

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Examine
Electric Utility De-Energization of Power
Lines in Dangerous Conditions.

R. _____

ORDER INSTITUTING RULEMAKING**Summary**

The Commission opens this Order Instituting Rulemaking (OIR) to examine its rules allowing electric utilities under the Commission's jurisdiction to de-energize power lines in case of dangerous conditions that threaten life or property in California. The Commission recently adopted de-energization rules in Resolution ESRB-8,¹ which built on Decision (D.) 12-04-004. Resolution ESRB-8 will remain in effect during the pendency of this proceeding unless and until the Commission explicitly modifies or rescinds it.

California is experiencing an increase in wildfire events due to a number of factors, including an extended period of drought, upwards of 10 years, increased fuel for fires, and unprecedented conditions that are leading to extreme weather events. Exacerbating wildfire conditions are energized power lines and the potential of these lines to either spark or worsen an existing wildfire. To mitigate

¹ Resolution Extending De-Energization Reasonableness, Notification, Mitigation and Reporting Requirements in Decision 12-04-024 to All Electric Investor Owned Utilities (July 16, 2018), available at <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M218/K186/218186823.PDF>.

these and other risks, electric utilities have in the past used the option of proactively shutting down power to specific power lines to limit the impact or damage of these lines to communities in situations where the utilities are aware of dangerous conditions. However, de-energization can leave communities and essential facilities without power, which brings its own risks and hardships, particularly for vulnerable communities.

This proceeding will focus on the following issues:

- Examining conditions in which proactive and planned de-energization is practiced;
- Developing best practices and ensuring an orderly and effective set of criteria for evaluating de-energization programs;
- Ensuring electric utilities coordinate with state and local level first responders, and align their systems with the Standardized Emergency Management System framework (SEMS)²;
- Mitigating the impact of de-energization on vulnerable populations;
- Examining whether there are ways to reduce the need for de-energization;
- Ensuring effective notice to affected stakeholders of possible de-energization and follow-up notice of actual de-energization; and
- Ensuring consistency in notice and reporting of de-energization events.

We will serve this OIR broadly, and seek input from affected communities, governments, first responders and other stakeholders. Staff has planned

² SEMS is the system required by Government Code Section 8607(a) for managing emergencies involving multiple jurisdictions and agencies.

workshops in different parts of the state to receive input on de-energization. We intend to examine how de-energization has affected California thus far, and to refine our approach to the practice to ensure it enhances public safety while minimizing unintended consequences.

The Commission-jurisdictional electric corporations (collectively, Investor Owned Utilities or IOUs) that are required to participate in this proceeding are Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), Liberty Utilities/CalPeco Electric (Liberty), Bear Valley Electric Service, a division of Golden State Water Company (Bear Valley), and Pacific Power, a division of PacifiCorp (PacifiCorp). The Commission also invites the input of all stakeholders in guiding our approach.

In October 2018, the Commission opened a rulemaking, R.18-10-007, to implement the portions of SB 901 (Dodd) related to Wildfire Mitigation Plans. Pertinent to this proceeding, Public Utilities Code Section 8386(c)(6) requires the plans to include:

- 6) Protocols for disabling reclosers and deenergizing portions of the electrical distribution system that consider the associated impacts on public safety, as well as protocols related to mitigating the public safety impacts of those protocols, including impacts on critical first responders and on health and communication infrastructure.

Because of the important role de-energized power lines can play in ensuring public safety and the public's keen interest in the impact of de-energization on their communities, the Commission will address the implementation and logistics for de-energization of power lines in this proceeding. Though this detailed examination will take place outside of the initial Wildfire Mitigation Plans OIR, we recognize that de-energization will be

one element considered in the annual plans. In future years, the outcome of this proceeding may guide the portion of utilities' wildfire mitigation plans required per Section 8386(c)(6).

1. Background

Devastating wildfires have become a regular occurrence in California. The Commission is examining the impact of wildfires and other emergencies in several proceedings,³ but this proceeding will focus specifically on proactive electric power line de-energization. California Public Utilities Code (Pub. Util. Code) Sections 451 and 399.2(a) give electric utilities authority to shut off electric power in order to protect public safety. This authority includes shutting off power for the prevention of fires where strong winds, heat events, and related conditions are present.

The Commission considered and allowed SDG&E to engage in proactive de-energization in Application (A.) 08-12-021, resulting in Decision (D.) 12-04-024. That decision allowed SDG&E authority to shut off power as a fire-prevention measure against severe Santa Ana winds. SDG&E requested this authority after the 2007 wildfire season that resulted in the Rice, Witch and Guejito wildfires discussed in D.17-11-033 (on rehearing, D.18-07-025). The Commission allowed SDG&E to de-energize its lines in emergency situations when necessary to protect public safety and adopted certain review and notice requirements when proactive de-energization takes place.

³ Those proceedings include Rulemaking (R.) 18-10-007, Order Instituting Rulemaking to Implement Electric Utility Wildfire Mitigation Plans Pursuant to Senate Bill 901 (2018); R.18-03-011, Order Instituting Rulemaking Regarding Emergency Disaster Relief Program; and R.15-06-009, Physical Security of the Electric System and Disaster and Emergency Preparedness.

Over a period of several years, the utility deployed important new tools, such as weather sensors focused on many highly local sites capable of measuring real time wind speeds and atmospheric conditions, carefully placed video monitors, and employed sophisticated weather and wind modelling software. Over time, the company developed detailed profiles of specific geographic features (canyons and hills and not just peaks) and the settlements located nearby, and developed risk profiles for possible infrastructure failure under potential weather conditions, with the goal of limiting the scope of de-energization and avoiding power cutoffs to essential services that are critical during emergencies. Through careful observation of operation during weather events, the utility has improved the effectiveness of the program. Decision 12-04-024 provided for after-the-fact Commission reasonableness review of SDG&E's de-energization decisions, required community notice and mitigation measures, and mandated reporting to the Commission on de-energization events.

We explained the stark new reality of wildfire events in California in Resolution ESRB-8:

The 2017 California wildfire season was the most destructive wildfire season on record, and saw multiple wildfires burning across California, including five of the 20 most destructive wildland-urban interface fires in the state's history. Devastating fires raged in Santa Rosa, Los Angeles, and Ventura, and the Thomas Fire proved to be the largest wildfire in California history. These fires further demonstrated the fire risk in California. As a result of the fires and critical fire weather conditions, both the President of the United States and the Governor of California issued State of Emergency declarations. Resolution ESRB-8 at 2.

The Commission's Safety and Enforcement Division (SED) reviewed SDG&E's de-energization events that occurred in December 2017. SED reached the following conclusions:

- SDG&E faced a real and significant risk of wildfires and its de-energization decisions were based on an adequate risk assessment.
- Prior to deciding to de-energize specific circuits, SDG&E considered and implemented other mitigation strategies, including adjustments of recloser settings, vegetation management, and inspection and monitoring during the extreme fire risk conditions.
- SDG&E considered location-specific wind speeds and the age, condition, and loading of facilities on the circuits and reasonably believed that there was an imminent and significant fire hazard.
- SDG&E made reasonable efforts to mitigate the adverse impacts on customers and communities in areas where SDG&E de-energized circuits.

SED concluded that SDG&E's actions appear to have been reasonable under the factors specified in D.12-04-024 and that SDG&E complied with the decision's reporting requirements.⁴

Resolution ESRB-8 extended the de-energization notice, reporting and reasonableness review requirements to all electric IOUs (PG&E, SCE, Liberty, Bear Valley and PacifiCorp) and adopted additional measures to supplement the

⁴ SED, Review of San Diego Gas & Electric Company December 2017 De-Energization Events, May 2018, http://www.cpuc.ca.gov/uploadedFiles/CPUC_Website/Content/About_Us/Organization/Divisions/News_and_Outreach_Office/May%202018%20SED%20Review%20of%20SDGE%20December%202018%20Deenergization%20Events_.pdf.

D.12-04-024 requirements. The new measures included more detailed reporting and additional public outreach, notification and mitigation.

The year 2018 has brought additional devastating wildfires all over the state – including the recent Camp Fire in Butte County, the largest in California’s history with the greatest death toll. At the same time as the Camp Fire, huge fires also burned in Los Angeles and Ventura Counties. In addition, the IOUs have called numerous de-energization events and the Commission has received a large volume of input from the public, government agencies and other first responders concerned about the practice. It is therefore prudent to examine how the Resolution ESRB-8 process is working, and to determine whether additional refinement is appropriate. We also seek to enhance stakeholder involvement in examining our de-energization requirements. To that end, staff will hold at least two workshops, as noted in the schedule below, and we expect to conduct other outreach around the state to allow input from local communities, first responders and others with concerns about wildfire and de-energization.

2. Preliminary Scoping Memo

The Commission will conduct this rulemaking in accordance with Article 6 of the Commission's Rules of Practice and Procedure, “Rulemaking.”⁵ As required by Rule 7.1(d), this OIR includes a preliminary scoping memo as set forth below, and preliminarily determines the category of this proceeding and the need for hearing.

⁵ All references to “Rules” are to the Commission’s Rules of Practice and Procedure unless otherwise indicated.

2.1. Issues

The scope of this proceeding is electric IOU de-energization. The following issues are preliminarily determined to be within the scope of the proceeding:

1. Conditions in which proactive and planned de-energization is practiced;
 - a. Should the Commission limit de-energization in specific ways?
 - b. Should we develop metrics for determining when de-energization is appropriate?
 - c. How much discretion should the IOUs have in calling de-energization events?
 - d. Are there other guidelines we should apply to de-energization?
2. Best practices and a set of criteria for evaluating development of effective programs;
 - a. What are the best tools that can be applied to different landscapes and fire conditions across California?
 - b. Are there tools deployed by the National Weather Service (*e.g.*, Santa Ana Wind Warnings) used in specific locations in California that should be adapted and deployed elsewhere?
 - c. How should programs be designed for use of new technologies and for continuous improvement?
3. Notification to the public, local governments, critical facilities, and emergency responders.
 - a. What are the best ways to notify the aforementioned parties of a planned de-energization event and when power will be restored in the event of de-energization?
 - b. Do notification standards differ for vulnerable populations?

4. Electric utility coordination with state and local level first responders when they call a de-energization event.
 - a. How do the IOUs coordinate with state and local first responders?
 - b. What is working and what is not working in this coordination?
 - c. What changes are required to ensure better coordination?
5. The extent to which the electric utilities' systems are in compliance with and align their systems with California's Standardized Emergency Management System framework (SEMS).
 - a. What are the SEMS requirements?
 - b. What do the IOUs do to meet these requirements?
 - c. What additional steps should we require to ensure the IOUs are acting in a way that furthers the SEMS process, if appropriate?
6. How to mitigate the impact of de-energization on vulnerable populations.
 - a. What are the impacts of de-energization on vulnerable populations, and what can the Commission and IOUs do to minimize these impacts?
 - b. What are the requirements and process for sharing contact information to the extent permissible by law?
7. How to reduce the need for de-energization, if possible.
8. Examine the need for community and first responder notification improvements.
 - a. How are the current notification requirements working?
 - b. What additional notice requirements should we consider?

- c. What notification is occurring that we should discontinue, if any, due to lack of effectiveness? For example, are repeated notices causing notice fatigue and reducing the effectiveness of notice?
9. Examine best practices around the country or the world in implementing de-energization.
 - a. Should the Commission extend such practices to the California electric IOUs?
 - b. What is the cost of such best practices?
 - c. Would conforming California's rules to those of other jurisdictions or countries achieve greater safety for California's residents?
10. Develop reporting and notice requirements that best serve Californians.
 - a. What reporting and notification templates exist?
 - b. What are the best types of notification and reporting (understandable, timely, effective, complete)?
 - c. Should all IOUs use a standard notification and reporting format?
 - d. Whom should the IOUs notify of de-energization and how should they ensure their notification lists are current and relevant?
11. What data should be collected when IOUs initiate a de-energization event, during and after these events?
12. Other de-energization issues that the assigned Commissioner and Administrative Law Judge may deem appropriate.

3. Categorization; *Ex Parte* Communications; Need for Hearing

Rule 7.1(d) of the Commission's Rules of Practice and Procedure requires that an order instituting rulemaking preliminarily determine the category of the proceeding and the need for hearing. As a preliminary matter, we determine

that this proceeding is quasi-legislative, because our consideration and approval of this matter would establish policy or rules affecting a class of regulated utilities. Accordingly, *ex parte* communications are permitted without restriction or reporting requirement pursuant to Article 8 of the Rules

We are also required to preliminarily determine if hearings are necessary. We preliminarily determine that hearings are not necessary.

4. Preliminary Schedule

The preliminary schedule for this proceeding is as follows:

SCHEDULE

EVENT	DATE
Comments on OIR filed and served, with responses to questions in "Preliminary Scoping Memo"	45 days from issuance of OIR
Staff Workshop 1: Northern California	December 14, 2018, 9:00 a.m.-12:30 p.m. Santa Rosa Veteran's Memorial Building, Lodge Room 1351 Maple Ave., Santa Rosa CA 95404 Remote Access: <ul style="list-style-type: none"> • WebEx: https://bit.ly/2KdtB61, meeting number 710 613992, Password: Mitigation • Listen-only call-in number 1-877-820-7831, access code 479881
Staff Workshop 2: Southern California	January 9, 2019, 9:00 a.m.-12:30 p.m. Calabasas Founders Hall, 100 Civic Center Way Calabasas, CA 91302 Remote Access: <ul style="list-style-type: none"> • WebEx: https://bit.ly/2RU90ef, meeting number 717 534 465, Password: Mitigation, • Listen-only call-in number 1-877-820-7831, access code 479881
Prehearing conference	February 6, 2019, 10:30 a.m., Commission hearing room A, 505 Van Ness Avenue, San Francisco, CA.

EVENT	DATE
Scoping memo	February 2019
Prehearing conference	Wednesday, February 6, 2019 at 10:30 a.m.
Opening comments	March 2019
Reply comments	April 2019
Proposed Decision on de-energization rules	Summer 2019
Final Decision	Summer 2019

The prehearing conference (PHC) will be held for the purposes of (1) taking appearances, (2) discussing schedule and process, and (3) informing the scoping memo. The PHC shall be held beginning at 10:30 a.m. on February 6, 2019 in the Commission Courtroom, 505 Van Ness Avenue, San Francisco, California.

The assigned Commissioner or the assigned Administrative Law Judge(s) (ALJ) may change the schedule to promote efficient and fair administration of this proceeding.

As noted in the schedule above, staff are holding two workshops on de-energization issues to gather input from first responders, affected communities and other stakeholders. Notice of these workshops has been posted on the Commission's Daily Calendar. In the event that additional workshops are held, notice will be posted on the Commission's Daily Calendar to inform the public that a decision-maker or an advisor may be present at those meetings or workshops. Parties shall check the Daily Calendar regularly for such notices.

5. Respondents

PG&E, SCE, SDG&E, Liberty, Bear Valley and PacifiCorp are named as respondents to this proceeding.

6. Service of OIR

This OIR shall be served on all respondents.

In addition, in the interest of broad notice, this OIR will be served on the official service lists for the following proceedings:

- Rulemaking 18-10-007, Order Instituting Rulemaking Implement Electric Utility Wildfire Mitigation Plans Pursuant to Senate Bill 901 (2018);
- Rulemaking 18-03-011, Order Instituting Rulemaking regarding Emergency Disaster Relief Program;
- Rulemaking 15-05-006, Order Instituting Rulemaking to Develop and Adopt Fire-Threat Maps and Fire-Safety Regulations;
- Rulemaking 15-06-009, Order Instituting Rulemaking Regarding Policies, Procedures and Rules for Regulation of Physical Security for the Electric Supply Facilities of Electrical Corporations Consistent with Public Utilities Code Section 364 and to Establish Standards for Disaster and Emergency Preparedness Plans for Electrical Corporations and Regulated Water Companies Pursuant to Public Utilities Code Section 768.6;
- Application 15-09-010, Application of San Diego Gas & Electric Company for Authorization to Recover Costs Related to the 2007 Southern California Wildfires Recorded in the Wildfire Expense Memorandum Account (WEMA);
- Application 17-07-011, Application of Pacific Gas and Electric Company for Authority to Establish the Wildfire Expense Memorandum Account;
- Application 18-04-001, Application of Southern California Edison Company to Establish the Wildfire Expense Memorandum Account;
- Application 18-09-002, Application of Southern California Edison Company for Approval of Its Grid Safety and Resiliency Program; and

- Application 08-12-021, Application of San Diego Gas & Electric Company for Review of its Proactive De-Energization Measures and Approval of Proposed Tariff Revisions.

In addition, in the interest of broad notice, this OIR will be served on the following agencies named in SB 901, and organizations representing local governments:

- State Board of Forestry and Fire Protection (CAL FIRE)
- California Energy Commission
- State Air Resources Control Board
- California Governor's Office of Emergency Services
- California Department of Fish and Wildlife
- California Infrastructure and Economic Development Bank
- California Office of Planning and Research
- California Department of Parks and Recreation
- California State Association of Counties
- League of California Cities
- California Native American Heritage Commission
- California Municipal Utilities Association
- California State Sheriffs' Association
- California Fire Chiefs' Association

Service of the OIR does not confer party status or place any person who has received such service on the Official Service List for this proceeding, other than respondents. Instructions for obtaining party status or being placed on the official service list are given below.

7. Filing and Service of Comments and Other Documents

Filing and service of comments and other documents in the proceeding are governed by the Commission's Rules of Practice and Procedure.

8. Addition to Official Service List

Addition to the official service list is governed by Rule 1.9(f) of the Commission's Rules of Practice and Procedure.

Respondents are parties to the proceeding (see Rule 1.4(d)) and will be immediately placed on the official service list.

Any person will be added to the "Information Only" category of the official service list upon request, for electronic service of all documents in the proceeding, and should do so promptly in order to ensure timely service of comments and other documents and correspondence in the proceeding.

(See Rule 1.9(f).) The request must be sent to the Process Office by e-mail (process_office@cpuc.ca.gov) or letter (Process Office, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, California 94102). Please include the Docket Number of this rulemaking in the request.

Persons who file comments on this OIR become parties to the proceeding (see Rule 1.4(a)(2)) and will be added to the "Parties" category of the official service list upon such filing. In order to assure service of comments and other documents and correspondence in advance of obtaining party status, persons should promptly request addition to the "Information Only" category as described above; they will be removed from that category upon obtaining party status.

9. Subscription Service

Persons may monitor the proceeding by subscribing to receive electronic copies of documents in this proceeding that are published on the Commission's

website. There is no need to be on the official service list in order to use the subscription service. Instructions for enrolling in the subscription service are available on the Commission's website at <http://subscribecpuc.cpuc.ca.gov/>.

10. Intervenor Compensation

Intervenor Compensation is permitted in this proceeding. Any party that expects to claim intervenor compensation for its participation in this Rulemaking must file a timely notice of intent to claim intervenor compensation. (See Rule 17.1(a)(2).) Intervenor compensation rules are governed by §§ 1801 et seq. of the Public Utilities Code. Parties new to participating in Commission proceedings may contact the Commission's Public Advisor.

11. Public Advisor

Any person or entity interested in participating in this rulemaking who is unfamiliar with the Commission's procedures should contact the Commission's Public Advisor in San Francisco at (415) 703-2074 or 1-(866) 849-8390 or e-mail public.advisor@cpuc.ca.gov. The TTY number is 1-(866) 836-7825.

Therefore, **IT IS ORDERED** that:

1. This Order Instituting Rulemaking is adopted to examine the Commission's rules regarding electric utility de-energization practices pursuant to Public Utilities Code Sections 451 and 399.2(a) and Rule 6.1 of the Commission's Rules of Practice and Procedure.
2. The preliminary categorization is quasi-legislative.
3. The preliminary determination is that a hearing is not needed.
4. The preliminary scope of issues is as stated above.
5. A prehearing conference is set for 10:30 a.m. on Wednesday, February 6, 2019 at the Commission's offices in San Francisco, California.

6. The preliminary schedule for the proceeding is set forth in Section 3.1 above.

7. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities (CalPeco Electric), Bear Valley Electric Service, a division of Golden State Water Company, and Pacific Power, a division of PacifiCorp, are respondents to this Order Instituting Rulemaking.

8. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities (CalPeco Electric), Bear Valley Electric Service, a division of Golden State Water Company, and Pacific Power, a division of PacifiCorp shall, and any other person may, file and serve comments of not more than 20 pages responding to this Order Instituting Rulemaking (OIR) not later than 45 days from the issuance of this OIR.

9. Comments on this Order Instituting Rulemaking should address the scope and schedule of this proceeding, and its interaction with other related proceedings.

10. The Executive Director will cause this Order Instituting Rulemaking to be served on all respondents and on the service lists for the following Commission proceedings: Rulemaking (R.) 18-10-007, R.18-03-011, R.15-05-006, R.15-06-009, Application (A.) 15-09-010, A.17-07-011, A.18-04-001, A.18-09-002, and A.08-12-021. In addition, the Executive Director will cause this Order Instituting Rulemaking to be served on the following agencies and organizations: State Board of Forestry and Fire Protection (CAL FIRE), California Energy Commission, State Air Resources Control Board, California Office of Emergency Services, California Department of Fish and Wildlife, California Infrastructure and Economic Development Bank, California Office of Planning and Research,

California Department of Parks and Recreation, California State Association of Counties, League of California Cities, California Municipal Utilities Association, California Native American Heritage Commission, California State Sheriffs' Association and California Fire Chiefs' Association.

11. Any party that expects to claim intervenor compensation for its participation in this Rulemaking must timely file its notice of intent to claim intervenor compensation. (*See* Rule 17.1(a)(2).)

This order is effective today.

Dated _____, at San Francisco, California.