

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Safety and Enforcement Division

**Resolution SED-9
August 1, 2024**

RESOLUTION

**RESOLUTION SED-9 APPROVING ADMINISTRATIVE CONSENT
ORDER AND AGREEMENT OF THE SAFETY AND ENFORCEMENT
DIVISION AND SAN DIEGO GAS & ELECTRIC COMPANY
REGARDING THE 2021 PUBLIC SAFETY POWER SHUTOFFS TO
RESOLUTION M-4846**

SUMMARY

In this Resolution, the California Public Utilities Commission (Commission) approves an Administrative Consent Order and Agreement (ACO) between the Commission's Safety and Enforcement Division (SED) and San Diego Gas & Electric (SDG&E) to resolve all issues involving the 2021 Public Safety Power Shutoffs (PSPS), resulting in financial penalties totaling \$70,830. This Resolution includes an analysis of the Penalty Assessment Methodology.

BACKGROUND AND DISCUSSION

Utilities have the authority to shut off the electric power to protect public safety under California law. Utilities do this during severe wildfire threat conditions as a preventative measure of last resort through PSPS events. Such power cuts reduce the risk of an IOUs' infrastructure to cause or contribute to a wildfire. However, a PSPS can leave communities and essential facilities without power, which brings its own risks and hardships, particularly for vulnerable communities and individuals. From 2018 through 2020, CPUC issued four sets of guidelines; Resolution ESRB-8, Decision (D.) 19-05-042, D.20-05-051, and the Post-Event Report Template. directing the IOUs to follow these guidelines in PSPS execution.

In 2021, SDG&E initiated two separate PSPS events and submitted two post event reports to the CPUC. Stakeholders provided comments on these post event reports. SED performed reviews on the submitted reports, including consideration of stakeholder comments, to evaluate PG&E's compliance with the reporting requirements under Resolution ESRB-8, D.19-05-942, D.20-05-051, and the Post-Event Report Template.

Resolution M-4846, issued in November 2020, adopted the Commission Enforcement and Penalty Policy (Enforcement Policy) and authorized Commission staff to negotiate and propose an Administrative Consent Order to resolve an enforcement matter, subject to review and

consideration by the Commission.¹ SED and SDG&E executed the attached ACO,² pursuant to and consistent with the Enforcement Policy, which resolves all issues related to SED's investigations of the 2021 PSPS Events and any enforcement action SED might have brought related to or arising from the 2021 PSPS Events. In accordance with the Enforcement Policy, the proposed settlement between SED and SDG&E (collectively, Parties) is memorialized in the attached Administrative Consent Order and Agreement. The ACO includes information consistent with the requirements of Section III.A.7 of the Enforcement Policy.

The Enforcement Policy provides that “the following general considerations should be evaluated as part of any proposed settlement to be submitted for Commission review: (1) Equitable factors; (2) Mitigating circumstances; (3) Evidentiary issues; and (4) Other weaknesses in the enforcement action[.]”³ The Parties explicitly considered these factors in their confidential settlement communications under Rule 12.6 of the Commission's Rules of Practice and Procedure. SED acknowledges SDG&E's cooperation with SED on the negotiation of the Administrative Consent Order and Agreement, and SED explicitly considered a range of evidentiary and other matters that would bear upon its pursuit of enforcement actions seeking penalties or citations on disputed issues of fact and law. When taken as a whole, the Parties agree that the ACO amounts are within the range of reasonable outcomes had the matters proceeded to formal litigation.

The Penalty Assessment Methodology sets forth five factors that staff and the Commission must consider in determining the amount of a penalty for each violation: “[s]everity or gravity of the offense, conduct of the regulated entity, financial resources of the regulated entity, including the size of the business, totality of the circumstances in furtherance of the public interest, and the role of precedent.”⁴ These factors are addressed here.

A. Severity or Gravity of the Offenses

The Commission has stated that the severity of the offense includes several considerations, including economic harm, physical harm, and harm to the regulatory process.

1. Physical and Economic Harm

The Commission has described the physical and economic harm criteria as follows:

Economic harm reflects the amount of expense which was imposed upon the victims. In comparison, violations that cause actual

¹ Resolution M-4846, Findings and Conclusions #8; Enforcement Policy, p. 11.

² The ACO is attached as Attachment A.

³ Enforcement Policy, p. 15.

⁴ Enforcement Policy, pp. 16-21.

physical harm to people or property are generally considered the most severe, followed by violations that threaten such harm.⁵

SDG&E's violations occurred over the course of two separate PSPS events, January 14-16, 2021 and November 24-26, 2021. Only the event occurring on November 24-26, 2021 resulted in a de-energization. There is no evidence that there was any physical or economic harm as a result of the violations reflected in this action. Of the six required notifications during a PSPS event, SDG&E failed to send 6,983 notifications during the November 24-26 event. SDG&E also had several reporting and notification violations. However, notification failures do have the potential to cause physical or economic harm.

2. Harm to the Regulatory Process

As part of the severity of the offense factor, the Commission has described the harm to the regulatory process criterion as follows:

“Every public utility shall obey and comply with every order, decision, direction, or rule made or prescribed by the Commission in the matters specified in this part, or any other matter in any way relating to or affecting its business as a public utility, and shall do everything necessary or proper to secure compliance therewith by all of its officers, agents, and employees.” (Public Utilities Code § 702).

Such compliance is essential to the proper functioning of the regulatory process. For this reason, disregarding a statutory or Commission directive, regardless of the effects on the public, will be accorded a high level of severity.⁶

SDG&E complied with SED during the investigation of SDG&E's 2021 PSPS Events and in the negotiation and presentation of the ACO. There were no allegations of Rule 1.1 violations and no allegations of other ethical violations, or any deliberate misconduct associated with the SDG&E's 2021 PSPS Events. Accordingly, this was not a significant factor in determining the basis for the penalty imposed pursuant to the ACO.

B. The Conduct of the Utility

In evaluating the conduct of the utility, the Commission has described the following considerations in evaluating the utility's conduct: (1) actions taken to prevent a violation; (2) actions taken to detect a violation; (3) actions taken to disclose and rectify a violation; (4) actions taken to conceal, hide or cover up a violation; and (5) prior history of violations.⁷

⁵ Enforcement Policy, p. 16.

⁶ Enforcement Policy, p. 17.

⁷ Enforcement Policy, p. 17.

SDG&E attributed the missed notifications mostly to “system failure” and a handful of others due to database coding issues. It was forthcoming in providing SED with information regarding the notification failures in both the Post Event Report and its response to SED’s Notice of Violation (NOV). The system failure and database coding issues with SDG&E’s notification have been resolved. In response to SED’s NOV, SDG&E responded with more information and context of their violation. SDG&E was forthcoming during the discovery process and negotiated in good faith.

C. Financial Resources of the Utility

The Commission has described this criterion as follows:

Effective deterrence also requires that staff recognize the financial resources of the regulated entity in setting a penalty that balances the need for deterrence with the constitutional limitations on excessive penalties. . . . If appropriate, penalty levels will be adjusted to achieve the objective of deterrence, without becoming excessive, based on each regulated entity’s financial resources.⁸

SDG&E is one of the largest electric utilities in the State of California in terms of customers and revenue. This amount is enough to emphasize the importance of the notification requirements relative to its size.

D. Totality of Circumstances in Furtherance of Public Interest

The Commission has described this criterion as follows:

Setting a penalty at a level that effectively deters further unlawful conduct by the regulated entity and others requires that staff specifically tailor the package of sanctions, including any penalty, to the unique facts of the case. Staff will review facts that tend to mitigate the degree of wrongdoing as well as any facts that exacerbate the wrongdoing. In all cases, the harm will be evaluated from the perspective of the public interest.

An economic benefit amount shall be estimated for every violation. Economic benefit includes any savings or monetary gain derived from the act or omission that constitutes the violation.²

In SED’s estimation, SDG&E derived relatively minimal “economic benefit” in the form of cost savings or monetary gain as a result of the act or omission that constituted the violation. The package of sanctions, including remedial actions and a monetary penalty, were tailored to the unique facts of this case.

⁸ Enforcement Policy, p. 19.

² Enforcement Policy, p. 19.

The totality of the circumstances in furtherance of public interest supports approval of the ACO. First, it provides a significant resolution of the issues identified here. Pursuant to the ACO, SDG&E agrees to pay \$70,830 in penalties.

Second, with an appropriate resolution having been reached, it is in the public interest to resolve this proceeding now. The ACO obviates the need for SED to initiate an enforcement proceeding and for the Commission to adjudicate the disputed facts, alleged violations, and appropriate penalty. Approval of the ACO promotes administrative efficiency so that the Commission and parties are not required to expend substantial time and resources on continued litigation for a matter that has been satisfactorily resolved.

E. Consistency with Precedent

The Commission has described the role of precedent as follows:

Penalties are assessed in a wide range of cases. The penalties assessed in cases are not usually directly comparable. Nevertheless, when a case involves reasonably comparable factual circumstances to another case where penalties were assessed, the similarities and differences between the two cases should be considered in setting the penalty amount.

The ACO is reasonable when compared to the outcome of other settlements and outcomes in Commission proceedings. The following are examples of approved settlements and enforcement decisions involving electric utilities and PSPS events.

1. 2020 SDG&E PSPS Event Administrative Enforcement Order (Resolution M-4863)

In 2020, SDG&E initiated five PSPS events. During one event on September 8-9, 49 customers never received notifications during de-energization or re-energization. SED issued an Administrative Enforcement Order (AEO) alleging SDG&E violated the PSPS notification requirements under Commission decision D.19-05-042 and assessed a fine of \$24,000. SED also imposed eight corrective actions to ensure future compliance with the Commission's PSPS rules. SDG&E accepted the Administrative Enforcement Order (AEO) and the AEO was approved by the Commission in Resolution M-4863.

2. 2020 PacifiCorp PSPS Event Administrative Enforcement Order (Resolution M-4862)

In 2020, PacifiCorp initiated two PSPS events. While SED did find PacifiCorp violated some PSPS guidelines, they opted not to assess a penalty because they successfully notified customers as required by the Commission's decisions. SED opted to impose eight corrective actions on PacifiCorp to ensure future compliance with the Commission's PSPS rules. PacifiCorp accepted the Administrative Enforcement Order (AEO), and the AEO was approved by the Commission in Resolution M-4862.

3. 2020 Pacific Gas and Electric PSPS Event Administrative Enforcement Order (Resolution ALJ-445)

In 2020, Pacific Gas and Electric (PG&E) initiated seven PSPS events. SED found that PG&E failed to provide any customer notifications during de-energization. SED issued an Administrative Enforcement Order alleging PG&E violated the PSPS notification requirements under Commission decision D.19-05-042 and assessed a fine of \$12,000,000. SED also included six corrective actions to ensure future compliance with the Commission's PSPS rules. PG&E challenged the Administrative Enforcement Order. SED and PG&E settled the matter with an \$8 million fine. The amount was split up between a \$500,000 penalty to the General Fund and \$7,500,000 for the Independent Safety Monitor between 2023 and 2026. PG&E also had to comply with the eight corrective actions. The Commission approved the settlement in Resolution ALJ-445.

4. 2020 Southern California Edison PSPS Event Administrative Enforcement Order (Resolution ALJ-440)

In 2020, Southern California Edison (SCE) initiated sixteen PSPS events. SED found that 25,573 customers failed to get notifications spread out over the course of the sixteen events. SED issued an Administrative Enforcement Order alleging SCE violated the PSPS notification requirements under Commission decision D.19-05-042 and assessed a fine of \$10,000,000. SED also included fourteen corrective actions to ensure future compliance with the Commission's PSPS rules. SCE challenged the Administrative Enforcement Order. SED and SCE settled the dispute with a \$7 million fine. The amount was split up between a \$500,000 shareholder-funder fine to the General Fund, a \$500,000 shareholder-funded payment to SCE's Energy Assistance Fund, and \$6 million permanent disallowance of PSPSP program-related costs that are eligible for tracking in the Wildfire Mitigation Plan Memorandum Account. SCE also had to comply with the fourteen corrective actions. The Commission approved the settlement in Resolution ALJ-440.

COMMENTS ON DRAFT RESOLUTION

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived or reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today. Comments were provided on July 15, 2024 by The Public Advocates Office of the California Public Utilities Commission. Based on these comments, the Resolution was updated to reflect the potential physical and economic harm posed by SDG&E's violations in this action.

FINDINGS AND CONCLUSIONS

1. Resolution M-4846 authorized Commission staff to negotiate and propose an Administrative Consent Order to resolve an enforcement matter, subject to review and consideration by the Commission.
2. SED and SDG&E have engaged in settlement negotiations and, consistent with Resolution M-4846 and the Enforcement Policy, have memorialized their proposed settlement in the attached Administrative Consent Order and Agreement.
3. SED and SDG&E have agreed that the attached Administrative Consent Order and Agreement resolves all issues related to SED’s investigations of and any enforcement action SED might have brought related to or arising from SDG&E’s 2021 PSPS events.
4. The agreed-upon fines and remedial actions appropriately resolve all issues related to SED’s investigations and any enforcement action SED may have brought, are reasonable in light of the circumstances, consistent with the law, and in the public interest.
5. Based on the analysis under the Penalty Assessment Methodology, the agreed-upon fines, safety measures and disallowances are reasonable in light of the circumstances.

THEREFORE, IT IS ORDERED that:

1. The Administrative Consent Order and Agreement between SED and SDG&E relating to SDG&E’s 2021 PSPS Events is adopted.
2. SDG&E shall pay a monetary penalty of \$70,830 within thirty (30) days after the date that this Resolution is final and no longer subject to appeal. Payment must be with a certified check made or wire transfer payable to the *California Public Utilities Commission* to:

California Public Utilities Commission
Attn: Fiscal Office
505 Van Ness Avenue
San Francisco, CA 94102-3298

3. SDG&E shall state on the face of the check or on the wire transfer: “For deposit to the General Fund per Resolution SED-9.”

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 August 1, 2024 the following Commissioners voting favorably thereon:

/s/ *Rachel Peterson*

Rachel Peterson
Executive Director

ALICE REYNOLDS
President

DARCIE L. HOUCK

JOHN REYNOLDS

KAREN DOUGLAS

MATTHEW BAKER

Commissioners

ATTACHMENT A

Administrative Consent Order

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

In the matter of:

SAN DIEGO GAS AND ELECTRIC
2021 Public Safety Power Shutoff Events

[PROPOSED] ADMINISTRATIVE
CONSENT ORDER AND AGREEMENT

Issued pursuant to Commission Resolution
M-4846 (adopting Commission Enforcement
Policy)

[PROPOSED] ADMINISTRATIVE CONSENT ORDER AND AGREEMENT

Dated: May 17, 2024

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[PROPOSED] ADMINISTRATIVE CONSENT ORDER AND AGREEMENT

This Administrative Consent Order and Agreement (hereinafter “ACO” or Agreement”) is entered into and agreed to by and between the Safety and Enforcement Division (“SED”) of the California Public Utilities Commission (“CPUC” or “Commission”) and San Diego Gas and Electric (SDG&E) (collectively, “Parties”) pursuant to Resolution M-4846, dated November 5, 2020, titled *Resolution Adopting Commission Enforcement Policy*.

WHEREAS:

- The Commission has authorized SED “to investigate, negotiate, and draft proposed Administrative Consent Orders, subject to review and consideration by the Commission” via resolution;¹
- The Commission’s Enforcement Policy requires that a “negotiated proposed settlement . . . be memorialized in a proposed Administrative Consent Order,” which requires certain items as set forth in Section 2, below;²
- Consistent with Resolution M-4846, this ACO is a product of direct negotiations between the Parties to resolve and dispose of all claims, allegations, liabilities, and defenses related to SDG&E’s 2021 Public Safety Power Shutoff (PSPS) events.
- This ACO is entered into as a compromise of disputed claims and defenses in order to minimize the time, expense, and uncertainty of an evidentiary hearing, any further enforcement proceedings, and/or any subsequent appeals, and with the Parties having taken into account the possibility that each of the Parties may or may not prevail on any given issue, and to expedite timely action on initiatives that benefit California consumers;
- The Parties agree to the following terms and conditions as a complete and final resolution of all enforcement actions which have been brought by SED related to or arising from SDG&E’s compliance with for its 2021 PSPS events, and all of SDG&E’s defenses thereto, based on the information known to the Parties, and without trial and adjudication of any issue of law or fact.

NOW, THEREFORE it is agreed that this ACO is made and entered into.

¹ Resolution M-4846 at 15 (Findings and Conclusions No. 8).

² Resolution M-4846, Enforcement Policy at 10.

I. PARTIES

The parties to this ACO and Agreement are SED and SDG&E.

SED is a division of the Commission charged with enforcing compliance with the Public Utilities Code and other relevant utility laws and the Commission's rules, regulations, orders, and decisions. SED is also responsible for investigations of utility incidents, including PSPS, and assisting the Commission in promoting public safety.

SDG&E is a public utility, as defined by the California Public Utilities Code. SDG&E provides electric and gas service to approximately 1.4 million customers in San Diego County and southern Orange County, California.

II. ELEMENTS REQUIRED BY SECTION III.A.7 OF THE COMMISSION'S ENFORCEMENT POLICY FOR ADMINISTRATIVE CONSENT ORDERS

Except as explicitly stated herein, the Parties expressly agree and acknowledge that neither this ACO nor any act performed hereunder is, or may be deemed, an admission or evidence of the validity or invalidity of any allegations of SED, nor is the Agreement or any act performed hereunder to be construed as an admission or evidence of any wrongdoing, fault, omission, negligence, imprudence, or liability on the part of SDG&E. This is a negotiated settlement of disputed matters.

A. The law or Commission order, resolution, decision, or rule violated by the regulated entity and the facts that form the basis for each violation

Appendix I to this ACO contains the Notice of Violation (NOV) issued by SED on SDG&E, on April 7, 2023. The NOV includes a discussion of the Commission orders and decisions that SDG&E violated, and the facts that form the basis for each alleged violation. SDG&E submitted a response to the NOV (SDG&E's NOV Response), contained in Appendix II to this ACO, on May 5, 2023, which includes more information from SDG&E's 2021 PSPS

event. As a result of SDG&E's response and the new information, SED dismisses three violations alleged in the NOV, listed in II.A.1, II.A.2, and II.A.3.

1. For the November 24-26 event, SED dismisses the NOV violation of the Commission's requirement that each utility "must notify multi-family building account holders, and make reasonable efforts to notify building managers, prior to conducting a proactive de-energization event." (D.21-06-034, Appendix A, p.9).
2. For the November 24-26 event, SED dismisses the NOV violation of the Commission's requirement that "investor-owned utilities must provide...the methods of notifications and who made the notification (the utility or local public safety partners)." (D.19-05-042 at A22-A23).
3. For the January 14-16 event, SED dismisses the NOV violation of the requirement that utilities explain in the Post Event Report Template why it failed to send notifications to public safety partners 1-4 hours in advance of anticipated de-energization. (Requirement of PSPS Template issued by Administrative Law Judge in R.18-12-005).

This ACO addresses and resolves SDG&E's remaining alleged violations as set forth in the NOV. SDG&E admits and agrees to the remaining violations as set forth in the NOV and the associated penalties, as further discussed in SDG&E's NOV Response and set forth herein.

B. Information related to the potential for additional or ongoing violations

The Parties intend this Agreement to be a complete and final resolution of all enforcement actions which have been brought by SED related to SDG&E's 2021 PPS events, based on the information known by the Parties.

C. An agreement by the regulated entity to correct each violation

SDG&E asserts that it has remediated any alleged violations and, as further discussed in SDG&E's NOV Response, is implementing processes and systems to ensure compliance with the PPS requirements going forward.

D. An agreement by the regulated entity to pay any penalty by a date specified
SDG&E agrees to penalties and remediation payments totaling \$70,830.00.

1. Penalty to the General Fund

SDG&E shall pay a monetary penalty of \$70,830.00 to the California State General Fund within thirty (30) days after the date of Commission Approval (as defined in Section IV.E. below).

III. ADDITIONAL TERMS

A. Confidentiality and Public Disclosure Obligations

The Parties agree to continue to abide by the confidentiality provisions and protections of Rule 12.6 of the Commission's Rules of Practice and Procedure, which governs the discussions, admissions, concessions, and offers to settle that preceded execution of this ACO and Agreement and that were exchanged in all efforts to support its approval. Those prior negotiations and communications shall remain confidential indefinitely, and the Parties shall not disclose them outside the negotiations without the consent of both Parties. The Parties agree to coordinate as to the timing and content of mutual and/or individual public communications. Notwithstanding the foregoing, SDG&E may make any disclosures it deems legally necessary, in its sole discretion, in order to satisfy its obligations under securities laws.

B. Future Proceedings

The Parties agree to avoid and abstain from making any collateral attacks on this ACO or taking positions in other venues that would undermine the effect or intent of the ACO.

Nothing in this ACO constitutes a waiver by SED of its legal obligations, authority, or discretion to investigate and enforce applicable safety requirements and standards (including, without limitation, provisions of GO 95 and GO 165) as to other conduct by SDG&E unrelated to this ACO or the 2021 PSPS events that SED may identify as the basis for any alleged

violation(s). SED shall retain such authority regardless of any factual or legal similarities that other SDG&E conduct, and any alleged violation(s), may have to SDG&E's conduct/alleged violations related to the 2021 PSPS events. Accordingly, any such similarities shall not preclude SED from using other conduct and alleged violation(s) as a basis for seeking future penalties.

C. Regulatory Approval Process

Pursuant to Resolution M-4846, this ACO shall be submitted for public notice and comment. Upon approval or ratification of this ACO, the final resolution will “validate[] the order, which becomes an act of the Commission itself.”³

By signing this ACO, the Parties acknowledge that they pledge support for Commission Approval and subsequent implementation of all the provisions of this ACO. The Parties shall use their best efforts to obtain Commission Approval of this ACO without modification, and agree to use best efforts to actively oppose any modification thereto. Should any Alternate Draft Resolution seek a modification to this ACO, and should either of the Parties be unwilling to accept such modification, that Party shall so notify the other Party within five business days of issuance of the Alternate Draft Resolution. The Parties shall thereafter promptly discuss the modification and negotiate in good faith to achieve a resolution acceptable to the Parties and shall promptly seek approval of the resolution so achieved. Failure to resolve such modification to the satisfaction of either of the Parties, or to obtain approval of such resolution promptly thereafter, shall entitle any Party to terminate this Agreement through prompt notice to the other Party. (*See also* Section IV.D. below.)

³ Resolution M-4846 at 8.

If Commission Approval is not obtained, the Parties reserve all rights to take any position whatsoever regarding any fact or matter of law at issue in any future enforcement action or proceeding related to the 2021 PSPS events.

D. Admissibility

If this ACO is not adopted by the Commission, its terms are inadmissible for any evidentiary purpose unless their admission is agreed to by the Parties.

E. Due Process

SDG&E's waiver of its due process rights for the Commission to hear and adjudicate the alleged violations set forth in Part II of the Appendix to this ACO is conditioned on a final Commission resolution or order approving this ACO without modification, or with modifications agreeable to each of the Parties.

IV. GENERAL PROVISIONS

A. Full Resolution

Upon Commission Approval, this ACO fully and finally resolves any and all enforcement actions and disputes between SED and SDG&E related to the 2021 PSPS events, and provides for consideration in full settlement and discharge of all disputes, rights, enforcement actions, notices of violations, citations, and causes of action which have, or might have been, brought by SED related to the 2021 PSPS events based on the information known, or that could have been known, to SED at the time that SED executes this ACO.

B. Non-Precedent

This ACO is not intended by the Parties to be precedent for any other proceeding, whether pending or instituted in the future. The Parties have assented to the terms of this ACO only for the purpose of arriving at the settlement embodied in this ACO. Each of the Parties expressly reserves its right to advocate, in other current and future proceedings, or in the event

that the ACO is not adopted by the Commission, positions, principles, assumptions, arguments and methodologies which may be different than those underlying this ACO. The Parties agree and intend that, consistent with Rule 12.5 of the Commission's Rules of Practice and Procedure, a final Commission resolution approving this ACO should not be construed as a precedent or statement of policy of any kind for or against either Party in any current or future proceeding with respect to any issue addressed in this ACO.

C. General Considerations for Settlement

Section III.B of the Commission's Enforcement Policy states that "the following general considerations should be evaluated as part of any proposed settlement to be submitted for Commission review: 1. Equitable Factors; 2. Mitigating circumstances; 3. Evidentiary issues; and 4. Other weaknesses in the enforcement action[.]"⁴ The Parties explicitly considered these factors in their confidential settlement communications. Without waiving the protections of Rule 12.6 of the Commission's Rules of Practice and Procedure, the Parties represent that they took these factors into account, and each Party considered the risks and weaknesses of their positions. When taken as a whole, the Parties agree that the ACO amounts set forth in Section II are within the range of reasonable outcomes had this matter proceeded to formal litigation.

D. Incorporation of Complete ACO

The Parties have bargained in good faith to reach the ACO terms set forth herein, including in the Appendix. The Parties intend the ACO to be interpreted as a unified, integrated order and agreement, so that, consistent with Section III.C. above, if the Commission rejects or modifies any portion of this ACO or modifies the obligations placed upon SDG&E or SED from those that the ACO would impose, each of the Parties shall have a right to withdraw. This ACO

⁴ Resolution M-4846, Enforcement Policy at 15 (Section III.B.).

is to be treated as a complete package and not as a collection of separate agreements on discrete issues. To accommodate the interests related to diverse issues, the Parties acknowledge that changes, concessions, or compromises by a Party in one section of this ACO resulted in changes, concessions, or compromises by the other Party in other sections. Consequently, consistent with Section III.C. above, the Parties agree to actively oppose any modification of this ACO, whether proposed by any Party or non-Party to the ACO or proposed by an Alternate Draft Resolution, unless both Parties jointly agree to support such modification.

E. Commission Approval

“Commission Approval” means a resolution or decision of the Commission that is (a) final and no longer subject to appeal, which approves this ACO in full; and (b) does not contain conditions or modifications unacceptable to either of the Parties.

F. Governing Law

This ACO shall be interpreted, governed, and construed under the laws of the State of California, including Commission decisions, orders and rulings, as if executed and to be performed wholly within the State of California.

G. Other

1. The representatives of the Parties signing this ACO are fully authorized to enter into this Agreement.
2. The Parties agree that no provision of this ACO shall be construed against either of the Parties because a particular party or its counsel drafted the provision.
3. This ACO constitutes the entire agreement between the Parties and, supersedes all prior or contemporaneous agreements, negotiations, representations, warranties, and understandings of the Parties with respect to the subject matter set forth herein.
4. The rights conferred and obligations imposed on either of the Parties by this ACO shall inure to the benefit of or be binding on that Party’s successors in interest or assignees as if such successor or assignee was itself a party to this ACO.

5. Should any dispute arise between the Parties regarding the manner in which this ACO or any term shall be implemented, the Parties agree, prior to initiation of any other remedy, to work in good faith to resolve such differences in a manner consistent with both the express language and the intent of the Parties in entering into this ACO.
6. The Parties are prohibited from unilaterally filing a petition for modification or application for rehearing of the Commission resolution or decision approving this ACO with modification.
7. This ACO may be executed in counterparts.
8. Nothing in this ACO relieves SDG&E from any safety responsibilities imposed on it by law or Commission rules, orders, or decisions.
9. The provisions of Paragraph III.C. shall impose obligations on the Parties immediately upon the execution of this ACO.

V. DISCUSSION OF PENALTY ASSESSMENT METHODOLOGY FACTORS

The Penalty Assessment Methodology appended to the Commission's Enforcement Policy sets forth five factors that staff and the Commission must consider in determining the amount of a penalty for each violation: (1) severity or gravity of the offense; (2) conduct of the regulated entity; (3) financial resources of the regulated entity; (4) totality of the circumstances in furtherance of the public interest; and (5) the role of precedent.⁵ This ACO and Agreement was the result of arms-length negotiation between SED and SDG&E, which was guided by the factors set forth in the Penalty Assessment Methodology. As discussed below, consideration of those factors supports a Commission finding that the ACO and Agreement is reasonable and in the public interest. The attached NOV Appendix I to this ACO stipulates facts which provide a record basis for the Commission's determination. SDG&E's NOV Response at Appendix II provides additional detail to support the reasonableness of the ACO and Agreement. As listed in

⁵ Resolution M-4846 (Nov. 5, 2020), Enforcement Policy, Appendix I; *see* D.22-04-058 at 3–4 (affirming that consideration of the Penalty Assessment Methodology provides a basis for the Commission to determine that a negotiated settlement under the Commission's Enforcement Policy is reasonable and in the public interest).

II.A.1, II.A.2, and II.A.3, three violations from the NOV were dismissed in response to more information provided by SDG&E, attached in Appendix II.

Severity or Gravity of the Offense. The Commission has stated that the severity or gravity of the offense includes several considerations, including economic harm, physical harm, and harm to the regulatory process. Violations that caused actual physical harm to people or property are considered particularly severe.⁶

SDG&E's violations occurred over the course of two separate PSPS events, January 14-16, 2021, and November 24-26, 2021. Only the event occurring on November 24-26, 2021 resulted in a de-energization. As a result of those violations, SDG&E agrees to pay fines related to three specific violations which all occurred during the November 24-26, 2021 event; failure to provide notification to customers, failure to include a link to its Post Event Report on its website, and failure to open a Community Resource Center (CRC) on time. There is no evidence that any physical or economic harm occurred as a result of these violations. Pursuant to Commission requirements and orders, electrical corporations are required to provide customers with six notifications during a PSPS event resulting in de-energization. Due to circumstances further described in the NOV (Appendix I) and SDG&E's NOV Response (Appendix II), SDG&E customers failed to receive 6,983 PSPS notifications during the November 24-26 event. Due to the emphasis the Commission has placed on these requirements, these violations resulted in financial penalties totaling \$70,830.

SDG&E also had several reporting and notification violations as summarized in the NOV. These violations did not result in any physical or economic harm. These violations also

⁶ D.20-05-019 at 20; Enforcement Policy at 16.

had little potential of resulting in physical or economic harm. As such, these violations resulted in no penalty.

The Conduct of the Utility. In evaluating the conduct of the utility, the Commission considers the utility's conduct in preventing the violation, detecting the violation, and disclosing and rectifying the violation.⁷

SDG&E attributed the missed notifications mostly to "system failure" and a handful of others due to database coding issues. It was forthcoming in providing SED with information regarding the notification failures in both the Post Event Report and SDG&E's NOV Response. The system failure and database coding issues with SDG&E's notification have been resolved.

In response to SED's NOV, SDG&E responded with more information and context of their violation. As a result of this information, SED dismissed three violations. SDG&E accepts the facts from the NOV to be true. SDG&E was forthcoming during the discovery process and negotiated in good faith.

Financial Resources of the Utility. The Commission has described this criterion as follows:

Effective deterrence also requires that staff recognize the financial resources of the regulated entity in setting a penalty that balances the need for deterrence with the constitutional limitations on excessive penalties If appropriate, penalty levels will be adjusted to achieve the objective of deterrence, without becoming excessive, based on each regulated entity's financial resources.⁸

SDG&E is one of the largest electric utilities in the State of California in terms of customers and revenue. This amount is enough to emphasize the importance of the notification requirements relative to its size.

⁷ Enforcement Policy at 17.

⁸ Enforcement Policy at 17.

Totality of Circumstances in Furtherance of Public Interest. The Commission has

described this criterion as follows:

Setting a penalty at a level that effectively deters further unlawful conduct by the regulated entity and others requires that staff specifically tailor the package of sanctions, including any penalty, to the unique facts of the case. Staff will review facts that tend to mitigate the degree of wrongdoing as well as any facts that exacerbate the wrongdoing. In all cases, the harm will be evaluated from the perspective of the public interest.

An economic benefit amount shall be estimated for every violation. Economic benefit includes any savings or monetary gain derived from the act or omission that constitutes the violation.²

The Commission must evaluate penalties in the totality of the circumstances, with an emphasis on protecting the public interest. The ACO Amounts described above were tailored to the unique facts of the case and are reasonable. SDG&E was also fined for PSPS violations in 2020 for \$24,000 as a result of 49 missed de-energization notification violations. It should be noted that the 2020 finable violations did not include advanced notifications as it does in 2021. Including advance notifications, SDG&E had 8,790 notifications violations in 2020. SDG&E had no PSPS events in 2022.

Furthermore, with an appropriate resolution having been reached, it is in the public interest to resolve this proceeding now. The ACO obviates the need for SED to initiate an enforcement proceeding and for the Commission to adjudicate the disputed facts, alleged violations, and appropriate penalty. Approval of the ACO promotes administrative efficiency so that the Commission and parties are not required to spend substantial time and resources on continued litigation for a matter that has been satisfactory resolved.

The Role of Precedent. The Commission has described this criterion as follows:

Penalties are assessed in a wide range of cases. The penalties assessed in cases are not usually directly comparable. Nevertheless, when a case

² Enforcement Policy at 19.

involves reasonably comparable factual circumstances to another case where penalties were assessed, the similarities and differences between the two cases should be considered in setting the penalty amount.¹⁰

While not binding precedent, prior settlements are useful for comparison, with the acknowledgement that settlements involve compromise positions. SED considered the following settlements in evaluating this incident and the ACO:

- In 2020, SDG&E initiated five PSPS events. During one event on September 8-9, 49 customers never received notifications during de-energization or re-energization. SED issued an Administrative Enforcement Order (AEO) alleging SDG&E violated the PSPS notification requirements under Commission decision D.19-05-042 and assessed a fine of \$24,000. SED also imposed eight corrective actions to ensure future compliance with the Commission's PSPS rules. SDG&E accepted the AEO and the Commission approved the settlement in Resolution M-4863.
- In 2020, PacifiCorp initiated two PSPS events. While SED did find PacifiCorp violated some PSPS guidelines, they opted not to assess a penalty because they successfully notified customers as required by the Commission's decisions. SED opted to impose eight corrective actions on PacifiCorp to ensure future compliance with the Commission's PSPS rules. The Commission approved the settlement in Resolution M-4862.
- In 2020, Pacific Gas and Electric (PG&E) initiated seven PSPS events. SED found that PG&E failed to provide any customer notifications during de-energization. SED issued an AEO alleging PG&E violated the PSPS notification requirements under Commission decision D.19-05-042 and assessed a fine of \$12,000,000. SED also included six corrective actions to ensure future compliance with the Commission's PSPS rules. PG&E challenged the AEO. SED and PG&E settled the matter with an \$8 million fine. The amount was split up between a \$500,000 penalty to the General Fund and \$7,500,000 for the Independent Safety Monitor between 2023 and 2026. PG&E also had to comply with the eight corrective actions. The Commission approved the settlement in Resolution ALJ-445.
- In 2020, Southern California Edison (SCE) initiated sixteen PSPS events. SED found that 25,573 customers failed to get notifications spread out over the course of the sixteen events. SED issued an AEO alleging SCE violated the PSPS notification requirements under Commission decision D.19-05-042 and assessed a fine of \$10,000,000. SED also included fourteen corrective actions to ensure future compliance with the

¹⁰ Enforcement Policy at 21.

Commission's PSPS rules. SCE challenged the AEO. SED and SCE settled the dispute with a \$7 million fine. The amount was split up between a \$500,000 shareholder-funder fine to the General Fund, a \$500,000 shareholder-funded payment to SCE's Energy Assistance Fund, and \$6 million permanent disallowance of PSPSP program-related costs that are eligible for tracking in the Wildfire Mitigation Plan Memorandum Account. SCE also had to comply with the fourteen corrective actions. The Commission approved the settlement in Resolution ALJ-440.

The prior settlements reflect outcomes that included a mix of penalties, shareholder funding of programs, and/or remedial action plans. The Parties believe that the ACO results in a reasonable outcome considering these precedents and the criteria discussed in this section.

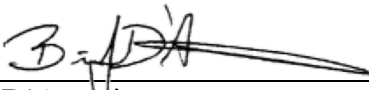
The Parties mutually believe that, based on the terms and conditions stated above, this ACO is reasonable, consistent with the law, and in the public interest.

IT IS HEREBY AGREED.

[Signatures immediately follow this page]

DATED: May 17, 2024

San Diego Gas and Electric Company

By: 

Brian D'Agostino
Vice President
Wildfire and Climate Science
San Diego Gas and Electric Company

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DATED: June 3rd, 2024

Safety and Enforcement Division
California Public Utilities Commission

By: **Leslie L Palmer** Digitally signed by Leslie L Palmer
Date: 2024.06.03 10:36:26 -07'00'

Leslie L. Palmer
Director, Safety and Enforcement Division
California Public Utilities Commission

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APPENDIX I

SAFETY AND ENFORCEMENT DIVISION NOTICE OF VIOLATION

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 7, 2023

Clay Faber
Director, Regulatory Affairs
San Diego Gas & Electric Company's (SDG&E)
8330 Century Park Court
San Diego, CA 92123

SUBJECT: Notice of Violation – San Diego Gas & Electric 2021 Public Safety Power Shutoff Events

Dear Mr. Faber:

On behalf of the Wildfire Safety and Enforcement Branch (WSEB) within the Safety and Enforcement Division of the California Public Utilities Commission (CPUC), Cindy Chen of my staff conducted a compliance assessment of San Diego Gas & Electric Company's (SDG&E) 2021 Public Safety Power Shutoff (PSPS) post event reports. In 2021, SDG&E initiated a total of two PSPS events – on January 14-16, 2021 and November 24-26, 2021 – and submitted two post event reports to the CPUC. On March 1, 2022, SDG&E filed its 2021 PSPS Post-Season Report which included amendments to the post event reports previously submitted. On May 6, 2022, SDG&E filed Corrections to 2021 PSPS Post-Season Report and Public Safety Power Shutoff Post Event Report for November 25-26, 2021. SED performed reviews on the submitted reports to evaluate SDG&E's compliance with the reporting requirements under Resolution ESRB-8, D.19-05-042 and D.20-05-051, D.21-06-014, D.21-06-034, and the Administrative Law Judge's email ruling of Post Event Reporting Template (Template). SED also considered stakeholders' comments in the evaluation.

Our assessment revealed SDG&E did not comply with certain provisions of D.19-05-042, D.20-05-051, D.21-06-014, D.21-06-034 and the Template.

D.19-05-042 Appendix A Requirements

Service of report. “[I]n addition to submitting a report to the Director of the

Commission's Safety and Enforcement Division within 10 business days of power restoration, electric investor-owned utilities must serve their de-energization report on the service lists of this proceeding and Rulemaking 18-10-007 or their successor proceedings. Service should include a link to the report on the utility's website and contact information to submit comments to the Director of the Safety and Enforcement Division" (D.19-05-042 at A22).

The service email for November 24-26 post event report included a link to the report on SDG&E's website, but did not include the contact information to submit comments to the Director of the Safety and Enforcement Division. Instead, it stated "[m]embers of the public may submit comments on this report to the California Public Utilities Commission ("CPUC") by following instructions on CPUC's website (www.cpuc.ca.gov). The CPUC's Public Advisor's Office has established procedures for providing such comments, including via online form."

Decision criteria. "In addition to the reporting requirements in Resolution ESRB-8, the electric investor-owned utilities must provide the following information: 1) Decision criteria leading to de-energization, including an evaluation of alternatives to de-energization that were considered and mitigation measures used to decrease the risk of utility-caused wildfire in the de-energized area" (D.19-05-042 at A22-A23).

For the January 14-16 event, SDG&E reported it considered various factors in calling a PSPS. It has not developed a specific PSPS algorithm that lists, quantifies, and calculates the weight of each factor that is incorporated into a PSPS. SDG&E has developed and published information regarding the factors that go into the determination of the fire environment severity which is included in the Fire Potential Index (FPI) and Santa Ana Wildfire Threat Index (SAWTI) sections of SDG&E's 2020 Wildfire Mitigation Plan (WMP). However, the information included in the FPI and SAWTI sections of SDG&E's 2020 Wildfire Mitigation Plan is not event specific. SDG&E did not provide the shut-off threshold/criteria for Fire Potential Index, wind speed or wind climatology percentile, live/dead fuel moisture values and temperature.

For the November 24-26 event, although SDG&E reported the PSPS decision-making framework, the forecasted and actual measurement of the weather parameters, SDG&E did not report the criteria or threshold such as FPI value leading to de-energization.

D.19-05-042 Requirements

Notice. "[T]he electric investor-owned utilities must provide notice when a decision to de-energize is made, at the beginning of a de-energization event, when re-energization begins and when re-energization is complete. The electric investor-owned utilities

should, whenever possible, adhere to the following minimum notification timeline” (D.19-05-042 at A8).

- 48-72 hours in advance of anticipated de-energization: notification of public safety partners/priority notification entities
- 24-48 hours in advance of anticipated de-energization: notification of all other affected customers/populations
- 1-4 hours in advance of anticipated de-energization, if possible: notification of all affected customers/populations (D.19-05-042 at A8).

SDG&E did not meet the 48-72 hours, 24-48 hours, or 1-4 hours advance notifications to some public safety partners, critical facilities, or other customers for its two PSPS events. In addition, SDG&E failed to notify some affected customers when de-energization was initiated, immediately before re-energization began, and when re-energization was complete as described in the table below:

- January 14-16 event

Table 1

Notification Failure	Explanation
SDG&E did not send the 48-72 hour notification to public safety partners prior to the estimated de-energization start time. SDG&E did not report this notification failure. ¹ No customers were de-energized in this event.	SDG&E did not explain why it failed to provide this notification.

- November 24-26 event

Table 2

Notification To	Notification	Accounts	Explanation
Public safety partners excluding critical facilities	48-72 hours	10	Database coding issue
Public safety	1-4 hours	Unavailable	SDG&E did not send the

¹ The date, time and content of the notifications (Appendix 2) indicated SDG&E did not send the 48-72 hour notification to public safety partners prior to the estimated de-energization start time. However, SDG&E did not report this notification failure.

Notification To	Notification	Accounts	Explanation
partners	imminent		notifications to public safety partners 1-4 hours in advance of anticipated de-energization, instead, SDG&E sent the "Public Safety Power Shutoff possible within 12 hours" notifications. SDG&E did not explain why it failed to send the notifications.
Critical facilities	48-72 hours	3	1: no contact information 2: system error.
Critical facilities	1-4 hours imminent	75	1: no contact information 74: system error
Critical facilities	No prior notification at all	3	1: no contact information 2: system error
Critical facilities	De-energization initiation	35	1: no contact information 34: system error
Critical facilities	Imminent re-energization	86	1: no contact information 85: system error
Critical facilities	Re-energization completion	73	1: no contact information 72: system error
All other customers	24-48 hours	231	38: no contact information 193: system error
All other customers	1-4 hours	1,043	38: no contact information 1,005: system error
All other customers	No prior notification at all	215	38: no contact information 177: system error
All other customers	De-energization initiation	884	38: no contact information 846: system error
All other customers	Imminent re-energization	672	38: no contact information 846: system error
All other customers	Re-energization completion	1,406	38: no contact information 1,368: system error

Notification details. “The electric investor-owned utilities must provide the following information: 2) ...the methods of notifications and who made the notifications (the utility or local public safety partners)” (19-05-042 at A22-A23).

SDG&E did not provide the information of “who made the notifications.”

“[T]he electric investor-owned utilities must convey to public safety partners at the time of first notification preceding a de-energization event information regarding the upcoming de-energization, including estimated start time of the event, estimated duration of the event, and estimated time to full restoration.” (D.19-05-042 at A16).

For the November 24-26 event, SDG&E’s first notification (48-72 hours) to public safety partners did not include an estimated start time, duration or estimated time to full restoration. Instead, such information was included in the second notification (24-48 hours).

“[T]he electric investor-owned utilities must partner with local public safety partners to communicate with all other customers that a de-energization event is possible, the estimated start date and time of the de-energization event, the estimated length of the de-energization event, which may be communicated as a range, and the estimated time to power restoration, which again, may be communicated as a range” (D.19-05-042 at A17)

For both events in 2021, SDG&E’s notification did not contain the estimated start date and time, the estimated length of the de-energization event, or the estimated time of restoration.

Accounting of positive notifications. “[T]he electric investor-owned utilities must provide the following information: 5) For those customers where positive or affirmative notification was attempted, an accounting of the customers (which tariff and/or access and functional needs population designation), the number of notification attempts made, the timing of attempts, who made the notification attempt (utility or public safety partner) and the number of customers for whom positive notification was achieved” (D.19-05-042 at A22-A23).

For the January 14-16 event, SDG&E reported it “successfully made affirmative notifications to MBL customers who were not reached by phone. SDG&E completed 14 in-person notifications for customers during this event.” SDG&E did not report the number of notification attempts made and the timing of attempts.

D.20-05-051 Requirements (Appendix A)

Community Resource Centers (CRCs). CRCs shall be operable at least 8:00 AM – 10:00

PM during an active de-energization event, with actual hours of operation to be determined by the local government in cases in which early closure of a facility is required due to inability to access a facility until 10:00 PM (D.20-05-051 Appendix A, p. 6).

For the November 24-26 event, SDG&E reported operation hours concluded at 10:00 PM unless otherwise noted due to power restorations, in which case the CRC was closed at the time of restoration. However, one CRC, Valley Center Branch Library, was open at 12:00 PM on November 25, instead of the required 8:00 AM. SDG&E did not provide an explanation of the deviation from the guideline requirement.

False Communications. Each electric investor-owned utility shall enumerate and explain the cause of any false communications in its post event reports by citing the sources of changing data (D.20-05-051 Appendix A, p. 4).

SDG&E did not accurately report false communications for either of the PSPS events.

- For the January 14-16 event, customers and public safety partners were notified about the potential PSPS but no de-energization occurred. SDG&E did not enumerate or explain the cause of this situation.
- For the November 24-26 event, according to the breakdown of notification failures, SDG&E had numerous communications failures with critical facilities and customers, including no advance notifications prior to the de-energization. However, SDG&E reported no false communications were sent during this event.

Quantitative and qualitative factors. “[T]hese reports shall include a thorough and detailed description of the quantitative and qualitative factors it considered in calling, sustaining, or curtailing each de-energization event (including information regarding why the de-energization event was a last resort option) and a specification of the factors that led to the conclusion of the de-energization event.” (D.20-05-051 at Appendix A, p. 9).

For both of the events in 2021, SDG&E did not report a thorough and detailed description of the decision criteria in the PSPS decision-making process.

D.21-06-014 Requirements

De-energization risks. Identify and quantify customer, resident, and the general public risks and harms from de-energization and clearly explain risk models, risk assessment processes, and provide further documentation on how the power disruptions to customers, residents, and the general public is weighed against the benefits of de-

energization. The IOU shall detail the threshold established for initiating a PSPS event. (D.21-06-014 at 284).

SDG&E modeled the opposing scenarios in accordance with the risk quantification framework, which uses a multi-attribute value function (MAVF) to quantify risk. Specifically, SDG&E presented the MAVF calculation methodologies and assumptions for each of the three attributes: Safety, Reliability, and Financial. Assumptions used include PSPS duration, pole restoration duration, and dollar per affected customers. The results of the wildfire/PSPS ratio were greater than 1 for each de-energized circuit, which supported SDG&E's decision to de-energize.

However, SDG&E did not detail the threshold established for FPI for initiating the PSPS event.

Availability of geospatial information. IOUs must provide “[a] statement verifying the availability to public safety partners of accurate and timely geospatial information, and real time updates to the GIS shapefiles in preparation for an imminent de-energization event and during a de-energization event” (D.21-06-014 at 124).

SDG&E made the following statement: “SDG&E verifies that local and State Public Safety Partners receive accurate and timely potential GIS Public Safety Power Shutoff (PSPS) outage information through the ArcGIS Online system 48-72 hours before the SDG&E Emergency Operations Center (EOC) has been activated for a PSPS event. The partners that do not have access to the ArcGIS Online system receive GIS shapefiles through SDG&E's Electronic Data Transfer (EDT) system.” SDG&E's statement only verifies the availability to public safety partners of accurate geospatial information in preparation of a de-energization event, it does not verify the availability of real-time updates to the GIS shapefiles during a de-energization event.

EOC invitations. IOUs must provide the names of all entities invited to the utility's Emergency Operations Center (EOC) for a de-energization event, the method used to make this invitation, and whether a different form of communication was preferred by any entity invited to the utility's Emergency Operations Center (D.21-06-014 at 132).

SDG&E did not report that it invited any entities other than Cal OES and CPUC to its EOC. SDG&E reported “[l]eading up to the PSPS season, SDG&E met with our public safety partners to determine the best method of communication and providing situational awareness during EOC activations. The result of the meetings was to host a daily agency coordination call. SDG&E did not host daily agency coordination calls with public safety partners and critical infrastructure providers for this event.” SDG&E further reported the various forms of communication with the public safety partners instead of daily agency coordination calls including the public safety partner portal, phone, and

email. Since the daily agency coordination calls is the preferred form of communication by the public safety partners, SDG&E did not meet this need.

Backup power information. The IOU shall provide an explanation of how the utility prioritized the distribution of available backup generation (D.21-06-014 at 300).

SDG&E reported “[m]any sites were pre-chosen as part of an analysis completed for the 2020-2022 SDG&E Wildfire Mitigation Plan Update parameters. SDG&E added temporary generators as part of SDG&E’s Community Generator Program where permitting issues prevented installation of new backup power systems.” SDG&E only reported the sites were pre-chosen and added additional temporary generators. SDG&E did not explain how it prioritized the distribution of available backup generation.

Service. The IOU must file and serve its post event report in R.18-12-005. Service shall include the report as an attachment, a link to the report on the utility’s website, and instructions for how the public may submit comments, both formal and informal, to the Commission on the report (D.21-06-014 at 303).

SDG&E filed and served the report on the service list and provided a link to the report on the utility’s website. However, for the November 24-26 event, the service did not include the report as an attachment.

Lessons learned: De-energization threshold analysis. “Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company must include, in the 10-day post event report, a description of the de-energization threshold analyses, as part of its lessons learned reporting, and the results of the utility’s examination of whether its thresholds are adequate and correctly applied in the de-energized areas (D.21-06-014 at 254).

SDG&E made a statement, “SDG&E believes its thresholds for de-energizing during this event were adequate. SDG&E will continue to monitor its performance throughout the season to determine whether changes to its thresholds are warranted. Such changes require more time to evaluate because they could involve updates to models, testing of those updates, and stakeholder engagement to institute those changes.” SDG&E did not describe how it examined and analyzed the thresholds, or whether the thresholds were adequate and correctly applied in the de-energized areas as part of the lesson learned.

D.21-06-034 Requirements (Effective June 29, 2021)

Cancellation notification. Each electric investor-owned utility must make every attempt to provide notification of the cancellation of a de-energization event, or removal from scope, by notifying all affected entities, including public safety partners, within two

hours of the decision to cancel (D.21-06-034, Appendix A, p. 11).

For the November 24-26 event, SDG&E did not send out the cancellation notifications within two hours of the decision to cancel to 5 critical facilities and 2,503 customers due to no contact information in the system or a system error.

CRC notices. Prior to a PSPS event, immediately after the utility decides on which CRC locations to open during the PSPS event, the utility must provide notice to customers of the locations of the CRCs, the services available at each CRC, the hours of operation of each CRC, and where to access electricity during the hours the CRC is closed (D.21-06-034, Appendix A, p. 1).

SDG&E's customer notifications only provide services available in the CRC and direct customers to SDG&E's website for CRC hours and locations. It did not inform customers where to access electricity during the hours the CRC is closed.

Multi-family building notices. Each utility must additionally notify multi-family building account holders, and make reasonable efforts to notify building managers, prior to conducting a proactive de-energization event (D.21-06-034, Appendix A, p. 9).

SDG&E did not report whether it notified multi-family building account holders or building managers. SDG&E reported it notified AFN Community Based Organizations (CBOs). AFN CBOs provide direct services to customers under the SDG&E AFN support model, including 211, paratransit, temporary hotel stays, emergency generators, county medical and social agencies, food support agencies, and non-profit networks. CBOs that have influence and directly or indirectly serve AFN communities within the SDG&E service territory and master metered residential property and mobile home park managers. However, SDG&E did not clearly state whether AFN CBO's services include proper and timely notifications to multi-family building account holders.

Requirements of Template for PSPS Post Event & Lessons Learned Reports issued by Administrative Law Judge in R.18-12-005 (PSPS Template) (effective October 18, 2021)

Positive notifications. For those customers where positive or affirmative notification was attempted, use the following template (Table 3) to report the accounting of the customers (which tariff and/or access and functional needs population designation), the number of notification attempts made, the timing of attempts, who made the notification attempt (utility or public safety partner) and the number of customers for whom positive notification was achieved.

Table 3: Positive Notification

<i>Designation</i>	<i>Total number of customers</i>	<i>Notification attempts made</i>	<i>Timing of attempts</i>	<i>Who made the notification attempt</i>	<i>Successful positive notification</i>
<i>Medical Baseline (MBL)</i>					
<i>MBL behind a master meter</i>					
<i>Etc.</i>					

(Template, p. 7).

For the November 24-26 event, SDG&E did not report the positive notifications to MBL customers behind a master meter.

Notification failure breakdown. If the utility fails to provide notifications according to the minimum timelines set forth in D.19-05-042 and D.21-06-034, use the following template (Table 4) to report a breakdown of the notification failure and an explanation of what caused the failure.

Table 4

<i>Notifications sent to</i>	<i>Notification Failure Description</i>	<i>Number of Entities or Customer Accounts</i>	<i>Explanation</i>

(Template at 8).

For the November 24-26 event, SDG&E did not send the notifications to public safety partners 1-4 hours in advance of anticipated de-energization; instead, SDG&E sent the “Public Safety Power Shutoff possible within 12 hours” notifications. SDG&E did not report this notification failure per the template.

Mitigation actions and impacts. The utility must report mitigation actions and impacts (both waterfall graph and map) including: sectionalization devices, temporary generation, microgrids, permanent backup generation, transmission switching, covered conductor, and any other grid hardening that mitigated the impact of the event (PSPS Template at 13-14).

SDG&E reported the mitigation measures and impacts in narrative. SDG&E did not

Clay Faber
San Diego Gas & Electric Company's (SDG&E)
April 7, 2023
Page 11

report the mitigation action and impacts in waterfall graph nor map for the November 24-26 event.

Please advise me no later than May 7, 2023, of corrective measures taken by SDG&E to remedy and prevent the future recurrence of the identified violations, or provide additional data that refutes the violations detailed in this Notice of Violation. Based on your response, this Notice of Violation may lead to an enforcement action. If you have any questions, you can contact Cindy Chen at (415) 660-8312 or email Cindy.Chen@cpuc.ca.gov.

Sincerely,

/s/ RONALD DEMAYO
Ronald DeMayo

Program and Project Supervisor
Public Safety Power Shutoff Section
Wildfire Safety and Enforcement Branch
Safety and Enforcement Division
California Public Utilities Commission

Cc: Lee Palmer, Director, Safety and Enforcement Division, CPUC
Anthony Noll, Program Manager, WSEB, SED, CPUC
Cindy Chen, Senior Public Utilities Regulatory Analyst, WSEB, SED, CPUC

APPENDIX II

SAN DIEGO GAS AND ELECTRIC RESPONSE TO NOTICE OF VIOLATION



Brian D'Agostino – VP
Wildfire & Climate Science
8330 Century Park Court, CP61L
San Diego, CA 92123-1548
(619) 372-8010
BDAgostino@sdge.com

May 5, 2023

Mr. Ron DeMayo
Program and Project Supervisor
Safety and Enforcement Division
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

Re: San Diego Gas & Electric Company's Response to WSEB's Notice of Violation Letter for SDG&E's 2021 Public Safety Power Shutoff Events

Dear Mr. DeMayo,

The Wildfire Safety and Enforcement Branch (WSEB) within the Safety and Enforcement Division ("SED") of the California Public Utilities Commission (CPUC) issued a Notice of Violation ("NOV") that found that San Diego Gas & Electric Company ("SDG&E") violated a Commission Resolution, Administrative Law Judge's email ruling, and Decisions with respect to its execution and reporting of PSPS events in 2021. The NOV directed SDG&E to advise you no later than May 7, 2023 of corrective measures taken by SDG&E to remedy and prevent the future recurrence of the identified violations, or provide additional data that refutes the violations detailed in the NOV. SDG&E's corrective measures for all but one violation follows below. SDG&E respectfully refutes and requests clarification on one violation related to it not sending the notifications to public safety partners 1-4 hours in advance of anticipated de-energization as further detailed below.

2021 PSPS Event Violations

- 1) **The service email for November 24-26 post event report included a link to the report on SDG&E's website, but did not include the contact information to submit comments to the Director of the Safety and Enforcement Division. Instead, it stated "[m]embers of the public may submit comments on this report to the California Public Utilities Commission ("CPUC") by following instructions on CPUC's website (www.cpuc.ca.gov). The CPUC's Public Advisor's Office has established procedures for providing such comments, including via online form."**

SDG&E has updated the service email template included in its internal procedures as follows:

Subject: R.18-12-005: SDG&E PSPS Post-Event Report for MONTH DD – MONTH DD, YYYY

To Interested Parties of Record in R.18-12-005 and R.18-10-007:

Attached herewith please find **SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) PUBLIC SAFETY POWER SHUTOFF POST-EVENT REPORT FOR MONTH DD – MONTH DD, YYYY**. This document is being served by electronic mail in a word-searchable PDF format and has been filed with the CPUC Docket Office.

Due to the large size of the various components of the Post-Event Report, and pursuant to CPUC Rule of Practice and Procedure 1.10(c), only the PDF report is attached. All other files (geodatabase files and Excel workbook) are being served via the following link: <https://www.sdge.com/psps>.

Members of the public may submit both formal and informal comments on this report to the California Public Utilities Commission (“CPUC”) by following instructions on the CPUC’s website (www.cpuc.ca.gov). The CPUC’s Public Advisor’s Office has established procedures for providing such comments, including via online form. Comments may also be submitted directly to the Director of the Safety and Enforcement Division of the CPUC using the contact information below.

Leslie L. Palmer
Director, Safety and Enforcement Division
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102
Email: Leslie.Palmer@cpuc.ca.gov

- 2) **For the January 14-16 event, SDG&E reported it considered various factors in calling a PSPS. It has not developed a specific PSPS algorithm that lists, quantifies, and calculates the weight of each factor that is incorporated into a PSPS. SDG&E has developed and published information regarding the factors that go into the determination of the fire environment severity which is included in the Fire Potential Index (FPI) and Santa Ana Wildfire Threat Index (SAWTI) sections of SDG&E’s 2020 Wildfire Mitigation Plan (WMP). However, the information included in the FPI and SAWTI sections of SDG&E’s 2020 Wildfire Mitigation Plan is not event specific. SDG&E did not provide the shut-off threshold/criteria for Fire Potential Index, wind speed or wind climatology percentile, live/dead fuel moisture values and temperature.**

SDG&E has corrected this in its November 2021 PSPS post-event report by following the template prepared and issued by SED in October 2021. Specifically, SDG&E provided its shut-off threshold/criteria for the factors it considers such as wind speed in the column

titled “Alert Speed” in Table 2 of its November 2021 post-event report. Although SDG&E has thresholds for FPI and wind speeds, it considers multiple factors/criteria when deciding to de-energize, and does not rely solely on wind speeds and FPI. The primary factors considered are as follows:

- Weather conditions: SDG&E’s Fire Potential Index (FPI) ratings, Red Flag Warnings (RFW) issued by the National Weather Service (NWS), and the Santa Ana Wildfire Threat Index (SAWTI);
- Vegetation conditions and SDG&E’s Vegetation Risk Index;
- Field observations and flying/falling debris;
- Information from first responders;
- Meteorological data, including 10-years of historical information from weather stations and 99th and 95th percentile winds;
- Expected duration of conditions;
- Location of any existing fires;
- Wildfire activity in other parts of the state affecting resource availability;
- Information on temporary construction

For corrective measures specific to FPI, please see SDG&E’s response to violation 3 below.

- 3) **For the November 24-26 event, although SDG&E reported the PSPS decision-making framework, the forecasted and actual measurement of the weather parameters, SDG&E did not report the criteria or threshold such as FPI value leading to de-energization.**

SDG&E included its actual FPI values in Table 2 of its November 2021 post-event report and will continue to do so. Going forward, SDG&E will also include the following explanation and detail regarding the criteria and threshold of its Fire Potential Index (FPI) value leading to potential de-energization:

SDG&E’s FPI is a tool for making operational decisions which will reduce fire threats and risks. The FPI is issued for a seven-day period and reflects key variables such as the state of native grasses across the service territory (“green-up”), fuels (ratio of dead fuel moisture component to live fuel moisture component), and weather (sustained wind speed and dew point depression). Each of these variables is assigned a numeric value and those individual numeric values are summed to generate a Fire Potential value from zero (0) to seventeen (17), each of which expresses the degree of fire threat expected for each of the seven days included in the forecast. The numeric values are classified as “Normal” for 0-11, “Elevated” for 12-14, and “Extreme” for 15-17.

An Extreme FPI rating in the forecast coupled with winds forecast to approach alert speed levels would trigger PSPS protocols within Emergency Management. The FPI is an index that indicates the potential for large and catastrophic fires due to environmental factors described earlier that support rapid fire growth upon ignition. An Extreme FPI initiates PSPS criteria and is thus indicating that circuits within the districts forecasted to

be Extreme could be de-energized when wind speed thresholds (called alert speeds) are exceeded.

- 4) **SDG&E did not meet the 48-72 hours, 24-48 hours, or 1-4 hours advance notifications to some public safety partners, critical facilities, or other customers for its two PSPS events. In addition, SDG&E failed to notify some affected customers when de-energization was initiated, immediately before re-energization began, and when re-energization was complete as described in the table [included in the notice of violation]**

SDG&E did not send the 48-72 hour notification to public safety partners for its January 2021 event because the National Weather Service issued a Red Flag Warning for the inland and mountain areas of Orange County the afternoon of Wednesday, January 13, 2021 to be in effect approximately 24 hours later from 4 pm Thursday January 14, 2021 until 4 pm Friday, January 15, 2021. Thus, the Red Flag Warning was not provided sufficiently in advance to enable the 48-72 notifications to occur. While this area is outside of the SDG&E service territory, out of an abundance of caution, on January 13, 2021 SDG&E activated the PSPS protocols and initiated notifications to the public safety partners. On January 15, 2021 SDG&E Meteorology department determined the weather conditions were not going to materialize in the SDG&E service territory at which point an all-clear message was sent to partners and the EOC was deactivated with no customer impacts. Accepting the variability of forecasted weather conditions, when possible, SDG&E will continue to send notifications to public safety partners 48-72 hours in advance of a possible PSPS.

SDG&E's notification failures for its November 2021 PSPS event were due to the following three reasons, all of which have been remedied to prevent this issue from reoccurring:

- Database coding issue – 22 contacts were not assigned in the database to a notification group category. Immediately after the 48-hour notification was issued, SDG&E was made aware of the situation and corrected all 22 contact records in the database, so they received all subsequent notifications. While the 22 individuals did not receive the initial notice, others within the organizations did receive notifications so there were no organizations that were left unnotified. Every year, SDG&E tests its notification to its public safety partners as part of its PSPS exercises. Any issues identified during these exercises are corrected prior to the typical start of fire season. However, there may be certain instances in which new public safety partners are added to the database after SDG&E has held its PSPS exercises. In addition to the exercises tests, the database is used several times throughout the year to invite them to workshops and trainings which is also a test of the contact database. Any emails that are bounced back are addressed immediately.
- No contact information – For customers who do not have contact information (home phone, mobile, and email), SDG&E reached out with direct communications in the form of a letters, and mailers to the mailing address on

file. This is part of an annual campaign to remind HFTD customers to update their contact information and sign up for outage notifications.

- System error – A system error was identified during the event causing 6,961 customer notifications to be blocked at the carrier level. As soon as the error was identified, SDG&E created an incident with the communications vendor to resolve the issue. The vendor addressed the escalated support ticket that day and made a configuration change on their equipment to match bandwidth under contract. Several months later the configuration was audited, and the changed configuration was still active. Accordingly, this system error should not happen again.

5) SDG&E did not provide the information of “who made the notifications.”

SDG&E notes that it did include the information of “who made the notifications” in its November 24-26 post-event report, but it concedes that the information could have been more clearly reported.

Specifically, SDG&E includes the following table as part of Appendix 1 – Customer Notifications which covers customer notifications. However, a column like the “Source” column below is not included in Appendix 2 – Public Safety Partner Notifications, Appendix 3 – CPUC Notifications or Appendix 4 – AFN Community Based Organization (CBO) Notifications because SDG&E includes copies of the actual email notifications sent to its public safety partners, the CPUC and its CBO partners. These email notifications show that the “from” field is either 1) SDGE Liaison Officer Notifications, 2) SDGE EOC Regulatory Notifications or 3) ES EOC SD – Customer Assistance AFN.

Public Safety Power Shutoff Post-Event Report: November 24 – November 26, 2021
Appendix 1 – Customer Notifications: Descriptions, Dates, Times, and Scripts of Notifications

Overview of Communications by Method¹

Notification Method	Total Notifications	Source
Cell Phone	84,060	SDG&E
Email	47,283	SDG&E
Landline/Home Phone	75,513	SDG&E
Text Message	188	SDG&E
Total:	207,044	

Nevertheless, SDG&E has updated its post-event Excel workbook template for its Appendices 1 through 4 to add a column titled “Who Made the Notification” to clearly report this information.

- 6) For the November 24-26 event, SDG&E’s first notification (48-72 hours) to public safety partners did not include an estimated start time, duration or estimated time to full restoration. Instead, such information was included in the second notification (24-48 hours).**

SDG&E’s notification templates for its public safety partners have been reviewed and updated to include this information going forward. Specifically, the following language has been added:

“The estimated start time of event is (INSERT TIME AND DATE). We anticipate the event could last until (INSERT TIME AND DATE) with power being turned back on around (INSERT TIME AND DATE).”

- 7) **For both events in 2021, SDG&E’s notification did not contain the estimated start date and time, the estimated length of the de-energization event, or the estimated time of restoration.**

In 2022, SDG&E updated its PSPS customer notification scripts. Included in the updates was the addition of the following language to more clearly inform customers that SDG&E’s website contains the most up-to-date information on the estimated start date and time of the de-energization event, the estimated length of the de-energization event, and the estimated time to power restoration:

“Please visit SDGE.com/Ready for the most up to date information, including outage map, outage duration, estimated restoration times, Community Resource Centers, and additional support available.”

- 8) **For the January 14-16 event, SDG&E reported it “successfully made affirmative notifications to MBL customers who were not reached by phone. SDG&E completed 14 in-person notifications for customers during this event.” SDG&E did not report the number of notification attempts made and the timing of attempts.**

SDG&E followed the template prepared and issued by SED in October 2021 for its November 2021 post-event report and will continue to do so, however, this template was not available for SDG&E’s January 2021 post-event report. The template includes a table to be populated by the utility for each post-event report as shown below for SDG&E’s November 2021 post-event report. Given that SDG&E will follow the SED issued post event report template going forward, additional corrective measures are not needed to remedy and prevent the future recurrence of this violation.

Table 4: Positive Notification

Designation	Total Number of Customers	Notification Attempts Made	Timing of Attempts	Who made the Notification Attempt	Successful Positive Notification
AFN	1,082	1,082	11/23/2021- 11/24/2021	SDG&E	1,082
MBL	47	47	11/23/2021- 11/24/2021	SDG&E	47

- 9) **For the November 24-26 event, SDG&E reported operation hours concluded at 10:00 PM unless otherwise noted due to power restorations, in which case the CRC**

was closed at the time of restoration. However, one CRC, Valley Center Branch Library, was open at 12:00 PM on November 25, instead of the required 8:00 AM. SDG&E did not provide an explanation of the deviation from the guideline requirement.

SDG&E uses the template issued by SED in October 2021 as a starting point and adds additional internal notes and comments to guide its team as they are preparing the post-event report. Although this requirement is clearly included in the template, SDG&E has added additional notes and comments to highlight this requirement and ensure that it is not overlooked going forward. SDG&E's CRC team also updated its internal operating procedures to align with this requirement from the post-event report template.

For this deviation, the Valley Center Branch Library CRC was opened at 12:00 pm rather than 8:00 am because power was shut off to the surrounding area between 2:00 am and 3:00 am respectively. As a result, it was not possible to open a CRC immediately. SDG&E's CRC program is only able to open at 8:00 am when the start of the PSPS event allows adequate time to mobilize resources. Since PSPS protocols are used as a last resort safety measure, we monitor for outage impacts in real time, which results in the need for at least 4-8 hours of lead time to physically open a CRC.

- 10) SDG&E did not accurately report false communications for either of the PSPS events. For the January 14-16 event, customers and public safety partners were notified about the potential PSPS but no de-energization occurred. SDG&E did not enumerate or explain the cause of this situation. For the November 24-26 event, according to the breakdown of notification failures, SDG&E had numerous communications failures with critical facilities and customers, including no advance notifications prior to the de-energization. However, SDG&E reported no false communications were sent during this event.**

SDG&E uses the template issued by SED in October 2021 as a starting point and adds additional internal notes and comments to guide its team as they are preparing the post-event report. Although this requirement is clearly included in the template, SDG&E has added additional notes and comments to highlight this requirement and ensure that it is not overlooked going forward. SDG&E will also remind its relevant subject matter experts of this requirement verbally and via email to confirm their understanding of what is required.

That said, SDG&E is prepared to enumerate and explain the cause of situations at issue, which involves some level of perceived defect in notice, including but not limited to, when customers were de-energized without any advance notifications and when customers are notified for de-energization, but end up with no power shut off.

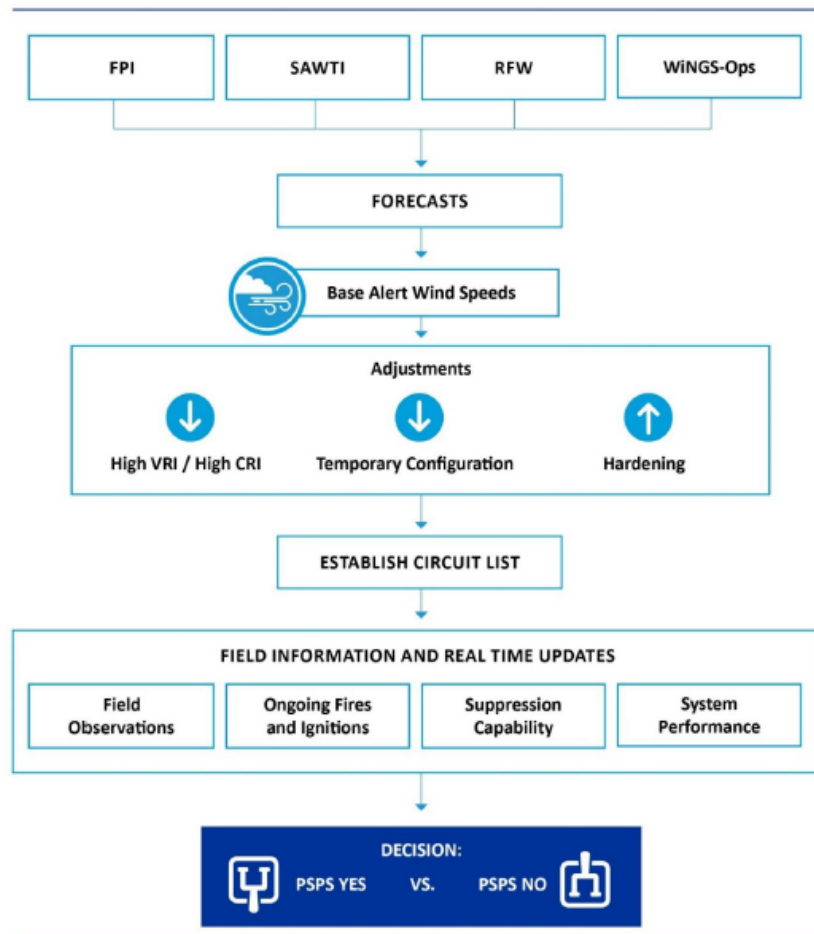
Generally, these customers were either initially in scope for de-energization based on weather forecasts but were ultimately not de-energized based on actual observed weather conditions during the Period of Concern or not in scope for de-energization but ultimately de-energized due to the sudden onset of weather conditions that required immediate de-

energization. In addition, once the Period of Concern passed, SDG&E sends cancellation notifications to customers that have been previously notified of a potential de-energization.

11) For both of the events in 2021, SDG&E did not report a thorough and detailed description of the decision criteria in the PSPS decision-making process.

SDG&E uses the template issued by SED in October 2021 as a starting point and adds additional internal notes and comments to guide its team as they are preparing the post-event report. SDG&E has added additional notes and comments to highlight this requirement and ensure that additional detailed and thorough descriptions are included going forward. SDG&E will also remind its relevant subject matter experts of this requirement verbally and via email to confirm their understanding of what is required.

Specifically, SDG&E will include additional detail and explanations regarding its decision criteria in the PSPS decision-making process as shown in the diagram below. SDG&E will discuss each of the decision criteria below which include both quantitative and qualitative factors.



- 12) **SDG&E modeled the opposing scenarios in accordance with the risk quantification framework, which uses a multi-attribute value function (MAVF) to quantify risk. Specifically, SDG&E presented the MAVF calculation methodologies and assumptions for each of the three attributes: Safety, Reliability, and Financial. Assumptions used include PSPS duration, pole restoration duration, and dollar per affected customers. The results of the wildfire/PSPS ratio were greater than 1 for each de-energized circuit, which supported SDG&E’s decision to de-energize. However, SDG&E did not detail the threshold established for FPI for initiating the PSPS event.**

Please see SDG&E’s response to violation 3 above.

- 13) **SDG&E made the following statement: “SDG&E verifies that local and State Public Safety Partners receive accurate and timely potential GIS Public Safety Power Shutoff (PSPS) outage information through the ArcGIS Online system 48-72 hours before the SDG&E Emergency Operations Center (EOC) has been activated for a PSPS event. The partners that do not have access to the ArcGIS Online system receive GIS shapefiles through SDG&E’s Electronic Data Transfer (EDT) system.” SDG&E’s statement only verifies the availability to public safety partners of accurate geospatial information in preparation of a de-energization event, it does not verify the availability of real-time updates to the GIS shapefiles during a de-energization event.**

SDG&E confirms that it does provide real-time updates during a de-energization event, but it did not make that clear in its statement in its post-event report. Therefore, SDG&E has revised its statement to be included in future post-event reports as follows:

“SDG&E verifies that Public Safety Partners receive accurate and timely potential GIS Public Safety Power Shutoff (PSPS) outage information through the ArcGIS Online system 48-72 hours before the period of concern for a PSPS event. They also receive accurate and timely real time updates to de-energized GIS PSPS outage information during a PSPS event through the same ArcGIS Online system. Public Safety Partners can export data from ArcGIS Online as GIS shapefiles. The partners that do not have access to the ArcGIS Online system receive accurate and timely GIS shapefiles through SDG&E’s PSPS External Data SharePoint Site, which are updated in real-time during a PSPS event.”

- 14) **SDG&E did not report that it invited any entities other than Cal OES and CPUC to its EOC. SDG&E reported “[l]eading up to the PSPS season, SDG&E met with our public safety partners to determine the best method of communication and providing situational awareness during EOC activations. The result of the meetings was to host a daily agency coordination call. SDG&E did not host daily agency coordination calls with public safety partners and critical infrastructure providers for this event.” SDG&E further reported the various forms of communication with**

the public safety partners instead of daily agency coordination calls including the public safety partner portal, phone, and email. Since the daily agency coordination calls is the preferred form of communication by the public safety partners, SDG&E did not meet this need.

SDG&E has updated its internal procedures to require that it hosts daily agency coordination calls, which is the current preferred form of communication by its public safety partners.

- 15) **SDG&E reported “[m]any sites were pre-chosen as part of an analysis completed for the 2020-2022 SDG&E Wildfire Mitigation Plan Update parameters. SDG&E added temporary generators as part of SDG&E’s Community Generator Program where permitting issues prevented installation of new backup power systems.” SDG&E only reported the sites were pre-chosen and added additional temporary generators. SDG&E did not explain how it prioritized the distribution of available backup generation.**

Going forward, SDG&E will include explanations regarding how it prioritized the distribution of backup generation such as the following:

Temporary, portable generators were deployed to pre-determined sites where critical infrastructure, such as food, fuel, emergency and communication services, and the safety of the public could be maintained with back-up energy resources. In addition, temporary, portable generators were deployed to community locations where permanent back-up energy was not installed, due to permitting delays. Additional deployments can be made in the middle of PSPS, but SDG&E will need to study the load profiles and complete a field evaluation to determine the most accessible and safest interconnection, possible. In addition, SDG&E is limited to a small fleet of operational generators, with internal and contract operators that will stand-by the asset for the entire duration of the PSPS. At this time, there are only four temporary microgrids that SDG&E operates, and they have established interconnections with operating procedures and switch plans, generators are staged in the proximity to the interconnection (usually within a couple of miles), and the generators are sized to meet the load demands of the microgrids. In addition, temporary microgrids that are located within the HFTD, must not have any overhead exposure, to limit any risks during a Santa Ana wind condition. SDG&E has converted overhead infrastructure to underground, and included isolation points from any overhead, for any microgrids that exist within the HFTD.

With respect to the November 2021 PSPS, only two of the temporary microgrids were engaged, because they are fed from the same distribution circuit that traverses through the HFTD, but the microgrids are located outside of the HFTD.

- 16) **SDG&E filed and served the report on the service list and provided a link to the report on the utility’s website. However, for the November 24-26 event, the service did not include the report as an attachment.**

SDG&E has updated its internal procedures to make clear that the PDF report must always be attached to the service email. However, given the large size of the other components (geodatabase files and Excel workbook) of the post-event report, a link will continue to be provided for parties to access and download these files.

- 17) **SDG&E made a statement, “SDG&E believes its thresholds for de-energizing during this event were adequate. SDG&E will continue to monitor its performance throughout the season to determine whether changes to its thresholds are warranted. Such changes require more time to evaluate because they could involve updates to models, testing of those updates, and stakeholder engagement to institute those changes.” SDG&E did not describe how it examined and analyzed the thresholds, or whether the thresholds were adequate and correctly applied in the de-energized areas as part of the lesson learned.**

Going forward, SDG&E will describe how it examined and analyzed the thresholds, or whether the thresholds were adequate and correctly applied in the de-energized areas in its post-event reports. Below is the type of analysis and examination that SDG&E conducts that will be included.

SDG&E’s Fire Potential Index (FPI) is a tool for making operational decisions and it communicates the degree of fire threat expected in a 7 day forecast. The numeric values are classified as “Normal” for 0-11, “Elevated” for 12-14, and “Extreme” for 15-17. The accuracy of Fire Potential Index (FPI) was recently completed, and over the past 4.5 years, it has shown to be an effective tool at predicting when the environment supports fire, enabling the company to make changes to field crew and grid operations as appropriate. For the districts with the most infrastructure in the High Fire Threat District (HFTD), the validation of the FPI proved to be 87% accurate:

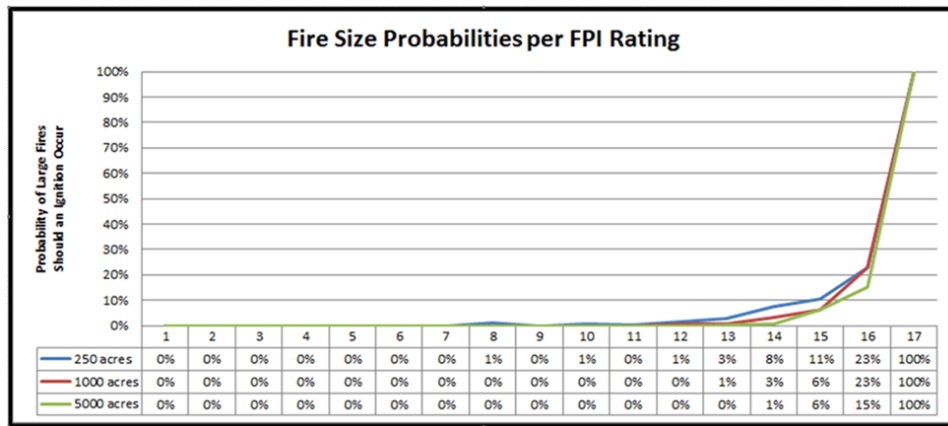
FPI Accuracy Since 2018

	ME	RA	EA	NE	OC	NC	BC	CM
Accurate	87%	87%	85%	86%	81%	92%	89%	89%
Over-Predicted	1%	2%	2%	1%	4%	2%	1%	1%
Under-Predicted	12%	12%	13%	13%	15%	6%	10%	10%

Over-prediction is most often due to planning for worst-case forecast scenarios that do not verify. Under-prediction found to have two main sources: (1) Weather station choice

for verification – use of stations with extreme conditions unrepresentative of majority of the district and (2) Limitations of the FPI formula, which does not account for high soil moistures immediately after rainfall that limits the fire potential before grass green-up can occur.

This graph below shows the correlation between fire growth to specific size thresholds and the FPI rating. This was achieved by conducting a 10-year historical WRF simulation and comparing to documented fires during the time period. The percent values can be interpreted with the following examples: (1) when the FPI was rated a 16, fires on the landscape exceeded 250 acres 23% of the time (2) and when the FPI was rated a 17, fires on the landscape exceeded 5000 acres 100% of the time.



Despite the accuracy of the Fire Potential Index, there is room for improvement. As such, SDG&E Meteorology has partnered with San Jose State University (SJSU) to examine the inputs and the algorithm with the goal of making improvements. Specifically, SJSU will start with the assessment of the accuracy of the Fuel Dryness assessment and will explore methods for error reduction by assimilating fuel moisture observations. They will investigate the potential dead fuel moisture errors and benefits of assimilating near real time 10 h dead fuel moisture observations to improve dead fuel moisture estimates for the purpose of the FPI estimates. The dead fuel moisture as represented by the water content of elevated fuels may not be the most effective proxy for the estimates of the flammability of fuels being in contact with moist ground. Therefore, SJSU will also investigate if additional soil moisture data could be incorporated to enhance the dryness component of the FPI. In the second phase, SJSU will focus on the live fuels and if needed will investigate the potential benefits of implementing high-resolution satellite-based multispectral fuel moisture estimates as a complement to the NDVI index. They also plan to perform a historical analysis of selected PSPS events to investigate the performance of the current version of FPI as well to assess the potential implications of the refined input data on the operational decisions utilizing FPI.

- 18) **For the November 24-26 event, SDG&E did not send out the cancellation notifications within two hours of the decision to cancel to 5 critical facilities and 2,503 customers due to no contact information in the system or a system error.**

Please see SDG&E's response to violation 4 above.

- 19) **SDG&E's customer notifications only provide services available in the CRC and direct customers to SDG&E's website for CRC hours and locations. It did not inform customers where to access electricity during the hours the CRC is closed.**

Customer and public notifications direct residents to learn more about the PSPS by visiting sdge.com/Ready (before or during the PSPS). The landing page provides a map of affected areas and list of affected communities, along with any CRCs that are opened (including location and hours). Based on the map and information provided on the landing page, customers and the public are able to determine areas and local communities that are still energized in order to access electricity when a CRC is not open or available. Additionally, notification language is being updated to explain that customers and the public can visit sdge.com/ready to get information about where to access electricity.

- 20) **SDG&E did not report whether it notified multi-family building account holders or building managers. SDG&E reported it notified AFN Community Based Organizations (CBOs). AFN CBOs provide direct services to customers under the SDG&E AFN support model, including 211, paratransit, temporary hotel stays, emergency generators, county medical and social agencies, food support agencies, and non-profit networks. CBOs that have influence and directly or indirectly serve AFN communities within the SDG&E service territory and master metered residential property and mobile home park managers. However, SDG&E did not clearly state whether AFN CBO's services include proper and timely notifications to multi-family building account holders.**

As part of SDG&E's PSPS notification process, all account holders including multi-family building account holders receive notices prior to conducting a de-energization. In addition to notifying all multi-family account holders through the standard notification process, SDG&E has conducted targeted campaigns to multi-family business managers to encourage them to sign up for notifications. For 2021, any multi-family business managers who signed up for notifications, would also have received them. Going forward, SDG&E will include this level of detail in its post-event reports to make clear that it did notify multi-family building account holders and subscribed building managers.

- 21) **For the November 24-26 event, SDG&E did not report the positive notifications to MBL customers behind a master meter.**

SDG&E's interpretation of Table 3 (shown below) from SED's PSPS post-event report template is that the other types of "designations" other than MBL were optional as noted by the "Etc." SDG&E only ensures positive notifications for MBL customers, whereas other utilities may do so for more than just MBL customers. Although SDG&E can confirm that it ensures positive notifications for all MBL customers, regardless of if they are behind a master meter or not, SDG&E's reporting system is currently incapable of

differentiating between MBL customers with their own meter and those behind a master meter.

While none of the CPUC’s decisions require the reporting of MBL customers behind a master meter, SDG&E is willing to update its reporting systems to make this data available for reporting going forward should SED confirm that breaking out MBL customers behind a master meter is required. Once confirmed, SDG&E will attempt to work with its system vendor to make the necessary changes in time for the 2024 fire season. However, any delays in SED’s confirmation may delay the go-live date for changes to SDG&E’s system.

Table 3: Positive Notification

Designation	Total number of customers	Notification attempts made	Timing of attempts	Who made the notification attempt	Successful positive notification
Medical Baseline (MBL)					
MBL behind a master meter					
Etc.					

22) For the November 24-26 event, SDG&E did not send the notifications to public safety partners 1-4 hours in advance of anticipated de-energization; instead, SDG&E sent the “Public Safety Power Shutoff possible within 12 hours” notifications. SDG&E did not report this notification failure per the template.

SDG&E respectfully refutes this violation and requests clarification on the related requirement. It is SDG&E’s understanding that the notification 1-4 hours in advance of anticipated de-energization is not required to be sent to public safety partners pursuant to D. 19-05-042. Specifically, this decision requires that “[a]t a minimum, notification to public safety partners must occur when a utility activates its Emergency Operations Center in anticipation of a PSPS event or whenever a utility determines that de-energization is likely to occur, whichever happens first. In addition, the electric IOUs must provide notice when a decision to de-energize is made, at the beginning of a PSPS event, when re-energization begins and when re-energization is complete.”¹ D. 19-05-042 also requires that the electric investor-owned utilities adhere to the following minimum notification timeline:

- 48-72 hours in advance of anticipated de-energization: notification of public safety partners/priority notification entities

¹ D.19-05-042, p. A8-A9

- 24-48 hours in advance of anticipated de-energization: notification of all other affected customers/populations
- 1-4 hours in advance of anticipated de-energization, if possible: notification of all affected customers/populations
- When de-energization is initiated: notification of all affected customers/populations
- Immediately before re-energization begins: notification of all affected customers/populations
- When re-energization is complete: notification of all affected customers/populations

As shown in the minimum notification timeline above, the notification 48-72 hours in advance of anticipated de-energization clearly states that it must be sent to public safety partners, however, the other notifications only mention “affected customers/populations.” Moreover, D. 19-05-042 specifies that the 1-4 hours notification should be provided only “if possible.” Accordingly, SDG&E respectfully disagrees with this violation and requests confirmation on whether the notification 1-4 hours in advance of anticipated de-energization is required for public safety partners.

23) SDG&E reported the mitigation measures and impacts in narrative. SDG&E did not report the mitigation action and impacts in waterfall graph nor map for the November 24-26 event.

SDG&E uses the template issued by SED in October 2021 as a starting point and adds additional internal notes and comments to guide its team as they are preparing the post-event report. Although this requirement is clearly included in the template, SDG&E has added additional notes and comments to highlight this requirement and ensure that it is not overlooked going forward. SDG&E will also remind its relevant subject matter experts of this requirement verbally and via email.

Respectfully submitted,

/s/ Brian D'Agostino

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