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October 9, 2020

Caroline Thomas Jacobs, Director  
Wildfire Safety Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

**SUBJECT:** Southern California Edison Company's Reply Comments to Stakeholder Comments on First Change Orders Report

Director Thomas Jacobs,

Pursuant to the Wildfire Safety Division's (WSD) October 2, 2020 email to Southern California Edison Company (SCE), SCE hereby submits its Reply Comments to Stakeholder Comments on SCE's first Change Orders Report that describes changes to wildfire initiatives set forth in its 2020-2022 Wildfire Mitigation Plan (WMP) and other changes under consideration as new information becomes available and as SCE gains experience and measures the outcomes of its initiatives.

#### **BACKGROUND**

On June 11, 2020, the California Public Utilities Commission (CPUC or Commission) ratified the WSD's Action Statements and associated Resolutions conditionally approving electric utilities' 2020-2022 WMPs. On June 19, 2020, the Commission issued the final utility Resolutions: Guidance Resolution WSD-002 and SCE-specific Resolution WSD-004.

Resolution WSD-002 directed each electrical corporation to submit two Change Orders Reports describing the changes to 2020-2022 WMP programs and initiatives being considered by the electrical corporation. As stated, "the objective of the change order process is to ensure the electrical corporation continues to follow the most effective and efficient approach to mitigate its wildfire risk. This could change as new information becomes available and as the electrical corporation gains experience and measures the outcomes of its initiatives (p. 32)." SCE submitted its first Change Orders Report on September 11, 2020 and limited its report to program or initiative changes 1) that have a significant increase or decrease in scale from an activity's 2020 program target, 2) where an initiative was suspended or ended, and 3) for programs and strategies that

have evolved or are anticipated to continue to evolve based on new information and analysis.

On September 25, 2020, the Small Business Utility Advocates (SBUA) submitted Comments on SCE's First Change Order Report. On September 28, 2020, the Public Advocates Office (Cal Advocates) submitted Comments on SCE's first Change Orders Report. No other stakeholder submitted Comments on SCE's first Change Orders Report. Below, SCE responds to the SBUA's and Cal Advocates' Comments.

## **OVERVIEW**

SBUA and Cal Advocates generally support SCE's proposed changes, but recommend the WSD order SCE to provide additional information. SBUA's and Cal Advocates' recommendations to provide additional information is not required to approve SCE's first Change Orders Report. Below, SCE describes the reasons why and how information requested is either not in scope of the WMP or will be provided in other submissions pursuant to the WMP process and related Commission direction.

### **SECTION 5.3.9.2, COMMUNITY OUTREACH, PUBLIC AWARENESS, AND COMMUNICATIONS EFFORTS, PP. 196-198, (DEP-3)**

SBUA supports SCE's proposed change to its Community Outreach, Public Awareness, and Communications Efforts of ending its statewide campaign (DEP-3) and instead focusing efforts on local outreach.<sup>1</sup> Despite supporting SCE's proposed change, SBUA suggests additional cost details, customer class information, and quarterly and annual survey data should be required.<sup>2</sup> SBUA asserts Resolution WSD-002 requires this information pursuant to Section 5.6, parts i) d. and ii) a.iii. SBUA misinterprets WSD-002 by suggesting it requires detailed cost information as part of the Change Orders Report. Section 5.6, part i) b. of WSD-002 lists the required cost information, which was limited to planned spend, recorded spend to date, remaining forecast, and if the spend is being redeployed, how much and to/from which budget. SCE included all required spend and budget information in its Change Orders Report.<sup>3</sup> Moreover, the Legislature, Commission, and WSD have made clear that the WMP is not the proper forum to assess reasonableness of costs.<sup>4</sup> Furthermore, SCE included a detailed description of the proposed change in addition to its justification for the change.<sup>5</sup> SCE's description and justification are sufficient to meet the requirements of WSD-002.

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<sup>1</sup> SBUA's Comments at p. 2.

<sup>2</sup> SBUA's Comments at p. 2.

<sup>3</sup> SCE's Change Orders Report, Table DEP-3 Proposed Change, pp. 6-7.

<sup>4</sup> See, for example, Ca. Public Utilities Code Section 8386.4(b)(1) that states, "The [CPUC] shall consider whether the cost of implementing each electrical corporations' [wildfire mitigation] plan is just and reasonable in its general rate case application.", D.19-05-036, Conclusions of Law 1 and 2, and WMP-004, p. 3, that states, "Does not approve costs attributable to WMPs, as statute requires electrical corporations to seek cost recovery and prove all expenditures are just and reasonable at a future time in their General Rate Cases (GRC) or compliant application."

<sup>5</sup> SCE's Change Orders Report, pp. 7-8.

SCE supports providing outreach effectiveness and survey data; however, SBUA's suggestion<sup>6</sup> that SCE provide customer class information and effectiveness/survey data is both misplaced and based on unsupported assertions that customer needs are not being met.<sup>7</sup> First, SCE conducts extensive multi-faceted, in-language communications and outreach to inform customers (including small business customers) of wildfire preparedness, efforts to reduce wildfire risk, and PSPS preparedness.<sup>8</sup> Second, SCE submitted its 2019 monthly and annual survey data on May 29, 2020 in compliance with Ordering Paragraph 15 of Decision (D.) 20-03-004. In fact, Staff's review of our 2019 surveys stated SCE had good awareness, provided extensive data, and that it was helpful to have breakdowns by residential and business.<sup>9</sup> D.20-03-004 also requires SCE to demonstrate that our communications and outreach are effective through surveys and metrics and 2020 surveys are required to be filed no later than December 31, 2020. SCE intends to submit its 2020 surveys before 2021 and will include its metrics and effectiveness of our outreach in the 2021 WMP Update submission, consistent with D.20-03-004. For these reasons, SBUA's recommendations should be dismissed.

#### **SECTION 5.3.6.5.7, WILDFIRE INFRASTRUCTURE PROTECTION TEAM ADDITIONAL STAFFING, PP. 168-169 (OP-2)**

Cal Advocates does not oppose and SBUA suggests it is reasonable to set up a dedicated staff to oversee PSPS events.<sup>10</sup> However, both have concerns regarding the need to hire 18 employees full-time and suggest PSPS events only occur during certain months of the year. The increased number of wildfires and risk of wildfires have been fueled by known climate change factors that have rendered the typical fire season obsolete, and the state's experience in 2020 underscores this. The fire season has been and is expected to be year-round; however, during periods of time when PSPS events frequency is lower, the dedicated PSPS IMT is needed to continually improve and update our PSPS protocols, play books, respond to evolving PSPS regulatory requirements, and perform other functions.

As Cal Advocates indicates in its comments, SCE met with them and was responsive to their questions regarding the dedicated PSPS Incident Management Team (IMT). SCE explained the need for the dedicated PSPS IMT, how this team will be utilized before, during and between PSPS events, and how this team would likely evolve in 2021 and beyond as we gain more experience, incorporate lessons learned, and continue hardening our infrastructure. SCE is committed to providing updates on the continued

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<sup>6</sup> SBUA's Comments at p. 2.

<sup>7</sup> SBUA Comments at p. 2.

<sup>8</sup> See Section 5.3.9.2 of SCE's 2020-2022 WMP that describes its vast community outreach, public awareness, and communications efforts.

<sup>9</sup> See Appendix C of the August 21, 2020 Administrative Law Judge's Ruling Regarding Compliance Filings Submitted In Response to D.20-03-004 Related to In-Language Outreach Before, During and After a Wildfire and Surveys of Effectiveness of Outreach.

<sup>10</sup> SBUA Comments at p. 3 and Cal Advocates at p. 2.

need and scope of the dedicated PSPS IMT in each WMP annual update, as we expect this team to evolve over time. SCE supports full transparency and will provide lessons learned and future plans/forecasts for this team in the 2021 WMP Update submission. Given that SBUA's and Cal Advocates' concerns will be addressed in the annual update submission, the WSD should approve this proposed change for 2020.

#### **SECTION 5.3.10.3 COOPERATION WITH SUPPRESSION AGENCIES, PP. 203-204**

SBUA states its support for adding a helitanker for fire suppression particularly given that in 2020 we have experienced several catastrophic fires throughout the state and that Orange County Fire Authority (OCFA) recently retired two helicopters due to safety concerns, thereby reducing its fire suppression capability by more than 50%.<sup>11</sup> However, SBUA suggests that the costs associated with the modification is substantial and changes to the WSD's and the CPUC's processes are required to provide guidance to the utilities in such instances prior to them acting on new information and lessons learned.<sup>12</sup> First, in establishing the Change Orders Report process, the WSD recognized that changes to be included in the Change Orders Report would necessitate cost changes, and as such required spend and budget information, which SCE provided. Notably, the WSD did not include any cost cap. Second, as SCE obtains new information and learns from its experiences, we will make modifications to our wildfire mitigation efforts to further reduce wildfire risks as we did in this instance. WSD-002 is clear that changes to the WMP need to be approved through the Change Orders Report process. Third, the lease cost of less than \$2.2 million<sup>13</sup> out of SCE's 2020-2022 projected wildfire mitigation spend of \$2.65 billion of capital and \$1.17 billion of O&M (or less than 0.2% of O&M spend) cannot be reasonably considered substantial incremental costs. Finally, SCE notes that the CPUC has also made clear that the WMP is not the proper forum to assess reasonableness of costs. SBUA's request for guidance is thus in conflict with WSD-002 and CPUC decisions and should be rejected.

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<sup>11</sup> SBUA Comments at p. 2.

<sup>12</sup> SBUA Comments at p. 2.

<sup>13</sup> On October 4, 2020, SCE entered into a funding agreement with OCFA in the amount of \$2,158,000 to fund, in part, the stand-by time portion of an 83-day lease agreement between OCFA and Coulson Aviation for operation of a CH-47 Helitanker.

## **CONCLUSION**

SCE appreciates the opportunity to submit its reply to stakeholder comments and recommends the WSD dismiss the public recommendations and approve SCE's first Change Orders Report taking into consideration its comments herein.

If you have any questions, or require additional information, please contact me at [carla.peterman@sce.com](mailto:carla.peterman@sce.com).

Sincerely,

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