

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SAFETY POLICY DIVISION

Resolution SPD-11  
February 23, 2023RESOLUTION**RESOLUTION SPD-11 Resolution Ratifying Action of the Office of Energy Infrastructure Safety on Bear Valley Electric Service's 2022 Wildfire Mitigation Plan Update Pursuant to Public Utilities Code Section 8386.3(a).**

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This Resolution ratifies the attached decision (Appendix A) of the Office of Energy Infrastructure Safety (Energy Safety) approving Bear Valley Electric Service's (BVES or electrical corporation) 2022 Wildfire Mitigation Plan (WMP) Update pursuant to Public Utilities Code (Pub. Util. Code) Section 8386.3(a).

This Resolution acts on the WMP Update submitted on May 06, 2022 pursuant to the Commission's obligations under Pub. Util. Code Section 8386.3(a). BVES' WMP responds to a list of 22 requirements set forth in Pub. Util. Code 8386(c). BVES submitted a comprehensive WMP in 2020 covering the three-year period 2020-2022. This WMP focused on measures the electrical corporation will take to reduce the risk of, and impact from, a catastrophic wildfire related to its electrical infrastructure and equipment. BVES' 2022 WMP Update provides information on BVES' progress over the past year as well as updates to its 2021 and 2022 projections. In addition, the 2022 WMP Update responds to additional requirements and metrics approved by the Commission in Resolution M-4860 and the 2022 WMP Guidelines adopted by Energy Safety.

Upon approval of the 2022 WMP Update by Energy Safety, ratification by the Commission is required.

OUTCOME SUMMARY:

- Ratifies the attached decision of Energy Safety to approve the 2022 WMP Update of BVES.
- Does not approve costs attributable to WMPs, as Pub. Util. Code Section 8386.4(b) requires electrical corporations to seek and prove the legitimacy of all expenditures at a future time in their general rate cases (GRC) or application for cost recovery. Nothing in this Resolution or Energy Safety's Decision should be construed as approval of any WMP-related costs.

- Does not establish a defense to any enforcement action for a violation of a Commission decision, order, or rule.

#### SAFETY CONSIDERATIONS:

Mitigation of catastrophic wildfires in California is among the most important safety challenges the Commission-regulated electrical corporations face. Comprehensive WMPs are essential to safety because the WMPs articulate an electrical corporation's understanding of its utility-related wildfire risk and the proposed actions to reduce that risk and prevent catastrophic wildfires caused by utility infrastructure and equipment.

Utility-related catastrophic wildfire risk should be reduced over time 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), grid topology improvements (such as installation and operation of electrical equipment to sectionalize or island portions of the grid), improving asset inspection and maintenance, situational awareness (such as cameras, weather stations, and use of data to predict areas of highest fire threat), improving community engagement and awareness, and other measures.

#### ESTIMATED COST:

- Costs are not considered in this Resolution, as Pub. Util. Code Section 8386.4(b) provides for Commission cost review in a utility GRC or separate application. Nothing in this Resolution should be construed as approval of the costs associated with the WMP mitigation efforts.
- For illustrative purposes, Table 1 below contains BVES' actual costs for 2021 and its projected costs for the implementation of wildfire mitigation efforts in its 2022 WMP Update.

**Table 1: BVES' WMP Costs**

Proposed 2021 costs (as reported in the 2021 WMP)	\$23,649,000
Actual 2021 costs (as reported in the 2022 WMP Update)	\$21,332,000
Difference between 2021 proposed/actual costs (+/-)	-\$2,317,000
Proposed 2022 costs	\$20,438,000
Proposed total costs 2020-2022 (including actual 2020-2021 costs)	\$58,980,000

## **DISCUSSION**

### **1. Summary**

This Resolution ratifies the attached Energy Safety decision, issued on December 6, 2022, approving the 2022 WMP Update submitted by BVES on May 06, 2022 (Appendix A).<sup>1</sup> Pub. Util. Code Section 8386(c) requires that electrical corporations' WMPs contain 22 elements. Energy Safety's approval and the Commission's ratification do not relieve the electrical corporation from any and all otherwise applicable permitting, ratemaking, or other legal and regulatory obligations.

### **2. Background**

Since several catastrophic wildfires in the San Diego area in 2007, the equipment of large electric utilities the Commission regulates has been implicated in the most devastating wildfires in our state's history. The California Legislature enacted several measures requiring electrical corporations to submit, Energy Safety to review, approve, or otherwise act on, and the Commission to ratify, WMPs designed to reduce the risk of utility-related catastrophic wildfire. Catastrophic wildfires in 2017-19 led the California Legislature to pass Senate Bill 901<sup>2</sup> in 2018 and its successor Assembly Bill (AB) 1054, as well as AB 111 in 2019.<sup>3</sup>

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<sup>1</sup> BVES' 2022 WMP Update can be found at <https://energysafety.ca.gov/what-we-do/electrical-infrastructure-safety/wildfire-mitigation-and-safety/wildfire-mitigation-plans/2022-wmp/>

<sup>2</sup> Stats. 2018, Ch. 626.

<sup>3</sup> Stats. 2019, Ch. 79 and 81.

AB 1054 requires Energy Safety to review and approve or deny electrical corporations' WMPs, with Commission ratification of any approval to follow thereafter. Energy Safety oversees electrical corporations' compliance with the WMP.<sup>4</sup> If Energy Safety determines an electrical corporation is not in compliance with its approved WMP, it may recommend that the Commission pursue an enforcement action against the electrical corporation for noncompliance with its approved plan.<sup>5</sup> The Commission may assess penalties on electrical corporations if they fail to substantially comply with their plans.<sup>6</sup>

The 2022 WMP Guidelines adopted by Energy Safety on December 15, 2021 require that each electric corporation have a WMP that contains all elements required by AB 1054.<sup>7</sup> For example, every WMP must contain plans for vegetation management, system hardening, inspections of assets and vegetation, situational awareness, reduction, and management of Public Safety Power Shutoff (PSPS) events, customer and first responder outreach and coordination, risk analysis, and geographic information system (GIS) data, as well as a short- and long-term vision, an ignition cause analysis, and many other elements.

BVES submitted its WMP Update for 2022 on May 06, 2022 and provided an overview of the WMP in a workshop overseen by Energy Safety on May 16, 2022. Comments on the WMPs were due on June 20, 2022 and reply comments were due on June 27, 2022. Comments were provided by the California Department of Fish and Wildlife (CDFW), Green Power Institute (GPI) and the Public Advocates Office at the CPUC (Cal Advocates).<sup>8</sup> Energy Safety evaluated these comments, concurred with some comments, and in some instances incorporated stakeholder input into the decision.<sup>2</sup>

Energy Safety issued a Revision Notice on July 22, 2022, requiring BVES to address critical issues and modify its initial WMP. As a result, BVES submitted a response to the Revision Notice and revised WMP on August 29, 2022. Comments on BVES's Revision Notice Response and revised 2022 Update were due on September 19, 2022 and reply comments were due on September 29, 2022. Comments were provided by the GPI and

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<sup>4</sup> Pub. Util. Code Section 8386.3(c).

<sup>5</sup> Pub. Util. Code Section 8389(g).

<sup>6</sup> Pub. Util. Code Section 8386.1.

<sup>7</sup> The 2022 WMP Guidelines are available at:

<https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=51912&shareable=true>

<sup>8</sup> Comments and reply comments are available on the 2022 Wildfire Mitigation Plan Updates (2022-WMPs) docket log at: <https://efiling.energysafety.ca.gov/Lists/DocketLog.aspx?docketnumber=2022-WMPs>.

<sup>2</sup> Energy Safety's final decision approving BVES' 2022 WMP Update addresses comments on pages 12-13: <https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53284&shareable=true>

Cal Advocates.<sup>10</sup> Energy Safety evaluated these comments, concurred with some comments, and in some instances incorporated stakeholder input into the decision.<sup>11</sup>

On October 31, 2022, Energy Safety released a draft decision approving BVES' 2022 WMP update for public comment.<sup>12</sup> The comment period ended on November 21, 2022, with comments received from GPI and BVES. GPI's comments generally call for additional details and use of a risk ranking methodology for mitigation projects, and adjustments to the wildfire risk modeling. However, none of the comments called for a rejection of the plan. Reply comments were submitted by BVES on December 5, 2022. BVES addressed recommendations suggested by GPI by describing the future improvements to their risk modeling and prioritization. After evaluating the comments, Energy Safety issued its final decision approving BVES' WMP on December 6, 2022.<sup>13</sup>

### 3. Notice

In accordance with Pub. Util. Code Section 8386(d), notice of BVES' 2022 WMP Update was given by posting the WMP Update on Energy Safety's web page at <https://energysafety.ca.gov/what-we-do/electrical-infrastructure-safety/wildfire-mitigation-and-safety/wildfire-mitigation-plans/2022-wmp/>.

### 4. Energy Safety Approval of WMP

The Public Utilities Code requires Energy Safety to review, request revision, and approve or deny a utility WMP. Energy Safety has approved the 2022 WMP Update for BVES pursuant to Public Utilities Code 8386.3 and submitted it to the Commission for ratification. According to Energy Safety's decision, attached hereto as Appendix A, Energy Safety reviewed the WMP and received input from the California Department of Forestry and Fire Protection (CAL FIRE) and stakeholders, responses to data requests, and responses to ongoing reporting required in connection with previous WMP submissions and decisions. Energy Safety also applied a "maturity model" to test whether electrical corporations are improving or "maturing" in their response to catastrophic wildfire over time.

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<sup>10</sup> Comments and reply comments are available on the 2022 Wildfire Mitigation Plan Updates (2022-WMPs) docket log at: <https://efiling.energysafety.ca.gov/Lists/DocketLog.aspx?docketnumber=2022-WMPs>.

<sup>11</sup> Energy Safety's final decision approving BVES' 2022 WMP Update addresses comments on pages 12-13: <https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53284&shareable=true>

<sup>12</sup> Energy Safety Draft Decision on BVES' 2022 WMP update is available at: <https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53157&shareable=true>

<sup>13</sup> Energy Safety Final Decision on BVES' 2022 WMP Update is available at: <https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=53284&shareable=true>

We take official notice that Energy Safety approved BVES' 2022 WMP Update in its Final decision on BVES' 2022 WMP Update on December 6, 2022 pursuant to Commission Rules of Practice and Procedure 13.10 and California Evidence Code Section 452(c). Parties may address the propriety of taking such notice in comments on the Draft Resolution.

### **5. Comments on Energy Safety's Decision**

Comments on the Draft Decision were due on November 21, 2022, and reply comments were due on December 5, 2022. Comments were provided by the Green Power Institute (GPI) and BVES. Energy Safety considered the submitted comments in its final evaluation and revised the Decision where appropriate.

### **6. Ratification**

The Commission has reviewed Energy Safety's evaluation of BVES' 2022 WMP Update, the decision issued by Energy Safety pursuant to Pub. Util. Code Section 8386.3, stakeholder comments served on Energy Safety's 2022 WMP docket, and other public input. Pursuant to Pub. Util. Code Section 8386.3(a), the Commission ratifies Energy Safety's action approving BVES' 2022 WMP Update.

### **7. Wildfire Mitigation Costs**

Pursuant to statute, an electrical corporation's costs associated with wildfire mitigation activities are not approved as part of its WMP; rather, costs are evaluated in each electrical corporation's GRC or other application for rate recovery.

The Commission will evaluate 2022 wildfire mitigation costs in BVES' GRC or in a future Application.

### **8. Conclusion**

Consistent with Pub. Util. Code Section 8386.3(a), the Commission ratifies Energy Safety's decision (Appendix A hereto) approving BVES' 2022 WMP Update.

## **COMMENTS**

Pub. Util. Code Section 311(g)(1) provides that resolutions must be served to 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 a Commission proceeding in order to submit comments. Comments are due 20 days from the mailing date of this Resolution. Replies will not be accepted.

This draft Resolution was served on the service list of R.18-10-007 and will be placed on the Commission's agenda no earlier than 30 days from today.

### **FINDINGS**

1. The Office of Energy Infrastructure Safety reviewed and approved BVES' 2022 Wildfire Mitigation Plan Update pursuant to Public Utilities Code Section 8386.3(a) (Appendix A hereto).
2. Public Utilities Code Section 8386.3(a) requires the Commission to ratify decisions of the Office of Energy Infrastructure Safety approving the Wildfire Mitigation Plans of electrical corporations.

### **THEREFORE, IT IS ORDERED THAT:**

1. The Office of Energy Infrastructure Safety's Decision approving Bear Valley Electric Service's 2022 Wildfire Mitigation Plan Update is ratified.
2. Nothing in this Resolution should be construed as approval of the costs associated with the implementation of BVES' 2022 Wildfire Mitigation Plan.
3. The Commission takes official notice that the Office of Energy Infrastructure Safety approved BVES' 2022 Wildfire Mitigation Plan (WMP) Update in its Final Decision on BVES' 2022 WMP Update on December 6, 2022 pursuant to Commission Rules of Practice and Procedure 13.10 and California Evidence Code Section 452(c).
4. Nothing in this Resolution should be construed as a defense to any enforcement action for a violation of a Commission decision, order, or rule.

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 February 23, 2023; the following Commissioners voting favorably thereon:

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RACHEL PETERSON  
Executive Director

**APPENDIX A**  
**OFFICE OF ENERGY INFRASTRUCTURE SAFETY DECISION**