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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 fourth quarter of 2021.

³ SDG&E Notification Letter Filed on November 1, 2021.

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 continues to track 35 quantitative metrics and 44 qualitative metrics on 78 different mitigations proposed in its 2021 Wildfire Mitigation Plan Update. These mitigations involve a wide array of topic areas such as: inspection and maintenance programs, infrastructure replacement programs, and vegetation management programs designed to mitigate the risk of ignitions due to a fault on the electric system. SDG&E has mitigation programs to enhance situational awareness, which informs SDG&E's risk models and helps prioritize infrastructure replacement; and strategies and tools for real time decision making during emergency response or Public Safety Power Shutoff (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.

In addition, 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 156.8 miles of its electric system including 25.9 miles of undergrounding and 20.6 miles of covered conductor, completed 100% of its detailed inspections, and completed 100% of vegetation inspections in 2021. More information on these metrics can be found in SDG&E's Quarterly Initiative Update, also filed February 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.

Since its November 1, 2021 Quarterly Notification, SDG&E has performed the following activities to support the above-listed initiatives for implementing safety culture assessment report recommendations:

- In December 2021, SDG&E deployed enhancements to its Near Miss Reporting web-based portal and smart phone application. This invaluable tool for proactively reporting potential risk events has been updated to capture a broader scope of potential concerns, including wildfire-specific potential risks, to allow for increased reporting and deeper data analytics.

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

- On December 3, 2021, SDG&E hosted an employee-wide virtual town hall, the third in a series of psychological safety topics. Speakers of this town hall event included SDG&E CEO Caroline Winn; President and CFO, Bruce Folkmann; Vice President of Risk Management and Compliance, Mike Schneider; and Dr. Taylor Harrell, an award-winning researcher, consultant, and organizational leadership coach. Dr. Taylor – who shared her insights and expertise in previous SDG&E town hall events – moderated a panel of company leaders who are successfully working to create learning organizations that foster psychological safety and a strong culture of accountability.
- An Executive Safety Council meeting was conducted on December 21, 2021, between SDG&E executives, front-line operational employees, and supervision where employees were asked to provide candid feedback and raise any concerns.
- SDG&E ended 2021 with the highest number of safety observations ever performed.
- Operational leaders held a series of safety summits in January 2022 in an effort to start the year with a strong safety focus and continue to move our safety culture forward.
- In January 2022, SDG&E's external communications team issued postings on social media platforms (e.g., Instagram, Facebook, Nextdoor.com) reminding customers and members of the public that SDG&E employees may be on their property performing work to maintain safety and reliability.

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 held a meeting on November 2, 2021, during which it received presentations from SDG&E management and employees. Kevin Geraghty, Senior Vice President for Electric Operations at SDG&E, provided an update on SDG&E's safety performance metrics to date, and the Company's finish strong focus. Rodger Schwecke, Senior Vice President and Chief Infrastructure Officer for So Cal Gas, updated the Committee on efforts to mitigate excavation damage impacting transmission and distribution systems and discussed the Company's public awareness campaign and damage reduction strategies.

Elizabeth Peters, Safety Management System Manager for SDG&E, provided an overview of how SDG&E is working to integrate the Safety Management System (SMS) into operational workflow. SMS increases the use of data and analytics to identify risk early in an effort to prevent future safety incidents. Ms. Peters summarized key milestones and accomplishments of the SMS to date. Daniel Sherlock, Specialist for Behavior Based Safety, gave the Committee background on the Behavior Accident Prevention Process (BAPP) and its foundational elements. He discussed workforce observations and the BAPP process of providing feedback, the underlying support system, and accomplishments to date.

Kendall Helm, SDG&E Vice President for People and Culture, reviewed the SDG&E proposed 2022 Incentive Compensation Plan (ICP) safety metrics and discussed potential changes to elements and weighting related to prior years.

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

During the meeting, the Safety Committee asked questions and engaged with SDG&E management and employees regarding the subjects of their presentations. SDG&E's next Board Safety Committee meeting is scheduled for March 2, 2022.

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

- At an upcoming Safety Committee meeting, SDG&E should provide presentations updating the Board on the following topics:
 - The status of Dura-Line plastic pipe
 - SDG&E's enhanced vegetation management program

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

As noted in SDG&E's August 2, 2021 Quarterly Notification Letter to OEIS, SDG&E's Board Safety Committee previously recommended that SDG&E provide updates on the following topics:

- Safety issues related to inspection of overhead lines, including training requirements for inspectors and quality assurance/quality control processes.
- The Company's efforts to ensure workforce safety related to covered conductor construction and maintenance.
- Steps SDG&E is taking to ensure employee, contractor, and customer safety.

Mr. Geraghty, Ms. Peters, and Mr. Sherlock each covered SDG&E's ongoing efforts to promote workforce safety, including behaviors applicable to inspections, construction, and maintenance. The presentations related to Behavior Based Safety and BAPP are also to further implement the recommendations of SDG&E's most recent Safety Culture Assessment, addressed above.

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 November 19, 2021. 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.

SDG&E's Chief Executive Officer, Caroline Winn, opened the November 19 meeting by welcoming new members of the council. Ms. Winn noted that SDG&E was recognized with three ReliabilityOne Awards for 2021, including co-recipient of the Overall National Reliability award, the "Best in the West" for outstanding reliability performance, and Outstanding Grid Sustainability award. The ReliabilityOne Awards identify top performers and best practices that promote innovation and technology advancements, and those that place the highest value on their customers.

Brian D'Agostino, SDG&E Director for Fire Science and Climate Adaptation provided an update on the 2021 weather and fire season. Mr. D'Agostino described the worsening drought conditions in effect at the time and the general predictions for a continued drought throughout the Western United States. These conditions led to several significant fires in California in 2021. However, the strong rainfall throughout California as a result of the historic atmospheric river conditions appeared to reduce the duration and strength of the 2021 fire season by mid-November.

Kevin Geraghty, SDG&E Senior Vice President for Electric Operations, and Augie Ghio, SDG&E Director for Emergency Management, presented to the council on SDG&E's wildfire safety enhancements since the 2020 Wildfire Season. The presentation addressed studies in Human Factors and Human-Machine Interfaces, and how these fields of science support the conclusion that systems must be engineered for human capabilities in order to perform well and safely. SDG&E has worked to apply Human Factors to enhance its PSPS dashboards and operations to support focused, consistent, and timely PSPS decision making. The presentation also addressed developments in SDG&E's Public Safety Partner Portal for 2021, including more ability to share information and a streamlined and consistent source of data and messages. Mr. Geraghty also discussed SDG&E's "Doubling Down" initiative for 2021. In response to a challenge from Company leadership, SDG&E identified 53 items where wildfire safety could be promoted through additional preparedness activities, including activities such as fire safety stand downs at operating centers and increased inspection activity in the Laguna Scar, which was identified as an area of concern given terrain and available fuels.

Tashonda Taylor, SDG&E Vice President for Customer Operations, provided an update on customer programs and outreach, including SDG&E's increased outreach efforts for 2021 PSPS events. As a result of these efforts, SDG&E research indicated that customers generally felt at least somewhat prepared for an extended PSPS event. Fernando Valero, Director for Advanced Clean Technology, updated the council on SDG&E's microgrid implementation, noting the Cameron Corners and Ramona microgrids are nearing commercial operation.

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,

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Attorney for

San Diego Gas and Electric Company