



Liberty
933 Eloise Avenue
South Lake Tahoe, CA 96150
Tel: 800-782-2506
libertyutilities.com

Docket # 2024-APR

September 11, 2026

Patrick Doherty
Program Manager, Compliance Assurance Division
Office of Energy Infrastructure Safety
715 P Street, 20th Floor
Sacramento, CA 95814

Re: Liberty Utilities (CalPeco Electric) LLC's Response to the Office of Energy Infrastructure Safety's Annual Performance Report for Liberty's 2024 Wildfire Mitigation Plan

Dear Mr. Doherty:

Liberty Utilities (CalPeco Electric) LLC ("Liberty") hereby responds to the Office of Energy Infrastructure Safety's ("Energy Safety") Annual Performance Report ("APR") for Liberty's 2024 Wildfire Mitigation Plan ("WMP") released on August 18, 2026.

The primary goal of Liberty's WMP is to minimize the risk of catastrophic wildfires posed by its electrical lines and equipment by implementing preventive strategies for the construction, operation, and maintenance of its facilities, enhancing situational awareness, and making informed decisions. As such, Liberty appreciates the opportunity to respond to Energy Safety's comments on its 2024 WMP performance and values Energy Safety's feedback in advancing the shared objective of reducing catastrophic wildfire risk and improving wildfire mitigation outcomes throughout California.

Energy Safety's primary findings revolve around seven missed WMP initiative targets in 2024. Energy Safety finds that "by missing these targets Liberty failed to reduce risk on its system in the manner pledged to its customers and the people of California through its WMP."¹ Five of the missed targets were target reductions proposed in Liberty's 2024 Change Order Request ("Change Order") and rejected by Energy Safety on the basis that Liberty could not support the risk reduction effectiveness of its proposed changes.

Central to the Change Order was a key strategic decision made to focus on the rollout of Liberty's SRP Program and to reduce the scope of covered conductor and undergrounding projects. Specifically, the Change Order centered on:

1. Enabling 15 circuits with SRP capabilities;

¹ Energy Safety 2024 Annual Performance Report, August 18, 2026; p.1.



Liberty
933 Eloise Avenue
South Lake Tahoe, CA 96150
Tel: 800-782-2506
libertyutilities.com

2. Reducing covered conductor targets from 5.61 miles to 3.9 miles; and
3. Reducing undergrounding targets from 1.3 miles to zero miles.

At the time, Liberty's risk model was still under development and could not fully quantify the expected benefits. Nevertheless, Liberty acted proactively to advance what it determined would provide the greatest near-term wildfire risk reduction. Using the more advanced and now more mature risk model developed, Liberty provides a retrospective analysis of the decision for the 2027 WMP cycle. As discussed below, the analysis presents estimated wildfire risk reduction and costs associated with expanded SRP capabilities versus covered conductor and undergrounding projects. The retroactive analysis addresses the basis for Energy Safety's concern by quantifying the risk reduction achieved through Liberty's 2024 strategic decision and demonstrates that the decision produced greater overall wildfire risk reduction than the originally planned alternatives.

I. Liberty's 2024 Strategic Decision Was Made to Maximize Wildfire Risk Reduction and Did Not Disregard Energy Safety's Guidance

Liberty did not disregard or ignore Energy Safety's determinations concerning Liberty's Change Order. To the contrary, Liberty carefully reviewed and considered Energy Safety's decision while making an informed business decision to pursue a key change in strategy compared to what it initially proposed in its 2023-2025 Base WMP for 2024 that Liberty believed would most effectively reduce wildfire risk.

A. Background - Liberty Reduced More Risk on its System in 2024 Than Was Pledged in its 2023-2025 Base WMP for 2024.

After submitting its 2023-2025 Base WMP, Liberty determined that expeditiously implementing its Sensitive Relay Profile ("SRP") Program would maximize the reduction of wildfire risk for its customers and the people of California. Liberty communicated and explained this decision to Energy Safety through available means and established WMP processes, including Liberty's Change Order Request² and monthly meetings with Energy Safety's Compliance Assurance Division. Notably, 2024 was the first year during which there was no WMP Update process. This presented constraints on Liberty's ability to explain informed and updated WMP decisions for 2024, especially given the then-developing maturity of Liberty's risk model at the time to inform and quantitatively support those decisions and shifts in strategic direction.

Thus, while a mature risk model was not available at the time of Liberty's 2024 Annual Report on Compliance ("ARC") filing to quantify risk reduction outcomes, Liberty successfully implemented its WMP initiatives in 2024, and those efforts achieved risk reductions that exceeded what Liberty pledged in its 2023-2025 Base WMP for 2024.

² 2024 Liberty Change Order Request; May 28, 2024.



Liberty
933 Eloise Avenue
South Lake Tahoe, CA 96150
Tel: 800-782-2506
libertyutilities.com

B. Methodology: The Enhanced Risk Model Allows Liberty to Quantify the Benefits of its Sensitive Relay Profile Program and Grid Hardening Projects

Liberty presents risk reduction estimates in units of annual dollars, monetized via Liberty's 2027 WMP risk model.

Mitigation effectiveness parameters are also obtained from Liberty's 2027 WMP risk model, namely 0.56 for SRP, 0.95 for undergrounding, and sub-driver specific parameters for covered conductor.

In terms of circuit eligibility, Liberty models SRP risk reduction on the exact 15 circuits that had SRP enabled at the end of 2024. For covered conductor and undergrounding, the projects were not executed. To construct a counterfactual, Liberty models the hardening projects on a blended average of Liberty's top prioritized circuits from Table 6-1 of Liberty's 2027 WMP. Liberty calculates risk per overhead mile for these circuits as a weighted average where mileage acts as the weights.

With respect to attribution, Liberty directs Energy Safety to the sequential nature of the risk model. SRP and Public Safety Power Shutoffs ("PSPS") are both applied as mitigations to Liberty's "unmitigated" baseline wildfire risk (~\$700 million annually). Given the structure of the model, the risk reduction credited to SRP and PSPS depends on which is applied first. This produces a range. The lower bound credits SRP with the risk reduction on what remains after PSPS, and the upper bound credits SRP with the risk reduction before PSPS has been implemented. Liberty also presents the midpoint of these two bounds.

For covered conductor and undergrounding, Liberty also presents lower and upper bounds. However, these bounds are calculated differently. The upper bound assumes the hardening projects remove the need for PSPS, thereby reducing outage program risk and crediting the hardening projects with a larger risk reduction. The lower bound, which reflects the current approach of Liberty's 2027 WMP risk model, assumes PSPS use is still active on the hardened project miles.

In terms of project costs, Liberty cites the project costs shown in the original 2024 change order.

C. Results: Retrospective Analysis Demonstrates the Effectiveness of Liberty's Approach

The retrospective risk modeling analysis results captured in Table 1 and Table 2 below supports Liberty's strategic decision to prioritize SRP enablement over covered conductor and undergrounding projects in 2024. Specifically, the SRP midpoint finds a benefit-cost ratio of over 200, while the upper bound of the hardening projects results in a ratio of 30.

Table 1: Modeled risk reduction and costs associated with SRP enablement on 15 Liberty circuits

Attribution basis	Annual risk reduction (\$M/yr)	SRP program cost (\$K/yr)	Estimated BCR
Lower bound (SRP credited after PSPS)	77	650	118
Midpoint	177	650	272
Upper bound (SRP credited before PSPS)	277	650	426

Table 2: Modeled risk reduction and costs associated with decreasing hardening targets

Initiative	Change order project miles	Risk reduction (\$M/yr)		Change order cost (\$M)	Change order cost (\$K/yr)	Estimated BCR	
		Assumes PSPS is no longer used	Assumes PSPS is used			Lower bound	Upper bound
Covered conductor (5.61 to 3.9 miles)	1.71	2.1	0.5	0.8	13	41	165
Undergrounding (1.3 to 0.0 miles)	1.30	2.6	0.6	8.5	141	4.5	18
Combined	3.01	4.7	1.1	9.3	154	7.5	30

The underlying premise of the decision and the analysis is that SRP's scalability allows Liberty to deploy wildfire risk mitigation over a much wider footprint than capital-intensive hardening projects. As an example, the fifteen SRP circuits implemented in 2024 span over 400 hundred miles, in contrast to three miles of change order project miles. This results in greater overall risk reduction.

Liberty notes that SRP introduces additional outage program risk that is not quantified in this analysis. However, Liberty has experienced minimal SRP-associated outages (seven outages across years 2024 and 2025). Applying Liberty's monetized reliability consequence parameter of \$2.63 per customer-minute interrupted³ to the SRP-associated outages does not change the conclusion of the retrospective analysis.⁴

This retrospective analysis does not suggest that grid hardening projects should be deferred indefinitely or that they are of lesser importance. To the contrary, grid hardening

³ Liberty 2027 Base Wildfire Mitigation Plan; August 31, 2026; p. 64.

⁴ Approximately 315,000 CMI when SRP was enabled in 2024. Multiplying 315,000 CMI by \$2.63/CMI yields a reliability estimate of approximately \$830,000 per year.



Liberty
933 Eloise Avenue
South Lake Tahoe, CA 96150
Tel: 800-782-2506
libertyutilities.com

remains an essential element of Liberty's wildfire mitigation strategy. Rather, the analysis and the associated Change Order highlight the importance of sequencing mitigation investments to achieve the greatest overall risk reduction. In the near term, fast-to-deploy, cost-effective mitigation strategies such as SRP are critical to deploy. In the longer term, grid hardening provides a durable strategy to deliver risk reduction with greater certainty in the locations where it can be deployed.

II. Liberty Remains Committed to Honor its WMP Commitments and Reduce Wildfire Risk to its Customers and the People of California through its WMP.

Liberty has made significant progress since 2024 to further its commitment to its customers and the people of California to reduce the risk of catastrophic wildfires. This progress demonstrates that Liberty is taking direct and consistent actions to reduce wildfire risk, improve its WMP performance and respond to identified areas of continued improvement. Most notably, Liberty has taken the following steps to develop and implement its WMPs:

- **New leadership established in 2025 and 2026:** Liberty recruited and promoted executive and operational leaders who are committed to transparency, collaboration, and employee engagement, fostering a culture in which field employees play an active role in identifying areas of safety culture improvement.
- **WMP initiative target progress in 2025 and 2026:** Liberty met or exceeded all WMP initiative targets except for one target⁵ in 2025 and is approximately 76% complete in implementing its 2026 WMP initiative targets as of July 31, 2026. Additionally, prior to fire season in 2025, Liberty completed two additional automatic reclosers that were targeted and missed in 2024 as well as the two animal guards that were targeted and missed in 2024.
- **Liberty's New Wildfire Risk Model:** As part of its commitment to continuous improvement, Liberty completed a comprehensive overhaul of its wildfire risk model in Q2-Q3 2026
 - Liberty transitioned from its previous risk modeling consultant to a leading expert in California wildfire mitigation and risk modeling, Filsinger Energy Partners, and rebuilt the risk model from the ground up to fit Liberty's unique service territory.
 - Liberty authored and approved its Risk Focus Group ("RFG") charter, formalizing a cross-functional team of subject matter experts to further engage, discuss, challenge, learn, and guide the model.

⁵ Liberty completed 0.3 miles of undergrounding in 2025 compared to its target of 0.4 miles, primarily due to permitting delays and project re-scoping that prevented completion of the planned Tahoe Vista Rule 20 undergrounding project.



Liberty
933 Eloise Avenue
South Lake Tahoe, CA 96150
Tel: 800-782-2506
libertyutilities.com

- Liberty onboarded a known industry expert, from the Energy Institute at Haas Business School - Berkeley, to increase internal expertise, provide reasonable and justified results, and to drive continuous improvement.
 - Liberty increased engagement with other utilities and public safety partners through working groups, conferences, forums, and one-on-one engagements, and used that engagement to further challenge and improve the model.
- **Implemented Asset Drone Inspection Program in 2026:** During the 2023–2025 WMP cycle, Liberty engaged with other utilities and drone vendors to evaluate infrared, LiDAR, and drone inspection technologies. Through these discussions, demonstrations and pilot efforts, Liberty identified opportunities to leverage drones to enhance detailed inspections, support outage response activities, and improve inspection of remote or difficult-to-access facilities. Building on those results, Liberty selected a full-service drone inspection approach and completed the first system-scale HFTD-3 pilot in 2026. The 2026 pilot covered the planned HFTD-3 inspection area and has been completed as of the time of this filing. Preliminary results include 1,769 recorded inspection observations. The pilot confirmed that drone inspections can provide useful asset views increasing the find rates for both level 1 and 2 conditions. Liberty is reviewing the results, validating priority classifications, and routing actionable findings through its established corrective work process.
- **Data tracking and reporting improvements:** During 2025 and 2026, Liberty made improvements to its data governance, tracking, and reporting capabilities. Additional data governance was applied to work order data fields used for downstream WMP reporting of operations initiatives. These improvements include new forms for tracking Tree Attachment Removals, QA/QC of Inspections, and Drone Inspections. Liberty has also created additional dashboards for monitoring projects like QA/QC of Inspections and Drone Inspections. These dashboards allow for all aspects of inspections to be tracked including priority level of findings and pass rates aggregated by inspector, circuit, inspection type, etc. Work resulting from inspections is also tracked on updated dashboards and used by foremen to schedule work based on priority. During this time significant progress has been made towards migrating all G.O. inspections and maintenance records to a single data collection application. QA/QC programs for inspections as well as vegetation work have also made significant advancements. Sampling methodology and pass rate calculations for each initiative have been improved, and a data pipeline for vegetation QA/QC has been developed allowing for each initiative to be tracked on a Power BI dashboard as well as reported on using SQL views and procedures.



Liberty
933 Eloise Avenue
South Lake Tahoe, CA 96150
Tel: 800-782-2506
libertyutilities.com

- **PSPS experience:** Energy Safety identified an increase in PSPS events in 2024 as an area of improvement for Liberty.⁶ While Liberty experienced three PSPS events in 2024, its overall PSPS history remains exceptionally limited. Since the development of Liberty's first WMP, Liberty has executed only four PSPS events despite serving a territory characterized by dense vegetation, mountainous terrain, and weather patterns that can create elevated wildfire risk. Given these conditions, Liberty's limited use of PSPS is notable and reflects the effectiveness of the utility's proactive wildfire mitigation strategy and sustained investments in risk reduction. Given Liberty's unique small service territory, annual PSPS activity can vary significantly based on weather conditions. As a result, PSPS frequency is not necessarily indicative of a long-term trend, but it reflects the occurrence, severity, and timing of high fire-risk weather events in a given year.

Liberty's historical record of limited PSPS events demonstrates that Liberty's approach to prioritize reducing wildfire risk through preventative measures rather than heavily relying on a PSPS or de-energization has been effective. Liberty uses PSPS as a measure of last resort to protect public safety when forecast weather conditions indicate a risk of extreme conditions that could lead to catastrophic wildfires.

Consistent with this approach, following its review of the weather conditions associated with fires in late 2020, Liberty collaborated with fire scientists and meteorologists to develop the Critical Risk Index ("CRI") as an additional tool to inform PSPS decision-making. The CRI was designed to better identify late-season, high-wind wildfire scenarios indicative of catastrophic consequences. Forecast conditions associated with Liberty's 2024 PSPS events were consistent with the types of conditions that informed development of the CRI and supported Liberty's decision to proactively de-energize portions of the system to reduce wildfire risk and protect public safety.

Recognizing PSPS events are disruptive for customers, Liberty continues to implement targeted system hardening and operational investments intended to reduce the likelihood, duration, and scope of future PSPS outages. A significant portion of Liberty's covered conductor program has focused on the Muller 1296 and Topaz 1202 circuits, which historically have experienced the greatest PSPS exposure within the service territory. Additional covered conductor installation is planned on these circuits in 2026 and 2027. Liberty has also installed sectionalizing devices, enhanced situational awareness through grid-monitoring technologies, refined protective equipment and device settings, and implemented additional segment-level PSPS zones to minimize customer impacts when de-energization is necessary.

⁶ Energy Safety 2024 Annual Performance Report, August 18, 2026; p.1.



Liberty
933 Eloise Avenue
South Lake Tahoe, CA 96150
Tel: 800-782-2506
libertyutilities.com

Liberty's continued investments in wildfire mitigation measures and operational improvements, combined with the ongoing maturation of the PSPS program through tabletop and functional exercises, real-world PSPS operations, and post-event evaluations, are expected to further reduce the potential occurrences and impacts of PSPS while maintaining Liberty's commitment to protecting public safety. Lessons learned from these activities have informed ongoing enhancements to PSPS planning, stakeholder coordination, customer communications, restoration planning, and circuit segmentation strategies.

Closing Remarks

Liberty places tremendous importance on protecting the public, its employees, and the communities it serves while providing safe and reliable electric service. As such, Liberty values Energy Safety's comments on its 2024 WMP performance.

Liberty respectfully submits that the record demonstrates Liberty did not disregard or ignore Energy Safety's feedback regarding its 2024 Change Order. To the contrary, Liberty diligently reviewed Energy Safety's comments, communicated its intended decision to Energy Safety through established WMP processes, and then made the decision to prioritize the mitigation measure Liberty believed would deliver the greatest near-term reduction in wildfire risk. While at that time, Liberty's risk model was not yet sufficiently mature to quantify the expected benefits, Liberty made an informed, risk-based decision using the available information and expertise and with the objective of achieving the greatest near-term wildfire risk reduction for its customers and the people of California. As discussed above, the retrospective analysis confirms that Liberty's judgment was sound and that the decision resulted in greater wildfire risk reduction. Using Liberty's significantly enhanced and more mature wildfire risk model, the analysis demonstrates that prioritizing SRP deployment in 2024 produced substantially greater wildfire risk-reduction benefits than the alternatives that would have been pursued under the original plan.

Since 2024, Liberty has made substantial investments and implemented meaningful improvements to strengthen every aspect of its wildfire mitigation program, including establishing new executive and operational leadership, rebuilding its wildfire risk model from the ground up, delivering on WMP targets, enhancing inspection and asset management practices, improving data governance and reporting capabilities, expanding drone inspection technologies, advancing covered conductor deployment, and continuing to mature its PSPS program. These actions are more than commitments on paper; they are tangible improvements that have strengthened Liberty's ability to identify, prioritize, execute, measure, and communicate wildfire risk-reduction activities.

Liberty has embraced continuous improvement, invested meaningfully in its capabilities, and delivered measurable progress in 2025 and 2026. Liberty appreciates Energy



Liberty
933 Eloise Avenue
South Lake Tahoe, CA 96150
Tel: 800-782-2506
libertyutilities.com

Safety's constructive feedback and collaboration and believes that the progress achieved to date reflects a shared commitment to protecting the communities from wildfire risk. Liberty looks forward to continuing to work closely with Energy Safety to further enhance wildfire mitigation efforts and advance the common goal of public safety.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jordan Parrillo", is written over a light gray rectangular background.

Jordan Parrillo
Manager, Regulatory Affairs
Liberty