

November 28, 2022

Koko Tomassian, Program Manager
Compliance Assurance Division
Office of Energy Infrastructure Safety
California Natural Resources Agency

BY ENERGY SAFETY E-FILING

SUBJECT: Opening Comments on Draft Annual Report on Compliance for Southern California Edison's 2020 Wildfire Mitigation Plan

Dear Mr. Tomassian,

Pursuant to the Draft Annual Report on Compliance (ARC) for Southern California Edison's (SCE) 2020 Wildfire Mitigation Plan (WMP) served by the Office of Energy Infrastructure Safety (Energy Safety) on November 8, 2022,¹ Southern California Edison (SCE) respectfully submits these comments.

INTRODUCTION

SCE appreciates the opportunity to provide these opening comments on the ARC, which reflects Energy Safety's evaluation of SCE's compliance with its 2020 WMP. SCE also appreciates Energy Safety's thorough and thoughtful assessment and finding that "SCE substantially complied with its 2020 WMP during the compliance period."² The following sections outline SCE's opening comments in response to certain findings set forth in the ARC. SCE focuses particularly on the ARC's references to outcome metrics.³ While outcome metrics provide valuable learnings to shape successive WMPs, they are not appropriate to assess a utility's compliance with its WMP, which has been reviewed by stakeholders and approved and ratified by Energy Safety and the California Public Utilities Commission (CPUC).

¹ Pursuant to Public Utilities Code § 8386.3(c)(4), Energy Safety "shall complete its compliance review within 18 months after the submission of the electrical corporation's compliance report." For future WMP compliance reviews, to the extent that Energy Safety completes its compliance report in advance of the 18-month statutory deadline, SCE would welcome the opportunity to review the report when complete so that SCE may timely incorporate Energy Safety's findings into future wildfire mitigation planning.

² ARC at p. 61.

³ The ARC contains other findings with which SCE does not necessarily agree, including that "SCE focused its covered conductor installation on the lowest areas of high risk instead of the highest areas of high risk" (ARC at 2), that "SCE's higher frequency of PSPS events seems counterintuitive when compared to its aggressive implementation of covered conductor" (ARC at 57), and that a data discrepancy "raises concerns about potential issues with SCE's data management" (ARC at 61). However, SCE prefers to focus its comments on the outcome metrics issue discussed below, which SCE believes is important to clarify for purposes of future WMP compliance assessments.

COMMENTS ON DRAFT ANNUAL REPORT ON COMPLIANCE

The Retrospective Use of Outcome Metrics to Assess WMP Compliance Should Be Distinguished from the Prospective Use of Such Metrics to Assess WMP Effectiveness

The ARC states that “Energy Safety’s compliance evaluation of the 2020 WMPs went beyond an assessment of whether an electrical corporation met all stated targets (e.g., number of miles of covered conductor installed) to also examine whether the electrical corporation has reduced the risk of catastrophic wildfires.”⁴ Energy Safety also notes that it conducted its compliance assessment in part to answer the question whether “the electrical corporation’s performance [was] consistent with achieving wildfire risk reduction” and observes that “substantial compliance with a WMP includes meeting not only its program targets and plan objectives, but also reducing risk.”⁵ Consistent with previous comments, SCE continues to have fundamental concerns that outcome-based metrics may be viewed retrospectively to evaluate SCE’s compliance with its approved WMP.⁶ SCE is committed to implementing measurable, adaptive plans intended to reduce the risk of catastrophic wildfires associated with SCE’s electrical infrastructure. Through an extensive process including collaboration with Energy Safety, SCE developed a comprehensive WMP aimed at reducing wildfire risk, which was ultimately approved by Energy Safety and ratified by the CPUC. The question of whether SCE subsequently complied with its WMP is distinct from the question of how observed risk events or yearly changes in risk metrics should inform future WMP development and evaluation. Linking WMP compliance to risk events suggests that a utility could be deemed noncompliant even if the utility prudently executed an approved WMP and met all of the upfront and agreed-upon measures required to help mitigate wildfire risk.

The ARC notes a number of statistics such as numbers of ignitions, acres burned, and structures damaged over certain time periods as part of an assessment of “outcome metrics” and related “findings about SCE’s ability to reduce wildfire risk on its system in 2020.”⁷ Although certain metrics in one year may be helpful in assessing WMP effectiveness and informing WMP objectives and mitigation programs for subsequent years, they are not indicative as to whether or not a utility executed the tasks in, and complied with, its approved WMP. Such metrics are dependent on a number of factors such as weather conditions and fuel moisture, which a utility cannot control. Just as outcome metrics alone would not translate into a finding of compliance with a WMP, it would be problematic to find SCE noncompliant with an approved WMP based on outcome metrics that are partly driven by exogenous factors.

SCE appreciates the Commission’s guidance that outcome-based metrics may “inform and focus compliance tracking.”⁸ The Commission has noted that “Energy Safety’s use of outcome-based

⁴ ARC at p. 6.

⁵ ARC at p. 6; *id.* at p. 1 (“As such, Energy Safety also evaluated several performance metrics, including ignition and Public Safety Power Shutoff risk, as well as metrics that reveal the risk on the system from unresolved conditions discovered during SCE’s inspections of its infrastructure”).

⁶ *See, e.g.*, November 22, 2021 SCE Comments on Draft Resolution M-4860 and Related Attachments; November 3, 2020 SCE Comments on Draft Resolution WSD-012 and Related Attachment; October 2, 2020 SCE Comments on the Workshop for the Draft WMP Compliance Process Proposal Presentation.

⁷ ARC at pp. 47-51, 59-60.

⁸ Resolution M-4860 (Dec. 2, 2021), at p. 12.

metrics to inform and focus compliance tracking on electrical corporations’ improvement of outcomes and reduction of wildfire risk does not raise any due process concerns.”⁹ Draft Resolution SPD-7 concerning Energy Safety’s proposal for the 2023 WMP compliance process similarly states that the Commission has “no concerns with Energy Safety’s use of outcome-based metrics to inform and focus compliance tracking.”¹⁰ Despite the Commission’s guidance, there remains ambiguity and unpredictability regarding whether outcome-based metrics, standing alone, may be used retrospectively to determine that a utility did not comply with an approved WMP.

Importantly, there is no clear indication in the ARC of whether outcomes that are untethered to a utility’s actual conduct may contribute to a noncompliance determination, or what weight may be accorded to each effectiveness metric in the compliance review process. SCE agrees that risk events, outcome-based metrics, and related lessons learned should assist in identifying “opportunities for future focus to reduce wildfire risk.”¹¹ But such metrics should be considered prospectively to help set *future* objectives to reduce the risk of catastrophic wildfires in subsequent WMPs. These metrics could also potentially be useful to Energy Safety as it reviews and approves these future WMPs, but they should not be viewed in hindsight to assess compliance with an approved WMP. Having agreed with SCE on its plan to mitigate wildfire risk by approving its WMP, Energy Safety, the CPUC, and other stakeholders would benefit from a clear and predictable, upfront compliance standard focusing on verifying whether utilities substantially implemented the activities that they identified in their approved WMPs, consistent with California Public Utilities Code § 8386.3(c).¹² Once Energy Safety and the CPUC have approved and ratified a utility’s WMP after having considered stakeholder input, compliance assessment should focus on whether the utility has substantially executed under that approved plan and not consider outcomes—many of which may be beyond a utility’s control—to judge a utility’s compliance.

CONCLUSION

SCE appreciates the opportunity to provide comments to the ARC. SCE has been and will continue to be committed to seeking opportunities to mature its WMP and associated operations. SCE will continue to partner with Energy Safety and other stakeholders in the common goal of protecting public safety, reducing the risk of potentially wildfire-causing ignitions, and improving community resilience. Please direct any questions or requests for additional information to Liz Leano (Elizabeth.Leano@sce.com) and Johnny Parker (Johnny.Parker@sce.com).

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⁹ *Id.*

¹⁰ Draft Resolution SPD-7 (Nov. 10, 2022), at p. 5.

¹¹ ARC at p. 61.

¹² *See, e.g.*, Cal. Pub. Util. Code 8386.3(c)(2)(B)(i) (an “independent evaluator shall determine whether the electrical corporation failed to fund any activities included in its plan”).