BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Wildfire Safety Division
California Public Utility Commission

COMMENTS OF THE GREEN POWER INSTITUTE ON THE DRAFT WMP COMPLIANCE PROCESS

October 2, 2020

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Pursuant to the September 18, 2020, email from the Wildfire Safety Division inviting comments on the Draft WMP Compliance Process, the Green Power Institute, the renewable energy program of the Pacific Institute for Studies in Development, Environment, and Security (GPI), provides these *Comments of the Green Power Institute on the Draft WMP Compliance Process*.

In general, evaluating Utility compliance on the outcome of a given plan, especially quantitative outcomes set to a specific standard in order to achieve a specific goal, improves the likelihood of achieving the targeted outcome or objective. One example is the RPS, which includes evaluating LSE compliance based in large part on their ability to achieve CPUC established renewable procurement percentage mandates in addition to proposed RPS plan approval. This outcome-based compliance approach provides a clear, quantitative benchmark for enforcement and ensures that, in the case of the RPS, California will meet its renewable energy procurement and associated greenhouse gas emission reduction goals. Evaluating WMP compliance based on quantitative outcome metrics would include setting targets for reducing near-misses and ignition events. However, these are inherently stochastic events that are driven by both system-dependent (e.g. VM, asset health) and system-independent (e.g. weather) factors. We therefore recognize that developing a robust WMP compliance and enforcement process is not a trivial task given the difficulty of predicting and mitigating outcome metrics that are stochastic by nature, in this case wildfires and the drivers that lead to near-misses, ignitions and consequence risk. However, The GPI is concerned that the proposal bases Utility compliance largely on achieving progress metrics that to date are only partially informed by data or optimization models.

The WMP requires Utilities to report on both Utility-defined program, or progress metrics, and the wildfire risk mitigation outcomes, or outcome metrics, before and after mitigation program implementation. The Draft WMP Compliance Process largely focuses

on enforcing compliance based on annual and ongoing WMP progress metrics defined by the Utilities and approved by the WSD. The proposed WMP compliance assessments include boots-on-the ground inspections in addition to plan and progress reviews by the WSD, IE and other parties. The GPI agrees that gauging Utility compliance based on the completion of proposed wildfire mitigation activities is the most-straight forward, controllable, and quantifiable approach for WMP enforcement. However, we also stress that the Utility-proposed and WSD-approved WMPs and associated progress metrics are only as good as the foundational ability to optimize cost-effective wildfire risk and consequence mitigation activities, and the ability to evaluate Utility proposals and approaches.

While we are confident that the WMP initiatives will have a positive impact on reducing wildfire risks and consequence, the cost-effectiveness, level of risk reduction, and ability to optimize the plans remain relatively unknown. The 2020 WMPs included an abundance of vague language, frequent references to qualitative assessment by SMEs, a lack of data- and risk-driven prioritization, and little-to-no indication of plan optimization. This suggests that using the Utility-proposed programs and progress metrics for compliance and enforcement purposes will lead to uncertain outcomes in terms of the ability of those plans to mitigate wildfire risk and consequence. That is, the proposed compliance and enforcement approach may ensure the plans are enacted, but their ability to ensure timely and efficient ignition and wildfire consequence risk reduction and achieve the WMP vision overall is limited.

To ensure that the Utility-proposed WMPs and progress metrics are suitable for evaluating Utility compliance and enforcement they must be informed by foundational models that direct risk- and data-driven initiative prioritization and plan optimization are necessary. This includes methods and models to minimize wildfire risk and consequence, customer service impacts, and plan cost. Models should include standardized minimum granularities, inputs such as cost, and in general include data sources, and assumptions that are transparent and vetted. The proposed SHEUR method introduced this concept at a line-segment granularity and in the context of grid hardening and customer reliability.

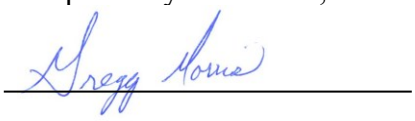
Based on the 2020 WMPs and First Quarter updates, the IOUs are each developing disparate risk models with inputs, assumptions, outputs and overall capabilities that include some variance in granularity, but are otherwise relatively unknown. Modeling wildfire risk and consequence reduction, initiative prioritization, and plan optimization is no small task particularly given the number of variables and mitigation approaches that must be considered. GPI recommends that the WSD begin guiding this process from a top-down approach to ensure that the IOUs are developing models with some degree of comparability in terms of their inputs, outputs, and capabilities such as cost evaluation, mitigation optimization, and analytical granularity. IOUs and any other Utilities preparing risk and risk-mitigation models should present their current progress and plans in detail in written and workshop formats.

The limited ability to assess and ensure that the Utility-proposed plans are the best way forward in term of risk mitigation impacts and cost effectiveness is a persistent weak point in the WMPs. This limitation inherently weakens the efficacy of the proposed progress-based enforcement mechanism and its ability to achieve the overarching vision "for a sustainable California, with no catastrophic utility-related wildfires, and access to safe, affordable and reliable electricity" in a timely and cost-effective way. Without comparable risk and mitigation model standards underlying plan development the inability to assess plan optimization may well continue into the next 3-year WMP cycle. Establishing a common foundation for what wildfire risk and mitigation models should incorporate, consider and inform, and vetting those models, will guide and instill confidence in the very plans on which the WSD intends to determine wildfire mitigation compliance. This approach will facilitate the WSD review and approval process and ultimately link the proposed progress-metric-based compliance and enforcement approach to data-driven, optimized wildfire risk mitigation outcomes.

GPI also recommends clarifying the difference between "Non-compliance resulting from failure to timely correct defects" and "Categories 1-3," the "defect codes" described under the "Ongoing Compliance Assessment" description, and the deficiency "Class" scheme used to classify deficiencies and mandate corrections for the 2020 WMPs. We interpret

that the proposed defect Categories 1-3 address progress metric shortcomings (e.g. poor quality or behind schedule VM), as opposed to the WMP evaluation system which uses Class A-D to designate the severity and timeline for addressing plan deficiencies. GPI would also like clarification regarding how the WSD will define "substantial," in the context of the second proposed compliance assessment "Failure to substantially comply with WMP" and under the "Ongoing Compliance Assessment" description. Establishing at least some quantitative metrics will likely facilitate Utility compliance.

Dated October 2, 2020
Respectfully Submitted,



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