

PUBLIC UTILITIES COMMISSION STATE OF CALIFORNIA 505 VAN NESS AVENUE SAN FRANCISCO, CALIFORNIA 94102

JOHN REYNOLDS COMMISSIONER

TEL: (415) 660-8432 JOHN.REYNOLDS@CPUC.CA.GOV

January 25, 2024

RE: Undergrounding of High-Voltage Transmission Lines in Very High Fire Hazard Severity Zones

By ELECTRONIC TRANSMISSION

Dear Mayors and Council Members in Contra Costa County:

Thank you for your recent petition for the Undergrounding of High-Voltage Lines in Very High Fire Hazard Severity Zones (VHFHSZ). I appreciate your interest and engagement on this issue. Your letter 1) expressed support for the intended undergrounding of roughly 2,000 miles of Pacific Gas & Electric (PG&E) power lines, and, 2) advocated for the prioritization of undergrounding lines within VHFHSZ in Contra Costa County. I share your support for undergrounding as a critical preventative measure and its advantages alongside other wildfire mitigation strategies.

Firstly, I would like to thank you for highlighting the VHFHSZ in Contra Costa County. I do understand the needs of Contra Costa County communities in this context, which have been marked with this critical designation by Cal Fire, while also acknowledging that the Commission's jurisdiction extends across all of PG&E service territory, and we are statutorily mandated to consider the interests of all customers in a fair and equitable way. One clarifying note is that the Commission's recent PG&E rate case decision approved a combination of undergrounding and covered conductor.

Secondly, I would like to point out additional opportunities and venues for engagement and participation in this space. The Senate Bill (SB) 884 process, for instance, requires review of future undergrounding plans by both the state Office of Energy Infrastructure Safety (OEIS) and the CPUC. Currently, the Commission is considering a draft resolution, SPD-15, to adopt the Staff Proposal for the SB 884 Program addressing the process and requirements for the Commission's review of 10-year undergrounding plans and conditional approval of related costs (see Electric Undergrounding Expediting Program – SB 884 (ca.gov)). In addition, the Wildfire Mitigation Plan (WMP) process requires statutory review and approval of annual WMPs by OEIS and addresses how electrical lines and equipment are constructed, maintained, and operated in a manner that will minimize the risk of catastrophic wildfire (see Wildfire Mitigation Plans | Office of Energy Infrastructure Safety (ca.gov)).

The risk-based decision-making framework (RDF) provides another venue for expressing the views of Contra Costa County local governments and residents. The RDF will require PG&E to submit a 2024 Risk Assessment Mitigation Phase (RAMP) filing in May of this year, which will include a cost-benefit approach to calculate

CALIFORNIA PUBLIC UTILITIES COMMISSION

monetized risk values, including for wildfire risks (see <u>PG&E RAMP (ca.gov)</u>). There are also opportunities to get involved in the RDF rulemaking where additional topics are currently being considered. These topics include evaluation of post-test years, uncertainty, tail risk, climate change, risk scaling, discount rates, and more (see <u>S-MAP2: R 20-07-013 (ca.gov)</u>).

Finally, there are resources available to assist stakeholders in understanding Commission practice, how to become a party, and more (see <u>Get Involved (ca.gov)</u>; <u>Methods for Becoming a Party to a Proceeding – Rule 1.4 (ca.gov)</u>).

Again, thank you for your petition expressing your support for undergrounding and your advocacy for prioritizing work in VHFHSZ in Contra Costa County communities. Please do not hesitate to reach out to Hank Brady, Director, Office of Governmental Affairs at Henry.Brady@cpuc.ca.gov or 916-591-3963 on this or other issues.

Sincerely,

John Reynolds

Commissioner

California Public Utilities Commission