PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Wildfire Safety Division
Resolution WSD-012
November 19, 2020

R E S O L U T I O N

Resolution WSD-012. Resolution implementing the requirements of Public Utilities Code Sections 8389(d)(3) related to catastrophic wildfire caused by electrical corporations subject to the Commission's regulatory authority.

SUMMARY:

This Resolution implements the requirements of Public Utilities Code Sections 8389(d)(3), related to catastrophic wildfire caused by electrical corporations subject to the Commission's regulatory authority.[1] The statute requires the following:

> (d) By December 1, 2020, and annually thereafter, the [C]ommission, after consultation with the [Wildfire Safety D]ivision], shall adopt and approve all of the following:
>
> (3) A wildfire mitigation plan compliance process.

To implement Sections (d)(3), this Resolution provides a recommended process for overseeing Wildfire Mitigation Plan (WMP) compliance for the electrical corporations.

Assembly Bill (AB) 1054 (2019) directs the Wildfire Safety Division (WSD) to oversee compliance with the electrical corporations' approved WMPs. This Resolution articulates the WSD's compliance process based on stakeholder comments, the California Wildfire Safety Advisory Board's (WSAB)

[1] All statutory references are to the Public Utilities Code. Subsection (d)(1), (2) and (4) relate to WMP review/approval and are addressed in a separate Resolution.

June 24, 2020, input and the WSD's experience to date with 2020 WMP compliance assessments.[2]

The compliance process is included as an attachment to this Resolution.

- **Attachment 1: Wildfire Mitigation Plan Compliance Process** This document contains the WSD's compliance process for electrical corporations' approved WMPs.

PROPOSED OUTCOME:

- Provides direction to electrical corporations on demonstrating compliance with WMP initiatives.
- Retains operational flexibility to address dynamic field conditions and necessary improvements.
- Incorporates the Wildfire Safety Advisory Board's (WSAB) proposed coordination recommendation.
- Proposes an expedited resolution timeframe for WMP defects.

SAFETY CONSIDERATIONS:

- Mitigation of catastrophic wildfires in California is among the most important safety challenges the Commission-regulated electrical corporations face. A WMP lists an electrical corporation's proposed actions to mitigate catastrophic wildfire risk. Therefore, enforcing electrical corporation compliance with WMPs is essential to public safety.
- By implementing measures such as vegetation management, system hardening (such as insulating overhead lines and removing or upgrading equipment most likely to cause fire ignition), improved inspection and maintenance, situational awareness (cameras, weather

[2] The elements of the proposed WMP compliance process are included as an attachment to this Resolution.

stations, and use of data to predict areas of highest fire threat), improved community engagement and awareness, and other measures, electrical corporation-caused catastrophic wildfire risk should be reduced over time.

- Compliance with WMPs is essential to achieving a reduction in catastrophic wildfires.

ESTIMATED COST:

- This Resolution does not address or approve costs, but instead focuses on overseeing compliance with WMP requirements.
- WMP costs are to be addressed in electrical corporation General Rate Cases or other applications.

Background

The Commission opened Rulemaking (R.) 18-10-007 in 2018 to review the 2019 WMPs and approved those WMPs in Commission decisions pursuant to Senate Bill 901. AB 1054 moved the review of WMPs to the WSD. The legislation also added new provisions in § 8389(d) for the Commission to annually adopt and approve a WMP compliance process. The legislation also added new provisions in § 8386 for the WSD (with Commission involvement as discussed below) to oversee electrical corporation compliance with the approved WMPs.

The Commission adopted Resolution WSD-001 setting forth the process for review of the 2020 WMPs in light of AB 1054's transfer of responsibility for review of WMPs to WSD. In June 2020, the Commission ratified the WSD's approval all electrical corporations' WMPs in Resolutions WSD-002 - 009 except Bear Valley Electric Service (BVES).

The WSD Compliance Branch reviewed the approved WMPs and developed a strategy and processes to perform its compliance responsibilities. Attachment 1 outlines the WSD's adaptive approach to identify priority WMP initiatives for compliance assurance and procedures to assess electrical corporations' compliance with wildfire safety and implementation of their approved WMPs.

The WSD's compliance process will evolve and may be modified over time, as lessons are learned in the field and circumstances evolve, subject to the Commission's adoption and approval annually under § 8389(d)(3). The goal of the WSD is to reduce wildfire risk and further minimize public safety power shutoff (PSPS) events by using available information and data collected during inspections to assess effectiveness of WMP initiatives and timely implementation.

By monitoring compliance with critical wildfire safety activities and measuring the reduction of wildfire risk, the WSD strives to implement its vision for a sustainable California, with no catastrophic electrical corporation-related wildfires, and access to safe, affordable and reliable electricity. By determining compliance based on the occurrence of identified defects and an annual review process of overall compliance viewed in retrospect, the WSD aims to improve electrical corporation-related wildfire safety across California.

I. STAFF PROPOSALS, WORKSHOP AND COMMENTS

On September 18, 2020, the WSD circulated the "Draft Wildfire Mitigation Plan Compliance Process" staff proposal. The WSD conducted a remote workshop on September 29, 2020 (due to the COVID-19 pandemic) to present to stakeholders and the public the proposed process for enforcing and overseeing electrical corporation compliance with WMPs.

On October 2, 2020, nine electrical corporations, stakeholder groups and individuals submitted comments on the staff proposals and workshop.[3] Based on the comments, this Resolution adopts the following refinements to the staff proposal:

- Additional background and explanation of authorities to address noncompliance have been added to the compliance process.
- Additional clarification of the defect resolution process has been added to the compliance process.
- Additional clarification has been added to the defect resolution timing proposal stating that only timing of WMP defect resolution is impacted and that there will be ongoing alignment of defect severity definitions and severity determination with General Order 95, Rule 18.
- Additional clarification has been added on the WSD outcome-based approach and ongoing oversight of approved WMPs.

Among comments and suggestions that were incorporated into the final proposal, reflected in the Attachment to this Resolution:

- The IOUs and Mussey Grade Road Alliance requested that key terms in the compliance process be defined.
- The Mussey Grade Road Alliance stated that coordination will be necessary to avoid interruptions of oversight

[3] The following stakeholders submitted comments: California Public Advocates Office, Green Power Institute, Mussey Grade Road Alliance, Protect Our Communities Foundation, Pacific Gas & Electric, San Diego Gas & Electric, Small Business Utility Advocates, Southern California Edison, and The Utility Rate Network (TURN).

during the transition to the California Natural Resources Agency.

- The IOUs requested the annual compliance period be from January to December to align with their other planning and reporting cadences.
- The Protect Our Communities Foundation expressed concerns that the WSD and CPUC were limiting the effectiveness of compliance efforts through overly narrow interpretations of statutory authorities in both §§ 326 and 8386.
- The Protect Our Communities Foundation stated that tracking PSPS outcomes is not the most effective way to mitigate PSPS impacts.
- TURN and the Protect Our Communities Foundation stated WSD should look at outcomes rather than strict compliance with the WMP that could have adverse impacts on rate-payers and/or fail to reduce wildfire risk and PSPS events.

II. DISCUSSION

1. Attachment 1: Compliance Process

The compliance process included as Attachment 1 to this Resolution was designed to oversee electrical corporation compliance with wildfire safety per § 8386.3(c). The compliance process is divided into two major components that describe the Ongoing and Annual Compliance Assessments that the WSD will undertake; the process also sets forth Consequences of Compliance Assessments. Details of these processes are described in Section 4, "Proposed Compliance Process" in Attachment 1 to this Resolution and are summarized here:

- Ongoing Compliance Assessment where the WSD will evaluate electrical corporations' implementation of WMPs through field inspections, audits, Independent Evaluator reports, customer complaints and other regular reporting submissions as requested by the WSD. The WSD will verify actions committed to by electrical corporations in their currently approved plans.

- Annual Compliance Assessment where the WSD will assess an electrical corporation's compliance with its WMP through the review of the electrical corporations' annual compliance reports, review of the Independent Evaluators' annual reports and assessment of whether each electrical corporation substantially complies with its WMP during the prior compliance period.
- Consequences of Compliance Assessments where WSD will work with the electrical corporations to minimize and/or resolve wildfire safety issues and noncompliance with WMP initiatives.

Specific consequences resulting from the compliance assessment will include:

- Notices of non-compliance resulting from a failure to timely correct defects.
- The WSD may recommend that the Commission pursue an enforcement action against the electrical corporation for noncompliance with its approved plan, pursuant to § 8389(g).

Depending on the level of defect severity—with a range of severe, moderate, and minor defects—the WSD will require repairs in intervals that depend on severity and the location of the defect:

Category	**Correction**
Category 1 - Severe	Immediate resolution
Category 2 - Moderate	1-2 months (in HFTD Tier 3) 3-6 months (in HFTD Tier 2) 6 months (if relevant to worker safety) 12 months or scheduled in WMP update (other)
Category 3 - Minor	12 months or resolution schedule included in WMP update

Following any WSD recommendation to the Commission, and pursuant to the Commission's enforcement authority, the Commission or its staff may issue a citation or other enforcement action if an electrical corporation does not correct the identified defects on the prescribed timelines shown above.

Additionally, through linking outcomes to WMP performance metrics, the WSD can focus compliance tracking on electrical corporations' improvement of outcomes and reduction of risk.

2. WSAB Recommendations

Section 8389(b) directs the WSAB to make recommendations to the WSD by June 30, 2020 and annually thereafter on:

- Appropriate performance metrics and processes for determining each electrical corporation's compliance with its approved WMP.

The WSAB approved its recommendations on the 2021 WMP guidelines, performance metrics and safety culture on June 24, 2020, and submitted a final report to the WSD on June 26, 2020. Section 8389(c) requires the WSD to analyze the WSAB's input for Commission consideration.

The compliance process has incorporated the WSAB recommendation in Section 5.4 through the establishment of routine coordination between WSD and the CPUC's Safety Enforcement Division (SED) on the resolution of compliance issues.

The compliance process included as Attachment 1 to this Resolution has been designed to maintain the necessary operational flexibility to address those modifications incorporated into the 2021 WMPs.

III. COMMENTS

Pub. Util. Code § 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review. However, given that this resolution is issued outside of a formal proceeding, interested stakeholders need not have party status in R.18-10-007 in order to submit comments on the resolution. Please note that comments are due 20 days from the mailing date of this resolution.

The 30-day review and 20-day comment period for the draft of this resolution was neither waived nor reduced. This draft resolution was served on the service list of R.18-10-007 and posted on the WSD's website, https://www.cpuc.ca.gov/wsd/complianceprocess/, and it will be placed on the Commission's agenda no earlier than 30 days from today.

FINDINGS

1. Pub. Util. Code §§ 326(a)(1) requires the WSD to oversee and enforce electrical corporations' compliance with wildfire safety pursuant to Chapter 6 (commencing with § 8385) of Division 4 and § 8386.3(c) requires WSD to oversee compliance with the WMPs.
2. The attached compliance process incorporates the WSAB recommendation in Section 5.4 through the establishment of routine coordination between WSD and the CPUC's Safety Enforcement Division on the resolution of compliance issues.
3. The attached compliance process considered input of stakeholders through a workshop and written comments.
4. The attached compliance process recognizes WSD may identify priorities for WMP initiative compliance assurance and sets out procedures to assess electrical corporations' compliance with wildfire safety and implementation of their approved WMPs.
5. The attached compliance process will advance the goal of mitigating the risk of electrical corporation-caused catastrophic wildfires.
6. Pub. Util. Code §§ 8386(d)(3) requires the Commission to adopt and approve, after consultation with the WSD, a WMP compliance process. This Resolution with its Attachment meets the foregoing requirement.
7. The Attachment to this Resolution reasonably addresses the requirements of §§ 8386(d)(3).

THEREFORE, IT IS ORDERED THAT:

1. The contents in Attachment 1 propose a WMP compliance process pursuant to Pub. Util. Code §§ 8386(d)(3) and is hereby adopted.

2. Electrical corporations shall adhere to the requirements of this Resolution and its Attachment and shall cooperate with the Wildfire Safety Division in its implementation of the compliance process.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on November 19, 2020; the following Commissioners voting favorably thereon:

/s/ RACHEL PETERSON
Rachel Peterson
Acting Executive Director

MARYBEL BATJER
President
LIANE M. RANDOLPH
MARTHA GUZMAN ACEVES
CLIFFORD RECHTSCHAFFEN
GENEVIEVE SHIROMA
Commissioners