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 COMMENTS ON THE 2021 WILDFIRE MITIGATION PLANS PURSUANT TO RESOLUTION WSD-001

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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, the Protect Our Communities Foundation (PCF) timely submits its comments on the 2021 Wildfire Mitigation Plans (WMPs) by serving them on the Director of the WSD, Caroline Thomas Jacobs, WSD, CAL FIRE Utility Fire Mitigation Unit, and the service list in R.18-10-007.

I. INTRODUCTION

SDG&E's 2021 WMP fails to address the vast majority of deficiencies the Commission identified with respect to SDG&E's 2020 WMP. SDG&E was directed to address the deficiencies in either its 2021 WMP Update or in a supplemental filing to its 2021 WMP Update.[1] WSD identified a total of 41 deficiencies in its Notice of Noncompliance for SDG&E to act upon, 24 of which were Class B. In its February 26, 2021 Supplemental Filing, SDG&E failed to address all the deficiencies in its 2021 WMP Update and Supplemental Filing as required by WSD.

[1] Wildfire Safety Division Evaluation of San Diego Gas & Electric Company's First Quarterly Report (January 8, 2021), (WSD Evaluation of SDG&E QR), p. 3.

As detailed below, SDG&E's approach to risk mitigation remains deficient and requires further evaluation and consequent changes. SDG&E's approach to risk assessment also remains ineffective and its undergrounding practices continue to do little to reduce the risk of catastrophic wildfire. SDG&E's 2021 WMP fails to set forth even the minimum revisions to its 2020 WMP which are necessary to correct the deficiencies and to comply with the directives previously identified in Commission and WSD orders. WSD should hold SDG&E accountable for its continued failure sufficiently to assess, mitigate and reduce wildfire risks, and should reject SDG&E's inadequate 2021 WMP filing.

II. SDG&E YET AGAIN FAILS TO CORRECT DEFICIENCIES IN ITS WILDFIRE MITIGATION PLAN.

SDG&E fails to correct deficiencies that WSD identified in its 2021 WMP Update that also existed in its 2020 WMP. After initially evaluating SDG&E's WMP, WSD required Quarterly Report (QR) submittals as part of the conditional approval of SDG&E's WMP. The QR was required to address all Class B deficiencies identified by WSD in its review of SDG&E's 2020 WMP. On January 8, 2021, WSD found that SDG&E failed appropriately to address its Class B deficiencies and directed SDG&E to do so in its 2021 WMP Update or Supplemental Filing.

The outstanding insufficiencies and action items from SDG&E's QR that WSD required to be addressed in SDG&E's 2021 WMP Update or Supplemental Filing are included in the following table[2]:

[2] WSD Evaluation of SDG&E QR, *Table 1: Class B Deficiencies from SDG&E's 2020 WMP,* pp. 2-3.

Figure 1: Itemized Requirements and Required Actions [3]

Deficiency Title	Sufficiency Finding	Action Item
Lack of risk spend efficiency (RSE) information	Insufficient	1-4
Lack of alternatives analysis for chose initiatives	Insufficient	5-9
Lack of discussion on PSPS impacts	Insufficient	10
Aggregation of initiatives into programs	Insufficient	11-12
Lack of detail on effectiveness of "enhanced" inspection programs	Insufficient	13-14
Insufficient discussion of pilot programs	Insufficient	15-16
Lack of detail on plans to address personnel shortages	Sufficient	17
Lack of detail on long-term planning	Sufficient	18
SDG&E reports a high number of ignitions related to balloon contact	Sufficient	19
SDG&E reports a high number of ignitions related to vehicle contact	Sufficient	20-21
SDG&E fails to explain how it plans to incorporate lessons learned into updates of its risk models	Insufficient	22-24
SDG&E does not provide sufficient detail on strategic undergrounding pilots	Insufficient	25-28
SDG&E does not provide sufficient detail on plans for reinforcing transmission lines	Insufficient	29
Potential redundancies in vegetation management activities	Insufficient	30-31
Consideration of environmental impacts, local community input	Insufficient	32-34
SDG&E does not explain how investments in undergrounding reduce planned vegetation management spend	Insufficient	35
Details of quality assurance, quality control	Insufficient	36-43
Granularity of "at-risk species"	Insufficient	44-46
Details of centralized data repository	Insufficient	47-48
Details of cooperative fuel reduction work	Sufficient	49

[3] PCF created Figure 1 by compiling the action items, insufficiency titles, and WSD finding for their response to the conditions from the January 8, 2021 Wildfire Safety Division Evaluation of San Diego Gas & Electric Company's First Quarterly Report.

A. SDG&E waves away the serious danger of vehicle contact ignitions by downgrading the score it applies to the risk of such ignitions.

In SDG&E's 2020 WMP, SDG&E itself identified vehicle contact as a top risk driver of wildfire ignition. Action SDGE-20 requires SDG&E to "1) explain whether the reduction of vehicle contract related ignitions is the primary factor for implementation of any initiatives in its 2020 WMP and 2) if so, describe how SDG&E prioritized these locations".[4] In Resolution WSD-005, the Commission similarly acknowledged that, beyond undergrounding, SDG&E's 2020 WMP lacked detail on which alternatives, if any, were to be implemented to reduce the risk of ignitions caused by vehicle contact.[5] There, SDG&E proffered undergrounding as the sole solution instead of other mitigations that could have reduced vehicle contact ignition. In WSD's evaluation of SDG&E's first QR, WSD noted that it is still unclear from SDG&E's submissions if the reduction of vehicle contact ignitions is the primary driver for implementation of wildfire mitigation initiatives and that SDG&E failed to discuss any measures related to increased visibility to reduce vehicle contact ignitions.[6]

However, in its 2021 WMP Supplemental Filing[7], SDG&E effectively dismisses both this important driver of ignitions and WSD and Commission directives to reduce vehicle contact ignitions by simply asserting that it does not have the highest incident rate of vehicle ignitions per overhead customer density when normalized against population density. Regardless of SDG&E's proclaimed normalcy surrounding its ignitions and outages caused by vehicles, it was

[4] WSD Evaluation of SDG&E QR, p. 21.
[5] Wildfire Safety Division, 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), p. 18.
[6] WSD Evaluation of SDG&E QR, p. 21.
[7] San Diego Gas & Electric Company's Supplemental Filing Addressing 2020 Wildfire Mitigation Plan Quarterly Report Insufficiencies (February 26, 2021), (SDG&E Supplemental Filing), pp. 54-55.

nonetheless a top driver of outages and the top driver of ignitions in SDG&E's service territory.[8] Moreover, the Commission has directed SDG&E to reduce vehicle contact ignitions, whether SDG&E experiences relatively more of them than other utilities or not.

Moreover, SDG&E asserts without support that initiatives such as strategic undergrounding, recloser settings, steel poles, spacers, and larger conductors will reduce vehicle contact ignitions as well as ignitions related to other causes. SDG&E's assertion that vehicle contacts are "outside the control of SDG&E"[9] cannot negate the need for intentional mitigation efforts to minimize SDG&E's top driver of ignition. WSD should not allow SDG&E to avoid acting on the identified important vehicle contact risk through sleight of hand – classifying vehicle contact ignitions as occurring at a "normal rate" cannot release SDG&E from its duty to propose and implement effective and intentional mitigation measures to reduce this undisputed cause of wildfires.

Not only did SDG&E fail to explain its mitigations fully in its quarterly report[10], but it also neglected to include sufficient data and analysis about its planned mitigations. SDG&E's approach to risk assessment in identifying and reducing the risk of ignition from vehicle contact in its 2021 WMP Supplemental Filing remains both insufficient and defiant of WSD's orders and applicable statutory requirements. PCF agrees with WSD's intention to "send a clear message to SDG&E that its WMP, RCP, and QRs must be of the highest quality and include sufficient detail and plans to facilitate transparency, allow for efficient review, and effectively implement

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[8] SDG&E, 2021 WMP Update Workshop, *Grid Design and System Hardening: Inspections, Mitigation Choices and Emerging Technologies*, p. 3: In its Historical Risk Summary from 2015-2020, vehicle contact had the second most average outages (38.2) but the highest average ignitions out of all the risk drivers (2.5), placing its risk ranking at #1.

[9] SDG&E Supplemental Filing, p. 54.

[10] San Diego Gas & Electric Company's Quarterly Report on 2020 Wildfire Mitigation Plan for Q3 2020 (September 9, 2020).

potentially lifesaving wildfire risk mitigation initiatives."[11] SDG&E's 2021 WMP filing fails the standard set by WSD and should thus be rejected as inadequate.

B. SDG&E fails to analyze fully how it will incorporate pilot results into PSPS decision making.

Action SDGE-24 required that SDG&E shall:

> 1) describe how it intends to pilot the WiNGS-Ops for PSPS decision-making, including the scope of the pilot, 2) explain how SDG&E will analyze the results of the pilot to determine appropriate usage and necessary changes to WiNGS-Ops, and 3) include a detailed timeline of the pilot.[12]

WSD required SDG&E to explain how the results of WiNGS-Ops would be analyzed to implement program improvements and provide a timeline of what it has accomplished thus far and what it intends to do in the future. SDG&E's responds only that it is still at the early stages of exploring potential implementation of WiNGS-Ops for PSPS. Unfortunately, additional time does not exist to ponder potential implementation of pilots and solutions for public safety and wildfire risk reduction. SDG&E must act instead of slow-walking needed mitigations. Its promises to explore potential solutions in the future may very well be too-little-too-late. As it has been shown in other fire regions, the public cannot wait idly by for SDG&E to afford itself such a leisurely timeline.

With the upcoming especially dry season – entering into a drought season in SDG&E territory -- SDG&E's leisurely promises of potential mitigations must be called out as insufficient by WSD. SDG&E should be required to rectify its failure to include the analyses and data for its WiNGS-Ops pilot ordered by WSD in its 2021 WMP Update prior to any WSD or Commission approval.

[11] WSD Evaluation of SDG&E QR, p. 34.
[12] WSD Evaluation of SDG&E QR, p. 23.

C. SDG&E fails to respond to WSD-required action on how it accounts for stakeholder input.

Action SDGE-33 requires SDG&E to:

> 1) detail how community outreach efforts and stakeholder input, such as the ones described in its response, affect the scope of work of VM, 2) how and when stakeholders are engaged about the pending VM work in their community or on/adjacent to their property, 3) how stakeholder comments are documented and analyzed, and 4) how SDG&E ensures stakeholder input is relayed to and implemented by vegetation crews, both internal and contracted.[13]

WSD made clear that SDG&E did not "describe the pathway from outreach to implementation,"[14] to which SDG&E responded that "customer feedback and information is recorded and might result in modified instructions for contractor personnel."[15] SDG&E's response blatantly ignores WSD's concerns and exemplifies SDG&E's inability to incorporate stakeholder and customer input in its wildfire mitigation practices.

Recording the information entails only a part of ensuring proper wildfire mitigation – SDG&E needs properly to ensure and communicate to WSD that it tracks and records customer and stakeholder input, delineate the process of recording and assessing such information, and explain how customer and stakeholder data, analysis and suggestions are considered and folded into developing and implementing its wildfire mitigation practices. If SDG&E does not appropriately record customer and stakeholder information and coordinate it with the systems that create work orders, then no way exists to ensure that SDG&E actually incorporates or acts upon the customer and stakeholder feedback it receives.

If SDG&E does not record this information appropriately, then SDG&E cannot act upon customer feedback, input, problems or data appropriately. Also, if SDG&E records information

[13] WSD Evaluation of SDG&E QR, p. 27.
[14] WSD Evaluation of SDG&E QR, p. 27.
[15] SDG&E Supplemental Filing, p. 68.

but its system does not sync with the system that triggers in-field work, then the mere proper recording would have little value. SDG&E's response to action item #33 fails to identify how, where, and what it intends to record and how that information or record interacts with SDG&E's mitigation measures and systems. SDG&E's response continues to be wholly inadequate and its 2021 WMP does not appropriately provide the required information for thorough WSD review.

D. SDG&E fails to calculate cost-effectiveness metrics as required by WSD.

Action SDGE-35 requires SDG&E to:

> provide the calculation of cost-effectiveness for undergrounding, broken down by line items showing both costs of undergrounding and costs avoided by undergrounding (e.g., vegetation management – inspections and trims).[16]

SDG&E claims that while it has the ability to quantify this calculation, "calculating average trimming and removal costs per mile would not be appropriate."[17] WSD found that the actual cost calculation of savings considered when evaluating the effectiveness of undergrounding remained unclear because SDG&E failed to provide the necessary data and information.

SDG&E's "sample list" barely addresses WSD's concerns and denies stakeholders the ability appropriately to assess SDG&E mitigation measures and performance. SDG&E maintains an obligation to inventory its lines and also to create an inventory database of what vegetation exists that might start a fire in the event of a wind condition or extreme weather condition.[18] SDG&E claims that over the years, through drones, weather stations and cameras, it has improved its ability to monitor its infrastructure but yet, SDG&E proclaims it cannot determine the costs because "the number of units that would otherwise be trimmed or need to be removed

[16] WSD Evaluation of SDG&E QR, p. 28.
[17] SDG&E Supplemental Filing, p. 70.
[18] Pub. Util. Code, §8386, subd. (c) ("The wildfire mitigation plan shall include all of the following: (3) A description of the preventive strategies and programs to be adopted by the electrical corporation to minimize the risk of its electrical lines and equipment causing catastrophic wildfires, including consideration of dynamic climate change risks; (8) plans for vegetation management.")

over the lifetime of the undergrounded segment can be determined once the undergrounding scope is determined."[19] How can SDG&E calculate the cost of undergrounding on the one hand, yet claim that the trees and vegetation that exist under those lines which SDG&E proposed to underground cannot be ascertained? Either, SDG&E has been accurately monitoring and trimming known areas of fire danger, or it has not. WSD should question whether the reason SDG&E fails to provide the required estimates of avoided costs could be because SDG&E would then leave the Commission only with the data sufficient to base SDG&E's rates on its undergrounding expenses, rather than a potentially less expensive alternative.

E. SDG&E fails to justify its lack of incorporation of vegetation characteristics into risk attributes.

SDG&E neglects to provide support for how it determines what problems or situations constitute a risk of wildfires. Action SDGE-45 requires SDG&E to:

> 1) explain why it does not incorporate information from long-term species vulnerability assessments (i.e., climate change, water stress/drought) into its evaluation of a tree species' risk status, and 2) explain why it does not include a species' non-native or invasive status as an "at-risk" attribute.[20]

SDG&E's response to its failure to provide information about a species' invasive status was merely to assert that it does not consider invasiveness an impactful characteristic when evaluating electrical safety.[21] SDG&E's glib response is tantamount to providing no response at all. SDG&E states that the tree health and imposed risk are dependent upon multiple factors, but then fails to elaborate upon what those factors encompass. SDG&E makes a conclusory statement and cites no support or basis for its claim, and WSD should reject SDG&E's

[19] SDG&E Supplemental Filing, p. 70.
[20] WSD Evaluation of SDG&E QR, p. 32.
[21] SDG&E Supplemental Filing, p. 74.

unsupported contentions and instead require facts, evidence and analysis to support SDG&E's assertion that invasiveness essentially does not matter.

III. WSD SHOULD NOT RELY ON UTILITY SELF-REPORTING TO ESTABLISH THE EFFECTIVENESS OF SDG&E'S PROPOSED WILDFIRE MITIGATION ACTIVITIES OR THE COST EFFECTIVENESS OF ITS PROGRAMS.

As PCF has argued repeatedly[22], the WMP template required by WSD cannot be relied on and does not provide the verification of compliance with the requirements contained in Public Utility Code Section 8386 because the template focuses on the utilities' self-reporting and because the metrics are inadequate to determine the effectiveness of the utilities' mitigation programs. SDG&E notes that it "intends to hire an independent evaluator and that evaluator will prepare a report by July 1, 2021 per WSD requirements"[23] to assess performance metrics. However, Section 8386.3 requires WSD to approve or deny each wildfire mitigation plan and update submitted by the utilities within three months of its submission[24]. SDG&E's proposed timeline does not allocate appropriate time for WSD to assess its performance and the effectiveness of its mitigation measures unless WSD extends the time for it to assess and approve or reject SDG&E's 2021 WMP.

A. The Commission should allow evidentiary hearings to assess the utilities' proposed mitigation measures and the cost effectiveness of those measures.

The Commission, through WSD's review of the utilities' wildfire plans, should allow evidentiary hearings to assess the feasibility and relative cost effectiveness of the proposed safety

[22] *See*, e.g., R.18-10-007, The Protect Our Communities Foundation Comments on the 2020 Wildfire Mitigation Plans Pursuant to Resolution WSD-001 (April 7, 2020), pp. 8-11.
[23] SDG&E 2021 WMP, p. 121.
[24] Pub. Util. Code, §8386.3, subd. (a) ("The Wildfire Safety Division shall approve or deny each wildfire mitigation plan and update submitted by an electrical corporation within three months of its submission, unless the division makes a written determination, which shall include reasons supporting the determination, that the three-month deadline cannot be met. Each electrical corporation's approved plan shall remain in effect until the division approves the electrical corporation's subsequent plan.")

measures. WSD found that "SDG&E is out of compliance with California Public Utilities Code Pub. Util. Code § 8386, Resolution WSD-002, and Resolution WSD-005 for failure to adequately meet all of the requirements to address its Class B Deficiencies"[25] in its 2020 WMP and WMP Quarterly Reports. SDG&E was then directed to address the deficiencies in its 2021 WMP Update. SDG&E's failure to comply with the statutory requirements and to rectify deficiencies the identified deficiencies contained in its September 9, 2020 QR exemplifies SDG&E's lack of implementation of its mitigation measures. Those measures include: justifying the reasons that support the inclusion or lack thereof of mitigation measures and development and testing of the data as to each measure's cost-effectiveness.

For the past three years, the Commission has approved the utilities' WMPs without factual investigation through evidentiary hearings, always citing to the lack of time for review or analysis and always promising that more thorough review would occur in the next WMP review cycle. Three years of taking the utilities' word for it is more than enough; the time is now to fulfill the Commission's promises – and WSD possesses the authority to do so. WSD can extend the time for its approval pursuant to WSD-011, which recognizes that the Commission may need more time to verify the WMPs to ensure that the WMPs meet the statutory requirements the Legislature laid out in Section 8386.[26] The Commission routinely extends statutory deadlines for

[25] Notice of Non-Compliance (NONC) Identified During 2020 Wildfire Mitigation Plan (WMP) Quarterly Report (QR) Review (January 8, 2021), p. 4.

[26] *See* Resolution WSD-011: Resolution implementing the requirements of Public Utilities Code Sections 8389(d)(1), (2), and (4), related to catastrophic wildfire caused by electrical corporations subject to the Commission's regulatory authority, p. 13. ("The WSD may modify the 2021 WMP schedule as deemed necessary via written notice to stakeholders subject to the statutory parameters set forth in § 8386(b).") *See also* Pub. Util. Code § 8386(b) ("In calendar year 2020, and thereafter, the plan shall cover at least a three-year period. The division shall establish a schedule for the submission of subsequent comprehensive wildfire mitigation plans, which may allow for the staggering of compliance periods for each electrical corporation. In its discretion, the division may allow the annual submissions to be updates to the last approved comprehensive wildfire mitigation plan; provided, that each electrical corporation shall submit a comprehensive wildfire mitigation plan at least once every three years.")

its various decisions in other contexts; it should use its explicit statutory authority in this wildfire mitigation context to perform the analysis and factual investigation necessary to assure Californians that the utilities' plans will in fact prevent and mitigation wildfires at the most reasonable costs possible.

In performing more thorough analyses of the 2021 WMPs, WSD should further examine the facts and determine whether expert support exists for the utilities' proposals and should permit other parties to submit alternative measures for the Commission's consideration that include other alternatives and implementation strategies. Evidentiary hearings would allow the parties to propose alternative mitigation solutions and to submit valuable facts and data. Evidentiary hearings would also allow the parties and WSD to test the assumptions and support for the utilities' assertions about program effectiveness and cost effectiveness.

Through evidentiary hearings, the Commission can obtain the needed development of the factual record about what works and what does not work to prevent wildfires so that the Commission can properly evaluate the proposed alternatives and end the admittedly ineffective approach to detailing all the problems with SDG&E's proposed mitigation measures and actions, while at the same time conditionally approving the WMP. Parties should have the opportunity to question the utilities' claims that they have appropriately assessed wildfire risk[27] and to cross-examine utility witnesses regarding whether and how programs have been prioritized to best comply with the requirements of Section 8386.

Specific examples of topics regarding which the material facts are disputed include a consideration of the alternatives that PCF and other parties have raised, such as such as retrofitting existing wooden poles and undergrounding conductors; and others such as fire-

[27] D.19-05-036, p. 29, fn. 42 (Commission acknowledging that "risk assessment is often a black box with insufficient description of the supporting information and rational for proposed programs.").

resistant wrap[28]. SDG&E has failed to demonstrate how a wood-to-steel pole conversion would have any impact on reducing fire ignitions.[29] In 2015, the SDG&E representative designated on the topic did not know whether all of SDG&E's lines complied with General Order 95, relating to conductor spacing requirements.[30] SDG&E's pole replacement is a fantastically expensive and slow approach to getting adequate conductor-to-conductor spacing on existing wooden poles that provides benefits to SDG&E's shareholders at the expense of ratepayers. Instead, SDG&E could reasonably spend approximately $10,000 per wooden pole to very rapidly change out the obsolete cross-arms with cross-arms meeting current conductor spacing requirements.

As the list above shows, an evidentiary hearing remains necessary because SDG&E's mitigation strategies have never been vetted, PCF has not had the opportunity to present evidence or cross-examine SDG&E's witnesses, and principles of due process require a hearing because the effectiveness of SDG&E's proposed mitigation necessarily turns on questions of fact.[31] PCF and others should also be permitted to question the utilities' claims that the utilities have appropriately assessed wildfire risk, and that they have prioritized programs and expenditures in a manner that will most effectively mitigate the risk of wildfires. An evidentiary hearing will enable the Commission to avoid the admittedly ineffective just-trust-the-utilities approach, and will also provide the Commission with a forum to consider alternatives presented by other parties.

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[28] D.19-05-039, p. 6; A.12-10-009, Opening Testimony of Bill Powers, P.E. on Behalf of Protect Our Communities Foundation (September 16, 2015), p. 15-23; Southern California Edison Company's Reports on Possible Off Ramps Pursuant to the Guidance Decision on 2019 Wildfire Mitigation Plans, Advice Letter 4120-E, (December 2, 2019), p. 17.

[29] *See e.g.* A.12-10-009, Opening Testimony of Bill Powers, P.E. on Behalf of Protect Our Communities Foundation (September 16, 2015), p. 9-10.

[3030] A.12-10-009, Reporter's Transcript of Evidentiary Hearing (October 12, 2015), p. 103.

[31] *See Manufactured Home Communities, Inc. v. City of San Louis Obispo* (2008) 167 Cal.App.4th 705, 711. ("…in 'almost every setting where important decisions turn on questions of fact, due process requires an opportunity to confront and cross-examine adverse witnesses'").

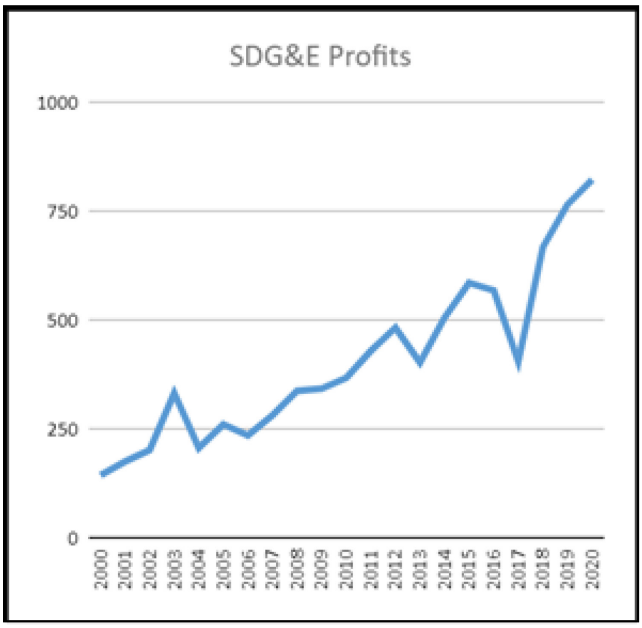
B. SDG&E's WMP failure to adequately disclose its costs prevents a determination of cost effectiveness.

SDG&E spent an additional $124,693 on wildfire mitigation measures in 2020 compared to its planned amount of $444,544. SDG&E's 2021 WMP anticipates spending $646,466, a significant increase from both the proposed and actual 2020 spending[32]. SDG&E has some of the highest rates in the country, and its mitigation measures must be thoroughly vetted to ensure that ratepayers who already face incredibly high rates for electricity and gas are not burdened with additional undue costs.

SDG&E fails to provide sufficient detail of its cost effectiveness calculations as stated above in Section II (d). SDG&E seems unmotivated to work to achieve cost effectiveness, perhaps because the more it spends, the more returns it will enjoy. Figure 2 below shows that SDG&E's profits have increased from $145 million in 2000 to $824 million in 2020. SDG&E's profits were 5.6 times higher than they were in 2000. Even in light of the COVID-19 pandemic, SDG&E recorded record profits. In 2020, SDG&E's average monthly rate increase in electric costs to ratepayers due to wildfire mitigation activities per year was $2.26, in comparison to $1.32 in 2019.[33]

[32] SDG&E 2021 WMP Update, p. 7.
[33] SDG&E 2021 WMP Update, Table 3-3: Electricity Cost Increase to Ratepayers, p. 9.

Figure 2: SDG&E profits reported in Sempra Energy's SEC filings.[34]



In the Commission's latest report on utility costs, it found that SDG&E charges its customers 41% more for electricity than PG&E and 69% more than SCE.[35] SDG&E customers are now paying rates up to 69% higher than other large investor owned utilities. SDG&E charges 86% more than Sacramento Municipal Utility District.[36] Public Utilities Code Section 451 states that "[e]very unjust or unreasonable charge is… unlawful."[37] As a threshold matter, WSD should

[34] PCF created Figure 2 using SDG&E profits reported in Sempra Energy's Securities and Exchange Commission 10K filings for the years 2000-2020, available at https://investor.sempra.com/sec-filings?field_nir_sec_form_group_target_id%5B%5D=471&field_nir_sec_date_filed_value=#views-exposed-form-widget-sec-filings-table .

[35] 2020 Assembly Bill (AB) 67 Report on Electric and Gas Utility Costs, (April 2020), p. 10, Table 1.9. Available at https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About_Us/Organization/Divisions/Office_of_Governmental_Affairs/Legislation/2020/2019%20AB%2067%20Report.pdf ., (SDG&E rate = 23.13 cents/kWh, SCE rate = 13.62 cents/kWh, PG&E rate = 16.30 cents/kWh. Thus the SCE calculation: 23.13 / 13.26 = 1.69 = 69% higher rates for SDG&E customers compared to SCE. The PG&E calculation: 23.13 / 16.30 = 1.41 = 41% higher rates for SDG&E customers compared to PG&E customers).

[36] Sacramento Municipal Utility District ("SMUD"), [last accessed on January 1, 2021] (The monthly residential bill at a 750 kWh usage level equals $220 for SDG&E customers and $118 for SMUD customers according to SMUD's calculations. $220/$118 = 1.86 = 86% higher rates for SDG&E customers.), available at https://www.smud.org/en/Rate-Information/Compare-rates .

[37] Pub. Utilities Code 451, ("All charges demanded or received by any public utility, or by any two or more public utilities, for any product or commodity furnished or to be furnished or any service rendered

closely evaluate the reasonableness of SDG&E's costs for its 2021 WMP proposals and programs to ensure that SDG&E customers are not charged excessive and unreasonable costs or be required to pay for wildfire mitigation programs that have not been proven to work. Ensuring cost-effective wildfire mitigation measures remains a critical function for WSD and the Commission. Ratepayers should pay only for the most cost-effective utility programs in this era of high rates and higher profits.

IV. THE COMMISSION AND WSD SHOULD EITHER LIMIT THE SCOPE OR THE TERM OF SDG&E'S 2021 WMP UPDATE BECAUSE OF SAN DIEGO'S PENDING FRANCHISE AGREEMENT CHOICES.

SDG&E's franchise agreement with the City of San Diego is set to expire June 1, 2021. SDG&E's last franchise bid in 2020 was unresponsive to the minimum requirements set forth in the City's Invitation to Bid (ITB). All bids for the gas and electric franchise in response to the March 19, 2021 ITB will be reviewed starting April 16, 2021, and thereafter the City Council will vote on the sufficiency of all bids and will award the franchise.[38]

Within the San Diego Mayor's new ITB are new conditions, including a 10-year term and the power to terminate the franchises at any time. If San Diego chooses a different franchisee other than SDG&E, SDG&E will need to maintain its wildfire mitigation activities until a new franchisee assumes all service and safety obligations. PCF recommends rejecting SDG&E's 2021 WMP for the reasons stated above, but if WSD proceeds, it should consider the programs and proposals that contain immediate action items and assess those separately from the proposals that contain long-term actions and costs. WSD should keep in mind that San Diego may award

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or to be rendered shall be just and reasonable. Every unjust or unreasonable charge demanded or received for such product or commodity or service is unlawful.").

[38] City of San Diego, *Franchise Agreements – Questions and Answers Mayor Gloria Announces New Invitations to Bid on Gas and Electricity Franchises* (March 19, 2021). https://www.sandiego.gov/department/attachment-franchise-agreements-questions-and-answers-mayor-gloria-announces-new

the franchise for utility service to a different company and thus should both take a sharp pencil to SDG&E's WMP-related proposals and should also hold in abeyance the evaluation and approval of all long-term costs until San Diego acts. Revisiting SDG&E's WMP longer-term programs and costs after San Diego determines its franchise award would enable WSD, the Commission, and the parties to ensure that ratepayers pay only those costs that are found to be reasonable and necessary to mitigate wildfires.

V. CONCLUSION

For the reasons detailed above, SDG&E's 2021 WMP should be rejected because it fails to comply with the requirements contained in Section 8386 and it fails to comply with the Commission's and WSD's direction to SDG&E to rectify the deficiencies contained in its 2020 WMP.

Respectfully submitted,

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