

11/02/2020

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SUBJECT: Southern California Edison Company's Comments on Draft
Resolution WSD-011 and Related Attachments

Director Thomas Jacobs,

Pursuant to the Draft Resolution WSD-011 dated October 12, 2020, Southern California Edison Company (SCE) respectfully submits these Comments.

OVERVIEW

SCE appreciates the WSD issuing Draft Resolution WSD-011 and related attachments in mid-October 2020 allowing utilities to begin organizing and developing their 2021 Wildfire Mitigation Plan (WMP) Update. SCE further appreciates this opportunity to provide comments on WSD's staff proposals. SCE has reviewed the draft proposals and agrees with WSD's primary objectives of 1) improving and streamlining the 2021 WMP requirements and Metrics Table, 2) improving risk modeling and transparency to inform wildfire mitigations and reduce the use and limit the impact of Public Safety Power Shutoffs (PSPS), 3) advancing data standardization and sharing of data, and 4) having the utilities maintain a strong safety culture that advances public safety by helping to both effectively mitigate wildfire risks and reduce PSPS impacts. While SCE supports these objectives, some changes are needed to ensure the appropriate balance between utilities providing additional information more frequently and allocation of constrained utility resources on the primary objective of reducing wildfire risks. SCE addresses its concerns with WSD-011 and related attachments below.

QUARTERLY REPORTING WILL BE COUNTERPRODUCTIVE TO THE WSD'S GOALS AND SHOULD BE MODIFIED

The most impactful change to the WMP Guidelines is the requirement to submit extensive data on a quarterly basis which may be used to determine WMP approval. As discussed in detail below, such requirements if adopted, will have the opposite effect of streamlining and reduced utility burden, will produce information that will be preliminary and often irrelevant to wildfire risk reduction, and will increase regulatory uncertainty.

Making WMP Approval Contingent Upon Extensive Quarterly Reporting Does Not Align with AB 1054 Objectives

WSD suggests WMP approval is contingent upon complete and adequate filings *along* with data from Quarterly Report (QR) updates and other relevant filings.¹ This implies that SCE's WMP, and thus its Safety Certification, may be subject to disapproval at least four times a year. Such a process would introduce a level of uncertainty that is the exact opposite of the goal of the California Legislature and Governor when they passed Assembly Bill (AB) 1054. The concept of WSD reviewing data off-plan-cycle to better understand and inform the effectiveness of wildfire mitigations should be done without creating a repetitive and even more resource-intensive WMP approval process. If quarterly data submissions are required, and SCE explains below why that is ill-advised, the process to submit and review key wildfire data outside the WMP Update and comprehensive WMP submissions should not be tied to WMP approval. The California Legislature, for good cause, limited WMP approval to no more frequent than annually.² The Commission has established annual reporting requirements for specific safety performance metrics very similar to some of the metrics required in the WMP (e.g., ignitions, serious injuries, and fatalities) likely recognizing that there is little benefit gained from a greater reporting frequency. For example, in D.19-04-020 (SMAP Decision), the Commission made the reporting requirement on an annual basis, rather than a quarterly basis,³ Likewise, in D.14-02-015 (Fire Safety Regulations Decision), the Commission ordered annual reporting of powerline-involved fire incidents and provided utilities up to three months to compile, review and submit this information.⁴ The Commission should continue its practice of requiring annual data updates on safety-related issues and annual approvals of WMPs and safety certifications. If the WSD and Commission determine to keep the QR requirement, the Commission should ensure any data reporting requirements are not tied to a perpetual WMP approval process and instead should be used only to review and inform the **annual** approval of each WMP update and comprehensive WMP.

Quarterly Reporting will Increase, Not Decrease, the Regulatory Burden on Utilities

WSD-011 states that part of the reason for a quarterly reporting requirement is that it “is challenging for utilities to provide complete data along with the WMP narrative within the two-month WMP preparation window.”⁵ Moving from annual to quarterly reporting of data will have the opposite of the intended effect – it will drastically increase utilities' workload. The data requirements are not only new, but immense. WSD itself has acknowledged resource constraints, and it is unclear how reviewing millions of data elements, some of which have little to no correlation with reducing wildfire risk, every

¹ WSD-011, Attachment 3, p. 4.

² See Ca. Public Utilities Code Section 8386(b).

³ SMAP Decision at OP 1.

⁴ D.14-02-015, Appendix C.

⁵ WSD-011 at p. 9.

three months will help streamline its WMP review and approval process.⁶ The WSD also recognized that utilities are at different stages of their data journey, and will be challenged in meeting all prescribed spatial and non-spatial data requirements within 30 days after each quarter.⁷

SCE anticipates it would need to create a new project team comprising of at least five full time members, and quite possibly more throughout the impacted business organizations, to manage a Quarterly Reporting process. Even with a dedicated project team to manage data reporting on a quarterly basis, requiring utilities to provide complete, accurate and quality control-reviewed data 30 days after the end of each quarter is not currently realistic. SCE fully anticipates providing the required data in Attachment 2.3, but some data will necessarily be preliminary if required on a quarterly basis given that SCE's data validation and quality-control processes require more than 30 days to ensure accuracy, thus limiting the usefulness of this data for WMP review.⁸

Many Data Elements are Not Conducive to Report on a Quarterly Basis and SCE Does Not Forecast Quarterly

Several of the non-spatial data tables (e.g., Tables 1, 2, 3, 4, 5, 6, 7.1, and 11) require either or both recorded and forecast data by quarter. Discrete data such as number of inspections, findings, faults and the like can be disaggregated quarterly on a recorded basis but state of the service territory data does not change significantly quarter-to-quarter and should be presented on an annualized basis, regardless of the reporting frequency. Similarly, asset points, asset lines, and other required spatial data should not need to be updated more than annually. Moreover, SCE does not forecast wire down events, faults, ignitions, nor PSPS metrics let alone develop quarterly forecasts. Given sufficient time and resources, recorded data for these discrete requirements can be summarized on a quarterly basis, but utilities should not be required to include reciprocal forecasts.

Accurate Analysis of Data Requires Larger Intervals

Another justification for quarterly reporting is that it will allow WSD and stakeholders to meaningfully track utility progress and outcomes and to monitor utility data more frequently.⁹ However, more frequent availability of data does not confer more benefit and actually may be counterproductive. Data on a quarter-by-quarter basis will not provide any further insight to the WSD, can mask the true effectiveness of WMPs, and lead to both “false positives” and “false negatives” as each quarter is too small of a time period and sample size from which to draw any reasonable conclusions. Accurately

⁶ The WMP process also includes several other filing requirements of which many are still outstanding. For example, pursuant to Decision (D.) 19-05-036, SCE submitted its second Off Ramps Report on June 1, 2020 and pursuant to WSD-002, its Remedial Compliance Plan (RCP) on July 27, 2020, its first QR on September 9, 2020, and its first Change Orders Report on September 11, 2020 all of which are still pending disposition by the WSD.

⁷ See Draft GIS Schema at p. 5.

⁸ See Remedial Compliance Plan for SCE-02 that describes SCE's extensive outage and ignition data validation processes.

⁹ WSD-011 at p. 9.

identifying trends and minimizing the impact of randomness requires larger reporting intervals. For example, outages in a particular quarter might be lower or higher because of unusual weather conditions for that time of year. As such, utilities should not be expected to pivot on just a quarter's worth of data. Such anomalies are more likely to even out over a period of years. The shorter the period, the noisier the data and the more difficult it is for the WSD and stakeholders to accurately interpret.

Staggering the Data and Narrative Submissions Can Address the Review Process Time Issue

SCE understands and acknowledges the difficulty in reviewing the large amounts of data and narrative and meeting the WSD's statutory deadlines. However, if the goal is to "shift the data review to the off-season months,"¹⁰ this can be accomplished by requiring the submission of annual data on a different timeline as the actual WMP. There is no need to be constrained by the calendar year for the majority of the requested data. For example, the fiscal year in the United States begins in October and ends in September. The WSD could institute a similar policy, requiring annual data submissions in September, for data beginning in July and ending in June, allowing sufficient time for utilities to complete their data validation processes and sufficient time for WSD to review prior to the early February WMP submission date.¹¹ SCE recommends one exception to this policy, that Table 12, which includes details and costs of wildfire initiatives, continue to be submitted annually with the narratives aligning with SCE's calendar-based budgeting and wildfire programmatic scope, objectives and targets.¹²

If the WSD is still interested in quarterly data updates, SCE proposes collaborating with the WSD to rationalize the various reporting requirements including quarterly WMP progress updates, Quarterly Reports established as part of 2020 WMP Deficiency responses, and quarterly data updates proposed in this draft resolution, and identify data elements that are not repetitive across reports, are conducive to annual updates, can be reasonably produced at quarter end, and are reasonably relevant to WMP review and approval.¹³ In addition, SCE would like to take up the WSD on its offer to collaboratively work with utilities to determine feasible submissions in establishing a phased approach to full implementation of the GIS data reporting standards, leaving important determinations around requested data and timelines to future working collaborations.¹⁴ SCE agrees with streamlining and believes pertinent and responsive data is an integral part of making the WMP review process better. However, as explained above, quarterly reporting does not help achieve the WSD's goals. Based on

¹⁰ WSD-011 at p. 9.

¹¹ Third and fourth quarter data could be appended and provided as part of the annual early February WMP submission.

¹² Additionally, SCE is already required to report the status of its wildfire mitigation initiatives as part of the quarterly AB 1054 advice letter process.

¹³ See, also, pp 5-6 of SCE's August 26, 2020 Comments on WSD's August 11-12 Workshop Presentations and Associated Staff Proposals that describes concerns with certain metrics such as evacuation data that do not correlate with assessing effectiveness of wildfire mitigation initiatives.

¹⁴ See Draft GIS Schema at p. 5.

the current level of effort involved with manual data ingestion, transformation, additional data derivation, consolidation and validation activities in support of WSD data submissions, SCE recommends 60 days for any data submission requirement. Submission dates could be shortened over time as utilities deploy automated solutions for data consolidation and reporting.

CORRECTIONS AND CLARIFICATION TO THE WMP REQUIREMENTS AND CHANGES TO THE WMP CYCLE TIMELINE ARE NEEDED

In several instances, the draft attachments provide new instructions that are conflicting and/or require clarity. Attachment 2.3 includes several tables that suggest utilities provide 2023 forecast data as part of its 2021 WMP Update,¹⁵ and the summary of changes to the “maturity model” (Attachment 2.4) describes the survey reporting as “current wildfire mitigation practices...as well as planned improvements over the next three years.”¹⁶ This requirement would essentially transform what is intended to be an update to the 2020-2022 WMP to an entirely new 2021-2023 WMP.¹⁷ SCE believes that this is not the WSD’s intention and accordingly request that the WSD remove these specific requirements.

SCE also seeks clarifications on the following topics:

- The WSD requires detailed worker qualification and training practices including percent of FTEs by “high-interest” qualification but doesn’t define “high-interest.”¹⁸
- The WSD requires high-fire threat district (HFTD) evaluations including thorough explanations and supporting studies for proposed changes but states that HFTD map and updates are *outside* the scope of WSD’s work and should be deferred to the appropriate proceeding.¹⁹
- Several references to sections and tables are not clear (as one example, references to Table 7.3 that does not exist). SCE understands these references may just be typographical errors, and SCE would be happy to go through the potential errors with the WSD to have them corrected.
- The draft Guidelines prescribe multiple sections to include lessons learned, risk information, and customer outreach narratives. Duplicative requirements should be removed or utilities should be given flexibility to include these requirements in one section while including references in areas that significantly overlap.

The WSD notes that it intends to meet with utilities in December and January to provide clarification on the new requirements²⁰ but revisions and clarification should be addressed prior to CPUC ratification.

¹⁵ See Attachment 2.3, Tables 7.1, 7.2, 9, 10 and 12.

¹⁶ See Draft Resolution WSD-011, pp. 7-8.

¹⁷ Consistent with SCE’s understanding from communications with WSD staff, the 2021 WMP Guidelines states that the 2021 WMP Update is an “update for the 2020-2022 plan period.” WSD-011, Attachment 2.1, p. 3.

¹⁸ Attachment 2.2 pp. 29-31.

¹⁹ Attachment 1 at p. 8 and Attachment 2.2 at p. 25.

²⁰ Attachment 3 at p. 5, footnote 4.

The 2021 WMP cycle timeline, included in Attachment 3, provides dates and actions for WMP-related activities. Beyond the Quarterly Report actions and timeline changes described above, SCE requests that the WSD adjust and modify the submittal dates for comments, reply comments, and related dispositions such that they do not fall on or near holidays or February 5, 2021 when the WMP Update submission is due. SCE notes that public comments and reply comments on the 2nd QRs fall on December 23 and December 30 and respectfully requests these dates be changed to January 6, 2021 and January 16, 2021, respectively. These will not impair WSD review, but will support utility employees' health, welfare and safety by providing some respite. Likewise, if the WSD issues dispositions on the RCPs and 1st QRs, SCE recommends WSD issue these prior to December 2020 to allow sufficient time to address and/or incorporate improvements into the 2021 WMP Update.

SAFETY CULTURE ASSESSMENT PROPOSAL

SCE appreciates the collaboration with WSD and stakeholders on developing an annual Safety Culture Process and looks forward to continued collaboration as more details become available in the coming months. SCE welcomes the revisions to safety governance requirements in Attachment 4 but reiterates its concern regarding the use of outcome metrics that are outside the reasonable control of electric utilities and instead suggests more appropriate metrics that comprehensively evaluate WMPs. SCE further underscores that any WSD findings and recommendations for safety culture improvement should be informed by utility operational experience. Given the complexity and implied resource implications, SCE agrees with WSD that a phased approach to implementing the various elements of the Safety Culture Assessment and that builds upon previous years is appropriate.

WSD'S Revisions to its Proposed Safety Governance Requirements are Appropriate and Aligned with AB 1054

SCE welcomes the revisions to safety governance requirement proposals between the August 2020 Staff Proposals and workshops and those set forward in Attachment 4, which are now better aligned with AB 1054 requirements and would hold utilities accountable for having the necessary structure and governance to create and sustain an effective safety culture while enabling flexibility. As SCE reports on in its quarterly AB 1054 advice letters and in its past Safety Certification Requests, SCE has established a Board of Directors Safety Committee ("Safety and Operations Committee") comprised of members with relevant safety expertise and risk management experience and which has oversight, amongst other areas, over SCE's WMP and PSPS programs. SCE has further established a Chief Safety Officer equivalent role, in its Vice President of Safety, Security, and Business Resiliency position, to drive a consistent safety culture across all business lines and a shared understanding of safety expectations and responsibilities.

A Utility Self-Assessment and WSD-Administered Safety Culture Survey Will Require Significant Additional Resources and Should Appropriately Complement Existing Surveys and Protocols

SCE recognizes the importance of factoring in a management self-assessment and surveys into WSD's safety culture assessment. However, as conveyed in its August 26, 2020 comments²¹, SCE is currently implementing a comprehensive approach to evaluate safety culture and safety culture maturity that meets WSD's objectives. The findings of these assessments are reviewed at all levels of governance within the organization, including the Safety and Operations Committee of the Board of Directors, and guide continuous safety culture improvement. SCE has provided WSD with copies of both its safety culture survey and recent safety culture assessment report. SCE's safety culture maturity model, surveys, and processes for assessing safety culture progress are designed by recognized industry experts who are knowledgeable about safety and electric utility operations. WSD acknowledges that its proposed workplace safety culture survey is intended to be complementary to, and not a replacement, for ongoing and existing surveys conducted by electrical corporations. Additional self-assessments and surveys proposed by WSD will require additional utility resources that need to be balanced with existing safety culture efforts and other utility objectives including wildfire mitigation and PSPS work. Therefore, SCE looks forward to collaborating with WSD as it develops its self-assessment and survey questions to ensure they provide additional insights and are not duplicative of existing processes. SCE also looks forward to meeting with WSD in early 2021 to determine a consistent methodology for identifying and targeting the population to be surveyed.

WSD's recommendations for changes and improvements, including self-assessment plans, should be reasonable and achievable and tailored to individual utilities. SCE cautions against comparing utility ratings or standardizing recommendations for improvements. A one-size fits all approach may not be possible given the diversity in utility approaches and diversity in service territories, risks and businesses. Each utility must retain ownership, responsibility and accountability regarding its safety culture and its influence on wildfire safety.

SCE Agrees that Phasing in and Building on Elements of the Safety Culture Assessment Proposal in Subsequent Years is Appropriate

WSD acknowledges that its safety culture assessment process will evolve year-over-year and accordingly may phase in implementation of the full process, conducting select elements in 2021 and building on those in subsequent years. SCE agrees. Given the ambition and scale of WSD's process proposal, the potential resource implications to both WSD and utilities and time constraints between now and next year's safety certification requests, 2021 safety culture assessments should focus on key initial elements and incorporate lessons learned in subsequent years to improve and refine the process. This phased approach will also enable better integration with existing utility

²¹ See Southern California Edison's Comments on Wildfire Safety Division's August 11-12, 2020 Workshop Presentations and Associated Staff Proposals, August 26, 2020.

safety culture programs and protocols. In particular, SCE recommends the following elements be introduced in 2021:

- **3.2.1 Verification of Safety Governance and Board of Director Safety Committee Requirements**
- **3.2.2 Workforce survey (for employees only):** Contractors to be added in subsequent years, given the incremental resources that may be required to integrate contractors while also determining and defining the current protocol.
- **3.2.3 Self-assessment and plan:** 2021 plan should focus on high level improvements and focus on more detailed plans in subsequent years.
- **3.2.4 Supporting documentation:** 2021 assessment should focus on high-level rather than detailed information so that that WSD and utilities can calibrate what is needed rather than devoting extensive resources to compile information that may not be valuable or targeted.
- **3.2.5 Interviews and Observational visits:** If introduced in 2021, interviews and observational visits should start on a small scale so that WSD and utilities can calibrate for future years.
- **3.3 Evaluations of good standing:** No requested updates or revisions from WSD in 2021 until the utilities and WSD gains a common understanding of objectives, what the information is showing, and how utilities may differ.

SCE also recommends the following elements be introduced in 2022 and/or beyond:

- **3.2.2 Workforce survey** to be extended to contractors if deemed appropriate.
- **3.2.3 Self-Assessment and Plan:** Utilities to provide a more detailed plan for improvement in subsequent year.
- **3.2.4 Supporting documentation:** Utilities to provide more detailed supporting documentation based on learning from previous year

SCE offers the above suggestions but also requests more clarity from WSD on which elements it intends to include in the initial assessment year.

WMP Outcome Metrics to be Considered as Part of WSD's Safety Culture Assessment Should Be Reasonably Within a Utility's Control In Order to be Meaningful

WSD proposes to select a subset of relevant Wildfire Mitigation Plan metrics to consider in the context of a safety culture assessment and which tie closely to Utility Wildfire Mitigation Objectives. WSD proposes illustrative examples of outcome metrics, including those focusing on safety (deaths and serious injuries from wildfire and wildfire mitigation activities), property (value of homes burned; number of homes and critical infrastructure burned), natural resources (acres burned) and reliability (customer minutes interrupted, number of PSPS events) but states these may be adjusted or modified as the WSD further develops its safety culture assessment method.

WSD correctly recognizes that outcome metrics are distinct from indicators of culture. SCE also supports in principle that WSD seeks to understand over time whether improvements in culture and organizational foundation (e.g., demonstrated through a workforce survey and organizational self-assessment) are accompanied with a corresponding improvement in safety outcomes. However, as SCE has stated previously, undue focus on outcomes that are outside the reasonable control of utilities and are instead largely driven by exogenous factors such as weather, fire suppression capacity and capability, or community emergency planning can mask the true effectiveness of a utility’s safety culture, and lead to both “false positives” and “false negatives.” For example, in 2019 California had a historically low number of “acres burned” from wildfires. In 2020, California had a record high number of “acres burned” from wildfires. Considering that “acres burned” is a proposed Natural Resources metric, simple observation of this statewide measurement could lead to the conclusion that utility safety cultures were extraordinarily effective in 2019 and were relatively ineffective in 2020² when in actuality, key differences in exogenous factors wholly unrelated to safety cultures (especially weather) likely drove the two starkly disparate statewide outcomes between the two years.

Rather, safety culture assessments should consider key metrics that are more directly controllable by utilities and comprehensively evaluate WMP portfolio-level effectiveness. The table below summarizes such metrics that SCE believes align with WSD’s objectives and, while still subject to yearly fluctuations due to exogenous factors, would be expected to improve over time as utilities build on and strengthen their safety cultures and wildfire mitigation programs and activities. SCE looks forward to further collaboration with WSD on selecting and refining outcome metrics to be considered as part of its Safety Culture Assessment, including determining how outcome metrics can be appropriately measured over time.

WSD Utility Wildfire Mitigation Objectives	SCE Recommended Outcome Metrics²²
Public Safety Property Natural Resources	<ul style="list-style-type: none"> • CPUC reportable ignitions in HFRA (total and key drivers such as CFO, wire-to-wire, Tree Caused Circuit Interruptions, equipment failure) • Faults in HFRA (total and by key drivers mentioned above) • Wire down incidents in HFRA
Reliability	<ul style="list-style-type: none"> • Number of customers and average duration of PSPS events • Timeliness and accuracy of PSPS notifications

²² See Southern California Edison Company’s First Quarterly Report on 2020-2022 Wildfire Mitigation Plan for Class B Deficiencies, Guidance-05.

CONCLUSION

SCE appreciates the opportunity to submit its Comments on Draft Resolution WSD-011 and related attachments.

If you have any questions, or require additional information, please contact me at carla.peterman@sce.com.

Sincerely,

//s//

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