BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA



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Application of Southern California Gas Company (U904G) to Submit Its 2025 Risk Assessment and Mitigation Phase Report.

Application of San Diego Gas & Electric Company (U 902 M) to Submit Its 2025 Risk Assessment and Mitigation Phase Report.

Application 25-05-010 (Filed May 15, 2025)

Application 25-05-013 (Filed May 15, 2025)

COMMENTS OF THE UTILITY REFORM NETWORK ON SEMPRA RAMP AND SPD EVALUATION REPORT



David Cheng, Staff Attorney The Utility Reform Network 360 Grand Avenue, #150 Oakland, CA 94610 (415) 929-8876 dcheng@turn.org

Eric Borden
Principal Associate
Synapse Energy Economics
485 Massachusetts Ave, Suite 3
Cambridge, MA 02139
Main: 617-661-3248
eborden@synapse-energy.com

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COMMENTS OF THE UTILITY REFORM NETWORK ON SEMPRA RAMP AND SPD EVALUATION REPORT

I. Introduction

Pursuant to the Assigned Commissioner's Scoping Memo and Ruling, issued on August 11, 2025, The Utility Reform Network ("TURN") respectfully submits these comments replying to Safety Policy Division's ("SPD") Evaluation report ("SPD Report" or "Report") addressing Sempra's 2025 RAMP Application. TURN commends SPD for its thorough evaluation of SDG&E's RAMP filing, and we agree with areas suggested for improvement. We are encouraged that SPD noted similar flaws as TURN did in informal comments on the revised tranching methodology. SPD analysis hones in on the primary flaw, which is that the methodology "does not generate homogenous risk tranches." SPD's report also highlights the inconsistency between the modeling approach used to propose risk reduction measures and the way that feeder segments are placed into tranches. TURN also fully endorses SPD's finding that the lack of stability, consistency, and transparency in wildfire risk mitigation investment proposals hinders effective regulatory oversight into how SDG&E has selected its risk reduction measures.

These comments are primarily intended to highlight additional areas of concern regarding wildfire and Public Safety Power Shutoff ("PSPS") risk modeling <u>not</u> addressed by SPD in its report. These are as follows, discussed further below:

¹ Safety Policy Division Evaluation Report on Sempra's 2025 RAMP Applications. Docket No. A2505010. October 10, 2025, at 111.

² See Table 7-1 on p. 113 of the Report for examples of inconsistency between tranching and proposed risk reduction investments.

³ See Finding 6 on p. 116 of the Report.

SDG&E does not model the impact of existing backup power on the consequences from Public Safety Power Shutoff ("PSPS") and Protective Equipment and Device Settings ("PEDS"). This leads to an inaccurate over-estimation of the consequences.

SDG&E does not incorporate historical risk reduction from its investments and programs into its modeling. This provides the Commission an incomplete view of risk remaining in the service territory, essentially assuming ratepayers are "starting over" each General Rate Case ("GRC") cycle.

- SDG&E models the costs of wildfire suppression but not the benefits. This shortcoming
 significantly overstates wildfire risk, as suppression plays a key role in reducing wildfire
 risk in California.
- SDG&E aggregates primary and secondary lines in its calculation of Cost Benefit Ratios ("CBRs") for covered conductor and undergrounding. This does not allow sufficient transparency into the decision of whether to cover or underground both primary and secondary lines, which likely have different cost and risk profiles.

II. Backup Power Should be Modeled as a Reduction to the Consequence of PSPS Events and PEDS

SDG&E models both PSPS and PEDS risk as contributions to wildfire risk. Safety, reliability, and financial impacts are estimated for both PSPS and PEDS using similar methodologies. SDG&E explains that it applies weights to different customers based on subject matter expertise:

As the safety impact of a PSPS de-energization is not the same for all customer types, a Customer Type Value Consequence is estimated to represent different levels of safety impacts. Based on subject matter expert assumptions, different weighting (or scaling factors) is applied to each customer meter to increase the number of SIFs downstream of each SCADA sectionalizing device.⁴

For example, SDG&E provides weights to Critical Facilities and Access and Functional Needs ("AFN") customers.⁵

SDG&E's modeling of the consequences of PSPS and PEDS is inaccurate because it does not incorporate the presence of backup power.⁶ Customer backup power can nullify, or significantly reduce, the consequences of reliability events. SDG&E states it does not incorporate these assets into its modeling because "Comprehensive and current data on customer-owned backup power systems [...] is not readily available." The decision to not even attempt to model the impact of backup power is a significant shortcoming and results in an inaccurate estimate of these risks.

First, SDG&E's data request response regarding customer backup power data availability appears to be false, as the utility's website states the Company surveys critical facilities every month "to assess their emergency preparedness and their backup generation capabilities." Further, some types of critical facilities, such as skilled nursing facilities, are required by California law to have backup power, and this is likely known by SDG&E. 9

⁴ SDGE-RISK-4, p. 36.

⁵ SDGE-RISK-4, p. 36.

⁶ DR TURN-1, question 11(b).

⁷ DR TURN-1, question 11(b).

⁸ SDG&E, <u>https://www.sdge.com/psps-critical-facilities</u>.

⁹ Skilled Nursing Facilities are required to have 96 hours of backup power. AB 2511, https://leginfo.legislature.ca.gov/faces/billCompareClient.xhtml?bill_id=202120220AB2511&showamen ds=false.

Equally concerning is the fact that SDG&E does not estimate the reliability benefits *of its* own ratepayer funded programs, including a Generator Assistance Program, PSPS sectionalization, and Resiliency Assessments. ¹⁰ SDG&E's asserts in its DR response that it is too "challenging" to calculate cost-benefit ratios for these measures. There is no evidence for why this should be the case; regardless, modeling the costs and benefits of these programs is no more "challenging" than any other program.

In sum, SDG&E is significantly over-estimating the consequences of PSPS and PEDS by not incorporating the impact of facility backup power on reliability events. This includes its own ratepayer funded resiliency programs to address reliability risk. SDG&E should rectify these issues.

III. Historical Risk Reduction Must be Modeled to Understand Risk in the Context of Prior Investments

TURN is concerned that Sempra does not clearly present historical risk reduction achieved by past investments. This prevents the Commission from evaluating past efforts on risk mitigation and considering the impacts of past efforts in future investment decisions. Sempra states only that "The Companies do not explicitly adjust the baseline for past mitigations; rather, it is assumed that the impact of any past risk reductions is reflected in the most recent data used for the assessment, which captures the system in its current state." ¹¹ The problem with this approach is that risk mitigation efforts will essentially "start over" every GRC cycle, providing an incomplete picture regarding risk in the utility service territory and progress made. Further, if

¹⁰ DR TURN-2, 4(a).

¹¹ Die 10101 2, 1(a).

risk mitigation efforts address infrastructure from highest to lowest risk (as it should), there will be diminishing safety benefits for the ratepayer dollars spent in each GRC cycle, unknown to the Commission if prior risk reductions are not modeled. Similar to the concerns noted in the SPD Report regarding Cybersecurity and Underground Gas Storage, this does not meet the requirement in D.22-10-002, that utilities should "clearly illustrate what safety work has been accomplished and what work remains." This also applies to wildfire and PSPS risk.

IV. Reduction in Wildfire Risk Due to Wildfire Suppression Must be Modeled

SDG&E uses an "unsupressed" 24-hour fire simulation to model wildfire consequence, focusing on "worst-case fire-weather scenarios." SDG&E states in a data request response:

Technosylva's fire behavior models simulate wildfire spread over a 24-hour period using inputs such as ignition location, historical weather patterns, terrain, and fuel conditions. These simulations are designed to estimate potential wildfire impacts, including acres burned, structures affected, and population exposure. However, the models do not explicitly account for fire suppression efforts due to the inherent complexity and variability of real-time firefighting operations, which depend on factors like resource availability, terrain accessibility, weather conditions, and inter-agency coordination.

SDG&E's decision to exclude suppression from its consequence modeling is based on both the uncertainty involved in accurately modeling suppression efforts and the principle of conservative risk estimation. By not assuming successful suppression, the model avoids underestimating potential wildfire impacts. This conservative approach is essential for appropriately prioritizing long-term grid hardening investments and ensuring public safety. ¹⁴

¹³ SDGE-Risk-4, p. 27.

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¹² D.22-10-002, p. 27.

¹⁴ DR TURN-1, question 15(b).

Additionally, despite not modeling any of the benefits of suppression, SDG&E models the <u>costs</u> of wildfire suppression in its estimate of the consequence of wildfires.¹⁵

It is totally unreasonable to estimate wildfire risk in California without modelling the impact of suppression, the primary defense against this risk used by the state. For example, in 2024, Cal Fire responded to around 606,000 events and contained over 8,000 wildfires.¹⁶

TURN can understand why it may not be reasonable to model the effects of suppression directly within the Technosylva consequence model for the reasons stated by SDG&E. However, this is not the only option, nor is it likely the preferred one. SDG&E could utilize Cal Fire statistics on the effect of suppression to reduce overall risk values. It could then scale this total to individual feeders based on their fraction of total risk based on the unsuppressed modeling conducted by Technosylva. This would preserve the relative risk calculated by Technosylva while allowing for a more accurate estimation of the total wildfire risk. This is certainly not the only approach, and TURN would welcome SPD and other stakeholder input on other ways wildfire suppression could be modeled.

V. The Costs And Benefits of Mitigating Risk on Primary and Secondary Lines Should be Modeled Separately

For both undergrounding and covered conductor, SDG&E assumes these mitigations are deployed for both primary and secondary lines. SDG&E explains this is because the current iteration of its programs mitigate both types. ¹⁷ In SDG&E's workpapers, both primary and secondary lines are included in the unit cost and mitigation effectiveness of the CBR

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¹⁵ SDG&E-Risk-4, p. 31.

¹⁶ Cal Fire, https://www.fire.ca.gov/incidents/2024.

¹⁷ DR TURN-2, question 3(d).

calculation. ¹⁸ Therefore, it is not possible to understand the relative costs and benefits of undergrounding and deploying covered conductor to *both* primary and secondary lines versus just one of these.

SDG&E should refine its analysis to separately consider the costs and benefits of mitigating ignition risk on primary versus secondary power lines.

VI. Conclusion

TURN appreciates the opportunity to support these comments and respectfully asks the Commission to adopt the recommendations set forth above.

Date: November 17, 2025	Respectfully submitted,
	By: /s/
	David Cheng
	Staff Attorney

The Utility Reform Network 360 Grand Ave, #150 Oakland, CA 94610 Phone: (619) 398-3680 x103

Email: dcheng@turn.org

Eric Borden Principal Associate Synapse Energy Economics 485 Massachusetts Ave, Suite 3 Cambridge, MA 02139 Main: 617-661-3248

 $\underline{eborden@synapse\text{-}energy.com}$

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¹⁸ SDGE Wildfire&PSPS Calc Details Aversion, tabs for C550 and C518.

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Proceeding Name: 2025 Risk Assessment & Mitigation Phase (RAMP)(TY 2028)

Publish To: The Utility Reform Network

Date Received: 07/01/25

Date Responded: 07/16/25

- 11. Regarding PSPS risk in SDGE-Risk-4 Wildfire and PSPS starting at p. 36:
 - b. Does SDG&E model the availability of backup power to customers?
 - i. If yes, please provide all modeling assumptions, calculations, and the impact of backup power on this risk in Excel.
 - ii. If no, please explain why not.

SDG&E Response b:

No.

While SDG&E tracks customer participation in resilience programs, such as those providing backup power, this information is not currently incorporated into PSPS risk assessments.

Comprehensive and current data on customer-owned backup power systems, including maintenance status, operational readiness, installation details, and usage patterns, is not readily available. The absence of standardized and verifiable data makes it challenging to accurately model the impact of backup power on PSPS risk. Incorporating such incomplete information could introduce significant uncertainty and compromise the reliability of the model, potentially leading to suboptimal or incorrect decision-making.

Although backup power availability plays a critical role in enhancing customer resilience, particularly during PSPS events triggered by extreme fire weather, it does not directly influence the consequence modeling used to prioritize grid hardening investments.

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15. Page 27 of SDGE-Risk-4 Wildfire and PSPS states, "Relying solely on historical data recorded in SDG&E's service territory to develop robust long-term mitigation strategies also introduces bias due to proactive de-energizations (PSPS) that have occurred since 2013...To address this known limitation, SDG&E enhanced its Wildfire Consequence model in 2024 by incorporating Technosylva's FireSightTM unsuppressed fire simulations with a 24-hour duration."

b. Why doesn't SDG&E incorporate the impact of suppression on its consequence estimates? Please explain, including whether this is an accurate methodology.

SDG&E Response 15b.:

SDG&E does not currently incorporate the impact of fire suppression activities into its 24-hour unsuppressed wildfire consequence estimates. This modeling choice is consistent with the approach taken by other California IOUs, including PG&E and SCE, in their WMP and RAMP filings.

Technosylva's fire behavior models simulate wildfire spread over a 24-hour period using inputs such as ignition location, historical weather patterns, terrain, and fuel conditions. These simulations are designed to estimate potential wildfire impacts, including acres burned, structures affected, and population exposure. However, the models do not explicitly account for fire suppression efforts due to the inherent complexity and variability of real-time firefighting operations, which depend on factors like resource availability, terrain accessibility, weather conditions, and inter-agency coordination.

SDG&E's decision to exclude suppression from its consequence modeling is based on both the uncertainty involved in accurately modeling suppression efforts and the principle of conservative risk estimation. By not assuming successful suppression, the model avoids underestimating potential wildfire impacts. This conservative approach is essential for appropriately prioritizing long-term grid hardening investments and ensuring public safety.

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34. Page 36 of SCG/SDG&E RAMP-3 Risk Quantification Framework states, "When risk is reduced, the LoRE or CoRE may be decreased, resulting in a potential baseline shift in the Risk Value for future years."

a. Does the Company adjust its baseline per actual risk reductions achieved in the past? If so, please explain how. Please demonstrate how these are incorporated into the filing. Please provide evidence in workpapers that demonstrate how this is incorporated.

SoCalGas & SDGE Response 34a.:

The Companies do not explicitly adjust the baseline for past mitigations; rather, it is assumed that the impact of any past risk reductions is reflected in the most recent data used for the assessment, which captures the system in its current state. ¹⁰ Any new mitigations expected to shift the baseline in future years are explicitly modeled and documented in the workpapers, including their affects on LoRE, CoRE, or both.

¹⁰ For the upcoming GRC, the Companies are assessing whether to adjust the risk assessment, using available forecast data, in instances where there is a gap between the most recent data available and the first baseline year (2026 for GRC).

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- 3. Regarding the workpaper "SDGE Wildfire&PSPS Calc Details Aversion:"
- d. Re the C518 SUG tab:
 - i. Will SDG&E underground secondary lines? If so, why?
 - ii. Please provide the wildfire risk reduction of undergrounding primary lines versus secondary lines. Please provide all supporting workpapers, calculations, and sources.

SDG&E Response 3d.:

- i. Yes, SDG&E currently includes overhead secondary lines and service drops in the scope of its Strategic Undergrounding Program. These facilities are included because they contribute to wildfire ignition risk and can impact customers during PSPS events. Undergrounding these segments not only reduces potential ignition sources but also enhances service reliability for affected communities during extreme fire weather conditions.
- ii. SDG&E's WiNGS-Planning model does not differentiate ignition sources between primary and secondary lines. As a result, SDG&E is unable to provide a quantitative comparison of wildfire, PSPS and PEDS risk reduction between undergrounding primary versus secondary lines.

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- 4. Regarding SDGE-Risk-4, Wildfire and PSPS chapter, what mitigations does SDG&E propose to mitigation PSPS and EPSS risk? Please provide a list and the corresponding ID.
- a. Please provide the total risk reduction of these mitigation, for each mitigation in both percentage and total risk units for 2028-2031.

SDG&E Response 4a.:

Please see the table below for controls and mitigations that SDG&E has included in Chapter SDG&E-Risk-4 that are expected to mitigate PSPS and/or EPSS risk.

ID	Control/ Mitigation Name	PSPS	EPSS	Risk Reduction %	Risk Reduction (K\$/yr)
C504	Standby Power Program (Fixed Backup Power Commercial)	Yes	Yes	Quantifying a CBR fo be difficult and not be cannot be directly tied driver. Predicting cust location needs is chall difficult to forecast un accurate CBR.	to reducing a risk omer demand and enging, making it
C506	Microgrids	Yes	Yes	100%	6.76
C508	Advanced Protection	N/A	Yes	1.86%	5,216.24
C512	Customized Resiliency Assessments	Yes	Yes	be difficult and not be cannot be directly tied	to reducing a risk the effectiveness of that customer demand and liency assessments is difficult to forecast
C516	Generator Assistance Program	Yes	Yes	Quantifying a CBR for this mitigation would be difficult and not beneficial because it cannot be directly tied to reducing a risk driver and measuring the effectiveness of that reduction. Predicting customer demand and location needs for portable fuel generators is challenging, making it difficult to forecast units and calculate a cost-benefit ratio accurately.	

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SDG&E Response 4a.-Continued:

C518	Strategic Undergrounding	Yes	Yes	97.20%	126,414.52
C520	Distribution Overhead System Hardening	Yes	N/A	3.12%	972.57
C526	Distribution Overhead Detailed Inspections	Yes	N/A	7.76%	326,814.14
C530	Distribution Wood Pole Intrusive Inspections	Yes	N/A	4.83%	58,384.79
C534	Risk-Informed Drone Inspections	Yes	N/A	2.16%	174,722.59
C536	Distribution Overhead Patrol Inspections	Yes	N/A	7.34%	628,875.75
C550	Combined Covered Conductor	Yes	N/A	40.27%	24,281.74
C552	PSPS Sectionalizing Enhancements	Yes	Yes	The exact locations of sectionalizing devices that will be installed through this program are currently unknown, therefore, it is difficult to quantify a CBR for this program.	
C565	Transmission Overhead Detailed Inspections	Yes	N/A	SDG&E notes that the inspection programs a jurisdictional projects. only the CPUC jurisdi	re driven by FERC- This filing provides
C568	Strategic Pole Replacement	Yes	N/A	1.41%	3,938.07
C573	Early Fault Detection	Yes	N/A	15.56%	30,662.47
C561	Fire Potential Index	Yes	N/A	CBR is not calculated control/mitigation was Situational Awareness 2024.	s merged with C572

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SDG&E Response 4a.-Continued:

C562	Weather Station Maintenance and Calibration	Yes	N/A	This does not have a CBR because it is considered foundational to supporting wildfire mitigation efforts. Quantifying a CBR for this mitigation would be difficult and not beneficial because it cannot be directly tied to reducing a risk driver. It supports various initiatives by providing better information to make risk-informed mitigation decisions.
C572	Situational Awareness and Forecasting	Yes	N/A	This does not have a CBR because it is considered foundational to supporting wildfire mitigation efforts. Quantifying a CBR for such a mitigation would be difficult and not beneficial because it cannot be directly tied to reducing a risk driver. It supports various initiatives by providing better information to make risk-informed mitigation decisions.
C563	Wildfire Mitigation Strategy Development	Yes	N/A	This does not have a CBR because it is considered foundational to supporting wildfire mitigation efforts. Quantifying a CBR for this mitigation would be difficult and not beneficial because it cannot be directly tied to reducing a risk driver. It supports various initiatives by providing better information to make risk-informed mitigation decisions.
C558	Risk Methodology and Assessment	Yes	N/A	This does not have a CBR because it is considered foundational to supporting wildfire mitigation efforts. Quantifying a CBR for this mitigation would be difficult and not beneficial because it cannot be directly tied to reducing a risk driver.