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Electrical System Safety

California's Oversight of the Efforts by Investor-Owned Utilities to Mitigate the Risk of Wildfires Needs Improvement

Background

Since 2015 power lines have caused six of the State's 20 most destructive wildfires. Even as the threat of wildfire in California is increasing—especially in areas known as the *wildland-urban interface* where as many as 11 million Californians live—some ignition sources, such as vegetation contacting power lines, are preventable.

The California Public Utilities Commission (CPUC) is responsible for regulating certain electrical utilities and ensuring that the services and facilities those utilities provide do not constitute a threat to the public. The Office of Energy Infrastructure Safety reviews and approves utilities' mitigation plans and oversees utilities' compliance with those plans. A mitigation plan describes the preventive strategies and programs a utility will adopt to minimize the risk that its electrical lines and equipment will cause catastrophic wildfires. The Energy Safety Office also issues safety certifications to utilities, and these safety certifications affect the amounts utilities must reimburse the Wildfire Fund in certain situations.

Key Findings

- Utilities need to make further improvements to the electrical grid to reduce the risk of wildfires and to prevent power shutoffs and unplanned outages.
 - From 2013 through 2021, 67 power shutoffs affected more than 3.6 million customers, and a new state law could be strengthened by requiring that utilities identify the improvements that are necessary to prevent future power shutoffs.
- The Energy Safety Office awarded safety certifications to utilities despite serious deficiencies in their mitigation plans.
 - The Energy Safety Office approved mitigation plans and issued the 2020 safety certifications despite significant shortcomings in those mitigation plans. Whether a utility substantially implements its mitigation plan has no bearing on the office's issuance of its safety certification.
- The Energy Safety Office's mitigation plan approval process and the CPUC's audit process do not hold utilities sufficiently accountable.
 - The Energy Safety Office's 2022 guidelines do not require as a condition for approving mitigation plans that utilities clearly delineate how they will prioritize their mitigation work.
 - The CPUC conducts audits that assess whether utilities are in compliance with certain requirements, but it does not routinely audit all areas in the utilities' service territories, and it does not use its authority to penalize utilities when its audits uncover violations.

Key Recommendations

To mitigate the risk of utility-related wildfires, reduce the effect of power shutoffs, and hold utilities sufficiently accountable, the Legislature should do the following:

- Amend state law to require that utilities describe in their mitigation plans the improvements they would have to make to prevent power shutoffs on the parts of the electric grid routinely affected by them.
- Require that a utility only receive a safety certification when the Energy Safety Office's most recently completed compliance assessment of that utility's mitigation plan concludes that it has substantially implemented the plan.
- Require that the CPUC creates the following:
 - A risk-based audit plan for consistently auditing all utility service areas that prioritizes districts in high fire-threat areas.
 - A schedule of penalties for violations it identifies through its audits.

The Energy Safety Office should require that utilities' mitigation plans describe how they will prioritize their work before it approves those plans.