

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

Wildfire Safety Division
California Public Utilities Commission

**SMALL BUSINESS UTILITY ADVOCATES' COMMENTS ON THE ELECTRIC
UTILITIES' FIRST QUARTERLY REPORTS**

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Director Caroline Thomas Jacobs
Wildfire Safety Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

Via e-mail: caroline.thomasjacobs@cpuc.ca.gov and R.18-10-007 service list

Re: Comments on the electric utilities' First Quarterly Reports

Dear Director Jacobs,

Pursuant to the Wildfire Safety Division's (Division) Resolution WSD-002, 2020 Guidance on the Remedial Compliance Report & Quarterly Report Process Set Forth in Resolution WSD-001, and the Division's Response Letter on Extension to Respond to Quarterly Reports, Small Business Utility Advocates (SBUA) submits the following comments on the First Quarterly Reports submitted by San Diego Gas & Electric Company (SDG&E), Southern California Edison Company (SCE), Pacific Gas & Electric Company (PG&E), Bear Valley Electric Service (BVES), Liberty Utilities, and PacifiCorp (collectively referred to as the utilities).

WSD-002 imposes reporting requirements that all utilities must comply with in their Quarterly Reports (Reports). The Division also enacted resolutions imposing utility-specific reporting requirements for all of the utilities, except for BVES whose Wildfire Mitigation Plan (WMP) was denied.¹ BVES refiled its WMP around the same time the other utilities filed their Reports and as such, its Report indicates that the refiled WMP addresses the issues the Division asked it to address.²

SBUA submits the following opening comments on select utility-wide and utility-specific conditions, and respectfully recommends that the Division:

- Set a firm due date by when the small utilities have to (i) develop their risk-spend methodology and (ii) implement it into their WMPs (Condition Guidance-1).
- Clarify whether the utilities are required to submit an ignition risk analysis of proposed initiatives in their upcoming 2021 WMPs (Condition Guidance-1).

¹ See Resolutions: WSD-003 (PG&E), WSD-004 (SCE), WSD-005 (SDG&E), WSD-007 (Liberty), WSD-008 (PacifiCorp), and WSD-010 (BVES).

² The Division should clarify whether this approach of having a Report cross-reference another document, rather than directly providing the information required is appropriate moving forward. From SBUA's perspective, the Reports should be complete in and of themselves.

- Require Liberty Utilities to supplement or revise its quarterly report with actual details for how the company’s use of technology will reduce ignition risk materially (Condition Guidance-9).
- Direct BVES to outreach to small business associations as part of its community outreach plan (Condition BVES-15)
- Require PacifiCorp to supplement or revise its quarterly report to incorporate climate change into risk modeling (Condition PC-1).
- Instruct PG&E to provide additional information about its backup generation sites in Napa County, including number of times used and challenges faced (if any) with the completion of this project and its operation, in PG&E’s next quarterly report (Condition PG&E-13).
- Instruct SCE to report on (i) trends observed for the number of customers that opt-in to receive PSPS notifications and (ii) how information about the benefits of opting-in are communicated to customers in SCE’s next quarterly report (Condition SCE-20).
- Provide guidance to all utilities that “false positive” PPS events occur only when the utility’s decision to issue a PPS warning was based on erroneous data. False positives should not occur when a PPS warning is issued in good faith but a PPS event subsequently fails to materialize.

I. COMMENTS ON CONDITIONS IMPOSED ON ALL UTILITIES

a. Condition Guidance-1: risk spend efficiency information

Condition Guidance-1 requires the utilities to provide information on the “calculated reduction in ignition risk for each initiative.”³ The three investor-owned utilities (IOUs) provide this information in their Reports but Liberty, BVES, and PacifiCorp (small utilities) do not provide this information in their reports, indicating that they are currently in the process of developing methodologies that will allow them to provide this information.⁴ SBUA recognizes that the small utilities cannot report on information that they do not have and have not used in their decision-making. However, SBUA respectfully recommends that the Division clarify and set a firm final due date by when the small utilities have to (i) develop their risk-spend methodology and (ii) implement it into their WMPs.

A due date is needed for consistency purposes given that the small utilities are operating on individual timelines. PacifiCorp indicates it is developing models to calculate ignition risk

³ WSD-002

⁴ PacifiCorp Report, p. 9; BVES WMP, Appendix B, p. B-1; Liberty Report, p. 9.

reduction and implies this will be a multi-year process as it gathers data.⁵ In comparison, Liberty “estimates that its model is about 75% complete.”⁶ Meanwhile BVES estimates that “[w]ithin the next three years, BVES will work to develop a model to quantify ignition risk drivers[.]”⁷ BVES does, however, currently utilize a matrix that scores the wildfire risk mitigation of its circuits but not of other initiatives.⁸ WSD-002 clearly indicated that all utilities had to provide information on the reduction of ignition risk by the time the first quarterly reports were due so the small utilities should have sought an exemption from this requirement ahead of time. In order to avoid this issue from reoccurring, the Division should mandate and set a final date by when the small utilities have to comply with this Condition. PacifiCorp’s concerns about having insufficient data due to the low number of wildfires in its service territory are valid but the utilities should improve these methodologies over time so whatever methodology is developed in the foreseeable future should be revisited periodically.

Second, for all of the utilities, the Division needs to clarify whether ignition risk analysis of proposed initiatives is required in the upcoming 2021 WMPs. If ignition risk evaluation is a mandatory component of wildfire mitigation initiatives and the Division will reject WMPs that do not incorporate this analysis, then this should be clear now to avoid future confusion on behalf of the utilities and stakeholders. This further supports the need to set a deadline by when the small utilities have to develop their methodologies.

b. Condition Guidance-9: pilot programs

WSD-002 indicates that as part of Guidance-9, the utilities have to present a “proposal for how to expand use of the technology if it reduces ignition risk materially.”⁹ But, as mentioned above, the small utilities indicate that they are in the process of developing methodologies to calculate the reduction in ignition risk for each initiative. Clarification is therefore needed on the type of analysis that is required to comply with this condition.

Liberty’s response to this condition fails to provide the required information. In relation to its Sagehen Microgrid pilot, Liberty indicates that it “intends to study the project for effectiveness of taking a small customer completely off the grid. If the program is evaluated and shown to be effective in reducing ignition risk materially, other microgrids will be considered depending on RSE evaluations.”¹⁰ Simply stating that expansion of the pilot technology “will be considered” does not meet the requirement of Guidance-9 (v) to include a detailed *proposal for how to expand use of the technology*. However, if the Division meant that utilities need to provide proposals for extension of pilots only if the utility finds the pilot to materially reduce ignition risk, this intent should be clarified.

⁵ See PacifiCorp Report, pp. 4-9.

⁶ Liberty Report, p. 9.

⁷ BVES WMP, Appendix B, p. B-1

⁸ BVES WMP, Figure 5-8, Fire Safety Circuit Matrix.

⁹ WSD-002, p. 28.

¹⁰ Liberty Report, p. 38.

II. COMMENTS ON UTILITY-SPECIFIC CONDITIONS

a. Condition BVES-15

The Division asked BVES to provide details about how it will collaborate with outside agencies, uses best practices, and acts on lessons learned from the collaboration.¹¹ BVES' Report and WMP do describe BVES' collaborative efforts but make no reference to lessons learned from the collaboration or how BVES intends to improve these efforts. In addition, although BVES outreaches to local governments and various community organizations, BVES should also prioritize outreaching to organizations that provide resources directly to small businesses. This ratepayer class tends to have limited time and resources, resulting in a need for direct outreach instead of mass community outreach campaigns. BVES should provide this information in its next Report.

SBUA recommends that the Division also require BVES and all of the utilities to provide detailed information on the collaboration, resources, and support provided to community-based organizations, non-governmental organizations, and other non-profits that assist with customer outreach and related services. The utilities should also report on any challenges faced that inhibit collaboration and lessons learned/best practices.

b. Condition PC-1

PacifiCorp has to describe how it incorporates climate change into risk models and “outline in detail how it plans to use these risk models to deploy wildfire initiatives.”¹² Based on its Report, PacifiCorp does not seem to currently incorporate climate change into risk modeling, believing “that the focus on the current state has been appropriate[,]” but anticipating “climate change scenarios will weigh more heavily in [] future risk assessments.”¹³ Given that PacifiCorp does not account for climate change in risk modeling, it is not surprising that the utility did not provide a detailed outline about how it plans to use these risk models to deploy wildfire initiatives. Instead, PacifiCorp briefly mentions that if the new modeling shows “a relatively uniform geographic treatment irrespective of seasonal weather variation” then it will deploy initiatives consisting with its current WMP, but if the models reveal variations then PacifiCorp will “evaluate whether initiatives can be deployed to maximize efficiencies in risk reduction based on that risk modeling.”¹⁴ This falls well short of the Division's directive to provide a detailed plan about how risk models incorporating climate change will impact deployment of wildfire mitigation. Therefore, PacifiCorp did not meet this Condition, and SBUA recommends the Division require PacifiCorp to incorporate climate change into risk modeling and report on it in the next Report or face penalties.

¹¹ BVES Report, p. 9.

¹² Reso. WSD-008, p. 17.

¹³ PacifiCorp Report, pp. 60-61.

¹⁴ *Id.* at 61-62.

c. Condition PG&E-13

To comply with this Condition, PG&E has to state the factors that limit microgrid deployment and explain if it considered microgrid proposals as solutions to other grid issues.¹⁵ In compliance, PG&E explains issues facing microgrids involving permanent generation including land constraints and the need for expensive transmission asset upgrades.¹⁶ Due to these and other challenges, PG&E decided to only develop temporary generation sites as opposed to permanent microgrids and points out that a microgrid backup generation site was completed in Napa County in late 2019 and is operational.¹⁷ PG&E is also in the process of developing a Remote Grid Initiative that will allow it to integrate remote customer loads without having to rely on long distribution lines that often traverse high-fire risk areas.¹⁸

In the next Report, the Division should require PG&E to provide additional information about the backup generation site in Napa County including the number of times the backup generation site was used, number of PSPS events PG&E would have otherwise called but for this project, challenges faced with the completion and operation of this project (particularly due to the Glass Fire currently impacting Napa County), and an update on the additional microgrid backup generation sites that PG&E plans to make available in 2020.¹⁹ In addition, PG&E should provide a status update and on its Remote Grid Initiative and on planned microgrid deployment planned (if any) for 2021.

d. Condition SCE-20

This Condition requires SCE to provide information regarding potential notification fatigue due to the frequency of PSPS communications. SBUA agrees with SCE that not all PSPS events that are noticed but do not occur should be considered false positives because even if forecasted conditions do not materialize, the decision to issue a PSPS warning may have been taken based on accurate data.²⁰ The Division should require SCE and the other utilities to report on “false positive” PSPS events only when the utility’s decision was based on erroneous data.

SCE also indicates that notifications were sent to individuals who opted in to receive notifications.²¹ This raises the question, if a customer does not opt in to receive pre-event notifications then how will they be notified of an actual PSPS event? In the next Report, the Division should require SCE to report on trends observed for the number of customers that opt-in to receive notifications and how information about the benefits of opting-in are communicated to customers.

¹⁵ Reso. WSD-003, p. 36.

¹⁶ PG&E Report, p. 144.

¹⁷ *Id.*

¹⁸ *Id.* at 142.

¹⁹ *Id.* at 141.

²⁰ SCE Report, p. 266.

²¹ *Id.*

e. Condition SDG&E-8

Condition SDG&E-8 requires SDG&E to provide information on how it measures and accounts for the environmental impacts related to its vegetation management work and how it incorporates input from the local community in planning and executing the work.²² SDG&E mentions that its vegetation management activities “follow a specific annual schedule that can be shared with all interested stakeholders[.]”²³ SDG&E’s customer outreach programs “uses its website and print copy to explain in detail the scope of work and the safety and reliability benefits of utility tree operations.”²⁴ Based on this answer, it seems that SDG&E has a set plan and it merely informs the local community of the work instead of soliciting input on how and when to complete the work, which would fail to meet the requirements of this Condition. Moving forward, the Division should require SDG&E to provide direct outreach soliciting input from the local community including from local business owners, particularly when their business operations might be interrupted due to vegetation management work.

III. CONCLUSION

SBUA appreciates the opportunity to comment on this matter and looks forward to submitting reply comments.

Sincerely,

/s/ 

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²² Reso. WSD-005, pp. 35-36.

²³ SDG&E Report, p. 120.

²⁴ *Id.*