



# Attachment 4

2022 Safety Culture Assessment Process

# TABLE OF CONTENTS

<b>INTRODUCTION .....</b>	<b>3</b>
Overview .....	4
<b>1 OVERALL GOALS AND OBJECTIVES .....</b>	<b>7</b>
1. Overall Goals and Objectives.....	8
1.1. Statutory Mandate .....	8
1.2. Vision for Energy Safety’s Annual Safety Culture Assessment.....	8
1.3. Framework and Scope .....	10
<b>2 SAFETY CULTURE ASSESSMENT PROCESS .....</b>	<b>15</b>
2. Safety Culture Assessment Process.....	16
2.1. Annual Assessment .....	16
2.2. Inputs for Energy Safety’s Assessment .....	17
2.3. Evaluation of Good Standing .....	22
<b>3 NEXT STEPS .....</b>	<b>23</b>
3. Next Steps .....	24

## INTRODUCTION

Pursuant to Public Utilities Code (Pub. Util. Code) Section 8389, by December 1, 2020, and annually thereafter, the California Public Utilities Commission (the Commission), after consultation with the Office of Energy Infrastructure Safety (Energy Safety)<sup>1</sup> must adopt and approve a process for Energy Safety to conduct annual safety culture assessments for each electrical corporation.<sup>2</sup> This document presents Energy Safety's update to the annual safety culture assessment process approved per Resolution WSD-011 on November 30, 2020.

After the Commission approved the safety culture assessment process in 2020, the Wildfire Safety Division (WSD) published "Safety Culture Assessment: Requirements of Electrical Corporations" on January 22, 2021. It is anticipated that Energy Safety will publish an update of the 2021 safety culture assessment requirements on the Safety Culture Assessment service list in early 2022. This "requirements" document will stipulate the specific requirements of electrical corporations participating in the annual safety culture assessment, including the different requirements of large electrical corporations, small and multi-jurisdictional electrical corporations, and independent transmission operators. Energy Safety expects electrical corporations to prepare their submissions by late spring of 2022 and plans to conduct its second safety culture assessment in the spring of 2022. Dates are subject to change with written notice by Energy Safety.

Energy Safety expects its safety culture assessment process to evolve year over year, and accordingly may phase in elements of the full process described herein that were not fully implemented in the inaugural year, ultimately ramping up to a comprehensive steady-state process. This document describes the process Energy Safety conducted in 2021 and plans to conduct in 2022, while identifying some elements which may be phased in as the process evolves. Energy Safety plans to incorporate lessons learned each year to improve the safety culture assessment process for consideration by the Commission pursuant to Pub. Util. Code Section 8389(d)(4).

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<sup>1</sup> Pursuant to Public Utilities Code Section 326(b), on July 1, 2021, the WSD transitioned from the Commission into the Office of Energy Infrastructure Safety under the California Natural Resources Agency. Energy Safety "is the successor to" and "is vested with all of the duties, powers, and responsibilities of the Wildfire Safety Division" (Government Code Section 15475). WSD is used to describe the work of the Wildfire Safety Division prior to July 1, 2021. Energy Safety is used to describe the work of Energy Safety beginning on July 1, 2021. Any references to WSD action post July 1, 2021, or to Energy Safety action prior to July 1, 2021, are inadvertent and should be interpreted as the actions of WSD or Energy Safety as appropriate.

<sup>2</sup> 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.

## Overview

This document serves as the foundation for Energy Safety's safety culture assessment process, and is organized as follows:

1. **Overall goals and objectives.**
2. **Framework and scope.**
3. **Process.**
4. **Next steps.**

### Overall Goals and Objectives: Safety Culture Assessment Vision

Energy Safety has an ambitious vision for its safety culture assessment rooted in the conviction that each electrical corporation's safety culture (encompassing shared values, assumptions, and standards governing behavior, as well as the ensuing behavior) influences safety performance in the context of wildfire mitigation. Accordingly, Energy Safety aspires to (1) assess a baseline for culture against which improvement can be measured over time (completed in 2021), (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.

### Framework and Scope

To achieve the vision for its safety culture assessment, Energy Safety assesses select elements of culture, including leadership influence, workforce perceptions and behavior, and the organizational foundation that drives culture, including sustaining systems, governance, and safety-enabling systems.

Energy Safety's annual safety culture assessment is distinct from and intended to be complementary to the safety culture assessment required of the Commission by Pub. Util. Code Section 8386.2, an assessment which is to be updated at least every five years.<sup>3</sup> While the Commission's five-year safety culture assessment is expected to cover safety culture broadly, Energy Safety's annual safety culture assessment focuses on safety culture most relevant to wildfire risk. Energy Safety accomplishes this by customizing assessment tools to identify the safety culture present in the wildfire mitigation work setting: the setting most pertinent to risks faced by the wildfire mitigation workforce in terms of personal risk and risks faced by the public in terms of wildfire risk.

Energy Safety's safety culture assessment is intended to be complementary to, and not a

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<sup>3</sup> See Public Utilities Code Section 8386.2 (accessed September 1, 2021): [https://leginfo.legislature.ca.gov/faces/codes\\_displaySection.xhtml?sectionNum=8386.2&lawCode=PUC](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=8386.2&lawCode=PUC).

replacement for, ongoing work to improve safety culture at each electrical corporation, including any internal safety culture assessment. While Energy Safety's assessment primarily focuses on the safety culture found in the wildfire mitigation work context, it may extend beyond that context.

## Process

Energy Safety is implementing the process developed in 2020 and amended herein, subject to Commission approval per Pub. Util. Code Section 8389(d)(4), to conduct annual safety culture assessments to assess the safety culture of each electrical corporation.

In 2021, Energy Safety conducted a baseline safety culture assessment. In 2022, Energy Safety expects to assess each electrical corporation's progress as measured against the inaugural year's baseline assessment. Energy Safety's assessment evaluates how each electrical corporation's organizational foundation may be influencing safety culture and how safety culture may be influencing outcomes. Energy Safety bases this assessment principally on three inputs collected from the electrical corporations:

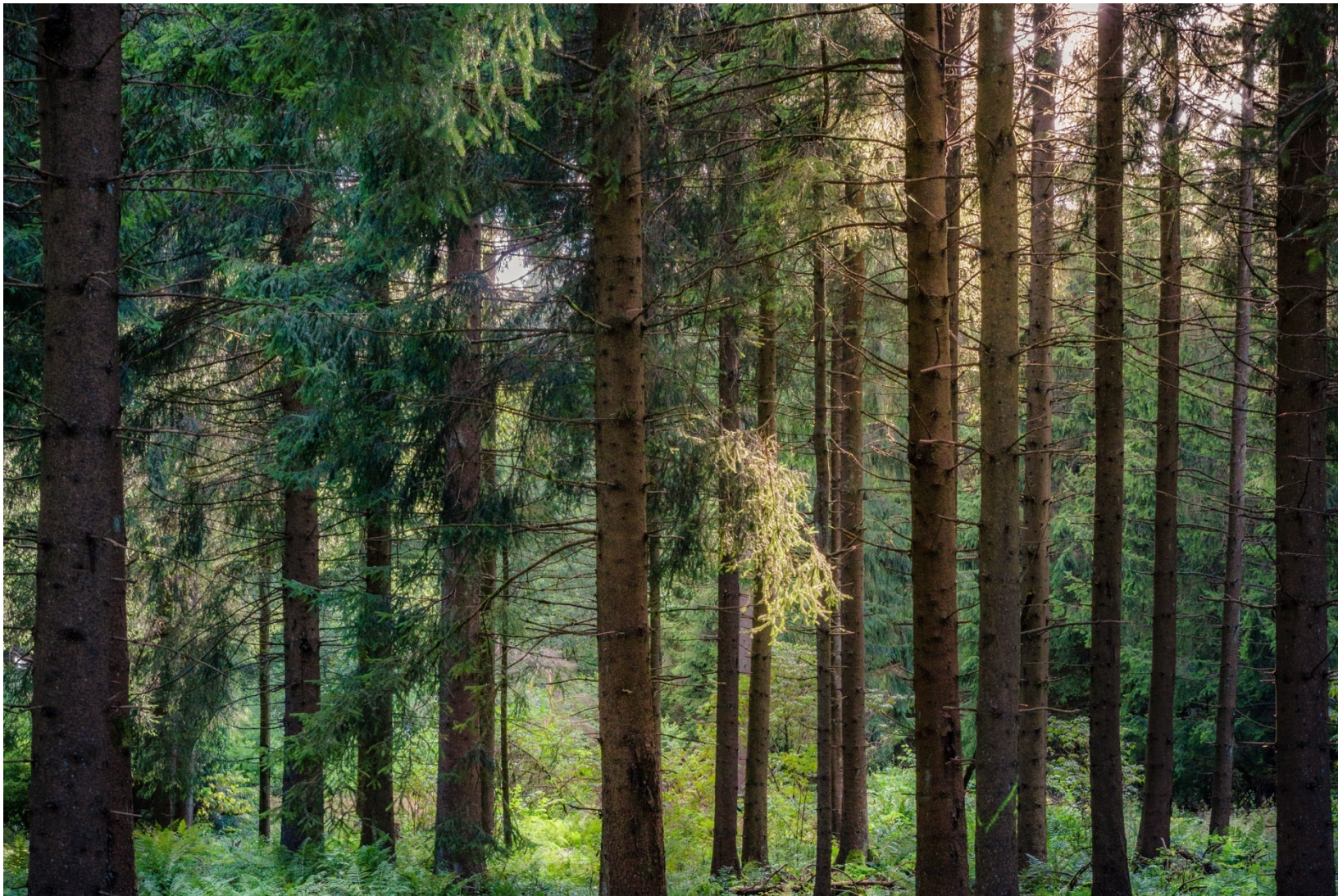
1. **Targeted workforce survey** intended to assess culture across dimensions and settings particularly relevant to wildfire, including communication regarding safety between workforce and leadership.
2. **Management self-assessment and summary plan for the coming year** intended to give insights into the elements of the organizational foundation<sup>4</sup> that heavily influence culture, including wildfire safety-related communication across the organization, as well as each electrical corporation's targets and how they plan to reach those targets.
3. **Objectives and lessons learned**, specifically 12-month and 3-year safety culture objectives and any lessons learned since the electrical corporation's last safety culture assessment.

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<sup>4</sup> Organizational foundation includes organizational sustaining systems (processes that sustain enabling systems and assure their effectiveness, supporting 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 that improve safety). For more information see Section 1.3.1 "Framework for Energy Safety's Safety Culture Assessment."

In addition to the above, Energy Safety may seek out additional details and context for the principal inputs through:

- Interviews with members of the workforce targeted for participation in the workforce survey.
- An interview with members of the team that completed the management self-assessment, summary plan, objectives and lessons learned.
- Observational visits.
- Supporting documentation such as a list of required safety trainings, minutes from recent high-level safety meetings, a description of safety-related incentives, or other materials that might help validate the self-assessment.



# 1 OVERALL GOALS AND OBJECTIVES



# 1. Overall Goals and Objectives

## 1.1. Statutory Mandate

Pursuant to California Assembly Bill 1054 (2019), Pub. Util. Code Section 8389(d)(4) requires the Commission, in consultation with Energy Safety, to develop a process for an annual safety culture assessment for each electrical corporation.

Per Pub. Util. Code Section 8389(e)(2), an electrical corporation may satisfy the requirement of “good standing” for the purposes of being issued a Safety Certification by agreeing to implement the findings of its most recent safety culture assessment.

Pursuant to Public Utilities Code Section 8389(e), other elements not addressed in this document must also be satisfied for Energy Safety to issue a Safety Certification to an electrical corporation. Elements covered by other processes within Energy Safety include the following:

- Wildfire Mitigation Plan approval status, per Section 8389(e)(1), covered by Energy Safety’s Wildfire Mitigation Plan review, and Wildfire Mitigation Plan implementation pursuant to Section 8389(e)(7).
- Executive compensation structure, per Section 8389(e)(4) and (6), covered by Energy Safety’s executive compensation assessment process.

Board structure and board-level safety reporting to the Commission, covered by Energy Safety’s Safety Certification review. Satisfaction of these requirements must be demonstrated in an electrical corporation’s application for a Safety Certification.

## 1.2. Vision for Energy Safety’s Annual Safety Culture Assessment

The vision for Energy Safety’s safety culture assessment is intended to further its overall vision:

***A sustainable California, with no catastrophic utility-related wildfires, that has access to safe, affordable, and reliable electricity.***<sup>5,6</sup>

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.

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<sup>5</sup> See Appendix 2 “Utility Wildfire Mitigation Vision and Objectives” of Energy Safety’s strategic roadmap “Reducing Utility-Related Wildfire Risk” (2020) (accessed September 1, 2021): <https://energysafety.ca.gov/who-we-are/strategic-roadmap/>.

<sup>6</sup> In this document “utility” should generally be understood to mean “electrical corporation.”



Therefore, Energy Safety views safety culture as critical for enabling the safe design and execution of electrical corporations' Wildfire Mitigation Plans and for achieving Energy Safety's broader vision.

Accordingly, Energy Safety is conducting a robust annual safety culture assessment. Energy Safety aspires to achieve the following through its safety culture assessment:

- 1. A baseline safety culture assessment and subsequent measurement of improvement over time.** Energy Safety's safety culture assessment provides a longitudinal measure of safety culture across electrical corporations. This enables tracking of improvement in a consistent fashion year over year, as well as the identification and sharing of best practices for improving safety culture based on the assessment's findings. The baseline assessment took place in 2021.
- 2. Data-driven insights and connections to known outcome metrics.** Energy Safety recognizes that risk-informed, data-supported decision making is critical to successful wildfire mitigation.<sup>7</sup> Energy Safety's safety culture assessment must also be driven by data. Energy Safety therefore bases its assessment on the qualitative and quantitative data collected during the assessment process and strives to understand how the data collected relate to outcome metrics year over year (see Section 1.3.2.2 "Role of Wildfire Mitigation Plan Outcome Metrics" for more details). As Energy Safety's safety culture assessment process evolves, it may refine the types of data it collects in pursuit of a better picture of electrical corporations' true safety culture.
- 3. A focus on cultural drivers of wildfire risk.** Energy Safety focuses its assessment on wildfire safety by identifying the safety culture present in the wildfire mitigation work setting: the setting most pertinent to risks faced by the wildfire mitigation workforce in terms of personal risk and risks faced by the public in terms of wildfire risk. Energy Safety expects its assessment to evolve to incorporate lessons learned and best practices over time.
- 4. Consideration of how wildfire safety culture interacts with broader safety culture.** Energy Safety recognizes that an electrical corporation's wildfire mitigation safety culture is a subset of its overall safety culture. Energy Safety's annual safety culture assessment aims to identify the personal and wildfire<sup>8</sup> safety culture present at each electrical corporation. In particular the assessment will focus on the safety culture present in the wildfire mitigation

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<sup>7</sup> See Appendix 2 "Utility Wildfire Mitigation Vision and Objectives" of Energy Safety's strategic roadmap Reducing Utility-Related Wildfire Risk (2020) (accessed September 1, 2021): <https://energysafety.ca.gov/who-we-are/strategic-roadmap/>.

<sup>8</sup> Here, "personal safety" refers to safety of an individual or individuals (for example, a personal safety incident would be an event that injures one person or a few people). This is distinct from "process safety," which is predominantly in the domain of process industries (oil, gas, chemical manufacturing, etc.) and is focused on issues like pipeline safety, preventing leaks and explosions. "Wildfire safety" here refers to safety issues pertinent to wildfire mitigation activities undertaken by the electrical corporations.

work setting: the setting most pertinent to risks faced by the wildfire mitigation workforce in terms of personal risk and risks faced by the public in terms of wildfire risk. (see Section 1.3.2.1 “Focus of Energy Safety’s Safety Culture Assessment”). As the Commission develops its five-year safety culture assessment required by Public Utilities Code Section 8386.2, Energy Safety and the Commission will strive for coordination between the Commission’s five-year assessment and Energy Safety’s annual safety culture assessment. The Commission and Energy Safety will aim to make the two assessments complementary and mutually informative.

5. **Continuous and collaborative improvement and learning over time.** Energy Safety recognizes that changing culture throughout a large organization requires a clear vision and focused attention over time. Energy Safety aspires to support accountability for improving safety culture and promote continuous learning across electrical corporations such that a safety culture becomes woven into the fabric of each organization.

### 1.3. Framework and Scope

#### 1.3.1. Framework for Energy Safety’s Safety Culture Assessment

In two separate investigations into utility safety culture, one for Pacific Gas & Electric<sup>9</sup> and the other for Southern California Gas Company,<sup>10</sup> 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.”

Energy Safety’s safety culture assessment process is rooted in the belief that safety culture affects wildfire mitigation outcomes and accordingly is an important driver for all six Energy Safety objectives: minimizing harm to the public from utility-related wildfires and mitigation activities, reduction in property loss from utility-related wildfires, support for efforts to increase the sustainability of natural resources, limitation of electrical outages due to utility-related wildfires and mitigation activities, ensuring the cost-effectiveness of utility wildfire mitigation

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<sup>9</sup> 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.

<sup>10</sup> 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.

investments, and advancement of the state’s climate change goals (for more information see Energy Safety’s strategic roadmap).<sup>11</sup>

In particular, Energy Safety’s safety culture assessment process covers the following elements:

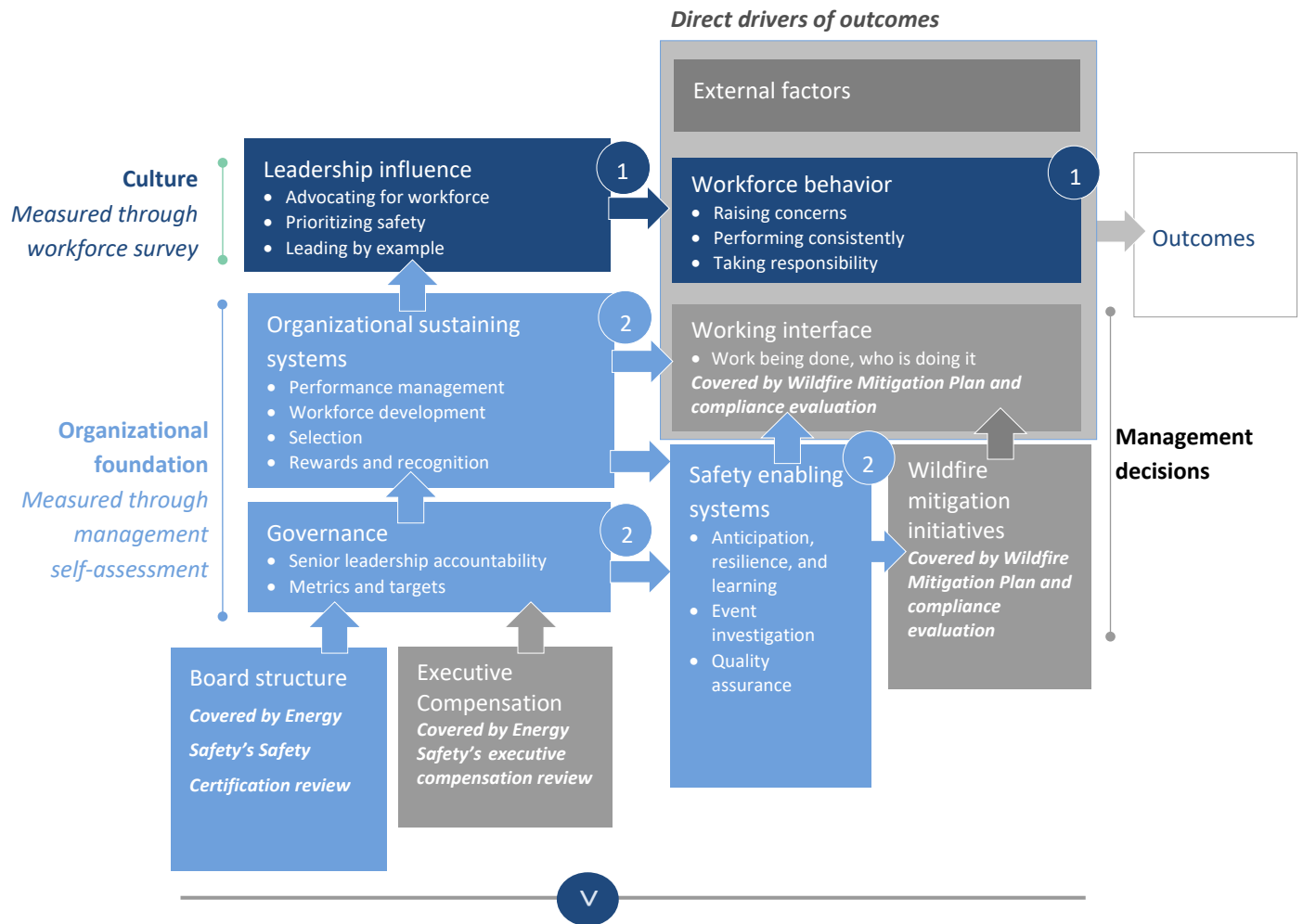
1. Culture, including:
  - Leadership influence: how leadership is perceived by the workforce to prioritize safety, and the extent to which leadership encourages and demonstrates key behaviors relevant to wildfire safety.
  - Workforce behavior: the extent to which the workforce demonstrates key behaviors relevant to wildfire safety.
2. Organizational foundation, including:
  - Organizational sustaining systems: the extent to which there are well-functioning processes that sustain enabling systems and assure their effectiveness, and how well these processes support safety management, leadership, and wildfire safety performance.
  - Governance elements: how systems or objectives relevant to wildfire safety are monitored.
  - Safety-enabling systems: the types and quality of systems and processes that improve safety.

A description of how each of these elements affects outcomes is provided in Figure 2 below.

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<sup>11</sup> See Appendix 2 “Utility Wildfire Mitigation Vision and Objectives” of Energy Safety’s strategic roadmap Reducing Utility-Related Wildfire Risk (2020) (accessed September 1, 2021): <https://energysafety.ca.gov/who-we-are/strategic-roadmap/>.

Figure 2: Framework for Energy Safety's safety culture assessment



1 **Culture:** Assess throughout the organization using a targeted workforce survey focusing on wildfire mitigation activities.

2 **Organizational Foundation:** Assess using the management self-assessment, summary plan for the following year, and additional information (12-month and 3-year safety culture objectives and any lessons learned since the electrical corporation's last safety culture assessment).

### *1.3.2. Scope for Energy Safety's Safety Culture Assessment*

#### *1.3.2.1. Focus of Energy Safety's Safety Culture Assessment*

As discussed in Section 2.2 "Inputs for the Energy Infrastructure Safety's Assessment," Energy Safety recognizes that safety culture permeates an organization beyond the wildfire context. Energy Safety's annual safety culture assessment focuses on identifying the safety culture present in the wildfire mitigation work setting: the setting most pertinent to risks faced by the wildfire mitigation workforce in terms of personal risk and risks faced by the public in terms of wildfire risk.

Accordingly, Energy Safety focuses its annual safety culture assessment on wildfire safety culture in two ways:

1. Assessment tools (see Section 2.2 "Inputs for the Energy Safety's Assessment") measure broader foundational elements of safety culture and in some instances are customized to focus specifically on wildfire mitigation.
2. The workforce survey (see Section 2.2.1 "Workforce Survey") is targeted at the workforce whose work intersects with wildfire mitigation activities as defined in the Wildfire Mitigation Plans both directly and indirectly. Energy Safety works with electrical corporations to identify this target population.

As noted above, Energy Safety and the Commission will strive for coordination between Energy Safety's annual safety culture assessment and the Commission's five-year safety culture assessment under Pub. Util. Code Section 8386.2.

Energy Safety'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. Each electrical corporation may additionally conduct internal safety culture assessments that measure additional elements specific to that electrical corporation.

#### *1.3.2.2. Role of Wildfire Mitigation Plan Outcome Metrics*

Energy Safety's safety culture assessment may consider outcome metrics that may be influenced by safety culture in addition to the principal inputs (the workforce survey, management self-assessment and summary plan for the coming year, 12-month and 3-year safety culture objectives and any lessons learned).

In addition, Energy Safety may select a subset of relevant outcome metrics submitted as part of the Wildfire Mitigation Plan requirements to consider in the context of a safety culture assessment. For example, it may consider "Fatalities due to utility-ignited wildfire (total)" and "Injuries due to utility-ignited wildfire (total)" (Table 2 "Recent performance on outcome metrics," lines 3a and 3b, in the 2021 Wildfire Mitigation Plan Update template). Energy Safety

may modify what outcome metrics it requires electrical corporations to report in their Wildfire Mitigation Plans as it further develops its safety culture assessment process.

Energy Safety seeks to understand through its safety culture assessment which elements of safety culture could influence outcome metrics. Energy Safety recognizes that this knowledge will be built over time as the safety culture assessment and Wildfire Mitigation Plan processes evolve, and throughout this evolution Energy Safety will strive for close coordination between its safety culture assessment and Wildfire Mitigation Plan processes such that conclusions regarding outcome metrics can inform the findings of both processes.

Energy Safety recognizes that outcome metrics are distinct from indicators of culture, and they will be assessed accordingly. Specifically, Energy Safety seeks to understand over time whether improvements in an electrical corporation's safety culture and organizational foundation evident in the workforce survey and management self-assessment can be correlated with improvements in safety outcomes, as reflected by the data submitted annually in each electrical corporation's Wildfire Mitigation Plan. Similarly, if safety outcomes are worsening over time, Energy Safety will seek to understand how each electrical corporation plans to address the cultural and organizational issues which may have contributed to those outcomes.

A photograph of a dense forest with tall, thin trees and a blue overlay containing text. The forest floor is covered in green ferns and other vegetation. The trees are mostly evergreens, and the lighting suggests a bright day with sunlight filtering through the canopy.

## 2 SAFETY CULTURE ASSESSMENT PROCESS

## 2. Safety Culture Assessment Process

### 2.1. Annual Assessment

Energy Safety releases an annual assessment of the safety culture of each electrical corporation pursuant to Pub. Util. Code Section 8389(d)(4). Specifically, Energy Safety’s safety culture assessment covers the following:

#### 1. Executive summary

- a. **Overall assessment results:** How organizational foundation may be influencing safety culture and how this may relate to wildfire safety performance.
- b. **Baseline** for wildfire safety culture and the organizational foundation against which improvement can be tracked.
- c. **Findings** that electrical corporations seeking a Safety Certification may agree to implement, if applicable (see Section 2.3 “Evaluation of Good Standing”).

#### 2. Wildfire safety performance

- a. Brief summary of wildfire safety performance over the past year. This may reference data from each electrical corporation’s latest submissions to Energy Safety.<sup>12</sup>

#### 3. Wildfire safety culture, informed by the principal inputs (the workforce survey, management self-assessment and summary plan for the coming year, 12-month and 3-year safety culture objectives and any lessons learned) and additional inputs if applicable (e.g., follow-up interviews, observational visits, supporting documentation).

- a. Areas of relative strength and weakness in the safety culture. This should include observations of changes from the last safety culture assessment.
- b. How safety culture may be influencing safety performance in a wildfire mitigation work setting, including public safety and workforce safety.
- c. If applicable, relevant observations from other submissions to Energy Safety, such as Wildfire Mitigation Plans and submissions related to other Energy Safety processes.

#### 4. Organizational foundation and plan, informed primarily by the management self-assessment and summary plan for the coming year, but also by other principal inputs and additional inputs, if applicable.

- a. Areas of relative strength and weakness in the organizational foundation. This should include observations of changes from the last safety culture assessment.

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<sup>12</sup> Data submissions subject to consideration may include Quarterly Reports or other data submissions required as part of the Wildfire Mitigation Plan review process.



- b. How the organizational foundation may be influencing safety culture.
- c. If applicable, relevant observations from other submissions to Energy Safety, such as Wildfire Mitigation Plans and submissions related to other Energy Safety processes.
- d. If applicable, commentary on the self-reported plan to improve the electrical corporation's organizational foundation.

## 2.2. Inputs for Energy Safety's Assessment

Energy Safety assesses safety culture in a standardized way in order to generate data that can be compared year-over-year for each electrical corporation and also across electrical corporations. Energy Safety's safety culture assessment relies on three principal inputs. A brief overview of each is presented below.

Energy Safety is not collecting every input described below for all electrical corporations in the initial years of conducting safety culture assessments. It may phase in select elements over subsequent years or modify the data collection process for small and multi-jurisdictional electrical corporations as well as independent transmission operators. Energy Safety will communicate the specific requirements for each type of electrical corporation with the 2022 requirements, as described in Section 3 "Next Steps."

### 2.2.1. Workforce Survey

Workforce surveys are a common practice for assessing perceptions and practices related to safety culture throughout an organization and have been used in the past for the purposes of assessing safety culture at many electrical corporations, including Pacific Gas and Electric, San Diego Gas & Electric, and Southern California Edison.

Energy Safety conducts a survey to assess the perceptions and practices related to key elements of safety culture in the context of wildfire mitigation work, targeting the workforce engaged in this work. The workforce survey is not required of independent transmission operators at this time.

**Scope of the workforce survey:** Energy Safety targets the workforce survey to the workforce engaged in wildfire mitigation work as defined by the electrical corporation's Wildfire Mitigation Plan. In 2022, Energy Safety will hold planning sessions with each electrical corporation to identify this population (to clarify or update the work classifications to be included, following on the planning meetings held in 2021). . See Section 1.3.2.1 "Focus of Energy Safety's Safety Culture Assessment" for a more detailed explanation of how the workforce survey fits into the overall scope of Energy Safety's safety culture assessment and other processes.

**Content of the workforce survey:** The survey consists of 30 statements covering aspects of both personal and wildfire safety. Respondents assign a level of agreement (from “Strongly Agree” to “Strongly Disagree”) to each statement using a five-point Likert scale.<sup>13</sup> Statements cover different aspects of leadership influence and workforce behavior, described below. The 30 statements address the general safety culture of the corporation (10 statements), personal safety (11 statements), and wildfire safety (9 statements). The full text of the survey will be released separately with the specific requirements of electrical corporations (see Section 3 “Next Steps”). In 2022, Energy Safety expects to use the same 30-statement survey it used in 2021. The following descriptions are intended to provide an overview of the survey with illustrative examples.

1. Leadership influence: how leadership is perceived by workforce, and the extent to which leadership encourages and practices key behaviors relevant to personal and wildfire safety.
  - a. Advocating for workforce: for example, the 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, the 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, the 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: the extent to which the workforce engages in key behaviors relevant to personal and wildfire safety.
  - a. Raising concerns: for example, the extent to which employees look for new wildfire hazards as work progresses and report concerns or mistakes.
  - b. Performing consistently: for example, the 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. Taking responsibility: for example, the 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.

**Workforce survey data collection:** A critical element of any workforce survey is a fair and unbiased manner of administration so that the data received is, to the extent possible, a true

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<sup>13</sup> A Likert scale is a rating system commonly used in questionnaires and survey research to measure people’s attitudes, perceptions, and opinions. For more information, see: <https://www.questionpro.com/blog/what-is-likert-scale/> (accessed October 5, 2021).

representation of each employee's perceptions of the work environment and not unduly influenced by the electrical corporation. To minimize biases in the data collection process, the survey is administered by a third party selected by Energy Safety.<sup>14</sup> Administration of the survey is conducted in compliance with specific guidelines for survey administration provided by Energy Safety to ensure the data received was collected anonymously and is as accurate as possible. The survey guidelines cover the communication, administration, and collection of the survey.

### *2.2.2. Management Self-Assessment and Summary Plan for the Coming Year*

**Process for completion of the management self-assessment and summary plan for the coming year:** At present, Energy Safety requires the large electrical corporations to complete a self-assessment for the organization. In 2021, the electrical corporation indicated its status in 2021 and where it expected to be by 2022 for each element of the self-assessment. In 2022, each corporation will likewise indicate its present status and where it expects to be by the end of the year. Each electrical corporation also provides its summary plan for the coming year: for each element of the self-assessment it provides a two to three-sentence summary of actions it plans to take to drive improvement.

**Content of the management self-assessment and summary plan for the coming year:** This self-assessment evaluates elements of the electrical corporation's organizational foundation, specifically organizational sustaining systems, governance, and safety-enabling systems, further described below. Each element is intended to be under the direct influence of leadership at each electrical corporation. Note that, as discussed in Section 3 "Next Steps," the self-assessment and summary plan template will be released separately in early 2022 and will not be required of all electrical corporations. Energy Safety may modify the self-assessment and summary plan template issued in 2021 in response to findings from the 2021 safety culture assessment process.

The following descriptions are intended to provide an overview of the self-assessment with illustrative examples.

- 1. Organizational sustaining systems:** processes that sustain enabling systems and assure their effectiveness, supporting safety management, leadership, and performance. Illustrative examples include:
  - a. Performance management: the extent to which safety performance and wildfire safety responsibilities are integrated into annual performance reviews and promotion decisions.
  - b. Workforce development: the extent to which training and support resources are available to frontline supervisors and workers.

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<sup>14</sup> In 2021, Energy Safety contracted with DEKRA Services, Inc., (DEKRA) to conduct the inaugural annual Safety Culture Assessment for each electrical corporation.

- c. Selection: the extent to which a safety focus is incorporated into position descriptions and expectations for new hires.
  - d. Contractor management: the extent to which contractors are trained in identifying and addressing potential wildfire risks.
  - e. Rewards and recognition: the extent to which rewards and incentive systems support wildfire safety objectives.
2. **Governance:** formal accountability mechanisms and targets. Illustrative examples include:
- a. Senior leadership accountability: the extent to which accountability is clear for wildfire safety outcomes.
  - b. Metrics and targets: the extent to which wildfire safety measures and targets provide actionable insights and are communicated throughout the organization.
3. **Safety-enabling systems:** specific and direct mechanisms to manage and improve safety. Illustrative examples include:
- a. Incident investigation: the extent to which near misses and other weak signals are investigated, and how effectively the information from these investigations is used.
  - b. Hazard recognition: the quality of the process used by the workforce to report potential wildfire hazards.
  - c. Anticipation, resilience, and learning: systems and processes to encourage sensitivity to weak signals of wildfire risks, as well as processes and structures to create a learning organization.
  - d. Assurance: types of audits conducted, and how those findings are tracked and leveraged.

For each element, the electrical corporation rates itself according to a four-point scale, reflecting how safety is viewed by the corporation's management.<sup>15</sup> The exact specifications of best practices are not prescribed in this evaluation scale, only general characteristics of vision and performance.

Each electrical corporation may also submit specific supporting documentation for select elements and questions, enabling Energy Safety to verify responses with minimal data requests. This documentation would be collected as part of the supporting documentation outlined in Section 2.2.4 "Follow-Up Interviews, Observational Visits, Supporting Documentation."

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<sup>15</sup> The scale used in 2021 went from "Requirement" (the lowest score) to "Who we are" (the highest score), with "Priority" and "Value" as the intermediate levels. This scale may be revised to provide additional clarity in 2022.

**Content of the summary plan for the coming year:** Each electrical corporation submits a two to three-sentence summary of its planned actions to drive improvement for each element of the self-assessment in the coming year.

### *2.2.3. Objectives and Lessons Learned*

**Objectives and lessons learned:** Energy Safety asks all electrical corporations for 12-month and 3-year safety culture objectives and any lessons learned since the electrical corporation's last safety culture assessment. In 2021 and again in 2022, this is the only component of the safety culture assessment that is required of all electrical corporations, including small and multi-jurisdictional electrical corporations as well as independent transmission operators. For the large electrical corporations, the 12-month and 3-year objectives need to support the plan for advancement described in each corporation's responses to the management self-assessment and summary plan for the coming year.

### *2.2.4. Follow-Up Interviews, Observational Visits, Supporting Documentation*

Energy Safety may supplement the information collected in the inputs described above with follow-up interviews, observational visits, or requests for supporting documentation. These can add nuance and depth to Energy Safety's understanding of each electrical corporation's safety culture and goals for improvement.

**Interviews and observational visits:** Energy Safety and its contractor(s) may conduct interviews and site visits. Energy Safety may adjust the scale and scope of interviews and observational visits in future years as the safety culture assessment process evolves.

In 2021, Energy Safety and its contractor (DEKRA) conducted virtual interviews to add context to the principal inputs to the safety culture assessment for the large electrical corporations. It conducted three interviews following administration of the workforce survey (two with the frontline workforce and one with frontline supervisors). It also conducted a follow-up interview with each electrical corporation's safety culture lead and other staff responsible for preparing the management self-assessment, summary plan, objectives, and lessons learned. The interviews were helpful in understanding the workforce's perception of the corporation's safety culture, and also understanding the background context of the corporation's self-assessment responses. Energy Safety expects to conduct similar follow-up interviews for the large electrical corporations in 2022 and may also conduct observational visits, as needed.

**Supporting Documentation:** Each electrical corporation may submit and/or Energy Safety may request additional supporting documentation to verify and add context to information presented in the principal inputs of the safety culture assessment. Types of information which may be included are:

1. Evidence to support select elements of the self-assessment so that Energy Safety can verify how electrical corporations have assessed themselves.

2. A more detailed plan for advancement in reference to each element of the self-assessment.
3. Other documentation Energy Safety identifies as relevant to the assessment.

This information adds nuance to Energy Safety's safety culture assessment.

### 2.3. Evaluation of Good Standing

Agreement to implement the findings of the Energy Division's safety culture assessment is one way for an electrical corporation to establish "good standing" for the purposes of attaining a Safety Certification. Per Public Utilities Code Section 8389(e)(2), a Safety Certification may be issued to an electrical corporation if (among other requirements):

[T]he 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.

In addition to the provisions quoted above, the Safety Certification Guidance Letter dated July 26, 2021, stipulates (p. 3, bold added):

To receive a safety certificate, Pub. Util. Code [Section] 8389(e)(7) requires that the electrical corporation provide documentation that "the electrical corporation is implementing its approved wildfire mitigation plan." The statute requires an electrical corporation to file a notification of implementation of its wildfire mitigation plan with Energy Safety and **an information-only submittal** with the Commission on a quarterly basis detailing WMP and **safety culture assessment implementation**.

And (p. 4, bold added):

An electrical corporation can satisfy the "good standing" requirement by agreeing to implement **all of the findings (including recommendations for improvement)** of its most recent safety culture assessment performed pursuant to Pub. Util. Code [Sections] 8386.2 and 8389(d)(4), if applicable.

In this way an electrical corporation may use the safety culture assessment to establish "good standing" for the purposes of attaining a Safety Certification.



# 3 NEXT STEPS



### 3. Next Steps

Consistent with the process for conducting safety culture assessments approved in Resolution WSD-011, Energy Safety will release requirements for electrical corporations and accept comments on the requirements in early 2022, and the second safety culture assessment will follow. This is subject to change with written notice from Energy Safety.

Energy Safety expects its safety culture assessment process to evolve year over year, and accordingly may phase in implementation of the full process described in this document, building on the elements conducted in preceding years, and ramping up to a robust steady-state process. Energy Safety will incorporate lessons learned each year to continuously improve the safety culture assessment process.



# DATA DRIVEN FORWARD-THINKING INNOVATIVE SAFETY FOCUSED



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