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VIA E-MAIL

SUBJECT: QUARTERLY NOTIFICATION TO THE OFFICE OF ENERGY INFRASTRUCTURE SAFETY REGARDING SDG&E'S IMPLEMENTATION OF ITS WILDFIRE MITIGATION PLAN, PURSUANT TO PUBLIC UTILITIES CODE SECTION 8389(e)(7)

Per Public Utilities Code Section 8389(e)(7) and the February 16, 2021 Wildfire Safety Division (WSD) Compliance Operational Protocols,¹ San Diego Gas & Electric Company (SDG&E or the Company) hereby submits to the Office of Energy Infrastructure Safety (OEIS) this notification detailing the implementation of its approved Wildfire Mitigation Plan and the recommendations of the most recent safety culture assessment; a statement of recommendations of the Board of Directors Safety Committee (Safety Committee) meetings that occurred during the quarter;² and a summary of the implementation of the Safety Committee recommendations from SDG&E's previous notification letter.³

PURPOSE

The purpose of this notification is to comply with the requirements of Section 8389(e)(7), which were added to the Public Utilities Code by Assembly Bill (AB) 1054 on July 12, 2019, and subsequently amended by AB 148 on July 22, 2021, to reflect the transition of the Wildfire Safety Division at the California Public Utilities Commission to the Office of Energy Infrastructure Safety (OEIS). Section 8389(e)(7) requires electrical corporations to file a notice of implementation of its wildfire mitigation plan with OEIS "on a quarterly basis that details the implementation of both its approved wildfire mitigation plan and recommendations of the most recent safety culture assessment, and a statement of recommendations of the board of directors safety committee meetings that occurred during the quarter." Section 8389(e)(7) also requires that the notification "summarize the implementation of safety committee recommendations from the electrical corporation's previous notification and submission." SDG&E is simultaneously submitting this notice to the California Public Utilities Commission as an information only submittal.⁴

BACKGROUND

¹ The WSD's Compliance Operational Protocols provides guidance on the contents, format, and timing of the compliance reporting the WSD requires of the electrical corporations.

² This notification includes information relating to activities and events that occurred in the second quarter of 2022.

³ SDG&E Notification Letter Filed on May 2, 2022.

⁴ Public Utilities Code Section 8389(e)(7).

Governor Newsom signed AB 1054 into law on July 12, 2019. AB 1054 contains numerous statutory provisions and amendments designed to enhance the mitigation and prevention of catastrophic wildfires – including wildfires linked to utility equipment – in California. AB 1054 added Section 8389 to the Public Utilities Code. Section 8389(e) establishes the requirements for annual safety certifications⁵ and, *inter alia*, requires electrical corporations to establish a safety committee of its board of directors composed of members with relevant safety experience, establish board-of-director-level reporting to the Commission on safety issues, and file quarterly submissions notifying OEIS and the Commission of the implementation of its Wildfire Mitigation Plan and other matters as described above.

DISCUSSION

Implementation of SDG&E's Approved Wildfire Mitigation Plan

SDG&E tracks 41 quantitative metrics and 29 qualitative metrics on 69 different mitigations proposed in its 2022 Wildfire Mitigation Plan Update. These mitigations are categorized across the ten categories within the WMP including Situational Awareness and Forecasting, Grid Design and System Hardening, Asset Management and Inspections, and Vegetation Management and Inspections. These initiatives are implemented to mitigate the risk of ignitions due to a fault on the electric system and reduce the impacts of PSPS to customers. SDG&E's main system hardening initiatives of covered conductor installation and undergrounding of electric distribution infrastructure provide risk reduction by reducing the likelihood of an ignition. SDG&E has mitigation programs to enhance SDG&E's risk models and help prioritize infrastructure replacement and provide strategies and tools for real time decision making during emergency response or PSPS events. SDG&E also has mitigations intended to reduce the impact of a wildfire once an ignition has occurred, including high-definition cameras, ground and aerial fire suppression resources, and a fuels management program. SDG&E has implemented measures to mitigate the customer impacts associated with PSPS events, including the installation of remote switches to limit the number of customers exposed to PSPS, the establishment of customer resource centers during PSPS events, and SDG&E's customer outreach programs.

In Attachment A hereto, SDG&E provides a breakdown of the progress on quantitative targets for these mitigations. In summary, SDG&E has fire hardened 49 miles of its electric system including 11.1 miles of undergrounding and 11.1 miles of covered conductor. SDG&E has completed 81% of its detailed electric inspections and 55% of vegetation inspections in 2022. More information on these metrics can be found in SDG&E's Quarterly Initiative Update, also filed August 1, 2022.

Implementation of SDG&E's Most Recent Safety Culture Assessment

Energy Safety issued SDG&E's 2021 Safety Culture Assessment on September 2, 2021. The safety culture assessment was conducted by a third-party contractor, DEKRA, on behalf of Energy Safety. DEKRA assessed the safety culture of SDG&E through workplace surveys and interviews, and generally found that SDG&E "has a robust process for measuring and improving the safety culture, with ambitious near and long-term safety objectives supported by field-based projects

⁵ SDG&E received its 2020 safety certification from the WSD via a letter dated September 14, 2020.

and initiatives for frontline supervisors, employees, and contractors.”⁶ DEKRA made three recommendations for SDG&E to act upon:

1. Integrate safe behaviors associated with mitigating hazards from wildfires and hostile interactions with discontented members of the public into the Behavior-Based Safety observation program.
2. Clarify, coach, and track the behaviors field leadership needs to adopt to advance the safety culture.
3. Recognize and take action to mitigate the serious exposure posed by interactions with certain discontented members of the public.

SDG&E agreed to implement all of the findings and recommendations for improvement of its safety culture assessment on September 3, 2021. SDG&E is actively working to implement the safety culture assessment report through various methods under consideration, including but not limited to the following:

- Operational managers and supervisors will communicate and educate workers on the safe behaviors associated with mitigating hazards from wildfires and hostile interactions with discontented members of the public.
- Updating SDG&E’s safety observation checklists to identify safe and at-risk behaviors associated with mitigating hazards from wildfires and utilize in-house and contract workers to perform observations.
- Safety advisors will host meetings with groups who are likely to have interaction with members of the public and provide public safety training refreshers.
- If feasible, adding or expanding SDG&E’s near miss reporting application to capture risks posed by discontented members of the public.
- Host company-wide psychological safety town hall events and manager training workshops to educate and promote a culture of safety and trust.
- Chief Safety Officer will perform on-site safety visits (rotating district locations) with direct employee engagement, and monitor interactions and feedback.
- District leadership (Directors) will perform on-site safety visits (rotating district locations) with direct employee engagement; track interactions and feedback.
- District leaders will hold safety all-hands meetings to clarify and set safety expectations to advance the safety culture.
- Executive Safety Council (ESC) will solicit feedback from front-line operational employees and supervision on safety culture.

Additionally, since its May 2, 2022 Quarterly Notification, SDG&E has performed the following activities to support the above-listed initiatives for implementing safety culture assessment report recommendations:

- SDG&E held monthly Electric Safety Subcommittee and Gas Safety Subcommittee meetings where Near Misses, Safety Incidents, and the status of open action items were reviewed. These meetings also provide a roundtable for employees of all levels, including Union representatives, to raise safety concerns or suggestions. Additionally, bi-weekly

⁶ *Safety Culture Assessment for San Diego Gas & Electric Company*, prepared by DEKRA (September 2021).

Office Safety Committee Directors meetings were held to review safety leading and lagging indicators, identify targeted areas of focus, and share any best practices or lessons learned.

- During May 9 – 13, 2022, SDG&E’s Behavior Based Safety (BBS) facilitators, supervisors, steering team leaders, and management sponsors, together with cross-functional safety representatives, participated in DEKRA’s 2022 Safety In Action® Conference where teams learned from industry experts, leaders, and peers about proactive and preventative psychological and physical safety measures.
- On May 30, 2022, SDG&E leadership issued a Company-wide e-mail communication inviting employees to participate in its first “IDEAction Challenge” to solicit input and ideas on how SDG&E can increase collaboration in a hybrid work environment.
- An Executive Safety Council meeting was conducted on June 29, 2022, between SDG&E executives, including SDG&E’s Chief Safety Officer, front-line operational employees, and supervisors, where employees were asked to provide candid feedback and raise any safety concerns or suggestions.
- In June 2022, SDG&E launched its Supervisor Training Academy for frontline leaders, which includes curriculum on how SDG&E can recognize strong performance through positive feedback, rewards, and meaningful opportunities. The holistic training curriculum covers safety, supervisor effectiveness, diversity and inclusion, compliance, employee engagement and culture. SDG&E plans to roll this out more broadly to all supervisors in 2023.

Meetings of SDG&E’s Board Safety Committee Meeting

The SDG&E Board Safety Committee⁷ advises and assists the Board of Directors in the oversight of safely providing electric and natural gas services to the Company’s customers. The Safety Committee met on April 26, 2022 and July 20, 2022 during which it received presentations from SDG&E management and employees.

April 26, 2022 Meeting

Kevin Geraghty, SDG&E Chief Operating Officer and Chief Safety Officer provided a general safety update to the Committee. Mr. Geraghty noted the ongoing quality of the “near miss” reports, including near misses with potential for serious injury or fatality (SIF). The Committee members asked questions regarding lessons learned from near miss reporting, which were answered to their satisfaction.

Jason Egan, Director of Special Projects at Southern California Gas Company (SCG), Ron Kiralla, Director for Safety at SDG&E, and Elizabeth Peters, Safety Management System Manager at SDG&E presented on the SCG Safety Culture OII, the findings of the Commission’s consultant, 2 EC, and actions taken by SDG&E in response to 2EC’s report to the Commission. Mr. Egan reported on how SCG and Sempra are implementing the recommendations contained in the report and the ongoing OII. Mr. Kiralla and Ms. Peters discussed SDG&E’s safety culture and the ongoing implementation of the new Safety Management System (SMS) to encourage a proactive approach

⁷ The Safety Committee members include Erbin B. Keith, Chairman; Robert J. Borthwick; and Caroline A. Winn.

to safety where employees feel empowered to communicate safety concerns. Committee members noted the importance of safety messaging reaching front line employees, who need to understand their role both for employee as well as public safety.

Rodger Schwecke, Senior Vice President and Chief Infrastructure Officer at SCG, Amy Kitson, Director of Integrity Management and Strategic Planning at SCG, and Gina Orozco, Vice President of Gas Engineering and System Integrity at SCG, presented on changes to the Gas Transmission Safety Rule, including the key goals and milestones and target dates for completion.

Sneha Parmar, Director of Transmission and Substation Operations at SDG&E presented on SDG&E's efforts to achieve Voluntary Protection Program (VPP) status at SDG&E's Kearny facility. Ms. Parmar provided background information on the VPP certification, the process to obtain VPP status, and SDG&E's efforts to identify safety gaps, educate employees to promote closing the gaps, and continually review safety efforts. The Committee members asked questions which were answered to their satisfaction.

Erbin Keith, Deputy General Counsel of Sempra and Safety Committee Chair, provided the following recommendations to SDG&E:

At an upcoming Safety Committee meeting, SDG&E should provide presentations on the following topics:

- SDG&E's response to the findings and recommendations of the California State Auditor's recent report addressing Electrical System Safety;
- SDG&E's use of Sensitive Relay Profiles and their effectiveness at mitigating wildfire risk.

July 20, 2022 Meeting

Todd Cahill, SDG&E Director of Support Services, and Art Alvarez, SDG&E Fleet Financial and System Manager, presented on SDG&E's new Telematics system, which measures and tracks performance on SDG&E's fleet vehicles. Mr. Cahill and Mr. Alvarez discussed how telematics creates multiplatform benefits—namely, promoting safe driving by reducing speeding and improving seat belt use, reducing GHG emissions and fuel use, and decreasing instances of customer complaints related to unsafe driving.

Brian DAgostino, SDG&E Vice President for Wildfire Mitigation provided an update on the upcoming peak wildfire season conditions in California. Mr. DAgostino discussed how extreme weather remains persistent across the globe and fire agencies are predicting above normal fire weather for the late summer and early fall. Mr. DAgostino also presented on updates to SDG&E's meteorology tools and technologies. He noted that SDG&E is continually exploring improvements to technology and fire behavior modeling to incorporate new science. Some of these tools and technologies include improvements to fire modeling to reflect the impact of fire heat on weather, air quality index sensors, and AI smoke detection cameras. Mr. DAgostino discussed new improvements for PSPS forecasting for the fall, including the development of a new Alexa skill for weather and fire conditions that is accessible to the public.

Mike End, Safety and Projects Team Lead at SDG&E, presented on SDG&E's Serious Injury and Fatality Program. The SIF program has increased its focus on leading indicators, including using

tools such as near miss reports, to identify and reduce potential SIF incidents. Mr. End also discussed improvements in SDG&E's potential SIF modeling to improve identification of incidents and further investigation of conditions.

The Committee also received a report from Tashonda Taylor, Vice President for Gas Operations at SDG&E, regarding the situation with DuraLine plastic pipe. Nelly Molina, Vice President for Audit Services at Sempra provided the Board with an update on recent audits related to health, safety, and environmental services.

Mr. Keith, Chair of the Board Safety Committee, provided the following recommendation to SDG&E:

- At an upcoming Safety Committee meeting, SDG&E should provide presentations on the following topic:
- Provide a report on SDG&E's implementation of the recommendations of the 2021 Wildfire Safety Culture Assessment, including SDG&E's efforts to mitigate the risks posed by interactions with discontented members of the public.

Implementation of Recommendations of the Board of Directors Safety Committee in the Prior Quarter

As noted in prior Quarterly Notification Letters to OEIS, SDG&E's Board Safety Committee previously recommended that SDG&E provide updates on the following topics:

- The status of Dura-Line plastic pipe.

Ms. Taylor's presentation addressed SDG&E's ongoing assessment of DuraLine plastic pipe, communications with DuraLine regarding pipe quality issues, and SDG&E's communications with the Commission.

UPDATE ON SDG&E'S WILDFIRE SAFETY COMMUNITY ADVISORY COUNCIL MEETINGS

Per the requirement established in D.20-05-051 that SDG&E report on advisory council activities on a quarterly basis, SDG&E's Wildfire Safety Community Advisory Council met on May 6, 2022. The Wildfire Safety Community Advisory Council is comprised of several important stakeholders in the SDG&E community and includes representatives from local and tribal governments, public safety partners, and Access and Functional Needs communities.

The May 6 meeting was a special, in person event to allow the Council to view and tour SDG&E's arial assets which are used both during construction efforts for wildfire mitigation initiatives as well as for firefighting and emergency response. During the meeting, the Council received a presentation from Mr. DAgostino regarding a weather update, including discussion of the ongoing California drought, and heard about SDG&E drone inspection program. Members of the council noted that some of the drone photographs shared spoke volumes regarding the difficulty of inspecting electrical infrastructure due to issues with harsh terrain. Other members suggested means by which SDG&E could improve communications with customers about the use of drones

in the community and how drone inspections promote wildfire safety. Scott Crider, Senior Vice President for External Affairs at SDG&E, and Caroline Winn, Chief Executive Officer at SDG&E, noted that they would take those suggestions back to the Company for implementation.

NOTICE

This filing will be submitted to the Office of Energy Infrastructure Safety, the Executive Director of the California Public Utilities Commission, and posted to SDG&E's website (<https://www.sdge.com/2021-wildfire-mitigation-plan>).

Respectfully submitted,

/s/ Laura M. Fulton

Attorney for

San Diego Gas and Electric Company