

# Technical Working Group Meeting #3: Safety Culture Assessment Schedule and Process

Friday, June 22 1pm-3pm

R.21-10-001: ORDER INSTITUTING RULEMAKING TO DEVELOP SAFETY  
CULTURE ASSESSMENTS FOR ELECTRIC AND NATURAL GAS UTILITIES



California Public  
Utilities Commission

# Welcome and Introduction

*1:00pm-1:20pm*

# R. 21-10-001 Background

**October 13, 2021:**

Commission  
opens  
Rulemaking (R.)  
21-10-001

**November 29,  
2021:**

Opening  
Comments filed  
to the OIR

**December 29,  
2021:**

Reply Comments  
filed to the OIR

**March 11, 2022:**

Initial kickoff  
workshop for the  
proceeding

**June/July 2022:**

Technical  
working group  
meetings

**Goal of proceeding:** To develop and adopt a safety culture assessment framework and process for regulated investor-owned electric and natural gas utilities and gas storage operators, in fulfillment of SB 901 and other Commissions oversight responsibilities

# Summer Technical Working Group Meetings

Thursday June 16, 9am-3pm	Technical Working Group Meeting #1	Safety culture definitions and framework
Friday June 24, 1pm-4pm	Technical Working Group Meeting #2	Collaborative approaches to safety culture
<b>Friday July 22, 1pm-3pm</b>	<b>Technical Working Group Meeting #3</b>	<b>Safety culture assessment methods, schedule and process</b>
Thursday July 28, 9am-3pm	Technical Working Group Meeting #4	Safety culture maturity model, indicators, and metrics

# Meeting Objective

*Continue to develop a shared understanding to answer the following scoping questions:*

- Should the safety culture assessments be scheduled such that implementation of Safety Culture Assessment recommendations are considered in utilities' Risk Assessment and Mitigation Phase Applications and General Rate Cases?
- How and when should utilities that completed a safety culture assessment in recent years be required to comply with the process developed within this proceeding?
- How should the Commission ensure that the safety culture assessment process developed through this proceeding is complementary to, and not duplicative of, the annual safety culture assessments conducted by the Office of Energy Infrastructure Safety pursuant to Assembly Bill 1054?

# Meeting Agenda

<b>Time</b>	<b>Topic</b>
1pm-1:20pm	Welcome and introduction
1:20-1:35pm	Office of Energy Infrastructure Safety (Energy Safety) Overview of Energy Safety's annual safety culture assessment process
1:35-2:15pm	SPD Proposal for assessment timing, frequency, and coordination with other CPUC activities; Q&A
2:15-3:00pm	Facilitated discussion and next steps

# Virtual Housekeeping

- **Recording; Slides**

- Please note that this meeting is being recorded
- Workshop recording and slides will be sent to the service list and posted on the CPUC website after the meeting

- **Questions**

- Please type questions into chat, use Q&A feature, or raise hand
- Q&A sessions throughout presentations + longer discussion at the end of workshop
- Staff will follow to respond to any unanswered (or additional) questions after the workshop

- **Timing**

- To be respectful of everyone's time, we will maintain scheduled starting times for each presentation outlined in the agenda
- Additional topics will also be covered in subsequent technical working group meetings or workshops

- **IT Support**

- Jorge De Ocampo, Marcos Rodriguez, and Jeremy Holloway

# Virtual Housekeeping, Continued

The image shows a screenshot of a virtual meeting interface. The main area is a grey rectangle labeled "(Your screen)" containing a simple smiley face icon. Below the screen is a control bar with several icons: a microphone icon, a video camera icon, a share icon, a record icon, a hand icon, a hand with a plus sign icon, a close icon, an apps icon, a chat icon, and a more options icon. A tooltip above the hand icon reads "Raise hand (Ctrl + Shift + R)". Below the control bar, four callouts are shown: a red circle with a microphone icon labeled "Mute/ unmute", a black hand icon labeled "Raise/ lower hand", a black chat icon labeled "Chat", and a black circle with three dots labeled "Q&A".

(Your screen)

Select a question and then type your answer here. There's a 512-character limit.

Send Send Privately

Unmute Start video Share Record Raise hand (Ctrl + Shift + R) Apps Chat

Mute/ unmute Raise/ lower hand Chat Q&A



# Opening Remarks

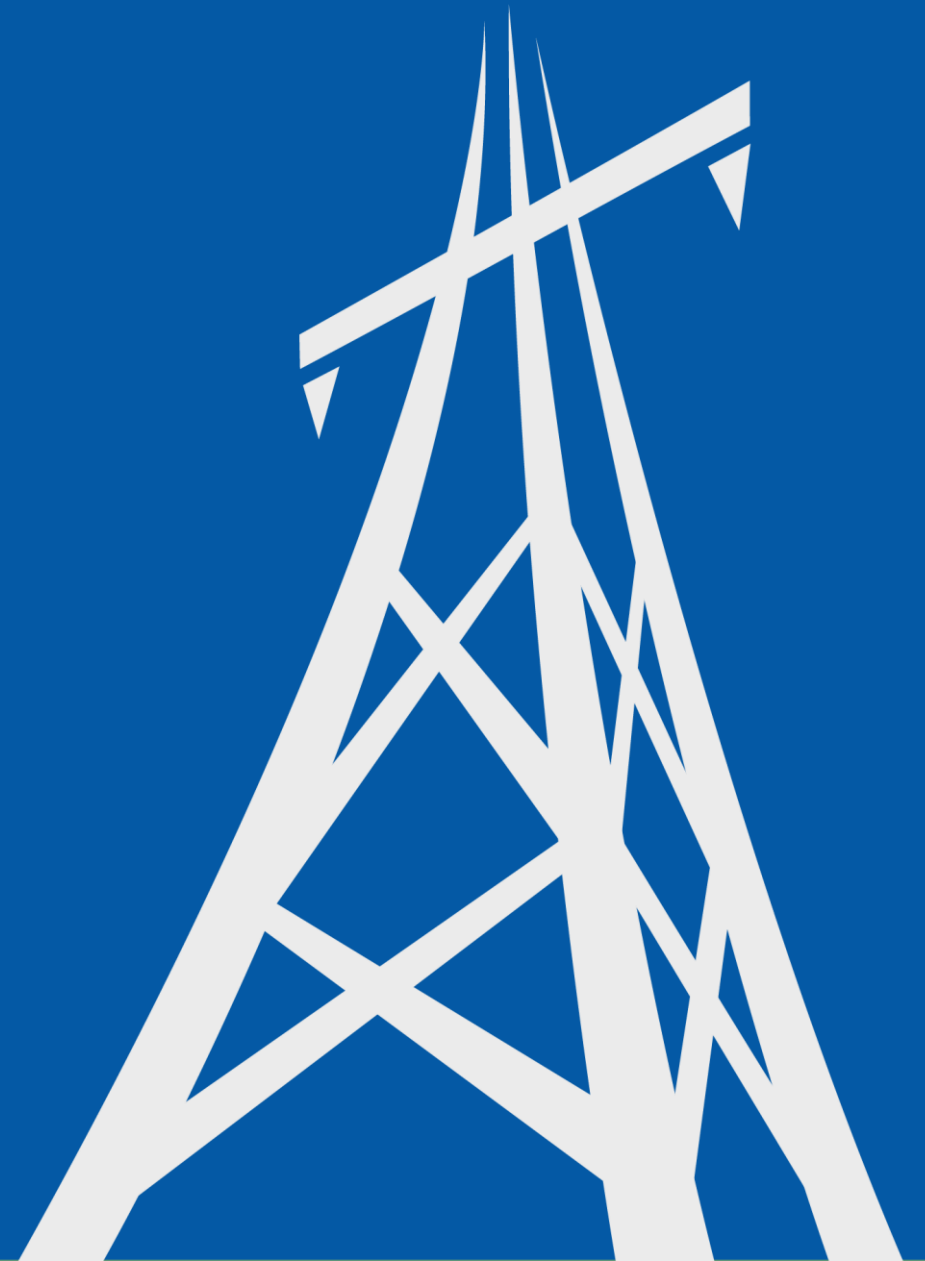
# Overview of Office of Energy Infrastructure Safety's annual safety culture assessment process

Office of Energy Infrastructure Safety

*1:20-1:35pm*

# 2022 Safety Culture Assessment (SCA) Overview

For CPUC Technical Working Group Meeting  
Office of Energy Infrastructure Safety  
Friday July 22, 2022, 1 to 4 p.m.



# SCA Requirement

- Public Utility Code Section 8389(d)(4):  
CPUC shall adopt and approve (by Dec. 1, 2020, and annually thereafter):  
  
“A process for the division to conduct annual safety culture assessments for each electrical corporation.”

# SCA Purpose

- Assess safety outcomes over time, “foster continuous and collaborative improvement and learning” (WSD-011 Attachment 4)
- Provide option to companies seeking a safety certification to use SCA report to establish “good standing”

# SCA Core Components

- Workforce survey (Large IOUs and SMJUs)
- Management self-assessment (Large IOUs)
  - Summary plan for the coming year
- Interviews to better understand survey and self-assessment (Large IOUs)
- Safety culture objectives & lessons learned (Large IOUs, SMJUs, ITOs)

# Analysis and Recommendations

- A third party conducts the analysis of all inputs and provides recommendations
- Recommendations are verifiable
- Utilities provide quarterly notifications with updates on implementation of recommendations



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# Safety Policy Division Proposal for assessment timing, frequency, and coordination with other CPUC activities

Safety Policy Division

*1:35pm-2:15pm*

# Basic assumptions of the proposed Safety Culture assessment process

Each IOU is the owner of its own Safety Culture



Safety Culture is a public good that should be prioritized

Safety Culture science shows that catastrophic incidents can be linked to “broken” safety cultures

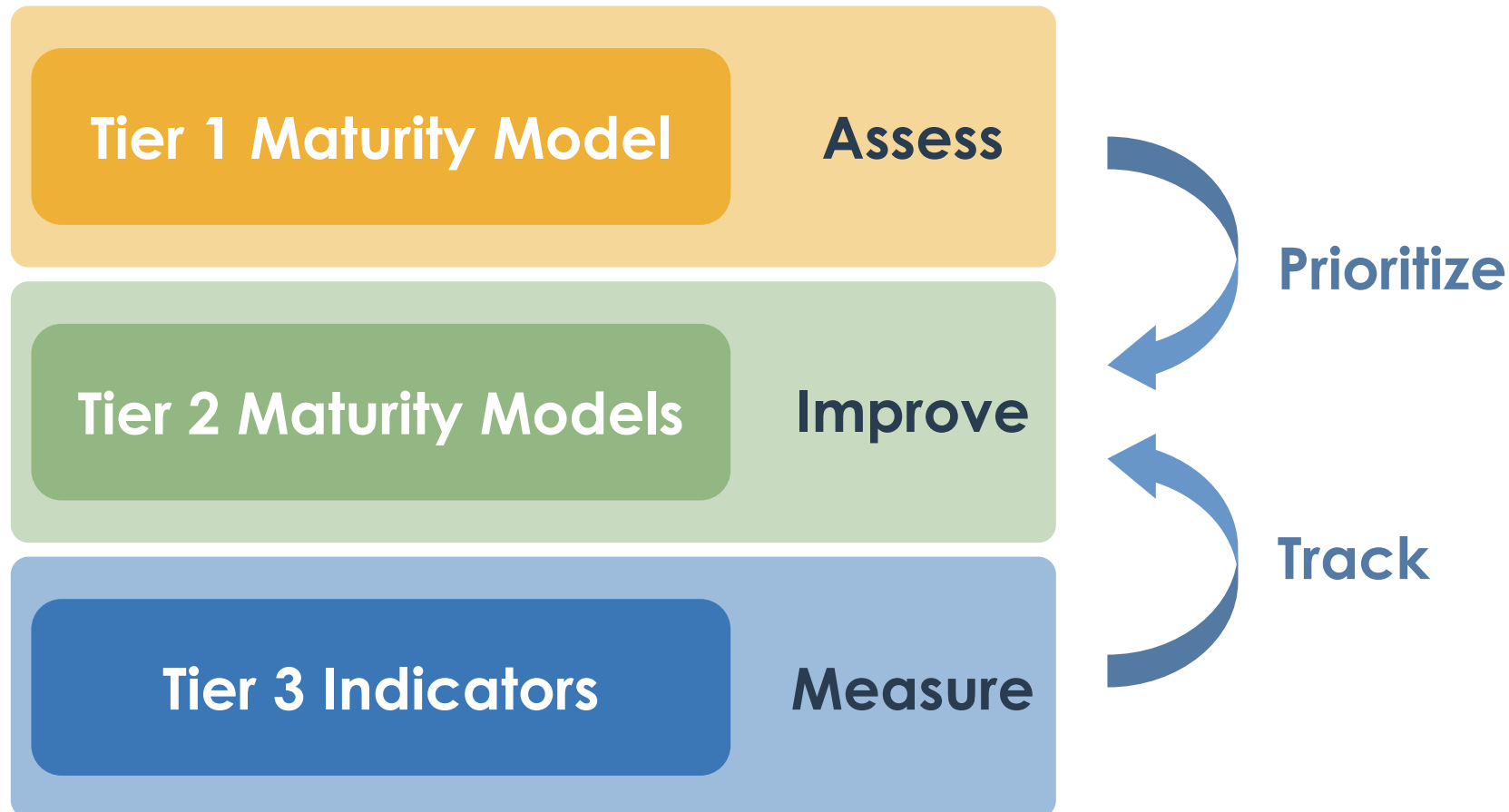


Safety Culture science is still immature and evolving

Learning, proactive engagement, and continuous improvement are essential elements of improving safety cultures

# Safety culture assessment model overview

The proposed assessment model will quantify improvements in, and define best practice for safety culture

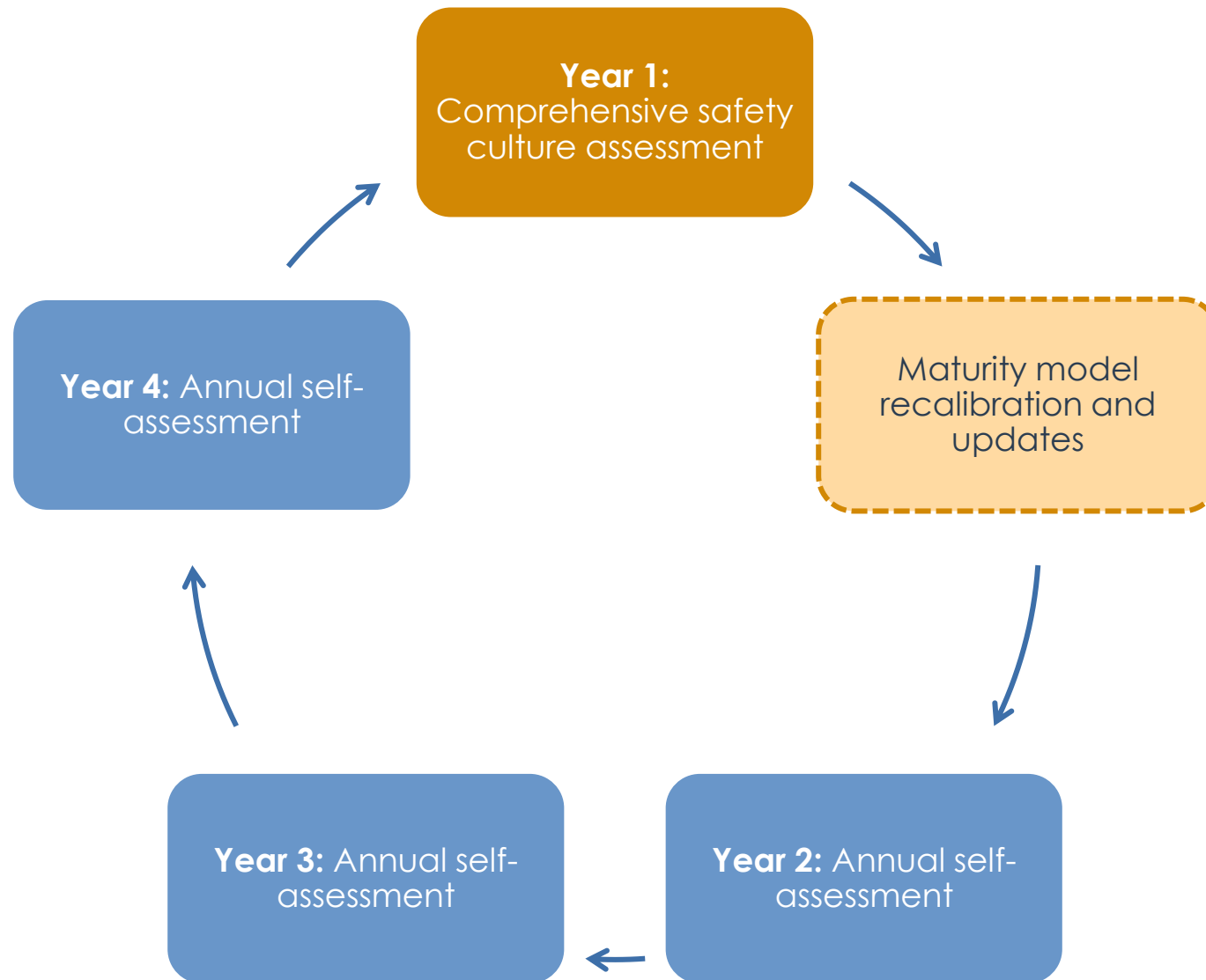


The **Tier 1** model comprises 10 functional domains that describe the behaviors, actions and characteristics of 5 progressive levels of safety culture maturity.

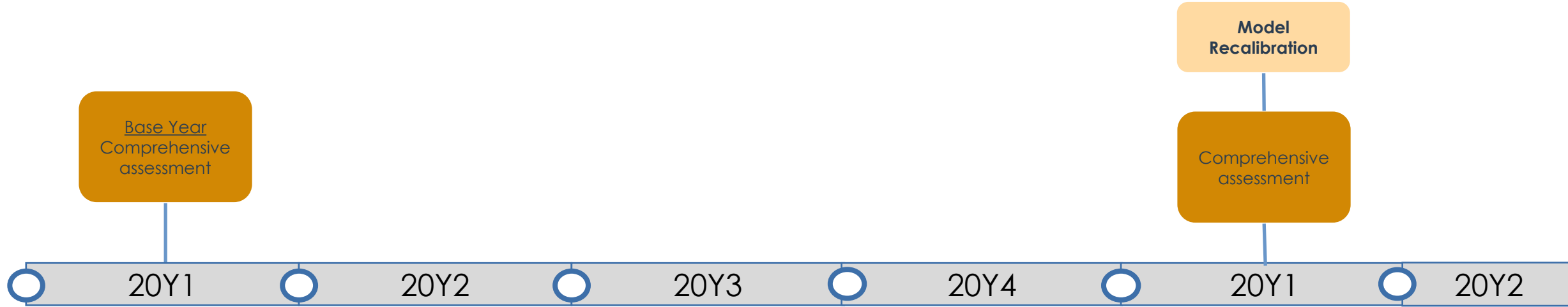
At **Tier 2**, each functional domain is described by a discrete maturity model, each containing a magnitude more attributes than the corresponding Tier 1 model.

**Tier 3** contains an extensive suite of leading, current and lagging indicators to quantify past performance and predict future performance.

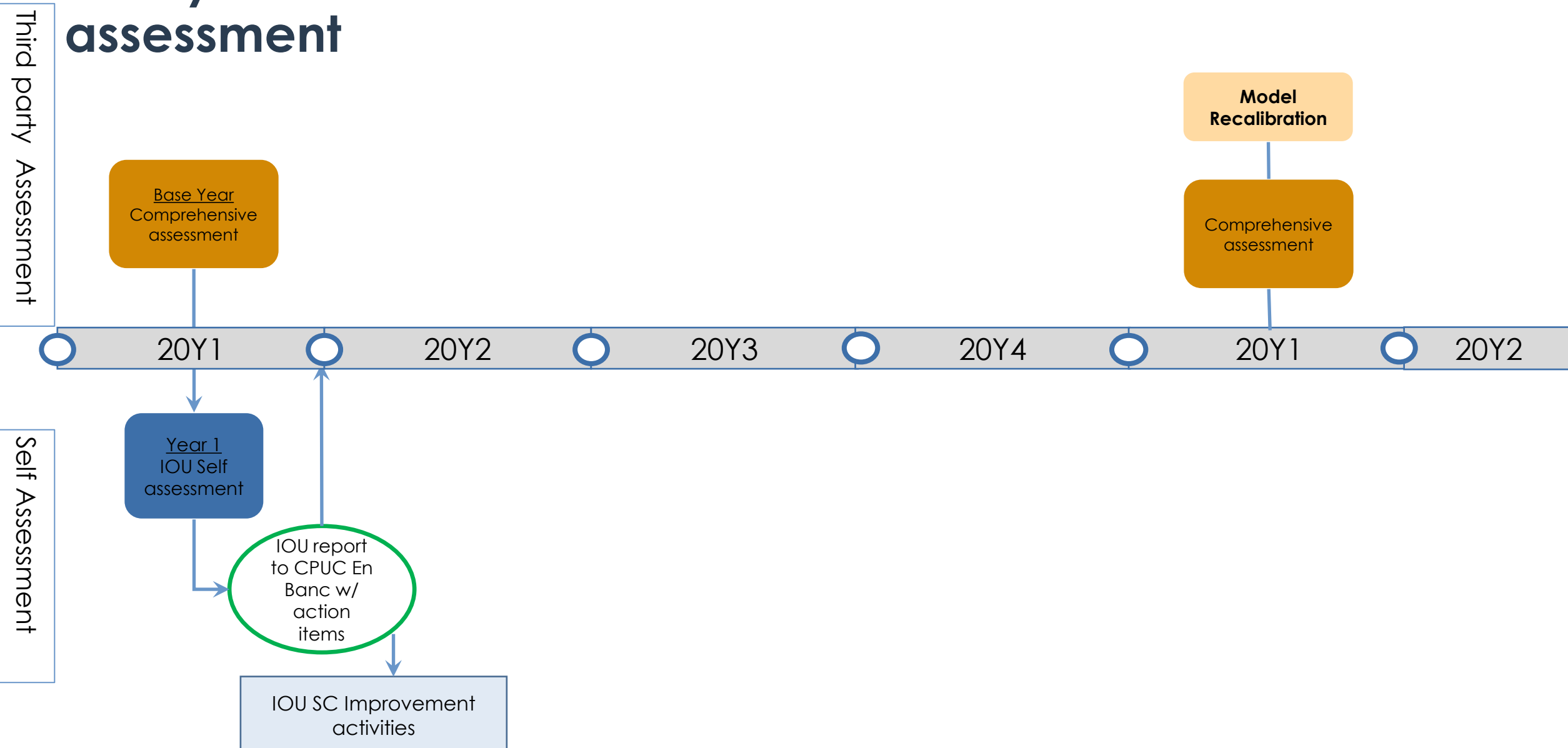
# Continuous improvement process for safety culture



# Safety culture assessment timeline: Independent third-party assessor



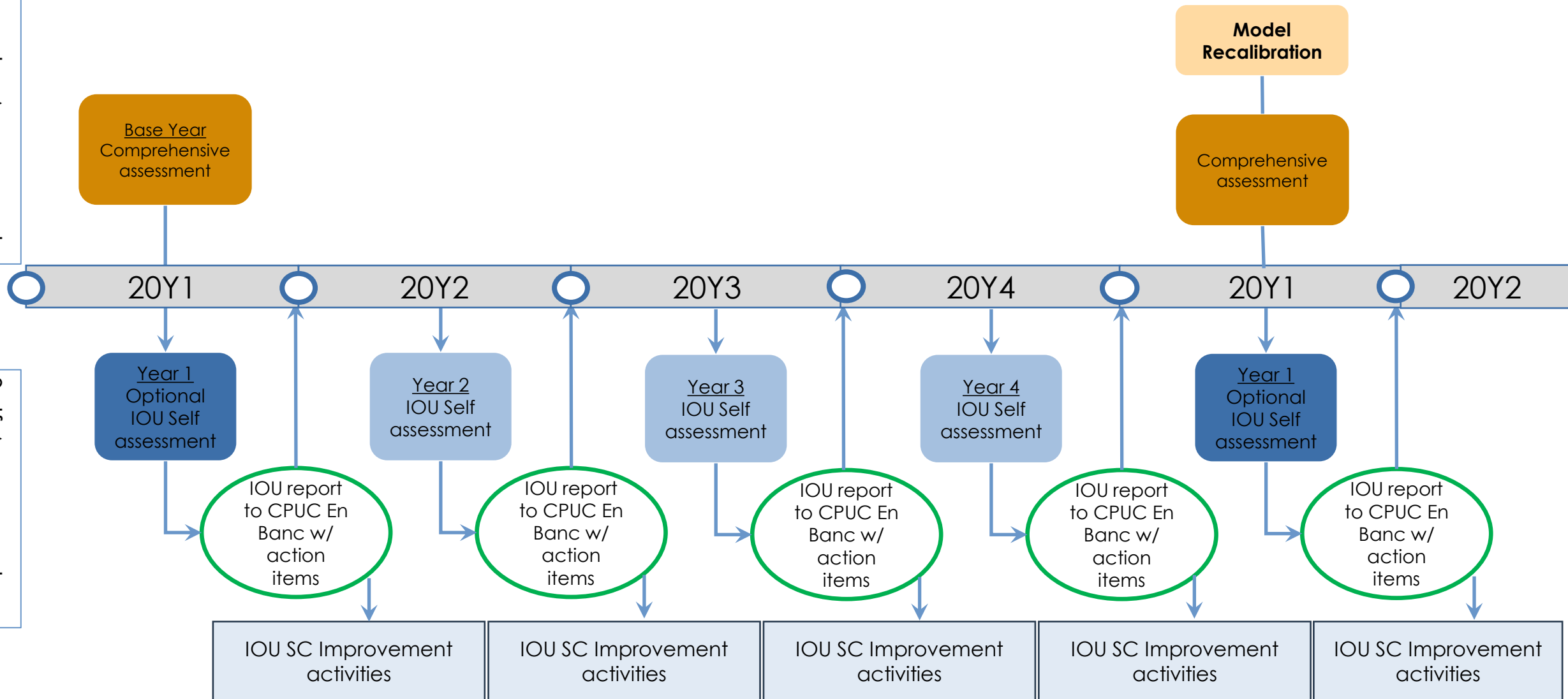
# Safety Culture assessment timeline: With IOU's self-assessment



# Safety Culture assessment timeline: Full cycle

Third party Assessment

Self Assessment



# Comprehensive assessments; maturity model review and update every four years

## Synopsis

- Estimated timeframe: 6 months
- Methods: Interviews, focus groups safety culture perception survey, document review, observations, plus audit of self-assessments, gap analysis, and maturity model recalibration
- Assessor: Independent third party

## Purpose

- Keeps the utilities accountable by verifying and validating results of annual assessments
- Identifies blind-spots that the annual assessments may have missed
- Allows CPUC to modify the maturity model and guidelines for the annual assessment to reflect findings



# Comprehensive assessments; maturity model review and update every four years (continued)

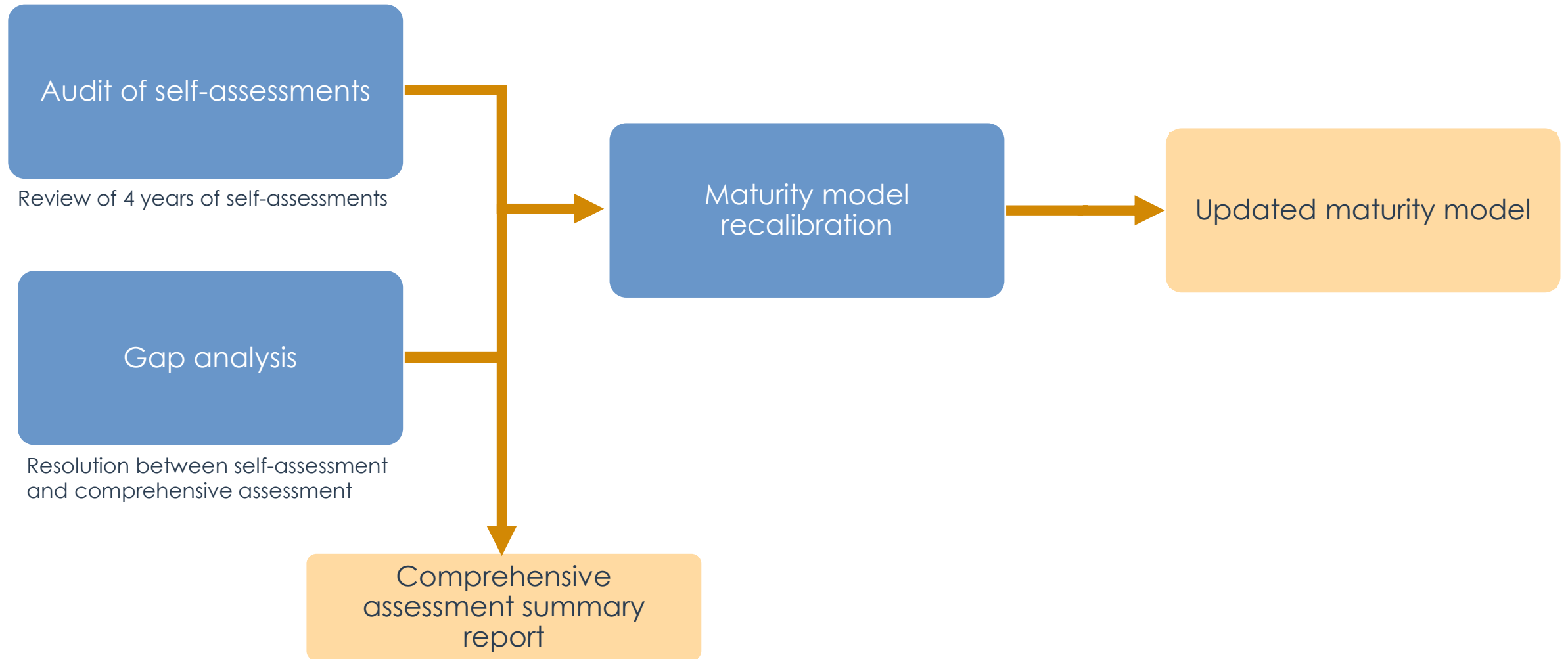
## After a full cycle of the comprehensive assessments, SPD would:

1. Review the results of all the assessments
2. Complete model recalibration and improvements based on results
3. Update the annual assessment guidelines as needed

## The comprehensive assessment would produce:

1. A comprehensive assessment report that includes:
  - An audit of the previous years' self-assessments
  - Gap analysis to analyze the differences between the findings of the annual assessments and comprehensive assessment
2. Updated maturity model

# Comprehensive assessments has three elements and produces two distinct follow-up processes



# Annual self-assessments

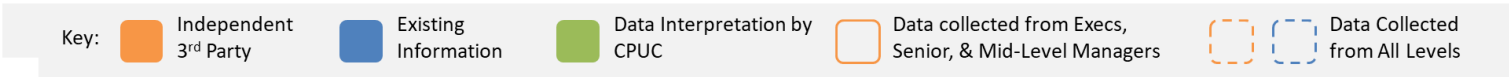
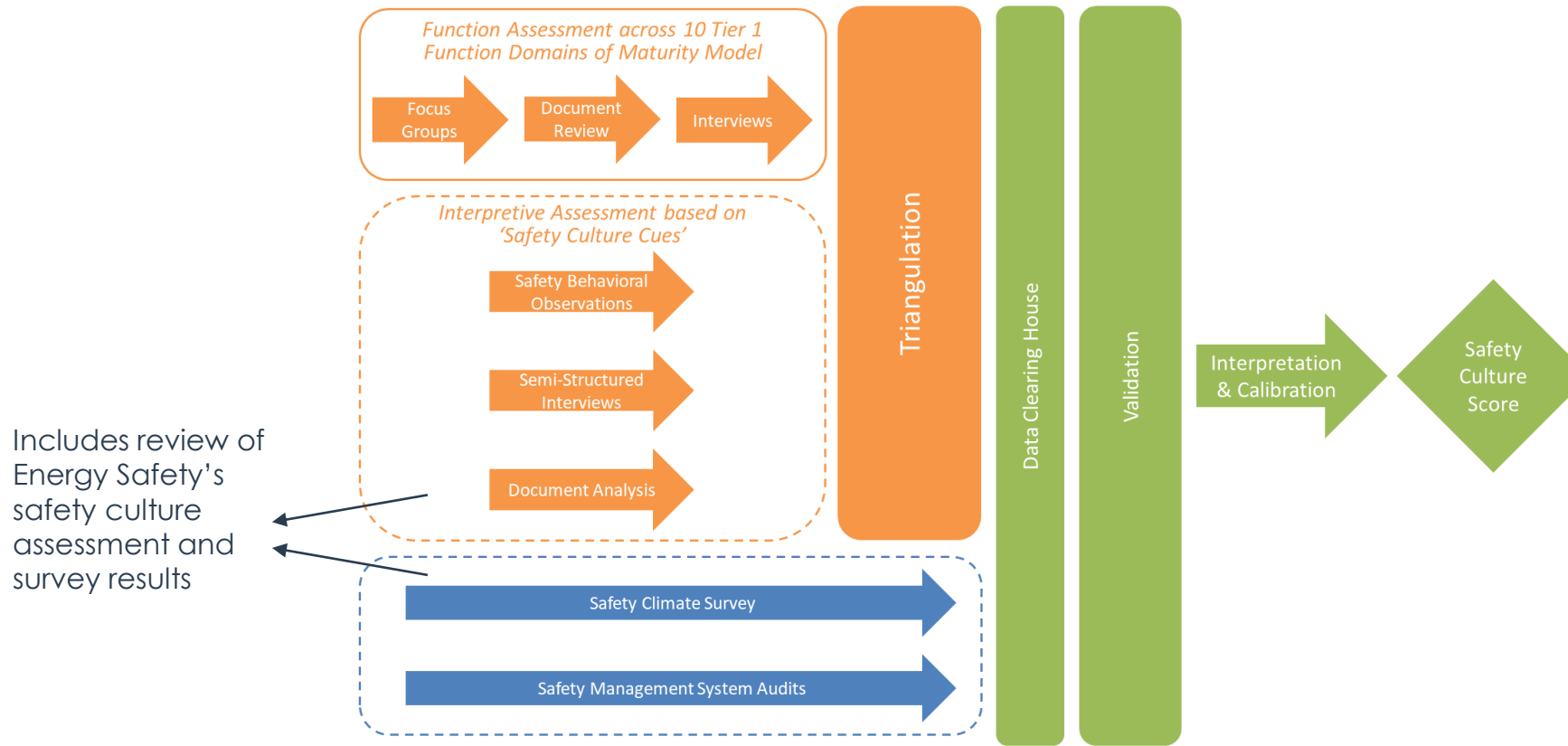
## Synopsis

- Estimated timeframe: 1 month
- Methods: Focus group exercises, site observations, documentation analysis, personnel interviews, review of safety climate survey results, and review of safety management system audits
- Assessor: Utilities, with possible help of an independent third party for validation

## Purpose

- Serves as a progress report to monitor effectiveness of safety culture improvement efforts between comprehensive four-year assessments
- Provides a roadmap for improvement
- Helps to ensure utility ownership of their safety culture
- Creates a track record of data that can be analyzed during the four-year assessment

# Proposed annual self-assessment process



# Timeline – Two options

- When will we conduct the first (baseline) assessment?
  - First assessment for large electric utilities would start in 2023
- Will the first assessment use the process dictated by the comprehensive assessment or the annual self-assessment?
  - Legislation requires the assessment to be conducted by an independent third party
- Will all utilities be on the same schedule for conducting comprehensive assessments and self-assessments?
  - Or will they be staggered to align with RAMP?
- What will happen after the assessments?
  - Annual reporting on progress to the Commission via Safety En Banc

# Timeline Option 1: Synchronized schedule

- 2023: First (baseline) assessment
  - Option 1A: Use the BSMS model for the first assessment, overseen and validated by an independent third-party
  - Option 1B: Develop guidelines for and implement a comprehensive assessment for the baseline
- 2024, 2025, 2026: Annual self-assessments
  - Annual self-assessments using the BSMS model in intervening years
  - Report status to the Commission annually
- 2027: Comprehensive assessment; CPUC process review
  - Conduct comprehensive assessments for all large utilities concurrently
  - Use the findings from the comprehensive assessment to implement process improvements for the maturity model and guidelines for annual self-assessments
- RAMP years (variable)
  - Utilities report on progress from their most recent comprehensive and annual assessment in the section on safety culture within RAMP

# Timeline Option 2: Staggered assessments with RAMP

- 2023: First (baseline) assessment
  - Option 2A: Use the BSMS model for the first assessment, overseen and validated by an independent third-party
  - Option 2B: Develop guidelines for and implement a comprehensive assessment for the baseline
- Thereafter, comprehensive assessment will take place the same year as RAMP filings (year before GRC)
- In intervening years, complete self-assessments using the BSMS model
- After the full cycle of the comprehensive assessments, CPUC will consider process improvements

# Coordination with RAMP and GRC

## Option 1 – timing not coordinated with RAMP/ GRC

- Utilities could just describe most recent safety culture assessment results and how it relates to risk assessment in RAMP report
- Pros: simplicity; implement model/guideline improvements on a coordinated timeframe; share lessons learned between utilities
- Cons: timing does not align with other risk management processes

## Option 2 – timing coordinated with RAMP/ GRC

- SPD could develop a more explicit tie between RAMP/ the comprehensive assessment
- Pros: timing aligns with other risk management and funding processes
- Cons: complexity of figuring out timing of baseline and subsequent comprehensive assessments; inability to implement model/guideline improvements on a coordinated timeframe

**Or, parties could propose a different option for timing and coordination**



# Coordination with the Office of Energy Infrastructure Safety (Energy Safety)\*

## Meet regularly to coordinate safety culture activities

- SPD and Energy Safety will continue to host regular meetings to coordinate activities including safety culture oversight
- Energy Safety will present the results of its safety culture assessments (SCAs) to SPD at the end of each assessment period
- CPUC will present the results of its SCAs to Energy Safety when they are available

## Leverage the results from Energy Safety's safety culture assessments within CPUC's safety culture assessments; avoid duplication between assessments

- The CPUC's safety culture assessments will encompass review of existing survey results and IOU safety survey data, which will include Energy Safety's most recent SCAs
- While the assessments will use some redundant methods such as interviews, audiences of the assessments will likely differ

## Use the existing MOU between Energy Safety and CPUC to facilitate data sharing between the large IOUs, Energy Safety, and the CPUC

- CPUC and Energy Safety signed an MOU in July 2021 that facilitates the sharing of information, including data and records, to support the implementation of AB 111 and AB 1054
- This will be leveraged to share information and data resulting from safety culture assessments as needed

# Questions?

Please raise hand, use chat, or use Q&A feature

*Till 2:15pm*



# Facilitated Discussion & Next Steps

*2:15-3:00pm*

# Facilitated Discussion

- What schedule is preferred – Option 1 (synchronized), Option 2 (staggered to align with RAMP), or a different option?
- What are the pros and cons of each option?
- Regardless of the option, should all utilities conduct a baseline assessment in 2023?
- Are there additional ways the CPUC assessments should be coordinated with annual Energy Safety assessments?

# Next Steps

- TWG #4: Thursday July 28, 9am-3pm: Technical Working Group Meeting #4, Safety culture maturity model, indicators, and metrics
- Written feedback: Instructions will be sent after the July 28 meeting for topics discussed in TWG #3 and TWG #4

# Closing Remarks

# Questions?

Please raise hand, use chat, or use Q&A feature



**THANK YOU**