

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Implement
Electric Utility Wildfire Mitigation Plans
Pursuant to Senate Bill 901 (2018).

Rulemaking 18-10-007
(Filed October 25, 2018)

**THE PROTECT OUR COMMUNITIES FOUNDATION'S REPLY COMMENTS ON
SDG&E'S 2021 WILDFIRE MITIGATION PLAN UPDATE**

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The Protect Our Communities Foundation (PCF) submits these reply comments on the 2021 Wildfire Mitigation Plans (WMPs) pursuant to Resolution WSD-001 and the March 1, 2021 Wildfire Safety Division (WSD) Response to Joint Stakeholder Request for Extension of Time to Provide 2021 Wildfire Mitigation Plan Comments.

I. SDG&E SHOULD BE REQUIRED TO DISCLOSE COSTS ACCURATELY AND TO EXPLAIN COST DISCREPANCIES WITHIN ITS COVERED CONDUCTOR INITIATIVES.

PCF agrees with TURN’s recommendation that the “Commission should require SDG&E to track costs by all relevant program assets and explain and justify the extremely high costs for its covered conductor program”, noting that SDG&E forecasts spending a unit cost of over \$2.5 million per mile to install covered conductors. SDG&E’s per unit cost is significantly higher than PG&E’s and totals approximately five times higher than SCE’s per unit covered conductor replacement cost.¹ Cal Advocates similarly notes that in 2021, SDG&E’s forecast cost per mile of its covered conductor program totals more than 2.5 times what SDG&E estimated in 2020.²

¹ Comments of The Utility Reform Network on 2021 Wildfire Mitigation Plan Updates, March 30, 2021, (“TURN 2021 WMP Comments”), pp. 46-47.

² Comments of the Public Advocates Office on the 2021 Wildfire Mitigation Plan Updates of the Large Investor-Owned Utilities, March 29, 2021, (“Cal Advocates 2021 WMP Comments”), p. 21.

SDG&E should be required to justify its unexplained jump in costs from 2020 to 2021 for its covered conductor program. Moreover, the extraordinary increase in claimed costs highlights the need for evidentiary hearings, so that non-utility parties can cross examine SDG&E's witnesses about their program cost assumptions and for WSD and the Commission to determine whether any facts support either the original assumptions or SDG&E's new and unexplained cost increases.

Second, PCF has previously argued³ that SDG&E's pole replacement program has never been cost-effective; once again in 2021 SDG&E provides no evidence to support its contention that replacing wood poles with steel poles reduces ignition source potential. As TURN points out, the joint utilities found that wood poles with mesh are as resilient as steel poles.⁴ SDG&E's fantastically expensive pole replacement program must be vetted by WSD; SDG&E should be required to not only demonstrate and defend its reasoning behind replacing wood poles with steel poles, but also to explain the large discrepancy in its costs for pole replacement compared to the other utilities. PCF concurs with Cal Advocates' recommendation that WSD should require SDG&E to explain the significant cost forecast discrepancies between its 2020 and 2021 WMPs. Furthermore, PCF agrees with TURN that "it makes no sense to continue spending billions of dollars a year on a program if we cannot be sure that the program is effective at reducing wildfire risk better than much cheaper measures."⁵

PCF appreciates Cal Advocates' concern about the importance of assessing the cost effectiveness of SDG&E's wildfire mitigation initiatives, especially regarding the unexplained cost increases in SDG&E's deployment of covered conductors. Cal Advocates recommends that WSD should convene a technical working group to examine the cost-effectiveness of

³ PCF 2020 WMP Comments, pp. 28-29.

⁴ TURN 2021 WMP Comments, p. 46.

⁵ TURN 2021 WMP Comments, p. 37.

deployment of covered conductors. While PCF maintains that evidentiary hearings should be held to assess more accurately and thoroughly the cost-effectiveness and overall feasibility of utility wildfire mitigation programs, including covered conductor mitigations, at the very least, WSD should examine cost-effectiveness as Cal Advocates suggests.

PCF agrees with Cal Advocates that WSD and the Commission must evaluate the reasonableness of SDG&E's costs for all of its wildfire initiatives within this 2021 WMP Update to ensure that SDG&E's ratepayers are not charged unreasonable and excessive costs or are required to pay for wildfire mitigation initiatives that are not feasible. As PCF has argued repeatedly, the WMP template required by WSD cannot be relied on because the template focuses on the utilities' self-reporting and because the corresponding metrics are insufficient to determine the effectiveness of utility mitigation initiatives.⁶ In order to appropriately and accurately assess cost-effectiveness and program-effectiveness of the utilities' WMPs, PCF renews its request for evidentiary hearings.

II. SDG&E SHOULD DETAIL ITS ACTIONS TO MITIGATE ALL IGNITION RISKS AND HOW ITS PROPOSALS ACTUALLY MITIGATE THE RISKS IT IDENTIFIES TO PREVENT CATASTROPHIC WILDFIRES.

PCF appreciates MGRA's analysis of the likelihood of ignitions and outages during different wind events, particularly that "ignitions and outages during extreme wind events are likely to have distinctly different causes (and hence mitigations) than ignitions and outages occurring outside of high wind periods."⁷ MGRA provides instructive examples in their analysis of PG&E ignition data:

⁶ The Protect Our Communities Foundation Comments on the 2021 Wildfire Mitigation Plans Pursuant to Resolution WSD-001, March 29, 2021, ("PCF 2021 WMP Comments"), p. 10.

⁷ Mussey Grade Road Alliance Comments on 2021 Wildfire Mitigation Plans of PG&E, SCE, and SDG&E, March 29, 2021, ("MGRA 2021 WMP Comments"), p. 36

“The relative contribution of ignitions from external agents drops from about ¼ of ignitions under low wind conditions to only 7% under high wind conditions, a result that is similar for both PG&E & MGRA wind gust models. This is due to the fact that high wind conditions make up only a small fraction of the history, and there is no causal relationship between agent-caused ignitions and winds. This represents a roughly 4-fold increase in ignition probabilities for non-agent ignition sources for wind speeds greater than 25 mph.”⁸

MGRA’s analysis of SCE’s ignitions⁹ provided similar results to that of PG&E’s, with lower agent-caused ignitions occurring at higher wind speeds. MGRA’s analysis adds an important analytical enhancement to how the utilities should think about ignition probability and mitigations to prevent ignitions. PCF agrees with MGRA’s conclusions in their analyses. No ignitions attributed to external agents occurred at high wind speeds¹⁰, and wildfire ignitions under high wind speeds are most likely to spread and become catastrophic wildfires. Although the prevention of catastrophic wildfires should be the first priority for the utilities, WSD should still require SDG&E to, at the very least, explain its intentional mitigations to all drivers of ignition, including vehicle contact and other external agents. For example, WSD should require SDG&E to detail how it addresses the ignition problems in HFTDs as well as how it addresses vehicle contact ignition risks that PCF detailed in in opening comments¹¹. If intentional mitigations are already in place, WSD should require SDG&E to identify what mitigations it has set in place for each driver of ignition so WSD can assess whether SDG&E’s mitigations can effectively prevent catastrophic wildfires. At base, PCF concurs with MGRA that the overall

⁸ MGRA 2021 WMP Comments, p. 28.

⁹ MGRA 2021 WMP Comments, p. 30.

¹⁰ MGRA 2021 WMP Comments, p. 31, MGRA notes that “no ignitions attributed to ‘agents’ occurred at wind speeds over 40 mph, which would be expected because there should be no causal relationship between external agents and wind speed.”

¹¹ PCF 2021 WMP Comments, pp. 4-6.

goal of the wildfire mitigation plans “should be prioritizing the prevention of catastrophic fires, rather than trying to prevent the greatest number of ignitions.”¹²

III. SDG&E’S COST ESTIMATES AND CORRESPONDING SPENDING MUST BE SCRUTINIZED AND CONFIRMED.

PCF shares Cal Advocates’ concern that “SDG&E’s WMP relies on very expensive measures, deployed at a small scale, which do not serve to substantially reduce wildfire risk across SDG&E’s entire system”¹³ and that “SDG&E’s inefficient spending is especially concerning in light of SDG&E’s electric rates, which are far above the state and national averages.”¹⁴ As PCF detailed in its opening comments, WSD must evaluate the reasonableness of SDG&E’s costs for each of its utility programs. In addition to examining the discrepancies in costs outlined in Section I above, WSD and the Commission must ensure that SDG&E customers pay only demonstrably reasonable costs for only the most cost-effective utility wildfire mitigation programs. SDG&E’s ratepayers should not bear the burden of every cost and every program that SDG&E proposes, especially where, as here, SDG&E fails to prove the effectiveness of its mitigation proposals and fails to substantiate its costs. PCF agrees that “the prudence of SDG&E’s mitigation measures should be carefully scrutinized to ensure reasonable costs, sustainable rates, and the utility’s ability to provide safe and reliable electric service in the next General Rate Case.”¹⁵

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¹² MGRA 2021 WMP Comments, p. 34.

¹³ Cal Advocates 2021 WMP Comments, p. 14.

¹⁴ Cal Advocates 2021 WMP Comments, p. 15.

¹⁵ Cal Advocates 2021 WMP Comments, p. 16.

IV. CONCLUSION

For the reasons detailed above, WSD should: require that SDG&E provide additional information in its 2021 Wildfire Mitigation Plan Update to explain the cost discrepancies of its proposed mitigations; evaluate the reasonableness of its costs; and require SDG&E to demonstrate how its proposed programs mitigate catastrophic wildfires for each of its drivers of ignitions. WSD should also require evidentiary hearings to test SDG&E's proposals and confirm its associated costs.

Respectfully submitted,

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