

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Implement Electric
Utility Wildfire Mitigation Plans Pursuant to Senate
Bill 901 (2018).

Rulemaking 18-10-007
(Filed October 25, 2018)

**PACIFICORP (U 901 E) 2020 WILDFIRE MITIGATION PLAN
ANNUAL REPORT ON COMPLIANCE**

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Pursuant to the California Public Utilities Code Section 8386.3, PacifiCorp d/b/a Pacific Power (PacifiCorp or the Company) provides this compliance report addressing its implementation of the company's Wildfire Mitigation Plan (WMP)¹ in accordance with the Wildfire Safety Division's February 16, 2021 Compliance Operational Protocols.

¹ PUC § 8386.3(c)(1) requires each electrical corporation to provide a compliance report three months after the end of its initial compliance period as established by the Wildfire Safety Division pursuant to PUC § 8386(b). Per PUC § 8386(b) the WSD will determine this compliance period following submission of the 2020 WMPs. The WSD has not yet determined a compliance period, however, PUC § 8385 defines compliance period as approximately one year. Therefore, in an effort to ensure compliance with all applicable provisions of the PUC PacifiCorp is providing this compliance report within three months and one year of the filing of its 2019 WMP (*i.e.*, within three months following February 6, 2020) using the filing date of the 2019 WMP as the commencement of this one-year compliance period. The Company simultaneously requests clarity from the WSD regarding future compliance report filing deadlines to eliminate confusion or unnecessary reporting.

**ANNUAL REPORT ON COMPLIANCE
SUBMITTED BY PACIFICORP (U 901 E)
REGARDING COMPLIANCE WITH ITS 2020 WILDFIRE MITIGATION PLAN**

Pursuant to the California Public Utilities Code Section 8386.3(c)(1), PacifiCorp d/b/a Pacific Power (PacifiCorp or the Company) provides this Annual Report on Compliance (ARC) addressing implementation of PacifiCorp's 2020-2022 Wildfire Mitigation Plan (WMP). PacifiCorp's 2020-2022 WMP was conditionally approved by the Public Utilities Commission (Commission) on June 11, 2020.

BACKGROUND

During calendar year 2020, the company worked diligently to implement the measures set forth in the 2020 WMP and to address the conditions set forth in Resolution WSD-002 (general conditions for all IOUs) and Resolution WSD-008 (conditions specific to PacifiCorp). The company previously detailed much of this progress in the Remedial Compliance Plan, submitted July 27, 2020, PacifiCorp's First Quarterly Report, submitted September 9, 2020, PacifiCorp's Second Quarterly Report, submitted December 9, 2020, and the 2021 Update to PacifiCorp's Wildfire Mitigation Plan, submitted on March 5, 2021. PacifiCorp also reported on this progress at the March 2021 workshops facilitated by the Wildfire Safety Division and the Commission. As detailed in the company's March 23rd presentation and outlined below, the company has worked to incorporate valuable feedback from stakeholders and staff and make significant progress in many key areas.

In the ARC previously submitted in 2020 for the 2019 compliance year, PacifiCorp included a progress update and identified key accomplishments achieved in 2019. To ensure consistency moving forward, specific requirements for the ARC were set forth in the letter dated February 16, 2021 from the Wildfire Safety Division (WSD) regarding Compliance Operational

Protocols. These new protocols require that the electric corporations (EC) include a written narrative in its ARC addressing the following five key components:

- a. *An assessment of whether the EC met the risk reduction intent by implementing all of their approved WMP initiatives. i.e. the degrees to which initiative activities have reduced ignition probabilities;*
- 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 an explanation of any differentials between planned and actual spends;*
- d. *A description of whether the implementation of WMP initiatives changes the threshold(s) for triggering a PSPS event and/or reduced the frequency, scale, and scope and duration of PSPS events; and*
- e. *A summary of all defects identified by the WSD within the annual compliance period, the correction actions taken, and the completion and/or estimated completion date.*

This report addresses each of the five components in a distinct subsection, for the reporting period of January 1, 2020 through December 31, 2020.

A. An assessment of whether the EC met the risk reduction intent by implementing all of their approved WMP initiatives. i.e. the degrees to which initiative activities have reduced ignition probabilities.

In its Remedial Compliance Plan, filed on July 27, 2020, the company outlined its roadmap for fire risk modeling which substantially evolved the deterministic method it had previously applied.² The deterministic method was reliant on the High Fire Threat District, as developed and approved in D.17-012-024, in addition to risk analysis the company had developed with regard to climate risk drivers coincident to historic fires (independent of their

² PacifiCorp's RCP is available at [https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About_Us/Organization/Divisions/WSD/R.18-10-007%20PacifiCorp%20Remedial%20Compliance%20Plan%20\(7-27-20\).pdf](https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About_Us/Organization/Divisions/WSD/R.18-10-007%20PacifiCorp%20Remedial%20Compliance%20Plan%20(7-27-20).pdf)

cause), as well as analysis of outage events and their correlation to fires. This approach allowed the company to complete many initial phase tasks, including (1) identifying Public Safety Power Shutoff (PSPS) areas, (2) developing first-phase mitigation plans and (3) outlining priorities, as well as laying the groundwork for a more granular level of risk analysis. In 2020, the company leveraged its legacy reliability management tools, and in combination with many previously untapped weather and land-based resources, facilitated development of its Localized Risk Assessment Model (LRAM).

The initial version of PacifiCorp's LRAM model was included in PacifiCorp's Quarterly Report on the 2020 Wildfire Mitigation Plan for June 12, 2020 through September 9, 2020, dated September 9, 2020. This model was further expanded upon and detailed in PacifiCorp's 2021 WMP Update as well as during the WSD-led workshop on March 23, 2021.

For the 2020 compliance period, PacifiCorp's risk modeling capability was still in development and therefore not fully mature and capable of quantifying proposed or planned risk reduction. The previous model focused on general ignition probability drivers to reduce risk, but did not include the capability to discretely model location-specific wildfire risk. Therefore, for the 2020 compliance period, it is challenging for PacifiCorp to quantitatively measure the risk reduction achieved through the implementation of mitigation initiatives, because the LRAM's impact will be seen on the prioritization of 2021 work and beyond.

Consistent with the 2020 Wildfire Mitigation Plan, the implementation of initiatives in 2020 were aligned with the overall plan objectives of reducing faults, ensuring rapid fault response, facilitating situational awareness and operational readiness and considering the impact to customers and communities. Additionally, PacifiCorp has continued to capture and evaluate

any changes to ignition probability drivers as well as the corrective action plan and evolution of the company’s risk modeling capability as described in Sections 6.7 and 4.5 of the 2021 WMP Update respectively.

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.

No change orders or operational changes were submitted in 2020. Because PacifiCorp was early in the stages of its WMP implementation, PacifiCorp’s 2020 WMP did not include a location-specific annual scope for each of the initiatives planned. Much of 2020 efforts were focused on developing new processes, protocols, and detailed scope.

C. Descriptions of all planned WMP initiative spend vs actual WMP initiative spend an explanation of any differentials between planned and actual spends.

PacifiCorp’s planned 2020 and actual spend were included in the 2021 WMP Update as Table 3-2 in Section 3.1. This table is reproduced below with additional information regarding the cost variation. In 2020, PacifiCorp introduced the use of additional statistical orders to facilitate greater cost transparency. Additionally, initiatives were combined or reorganized to best suit the changes to the 2021 WMP template provided by the WSD. As a result, tracking 2020 planned versus actual spend can be challenging. However, where material differences occurred, comments were provided in the table below.

WMP Category	2020 Planned (\$k)	2020 Actual (\$k)	Difference (\$k)	Variation Explanation / Notes
Risk and Mapping	\$25	\$186	(\$161)	Effort was modified to establish single risk modeling foundational tool as directed to respond to RCP; new statistical order created to track effort and provide greater transparency; incorporated situational risk assessment into foundational tool.

WMP Category	2020 Planned (\$k)	2020 Actual (\$k)	Difference (\$k)	Variation Explanation / Notes
Situational Awareness	\$278	\$1,209	(\$931)	Ramping up weather station installation and calibration program; Iterative process at first to site and ensure data is captured properly
Grid Design and System Hardening	\$15,403	\$8,788	\$6,615	Behind schedule regarding implementation of covered conductor
Asset Management and Inspections	\$1,219	\$803	\$416	Unit costs slightly lower than anticipated
Vegetation Management	\$5,783	\$6,999	(\$1,216)	Elements of plan more costly than anticipated;
Grid Operations	\$2,000	\$0	\$2,000	Incremental costs not incurred or moved into other categories such as Grid Design
Data Governance	\$25	\$186	(\$161)	New statistical order created to track effort; Effort was greater than anticipated
Resource Allocation	\$278	\$1,209	(\$931)	Certain elements better tracked and reported under risk and mapping (specifically the RSE analysis and modelling efforts)
Emergency Planning	\$0	\$0	\$0	No incremental spend planned or tracked
Stakeholder Cooperation and Community Engagement	\$0	\$36	(\$36)	Did not have clear planned incremental spend; setup statistical orders to track effort beginning in 2020
Total	\$25,011	\$19,416	\$5,595	

D. A description of whether the implementation of WMP initiatives changes the threshold(s) for triggering a PSPS event and/or reduced the frequency, scale, and scope and duration of PSPS events.

In 2020, the implementation of initiatives did not have a significant impact on the company's thresholds for triggering a PSPS event and/or reducing the frequency, scale, and scope and duration of PSPS events. Delayed network hardening, including installation of covered conductor, was a factor. PacifiCorp remains committed, however, to the deployment of grid hardening in targeted PSPS zones to significantly reduce the need for PSPS, as outlined in Section 8 of the company's 2021 WMP Update. PacifiCorp plans to continue reviewing all

threshold(s) used in its PSPS process and may make changes once grid hardening and other mitigation initiatives are further implemented.

E. A summary of all defects identified by the WSD within the annual compliance period, the correction actions taken, and the completion and/or estimated completion date.

In 2020, the WSD initiated its Field Inspection Program, which included conducting 43 inspections to assess PacifiCorp's implementation of and compliance with approved WMP initiatives filed in its 2020 WMP. These field inspections focused mainly on implementation of situational awareness and grid hardening initiatives such as weather station installation, recloser installations and replacements and relay replacements. No defects were identified as part of this process.

In addition to the field inspections, the WSD launched forensic accounting audits of 2019 and 2020 WMP investments for PacifiCorp in the first quarter of 2021. This audit is currently in progress.

Finally, a considerable amount of work has been accomplished to address the conditions set forth in Resolution WSD-002 (general conditions for all IOU) and Resolution WSD-008 (conditions specific to PacifiCorp), as reflected in PacifiCorp's Remedial Compliance Plan, submitted July 27, 2020, PacifiCorp's First Quarterly Report, submitted September 9, 2020, and PacifiCorp's Second Quarterly Report, submitted December 9, 2020. On December 30, 2020, the WSD issued its Evaluation of PacifiCorp's Remedial Compliance Plan. This evaluation addressed the Class A deficiency, common to all IOU in Guidance-03 of Resolution WSD-002, namely the lack of risk modeling to inform decision making. While substantial progress was made in satisfying the Guidance-03 condition, the WSD evaluation set forth seven discrete action items, which PacifiCorp will be addressing during the 2021 compliance period. On January 21, 2021, the WSD issued its Evaluation of PacifiCorp's First Quarterly Report. This evaluation

addressed the 15 Class B deficiencies and related conditions identified in Resolution WSD-002 (all IOU) and Resolution WSD-008 (PacifiCorp). In sum, the WSD determined that PacifiCorp's efforts during the 2020 compliance period were "Sufficient" with respect to six and "Insufficient" with respect to nine of the Class B deficiencies.

PacifiCorp plans to satisfy the Class A condition in Guidance-03 and the remaining nine Class B conditions during the 2021 compliance period. To date, PacifiCorp has further evolved its risk assessment and modelling capability through development of the Localized Risk Assessment Model (LRAM), as described in the 2021 WMP Update in Section 4.5.1, as well as in the WSD led workshops on March 23, 2021. PacifiCorp believes that the LRAM will satisfy existing action items related to the Guidance-03 condition, as explained in detail in Section 4.2 and 4.5.1 of the 2021 Update. (For specific subsections, *see* cross-references in Table 2-1, Requirements 26-32.) If additional tweaks to the LRAM are necessary after further WSD review, however, PacifiCorp will adjust accordingly. Furthermore, deployment of LRAM results will assist PacifiCorp in addressing many of the 24 action items remaining with respect to the Class B deficiencies, each of which is addressed in the 2021 update. (For specific subsections, *see* cross-references in Table 2-1, Requirements 22-25 and 33-55.) PacifiCorp looks forward throughout 2021 to further evolving its risk modelling capability to drive prioritization efforts and decision making, particularly as the company prioritizes implementation of grid hardening and other initiatives beyond the PSPS designated zones to reduce risk.

CONCLUSION

PacifiCorp's WMP efforts continue to evolve, both through internal learning and improvements and as additional guidance is received from the Commission and the Wildfire Safety Division, stakeholders, and our customers. While the company has made great progress in implementing the objectives of its 2020 WMP, it continues to evaluate and refine programs and

measures to ensure that it is taking actions that will reduce risk without imposing unnecessary costs and burdens.

Respectfully submitted,

/s/ Tim Clark

March 31, 2021

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