

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Develop and Adopt Fire-Threat Maps and Fire-Safety Regulations

R.15-05-006 (Filed May 7, 2015)

REPLY COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY (U 39-E) ON THE JOINT PARTIES' WORKSHOP REPORT FOR WORKSHOPS HELD AUGUST – SEPTEMBER 2016

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I. INTRODUCTION

Pacific Gas and Electric Company (PG&E) files these *Reply Comments* to issues raised in various parties' *Opening Comments* regarding the Fire Map 2 ("FM 2") Work Plan ("Work Plan") for Workshops Held August-September 2016 (Workshop Report) pursuant to the Assigned Commissioner's July 16, 2016 *Scoping Memo and Ruling* (Scoping Memo) and Administrative Law Judge (ALJ) Kenney's September 23, 2016 *Ruling Extending The Schedule For The Workshop Report And Associated Filings*.

II. PROPOSED RULE CHANGE WORKSHOPS

San Diego Gas and Electric Company (SDG&E) and the City of Laguna Beach (Laguna Beach) recommend that any party be able to propose fire safety rule changes. 1/ PG&E agrees that such an inclusive process is consistent with the intent of Senate Bill (SB) 1463 and the established Assembly Bill (AB) 1650 (PUC §768.6) procedures are designed to solicit comments, including proposed fire safety rule changes, from designated "points of contact" representing all cities, counties and unincorporated communities.

However, PG&E doesn't agree that review of proposed rule changes should be arbitrarily limited to written notice and comment procedures simply to expedite a final decision at the

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^{1/} SDG&E, pp. 7-8 LB Att. A, p 1.

expense of full public review and discussion.²/ Limiting the review and approval of proposed rule changes to written comments and a final "up-down" vote sacrifices the synergy that is the natural product of an open collaborative process.

The Commission has used the workshop process in recent proceedings with much success.^{3/} These workshops are open to all parties. The participants can review the proposed rules and are free to offer comments and suggested amendments. This open exchange naturally stimulates new ideas and suggestions for enhancements among the other participants which naturally leads to more consensus and better rulemaking.

While the parties have spent considerable time developing these maps, and there is an understandable urge to hurry to conclusion, PG&E believes that we should not short-cut discussion of proposed safety rule changes simply to adopt something quickly.

III. PDP LEADERSHIP

The Workshop Report has proposed a Peer Development Panel (PDP), consisting of a small number of Subject Matter Experts (SMEs), which has overall responsibility (working with the Territory Leads) to develop a statewide Shape B and C that will ultimately form the basis of FM 2.^{4/} During the workshop discussions, SDG&E and Reax Engineering (Reax) agreed to be co-leads of the PDP. However, in their opening comments, the communication infrastructure providers (CIP) Coalition recommended that a representative of PG&E be added into the PDP co-lead team.^{5/} While the Workshop Report already named PG&E as a member of the PDP, the CIPs suggested that the elevation to the co-leadership role would add special knowledge and expertise regarding vegetation, climate and geomorphic issues unique to northern and central California.

^{2/} SDG&E, pp. 7-8.

^{3/} R.14-05-001, Order Instituting Rulemaking Regarding the Applicability of the Commission's Right-of-Way Rules to Commercial Mobile Radio Service Carriers.

^{4/} Workshop Report, p. 6.

^{5/} CIP, pp. 2-3.

PG&E agrees that rainfall, geomorphology and the lack of Santa Ana winds makes the fire threat in northern and central California very different from conditions in southern California. For this reason, PG&E agrees that adding a representative with special northern and central California knowledge to the PDP leadership team would be useful and could expedite the FM 2 development process.

At the same time, PG&E recognizes that among the current PDP leadership, Reax provides a statewide perspective. However, Reax was originally hired by the CIPs. Subsequently, the investor owned utilities (IOUs) were invited to share in the financial support of the Reax contract costs and share in the results. However, as that cost sharing agreement makes clear, in the case that the CIPs believe that a conflict exists between PG&E or another IOU and the CIPs, the CIPs can retain exclusive control of the work of Reax. Therefore, while Reax may provide a statewide perspective, Reax may not always represent the statewide IOUs (except for SDG&E). Therefore, if offered, PG&E's subject matter expert will agree to serve at a member of the PDP leadership team.

IV. PROPOSED FIRE THREAT TIERS

SDG&E has proposed a three-tier fire threat classification whereby all statewide Shape B areas would be divided into Tier 3 – Extreme Fire Threat or Tier 2 – Elevated Fire Threat.^{6/}

AT&T notes that a three-tier approach may be sufficient to define risk areas in San Diego or southern California where the vegetation, weather, topography, and degree of public improvements and resident population is more homogenous and not characterized by much spatial differentiation.

In contrast, as AT&T points out, northern and central California are characterized by more extreme variation in rainfall, vegetation, and topography. Hence, AT&T suggests that imposing a limit to three tiers in northern and central California to define risk in all High Fire Threat Districts (HFTDs) may be too limiting which could lead to an "oversimplified and

^{6/} The areas of a utility's service territory outside Shape B would be designated as Tier 1-Moderate.

inaccurate statewide map"^{7/} or one that lacks the granular delineation necessary to properly focus utility and public resources efficiently.^{8/}

Similarly, the Joint Publicly Owned Utilities (POUs) note that:

The new tiers of Fire Map 2 should be carefully targeted to genuinely high risk areas. Creating tiers that are overly broad could have a counterproductive impact by spreading resources too thin, rather than focusing those resources to the area where they will be most effective. 9/

AT&T notes that both the Cal Fire FRAP Map for the southern California counties and the Reax map for northern and central California use a four-tier system (three tiers above "moderate" risk) to designate relative fire risk. 10/

For these reasons, the CIPs propose that the number of tiers for northern and central California to be included in Fire Map 2 should not be predetermined in the Workshop Report but should be left to the PDP based on the level of vegetation, weather, terrain and other factors to appropriately differentiate levels of fire threat and more appropriately focus utility and CIP fire prevention resources.^{11/}

PG&E agrees that it may be premature to fix the number of fire threat tiers in northern and central California and that it is probably more prudent to authorize the PDP and its subject matter experts the discretion to designate the number of tiers as necessary and appropriate to the circumstances.

V. <u>SCHEDULE</u>

PG&E acknowledges the thought and the obvious work that SDG&E has invested since the 2007 Witch and Guejito Fires. SDG&E has developed a fire threat mapping program and, according to workshop statements, has even patrolled all the HFTD lines to confirm the tier

^{7/} AT&T, p. 3.

^{8/} AT&T, p. 5.

^{9/} POU, p. 4.

^{10/} AT&T, p. 4.

¹¹/ CIP, p. 3.

designations. It is understandable, then, that SDG&E is anxious to push this proceeding to adopt a final Fire Map 2. Unfortunately, PG&E is not in the same position as SDG&E—we have not had the benefit of the years of pre-work and cannot be as confident that the PDP, working with Territory Leads, can complete the transition from Shape A to B in four weeks. 12/

For this reason, we believe the overall schedule proposed by SDG&E for submission of Fire Map 2 by March 31, 2017, is too aggressive and would be unfair to other IOUs and POUs who are not as far in the process as SDG&E.^{13/}

VI. PROPOSED FIRE SAFETY REGULATIONS

The Joint POUs note that while parties work on Shape B and C, there is an ongoing process to develop new fire safety regulations that may apply to the FM 2 tiers to guide this process. ^{14/} The Joint POUs recommend formalizing the basic process for developing the new regulations. ^{15/} In its comments, the City of Laguna Beach has suggested a process for consideration of new or modified fire safety regulations. ^{16/}

PG&E agrees that the safety regulation process should be defined and agrees with the process suggested by Laguna Beach. PG&E agrees that a SME panel would be useful to review existing regulations and suggest additions or modifications. Indeed, a team of SMEs, known as the Fire Safety Technical Panel, has been meeting to develop an initial list of regulations to consider. PG&E also agrees that any party can propose new or modified regulations.

PG&E also agrees that the SME team should review each Proposed Rule Change (PRC) to evaluate the efficacy of the PRC in protecting persons and property at a reasonable cost for customers. Finally, PG&E agrees with Laguna Beach that the PRCs should be presented and

^{12/} SDG&E, p. 2.

^{13/} *Ibid*.

¹⁴/ JPOU, p. 4.

^{15/} JPOU, p. 5.

^{16/} LB, p.4; Att. A.

discussed at workshops so that the parties can fully understand the PRCs and reach consensus where possible.

PG&E notes, however, that it is not possible to complete consideration and adoption of the new fire safety regulations at the same time as Fire Map 2 is adopted because it will not be possible to prepare a cost-benefit analysis of the proposed PRCs until FM 2 and the tier designations are complete and available to the SME team. For this reason, PG&E agrees with the Joint POUs that this process should be completed as soon as possible after finalization of Fire Map 2.17/

VII. SHAPE B DEVELOPMENT PROCESS

The Workshop Report proposed two methods to refine Shape B.^{18/} One alternative proposed by SDG&E is represented in Section 4, Table 1. The second, proposed by PacifiCorp, is reflected in Section 5. The Workshop Report states:

Each Territory Lead will develop a proposed Shape B for its assigned territory.

The proposed Shape B may contain inclusions or exclusions from the Shape B as specified in the table below ^{19/} and will include proposed tier designations for specified polygons based on the tier definitions established in **Step 1**. Alternatively, the Territory Lead may use the matrix methodology described in Section 5 as the basis for including or excluding geographical areas for Shape B and proposing tier designations to specified polygons.

However, in Opening Comments, SDG&E recommends that "[it] sees no need for the [Section 5] 'matrix worksheet' and recommends use of [SDG&E's Table 1]."^{20/} Further, SDG&E proposes that, in developing a Shape B and defining tiers for its service territory, each Territory

^{17/} JPOU, pp. 4-5.

^{18/} Workshop Report §4.3, Step 3.

^{19/} Application of the consideration in the table requires that local knowledge be combined with reasonable judgment. The greater the degree to which these considerations apply to an area under review, the greater the likelihood that the considerations will support a proposed change.

^{20/} SDG&E, p. 4.

Lead be limited in the use of local utility knowledge or outside experts (e.g. local officials, Fire Marshalls, fire safe council members, etc.) by "a rule that areas may be removed from Shape B *only* if there is no significant fire history and no proximity to assets or risk, Communities at Risk, and at least one other driver identified in the 'removal' column of [Table 1] is present.) [sic]."^{21/}

PG&E disagrees with the imposition of arbitrary limitations on a Shape B development process that is supposed to be guided by local knowledge of documentable fire science. As described below, PG&E does not believe that the Shape B process should be prejudged or limited by strictures on local experience and expert input.

First, as described in the Workshop Report, the Territory Lead for each utility is responsible to "develop a proposed Shape B for its assigned Territory". ^{22/} According to the Workshop Report, the Territory Leads may use SDG&E's Table 1 or, alternatively, PacifiCorp's Matrix to guide the Shape B development process. Those Territory Leads who elect to use Table 1 are advised that "[a]pplication of considerations in the table require that local knowledge be combined with reasonable judgment." ^{23/} Following the application of local knowledge and reasonable judgment, Territory Leads will submit one or more proposals for a specific geographic Shape B to the PDP for review. ^{24/} In reviewing the proposed Shape B, the members of the PDP may seek additional information from the Territory Lead and consult with the fire experts on the TRT. ^{25/}

Now, however, it seems that SDG&E is recommending that the consideration of the Territory Leads and the subject matter expert members of the PDP be guided not by particularized local knowledge and reasonable judgment based on applied fire science but <u>only</u>

^{21/} SDG&E, p. 4; emphasis original.

^{22/} Workshop Report, p. 2-5

^{23/} Workshop Report, p. 2-5; footnote 2.

^{24/} Workshop Report, pp. 2-6, 2-7.

^{25/} Workshop Report, p. 2-7.

on the basis of a set of prejudged factors. PG&E believes that rules which have the effect of limiting the application of scientific knowledge can never be justified.

Second, these arbitrary rules would handcuff the fire experts of the TRT. As it presently stands in the Workshop Report, in reviewing Shape B and tier submissions from the PDP, the TRT may seek additional justification from Territory Leads or "modify the boundaries of certain proposed polygons based on a scientific rationale that is consistent with the work plan methodology and the requirements and scope of the rulemaking."²⁶/Now, SDG&E seeks to impose additional limitations on the application of reasonable fire-science based judgment on the expert TRT. PG&E believes that it makes no sense to prejudice science with regulatory limitations.

VIII. CONCLUSION

PG&E urges the Commission to adopt a workable Fire Map 2 Work Plan – one that is streamlined and can be feasibly operationalized by utilities - which will expedite the development and adoption of Fire Map 2.

Respectfully submitted,

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^{26/} Workshop Report, p. 2-8.