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January 19, 2026

VIA ELECTRONIC FILING
DOCKET: WMP-GUIDELINES

Tony Marino
Deputy Director
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715 P Street, 20th Floor
Sacramento, CA 95814

Re: Bear Valley Electric Service, Inc., Liberty Utilities (CalPeco Electric) LLC, and PacifiCorp Comments on the Public Workshop on Implementation of Cost-per-Avoided Ignition and Wildfire Mitigation Plan Schedule Pursuant to Senate Bill 254 Requirements

Dear Mr. Marino:

Bear Valley Electric Service, Inc. ("BVES"), Liberty Utilities (CalPeco Electric) LLC ("Liberty"), and PacifiCorp d/b/a Pacific Power ("PacifiCorp") (collectively, the "small and multi-jurisdictional utilities" or "SMJUs") hereby provide the following comments addressing issues and questions raised during the December 17, 2025 Public Workshop on Implementation of Cost-per-Avoided Ignition and Wildfire Mitigation Plan ("WMP") Schedule Pursuant to Senate Bill ("SB") 254 Requirements ("Workshop"). These comments are provided in addition to the comments jointly filed by the SMJUs and Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison, to provide additional detail and specific recommendations for the SMJUs.

I. Comments

A. Cost Per Avoided Ignition

Government Code section 8386(d)(12)(D) requires the electrical corporation, in its WMP, to provide "[a]n estimate of cost-per-avoided ignition for each risk, or an explanation on why such a value could not be assigned to a particular risk."

1. Describe how you attribute costs to wildfire activities.
    a. How do you differentiate costs to perform routine work from costs to perform wildfire mitigation activities?

SMJU Response:

As highlighted during the workshop, as phrased, this question is difficult to answer. The question suggests that wildfire mitigation activities are not part of a utility's routine work, when

in fact, many aspects of routine work may mitigate wildfire risks (e.g., vegetation management, asset inspections, situational awareness activities, coordination with meteorology departments, etc.). Utilities have been proactively taking steps to mitigate wildfire risks well before WMPs were required. Conversely, certain utility work conducted pursuant to a WMP may be considered routine (e.g., substation inspections). Accordingly, it is unclear how to differentiate "routine work" from "wildfire mitigation activities." Furthermore, wildfire mitigation activities may not be limited to specific geographic locations, such as High Fire Threat Districts ("HFTDs"), which further exacerbates the challenge of how to differentiate between what is routine from what is specifically undertaken to mitigate wildfire risks or address risks in HFTDs.[1]

Absent further clarification, the SMJUs provide the following information in an attempt to address the question as phrased. Generally, the SMJUs all differentiate and track costs associated with utility work, though not necessarily within "routine" or "wildfire mitigation activity" categories. Some work related to WMP efforts, such as vegetation management or asset inspection efforts, is not assigned to specific WMP initiatives. However, costs associated with these efforts may be reported as a WMP-related cost, even if the work has more generalized or "routine" benefits. Similarly, internal utility accounting processes may assign certain utility work, or percentages of utility work, to wildfire mitigation efforts based on a utility's evaluation of the level of effort towards wildfire mitigation in comparison to other activities.

While the SMJUs strive to differentiate specific costs from one another and assign costs to appropriate activities, it is unclear how to classify costs as "routine" versus "wildfire mitigation activities" in the context of calculating cost-per-avoided-ignition. If specific definitions for "routine" and "wildfire mitigation activities" are provided, or if the question is further clarified to help utilities understand the objective behind the question, the SMJUs may be able to provide more relevant information or classify certain work differently going forward.

b. How do you track costs for initiatives that are performed in-house and by contractors? (e.g., accounting for in-house labor and overhead, vs contractor's unit costs for the same initiative)

SMJU Response:

Costs associated with in-house work as well as contractors is tracked as outlined in response to question 1.a., above. For much of the work performed by contractors, costs are clearly earmarked and allocated to specific initiatives or measures, depending on the scope of work performed, so it is often easier to differentiate and assign contractor-performed work.

2. How do you account for location-specific risk reduction benefits when calculating the cost efficiency of a project, especially when the cost estimate for the project is averaged over multiple circuit segments?

a. For example: If you're using an average cost per mile based on multiple circuit segments of undergrounding to calculate cost efficiency, could the cost efficiency

[1] Differentiation becomes even more challenging for PacifiCorp given its multi-state service territory and multi-state efforts to mitigate wildfire risks and conduct more generalized utility work.

of an individual circuit segment within the project be obscured by using that average? Why or why not?

SMJU Response:

As a starting point, the SMJUs note that there are dedicated sections of WMPs that describe in detail location-specific risk reduction benefits and cost efficiencies. However, it is also important to recognize that mitigation measures, while targeted, inherently have varying benefits depending on multiple factors, including precise location. For example, grid hardening or covered conductor projects are area specific but may not always yield more granular insight for specific locations within the overall project area. Therefore, to best respond to this question, additional clarity regarding the specific information being sought would be beneficial. For instance, whether the focus is on reducing the risk of ignition or the consequences should an ignition occur, or both; and how varying terms, such as "location-specific risk," are defined.

To best respond to this question, the SMJUs recommend that the Risk Modeling Working Group ("RMWG") further evaluate this question based on utility responses, and provide additional clarity regarding the intent of the question and the definition of key terms. It also may be helpful to conduct additional workshops where subject matter experts can work through the question more thoroughly, examine different approaches to risk mitigation, and identify what information would be most beneficial.

3. Describe how you determine which ignition risk driver(s) are mitigated by which mitigation initiative(s).
   a. For mitigations that address multiple risk drivers, how do you apportion the reduction for each risk?
   b. If an ignition risk can be mitigated by multiple initiatives (e.g., covered conductor and PEDS on the same span both mitigate the risk of conductor-to-conductor contact), describe your process for determining how much of that risk each separate mitigation initiative reduced.

SMJU Response:

These are complex questions. While the SMJUs do evaluate the effectiveness of mitigation measures, it is not always possible, or necessary, to separately apportion the reduction for different risks that may be mitigated. Multiple or multi-faceted measures could provide additional, overlapping, or interdependent benefits, which makes it even more challenging to calculate or apportion the combined risk reductions. Moreover, effectiveness is not always evaluated in combination with other measures, particularly when evaluating specific initiatives for effectiveness and performance.

The SMJUs recommend that the RMWG further evaluate this issue. The RMWG has the appropriate subject matter experts to consider these complexities and provide recommendations on standardized modeling guidelines and best practices. It also may be helpful to convene additional workshops to more thoroughly discuss and consider this issue.

4. What baselines or counterfactuals have you considered when establishing "avoided" ignitions?

a. How do you use proxies, such as outages and wire-down events, to correlate wildfire risk and avoided ignitions?

SMJU Response:

The SMJUs recommend that the RMWG further evaluate this issue given the technical complexity associated with this question. The RMWG has the appropriate subject matter experts to consider this and provide recommendations on guidelines and best practices. It also may be helpful to convene additional workshops to more thoroughly discuss and consider this issue.

b. Which risk drivers are challenging to estimate avoided ignitions for?

SMJU Response:

The SMJUs similarly recommend that the RMWG further evaluate this issue given the technical complexity associated with this question. The RMWG has the appropriate subject matter experts to consider this and provide recommendations on guidelines and best practices. It also may be helpful to convene additional workshops to more thoroughly discuss and consider this issue.

5. How do your risk reduction values for mitigation initiatives account for risk reduced due to weather and environmental conditions?

SMJU Response:

This question is unclear. While it is true that risks vary depending on weather and environmental conditions, many of the mitigation measures and initiatives implemented by the SMJUs already account for such conditions. As detailed in each utility's WMP, many weather and environmental conditions are incorporated into risk assessment methodologies and modeling outputs. Additionally, the effectiveness of mitigation efforts and initiatives will inherently differ based on the prevailing weather and environmental conditions in the areas where they are deployed. To the extent the question is seeking additional information on how specific risk reduction values are adjusted for or influenced by weather and environmental conditions, the SMJUs recommend that the RMWG further evaluate this issue. The RMWG has the appropriate subject matter experts to consider this and provide recommendations on guidelines and best practices. It also may be helpful to convene additional workshops to more thoroughly discuss and consider this issue.

B. WMP Schedule

The electrical corporations are required to submit their WMP one year ahead of GRC application. (Government Code section 8386(c)(1).)

6. What logistical challenges do you foresee in transitioning to and implementing the new WMP submission cadence, and what are your proposed solutions?

SMJU Response:

Implementing the new WMP submission cadence will be challenging and will require close coordination between the Office of Energy Infrastructure Safety ("Energy Safety"), the California Public Utilities Commission ("Commission"), electric corporations, and interested stakeholders. The SMJUs recommend that Energy Safety and the Commission initiate individual

and joint workshops with these parties to further vet these issues and provide clear direction to the utilities as early as possible, and well in advance of any applicable deadlines.

1. Timing Issues

(a) The SMJUs Have Different GRC Cadences

The SMJUs have different general rate case ("GRC") schedules and cycles. While BVES utilizes a four-year GRC cycle, Liberty and PacifiCorp utilize a three-year GRC cycle. Under the three-year GRCs utilized by Liberty and PacifiCorp, a four-year WMP cadence presents a number of issues.

First, the one-year misalignment in GRC and WMP cycles creates a chronological and procedural discrepancy between when WMPs and GRCs must be submitted. Over time, this will require that Liberty and PacifiCorp file their WMPs progressively earlier relative to their GRC filings. Initially, the WMP would be filed one year ahead of the corresponding GRC. However, the subsequent WMP would need to be filed before the prior WMP's effective period lapses. For example, as described in the table below, PacifiCorp's first GRC subject to Senate Bill 254 will be filed in 2029, which would require submitting its WMP in 2028 for the 2029-2032 period.

Below is what PacifiCorp's GRC and WMP schedule would look like under the new four-year WMP cadence.

GRC Filed (Test Year)	**2029 (2030)**	**2032 (2033)**	**2035 (2036)**
GRC Period Covered	2030-2032	2033-2035	2036-2038
WMP Filed (1 year before GRC)	2028	2031	2034
WMP Period (Four-year cycle)	2029-2032	2033-2036	2037-2040
Lag Between WMP Filing and Execution	1 year	2 years	3 years
Time From WMP Filing to Last Year of WMP Execution	4 years	5 years	6 years

As this schedule shows, PacifiCorp's subsequent GRC would be filed in 2032, requiring the corresponding WMP to be filed in 2031, presumably covering years 2033-2036. This creates an increasing lag between when a WMP is filed and when it is implemented/executed. Moreover, this misalignment compounds over time given the discrepancy between the GRC and WMP cadences, ultimately culminating in a three-year lag for PacifiCorp's 2034 WMP (which would cover years 2037-2040). This growing gap makes forecasting uncertainty even more challenging, particularly for planning targets far into the future.

One potential solution would be to align the four-year WMP cycle with the GRC test year. For example, PacifiCorp's 2034 WMP for the 2036 test year could cover 2036-2039 to ensure the lag between the WMP and the GRC does not exceed two years.

The SMJUs recommend that these issues be further vetted in workshops hosted either jointly or individually, but with close coordination between Energy Safety and the Commission.

(b) How Will WMP Guidelines Be Tailored/Issued?

Currently, Energy Safety releases base year and update guidelines to all of the SMJUs at the same time. If WMP schedules are altered to account for the different timing of SMJU GRCs, this process may need to be revised. Under the new cadence, SMJU WMPs will not be submitted concurrently, raising questions about how and when direction will be provided to the utilities.

For example, Energy Safety could continue to utilize uniform guidelines to all SMJUs, or it could shift to utilizing SMJU-specific guidelines following a schedule that aligns with each utility's GRC. While the SMJUs do not have a proposal on this issue at this time, the SMJUs recommend that Energy Safety provide guidance as early as possible to ensure clear expectations for WMP development and planning purposes. Moreover, it would be appropriate for the SMJUs to follow the same guidelines, albeit with different timing requirements, to ensure that uniform guidelines are in place. A key to ensuring that utilities have clear direction and regulatory certainty is to utilize uniform and static WMP guidelines for all the SMJUs for the entire four-year WMP cycle, regardless of when an individual SMJU submits its WMP within that cycle.

(c) Forecasting Uncertainty

Under the new four-year WMP cadence, electric corporations would be submit their WMPs one year prior to their respective GRC filings. However, it is unclear which years the WMP would cover. Would the WMP cover the same years as the GRC? If so, and as described above, this could result in WMP forecasting up to six years into the future, which is significantly longer than current WMP forecasting practices; this in turn would likely decrease accuracy and increase challenges associated with planning and implementing WMP initiatives.

As described above, one potential solution would be to align the WMP cycle with the test year of the GRC. However, the SMJUs recommend conducting additional workshops to further address this issue.

(d) GRC Approval

It can take upwards of two years from the submission of a utility's GRC to obtain Commission approval. This presents challenges if a GRC is not approved before the start of the submitted WMP cycle, particularly for any WMP-related initiatives that are pending in the GRC. One potential solution would be to bifurcate the GRC proceedings into two tracks, with the WMP-related elements addressed in the earlier track under a more condensed timeline.

It is also unclear how utilities should proceed if they have approval of either their GRC or the WMP, but not both. While the SMJUs appreciate the efforts to more closely link GRCs and WMPs, it is essential that utilities have clarity regarding WMP guidelines and requirements, even if GRC decisions are pending. For example, if Energy Safety identifies Areas for Continued Improvement ("ACIs") requiring additional resources and costs to implement, it is unclear how a utility should proceed without Commission approval of those measures and costs. It is important that a clear and coordinated process is established to ensure Commission and Energy Safety alignment and to ensure that utilities can implement wildfire mitigation initiatives and ACIs, particularly if such measures exceed previously authorized GRC spend.

This clarity is also essential from an enforcement standpoint. Utilities should not be penalized for failing to implement WMP or GRC initiatives that have been proposed but not yet approved. A clear, aligned, and timely process between the agencies is necessary to ensure utilities can proceed with these capital and resource-intensive mitigation activities that rely on timely cost recovery.

a. When should the 4-year cadence begin for you, at the earliest, and why?

SMJU Response:

In considering when to implement the new four-year WMP cadence, it is important to account for each utility's unique schedules and characteristics. Because of these differences, the SMJUs recommend that this question be further vetted in workshops, either jointly or individually, convened by Energy Safety and the Commission.

BVES: BVES is on a four-year GRC cycle and will file its next GRC on January 30, 2026 for rates in 2027-2030. BVES' subsequent GRC is expected to be filed in 2030 for rates in 2031-2034. Given the pendency of BVES' next GRC, the new WMP four-year cadence should not begin for BVES until 2029 (one year prior to its 2030 GRC filing).

Liberty: Liberty is on a three-year GRC cycle and will file its next GRC in 2027 for rates in 2028-2030. Liberty's subsequent GRC is expected to be filed in 2030 for rates in 2031-2033. Given the time required to develop new requirements and implement the new four-year WMP cadence, which is unlikely to be resolved in time for Liberty to file its WMP this year, the new four-year cadence should not begin for Liberty until 2029 (one year prior to its 2030 GRC filing).

PacifiCorp: PacifiCorp is also on a three-year GRC cycle and will file its next GRC in 2026 for rates in 2027-2029. PacifiCorp's subsequent GRC is expected to be filed in 2029 for rates in 2030-2032. Given these timelines, the new four-year cadence should not begin for PacifiCorp until 2028 (one year prior to its 2029 GRC filing).

7. Outside of GRC-related changes, for what reason(s) would you want to make changes to your approved WMP?

a. What would create the need for these changes?

SMJU Response:

Changes to approved WMPs could be warranted for several reasons, including:

- new or improved risk modeling and downstream results/impacts in risk outputs,
- lessons learned from ignition events or wildfires,
- the emergence of new technologies, and
- altering initiatives or programs to more effectively mitigate risk (e.g., discontinuing ineffective initiatives, implementing new technologies, etc.).

It is important that utilities have the ability to update their WMPs, as currently authorized, to ensure that mitigation measures remain effective of evolving conditions and risks. The SMJUs recommend maintaining an annual update process similar to the existing framework. However, additional clarification will be needed to specify how such updates would be submitted, reviewed, and approved, and what coordination would be required between Energy Safety and the Commission for such approval, particularly if mitigation costs change.

b. How often do these changes occur?

SMJU Response:

The SMJUs recommend that annual updates to WMPs be authorized, similar to the current WMP update process. As recommended above, it is important that Energy Safety and the Commission closely coordinate to ensure utilities have clear direction on the update process and how to proceed if mitigation costs change after GRC approval.

8. What additional elements should be included in a 4-year WMP?

SMJU Response:

In light of the challenges associated with transitioning to a four-year WMP, the SMJUs offer a few recommendations.

First, careful coordination and alignment between Energy Safety and the Commission is essential to ensure that clear direction and requirements are conveyed to utilities well in advance of any applicable deadlines. It is crucial that clarity is provided regarding the timing and content of WMP submittals and updates, how WMPs will be approved, and how cost recovery will be addressed, particularly in light of timing issues outlined above regarding GRC and WMP approvals. Providing clear direction will ensure that utilities can continue to provide needed information and take timely and appropriate steps to best mitigate wildfire risks.

Second, shifting to a four-year WMP cycle also creates multiple timing issues that must be addressed. As outlined above, these timing issues are likely to require utilities to include more extended forecasts (potentially forecasting six years out), which becomes more challenging and less accurate the further out the utilities must project. In recognition of the difficulty of such forecasting, there should be a way for utilities to communicate the level of uncertainty/accuracy of more extended forecasts. The further out a goal or milestone forecast becomes, the less certain the exact timing and required efforts become. Current compliance requirements do not provide a means for utilities to convey uncertainty or unpredictability of future targets and goals. Incorporating a methodology to describe or estimate the level of certainty associated with

various forecasts would help ensure that agencies and stakeholders understand the limitations inherent in long-range projections.

Third, it is essential that targets in a four-year WMP are realistic and achievable, particularly given the extended forecasting requirements. To facilitate effective implementation, the SMJUs recommend establishing four-year targets instead of annual or mid-year targets. As described above, forecasting uncertainty, especially in later years, makes it extremely difficult to set or meet precise annual targets for years that may have been forecasted up to six years earlier. If annual targets are required, flexibility should be provided to meet those targets so that adjustments can be made across years, provided that the overall four-year target remains unchanged. This approach would provide the necessary flexibility, given the uncertainty in later years, while still holding utilities accountable via demonstrations of annual progress towards the 4-year targets.

II. Conclusion

The SMJUs appreciate this opportunity to provide these comments on the Workshop and look forward to working with Energy Safety, the Commission, and stakeholders to further refine WMP requirements to conform with SB 254. As described throughout these comments, it is essential that Energy Safety collaborate carefully with the Commission to address WMP requirements, timing, approval processes, and cost recovery issues that involve both agencies. Joint workshops and additional assessment from the RMWG will be critical to further vet and refine new WMP and GRC requirements. These efforts should occur well in advance of any applicable deadlines to ensure clear and definitive guidance is provided, enabling utilities to implement new requirements.

If you have any questions or require additional information, please contact:

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Respectfully Submitted,

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