

SB 884 Joint Workshop

1:00 p.m. – 4:45 p.m.

Friday, February 24, 2023



California Public
Utilities Commission



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Welcome and Agenda Review

Fred Hanes, CPUC Safety Policy Division



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Housekeeping Notes

- **Audio**

- Please mute your microphone unless you are speaking
- Host will mute/ unmute people as needed

- **Questions**

- Please hold questions for Q&A sessions at the end of presentations, unless otherwise noted by speaker
- Click the hand next to your name in the participant list to raise hand → 
- Alternatively, type questions in the chat
- Staff will maintain a list of outstanding questions to resolve after the workshop

- **Timing**

- We will try to stick to starting times for each presentation outlined in the agenda

- **Recording**

- A link to the recording will be made available within a few days after the workshop

WebEx and Call-In Information

Join by Computer:

<https://cpuc.webex.com/cpuc/j.php?MTID=mf11b2e881bbf1bc8b35fba1b6ca1d1e8>

Join by Phone:

- +1-415-655-0002 United States Toll; 1-855-282-6330 United States Toll Free
- Access code: 249 358 60487
- (Staff recommends using your computer's audio if possible.)

Notes:

- Today's presentations will be available on request to sb884@cpuc.ca.gov
- This meeting will be recorded.

WebEx Logistics

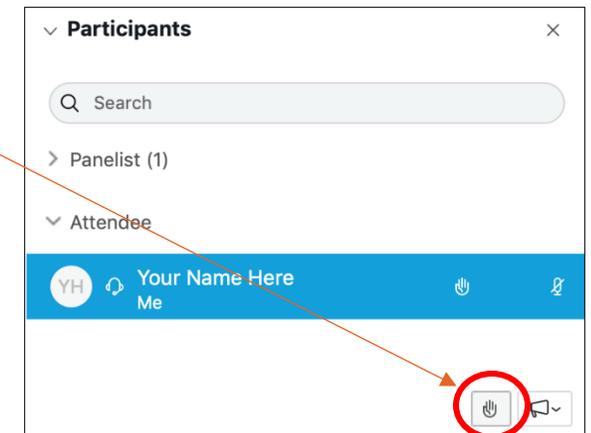
- All attendees are muted on entry by default.
- Comments and questions can be provided verbally using the “raise hand” function. Some questions will be addressed at the end of each section while others will be answered at the end of the workshop.
 - The host will unmute you and you will have a maximum of 2 minutes to speak.
 - Please lower your hand after you’ve asked your question by clicking on the “raise hand” again.
 - If you have another question, please “re-raise your hand” by clicking on the “raise hand” button twice.

WebEx Tip

1. Click here to access the attendee list to raise and lower your hand.



2. Raise your hand by clicking the hand icon.



3. Lower it by clicking again.

Access your meeting audio settings here



Agenda

1:00 p.m. – 1:10 p.m.	Welcome, Agenda Review	Fred Hanes
1:10 p.m. – 1:30 p.m.	Introduction, Opening Remarks	Forest Kaser, Julie Alvis
1:30 p.m. – 2:00 p.m.	National Undergrounding Trends	Ben Lanz, Power Delivery Intelligence Initiative
2:00 p.m. – 2:15 p.m.	SB 884 Requirements Overview	Eric Wu
2:15 p.m. – 3:15 p.m.	Panel-Led Discussion 1: Regulatory and Approval Process Issues	Moderator: Fred Hanes
3:15 p.m. – 3:30 p.m.	Break	
3:30 p.m. – 4:30 p.m.	Panel-Led Discussion 2: Wildfire Risk and Project Assurance Issues	Moderator: Julie Alvis
4:30 p.m. – 4:45 p.m.	Next Steps	Fred Hanes

Introduction and Opening Remarks

Forest Kaser, Deputy Exec. Director, CPUC

Julie Alvis, Acting Deputy Director, Energy Safety



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National Undergrounding Trends

Ben Lanz, Power Delivery Intelligence Initiative (PDi2)



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SB 884 Overview

Eric Wu, Safety Policy Division, CPUC



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SB 884 Requirements Overview

SB 884 Workshop
February 24, 2023

Safety Policy Division
Eric Wu, Ph.D., P.E.

Forest Kaser – Deputy Executive Director
Danjel Bout – Director of Safety Policy Division
Fred Hanes – Program and Project Supervisor



SB 884 Background

- Purpose – Expedite undergrounding of electric utilities distribution infrastructure
- Signed by Governor on September 29, 2022
- California Public Utilities Commission to establish an expedited utility distribution infrastructure undergrounding program
- Electrical corporations with >250,000 customer accounts.



Distribution Infrastructure Undergrounding Program

- Submit a distribution infrastructure undergrounding plan to Energy Safety
- 10-year plan for undergrounding distribution infrastructure
- Undergrounding projects in HFTD Tiers 2 and 3 or rebuild areas prioritized based on:
 - Wildfire risk reduction
 - Public safety
 - Cost efficiency
 - Reliability benefit

Key Elements of Undergrounding Plan

- Timelines for completion
 - Unit cost targets and mileage targets for each year
- Comparison of risk reduction between undergrounding and aboveground hardening alternatives
- A plan for utility and contractor workforce development
- An evaluation of project costs, projected economic benefits and cost containment assumptions.

Energy Safety Responsibilities

- Publish the plan for public comment
- Review and approve/deny the plan in 9 months
- May require modification before approval
- Review and publish independent monitor's report on website
- Recommend penalties to CPUC

Minimum Approval Criteria for the Plan

- The plan will substantially increase reliability by reducing the use of:
 - Public safety power shutoffs (PSPS)
 - Enhanced powerline safety settings
 - De-energization event or any other outage programs
- Substantially reduce the risk of wildfire.

CPUC Responsibilities

After Energy Safety approves the undergrounding plan:

- Review and approve/deny application
- May require modification/resubmit of the application
- Assess penalties if utility fails to substantially comply with the approved plan

Minimum Requirements for Application to CPUC

- Substantial improvements in safety risk and reduction in cost
- Cost targets
- Cost efficiencies
- A strategy for cost reductions

IOU Reporting Requirements

- File progress reports to Energy Safety and CPUC
 - Every 6 months after Energy Safety and CPUC approvals
- Include ongoing work plans and progress in annual wildfire mitigation plan filings
- Hire an independent monitor
 - Submit report to Energy Safety by December 1
 - The report shall specify failure and provide recommendations for improvement
 - Utility shall correct deficiencies in 180 days
- Apply available federal, state and other non-ratepayer moneys

Summary of Document Review Schedule

Actions	Schedule
Utility submits undergrounding plan	
Energy Safety approval/denial	9 months from plan received
Utility submits approved plan and application for cost review and approval to CPUC	In 60 days after Energy Safety approval
CPUC facilitates a public workshop	
CPUC approval/denial	9 months from receipt of approved plan and application
Utility files a progress report to Energy Safety and CPUC	Every 6 months after Energy Safety and CPUC approvals

Questions?

Eric Wu eric.wu@cpuc.ca.gov



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Panel-Led Discussion 1

Regulatory and Approval Process Issues

- Moderator: Fred Hanes, Safety Policy Division, CPUC
- Panel Members:
 - Katy Morsony, TURN
 - Henry Burton, Public Advocates Office, CPUC
 - Megan Ardell and Jamie Martin, PG&E
 - Will Abrams, Individual Intervenor

Panel-Led Discussion 1

Question 1:

The statute establishes minimum requirements for 10-year undergrounding plans to be submitted to Energy Safety.

Are these requirements sufficient, or are there additional elements that should also be included?

Do any of the statutory requirements require further elaboration or clarification?

Why or why not?

Panel-Led Discussion 1

Question 2:

- Should the expedited undergrounding program process align with the Wildfire Mitigation Plan and/or General Rate Case processes?
- If so, what specific aspects should be aligned, and how should the alignment be effectuated?

Panel-Led Discussion 1

Question 3:

- What are other questions, considerations, or potential complexities should the Commission consider in establishing the program?

Questions?

- Click the hand next to your name in the participant list 
- The host will call on your name and unmute you when it is your turn to speak
- Or, type question into the chat



BREAK 3:15-3:30

Panel-Led Discussion 2

Wildfire Risk and Project Assurance

- Moderator: Julie Alvis, Energy Safety
- Panel Members:
 - Tom Long, TURN
 - Iain Fraser, Public Advocates Office, CPUC
 - Jamie Martin and Paul McGregor, PG&E
 - Joseph Mitchell, MGRA

Panel-Led Discussion 2

Question 1:

The statute requires electrical corporations to compare undergrounding to other system hardening alternatives emphasizing both the risk reduction and the cost effectiveness of undergrounding for the projected useful life of the undergrounding project versus the alternatives.

- What analytical approach and decision-making framework should be employed by the electrical corporations in their plans to justify their undergrounding proposals?
- What level of detail should be provided in the plans and why?

Panel-Led Discussion 2

Question 2:

Legislation provides for an annual report by an independent monitor and a 6-month progress report from the electrical corporation.

- How can these reports be maximized for accountability?
- Are there additional accountability tools and procedures to consider to ensure that projects are completed on-time, on-budget, and are actually reducing risk?

Panel-Led Discussion 2

Question 3:

The undergrounding plans are 10-year plans.

- How should the evolving understanding of risk and ever-changing methods of calculating risk be accounted for in the plans?
- Should flexibility be built into the plans to account for uncertainty in long term risk forecasting?
- Would a mechanism to alter an approved plan be needed? Why and how?

Questions?

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- Or, type question into the chat



Next Steps

- Informal Comments by March 10 to sb884@cpuc.ca.gov
- Energy Safety and CPUC decide how to proceed-TBD
 - Possible Rulemakings or Resolution
 - Possible Workshops and/or Technical Working Groups

Thank you

CPUC and Energy Safety



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