

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Further
Develop a Risk-based Decision-making
Framework for Electric and Gas Utilities

Rulemaking 20-07-013

**COMMENTS OF THE PUBLIC ADVOCATES OFFICE ON THE
RULEMAKING 20-07-013 PHASE 1 TRACK 3 AND DECISION 20-01-002
RATE CASE PLAN CONSOLIDATED WORKSHOP FINAL REPORT**

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I. INTRODUCTION

The Energy Division at the California Public Utilities Commission (Energy Division) held a consolidated workshop on February 9, 2021 (the Consolidated Workshop) pursuant to Decision (D.) 20-01-002, *Decision Modifying the Commission's Rate Case Plan for Energy Utilities* (RCP Decision),¹ in Rulemaking (R.) 13-11-006 and Phase 1 Track 3 of R. 20-07-013 *Order Instituting Rulemaking to Further Develop a Risk-Based Decision-Making Framework for Electric and Gas Utilities* (RDF).² On March 11, 2021, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) filed comments on the March 4, 2021 Consolidated workshop draft report. The Energy Division, with the assistance of Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E), issued a finalized report on March 11, 2021 (the Final Report).³

As noted in the Final Report, the Energy Division requested comments on the Final Report,⁴ as the next step in development of a Final Proposal.⁵ Cal Advocates submits the following recommendations to refine and clarify the Risk Assessment and Mitigation Phase (RAMP) and related requirements by improving transparency, accountability, and safety, including dissemination and application of best practices:⁶

- The Commission should adopt the six Cal Advocates' recommendations detailed in Section 10.1/Topic 5 of the Final Report.
- The Commission should require investor-owned utilities (IOUs) to use a template to demonstrate integration of proposed RAMP mitigations into General Rate Case (GRC) filings.

¹ D.20-01-002, *Decision Modifying the Commission's Rate Case Plan for Energy Utilities*.

² R.20-07-013, *Assigned Commissioner's Scoping Memo and Ruling* (Nov. 2, 2020), p. 4; see also R.20-07-013, *Order Instituting Rulemaking to Further Develop a Risk-Based Decision-Making Framework for Electric and Gas Utilities* (July 24, 2020).

³ General Rate Case Plan Workshop #4 Report: Standardization of RAMP Filings (Mar. 11, 2021).

⁴ Final Report, p. 17.

⁵ Consolidated Workshop Presentation, Feb. 9, 2021, Slide 46, attached to the Final Report.

⁶ R.20-07-013, *Assigned Commissioner's Scoping Memo and Ruling* (Nov. 2, 2020), p. 6 (Track 3).

III. DISCUSSION

A. The Commission should adopt the six Cal Advocates' recommendations detailed in Section 10.1/Topic 5 of the Final Report.

Section 10.1/Topic 5 of the Final Report lists six Cal Advocates' recommendations to refine RAMP and GRC Procedural Requirements.⁷ Cal Advocates recommends that the Commission adopt these recommendations to improve tracking of safety expenditures and related risk reductions by increasing utility transparency, accountability, and dissemination and application of best practices.

Cal Advocates' Recommendation 6 was that utility RAMP applications should include and consider the results of utility Climate Change Vulnerability Assessments when assessing top utility safety risks. Cal Advocates included this recommendation in its March 4, 2021 Post-Workshop comments. Since parties have not yet directly commented on this recommendation,⁸ Cal Advocates recommends that further discussion and dialogue on this topic take place in an RDF Track 3 working group meeting.²

Climate Change Vulnerability Assessments provide important information for assessing top utility risks. Californians are already witnessing the effects of climate change on present risks to utility infrastructure and operations (most notably for wildfire).¹⁰ These increasing risks must be properly accounted for in RAMP filings so that they can be effectively mitigated in GRCs.¹¹ Cal Advocates recommends that the

⁷ Final Report, pp. 10-12.

⁸ Final Report, p. 12, Footnote 11.

² The requirements for Climate Change Vulnerability Assessments are laid out in D.20-08-046, *Decision on Energy Utility Climate Change Vulnerability Assessments and Climate Adaptation in Disadvantaged Communities (Phase 1, Topics 4 and 5)* (Aug. 27, 2020).

¹⁰ Bedsworth, Louise, Dan Cayan, Guido Franco, Leah Fisher, Sonya Ziaja. California Governor's Office of Planning and Research, Scripps Institution of Oceanography, California Energy Commission, California Public Utilities Commission). 2018. Statewide Summary Report. California's Fourth Climate Change Assessment. Publication number: SUMCCCA4-2018-013. https://www.energy.ca.gov/sites/default/files/2019-11/Statewide_Reports-SUM-CCCA4-2018-013_Statewide_Summary_Report_ADA.pdf

¹¹ Per D.20-08-047, p. 76, Climate Change Vulnerability Assessments are meant to assess risks as they are expected to occur in the next 10-20 years, the next 20-30 years, and in the next 30-50 years. These longer-term risk assessments can and should inform how shorter-term risks identified in RAMP filings (such as wildfire) are approached, and these connections should be made clear.

Energy Division dedicate an RDF Track 3 working group to development of guidelines for incorporation of Climate Change Vulnerability Assessments into RAMP filings. Cal Advocates also recommends that the IOUs incorporate Climate Change Vulnerability Assessments into their RAMP filings begin in 2022, when SCE is scheduled to file its first Climate Change Vulnerability Assessment in conjunction with its 2022 RAMP application.¹²

B. The Commission should require IOUs to use a template with a set of minimum components to demonstrate integration of proposed RAMP mitigations into GRC filings.

Section 6 of the Final Report discusses standardization of the RAMP to GRC integration. Cal Advocates supports the recommendation by The Utility Reform Network (TURN) that there be “a clear connection between RAMP and GRC.”¹³ Cal Advocates also supports the suggestion by the Safety Policy Division (SPD) that a working group work on standardization among the IOUs.¹⁴

Cal Advocates supports the comments by SPD and TURN and agrees with TURN that a template with a set of minimum components for demonstration of integration into the GRC would increase transparency and accountability of the IOUs in effectively mitigating utility safety risks.¹⁵ The Commission should dedicate a working group to develop this template.¹⁶

IV. CONCLUSION

The Public Advocates Office respectfully submits these comments on the Final Report on the Consolidated Workshop, and requests that the Commission adopt these

¹² D.20-08-046, p. 100.

¹³ Final Report, pp. 6-7.

¹⁴ Final Report, p. 7.

¹⁵ Final Report, p. 7.

¹⁶ Cal Advocates also reiterates its statement made at the Consolidated Workshop that there should be a demonstrable chain of work between the S-MAP, the RAMP, and the GRC, with clear sets of connections and alignment within the same utility. See Final Report, p. 7.

specific recommendations to improve utility transparency, accountability, and adoption of effective risk mitigation programs.

Respectfully submitted,

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