

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to  
Update Rules for the Safety,  
Reliability, and Resiliency of Electrical  
Distribution Systems.

FILED  
PUBLIC UTILITIES COMMISSION  
MAY 30, 2024  
SACRAMENTO, CALIFORNIA  
RULEMAKING 24-05-023

**ORDER INSTITUTING RULEMAKING TO UPDATE RULES  
FOR THE SAFETY, RELIABILITY, AND RESILIENCY OF  
ELECTRICAL DISTRIBUTION SYSTEMS****Summary**

This Order Instituting Rulemaking considers changes to existing policies, procedures, and rules regarding the safety, reliability, and resiliency of electrical distribution systems.

The Commission has many existing policies, procedures, and rules to exercise its authority and responsibility to promote the safety and reliability of the electrical distribution system. However, against the complex backdrop of a changing climate, several newly emerging threats and risks, as well as emerging priorities, necessitate a reexamination of current practices. These emergent threats and priorities include: (1) aging equipment; (2) extreme, climate-driven weather events; (3) evolving wildfire mitigation practices; (4) increased prioritization of equity; and (5) increased prioritization of electrification, which is a critical building block of the State's strategic goal to decarbonize. Therefore, this rulemaking will be the venue for considering whether and how the Commission's oversight of distribution safety, reliability, and resiliency should be updated in response to these emergent threats and priorities.

Comments on preliminary matters pertaining to the scope, schedule, and administration of this proceeding are due no later than 30 days after the issuance of this Order Instituting Rulemaking. Reply comments shall be filed no later than 15 days after the deadline for filing opening comments.

## **1. Background**

### **1.1. Commission Oversight of the Safety and Reliability of the Electrical Distribution System**

Pursuant to Article XII, Sections 1 through 6 of the California Constitution, the Commission “has broad authority to regulate utilities.”<sup>1</sup> The California Legislature enacted the Public Utilities Act which authorized the Commission to supervise and regulate every public utility in California and to do all things which are “necessary and convenient in the exercise of such power and jurisdiction.”<sup>2</sup> Specifically, Article XII, Section 3 of the California Constitution provides that “the production, generation, transmission, or furnishing of heat, light, water, power” fall under the jurisdiction of the legislature.

California Public Utilities Code statutes are enforced by the Commission.<sup>3</sup> In particular, Section 382(b) states that electricity is a necessity. Section 364 requires the Commission to adopt standards for utility distribution systems that provide for high quality, safe, and reliable service.<sup>4</sup> Section 451 requires utilities to furnish and maintain adequate, efficient, just, and reasonable service,

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<sup>1</sup> *Ford v. Pacific Gas & Electric Company* (1997) 60 Cal. App.4th 696, 700, citing to *San Diego Gas & Electric Company v. Superior Court*, (1996) 13 Cal. 4th 893, 914-915.

<sup>2</sup> Public Utilities Code Section 701. All references to “Sections” herein are to the California Public Utilities Code unless otherwise noted.

<sup>3</sup> Article XII, Section 5.

<sup>4</sup> Section 364.

instrumentalities, equipment, and facilities to promote the safety, health, comfort, and convenience of the public.<sup>5</sup>

With this authority, the Commission adopted an array of General Orders (GO) and decisions concerning electrical reliability. First, the Commission's GO-95 establishes the rules for overhead electrical line construction.<sup>6</sup> GO-95 requires the electrical corporations to "ensure adequate service" to the public as well as provide service reliability.<sup>7</sup> Second, the Commission adopted Decision (D.) 96-09-045 which established an annual reporting process for electrical reliability.<sup>8</sup> Third, the Commission adopted D.97-03-070 which created GO 165.<sup>9</sup> GO 165 establishes requirements for the inspection of electrical distribution and transmission facilities.<sup>10</sup> Fourth, the Commission adopted D.98-07-097 which created GO 166. GO 166 establishes standards for electrical service reliability and safety during emergencies and disasters.<sup>11</sup> Fifth, the Commission adopted D.00-05-002 which adopted 13 benchmarks for "major outages" in the area of pre-planning, restoration and customer service.<sup>11</sup> Sixth, the Commission adopted an interim decision, D.04-10-034, that addressed storm and reliability issues raised in Pacific Gas and Electric Company's (PG&E) general rate case (GRC) for test year 2003.<sup>12</sup>

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<sup>5</sup> Section 451.

<sup>6</sup> GO 95; Rule 11.

<sup>7</sup> *Ibid.*; Rule 31.

<sup>8</sup> D.96-09-045, Appendix A

<sup>9</sup> D.97-03-070 at 11, Ordering Paragraph 1.

<sup>10</sup> GO 165, Part A-C.

<sup>11</sup> GO 166 at 1.

<sup>12</sup> D.04-10-034 at 104, Ordering Paragraph 1.

## **2. Context for Opening a New Rulemaking**

### **2.1. Emergent Concerns**

Newly emergent risks and priorities motivate the Commission to reexamine several of its current oversight practices. These emergent risks and priorities include the following: (1) aging equipment; (2) extreme, climate-driven weather events; (3) evolving wildfire mitigation practices; (4) increased prioritization of equity; and (5) increased prioritization of electrification, which is a critical building block of the State's strategic goal to decarbonize. The Commission should review its current rules and practices to enhance the safety, reliability, and resiliency of the distribution grid in the face of these newly emergent risks and priorities. Rules and practices enacted prior to these emergent risks may not adequately address response needs and customer needs. To address these increased risks and priorities, electrical corporations must implement an all-hazards approach; one that is efficient and scalable, to address pre-planning, customer service, and response efforts.

This proceeding should coordinate between various Commission proceedings impacting the safety and reliability of the electrical distribution systems. This includes but may not be limited to: (1) Rulemaking (R.) 18-12-005, *Order Instituting Rulemaking to Examine Electric Utility De-Energization of Power Lines in Dangerous Conditions*; (2) R.18-04-019, *Order Instituting Rulemaking to Consider Strategies and Guidance for Climate Change Adaptation*; and (3) R. 21-06-017, *Order Instituting Rulemaking to Modernize the Electric Grid for a High Distributed Energy Resource Future*. With the initiation of this proceeding, the Commission should review its current rules and utility practices to enhance the safety, reliability, and resiliency of the distribution grid in the face of these newly emergent risks and priorities.

### 3. Preliminary Scoping Memo

This rulemaking will be conducted in accordance with the Commission's Rules of Practice and Procedure (Rules). As required by Rule 7.1(d), this rulemaking includes a preliminary scoping memo as set forth below, and preliminarily determines the category of this proceeding and the need for hearings.

#### 3.1. Issues

While the above sections touch on the broad objectives that will shape the contours of this proceeding, the precise issues to be addressed and the process for addressing those issues will be set forth in an Assigned Commissioner's Scoping Memo and Ruling. For clarity, however, the preliminary scope of issues for this proceeding include:

1. **Reliability of Electrical Distribution Service.** This topic area examines whether the Commission should modify or establish rules, standards, or requirements to improve the reliability of electrical distribution service in the face of the varying magnitude of threats posed by climate-driven extreme weather events, including catastrophic wildfires, and other naturally occurring emerging risks.
  - a. *Definitions of Outage Scale and Scope:* Are the current definitions of "outage" sufficiently scalable to align with necessary response actions and activities to increase system reliability?
  - b. *Incident-Based and Annual Electrical Reliability Reporting:* Do the current incident-based and annual electrical reliability processes provide sufficient data for the utilities to manage their electrical distribution system reliably? Should the utilities be required to report on repetitive losses to, and or, repairs of electrical distribution infrastructure that does not perform well?
  - c. *Distribution System Risk Analysis and Response:* Is the risk to distribution services properly assessed through the

current planning process? Do electrical utilities' response and recovery plans match their assessment of risk?

2. **Outage Transparency for Customers.** This topic area examines whether the Commission should modify or establish rules, standards, or requirements on how outages, and outage causes, are communicated at the individual customer level.
  - a. *Situational Awareness for Customers Affected by Outages:* What level of communication should be required with customers before, during, and after an unplanned outage or a planned maintenance outage? Should the Commission modify or establish any new rules, standards, or requirements on the way that electrical corporations communicate to customers the cause of their outage?
3. **Supporting Short-term Reliability, Safety, and System Resilience.** This topic area examines whether the Commission should modify or establish any new rules, standards, or requirements to ensure that the electrical utilities are providing reliable services while stressing the need for increased distribution infrastructure system resilience in the face of a changing risk landscape.
  - a. *Configuration of Protective Equipment:* Is it reasonable for the electrical corporations to follow a set of rules, standards, or procedures when determining how to configure their protective equipment to balance safety and reliability?
  - b. *Prioritization of Outages:* Is it reasonable for the electrical corporations to create a short-term prioritization system to triage outages based on specific customer characteristics, system needs, or risk-based conditions?
  - c. *Repetitive Outages Information:* Is it reasonable to require the electrical corporations to provide comprehensive data on pieces of infrastructure that have failed multiple times and the repair or remediation of that failure?

- d. *Repetitive Outage Remediation*: Is it reasonable to require the electrical corporations to follow a standard process when determining if a piece of infrastructure that has failed multiple times should be repaired or replaced?
4. **Reasonableness of Costs and Cost Allocation**. Should the Commission modify or establish any new rules, standards, or requirements to evaluate the reasonableness of costs or associated costs with improving reliability in different locations or to allocate such costs? Additionally, how should the Commission account for cost-effectiveness of short-term outage repair versus long-term infrastructure hardening?

Issues related to public safety power shutoffs are not within the scope of this proceeding.

### **3.1.1. Invitation to Comment on Preliminary Scoping Memo**

This Order Instituting Rulemaking (OIR) solicits party comment on the Preliminary Scoping Memo and issues identified in this document. We invite parties to comment on:

- Whether there are additional issues that should be included in the scope of this proceeding;
- The appropriate prioritization or sequencing of topics and activities that should be handled in this proceeding leading to Commission decision(s); and
- Any specific issues previously addressed or are already underway in other Commission proceedings that require coordination with this rulemaking.

Initial comments shall be filed and served no later than 30 days after issuance of this OIR. Reply comments shall be filed and served within 15 days of the deadline to file opening comments. The Commission will use parties' comments to identify areas that need clarification and may consider the addition of specific issues or questions related to the items described in Section 3.1 on the

scope of this proceeding, pursuant to the guidance set forth herein. We direct parties to limit their comments to the specific issues set forth in this OIR as well as to objections to the preliminary determinations below. Comments are limited to no more than 20 pages per party, with replies limited to no more than 15 pages per party.

#### **4. Initial Schedule**

The preliminary schedule is captured in the table, below:

**Preliminary Schedule**

<b>Proceeding Milestone</b>	<b>Date</b>
Comments on OIR filed and served	30 days after issuance of the OIR
Reply Comments on OIR filed and served	15 days after the deadline to file opening comments
Assigned Commissioner's Scoping Memo and Ruling <sup>13</sup>	No later than 60 days after the submission of Reply Comments

Each of the issue areas outlined in the Preliminary Scoping Memo will likely require different types and degrees of public participation. Therefore, we delegate further definition of procedure and schedule for each issue area to the assigned Commissioner and Administrative Law Judge (ALJ) as determined in the Assigned Commissioner's Scoping Memo and Ruling or a later ruling.

We leave open the possibility that issue areas may be decided upon individually in interim decisions, if necessary. In addition, we authorize the assigned Commissioner and ALJ to organize issues within the proceeding, including creating tracks or phases for organization. The assigned Commissioner or ALJ has the authority to make changes to the above schedule.

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<sup>13</sup> Rule 7.2(b) states the assigned Commissioner has the discretion not to set a prehearing conference in a quasi-legislative proceeding. Therefore, this OIR leaves such determination to the assigned Commissioner.

This proceeding will conform to the statutory case management deadline for quasi-legislative matters set forth in Section 1701.5. It is our intention to resolve all relevant issues within 36 months of the date this OIR is adopted. In using the authority granted in Section 1701.5(b) to set a time longer than 18 months, we consider the number and complexity of the tasks and the need to coordinate with multiple other proceedings.

In addition, there may be workshops in this proceeding. Notice of such potential workshops will be posted on the Commission's Daily Calendar and will inform the public if a decision maker or an advisor to a Commissioner may be present at those meetings or workshops. Parties should check the Daily Calendar and mind notices from the service list regularly for such notices.

**5. Category of Proceeding; *Ex Parte* Communications; and Need for Hearing**

The Commission's Rules require that an OIR preliminarily determine the category of the proceeding. As a preliminary matter, we determine that this proceeding is quasi-legislative because our consideration and approval of this matter would establish rules affecting a class of regulated utilities. Accordingly, ex parte communications are permitted without restriction or reporting requirement pursuant to Article 8 of the Rules. We note that specific tracks of the proceeding may be designated as ratesetting if deemed appropriate.

The Commission's Rules require that an order instituting rulemaking preliminarily determine the need for hearing. We anticipate many of these issues can be addressed by filed comments or in public meetings or workshops. Therefore, we preliminarily determine that no hearings will be needed. The Assigned Commissioner's Scoping Memo and Ruling, after considering the

comments and recommendations of parties, will make a final determination of the need for hearing.

## **6. Respondents**

PG&E, Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities (CalPeco Electric) LLC, Bear Valley Electric Service, and PacifiCorp d/b/a Pacific Power are named as respondents to this proceeding.

## **7. Service List**

This OIR shall be served to all respondents.

Also, in the interest of broad notice, this OIR will be served on the official service lists for the following proceedings:

- A.21-09-008
- A.22-12-009
- A.22-10-021
- A.23-10-001
- A.23-11-003
- A.23-12-001
- A.24-04-005
- R.17-07-007
- R.18-12-005
- R.18-04-019
- R.19-09-009
- R.20-05-003
- R.21-06-017
- R.23-12-008
- R.23-10-011

- R.24-01-018

In addition, in the interest of broad notice, this OIR will be served on following state and local agencies:

- California Air Resources Board
- California Energy Commission
- California Independent System Operator
- California Infrastructure and Economic Development Bank
- California Native American Heritage Commission and the tribal contacts list maintained by the Native American Heritage Commission
- California Office of Emergency Services
- California Office of Research and Planning
- California State Association of Counties
- League of California Cities
- Office of Energy Infrastructure Safety
- Rural County Representatives of California
- State Board of Forestry and Fire Protection

Service of the OIR does not confer party status or place any person who has received such service on the official service list for this proceeding, other than respondents. Instructions for obtaining party status or being placed on the official service list are given below.

Addition to the official service list is governed by Rule 1.9(f).

Respondents are parties to the proceeding (*see* Rule 1.4(d)).

Any person will be added to the “Information Only” category of the official service list upon request, for electronic service of all documents in the proceeding, and should do so promptly to ensure timely service of comments and other documents and correspondence in the proceeding. (*See* Rule 1.9(f).)

The request must be sent to the Commission's Process Office by e-mail ([Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov)) or letter (Process Office, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102). Please include the Docket Number of this Rulemaking in the request.

Persons who file responsive comments become parties to the proceeding (*see* Rule 1.4(a)(2)) and will be added to the "Parties" category of the official service list upon such filing. To assure service of comments and other documents and correspondence in advance of obtaining party status, persons should promptly request addition to the "Information Only" category as described above; they will be removed from that category upon obtaining party status.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. **All parties to this proceeding shall serve documents and pleadings using electronic mail only, transmitted no later than 5:00 p.m. on the date scheduled for service to occur.**

When serving documents on the ALJ, the Commissioner, or the Commissioner's personal advisors, whether they are on the official service list, parties must only provide electronic service. **Parties must not send hard copies of documents to the assigned ALJ, or the assigned Commissioner, or their personal advisors, unless specifically instructed to do.**

## **8. Subscription of Service**

Persons may monitor the proceeding by subscribing to receive electronic copies of documents in this proceeding that are published on the Commission's website. There is no need to be on the official service list to use the subscription service. Instructions for enrolling in the subscription service are available on the Commission's website at: <http://subscribecpuc.cpuc.ca.gov/>.

## **9. Intervenor Compensation**

Intervenor compensation is permitted in this proceeding. Any party that expects to claim intervenor compensation for its participation in this rulemaking must file a timely notice of intent to claim intervenor compensation. (See Rule 17.1(a).) Intervenor compensation rules are governed by Section 1801 et seq. of the Pub. Util. Code. Parties new to participating in Commission proceedings may contact the Commission's Public Advisor.

## **10. Public Advisor**

Any person or entity interested in participating in this rulemaking who is unfamiliar with the Commission's procedures should contact the Commission's Public Advisor in San Francisco at (415) 703-2074 or (866) 849-8390, or email [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov). The TTY number is (866) 836-7825.

## **O R D E R**

**IT IS ORDERED** that:

1. This Order Instituting Rulemaking is adopted pursuant to Rule 6.1 of the Commission's Rules of Practice and Procedure.
2. The preliminary categorization is quasi-legislative.
3. The preliminary determination is that hearings are not needed.
4. The preliminary scope of issues is as stated above in Section 3.1.
5. The schedule for the remainder of the proceeding will be adopted in the Assigned Commissioner's Scoping Memo and Ruling.
6. Unless changed by the assigned Commissioner or assigned Administrative Law Judge, the schedule stated in Section 4 of this order is adopted. It is the Commission's intent to resolve the full proceeding within 36 months of the date the rulemaking is issued.

7. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities (CalPeco Electric) LLC, Bear Valley Electric Service, and PacifiCorp d/b/a Pacific Power are respondents to this Order Instituting Rulemaking.

8. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities (CalPeco Electric) LLC, Bear Valley Electric Service, and PacifiCorp d/b/a Pacific Power shall, and any other person may, file comments responding to this Rulemaking within 30 days of the date of issuance of this Order Instituting Rulemaking. Reply comments are due within 15 days of the deadline to file opening comments.

9. The Executive Director will cause this Order Instituting Rulemaking to be served on all respondents and on the service lists for the following Commission proceedings: (1) A.21-09-008; (2) A.22-12-009; (3) A.22-10-021; (4) A.23-10-001; (5) A.23-11-003; (6) A.23-12-001; (7) A.24-04-005; (8) R.17-07-007; (9) R.18-12-005; (10) R.18-04-019; (11) R.19-09-009; (12) R.20-05-003; (13) R.21-06-017; (14) R.23-12-008; (15) R.23-10-011; and (16) R.24-01-018. In addition, the Executive Director will cause this Order Instituting Rulemaking to be served on the following agencies:

- California Air Resources Board
- California Energy Commission
- California Independent System Operator
- California Infrastructure and Economic Development Bank
- California Native American Heritage Commission and the tribal contacts list maintained by the Native American Heritage Commission
- California Office of Emergency Services
- California Office of Research and Planning
- California State Association of Counties
- League of California Cities

- Office of Energy Infrastructure Safety
- Rural County Representatives of California
- State Board of Forestry and Fire Protection

10. Any party that expects to claim intervenor compensation for its participation in this Rulemaking must file its notice of intent to claim intervenor compensation within 30 days of the filing of reply comments, except that notice may be filed within 30 days of a prehearing conference if one is held. (*See* Rule 17.1(a)(2).)

This order is effective today.

Dated May 30, 2024, at Sacramento, California.

ALICE REYNOLDS  
President  
DARCIE L. HOUCK  
JOHN REYNOLDS  
KAREN DOUGLAS  
Commissioners

Commissioner Matthew Baker, being absent, did not participate in the vote of this item.