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Docket# 2023-2025-WMPs

September 19, 2023

Shannon O'Rourke
Deputy Director, Electrical Infrastructure Directorate
Office of Energy Infrastructure Safety
715 P Street, 20th Floor
Sacramento, CA 95814

SUBJECT: Comments on SCE's 2023-2025 Wildfire Mitigation Plan Draft Decision

Dear Deputy Director O'Rourke:

SCE appreciates the extensive and thoughtful evaluation of its 2023-2025 Wildfire Mitigation Plan (WMP) by the Office of Energy Infrastructure Safety (Energy Safety) in the Draft Decision issued on August 30, 2023. With limited exceptions, SCE supports the Draft Decision.¹ SCE's comments request modifications to two Areas for Continued Improvement (ACI) in the Draft Decision concerning the calculation of risk scores and hardening in Severe Risk Areas. In the attached Appendix, SCE also provides a few minor proposed technical corrections to the Draft Decision.

ACI SCE-23-02: CALCULATING RISK SCORES USING MAXIMUM CONSEQUENCE VALUES

This ACI states that "SCE's use of maximum consequence values, as opposed to probability distributions or averages, to aggregate risk scores is not aligned with fundamental mathematical standards and could lead to suboptimal mitigation prioritization decisions."² The ACI directs SCE to provide a transition plan from using maximum consequence values in its risk modeling to using either probability distributions or averages in its 2026-2028 Base WMP. The ACI states that "If SCE is unable to transition to using probability distributions or averages, it must explain the reason and propose an alternative strategy that would produce risk scores closer to what using the probability distributions or average consequence would produce."³

SCE respectfully requests two limited but highly important modifications to this ACI: (1) more flexibility for SCE to use risk scoring approaches based on maximum consequence where

¹ While SCE generally supports the Draft Decision, SCE's silence on a particular area of the Draft Decision should not necessarily be construed as tacit consent.

² Draft Decision on SCE's 2023-2025 WMP, August 30, 2023, p. 84.

³ Draft Decision, p. 84.

appropriate and given a sufficient explanation from SCE, and (2) removal of the statement that SCE’s approach is “not aligned with fundamental mathematical standards.”

As discussed below, the use of maximum consequence values is a key component of SCE’s risk mitigation strategy as it enables the utility to identify and plan to prevent the kind of potentially catastrophic events that California has experienced in recent years.

SCE should have flexibility to use risk scoring based on maximum consequences values

There are good reasons why SCE uses maximum consequence values to develop its risk mitigation strategies and why Energy Safety should afford SCE and other utilities the discretion to continue doing so. SCE’s use of maximum consequence values enables its modeling efforts to identify the types of extreme events that have harmed Californians in recent years—events that might be missed or otherwise obscured if the utility was required to look solely at averages or probability-adjusted values. Those extreme events represent precisely the catastrophic outcomes that SCE’s strategy is designed to avoid, consistent with Energy Safety’s long-term vision of no catastrophic utility-related wildfires.⁴ To require SCE and other utilities to adjust risk modeling practices pursuant to this ACI would have the effect of potentially leaving catastrophic wildfire risk unaddressed, which SCE does not believe is the intended outcome of this ACI.

SCE supports continued discussion regarding the use of maximum consequence values in risk modeling and submits that this topic should undergo continued evaluation among stakeholders. This includes other regulatory bodies such as the California Public Utilities Commission (CPUC), which is currently evaluating related risk modeling issues such as tail risk, risk scaling (formerly risk attitude), and risk tolerance, all of which are relevant to this ACI. SCE also notes that modeling approaches are currently being discussed in Energy Safety’s risk workshops.

Further discussion and vetting will allow Energy Safety, the CPUC, utilities, and other parties to evaluate modeling parameters and downstream impacts more fully before such a requirement is adopted. The ACI as presently worded is unnecessarily restrictive, as it would require a strategy “that would produce risk scores closer to what using the probability distributions or average consequence would produce”—even if SCE explains why it should not make the transition to such an approach and without the benefit of continued stakeholder analysis and feedback.

⁴ Utility Wildfire Mitigation Strategy and Roadmap for the Wildfire Safety Division, p. 28, [web link](#)

For these reasons, SCE requests that the language in the ACI be modified to allow SCE to follow an appropriate consequence modeling approach as an alternative to the OEIS recommendation:

If SCE is unable to transition to using probability distributions or averages, it must explain the reason ~~and propose an alternative strategy that would produce risk scores closer to what using the probability distributions or average consequence would produce.~~⁵

Please also see the comments that SCE recently submitted to the CPUC regarding the importance of preserving flexibility in risk modeling approaches and decision-making.⁶

“Mathematical standards” should not be conflated with questions of risk tolerance

The Draft Decision raises important questions about the extent to which catastrophic or extreme wildfire consequences should be considered independent of the potential for those outcomes to occur. SCE respectfully submits that such questions concern risk management and mitigation strategy, not “fundamental mathematical standards”. SCE is not aware of any mathematical standard prohibiting a utility from considering the maximum potential consequence for ignition at a given location, and using this data to inform risk evaluation and mitigation selection. Such language should be removed from the Draft Decision as shown below:

SCE’s use of maximum consequence values, as opposed to probability distributions or averages, to aggregate risk scores ~~is not aligned with fundamental mathematical standards and~~ could lead to suboptimal mitigation prioritization decisions.⁷

ACI SCE-23-09: HARDENING SEVERE RISK AREAS

Regarding SCE’s approach to Severe Risk Areas (SRA), the Draft Decision states that SCE “has not demonstrated that it accounted for alternative solutions that take less time to implement, such as covered conductor in combination with other mitigations” and that “SCE has not developed a robust mitigation selection process for system hardening and instead defaults to undergrounding for its SRA.”⁸ The Draft Decision also states that SCE is not “considering location-specific factors” and that “SCE must provide plans for how it will address remaining risk in its SRA demonstrating careful consideration of mitigation options through transparent decision making.”⁹

SCE understands and agrees with the required progress for this ACI, which includes explaining interim mitigation strategies and further analyzing undergrounding alternatives. But SCE

⁵ Draft Decision, p. 84.

⁶ SCE’s Opening Comments on Workshop Summary Report #2 and Mussey Grade Road Alliance’s Presentation, CPUC OIR R.20-07-013, September 8, 2023, [web link](#)

⁷ Draft Decision, p. 84.

⁸ Draft Decision, p. 41.

⁹ Draft Decision, p. 42.

respectfully requests modifying the above language in the ACI to provide a more balanced assessment of SCE's hardening approach in its 2023-2025 WMP. In explaining its risk evaluation approach in its WMP, SCE states that "[i]n Severe Risk Areas, the threat to lives and property is elevated to such an extent that SCE has determined that for public safety reasons it is prudent to not just significantly reduce ignition risk expeditiously but minimize it in the long term to the extent practicable."¹⁰ In other words, the potential consequences and public harm from wildfires in these locations is so extreme that it is prudent to begin from the premise that undergrounding is a preferred solution due its ability to reliably and effectively eliminate wildfire risk.

SCE further explains its robust process to review and evaluate potential undergrounding decisions, which involves highly local and granular reviews of several factors. SCE states in its WMP¹¹ that:

... SCE performs further due diligence by reviewing the output using SCE's inspection photos, geographic information system (GIS), and Google Maps or Street Views with subject matter experts such as engineers and fire science specialists. These deep dives allow SCE's employees to virtually "walk the line" to determine whether a segment is appropriately categorized.

During these reviews, SCE looks for the presence of risk drivers, including but not limited to, heavy trees, long span, local fuel regime, prevailing wind direction and intensity, topography (slope and terrain complexity), local fire ecology, local road accessibility, and existing mitigations (e.g., covered conductor). SCE then makes the determination to either keep the designation as prescribed by the model or recommend an alternate designation as appropriate.

While SCE recognizes that not all stakeholders in the WMP process agreed with SCE's hardening strategy or conclusions, SCE notes that differences in views on risk tolerance or cost/benefit thresholds does not mean that SCE's analysis was inadequate.

SCE therefore requests this ACI to be revised to provide a more balanced assessment of SCE's WMP that recognizes the extent to which SCE explained and supported its risk evaluation and mitigation selection process.

For facilities in its SRA that have not undergone covered conductor installation, SCE explains its overall hardening strategy but must provide further ~~does not perform adequate~~ analysis of alternative mitigation plans ~~and instead defaults to undergrounding~~.¹²

¹⁰ SCE's 2023-2025 Wildfire Mitigation Plan, Section 7.1.4.2, p. 205.

¹¹ SCE 2023-2025 WMP, Section 6.2.1.2, p. 114.

¹² Draft Decision, p. 88.

As noted earlier, these requested modifications do not alter the required progress of this ACI and are reasonable in light of SCE's explanations of its risk hardening approach in its WMP.

CONCLUSION

SCE appreciates the opportunity to provide feedback on the Draft Decision. If you have questions, or require additional information, please contact me at connor.flanigan@sce.com.

Sincerely,

//s//

Connor J. Flanigan

Managing Director, State Regulatory Operations

APPENDIX: TECHNICAL CORRECTIONS

ACI	Draft Decision Page #	Proposed Correction	Explanation
Section 8.5.4.2 Community Outreach 3- and 10-Year Objectives – Verification Methods	78	SCE must include this information in future WMPs and WMP Updates starting with the 2025 Update 2026-2028 Base WMP.	This sentence conflicts with the Required Progress in SCE-23-21, found on page 96, which requires SCE to include all methods to verify progress on objectives beginning in its 2026-2028 Base WMP.
SCE-23-19: Early Fault Detection Implementation	96	<p>In its 2025 Update, SCE must:</p> <ul style="list-style-type: none"> ○ Document the performance of deployed EFD in identifying incipient faults undesirable or degraded conditions, including the number of potential incipient faults undesirable or degraded conditions detected and their accuracy. ○ Document any instances where the EFD successfully prevented or mitigated a potential ignition undesirable or degraded condition. 	Clarify that EFD is better understood as detecting undesirable or degraded conditions.