

**Horizon West Transmission, LLC
ANNUAL REPORT ON COMPLIANCE FOR 2020**

for Submittal to:

CALIFORNIA PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco, California 94102



One California Street, Suite 1600
San Francisco, California 94111

MARCH 2021

Instructions:¹ *The Annual Report on Compliance submitted by each EC shall include a written narrative including:*

- a. *An assessment of whether the EC met the risk reduction intent by implementing all of their approved WMP initiatives, i.e., the degree to which initiative activities have reduced ignition probabilities;*
 - *If the EC fails to achieve the intended risk reduction, EC shall provide a detailed explanation of why and a reference to where associated corrective actions are incorporated into their most recently submitted WMP.*
- b. *A full and complete listing of all change orders and any other operational changes, such as initiative location changes, made to WMP initiatives, with an explanation of why the changes were necessary, and an assessment of whether the changes achieved the same risk reduction intent;*
- c. *Descriptions of all planned WMP initiative spend vs actual WMP initiative spend and an explanation of any differentials between the planned and actual spends;*
- d. *A description of whether the implementation of WMP initiatives changed the threshold(s) for triggering a PSPS event and/or reduced the frequency, scale, scope and duration of PSPS events;*
- e. *A summary of all defects identified by the WSD within the annual compliance period, the corrective actions taken and the completion and/or estimated completion date*

Horizon West Transmission, LLC (HWT) (U222-E) is a new, transmission-only utility with no end-use customers. HWT's first transmission project, the Suncrest Facility, was placed into operation on February 29, 2020. The Suncrest Facility is located approximately 40 miles east of San Diego near the town of Alpine in San Diego County, California, in an area that is designated as a Tier 3 (Extreme) HFTD based on the California Public Utilities Commission's (CPUC or Commission) Fire-Threat Map. The Suncrest Facility is a +300/-100 megavolt-ampere reactive (MVar) static var compensator (SVC) facility with a rated real power output of 0 MW, and nominal terminal voltage of 230 kV, and 230 kV single-circuit transmission line (with approximately one mile constructed underground and approximately 115 feet originally constructed overhead), that collectively provide dynamic reactive power support at the existing San Diego Gas & Electric Company (SDG&E) Suncrest Substation, a 500/230 kV substation near Alpine, San Diego County, California. HWT has made significant progress in implementing its 2020 WMP Initiatives as described below.

- a. HWT has implemented all approved WMP initiatives from its 2020 WMP to date and is currently in the process of undergrounding the 115-foot overhead span of transmission line at the Suncrest Facility. HWT originally proposed in its 2020 WMP that it planned to underground this 115 feet of overhead line during 2020, but experienced delays in permitting and obtaining necessary easements from SDG&E, as documented in a WMP Change Order dated December 11, 2020, as detailed in section b. below. In 2020, HWT

¹ Text in blue italics are instructions from the Wildfire Safety Division – Compliance Operational Protocols as issued by the WSD on February 16, 2021.

implemented the following wildfire mitigation initiatives at the Suncrest Facility that were approved in HWT's 2020 WMP:

- **Grid Design and System Hardening:** Installation of 10 feet tall concrete perimeter wall around the SVC facility to reduce the potential for on-site ignitions to spread to off-site vegetation or probability of non-HWT-related wildfire in the surrounding area to directly impact operations of the Suncrest Facility.
 - **Situational Awareness and Forecasting:** Installation of a weather station and camera to enhance situational awareness and installation of transformer oil gas monitoring to aid real-time monitoring of transformer health. HWT expects increased situational awareness and forecasting will further reduce ignition probabilities and will improve response times in the event there is an ignition.
 - **Asset Management and Inspections:** Conducted monthly detailed asset inspections and additional proactive asset inspections ahead of extreme weather events, such as RFW alerts, in order to proactively minimize and address any situations that could have resulted in ignitions.
- b. As mentioned in section a. above and as HWT explained in its December 11, 2020 WMP Change Order, HWT did not implement the undergrounding initiative in 2020. Since then, HWT has obtained all required regulatory approvals to implement the undergrounding initiative, has commenced construction, and is on track to complete it by August 1, 2021, consistent with HWT's Change Order.

- c. Table 1 below summarizes HWT’s 2020 planned initiative spend vs. actual WMP initiative spend. The actual 2020 WMP spend is higher than planned spend primarily because HWT implemented additional wildfire mitigation measures in 2020 to further minimize wildfire risk at the Suncrest Facility. These measures were still being evaluated at the time HWT submitted its 2020 WMP, and thus were not included in the planned budget.

Table 1 – Summary of WMP Expenditures by Category (Spend in thousand \$)

WMP Category	2020 WMP Planned	2020 Actual	Difference
Risk and Mapping	0	200	(200)
Situational Awareness	150	347	(197)
Grid Design and System Hardening	3,900	3,935	(35)
Asset Management and Inspections	35	80	(45)
Vegetation Management	0	0	0
Grid Operations	0	70	(70)
Data Governance	0	0	0
Resource Allocation	0	0	0
Emergency Planning	0	0	0
Stakeholder Cooperation and Community Engagement	0	0	0
Total	4,085	4,632	(547)

- d. HWT has not deployed PSPS to date. Given that HWT is a transmission-only utility that has no distribution system, no distribution or retail customers, and is already substantially hardened against wildfires, HWT reasonably anticipates it will seldom, if ever, need to issue a PSPS. Therefore, HWT’s WMP initiatives are focused on wildfire hardening and reduction of utility-caused ignitions at HWT facilities rather than PSPS mitigation.
- e. The WSD has reviewed and approved HWT’s 2020 WMP without conditions (Full Approval) and did not identify any deficiencies or defects relevant to HWT. Thus, HWT has not undertaken any corrective actions to resolve defects.