3). Each assessed electrical corporation will submit a summary of its plan as part of the self-assessment, and a detailed plan as part of the supporting documentation requirement outlined in section 3.2.4.

## 2.2.4  Supporting documentation

The supporting documentation requirement will provide narrative information to support the WSD's safety culture assessment. Illustrative types of information which may be included are:

1. Narrative information, including a description of lessons learned from prior year and overarching objectives for the coming year, to provide the WSD with a better understanding of each electrical corporation's priorities and context

2. Evidence to support select elements of the self-assessment (see section 3.2.3), so that the WSD can verify how electrical corporations have assessed themselves

3. Detailed plan against each element of the self-assessment (see section 3.2.3), so that the WSD can better assess how each electrical corporation intends to drive improvement

The WSD plans to leverage this information to add nuance to its holistic assessment and gather supporting evidence upfront where applicable, enabling a more robust review.

### 2.2.5 Interviews and observational visits

The WSD may supplement the information collected in electrical corporation submissions described above with interviews and/or observational visits. These would add nuance and depth to the WSD's understanding of each electrical corporation's context and goals, helping the WSD to conduct a more holistic and accurate evaluation.

The WSD aspires to conduct interviews and observational visits in a targeted way in 2021 but may adjust this plan as it reviews the initial data received in response to the requirements outlined in sections 3.2.1-3.2.4 and evaluates adjustments necessary considering the status of the COVID-19 health crisis. The WSD may adjust scale and scope in future years as the safety culture assessment process evolves.

## 2.3 Evaluation of good standing

Pursuant to Public Utilities Code §8389(e)(2), a Safety Certification shall be issued to an electrical corporation if "the electrical corporation provides documentation of … good standing, which can be satisfied by the electrical corporation having agreed to implement the findings of its most recent safety culture assessment, if applicable."

Accordingly, the WSD may require those electrical corporations seeking a Safety Certification to agree to implement findings of the WSD's safety culture assessment in order to be considered in good standing for the purposes of a Safety Certification. In 2021, the WSD plans to focus on ensuring that each electrical corporation has provided all the information required for the WSD to assess a baseline for safety culture and, if applicable, has presented how they plan to drive improvements to its safety culture. The WSD may require those electrical corporations seeking a Safety Certification to make changes or updates to that plan as one requirement for electrical corporations to be considered in good standing. The WSD will communicate the process by which each electrical corporation must do this together with the results of its first safety culture assessment in 2021. In future years, the WSD intends to assess improvement over the baseline for safety culture set in 2021 and may evaluate the adequacy of each electrical corporation's plan to improve safety culture in more detail.

# 3 Next steps

Consistent with the process for conducting safety culture assessments approved in WSD-011, the WSD will release submission requirements for electrical corporations for 2021 in early 2021. The WSD plans to proceed according to the following schedule, which is subject to change with written notice from the WSD.

- Late 2020: The WSD will request comments from the public on a draft version of the specific requirements for each electrical corporation
- Early 2021: The WSD will release final requirements for each electrical corporation, along with specific deadline for submission
- Late spring 2021: Deadline for electrical corporations to submit their responses to the requirements described above
- Summer of 2021: WSD will conduct its first safety culture assessment

The WSD expects its safety culture assessment process to evolve year over year, and accordingly may phase in implementation of the full process described in this resolution, conducting select elements in 2021 and building on those in subsequent years, ramping up to a robust steady-state process. The WSD will incorporate lessons learned each year to continuously improve the proposed processes and method for safety culture assessments.