




JOINT IOU PRESENTATION: Promoting Trust & Meaningful Cultural Change

**Q1 2026 Utility Safety Culture Working
Group Meeting**

January 30, 2026

Key Objectives

- Learn from CER and other industry best practices (e.g., FAA, INPO) to promote shared understanding of a healthy safety culture
 - Apply key safety culture best practices (e.g., HOP principles) to CA Regulator – Regulatee relationships
 - Together, advance collaboration across CPUC, CA IOUs and stakeholders to focus on continual learning and systemic improvement
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The Importance of Building Trust to Foster Collective Learning

- » Research and industry experience (e.g., AER model) demonstrates that building trust is a critical step in creating a collaborating learning environment
- » Establish trust and confidence that sharing safety culture progress and challenges will not be used in a punitive manner
 - IOUs will continue to report issues where such reporting is required
 - Regulator – IOU: e.g., Notice of Violation, fines, penalties
 - Intervenor – IOU: e.g., proposed funding disallowance, reference in other proceedings
- » To promote continuous learning and improvement, we want to encourage open dialog and information sharing consistent with guidance from safety culture experts. Sharing of information will be less likely if information can be used punitively
 - e.g., openly discuss failures and challenges for collaboration on safety improvement solutions

Discussion Topics & Next Steps

- Identifying learnings and best practices from CER's journey that could be applied here to promote a shared understanding of a healthy safety culture
 - Development of a Joint Safety Culture Policy Statement outlining safety culture principles and shared objectives
- Enhancing collaboration within this USCWG to focus on continual learning and systemic improvement
 - Establishing framework to promote open information sharing

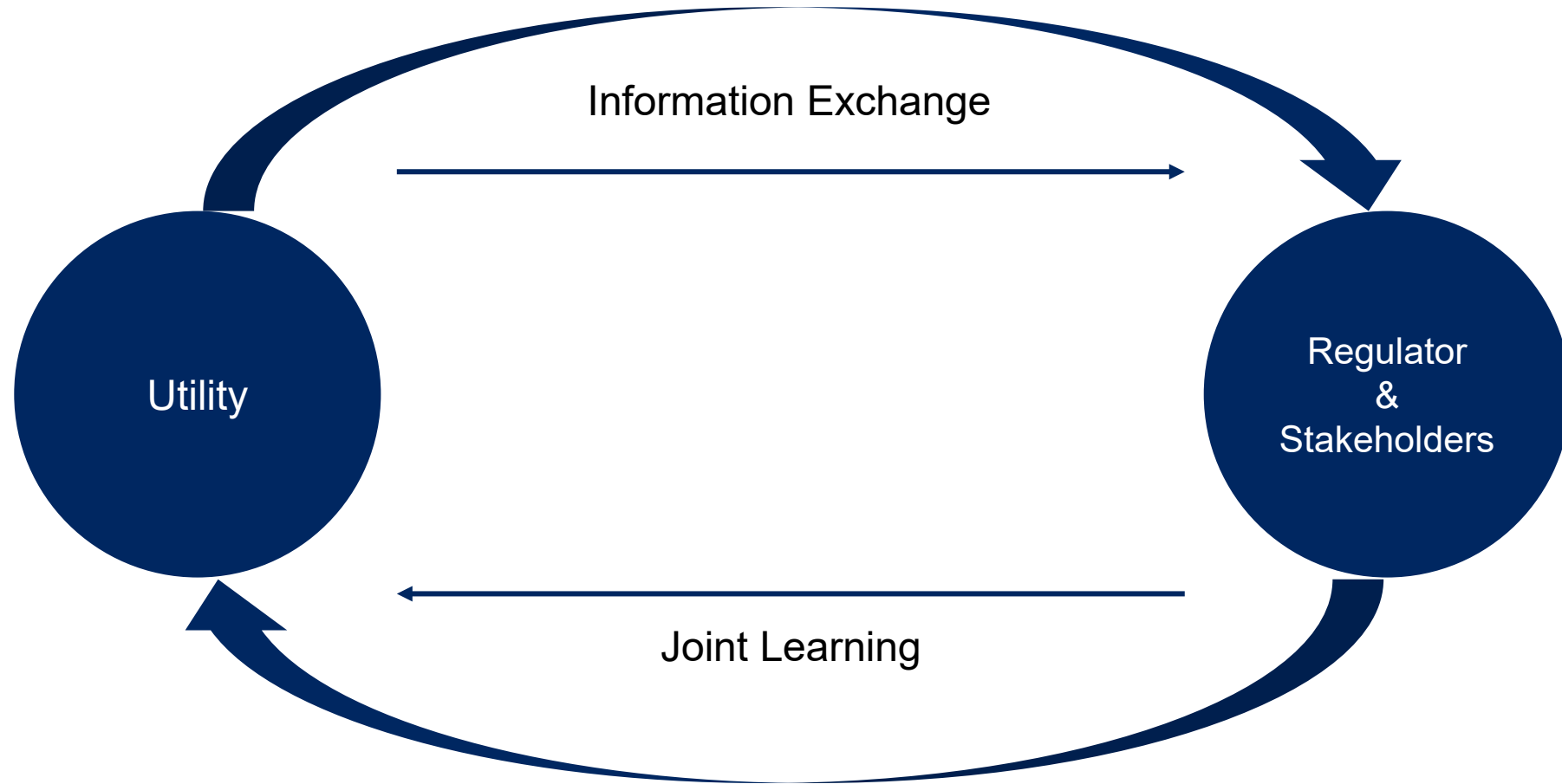


APPENDIX

CPUC Guidance & Directives

- » D.25-01-031: “Safety Policy Division, in collaboration with the Utility Safety Culture Working Group, discussed later in this decision, should explore mechanisms supportive of open-information flow within the IOUs, across the industry, and between the IOUs and the Commission, including, but not limited to, those applied by INPO for confidentiality and non-punitive information sharing, which the Commission may consider at a future time.”
- » Goals adopted in D.25-01-031 include: “Develop means for collaborative information-sharing and coordination among all interested entities to recognize risk.”
- » Guiding Principles adopted in D.25-01-031 include: “Non-punitive engagement and collaboration supports developing and maintaining healthy safety cultures that improve outcomes.”

Key Objective: Shared Focus on Safety & Learning



Within the AER model, the regulatory body's approach seeks to foster accountability for safety, enabling continuous improvement and safety culture growth towards higher maturity levels.¹

Safety Culture Best Practices: Learning from the CER

Non-Punitive Approach to Safety

A cornerstone of the CER's framework is the **promotion of a “Just Culture”**, which balances accountability with fairness and learning.

This means:

- Employees are **encouraged to report hazards and errors** without fear of reprisal.
- Mistakes are treated as **learning opportunities**, not grounds for punishment.
- The focus is on **systemic improvement**, not individual blame.
- This approach fosters **psychological safety**, enabling open communication and proactive risk management.

The Statement on Safety Culture (2014, reaffirmed in 2021) expresses the regulators' expectations of companies they regulate to build and sustain a positive safety culture while continually scrutinizing their respective organizations for potential cultural threats.

Safety Culture Best Practices: Learning from the Federal Aviation Administration (FAA)

Aviation Safety Reporting System (ASRS)

- » Administered by NASA, ASRS is a cornerstone of the FAA's voluntary reporting system.
- » Confidentiality:
 - NASA de-identifies all reports by removing personal and organizational names before forwarding the information to the FAA. Reporter identity has never been breached.
- » Non-punitive protections:
 - Reporters who file a timely report for an unintentional violation may receive a waiver of fines or penalties, providing a constructive attitude is shown

Air Traffic Safety Action Program (ATSAP)

- » This program is a partnership between the FAA and the air traffic controllers' unions (NATCA and NAGE).
- » Confidentiality:
 - Reports are reviewed by an Event Review Team, and employee names and other identifying information are redacted.
- » Non-punitive protections:
 - It fosters a non-punitive environment for FAA air traffic employees to report safety concerns.

Incorporating HOP principles to support continuous learning

The Nuclear Energy Agency (NEA), an agency within the Organization for Economic Co-operation and Development, has produced documents on safety culture, emphasizing a **top-down leadership role** combined with **individual accountability**, not a hierarchical structure based on maturity.

According to the NEA, organizations must foster an environment where issues can be raised **without fear of reprisal**.

A "**parent-child**" dynamic would inhibit the open communication and questioning attitude that are critical for identifying safety issues and fostering continuous improvement.

