

## Southern California Edison Company

### Comments on WSD's Proposed Criteria for List of Independent Evaluators

On May 14, 2020, a notice was posted on LinkedIn and Twitter notifying the public that the CPUC's Wildfire Safety Division (WSD) made available for public comment their "proposed criteria for a list of qualified independent evaluators with experience in assessing the safe operation of electrical infrastructure."<sup>1</sup> The posting provided a link to a document titled "CPUC Wildfire Safety Division Seeks Public Comment on Proposed Criteria for Safety Evaluators" (WSD's Criteria Document). The posting further stated that public comments are due May 21, 2020.<sup>2</sup>

SCE provides the following comments on the proposed minimum competencies for a list of qualified independent evaluators (IE). SCE agrees that many of the desired competencies, listed in Table 1 of WSD's Criteria Document, are beneficial for evaluating a utility's compliance with its WMP. However, Table 1 does not contain the primary IE competency needed, i.e., experience in performing compliance audits of utility operations. In addition, as discussed below, several of the proposed competencies listed are not necessary because they support work that is outside the scope of the compliance audit that should be performed by the IE.

The scope of the IE's compliance assurance audit should be to assess, on a retrospective basis: (1) whether the utility adequately performed and implemented the specific wildfire mitigation work approved in its WMP (i.e., did the utility meet its WMP Program Targets); and (2) whether the utility failed to fund any activities included in its WMP.<sup>3</sup> The IE should not be assessing the "effectiveness" of the WMP. As SCE has repeatedly made clear, the "effectiveness" of particular programs and activities included in a utility's yearly WMP should be evaluated by WSD itself, and over longer-term time horizons than an annual compliance check covers.<sup>4</sup>

While some WMP mitigation activities can be verified through field observation (e.g., the installation of covered conductor can be verified by physical observation in the field), other mitigation activities can only be verified by reviewing other types of evidence such as inspection logs, pilot program study reports, etc. In addition, since the IE is performing a retrospective

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<sup>1</sup> Source CPUC LinkedIn page.

<sup>2</sup> While the WSD Criteria Document states that the public comment period will be for two weeks, the LinkedIn posting only provided one week.

<sup>3</sup> If the utility met or exceeded its specific WMP Program Target for a specific activity, it by default did not fail to fund that activity. Thus, the assessment of funding for a particular activity should only be reviewed in situations where the utility did not meet its Program Target.

<sup>4</sup> See, e.g., May 4, 2020 Southern California Edison Company's (U 338-E) Response to The Protect Our Communities Foundation's Application for Rehearing in R.18-10-007.

compliance audit, it only needs to perform field observations of work completed in the field during the audit period.

Table 1 of the WSD Criteria Document sets forth the minimum desired competencies in the 10 categories of WMP activities. As discussed below, the minimum competencies should be revised since the type of work supported by some of the specific competencies is outside the scope of work to be performed by the IE. The following sections describe the changes that should be made to the Desired Competencies and are reflected in the marked edits to Table 1 shown below.

#### **Additions to the Competencies:**

As discussed above, the key competency missing from the Desired Competencies in Table 1 is experience in conducting utility compliance audits. Since the IE compliance audit will not be accounting, financial or ratemaking in nature, the auditor should have demonstrated experience in performing non-financial audits of utility operations.

#### **Revisions to the Proposed Competencies:**

As stated above, the IE's scope of work should be limited to assessing compliance and not assessing the effectiveness of the WMP or the efficiency in which the utility conducted the work. Thus, the following revisions should be made to the Desired Competencies:

1. **Grid Design and System Hardening:** While understanding grid design and system hardening techniques is relevant in assessing compliance of WMP activities, the IE should not "evaluate" the utility's system hardening efforts or assess the "implications" of those efforts beyond verifying that the utility met its Program Targets set forth in its WMP.
2. **Vegetation Management and Inspections:** Understanding vegetation management techniques and how to perform vegetation management inspections is relevant in verifying utility compliance with its WMP. However, performing inspections before, during and after maintenance activities take place, should only be focused on the end result, determining whether the utility complied with its WMP. In addition, "ensuring work products are sustainable for safe future operations" falls outside the scope of evaluating a utility's compliance to its WMP.
3. **Asset Management and Inspections:** Understanding utility asset maintenance and inspection techniques is relevant in verifying utility compliance with its WMP. However, performing inspections before, during and after maintenance activities take place, should only be focused on the end result, determining whether the utility complied with its WMP. In addition, "ensuring work products are sustainable for safe future operations" falls outside the scope of evaluating a utility's compliance to its WMP.

4. **Risk Assessment and Mapping:** Understanding risk assessment and mapping techniques and methods is relevant to verifying compliance with the WMP. However, performing risk assessments is effectiveness-related and outside the scope of the IE’s compliance audit.
5. **Resource Allocation Methodology:** Evaluating risk spend efficiencies and how the utility prioritized resources are effectiveness and efficiency-related and the responsibility of WSD to assess. The only cost-related aspect the IE is tasked with assessing is whether the utility failed to fund any activities in its WMP. If the utility met or exceeded its WMP Program Target, it by default did not fail to fund that activity. Thus, the only activities the IE should evaluate the funding for are those where the Program Target was not met.
6. **Data Governance:** Having the capabilities to review a wide variety of utility related data and to timely report to WSD and the utility is relevant to assessing compliance. However, except for the public issuance of a final audit report, the IE should not be communicating or sharing information “amongst interest groups.”
7. **Grid Operations and Operating Protocols:** Understanding grid operations (e.g., inputs, outputs and transformation) is relevant to performing a compliance audit. However, the IE should not have to “evaluate” the utilities’ grid operations to verify it met its Program Targets within this category of WMP activities.
8. **Situational Awareness and Forecasting:** Technical field and educational experience in Engineering, Biological, and Natural Resources may be relevant to assessing compliance with the WMP.
9. **Emergency Planning and Preparedness:** Understanding emergency preparedness and response protocols are relevant to assessing compliance with the WMP.
10. **Stakeholder Cooperation and Community Engagement:** Understanding the methods and tools for engaging communities, agencies and other organizations is relevant to assessing WMP compliance. However, having “networking capabilities to engage with” these entities is beyond the scope of the IE’s compliance audit. As stated above, the IE will be primarily interfacing with WSD and the utility and should not be “engaging” with others, except for the public issuance of its final audit report.

**The Term “Safety” in the title of the WSD Criteria Document should be changed to “Independent”**

The title of the WSD Criteria Document states that the “CPUC Wildfire Safety Division Seeks Public Comment on Proposed Criteria for **Safety** Evaluators.” (Emphasis added). Evaluating

“safety” should not be part of a compliance audit of the prior year’s WMP. As stated above, the sole focus of the compliance audit should be to assess whether the utility adequately performed and implemented the specific wildfire mitigation work approved in its WMP. Thus, the term “Safety” in the title of the WSD Criteria Document should be changed to “Independent.”

**Table 1 – Desired Competencies – Proposed Revisions**

CATEGORY	COMPETENCIES
<b>Utility Auditing</b>	<u>Experience in performing non-financial compliance audits of utility operations</u>
<b>Grid Design and System Hardening</b>	<u>Understand and evaluate grid design/hardening technology implementation and implications</u>
<b>Vegetation Management and Inspection</b>	<u>Understand vegetation management and inspections methods and tools and Perform inspections before, during, and after maintenance activities take place. Ensuring work performed are sustainable for safe future operations.</u>
<b>Asset Management and Inspections</b>	<u>Understand utility asset maintenance and inspection practices and Perform inspections before, during, and after maintenance activities take place. Ensuring work performed are sustainable for safe future operations.</u>
<b>Risk Assessment and Mapping</b>	<u>Understand risk assessment methodologies and tools <del>interpretive skills</del> considering climate data in conjunction with ecological and cultural landscapes.</u>
<b>Resource Allocation Methodology</b>	<u>Collect, analyze, and share data analytics associated with risk spend efficiencies. Understand resource allocation methodologies</u>
<b>Data Governance</b>	<u>Understand utility data systems and ability to provide comprehensive, efficient, timely reporting capabilities that can be shared amongst interested groups</u>
<b>Grid Operations and Operating Protocols</b>	<u>Understand grid operations (e.g. and evaluate power inputs, outputs, and appropriate transformation according to load distribution).</u>
<b>Situational Awareness and Forecasting</b>	Technical field and educational experience in <u>field such as</u> Engineering, Meteorology, Biological, and natural Resources.
<b>Emergency Planning and Preparedness</b>	Proficiency in emergency preparedness and response protocols.
<b>Stakeholder Cooperation and Community Engagement</b>	<u>Understand methods and tools <del>Networking capabilities</del> to engage with communities, agencies, and organizations as needed.</u>