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Office of Energy Infrastructure Safety
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Re: California Association of Small and Multi-Jurisdictional Utilities (“CASMU”) Comments on the Draft 2023-2025 Wildfire Mitigation Plan Guidelines – Package 1

Bear Valley Electric Service, Inc. (“BVES”), Liberty Utilities (CalPeco Electric) LLC (“Liberty”), and PacifiCorp, d.b.a. Pacific Power (“PacifiCorp”) (collectively, the California Association of Small and Multi-Jurisdictional Utilities (“CASMU”)) provide the following comments on the 2023-2025 Draft Wildfire Mitigation Plan (“WMP”) Guidelines – Package 1. CASMU’s comments focus on the Draft 2023-2025 WMP Technical Guidelines (“Guidelines”) included in Package 1.

I. New Requirements Will be Burdensome and Difficult for the CASMU Members to Address Within the Proposed Schedule.

As highlighted in prior comments to the Office of Energy Infrastructure Safety (“Energy Safety”), although the CASMU members are electric utilities, they differ significantly from California’s largest investor-owned utilities, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company (collectively, the “Large IOUs”). The CASMU utilities are significantly smaller than the Large IOUs with more limited

resources. Each CASMU member has less than 50,000 customers, and disproportionate administrative costs are a more significant burden for a smaller number of customers.

Utility planning, wildfire mitigation efforts, and program implementation and administration is conducted and handled by significantly smaller staff for the CASMU members than at the Large IOUs. For example, BVES currently has approximately 45 employees and approximately 24,500 customers, and Liberty has approximately 100 employees and approximately 49,000 customers. PacifiCorp leverages approximately 75 California based and centralized resources to implement WMP programs for the company’s 48,000 customers in California. Compared to SCE’s 12,715 employees for its 5.201 million customers,¹ BVES, Liberty, and PacifiCorp, respectively, have approximately 0.4%, 0.8%, and 0.6% of the workforce to implement any WMP requirements and 0.5%, 0.9%, and 0.9% of the customer base from which to recover wildfire mitigation costs associated with the WMP.

The California Wildfire Safety Advisory Board (“Board”) has and continues to recognize the limited resources of the CASMU members and the disproportionate burdens and costs that the CASMU members face and incur compared to the Large IOUs. As noted in the Board’s April 26, 2022 Recommendations to Office of Energy Infrastructure Safety on Additional Wildfire Mitigation Plan Requirements and Performance Metrics (“Recommendations”):

The Board continues to suggest that OEIS develop a revised set of Guidelines for the small and multi-jurisdictional utilities (SMJUs) and the independent transmission owners (ITOs), that have smaller service territories than the three large utilities. These separate and specific Guidelines could provide specific guidance to the SMJUs and ITOs to help them best allocate limited resources and relieve

¹ These numbers are based on SCE’s 2021 Financial & Statistical Report, available at <https://www.edison.com/content/dam/eix/documents/investors/sec-filings-financials/2021-financial-statistical-report.pdf>.

these smaller entities from detailed reporting requirements that are more applicable for the large IOUs.

OEIS should consider a simplified template such as that recommended by the Board for the Publicly Owned Utilities (POUs). These summary templates may not apply well to the large IOUs, but [are] perfectly acceptable and reasonable for the smaller SMJU and ITO WMPs. At the same time, OEIS should continue to ensure that these jurisdictions are still providing WMPs that provide reviewers the information they need to understand wildfire risks, mitigation activities, and plans and targets in these areas.²

During the October 17, 2022 Workshop on the draft Guidelines, in response to questions submitted by CASMU, Energy Safety indicated that it had considered revising the Guidelines for the SMJUs but concluded that the wildfire risks across the SMJU service territories did not support a separate set of Guidelines for the SMJUs. However, based on additional questions from CASMU, Energy Safety also indicated that it had not conducted *any* analysis of how the Guidelines would impact costs for the CASMU members and their customers, nor had Energy Safety determined whether costs associated with implementing and complying with the Guidelines were prudent given the smaller sizes of the CASMU members.³ While CASMU appreciates that Energy Safety did at least consider revising the Guidelines for the CASMU members as recommended by the Board, the Guidelines as currently drafted will be costly and

² Recommendations, pp. 5-6.

³ While Government Code Section 15475.6 tasks Energy Safety with adopting WMP guidelines, Energy Safety is not responsible for reviewing or approving utility costs to develop and implement WMPs. Instead, the California Public Utilities Commission is responsible for reviewing and approving utility costs. Though it is not responsible for approving utility costs, Energy Safety should nevertheless be mindful of adopting costly WMP requirements, such as expensive risk modeling, without at least considering how such costs will impact utility customers or conducting a cost-benefit analysis of WMP requirements.

burdensome for the CASMU members to comply with, particularly given the short timeframe to complete the WMP outlined in the Draft 2023 WMP Schedule (“Draft Schedule”).⁴

As recommended by the Board, CASMU similarly recommends that Energy Safety adopt simplified Guidelines for the SMJUs and “provide specific guidance to the SMJUs ... *to help them best allocate limited resources* and relieve these smaller entities from detailed reporting requirements that are more applicable for the large IOUs.”⁵ While wildfire mitigation is a top priority for all CASMU members, the Guidelines are a significant departure from prior requirements and will impose substantial burdens on the CASMU members. Major changes from prior WMP requirements, while well intentioned, will inherently require significant work to modify, update, and reorganize prior and current WMP efforts.

To comply with the revised Guidelines, information that was previously submitted in prior WMPs will need to be moved and repackaged at an estimated cost of over 2,000 labor hours. Some of the CASMU members who previously prepared WMPs internally may be forced to hire consultants to develop WMPs going forward based on the new Guidelines or be forced to hire additional resources that are not in base rates. These tasks may be additionally challenging given the tight timeline and schedule. Currently, BVES spends over \$500,000 per year on WMP preparation and risk modeling. While exact costs of consultants or additional resources to address new requirements in the Guidelines are not yet known, CASMU anticipates the costs will be significant, especially given the disproportionate cost impacts that will fall to the limited number of CASMU customers. Additionally, new risk modeling requirements will force the

⁴ CASMU is separately providing comments on the Draft Schedule with more specific recommendations as to how the Draft Schedule should be modified to ensure utilities can better address the new Guidelines.

⁵ Recommendations, pp. 5-6, emphasis added.

CASMU members to invest in risk modeling solutions, likely through new vendors, as well as additional resources, all of which will increase costs for customers.

The limited number of customers of the CASMU members, particularly lower income customers, will be challenged by higher costs resulting from the Guidelines. In applying the same Guidelines to both the Large IOUs and the CASMU members, Energy Safety has seemingly given no consideration to concerns about affordability, customer arrearages, and disconnections, all of which are currently being addressed in various proceedings at the California Public Utilities Commission. The draft Guidelines fail to adequately address recommendations from the Board or address the disparate cost impacts that are likely to result for customers of the CASMU members if the Guidelines are not simplified. For these reasons, the Guidelines should be simplified and streamlined for the SMJUs as recommended below.

II. The Guidelines Should be Streamlined and Simplified.

To best account for the more limited resources of the SMJUs, CASMU recommends that the Guidelines be streamlined and simplified. This will help minimize costs for SMJU customers while still ensuring the CASMU members submit “WMPs that provide reviewers the information they need to understand wildfire risks, mitigation activities, and plans and targets in these areas.”⁶

A. Section 5 (Overview of the Service Territory) – Certain Requirements Can be Eliminated or Simplified for the SMJUs.

To help simplify and streamline the Guidelines, the SMJUs should not be required to address certain requirements in Section 5. Specifically, the SMJUs should not be required to

⁶ Recommendations, p. 6.

address Sections 5.3.1 (Fire Ecology), 5.3.4 (Climate Change), and Section 5.4.3 (Communities at Risk).

1. Section 5.3.1 – Fire Ecology

Section 5.3.1 related to Fire Ecology requirements, including “generalized climate and weather conditions, ecological regions and associated vegetation types, and fire return intervals”⁷ are addressed, at least to some extent, elsewhere in the Guidelines and should not be required for the SMJUs. It is unclear what additional value is provided by including this information in WMPs, particularly given the costs it will take to provide this information. While CASMU recommends that the SMJUs be exempted from the Fire Ecology requirements altogether, at a minimum, mapping requirements in Section 5.3.1 should be eliminated for the SMJUs to simplify the WMP.

2. Section 5.3.4 – Climate Change

Section 5.3.4 related to Climate Change requirements should also be eliminated. Given that climate change is a global issue that will impact the entire state, CASMU believes it is more appropriate to address this issue on a statewide level rather than using a piecemeal approach by individual utility service territories. Given the level of expertise required to gather and analyze climate change information, this issue would be best addressed by an agency rather than the utilities. This will avoid the need for utilities to hire expensive consultants and will also avoid potentially conflicting results based on utilities using different climate change methodologies. Additionally, Section 5.3.4.1 requests “an overview of the general weather conditions and climate across its service territory in the past 30- to 40-year period.”⁸ This data, for the most

⁷ Guidelines, Section 5.3.1, p. 23.

⁸ Guidelines, Section 5.3.4.1, p. 30.

part, is either unavailable, unreliable, or inaccurate in many areas of the CASMU members' service territories for the entire time period requested. This means that any trends demonstrated by such data will be inaccurate and should not play a role in the SMJUs' wildfire mitigation planning. While CASMU recommends that Section 5.3.4 be removed from the Guidelines altogether, at a minimum, the SMJUs should not be required to address Section 5.3.4.

3. Section 5.4.3 – Communities at Risk

Given the limited number of customers in the SMJU service territories, the SMJUs plan to implement wildfire mitigation measures to protect all customers. The SMJUs have the ability to capture and track certain categories of customers such as AFN or Medical Baseline should customers self-identify. This tracking capability and data informs utility operations such as tariff rates, customer outreach, and PSPS programs and is available for reporting. However, there is no demonstrable need to further differentiate between different types of customers or communities, particularly given the costs that will be incurred to provide this information. Given the small sizes of the CASMU members, there is limited benefit, but significant burden and associated cost, in reporting social vulnerability and community exposure based on Social Vulnerability Index percentiles.⁹ Further, certain data in this section is derived from CAL FIRE data, so it is unclear why it need be reported again in a WMP.¹⁰ Accordingly, the SMJUs should not be required to address Section 5.4.3 of the Guidelines.

B. Section 6 (Risk Methodology and Assessment) – Risk Methodologies and Assessments Should be Simplified for the SMJUs.

New risk methodology and assessment requirements in Section 6 of the Guidelines are very different from prior WMP requirements and will be extremely onerous to implement,

⁹ See Guidelines, Section 5.4.3.4, p. 38.

¹⁰ See Section 5.4.3.5 requesting information “per CAL FIRE data.” (Guidelines, Section 5.4.3.5, p. 39.)

particularly for the SMJUs and their more limited resources. New risk modeling requirements will require utilities to build wildfire risk modeling teams, adopt advanced software capabilities, and otherwise expand existing operations. These efforts will take time and are expected to be costly, even more so for the more limited number of SMJU customers that will face disproportionate rate impacts from such costs. The CASMU members have spent the last four years developing current risk practices, and such practices will need to be significantly revised for new processes outlined in the Guidelines. While new modeling requirements may have increased benefits in larger service territories where the Large IOUs can use models to help triage work and address risk, there may be more cost effective solutions for the SMJUs given their smaller service territories. For example, smaller utilities may be able to utilize inspections or internal engineering/operations expertise to assess risk rather than developing a complex model. Given that SMJUs have much smaller service territories, asset and vegetation inspections may be more cost effective than sophisticated modeling given existing inspection cycles. Accordingly, risk methodology and assessment requirements should be simplified for the SMJUs. Alternatively, a cost-benefit analysis should be conducted to ensure that new risk methodology and assessment requirements are justified for the SMJUs before such requirements are implemented.

C. The SMJUs Should Not be Required to Address Section 7.2.2.2 (Projected Risk Reduction Beyond Three Years).

Section 7.2.2.2 of the Guidelines would require a utility to describe “overall risk in its service territory as a function of time, assuming the electrical corporation meets the planned timeline for implementing the mitigations” over a period of “at least 10 years.”¹¹ This

¹¹ Guidelines, p. 83.

requirement is particularly challenging to address given the sheer number of assumptions and variables that would need to be evaluated into projecting how a portfolio of planned mitigations will reduce overall risk in a utility's service territory. For example, a myriad of factors could drastically alter or impact this evaluation, including, but not limited to, project delays, over or underestimates of mitigation effectiveness assumptions, budget and/or resource constraints, or other issues. Additionally, given the sensitivity of such an analysis, this information is not likely to provide meaningful or accurate projections of risk reduction. Accordingly, the SMJUs should not be required to expend their limited resources to address Section 7.2.2.2.

III. Risk Modeling Requirements Will be Challenging and Costly.

Given the extent of changes in risk modeling, as well as the fact that the Joint Utility Risk Modeling Working Group is still developing its own guidelines for risk modeling, it will take time before utilities can update risk models in their WMPs. This issue is further exacerbated given that utilities still do not have final approvals on prior WMP submissions, and the outcomes of those prior submissions are likely to dictate how future WMPs are prepared and modeling is conducted. Furthermore, utilities have already begun risk modeling for future WMPs and cannot quickly shift to new modeling approaches or requirements. Based on these challenges, CASMU appreciates that during the October 17th workshop Energy Safety indicated that utilities are not expected to make significant changes to risk models prior to submitting WMPs in 2023. Rather, utilities will modify risk models over time to comply with the new Guidelines and incorporate any new models developed by the Risk Modeling Working Group. This is especially important for the CASMU members given their small sizes and more limited resources. It will take time to scope and work with vendors on new requirements, particularly given the limited number of vendors (coupled with a desire for statewide consistency in vendors which is likely to further

limit vendors). Additionally, the small utilities will need time to build teams, hire and/or retain experts, and secure and adopt advanced software to address new modeling requirements. For these reasons, the Guidelines should be updated to specifically reference that utilities are not expected to incorporate new risk models immediately in the 2023 WMP submission, and clarify that the new risk models may be addressed over time given the lead time necessary to develop and incorporate such models into WMPs.

IV. The Guidelines Should be Clarified to Specify Which Language, Tables, and Figures Must be Included in WMPs.

During the October 17th workshop, in response to a question posed by CASMU, Energy Safety indicated that generally, all tables and figures in the Guidelines are examples and need not be included verbatim in WMPs. However, Energy Safety further noted that certain figures and tables, such as Figure 4.1 and Table 4.2,¹² must be included in WMPs and are not meant to be modified. CASMU requests that the Guidelines be modified to specify which portions of the Guidelines must be included in WMPs without changes. Further, as discussed during the workshop, Energy Safety may provide utilities with a Word version of the Guidelines after they are finalized. Providing a Word version of the Guidelines, or providing Excel templates for various tables and figures in the Guidelines, will facilitate utility efforts to complete WMPs, and CASMU wholeheartedly supports this idea. Knowing what can and cannot be modified from the Word or Excel versions, however, will further assist utilities in adhering to the Guidelines and providing complete and thorough WMPs.

¹² See Guidelines, pp. 17-20.

V. The Guidelines Should Provide Additional Clarity.

To help utilities best complete WMPs, the following sections of the Guidelines should be clarified.

A. Section 5.3.2 – Fire History.

Section 5.3.2 (Fire History) of the Guidelines requests data pertaining to “utility-related wildfire history.”¹³ The Guidelines do not specify how far back utilities should report this data. The Guidelines should be clarified to specify how far back utilities should provide fire history information. Additionally, the Guidelines should be clarified to describe what utilities should do if there is no information available going back as far as requested.

B. Section 5.4.3.5 – Sub-Divisions with Limited Egress or No Secondary Egress.

During the October 17th workshop, in response to a question from CASMU, Energy Safety indicated that utilities need not provide a narrative on each subdivision with limited egress or no secondary egress, but instead need only provide a broader overview through a brief narrative and a map for this data. The Guidelines should be modified to reflect the clarification provided by Energy Safety during the workshop.

C. Section 6.3.1 – Design Basis Scenarios.

Section 6.3.1 requires utilities to “calculate wind loading based on locally relevant 3-second wind gusts over a 30-year wind speed history during fire season in its service territory” and determine the “95th-percentile wind gusts based on maximum daily values over the 30-year history.”¹⁴ This section should be clarified for utilities that do not have 30 years of wind data. For example, BVES only has one weather station in its service territory that has been operating for 30 years. However, data from that one station may not be accurate or available. When data

¹³ Guidelines, p. 27.

¹⁴ Guidelines, p. 58.

is inaccurate or unavailable, utilities may need to look elsewhere for and/or purchase relevant data. The Guidelines should clarify how utilities should address Section 6.3.1 requirements in the event they do not have 30 years' worth of relevant data.

D. Section 8.1.7 – Open Work Orders.

Section 8.1.7 requires utilities to “provide an overview of the process it uses to manages its open work orders.”¹⁵ CASMU sought clarity as to what is considered a work order, given different nomenclature between utilities and the fact that some utilities may not provide specific work orders for smaller tasks that are addressed on-site when discovered. During the October 17th workshop, Energy Safety stated that a work order is any corrective action taken by a utility, sometimes referred to as a tag. Energy Safety also indicated that it may provide a more formal definition in the Guidelines. CASMU recommends that Energy Safety update the Guidelines to include a definition of “work order” so that utilities can accurately address this requirement in their WMPs.

¹⁵ Guidelines, p. 100.

VI. Conclusion

CASMU appreciates this opportunity to provide comments and looks forward to working with Energy Safety and interested stakeholders to further refine the 2023-2025 WMP Guidelines. For the reasons outlined above, and to comport with the recommendations of the Board and to address the small customer bases and more limited resources of the CASMU members, the Guidelines should be simplified and streamlined for the CASMU members.

Respectfully Submitted,

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