

Alice Reynolds
President
California Public Utilities Commission

September 12, 2025

Re: Resolution SPD-37

Sent via email to alice.reynolds@cpuc.ca.gov

Dear Ms. Reynolds:

For years, California's hospitals have navigated the challenges posed by catastrophic wildfires — not only evacuating facilities when fires are nearby, but also finding ways to provide care in the face of public safety power shutoff (PSPS) events and other disruptions in resources caused by extreme weather. Undergrounding power lines has been a crucial component in this work, strengthening the infrastructure on which hospitals rely to provide lifesaving care.

Hospitals are deeply concerned that the California Public Utilities Commission (CPUC) continues to demonstrate a reluctance to allow this work to continue, most recently in its draft cost recovery guidelines (SPD 37). These guidelines actively disincentivize utilities from pursuing long-term undergrounding programs — a direction dangerously out of touch with the realities facing California's businesses, communities, and hospitals. **On behalf of nearly 200 member hospitals and health systems, Hospital Council urges the commission to reexamine these guidelines and adopt undergrounding as a permanent risk reduction measure.**

Hospitals are not like other businesses. When the power goes out, it is not merely an inconvenience; it immediately and directly threatens patient care. Ventilators, operating rooms, dialysis machines, trauma centers, and refrigeration for life-saving medicines all rely on uninterrupted electricity. Backup generators are necessary, but they are only short-term solutions — they are costly to maintain, have limited fuel supplies, and are less reliable than a hardened grid. To prepare for PSPS events and wildfire risks, hospitals must stockpile fuel and develop contingency evacuation plans. Despite hospitals' efforts, the fact remains that these disruptions are costly, destabilizing, and entirely avoidable — if investments are made to stabilize the grid. Undergrounding is the **only** solution that provides the permanence and resilience that patients deserve.

Nevertheless, CPUC has steadily reduced the number of miles utilities are allowed to run underground, undermining hospitals' ability to continue providing lifesaving care during emergencies. Just this year, dozens of clinics in Southern California were forced to close as wildfires raged — not because the buildings themselves were destroyed, but because damage to the electric grid made it impossible to provide care safely.

The financial cost associated with undergrounding pales in comparison to the cost of failing to continue this work — both in terms of dollars and in the lives endangered when care cannot safely be provided. Every hospital evacuation, every clinic closure, every canceled appointment, and every emergency deployment of temporary backup power carries financial, human, and community costs. Policymakers who dismiss undergrounding are not saving money — they are simply shifting these costs to hospitals, patients, insurers, and local communities.

Undergrounding is not a luxury; it is a critical infrastructure investment that protects lives and ensures consistent access to lifesaving care. California's patients and health care providers cannot afford a short-term approach to this long-term crisis.

Thank you for your consideration, and for your ongoing commitment to the safety and reliability of California's energy system.

Sincerely,



Bryan J. Bucklew

President & CEO

Hospital Council — Northern & Central California

Cc: Matthew Baker, Commissioner
Karen Douglas, Commissioner
Darcie L. Houck, Commissioner
John Reynolds, Commissioner
Forest Kaser, Chief Deputy Executive Director
Danjel Bout, Director for Safety Policy Division