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Subject: Comments of the Public Advocates Office on 2020 Safety Certification Requests

INTRODUCTION

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits these comments in response to the requests of Southern California Edison Company (SCE) and San Diego Gas & Electric Company (SDG&E) for 2020 safety certifications.

The purpose of safety certifications is to ensure that each electrical corporation demonstrates a commitment to safety throughout its organization¹ and especially with respect to wildfire risks.² In keeping with this goal, Cal Advocates recommends that the Wildfire Safety Division (WSD) refrain from issuing 2020 safety certifications prior to the satisfactory resolution of the Class A deficiencies, which are the most serious, in an electrical corporation's Wildfire Mitigation Plan (WMP).

DISCUSSION & RECOMMENDATIONS

A. Background

Assembly Bill (AB) 1054 established a Wildfire Fund that allows participating electrical corporations to seek payments for eligible third-party catastrophic wildfire liability claims that have been settled or finally adjudicated.³ An electrical corporation may only

¹ Public Utilities Code Section 8383(e)(1) through (7).

² Public Utilities Code Sections 8383(e)(1) and 8383(e)(7).

³ Public Utilities Code Section 3291(c). SDG&E has acknowledged that the Wildfire Fund "is a critical element in AB 1054's framework for reducing and spreading the costs associated with" wildfires and for

access the Wildfire Fund if it has a valid safety certification on the date of the ignition.⁴ The WSD is responsible for issuing ongoing safety certifications to electrical corporations,⁵ based on the electrical corporation's demonstration that it has satisfied the requirements enumerated in Public Utilities Code Section 8389(e).

SDG&E submitted its request for 2020 safety certification on June 16, 2020.⁶ SCE submitted its request for 2020 safety certification on June 19, 2020.⁷ Both SDG&E and SCE currently have valid safety certificates that will remain in effect until the WSD acts on their pending requests for safety certification.⁸

On June 25, 2020 the WSD sent a letter to stakeholders soliciting stakeholder input on the 2020 safety certification requests and providing supplemental guidance of the meaning of an approved WMP pursuant to Public Utilities Code Section 8389(e)(1). The WSD stated:

Commission ratification of the Wildfire Safety Division's approval of an electrical corporation's 2020 Wildfire Mitigation Plan, subject to the conditions specified in Appendix A of the ratifying resolutions, constitutes documentation of an approved WMP pursuant to Pub. Util Code § 8389(e)(1).²

B. It is premature to issue 2020 safety certificates until the electric corporations have resolved the outstanding Class A deficiencies in their WMPs.

The WSD should hold electrical corporations to a high standard of performance on safety issues. For the safety certification process to achieve the goals of decreasing the risk of wildfire and improving the overall safety of electric service to California ratepayers, the process must do more than just "check the boxes," particularly when parties have

"restoring the financial health of the state's investor-owned utilities." *Opening Comments on Scoped Issues and Questions to Parties of San Diego Gas & Electric Company (U 902 E)*, filed August 29, 2019 in Rulemaking (R.) 19-07-017, pp. 1, 3. Other critical elements of AB 1054 are the WMPs and the safety certifications, each of which should be rigorously reviewed and enforced to decrease the risk of wildfires and promote the safe operation of electrical corporation facilities.

⁴ Public Utilities Code Section 3292(h)(1)(B).

⁵ Public Utilities Code Section 8389(f)(2). Pursuant to Public Utilities Code Section 8389(f)(1), the California Public Utilities Commission's Executive Director issued the initial safety certification in 2019.

⁶ San Diego Gas & Electric Company's Request for a 2020 Safety Certification pursuant to Public Utilities Code Section 8389, June 16, 2020 (SDG&E 2020 Safety Certification Request).

⁷ Southern California Edison Company's 2020 Safety Certification Request, June 19, 2020 (SCE 2020 Safety Certification Request.)

⁸ Public Utilities Code Section 8389(f)(4).

² Letter from WSD director Caroline Thomas Jacobs re 2020 safety certification process seeking stakeholder comments and providing supplemental guidance, June 25, 2020, p. 2.

identified and the WSD has determined that there are serious deficiencies in an electrical corporation's WMP.

One of the requirements for obtaining safety certification is that the electrical corporation have an approved WMP.¹⁰ In their safety certification requests, SDG&E and SCE each claim that they have met this requirement, despite the fact that each has a WMP that was approved subject to conditions. These conditions include resolving several Class A deficiencies – the “most serious” type of flaw in a WMP.¹¹ SCE's 2020 WMP has four Class A deficiencies:

- Failure to determine the specific cause of near misses, thereby missing the opportunity to better understand potential ignition risks on SCE's grid.¹²
- “SCE does not provide evidence of effectiveness of increased vegetation clearances.”¹³
- “Lack of advancement in vegetation management and inspections.”¹⁴
- “Lack of risk modeling to inform decision-making.”¹⁵

SDG&E's 2020 WMP has two Class A deficiencies:

- “Lack of risk reduction or other supporting data for increased time-of-trim clearances.”¹⁶
- “Lack of risk modeling to inform decision-making.”¹⁷

¹⁰ Public Utilities Code Section 8389(e)(1).

¹¹ The WSD states that a Class A deficiency is the “most serious” type of deficiency, indicating that “aspects of the WMP are lacking or flawed.” Resolution WSD-002 *Guidance Resolution on 2020 Wildfire Mitigation Plans Pursuant to Public Utilities Code Section 8386*, June 11, 2020 (Resolution WSD-002), p. 17.

¹² *Resolution WSD-004, Resolution Ratifying Action of the Wildfire Safety Division on Southern California Edison Company's 2020 Wildfire Mitigation Plan Pursuant to Public Utilities Code Section 8386*, June 11, 2020 (Resolution WSD-004), Appendix A, p. A2.

¹³ Resolution WSD-004, Appendix A, p. A12.

¹⁴ Resolution WSD-004, Appendix A, p. A13.

¹⁵ Resolution WSD-002 identifies one Class A deficiency common to a number of electrical corporations, including SCE, Guidance-3: “Lack of risk modeling to inform decision-making.” Resolution WSD-002, Appendix A, p. A3.

¹⁶ *Resolution WSD-005, Resolution Ratifying Action of the Wildfire Safety Division on San Diego Gas & Electric Company's 2020 Wildfire Mitigation Plan Pursuant to Public Utilities Code Section 8386*, June 11, 2020 (Resolution WSD-005), Appendix A, p. A9.

¹⁷ Condition Guidance-3 in Resolution WSD-002 also applies to SDG&E. Resolution WSD-002, Appendix A, p. A3.

SDG&E claims that notwithstanding the WSD's conditional approval of its WMP, the fact that Public Utilities Code Section 8386.3 (a) does not explicitly provide for approval of a WMP subject to conditions, means that "the only logical conclusion" is that SDG&E's plan is approved for purposes of obtaining its safety certification.¹⁸ SCE also assumes that the Commission's ratification of its WMP, subject to conditions, satisfies the requirement of an approved WMP for purposes of securing its 2020 safety certification.¹⁹

However, these Class A deficiencies demonstrate that both SDG&E and SCE have significant issues to address before their WMPs can be effectively implemented to reduce the risk of wildfires. To remedy a Class A deficiency, WSD requires "an electrical corporation to develop and submit to the WSD within 45 days a Remedial Compliance Plan (RCP) to resolve the identified deficiency."²⁰ If SCE and SDG&E do not submit satisfactory RCPs as directed, it follows that they will not have fulfilled the conditions of WMP approval. In that case, it would be logical to conclude that their WMPs will no longer be approved.

Moreover, Public Utilities Code Section 8389(e)(7) requires that an electrical corporation "is implementing its approved wildfire mitigation plan" prior to being issued a safety certification. Deficient sections of the WMP cannot be implemented as required in Public Utilities Code Section 8389(e)(7) until the submission and approval of the remedial filings demonstrates that those deficiencies have been corrected.

The WSD should not issue safety certifications for electrical corporations with outstanding Class A deficiencies until after receiving and reviewing the required remedial filings to remedy those deficiencies. Issuing a safety certification based on a conditionally approved plan is not a practice that promotes safety, and does not hold the electrical corporations accountable for resolving the deficiencies in their WMPs. The timing for the electrical corporations to demonstrate compliance with the requirement to submit a satisfactory RCP to address their Class A deficiencies (45 days)²¹ would not impact the electrical corporations' current approved safety certificate (which remains in effect), nor would it unnecessarily delay the statutory requirement for issuance of a safety certificate (within 90 days),²² as described below.

¹⁸ SDG&E 2020 Safety Certification Request, p. 2.

¹⁹ SCE 2020 Certification Request, p. 2.

²⁰ Resolution WSD-004, p. 4; Resolution WSD-005, p. 4.

²¹ Resolution WSD-004, p. 4; Resolution WSD-005, p. 4.

²² Public Utilities Code Section 8389(f)(2).

C. Requiring SDG&E and SCE to resolve their Class A deficiencies prior to issuance of their 2020 safety certifications is feasible within 90 days and would not jeopardize access to the Wildfire Fund.

If SDG&E and SCE successfully address the Class A deficiencies, the WSD can still timely issue their safety certificates. Public Utilities Code Section 8389(f)(2) states that the WSD “shall issue a safety certification within 90 days of a request if the electrical corporation has provided documentation that it has satisfied [the statutory requirements for issuing a safety certificate],” and Section 8389(f)(4) states that “a safety certification shall remain valid until the division acts on the electrical corporation’s pending request for safety certification.”

Therefore, the 2019 safety certificates issued to SCE and SDG&E will not expire until the WSD has acted on their pending requests for safety certification. The table below illustrates the timeline for issuance of SCE and SDG&E’s 2020 safety certifications.

Commission ratification of WSD Resolutions 002, 004 and 005	June 11, 2020
SDG&E request for 2020 safety certification	June 16, 2020
SCE request for 2020 safety certification	June 19, 2020
Remedial compliance filings to resolve Class A deficiencies due	July 27, 2020 (45 days after June 11, 2020)
90-day deadline for issuance of SDG&E safety certification	September 14, 2020 (90 days after June 16, 2020 request)
90-day deadline for issuance of SCE safety certification	September 17, 2020 (90 days after June 19, 2020 request)

As shown in the table, the timeline allows for WSD to receive and review the compliance filings from SCE and SDG&E without lapse of the current safety certificates and within the 90-day time frame for issuance of the safety certificates. Both electrical corporations will retain valid safety certificates and, therefore, will retain access to the Wildfire Fund. Ensuring that the Class A deficiencies are addressed will protect public safety by holding electrical corporations accountable for meeting the conditions established by the WSD as a condition of approval of the WMPs.

CONCLUSION

The Public Advocates Office respectfully requests that the WSD not issue the 2020 safety certifications for SCE or SDG&E until the electrical corporations have conducted the appropriate remediation of their WMP filings. Once the Class A deficiencies have been

addressed to the satisfaction of the WSD, then the WSD should issue a safety certification to each electrical corporation that has met all other statutory requirements.

Respectfully submitted,

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