

October 2, 2020

Caroline Thomas Jacobs, Director
Wildfire Safety Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

SUBJECT: Southern California Edison's Comments on the Workshop for the Draft Wildfire Mitigation Plan (WMP) Compliance Process Proposal Presentation

Dear Ms. Thomas Jacobs,

Southern California Edison (SCE) hereby submits its comments on the Wildfire Safety Division's (WSD) Draft Wildfire Mitigation Plan Compliance Process, dated September 18, 2020. SCE appreciates the opportunity to provide its feedback on the draft process and looks forward to continuing to work with WSD and other parties to further develop the process.

SCE agrees with WSD's high-level proposed compliance process conceptually and believes it sets forth a good foundation for additional collaboration among all stakeholders. As discussed below, SCE's comments are primarily focused on the need to (1) align the compliance period with the WMP time period and other related reporting to the WSD; (2) define key terms to help ensure consistent application; and (3) define defect codes, associated prioritizations and corrective time frames that are flexible and where possible, consistent with General Order (GO) 95.

SCE SUPPORTS THE WSD'S CLARIFIED OUTCOME-BASED APPROACH & SUBSTANTIAL COMPLIANCE STANDARD

During the September 29, 2020 workshop, WSD clarified that outcome-based metrics will be used to inform future WMPs and should be broadly defined and not narrowly focused on the number of catastrophic wildfires associated with utility infrastructure. SCE agrees that monitoring outcomes, especially those within the reasonable control of the utilities is critical, and should be analyzed to drive adjustments and improvements to subsequent WMPs. It is important that WSD's "outcome-based" approach not be solely focused on mitigating catastrophic wildfires associated with electric infrastructure, but also should take into consideration relevant "outcomes" to include the continued provision of safe, reliable and affordable electricity as well as ongoing efforts to reduce

risk.¹ All of these components need to be factors in determining the effectiveness of the utilities' wildfire mitigation efforts, and SCE appreciates WSD's clarification on this subject at the September 29, 2020 workshop. As recently stated by the Commission:

POC also fails to establish any statutory or other legal requirements that WMP effectiveness be proved as a condition precedent to WMP approval. To the contrary, relevant statutory language recognizes that the ability of WMPs to effectively reduce the risk of catastrophic wildfires is an *evolving process*. And determining effectiveness with any certainty can only occur after a plan has been implemented, not before it is even approved.²

When examining the interplay of the concepts of “compliance” with “outcome-based” results, WSD should take to heart the Commission’s repeated admonition that “effectiveness analyses are largely backward looking evaluations”³ to facilitate a process where “next year’s plans reflect this year’s lessons.”⁴ Moreover, as recently stated by the Commission and in statute, “the role of the independent evaluators [is to] assess whether the utilities have complied with their WMPs, including whether they failed to fund any WMP activities.”⁵ WSD should resist any attempts to blur the lines between *ex ante* WMP approval and *ex post* WMP “compliance,” which are two entirely distinct and different propositions. As SCE has stated repeatedly, an undue focus on short-term outcomes that are outside the reasonable control of the IOUs and largely driven by exogenous factors such as weather, fire suppression capacity and capability, or community emergency planning can lead to both false positives (*i.e.*, a false appearance that WMPs are not working) or false negatives (*i.e.*, a misleading appearance that all risk has been mitigated). In other words, “compliance” with WMPs should be viewed as fundamentally different than WMP “effectiveness.”⁶

SCE also agrees with the “substantially complied” standard set forth in the proposed process. In assessing the utilities’ compliance with their WMPs and the objective targets therein, it is important to provide flexibility to change activities if warranted and to weigh certain factors outside of the utility’s reasonable control such as skilled labor resource constraints, supply chain disruptions, permitting and construction delays, and other unexpected events that could impact the utility’s ability to meet all of its approved metrics. This is consistent with TURN’s comment in the workshop that there needs to be a flexible enforcement regime that takes into account extenuating circumstances, so that utilities are incentivized to reach the most efficient and effective results, including by

¹ Clarified by Christopher Meyer of WSD during the September 29, 2020 workshop in response to a question from SCE.

² D.20-09-041 at p. 5 (emphasis added).

³ D.20-09-041 at p. 6.

⁴ D.20-09-041 at p. 6 (citing D.19-05-036).

⁵ D.20-09-041 at pp. 6-7.

⁶ See, e.g., January 7, 2020 SCE Opening Comments on ALJ’s Ruling on Wildfire Mitigation Plan Templates and Related Material at pp. 2, 6-7.

changing what is not working and expanding on what is. It is also consistent with the WSD's bi-annual "change order" process to implement changes to approved WMPs.

Thus, as the details of the WSD compliance process is further developed, it is critical to incorporate the ability for dialogue between WSD and the utilities to understand the specifics of the situation when defects are identified, and when compliance targets or timeframes may not have been met (and the reasons underlying those issues).

THE COMPLIANCE PERIOD NEEDS TO ALIGN WITH THE WMP PERIOD

WSD proposes that a "compliance period begins at WMP approval date and concludes when the next plan or update is approved."⁷ This has been approximately June to June for the first two WMP cycles. Based on this period, the utility would submit its annual WMP compliance report within 90 days of the completion of the compliance period and the Independent Evaluator will complete their review and submit their report by July 1 of each year.⁸

The currently approved WMPs and the activities contained therein are reflected on a calendar year-basis, which is also consistent with how the utilities typically plan and budget their work. While many of the activities are multi-year activities, they are still planned and forecasted on a calendar-year basis. This alignment of WMP goals and targets timelines to the utilities planning and budgeting cycles helps simplify the preparation of the WMPs and the tracking of activities. If the compliance period and WMP period do not align it will create significant challenges in assessing compliance with the WMPs.

For most WMP activities, the work is not evenly spread across months in a calendar year. In some cases, the work may be front loaded during the year to complete critical activities before the traditional start of wildfire season. For other tasks, such as advanced technology studies, the activity itself may not be completed until later in the year. Other tasks such as the installation of covered conductor may occur throughout the year, but the volumes may vary month to month. Thus, if the compliance period and the WMP calendar-year-based goals or targets are not aligned, it will be challenging to determine if the utility complied with its WMP. All of the compliance assurance related activities, including the annual WMP compliance report, the Independent Evaluator review, WSD's compliance inspections and audits, and other WMP reporting should reflect a compliance period that matches the WMP (i.e., on a calendar-year basis). Synching up the compliance period with calendar years simplifies the compliance process for all parties involved and creates less confusion.

⁷ Proposed Process, p. 4.

⁸ The scope of the Independent Evaluator review still needs to be defined by WSD so that all the IE reviews are consistent. Based on the IE review scope and the timing of the annual compliance report submittal, there may be challenges in the IE completing their report by July 1 of each year. For example, if the compliance period ends on December 31 of a given year, the compliance report would be submitted by March 31 of that subsequent year. This potentially would only provide the IE three months to conduct the review and issue a final report by July 1 of that year.

In addition, given the amount of tracking and reporting that is done related to the WMPs, it would be useful to look for opportunities to streamline the tracking and reporting of WMP activities. For example, SCE has been providing WSD bi-weekly project lists of completed, in-progress and scheduled system hardening and vegetation management activities for the past several weeks and next several weeks. These lists have been used for WSD field inspection purposes. However, SCE has also recently provided a quarterly update that provides completed work during the past quarter. Any opportunities to streamline or consolidate the tracking and reporting of WMP activities will help make the process more efficient for everyone involved.

KEY DEFINITIONS NEED TO BE DEVELOPED

WSD's proposed process uses various terms without clearly defining what they mean. These terms include, but are not limited to, "defect," "immediate" (as used in the correction timeframes), defect "severity" categories and what types of defects are included in each, Notice of Defect, and Notice of Noncompliance. To ensure consistent application of the process across the utilities, it is important that all parties have a consistent understanding of the key terms and what they mean. For example, in several recent inspection reports provided to SCE by WSD's previous consultant, multiple instances where SCE's system hardening activities that were not yet completed were identified as "defects" even though SCE's project list had identified the work as "in-progress." Work that the utility states as "in-progress" and "not yet complete" should not be identified as a "defect" because it was not yet completed when WSD inspected the structure.

In addition, it is important to understand the distinction between a Notice of Defect and a Notice of Noncompliance and what expectations WSD has for the utility for each category.

DEFECT CODES, THEIR PRIORITIZATION AND CORRECTIVE TIMEFRAMES SHOULD BE ALLIGNED WITH GO 95

WSD has proposed expedited correction time frames for its defect categories that are not aligned with GO 95, Rule 18. WSD has not yet provided what types of defects fall within each category, the criteria for why each defect is assigned to a category, and why the expedited timeframes are necessary to help reduce wildfire risk as compared to the Commission-approved timeframes for potential violations of GO 95 that create a fire risk located in a High Fire Threat District, which were developed through a multi-year collaborative proceeding with inputs from multiple stakeholders.⁹ SCE encourages WSD to look for ways to simplify the process by aligning with existing processes or reducing the differences where possible. Having two sets of prioritization categories, with different remediation timeframes for WMP-related defects versus potential violations of GO 95 that potentially create a fire risk, would unnecessarily add complexity and confusion. In addition, SCE's work management systems already reflect the current GO 95 remediation regime and would need to be modified if a

⁹ See GO 95, Rule 18-B1.

different remediation regime is used exclusively for WMP-related defects. Before adopting new defect prioritization categories and correction timeframes, SCE recommends that WSD work with the utilities and other stakeholders to explore options for simplifying the process.

If you have any questions, or require additional information, please contact me at carla.peterman@sce.com.

Sincerely,

//s//

Carla Peterman
Senior Vice President, Regulatory Affairs
Southern California Edison

cc: Service List for R.18-10-007
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