



Connor J. Flanigan
Managing Director
State Regulatory Operations
connor.flanigan@sce.com

Docket# 2023-2025-WMPs

August 18, 2023

Lucy Morgans
Program Manager, Electric Safety Policy Division
Office of Energy Infrastructure Safety
715 P Street, 20th Floor
Sacramento, CA 95814

SUBJECT: Comments Regarding 2025 Wildfire Mitigation Plan Update Guidelines
Workshop

Dear Program Manager Morgans:

Southern California Edison Company, San Diego Gas & Electric Company, and Pacific Gas & Electric Company (the "Joint Utilities") appreciate the opportunity to submit comments following the 2025 Wildfire Mitigation Plan ("WMP") Guidelines Workshop that was held on July 19, 2023. The Joint Utilities support Energy Safety's intention to focus the 2025 WMP Update on meaningful changes relative to the base 2023-2025 WMP. The Joint Utilities have organized our comments based on the sequence and categories of topics reviewed at the workshop.

STRUCTURE OF THE 2025 WMP UPDATES

The workshop materials specify three separate documents related to the 2025 WMP Update: 1) the 2025 WMP Update itself; 2) a redline of the base 2023-2025 WMP; and 3) a clean version of the base 2023-2025 WMP without redlines.

The Joint Utilities suggest this approach be simplified to eliminate the requirements for redlined and clean versions of the base 2023-2025 WMP. Instead, the 2025 WMP Update can be treated as a standalone document that complements the final approved base 2023-2025 WMP. The Joint Utilities suggest this approach for several reasons:

1. Given the relatively limited scope of the 2025 WMP Update, the Joint Utilities are not aware of any reason why the 2025 WMP Update cannot be designed as a standalone document that fully explains changes relative to the base 2023-2025 WMP.
2. It will be easier for parties to evaluate and understand the 2025 WMP Update if it is designed as a standalone document, with references to the base 2023-2025 WMP as

needed, without requiring the reader to perform the additional step of reviewing redlines of the base 2023-2025 WMP.

3. The base 2023-2025 WMP, like many regulatory documents, was created with the intention of presenting utility plans and intentions as of the time of submission. It serves as a critical reference document for evaluating utility compliance against the plan. It has not typically been understood as a “living document” that is periodically refreshed or updated to reflect current thinking or plans. Revisiting the document to perform edits and redlining confuses this purpose by effectively creating multiple versions of the plan. This becomes particularly relevant when attempting to update a document that was finalized over one year prior and that contained several forward-looking statements around activities to be performed in 2023.
4. Opening up the base 2023-2025 WMP would create confusion regarding the scope of such edits and redlining. The Joint Utilities acknowledge that Energy Safety has stated that edits would be limited to specific areas. However, the Joint Utilities note that the extensive depth, scope, and complexity of the WMP document is such that even seemingly limited and focused changes are likely to have ripple effects across the document and its many appendices (e.g., updates to page numbering throughout the plan). It also creates potential confusion for readers about whether unedited portions of the document were intentionally left unchanged or were out of scope for edits and hence may not reflect current thinking.
5. As an administrative matter, the size and complexity of the document (e.g., the final WMPs for SCE, PG&E and SDG&E are over 900 pages, 1,600 pages, and 1,000 pages, respectively) greatly complicates efforts to re-open it for revisions and resulting clean and redline versions. Seemingly trivial matters such as edits that push content onto a following page create significant cascading impacts to formatting, links, and other items that must be manually reviewed for quality control, all of which requires substantial effort and time.

The Joint Utilities understand the intention and desire of requesting redlines to the base 2023-2025 WMP for the purpose of seeing what has changed. However, for the reasons stated above, the Joint Utilities suggest such a step is unnecessary, redundant, and likely to confuse matters for both utilities and readers while being burdensome and inefficient.

Proposed Changes To Risk Models

The Joint Utilities do not have concerns with the materials presented by Energy Safety that establish “significant” and “non-significant” thresholds for risk model changes based on changes to the population of top-risk circuits (i.e., 10% of change to the top 20% of circuits, excluding changes due to mitigation deployment). While the Joint Utilities do not have concerns with this approach, below the Joint Utilities present their understanding of the Energy Safety materials and suggest that Energy Safety provide equivalent examples or explanations in the draft guidelines.

The Joint Utilities interpret this requirement to effectively ask the following question: “If WMP Table 6-5 is re-run using the latest risk model, and assuming no changes to mitigation

deployment from their 2023-2025 base WMPs as deployed at the point in time represented by Table 6-5, would you see a change of more than 10% in which circuits are listed in the top 20%?”

As an illustrative example of our understanding, assume there are 1,000 circuits in a utility HFRA, which means that 200 circuits are in the top 20% when all circuits are ranked from highest risk to lowest risk. If a risk model enhancement results in that population changing by more than 20 circuits (i.e., 10% of 200), compared to what that utility originally presented in Table 6-5, it would count as significant under this requirement. Movement of the same circuit within that list (e.g., moving from a lower position to a higher position) would not be relevant toward the 10% threshold.

The Joint Utilities also understand that changes to mitigation deployment and to risk data itself (as opposed to risk modeling changes) would not be included in the above analysis.

- For example, if a circuit were hardened in late 2023 and early 2024, the analysis would not take that into account and would evaluate the risk for that circuit consistent with the date used for the initial creation of Table 6-5.
- As another example, if asset failure rate assumptions were updated (e.g., a certain asset failure likelihood is updated from 3% to 6%), but the nature of the risk modeling and calculations were unchanged, the change would not be in scope.

In other words, the Joint Utilities interpret Energy Safety’s intention as focused on changes to the modeling structure and calculations themselves, not the data that is fed into those calculations.

The Joint Utilities also note that the 10% threshold may capture changes that are not especially significant and due to expected variation given the large data sets used for utility-scale wildfire analysis. The Joint Utilities are still evaluating potential updates to their own risk models, and subsequent impacts, but suggests that a value of 15% or 20% may be a more appropriate threshold to capture changes that are significant.

Finally, the Joint Utilities note that the page limitations for describing non-significant and significant changes to risk models—three and 15 pages respectively—may be insufficient for purposes of the 2025 WMP Update. Therefore, the Joint Utilities appreciate Energy Safety’s clarification during the 2025 WMP Update workshop that additional pages may be provided for further explanation, where requested.

SHIFTS IN STRATEGIC DIRECTIONS FROM LESSONS LEARNED

The workshop materials state that the 2025 WMP Update will allow utilities to present “key strategic changes mid-cycle that are not directly related to changes in risk modeling” and that “each update must be tied to a key Lesson Learned.” The Joint Utilities’ understanding of Lessons Learned in this context is based on Section 10 from the 2023-2025 WMP Guidelines, which state that Lessons Learned can come from three categories: internal monitoring and evaluation initiatives, feedback from Energy Safety or other authoritative bodies, or

collaborations with other electrical corporations. The 2023-2025 WMP Guidelines further specify how Lessons Learned should be defined, organized within the WMP, and reported (see pages 207-209).

First, the Joint Utilities seek clarification that Lessons Learned tied to a strategic change do not need to be limited to those provided in the 2023-2025 WMP submitted in March 2023, but can be a new Lesson Learned submitted with the 2025 WMP Update.

Second, the Joint Utilities agree that in many cases a key strategic change will result from a Lessons Learned such as external feedback or an internal engineering analysis study of how a certain mitigation performs in the field or in a pilot application. But this may not always be the case, and a key strategic change may not directly result from a Lesson Learned as they are defined in the 2023-2025 WMP Guidelines.

For example, SCE's move to its Integrated Wildfire Mitigation Strategy in the 2021-2022 timeframe resulted from several years of ongoing discussion and maturity in understanding and evaluating wildfire risk and hardening mitigations—not from a discrete “Lessons Learned” per se. As another example, SCE's movement toward an integrated inspection strategy that performs ground and aerial inspections during the same visit was based on continued maturity in wildfire inspection programs and an operational readiness to perform combined inspections.

The Joint Utilities agree that key strategic changes should be supported by clear and robust analysis, but suggest that leeway should be provided to include and describe key strategic changes even if they are not directly linked to a Lesson Learned.

The Joint Utilities also suggest that the 10% threshold for the target value or cost forecast of initiatives (see workshop slide #20, bullet points #1 and #3) may capture changes that are not especially meaningful or due to a strategic change but are instead due to expected refinement in program targets and cost forecasts that have occurred between the submission of the original 2025 values in February of 2023 and the updated values in March 2024. Therefore, Energy Safety should consider raising this threshold of significant changes to 15% or 20% with a minimum dollar value increase of \$10M in order for the threshold to be met.

Additionally, as the Joint Utilities suggest below, the 10% criteria for program target changes would no longer be needed if Energy Safety requires all targets to be refreshed in the 2025 WMP Update (separate from the question of the threshold for changes that are considered significant and trigger the requirement for expanded explanation).

PROGRESS ON AREAS FOR CONTINUED IMPROVEMENT

The Joint Utilities agree that the 2025 WMP Update should include discussion on Areas of Continued Improvement (ACIs) from the 2023 WMP evaluation and do not have additional comments based on how this was described during the workshop.

FORECASTED TARGETS, PERFORMANCE METRICS, AND EXPENDITURES

The Joint Utilities offer three comments related to the materials presented on targets, performance metrics, and expenditures.

First, given that approximately a year will have passed since the base 2023-2025 WMP, utilities should have the opportunity to update the 3- and 10-year objectives. The nature of the objectives is such that it will be difficult to define a clear threshold for “significant” changes, and hence the Joint Utilities suggest that utilities be provided flexibility to refine or update objectives based on either Lessons Learned or other insights gained over the course of 2023.

Second, the Joint Utilities suggest that the utilities be required to refresh all 2025 WMP Initiative targets in the 2025 WMP Update, as opposed to using a 10% threshold for significant changes only. This will provide utilities with clear direction to update target values for programs that were not scoped at the time of the base 2023-2025 WMP submission, as well as clearly establishing the 2025 WMP Update as the consolidated source for 2025 targets. It would also help start the 2025 program year with complete alignment between the 2025 WMP Update and the electrical corporations’ quarterly performance reports. If needed, the utilities could provide a comparison table identifying target modifications from the base 2023-2025 WMP in an attachment to the 2025 WMP Update.

Finally, the Joint Utilities suggest that utilities have the opportunity in either late 2024 or early 2025 to submit non-significant updates to 2025 initiative targets. Utility budgeting and planning processes takes place in the third and fourth quarters of each year, and it will be difficult to fully commit to 2025 initiative targets in the March/April 2024 timeframe. Factors such as updated costs forecasts, budget prioritization, prior year implementation status, and operational needs all drive program targets and will not be known or evaluated at any meaningful level so early in the calendar year. Therefore, it is likely that some target values will need to be refined based on these factors.

For example, consider a hypothetical situation involving an initiative targeting replacement of 100 units of a certain asset over the 2024-2025 period. In this hypothetical example, the utility targets replacing 40 units in 2024 and 60 units in its 2025 WMP Update. But if the utility were able to replace 55 units in 2024, only 45 would be left to replace in 2025. The original 2025 WMP Update target of 60 would no longer be relevant and would need to be updated to 45 units to avoid the incorrect impression that the target was missed.

To address this potential situation, the Joint Utilities request that Energy Safety provide for a simple refresh process with clear boundaries and constraints. For example, Energy Safety could allow for the 2024 Change Order report, presumably due on November 1, 2024, to serve as the mechanism for refinements to 2025 targets be requested. This would serve the same function as the 2023 Change Order report, which contains a separate provision that affords the opportunity to request refinements to year-ahead targets. While this won’t allow for a full understanding of prior year achievements, the additional six to seven months of experience

would be meaningful. Another potential option would be for utilities to provide updated targets as part of their first quarterly reports in 2025.

SUBMISSION SCHEDULE

The workshop materials indicate publication of draft guidelines in November 2023, with an adoption meeting for final guidelines in January 2024. The 2025 WMP Update would then be submitted in April 2024 (the Joint Utilities are not clear if the April submission would be for a completeness evaluation, or the final complete version of the WMP based on a prior submission).

The Joint Utilities are concerned about this compressed timeline. Even the relatively limited scope of the 2025 WMP Update will require extensive efforts to evaluate the draft and final guidelines, determine what will be in scope for inclusion, and then develop and refine the material into a final product suitable for submission to Energy Safety. Compressing this process into the January through April timeframe will be challenging, even if utilities begin tentative efforts based on the draft guidelines released in November 2023.

The Joint Utilities recognize and appreciate the workload of Energy Safety, and the significant efforts of its personnel as they continue to develop and enhance the regulatory infrastructure for the WMPs and related efforts. To the extent possible, the Joint Utilities respectfully request at least 90 days after the issuance of the final guidelines to develop and submit their complete 2025 WMP Updates. This would improve the ability for utilities to evaluate the 2025 final guidelines and implement the necessary efforts to submit a complete and high-quality 2025 WMP Update.

COMPLETENESS CHECK PROCESS

Given the narrower scope of the 2025 WMP Update relative to the base 2023-2025 WMP, the Joint Utilities suggest that the completeness check process be eliminated. The Joint Utilities respectfully submit that this process, first implemented in 2023, creates confusion in the WMP evaluation process.

For example, the Joint Utilities observed that parties did not understand which version of the WMP was “final” and what types of changes were allowable in the second version submitted in March 2023. Also, some parties requested and obtained the initial February 2023 version of the WMP and began to submit data requests, while other parties waited to evaluate the WMP until release of the final version in March 2023, creating an equity issue.

The Joint Utilities further suggest that the completeness check process is unnecessary as the utilities have the obligation to understand the WMP guidelines and to develop and complete a sufficient WMP. Deficiencies can be addressed through data requests, feedback from Energy Safety, or (if needed) measures such as Areas of Continued Improvement or a Revision Notice. The process is also administratively burdensome, as it effectively doubled the administrative efforts needed to process the source documents for the WMP into a final PDF suitable for Energy Safety and external parties.

For these reasons, the Joint Utilities suggest that the 2025 WMP Update have a single submission date for a final version, after which evaluation by both Energy Safety and external parties can commence. This will streamline the process, improve clarity for all parties by avoiding multiple versions of the WMP, and avoid administrative burdens.

At a minimum, if the completeness check process continues, the WMP should not be available for review, data requests, and other evaluation to parties other than Energy Safety until after a utility has released a final version of the WMP with completeness check items addressed. This will help ensure that significant analysis is not performed by stakeholders on unfinished plans concurrently being reviewed by Energy Safety.

CONCLUSION

The Joint Utilities appreciate the opportunity to provide feedback during the process of developing guidelines for the 2025 WMP Update.

If you have questions for SCE, please contact me at connor.flanigan@sce.com. If you have questions for SDG&E, please contact Kari Kloberdanz at kkloberdanz@sdge.com, and for PG&E, please contact Wade Greenacre at wade.greenacre@pge.com.

Sincerely,

//s//

Connor J. Flanigan
Managing Director, State Regulatory Operations