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**Via Electronic Filing**

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**Subject: Comments of the Public Advocates Office on Liberty's 2025 Wildfire Mitigation Plan Update**

**Docket: 2023-2025-WMPs**

Dear Director Thomas Jacobs,

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) respectfully submits the following comments on the 2025 Wildfire Mitigation Plan Update of Liberty Utilities (CalPeco Electric) LLC (Liberty). Please contact Nathaniel Skinner ([Nathaniel.Skinner@cpuc.ca.gov](mailto:Nathaniel.Skinner@cpuc.ca.gov)) or Henry Burton ([Henry.Burton@cpuc.ca.gov](mailto:Henry.Burton@cpuc.ca.gov)) with any questions relating to these comments.

We respectfully urge the Office of Energy Infrastructure Safety to adopt the recommendations discussed herein.

Sincerely yours,

/s/ **Joseph Lam**

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## I. INTRODUCTION

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits these comments on the 2025 Wildfire Mitigation Plan (WMP) Updates submitted by investor-owned electric utilities (IOUs or utilities).<sup>1</sup> Cal Advocates submits these comments pursuant to the Office of Energy Infrastructure Safety’s (Energy Safety) *Revised 2023-2025 Wildfire Mitigation Plan Process and Evaluation Guidelines* (WMP Process Guidelines)<sup>2</sup> and the *Revised 2025 Wildfire Mitigation Plan Update Schedule*.<sup>3</sup>

The 2025 Wildfire Mitigation Plan Update Guidelines (2025 WMP Update Guidelines)<sup>4</sup> establish substantive requirements for these WMP Update submissions, while the WMP Process Guidelines establish a schedule and review process for WMP submissions. Consistent with the aforementioned, Liberty Utilities (CalPeco Electric) LLC (Liberty) and PacifiCorp d/b/a Pacific Power (PacifiCorp) submitted 2025 WMP Updates on July 8, 2024. The WMP Process Guidelines and the 2025 WMP Update schedule also permit interested persons to file opening comments on the WMP Updates of Liberty and PacifiCorp by August 12, 2024, and reply comments by August 22, 2024. In these comments, Cal Advocates addresses Liberty’s 2025 WMP Update.<sup>5</sup> The table below highlights Cal Advocates’ recommendations to Energy Safety regarding Liberty’s 2025 WMP Update. The table also includes Cal Advocates’ recommended implementation timeframes and the following sections contain the associated discussions.

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<sup>1</sup> Many of the Public Utilities Code requirements relating to wildfires apply to “electrical corporations.” See e.g. Public Utilities Code Section 8386. These comments use the more common term “utilities” and the phrase “electrical corporations” interchangeably to refer to the entities that must comply with the wildfire safety provisions of the Public Utilities Code.

<sup>2</sup> Office of Energy Infrastructure Safety’s (Energy Safety), *Revised 2023-2025 Wildfire Mitigation Plan Process and Evaluation Guidelines*, January 31, 2024, in docket 2023-2025-WMPs.

See also: Energy Safety, *Final 2023-2025 Wildfire Mitigation Plan Process and Evaluation Guidelines*, December 6, 2022.

<sup>3</sup> Energy Safety, *Revised 2025 Wildfire Mitigation Plan Update Schedule*, February 22, 2024, in docket 2023-2025-WMPs. See also, Energy Safety, *2025 Wildfire Mitigation Plan Update Schedule*, January 26, 2024, in docket 2023-2025-WMPs.

<sup>4</sup> Energy Safety, *2025 Wildfire Mitigation Plan Update Guidelines*, January 31, 2024, in docket 2023-2025-WMPs.

<sup>5</sup> Liberty’s 2025 Wildfire Mitigation Plan Update, July 8, 2024 (Liberty’s 2025 WMP Update).

## II. TABLE OF RECOMMENDATIONS

Item	Recommendation	Timeframe	Section of these Comments
1	Energy Safety should require Liberty to report on the progress of its Sensitive Relay Profile program	Immediately (resubmission) and Quarterly Reports	III.A.2
2	Energy Safety should require Liberty to estimate the reliability impacts and projected risk reduction caused by SRP, using Liberty’s own SRP parameters.	Immediately (resubmission)	III.A.2
3	Energy Safety should require Liberty to provide a plan that addresses covered conductor installation difficulties and target a more aggressive average of covered conductor installation miles in its 2026-2028 WMP.	2026-2028 WMP	III.A.3
4	Energy Safety should require Liberty to report quarterly on the progress and funding of its covered-conductor installation targets so that the targets gradually increase year-on-year and better align with its most recently approved General Rate Case (GRC)	Quarterly Reports	III.A.4
5	Energy Safety should require Liberty to report on the developments of its Risk-Based Decision-Making framework.	2026-2028 WMP	IV.A
6	Energy Safety should require Liberty to calculate and report the trade-off between PSPS risk, wildfire risk, and asset-failure risk.	2026-2028 WMP	IV.A.2
7	Energy Safety should require Liberty to report on new updates related to its implementation of its new risk-based decision-making framework.	2026-2028 WMP	IV.A.3
8	Energy Safety should require Liberty to report regularly on the developments related to its Direxyon Risk Assessment Tool (DRAT).	Quarterly Reports or 2026-2028 WMP	IV.A.4

9	Energy Safety should require Liberty to report regularly on the development of its PSPS risk model.	Quarterly Reports or 2026-2028 WMP	IV.A.4
10	Energy Safety should require Liberty to report regularly on the progress of implementing its PSPS risk model as part of this risk-assessment tool.	Quarterly Reports or 2026-2028 WMP	IV.A.4
11	Energy Safety should require Liberty to provide sufficient supporting documentation to justify changes in proposed expenditures.	Immediately (resubmission)	V.A

The table above provides a high-level summary of Cal Advocates’ comments on Liberty’s 2025 WMP. Specifically, Cal Advocates provides comments on Liberty’s:

- **Grid design and system hardening:** Liberty plans to implement Sensitive Relay Profile (SRP) settings as an expedited wildfire mitigation across its service territory by 2025 without calculating reliability impacts or comparative risk reductions. Instead, Liberty relies on data from other utilities that have implemented SRP or similar fast-trip settings to support its decision. Also, Liberty is decelerating covered conductor installation to accommodate SRP implementation.
- **Risk assessment and modelling:** Liberty is in the process of implementing a new risk-based decision-making framework which will help aid Liberty in selecting areas of its service territory to prioritize for wildfire mitigation work in the future. Also, Liberty’s new decision-making framework currently does not account for PSPS risk, as Liberty is still developing its PSPS risk model.
- **Targets and expenditures:** Liberty provides increased expenditure targets for 2025 without any supporting documentation. At times, Liberty’s increased expenditure targets are not commensurate with updated work targets.

### III. GRID DESIGN AND SYSTEM HARDENING

#### A. Energy Safety should require Liberty to report on the progress of its Sensitive Relay Profile program.

Liberty describes its use of Sensitive Relay Profile settings (SRP) as an interim mitigation to reduce the risk of wildfire.<sup>6</sup> SRP reduces wildfire risk by significantly increasing the sensitivity of protective devices and equipment that trigger automatic outages when a fault is

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<sup>6</sup> Liberty’s Updated 2023-2025 WMP, July 26, 2024 at 134.

detected.<sup>7</sup> To support its decision to implement SRP, Liberty has relied on data from other utilities that have been using SRP (or similar fast-trip programs) for wildfire mitigation.<sup>8</sup>

**1. Liberty’s plan to implement SRP on its distribution system raises reliability concerns.**

Liberty intends to implement SRP while time-consuming initiatives, such as covered conductor and undergrounding, are completed over extended periods of time.<sup>9</sup> Liberty recently requested a reduction of its covered conductor installation target in 2024 from 5.6 miles to 3.9 miles to prioritize the implementation of SRP as an expedited wildfire mitigation.<sup>10</sup>

Liberty plans to implement SRP across all of Liberty’s primary distribution conductors by the end of the 2026-2028 WMP cycle. Specifically, Liberty states that it will implement SRP on 60 percent of its primary distribution conductors in 2024 and an additional 16 percent in 2025.<sup>11</sup>

Cal Advocates supports the use of mechanisms like SRP to reduce wildfire risk, but it is incumbent upon the utilities that choose this mitigation option to ensure the overall impact to their customers is minimized through effective use and planning. Specifically, while they reduce utility-ignited wildfires, fast-trip settings introduce other consequences, such as unplanned power outages that provide no notice to customers.<sup>12</sup> According to the 2022 Annual Electric Reliability

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<sup>7</sup> CPUC, Protective Equipment and Device Settings. <https://www.cpuc.ca.gov/industries-and-topics/wildfires/protective-equipment-device-settings>.

Similar programs by peer utilities include Pacific Gas and Electric Company’s (PG&E’s) Enhanced Powerline Safety Settings, Southern California Edison’s (SCE’s) Fast Curve Settings, and San Diego Gas and Electric Company’s (SDG&E’s) SRP. SDG&E has been utilizing SRP for over 10 years during extreme fire-weather conditions.

<sup>8</sup> Liberty’s 2025 WMP Update at 28.

<sup>9</sup> Liberty’s Updated 2023-2025 WMP at 134.

<sup>10</sup> Liberty’s 2024 WMP Change Order Request, May 28, 2024 at 5.

<sup>11</sup> Liberty’s response to Cal Advocates Data Request CalAdvocates-Liberty-2025WMP-01, Question 8(b), (c), and (f), July 24, 2024.

<sup>12</sup> President Marybel Batjer’s October 25, 2021 Letter to Pacific Gas and Electric Company (PG&E) CEO Patricia Poppe (President Batjer’s Letter). <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/safety-and-enforcement-division/documents/batjer-letter/cpuc-president-batjer-letter-to-pge-re-fast-trip-oct-25-2021.pdf>.

Reports, Liberty had relatively poor service reliability.<sup>13</sup><sup>14</sup> Because Liberty already experiences significantly more frequent and longer unplanned outages than the national average,<sup>15</sup> and SRP is likely to increase unplanned outages, Liberty should proceed with caution when implementing SRP.<sup>16</sup> Fast-trip settings require meticulous and iterative calibration, and an adequate customer-notification system to realize its benefits without subjecting customers to repetitive and prolonged outages.<sup>17</sup> When approving Liberty’s 2023-2025 WMP, Energy Safety required Liberty to provide in its 2025 WMP update calculations for ignition-reduction effectiveness for covered conductor compared to SRP, traditional hardening, and SRP in combination with traditional hardening.<sup>18</sup> However, Liberty did not provide any calculations on the effectiveness of SRP in its 2025 WMP Update.<sup>19</sup>

Additionally, Energy Safety required Liberty to provide information in its 2025 WMP Update, on 2023 outages that occurred while SRP settings were enabled and in particular,

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<sup>13</sup> Reliability of service is measured using the metrics System Average Interruption Duration Index (SAIDI) which measures the average total minutes of outage that a customer on the system experienced in the reporting year, System Average Interruption Frequency Index (SAIFI) which measures the average number of sustained outages (i.e., outages greater than 5 minutes in length) that a customer on the system experienced in the reporting year, and Customer Average Interruption Duration Index (CAIDI) which measures the average duration of a single sustained outage (i.e., an outage that lasted for longer than 5 minutes) that a customer experienced in the reporting year.

<sup>14</sup> Electric System Reliability Annual Reports, <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/infrastructure/electric-reliability/electric-system-reliability-annual-reports>

Compared to five other California utilities, excluding Major Event Days, Liberty has the highest SAIDI at 470.75, second highest SAIFI at 3.471, and second highest CAIDI at 135.65.

<sup>15</sup> Fast Trip, Unplanned Outages, and Distribution Reliability Workshop, March 17, 2023 at 10. <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/safety-and-enforcement-division/fast-trip/cpuc--fast-trip-unplanned-outages-and-distribution-reliability-workshop-presentation.pdf>.

<sup>16</sup> President Batjer’s Letter:

“Since PG&E initiated the Fast Trip setting practice on 11,500 miles of lines in High Fire Threat Districts in late July, it has caused over 500 unplanned power outages impacting over 560,000 customers.”

<sup>17</sup> President Batjer’s Letter:

“I am aware that PG&E has begun recalibrating its original Fast Trip settings to be less sensitive and has begun better communicating with impacted communities, however, from my current perspective, it is clear that PG&E is still in planning mode.”

<sup>18</sup> Energy Safety’s Decision Approving Liberty’s 2023-2025 WMP at 75-76: ACI LU-23-06.

<sup>19</sup> Liberty’s 2025 WMP Update at 28-29.

calculations on the effectiveness of SRP implementation using avoided ignitions based on outages that occurred.<sup>20</sup> Liberty claims it was unable to provide either any information about outages that occurred while SRP settings were enabled, or any SRP effectiveness calculations, because Liberty did not enable SRP settings throughout 2023.<sup>21 22 23</sup>

Instead, Liberty has not provided calculations—or even theoretical estimates—regarding the reliability impacts of SRP in its service territory or the associated reduction in risk achievable compared to other grid hardening initiatives.<sup>24</sup> It is highly likely that Liberty’s SRP implementation will lead to increased unplanned outages. If Liberty is initially unsuccessful at calibrating its SRP settings efficiently, it will also face a high occurrence of unnecessary outages. Liberty should calculate the reliability impacts and projected risk reduction caused by SRP, using Liberty’s own SRP parameters and determine the optimal systemwide SRP settings needed to achieve its intended purpose.

**2. Liberty should propose a more aggressive covered conductor installation targets in its 2026-2028 WMP while also increasing implementation of SRP.**

Liberty plans to slow its rate of covered conductor installation and increase the implementation rate of SRP and system segmentation. With these plans, Liberty fails to examine the possibility of increased unplanned outages associated with SRP. Recently, Liberty requested to reduce its target for covered conductor installation from 5.61 miles to 3.9 miles.<sup>25 26</sup>

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<sup>20</sup> Energy Safety’s Decision Approving Liberty’s 2023-2025 WMP at 79-80: ACI LU-23-15.

<sup>21</sup> Liberty’s 2025 WMP Update at 36-37. Liberty cites to SDG&E’s over-a-decade use of SRP with no ignitions downstream of SRP-enabled devices while maintain system reliability. Liberty’s SAIDI, SAIFI, and CAIDI metrics, however, are significantly worse than SDG&E’s.

<sup>22</sup> Liberty’s 2025 WMP Update at 28.

<sup>23</sup> 2022 Electric System Reliability Annual Reports, <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/infrastructure/electric-reliability/electric-system-reliability-annual-reports/2022-annual-electric-reliability-reports>

Liberty’s SAIDI of 470.75 versus SDG&E’s SAIDI of 70.39; Liberty’s SAIFI of 3.471 versus SDG&E’s SAIFI of 0.591; and Liberty’s CAIDI of 135.65 versus SDG&E’s CAIDI of 119.06

<sup>24</sup> Liberty’s 2025 WMP Update at 28-29 and at 36-37.

<sup>25</sup> Liberty’s 2024 WMP Change Order Request at 5. This request was rejected by Energy Safety as the request did not reduce risk.

<sup>26</sup> Office of Energy Infrastructure Safety Decision on Liberty Utilities Change Order Request in relation



Liberty asserts it needs to further assess industry experience to measure covered conductor's effectiveness.<sup>27</sup> However, the utilities have tested covered conductor publicly reported on this testing, and is estimated to have approximately between 60 to 90 percent effectiveness.<sup>28</sup>

Additionally, Liberty maintains that it faces significant permitting requirements, processes, and timelines for covered conductor projects in its service territory, which causes delays and uncertainties in covered conductor implementation.<sup>29</sup> Similarly, Liberty recently requested a decrease for its 2024 undergrounding target from 1.3 miles to 0 miles citing project delays and permitting issues.<sup>30</sup> Energy Safety also denied this request because it does not reduce risk and Liberty's reasoning was not acceptable for a change in target.<sup>31</sup>

While Liberty estimates a planned average of 4.67 miles of covered conductor installation in 2023-2025,<sup>32</sup> it is lower than what Liberty managed to accomplish in 2022 alone<sup>33</sup> and significantly lower than similar utilities.<sup>34, 35</sup>

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to its 2023-2025 Base Wildfire Mitigation Plan, July 1, 2024 at 3.

<sup>27</sup> Liberty's Updated 2023-2025 WMP at 160.

<sup>28</sup> Liberty's Updated 2023-2025 WMP, Appendix F, CC Effectiveness Workstream Joint IOU Report.

Though the utilities' data is still relatively limited, the outcomes in 2022 in addition to previous years outcomes, as presented below, continue to show CC effectiveness at reducing the risk drivers that can lead to wildfires range between approximately 60 to 90 percent, which is consistent with the utilities' estimated effectiveness values and supported by recent testing results.

<sup>29</sup> Liberty's Updated 2023-2025 WMP at 161.

<sup>30</sup> Liberty's 2024 WMP Change Order Request at 5.

<sup>31</sup> Office of Energy Infrastructure Safety Decision on Liberty Utilities Change Order Request in relation to its 2023-2025 Base Wildfire Mitigation Plan, at 3.

<sup>32</sup> Liberty's Updated 2023-2025 WMP at 152.

<sup>33</sup> Liberty's Updated 2023-2025 WMP at 158-159.

Liberty completed 9.6 miles of covered conductor projects in 2022.

<sup>34</sup> Bear Valley Electrical Service (BVES) 2023-2025 WMP, July 22, 2024 at 123.

BVES targeted 12.9 miles in 2023, 12.9 miles in 2024, and 5.1 miles in 2025 for a yearly average of 10.3 miles over 2023-2025.

<sup>35</sup> Pacific Power (PacifiCorp) 2023-2025 WMP, July 8, 2024 at 150.

PacifiCorp targeted 130 miles in 2023, 80 miles in 2024, and 120 lines in 2025 for a year average of 110 miles over 2023-2025.

While Liberty recognizes the benefits of SRP in reducing the likelihood of utility-caused ignitions at a low cost,<sup>36</sup> Liberty ignores potentially increased SRP unplanned outages. Thus, Liberty should not discount the benefits of covered conductor for both wildfire safety and grid reliability. And therefore, Liberty should be required to set forth a plan that addresses the constraints that impede installation of covered conductor and provide more aggressive covered-conductor targets in its 2026-2028 WMP.

**3. Remedies: Energy Safety should require Liberty to provide progress reports related to its SRP program and should require Liberty to revise its covered-conductor targets to reflect continued commitment.**

Energy Safety should require Liberty to report on its progress in implementing SRP. As an initial matter, Energy Safety should require Liberty to revise and re-file its 2025 WMP Update to include an estimate of the reliability impacts and projected risk reduction caused by SRP, using Liberty's own SRP parameters. Energy Safety should then require Liberty to provide quarterly updates on SRP implementation. These updates should include the following: circuit miles covered by SRP, systemwide SRP sensitivity thresholds elected, any subsequent systemwide SRP settings updated, and data on any outages that have occurred as a result of SRP on Liberty's circuits.<sup>37</sup>

Energy Safety should also require Liberty to report on the progress and funding of its covered-conductor installation targets so that the targets gradually increase year-on-year and better align with its most recently approved General Rate Case (GRC).<sup>38</sup> Liberty received \$17 million in capital expenditures it requested in its Test Year 2021 GRC for covered conductor for 2023-2024.<sup>39</sup> However, Liberty reports it will spend less than authorized (approximately \$15.6

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<sup>36</sup> Liberty's Updated 2023-2025 WMP at 160:

"Liberty's planned SRP implementation in 2023 will cover 331 miles and is estimated to cost approximately \$1.5 million in total, which is approximately \$4,000 per mile."

<sup>37</sup> Outage data should include circuits affected, time outage began, duration of outage, number of customers, number of customers notified in advance, number of customers that did not receive advance notification, and weather conditions including windspeeds.

<sup>38</sup> Liberty's 2024 WMP Change Order Request at 5.

<sup>39</sup> Joint Motion of Liberty Utilities, the Public Advocates Office, the A-3 Customer Coalition, the Small Business Utility Advocates, and the Tahoe Energy Ratepayers Group for Adoption of the All-Party Settlement Agreement on Marginal Cost, Revenue Allocation, and Rate Design Issues at A-4.

million in the 2023-2024 period) in its revised 2023-2025 WMP.<sup>40</sup> Finally, Energy Safety should require Liberty's 2026-2028 WMP to provide a plan that addresses covered conductor installation difficulties and targets a more aggressive average of covered conductor installation miles.

#### **IV. RISK ASSESSMENT AND MODELING**

##### **A. Energy Safety should require Liberty to report on the developments of its Risk-Based Decision-Making framework.**

Liberty's 2025 WMP Update includes significant improvements to its risk-modeling capabilities.<sup>41</sup> Among the various improvements, Liberty includes the development of a new risk-based decision-making framework and new data inputs, which would aid Liberty in decisions and strategies for future wildfire-mitigation work.<sup>42</sup>

##### **1. Energy Safety required Liberty to improve its risk modeling.**

Energy Safety required Liberty to describe how it prioritizes PSPS risk in its risk-based decisions and explain the trade-offs between wildfire risk and PSPS risk.<sup>43</sup> <sup>44</sup> Liberty states that

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<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M496/K592/496592481.PDF>.

The California Public Utilities Commission subsequently adopted the settlement agreement in Decision 23-04-043.

<sup>40</sup> Liberty's Updated 2023-2025 WMP at 163. Table 8-7: Liberty Planned Covered Conductor Projects 2023-2025.

The total of \$20.15 million was subtracted by the covered conductor projects Liberty identified for 2025.

<sup>41</sup> Liberty's 2025 WMP Update at 6.

<sup>42</sup> Liberty's 2025 WMP Update at 6-7.

<sup>43</sup> Energy Safety, *Final Decision on Liberty Utilities' 2023-2025 Wildfire Mitigation Plan*, February 5, 2024 (Final Decision on Liberty's 2023-2025 WMP) at 73.

In the required Area for Continued Improvement (ACI) LU-23-02 (PSPS and Wildfire Risk Trade-Off Transparency), In its 2025 Update, Liberty must describe: (1) How it prioritizes PSPS risk in its risk-based decisions, including trade-offs between wildfire risk and PSPS risk; and (2) How the rank order of its planned mitigation initiatives compares to the rank order of mitigation initiatives ranked by risk buy-down estimate, along with an explanation for any instances where the order differs.

<sup>44</sup> Liberty's 2025 WMP Update at 24.

it does not currently calculate “trade-offs” between wildfire risk and PSPS risk. Liberty asserts it prioritizes mitigation initiatives based on wildfire risk and asset-failure risk.<sup>45</sup>

Additionally, Energy Safety required Liberty to describe how it will use new risk-modeling software to improve risk analysis, and to provide a plan with milestones for achieving those improvements.<sup>46, 47</sup> Though Liberty’s 2025 WMP Update does provide an estimated timeline for various improvements, Liberty fails to explain how the new risk-modeling software will improve risk analysis or inform the selections of mitigations. As explained below, Liberty fails to provide reasonable details on these efforts in its 2025 WMP Update.

**2. Liberty provides insufficient details related to the inclusion of PSPS risk in its risk modeling, and Liberty does not calculate the trade-offs between PSPS and wildfire risk.**

Liberty’s 2025 WMP Update fails to identify the trade-offs between PSPS and wildfire risk. Additionally, Liberty does not prioritize the inclusion of PSPS risk as part of the Direxyon Risk Assessment Tool (DRAT) development and as part of Liberty’s overall risk modeling.<sup>48, 49</sup> Working with Direxyon Technologies, Liberty developed DRAT, which is Liberty’s updated fire-risk model. DRAT will purportedly allow Liberty to analyze risk mitigations at the circuit, segment, and asset levels.<sup>50</sup> However, on claims that the model is currently in development, Liberty has not provided information about DRAT (such as what variables it utilizes for the calculation of PSPS risk, or the model’s process to calculate PSPS risk).<sup>51</sup>

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<sup>45</sup> Liberty’s 2025 WMP Update at 24.

<sup>46</sup> Final Decision on Liberty’s 2023-2025 WMP at 74.

<sup>47</sup> Liberty’s 2025 WMP Update at 26-27.

<sup>48</sup> Liberty’s 2025 WMP Update at 6:

Over the last year, Liberty has prioritized the development of Composite Risk (“CR”) score that quantifies risk at the system, circuit, segment, and asset level of granularity. Composite Risk is composed of modules for Wildfire Risk (“WR”) and Asset Failure Risk (“AFR”).

<sup>49</sup> Liberty’s 2025 WMP Update at 7.

<sup>50</sup> Liberty’s 2023-2025 WMP Redline Redacted, July 8, 2024 (Liberty’s 2023-2025 WMP Redline Redacted) at 148.

<sup>51</sup> Liberty’s response to Cal Advocates Data Request CalAdvocates-Liberty-2025WMP-01, question 2(a) and 2(b), July 24, 2024.

In response to discovery, Liberty states that its PSPS risk model is currently in development, so there is no trade-off between PSPS and wildfire risk to evaluate.<sup>52</sup> Thus, Liberty ignores the fact that any changes to the model will directly affect the calculation of PSPS risk of a circuit.

Instead, Liberty claims to focus on Asset Failure Risk as a key component in identifying controllable risk in its service territory.<sup>53</sup> Currently, Liberty places more emphasis on understanding asset-failure risk than PSPS risk.<sup>54</sup> Furthermore, Liberty's newly developed DRAT suite does not consider PSPS risk as a factor.<sup>55</sup> Liberty states that it plans to "evaluate" the creation of a PSPS risk model to be implemented as part of DRAT, but only after the fire-risk and asset-failure-risk models have been completed, which Liberty expects will be in 2024.<sup>56</sup> However, Liberty does not provide additional details or a more specific timeline for the evaluation of its PSPS risk model prior to the implementation of the DRAT.<sup>57</sup>

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<sup>52</sup> Liberty's response to Cal Advocates Data Request CalAdvocates-Liberty-2025WMP-01, question 2(e), July 24, 2024:

Liberty is evaluating its ability to calculate PSPS Risk following the implementation of its Asset and Fire Risk tool. Following the integration of Liberty's PSPS Risk with its Asset and Fire Risk, Liberty will be able to evaluate its intention to calculate a tradeoff between PSPS and Wildfire Risk.

<sup>53</sup> Liberty's 2023-2025 WMP Redline Redacted at 150.

<sup>54</sup> Liberty's response to Cal Advocates Data Request CalAdvocates-Liberty-2025WMP-01, question 2(e), July 24, 2024.

<sup>55</sup> Liberty's 2025 WMP Update at 7:

While Liberty has introduced working modules to its RBDM platform for Wildfire Risk and Asset Failure Risk, PSPS risk is a factor that has not yet been calculated using the Direxyon Risk Assessment Tool Suite. Liberty plans to develop a PSPS risk model, including PSPS likelihood and consequence, after Fire Risk and Asset Failure Risk modules have been put into production in 2024.

<sup>56</sup> Liberty's 2023-2025 WMP Redline Redacted at 93: "Liberty plans to evaluate the development of an incumbent PSPS risk module after fire risk and asset failure risk modules have been put into production in 2024."

<sup>57</sup> Liberty's response to Cal Advocates Data Request CalAdvocates-Liberty-2025WMP-01, question 2(g), July 24, 2024:

Liberty is evaluating its ability to calculate PSPS Risk following the implementation of its Asset and Fire Risk tool. Following the integration of Liberty's PSPS Risk with its Asset and Fire Risk, Liberty will be able to evaluate its intention to calculate a tradeoff between PSPS and Wildfire Risk.

Energy Safety should direct Liberty to report regularly on its progress in calculating the trade-offs between PSPS risk and wildfire risk. Liberty should develop and provide a specific timeline of when it will include PSPS risk in the DRAT suite of risk-modeling tools. Additionally, when this change is complete, Liberty should describe how the inclusion of PSPS risk has impacted the outputs of the overall risk model and the selection of mitigation work.

**3. Liberty fails to provide details on the changes that will occur once it has implemented its newly developed risk-based decision-making framework.**

Liberty's 2025 WMP Update explains various updates to its risk-modeling capabilities, which are part of Liberty's new risk-based decision-making platform.<sup>58</sup> Liberty expects that the DRAT output will help Liberty "analyze risk mitigations at more granular levels and allow Liberty to pinpoint locations of its system that are at higher risk".<sup>59</sup> Liberty's goal "is to have a long-term planning risk model to aid in choosing future wildfire-mitigation work".<sup>60, 61</sup> Liberty expects to partially implement DRAT during the third quarter of 2024.<sup>62</sup>

Given this implementation timeline, it is concerning that Liberty has not yet finalized how it will determine which areas it will prioritize first across its service territory.<sup>63</sup> Liberty fails to provide detail on what wildfire mitigations will be selected and how it will prioritize its riskiest circuits.

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<sup>58</sup> Liberty's 2025 WMP Update at 6:

Since its 2023 WMP submission, Liberty has made significant improvements to its risk modeling capabilities as part of the development of its new Risk-Based Decision-Making ("RBDM") platform...A modeling framework was then established in collaboration with Direxyon, utilizing its investment planning tools and expertise. Liberty contracted with Technoslyva for use of its Wildfire Analysts ("WFA") product suite, which has provided the fire risk modeling outputs necessary to build Liberty's RBDM platform.

<sup>59</sup> Liberty's 2023-2025 WMP Redline Redacted at 148.

<sup>60</sup> Liberty's 2025 WMP Update at 7.

<sup>61</sup> Liberty's 2023-2025 WMP Redline Redacted at 150:

Once DRAT is implemented in Quarter 3 of 2024, Liberty will also be able to analyze segments of the circuit where it can target the riskiest areas to perform mitigation work such as traditional hardening, to update its system and reduce the risk of assets failing and minimizing utility caused ignitions.

<sup>62</sup> Liberty's 2025 WMP Update at 7.

<sup>63</sup> Liberty's 2023-2025 WMP Redline Redacted at 148.

While Liberty provides an implementation timeframe for the DRAT model, Liberty fails to explain how this new risk-modeling tool will be evaluated. Liberty also does not explain how lessons learned and improvements to DRAT will be incorporated as part of the mitigation selection process.<sup>64</sup> Further reporting on the development of Liberty's new risk-assessment tool is critical because the changes to the model inputs will affect the mitigation measures that Liberty selects.

#### **4. Remedies: Energy Safety should require Liberty to report on its progress in improving risk assessment.**

Energy Safety should require Liberty to report on any new developments related to risk-assessment tools (including DRAT) on a quarterly basis, in tandem with the Quarterly Data Reports. This requirement is crucial because Liberty is improving its risk modeling capabilities as part of its newly developed risk-based decision-making framework.<sup>65</sup> The reporting should be required until Liberty has fully integrated the risk-assessment tool into its risk-based decision-making framework.

As Liberty develops and introduces its PSPS risk model into its overall risk-based decision-making platform, the PSPS risk model will affect risk calculations and mitigation selection.<sup>66</sup> Liberty should provide a timeline of when PSPS risk will be considered as a factor within the DRAT. Quarterly reporting will enable Energy Safety and other stakeholders to better understand the changes to inputs and the risk modules that contribute to Liberty's mitigation-selection decision-making process.

For these reasons, Energy Safety should require Liberty to report on the developments and findings related to the incorporation of PSPS risk on a quarterly basis, and, at minimum, as part of Liberty's 2026-2028 comprehensive WMP. Liberty's reports should include, at minimum the following:

- A description of Liberty's progress on the development of its PSPS risk model, until it has been integrated as part of the Direxyon Risk Assessment Tool suite;

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<sup>64</sup> Liberty's 2023-2025 WMP Redline Redacted at 147-151.

<sup>65</sup> Liberty's 2025 WMP Update at 6.

<sup>66</sup> Liberty's 2023-2025 WMP Redline Redacted at 66-68.

- An explanation of the data changes that occur when Liberty integrates its PSPS risk model into the DRAT. This explanation should include an analysis of the changes to input data, the method of evaluating trade-offs between wildfire risk and PSPS risk, and the trade-offs identified between wildfire risk and PSPS risk;
- A description of updates to the DRAT, until it has been fully incorporated within Liberty’s risk-based decision-making framework; and
- An explanation of how Liberty uses the results from the DRAT, how it influences the selection of which high-risk circuits will be prioritized, and how it influences mitigation selection. As part of this explanation Liberty should conduct an analysis that includes the risk ranking of its circuit segment, system-hardening mitigation chosen, and the estimated start date and completion date.

Liberty’s development of a new risk framework and incorporation of its DRAT into this framework are crucial improvements in Liberty’s wildfire-mitigation selection process. Energy Safety and other stakeholders need insight and a clear understanding into how the newly developed risk-modeling tool contributes to Liberty’s decision-making. Thorough reporting will allow stakeholders and ratepayers to understand Liberty’s choices about mitigation selection, timing, and prioritization. The requirements described above will provide timely information to stakeholders, while giving Liberty sufficient time to compile the necessary information.

## **V. TARGETS AND EXPENDITURES**

### **A. Energy Safety should require Liberty to justify changes in proposed expenditures.**

Liberty’s 2025 WMP Update provides an array of increased expenditure targets for 2025. However, many of these expenditure targets are not commensurate with Liberty’s updated work targets.<sup>67</sup> For example:

- For detailed distribution inspections,<sup>68</sup> Liberty did not increase its 2025 target. However, it updated the 2025 expenditure forecast from \$75,000 to

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<sup>67</sup> Liberty’s 2025 WMP Update at 11 to 13.

<sup>68</sup> Detailed distribution inspections of distribution electric lines and equipment initiative WMP-GDOM-AI-01.



- \$500,000<sup>69</sup> Although this forecast is ostensibly based on past spending,<sup>70</sup> Liberty states (in response to discovery) that it does not have documentation of its historical asset-inspection costs at the WMP initiative level.<sup>71</sup>
- For distribution patrol inspections,<sup>72</sup> Liberty did not increase its 2025 target but updated the 2025 expenditure forecast from \$15,000 to \$75,000.<sup>73</sup> As above, this forecast is ostensibly based on past spending, but Liberty states that it does not have documentation of its historical asset-inspection costs at the WMP initiative level.<sup>74</sup>
  - For substation inspections,<sup>75</sup> Liberty did not increase its 2025 target but updated the 2025 expenditure forecast from \$10,000 to \$45,000.<sup>76</sup> Once again, Liberty cites alignment with historical spending, but does not have documentation of its historical asset-inspection costs at the WMP initiative level.<sup>77</sup>

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<sup>69</sup> Liberty’s 2025 WMP Update at 15.

“The 2025 projected expenditures for detailed inspections of distribution electric lines and equipment increased due to improved accuracy of Liberty’s cost projection based on year-to date actual spend for this initiative as well as an adjustment for increased labor costs.”

<sup>70</sup> Liberty’s 2025 WMP Update at 15.

<sup>71</sup> Liberty’s response to Cal Advocates Data Request CalAdvocates-Liberty-2025WMP-01, Question 5(a), July 24, 2024.

“Liberty does not have documentation of its historical asset inspection costs at the WMP initiative level.”

<sup>72</sup> Patrol inspections of distribution electric lines and equipment initiative WMP-GDOM-AI-03.

<sup>73</sup> Liberty’s 2025 WMP Update at 16.

“The 2025 projected expenditures for patrol inspections of distribution electric lines and equipment increased due to improved accuracy of Liberty’s cost projection based on year-to date actual spend for this initiative as well as an adjustment for increased labor costs.”

<sup>74</sup> Liberty’s response to Cal Advocates Data Request CalAdvocates-Liberty-2025WMP-01, Question 5(a), July 24, 2024.

“Liberty does not have documentation of its historical asset inspection costs at the WMP initiative level.”

<sup>75</sup> Substation inspections initiative WMP-GDOM-AI-06.

<sup>76</sup> Liberty’s 2025 WMP Update at 17-18.

“The 2025 projected expenditures for substation inspections increased due to adjustments made to align 2025 expenditures with historical spend data.”

<sup>77</sup> Liberty’s response to Cal Advocates Data Request CalAdvocates-Liberty-2025WMP-01, Question 5(a), July 24, 2024.

“Liberty does not have documentation of its historical asset inspection costs at the WMP initiative level.”

Energy Safety should require Liberty to revise and re-file its 2025 WMP Update with supporting documentation for any WMP initiatives in which Liberty forecasts an increase in 2025 expenditures.<sup>78</sup> The supporting documentation should, at the minimum, include the historical spending data used to develop the forecasts, as well as contracts that reflect increased labor or material costs.

## VI. CONCLUSION

Cal Advocates respectfully requests that Energy Safety adopt the recommendations discussed herein.

Respectfully submitted,

/s/ **Joseph Lam**

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<sup>78</sup> In future WMP updates, Energy Safety should require Liberty and other utilities to provide supporting documentation and evidence to justify any cost increases, especially where there are significant increases in unit costs.