

02/04/2021

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 Proposed
Independent Evaluator List

Dear Director Thomas Jacobs,

Southern California Edison Company (SCE) hereby submits its comments on the Wildfire Safety Division's (WSD) Proposed Independent Evaluator List issued on January 7, 2021.

SCE appreciates the WSD's and CalFire's effort to prequalify potential Independent Evaluators (IEs) to review and assess the electrical corporations' compliance with their Wildfire Mitigation Plans (WMP) as required by P.U. Code §8386.3. SCE also appreciates the opportunity to provide comments on the Proposed Independent Evaluator List.

The responses submitted by the proposed IEs to WSD's Request for Qualification (RFQ 20NC0427) and WSD's/CalFire's scoring of the responses have not been made public. SCE is troubled by the lack of transparency in the process, and accordingly, SCE is not able to provide any comments on the qualifications of the firms listed. Thus, SCE will rely on WSD's and CalFire's determination that these firms are qualified to perform the work required of the Independent Evaluator.¹

While WSD has prequalified the list of IEs to perform the WMP compliance assessment, WSD has not obtained any pricing proposals from the IEs for the expected work. In order for the electrical corporations to execute contracts with the selected IEs, a detailed statement of work and the costs to perform the work are needed. Since the IE report on the 2020 WMP compliance is due by July 1, 2021, it is imperative that the selected IEs quickly execute a contract and commence their reviews. In order to ensure

¹ Because WSD and CalFire have already prequalified the listed firms to perform the responsibilities of the IE in assessing compliance with the WMPs, SCE will not perform any additional qualification screening of the firms and rely solely on WSD's/CalFire's determination of qualification when selecting an IE.

the electrical corporations can quickly contract with an IE once the IE List is finalized, SCE encourages WSD to commence joint working sessions with the electrical corporations as soon as possible to resolve any questions. In addition, SCE encourages WSD to inform the IEs, if they have not already done so, of the short timeframe required for their 2020 WMP compliance reviews.

WSD SHOULD PROVIDE A DETAILED STATEMENT OF WORK FOR THE IE REVIEW

Since the IE is to “consult with and operate under the direction of, the WSD,”² it is important that WSD provide clear guidance to the electrical corporations on its expectations for the IE. This guidance should include a detailed statement of work that, among other things, sets forth the review standard to be used in assessing electrical corporations’ substantial compliance with their WMPs;³ a description of all deliverables; and an expected schedule for the work. WSD recently issued a Secondary Request for Proposal (No. 20NC0640) for wildfire safety compliance assurance services. The detailed statement of work set forth in this RFP is a good example of what WSD should also provide in this context to enable the electrical corporations to efficiently and effectively retain an IE.⁴ In addition, providing such guidance will help ensure that all of the IEs perform similar assessments and report their findings consistently.

ELECTRICAL CORPORATIONS WILL NEED TO OBTAIN PRICING PROPOSALS FROM THE LISTED INDEPENDENT EVALUATORS

While the electrical corporations are required to hire and initially pay the IEs, it is ultimately their customers that will be responsible for the IEs’ costs.⁵ Thus, it is important that there be a defined scope of work and clear estimates of the costs to perform the work, prior to the commencement of the work. In order to obtain pricing proposals from the IEs, the detailed statement of work should be provided by WSD. Once the statement of work is obtained, each of the electrical corporations can solicit pricing proposals from some or all of the qualified IEs. In addition, the electrical corporations will need to share their contractual terms and conditions with the IEs since some terms and conditions may impact the IEs’ pricing proposal. This process with the

² P.U. Code §8386.3(c)(1)(B)(1).

³ See, e.g., Resolution WSD-12 at p. 7 (Establishing an “Annual Compliance Assessment where the WSD will assess an electrical corporation’s compliance with its WMP through the review of the electrical corporations’ annual compliance reports, review of the Independent Evaluators’ annual reports and assessment of whether each electrical corporation substantially complies with its WMP during the prior compliance period.”).

⁴ While some tasks and deliverables in RFP No 20NC0640 may be similar with those required of the IE, many of the tasks are beyond that required of the IE. This RFP was only referenced as an example of the level of detail and specificity needed by the electrical corporations to contract with a selected IE.

⁵ Pursuant to P.U. Code §8386.3(c)(3) “the commission shall authorize the electrical corporation to recover in rates the costs of the independent evaluator.”

IEs may take multiple weeks, which potentially will cut into their time to perform their compliance assessment of the 2020 WMPs.

WSD SHOULD HOLD JOINT MEETINGS WITH THE ELECTRICAL CORPORATIONS TO HELP EXPEDITE THE PROCESS

In recent discussions with WSD, SCE was informed that WSD will issue guidance regarding the IE review by March 1, 2021. In order to expedite the process and provide the IEs as much time as possible to complete their 2020 WMP compliance reviews, SCE encourages WSD to immediately start holding joint meetings with the electrical corporations to discuss all aspects of the IE process. Since this is the first time WSD and the electrical corporations will be engaging IEs to review WMP compliance, there are many questions that will need to be resolved, including but not limited to: the statement of work; WSD oversight of the IEs (including whether WSD is required to review the contractual terms and conditions); whether each electrical corporation will need to hire different IEs; potential conflicts of interest between an IE and a specific electrical corporation; and, most importantly the standard of review the IE will employ regarding “substantial compliance.” Resolving as many of these issues prior to March 1 will help expedite the electrical corporations’ selection and hiring of an IE. Any delays in resolving these types of issues may result in shortening the already compressed time period the selected IEs have to conduct their reviews of 2020 WMP compliance.

WSD SHOULD INFORM THE PROPOSED INDEPENDENT EVALUATORS OF THE JULY 1, 2021 DUE DATE

If WSD has not already done so, SCE encourages WSD to notify the qualified IEs of the July 1, 2021 statutory due date for their final report on the 2020 WMP compliance review and the need for them to be ready to provide pricing proposals. Providing the IEs as much advanced notice will help expedite the process and they may also have questions that WSD needs to resolve.

SCE appreciates the opportunity to provide these comments and is ready to meet with WSD and the other electrical corporations to help ensure the IE WMP compliance reviews are completed in a timely and efficient manner.

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

Sincerely,

//s//

Carla Peterman
Senior Vice President, Strategy and Regulatory Affairs
Southern California Edison

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

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