



Legislation Text

File #: 2019-0351, **Version:** 1

To: Sonoma County Board of Supervisors
Department or Agency Name(s): County Administrator, County Counsel
Staff Name and Phone Number: Michael Gossman
Vote Requirement: Informational Only
Supervisorial District(s): All

Title:

Informational Update on County Participation in Wildfire-Related California Public Utilities Commission Proceedings

Recommended Actions:

Receive Informational Update on County Participation in Wildfire-Related California Public Utilities Commission Proceedings (Informational Only)

Executive Summary:

A number of different proceedings are currently pending at the California Public Utilities Commission (CPUC) that are either directly related to the 2017 Sonoma Complex Fires, or pertain to wildfire safety plans and related issues that may impact Sonoma County on a broader level and which involve matters that align with the County's long-term vision for a resilient future as outlined in the Recovery and Resiliency Framework, including some of the County's key projects. On December 11, 2018, your Board authorized County participation in these proceedings, as appropriate, along with funding for counsel. On February 26, 2019, your Board authorized retaining Goodin, MacBride, Squeri & Day, LLP ("Goodin, MacBride") to provide specialized legal advice and representation in CPUC proceedings involving wildfire management and mitigation and related matters up to a not-to-exceed amount of \$150,000, as well as \$50,000 funding for County Counsel to oversee and coordinate this work with County staff and partner counties.

Sonoma County has partnered with Napa County and Mendocino County, which also retained Goodin, MacBride, allowing the counties to share cost for legal services on matters of joint interest. Other public entities have signaled interest to join which would further lower Sonoma County's cost share.

The County has submitted comments in several CPUC proceedings. This item provides an update on the proceedings and a summary of the County's comments to date.

Discussion:

Rulemaking 18-10-1007 (SB 901 Wildfire Mitigation Plans). This rulemaking on wildfire safety matters was opened in 2018 in response to Senate Bill 901, which requires investor-owned electric utilities to submit annual wildfire mitigation plans. The rulemaking will provide guidance on the form and content of the initial wildfire mitigation plans, provide a venue for review of the initial plans, and develop and refine the content of

and process for review and implementation of wildfire mitigation plans to be filed in future years.

The County of Sonoma has been granted party status in his proceeding, which allows the County to comment on proposals by the utilities for their wildfire safety plans, and to advocate for specific issues to protect the health and safety of Sonoma County residents, as well as priorities for implementation of those measures in Sonoma County.

PG&E submitted its draft plan on February 6, 2019 (“Plan”). The 145-page Plan proposes an array of wildfire safety measures, including expanding PG&E’s Community Wildfire Safety Program and Public Safety Power Shutoff Program. For example, PG&E plans to enhance vegetation management around power lines, to install new weather stations and cameras in high fire-threat areas to increase real-time monitoring, to conduct enhanced safety inspections of electric infrastructure, to upgrade its electrical system, and to drastically expand de-energization measures to now include distribution and transmission lines for all tiers (not just high fire-threat areas) and high-voltage lines, which could result in a total loss of power for all 16,000,000 PG&E customers.

The County, jointly with Mendocino and Napa, filed comments on March 13, 2019 (Attachment A). The comments focus on a number of suggested improvements to PG&E’s Plan that, if implemented, will improve notice and communications, best practices, and public safety relating to wildfires. PG&E’s Plan is an ambitious program that would require implementation on a large scale throughout PG&E’s expansive service territory over a short period of time. The County is requesting quantifiable measures to ensure the effectiveness of PG&E’s proposed steps and action items to reduce the risks of wildfires and to enhance the safety of our communities. The County is also advocating for improved communication protocols which are critical to ensure public safety priorities, and to protect the health and well-being of our community, vulnerable populations, medical service providers and first responders who require reliable access to power.

Rulemaking 18-12-005 (De-Energization). This rulemaking was opened in December 2018 in addition to Rulemaking 18-10-1007 to specifically address de-energization issues. The rulemaking will examine best practices, notification protocols, utility coordination with state and local first responders, minimizing impact on vulnerable populations, reporting requirements, and other issues related to de-energization of utility power lines.

The County, jointly with Mendocino and Napa, filed comments on February 8, 2019 (Attachment B). The comments require PG&E to adopt effective de-energization practices and protocols before the 2019 fire season starts, including clear communication protocols to ensure real-time information sharing with local governments. Coordination with local governments and first responders must begin long before weather conditions threaten overhead power lines, and PG&E should be required to work with the local governments it serves to improve lines of communications and develop effective protocols to ensure information is up-to-date and action plans are in place before a de-energization event occurs.

Rulemaking 17-05-010 (Rule 20A Undergrounding). This proceeding was initiated in 2017 to consider whether changes are warranted to “Electric Rule 20.A,” which governs the system of credits that PG&E must grant to public entities toward the cost of undergrounding electrical utility lines. PG&E’s current Rule 20A program does not adequately address the threat of wildfires posed by overhead electrical equipment in its service territory. It requires PG&E to allocate to cities and counties credits based on the number of electrical meters in each area. However, the formula used to determine credits disadvantages rural entities where the risk of wildfires due to above-ground electrical lines is greatest in sparsely populated areas. In addition, the current

level of funding associated with the credits allocated to local government entities is minimal compared to the actual costs of undergrounding power lines on a per-mile basis.

The County has been granted party status and submitted initial comments on January 11, 2019, to advocate for improvements to the Rule 20A program to better safeguard public interests and mitigate wildfire risks in rural areas (Attachment C). The comments focus on restructuring the existing undergrounding criteria to better reflect public interest and to allow local governments to underground overhead power lines on rural or less-traveled roads-the very roads that have the highest wildfire risk due to the fact that they tend to be surrounded by significant amounts of vegetation. The County further advocates for near-term improvements to credit allocations to cities and counties with rural and suburban populations in increased fire-risk areas using a different metric based on the miles of overhead electric lines in the suburban and rural areas of a city or county. Such metric would be directly related to the practical and policy goals of the Rule 20A program in the era of extreme wildfires. The allocations should be large enough to allow a rural or suburban community in a high fire risk area to accumulate enough credits to underground, or pay off the estimated costs of the undergrounding work, in a maximum of five years.

Application 18-12-009 (PG&E 2020 General Rate Case). PG&E is seeking to increase utility rates beginning in 2020 to cover approximately \$5 billion in costs that PG&E estimates will be incurred from now through 2022 for a proposed Community Wildfire Safety Program. Categories of work/programs relating to wildfire mitigation efforts include (1) enhanced vegetation management (beyond the routine vegetation management PG&E has been doing), (2) system hardening (replacing old and combustible electrical equipment, wood poles, etc.), (3) enhanced operational practices (power shutoff, reclose blocking, increased automation and technology upgrades, (4) enhanced situational awareness (new fire cameras and weather stations, new algorithms and computer modeling, etc.), and (5) other support programs (employee engagement and training, ancillary support services for the above programs, etc.).

The County, jointly with Napa, filed comments on January 17, 2019 (Attachment D). While PG&E's efforts to revamp its electric system and operations in order to prevent future wildfires is encouraging, the County opposes a funding scheme that would burden the Counties' residents and ratepayers who have already shouldered the expense and trauma of wildfires. Implementing a Community Wildfire Program, alone, is not enough if PG&E is not also making fundamental structural and operational changes to the way PG&E responds to emergency situations to enhance public safety. If PG&E does not correct its shortcomings in its operations and communications, ratepayers and residents would be burdened with a significant premium for increased bureaucracy, reduced efficacy, and questionable benefits to safety.

Rulemaking 19-01-006 (SB 901 Financial Stress Test). This proceeding is to implement Public Utilities Code § 451.2(b), which is the provision of SB 901 that was designed to cap utility shareholder liability for wildfire-related costs, also referred to as the "stress test." The question of cost recovery is existential for PG&E. These costs will include repairs to equipment and infrastructure damaged by fires, increased operating and maintenance costs as a result of the wildfires, and may also include increases to insurance premiums and damages paid by the utility. These costs will be in addition to the \$5.5 billion PG&E is asking for in its general rate case. The focus of this proceeding is on the financial metrics the CPUC should use to measure a utility's financial status. This Rulemaking does not address the specific costs for which PG&E will be responsible, but will adopt the rules under which that decision will ultimately be made.

The County, jointly with Mendocino and Napa, filed comments on February 11, 2019. (Attachment E). The comments highlight the issue that traditional metrics used to determine what constitutes harm to customers and material impacts to PG&E's ability to provide safe and reliable service have limited usefulness to address the current situation. The financial "stress test" ultimately developed in this proceeding must not diminish safe and reliable service and PG&E's customers, having already suffered harm, should not be responsible for additional costs beyond those necessary to fund daily utility services.

This item provides an information update only. No Board action is requested.

Prior Board Actions:

December 11, 2018: Authorized County participation in wildfire-related CPUC proceedings, as appropriate, along with funding for counsel.

February 26, 2019, Authorized retaining Goodin, MacBride, Squeri & Day, LLP ("Goodin, MacBride") to provide legal advice and representation in CPUC proceedings involving wildfire management and mitigation and related matters up to a not-to-exceed amount of \$250,000, as well as \$50,000 funding for County Counsel to oversee and coordinate this work with County staff and partner counties.

FISCAL SUMMARY

Expenditures	FY 18-19 Adopted	FY19-20 Projected	FY 20-21 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

N/A

Staffing Impacts:			
Position Title (Payroll)	Monthly Salary Range (A - I Step)	Additions (number)	Deletions (number)

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Attachment A: Comments on Rulemaking 18-10-1007 (SB 901 Wildfire Mitigation Plans)

Attachment B: Comments on Rulemaking 18-12-005 (De-Energization)

Attachment C: Comments on Rulemaking 17-05-010 (Rule 20A Undergrounding)

Attachment D: Comments on Application 18-12-009 (PG&E 2020 General Rate Case)

Attachment E: Comments on Rulemaking 19-01-006 (SB 901 Financial Stress Test)

Related Items “On File” with the Clerk of the Board:

N/A