

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Implement Electric
Utility Wildfire Mitigation Plans Pursuant to Senate
Bill 901 (2018).

Rulemaking 18-10-007
(Filed October 25, 2018)

**COMMENTS OF PACIFICORP IN RESPONSE TO STAKEHOLDER COMMENTS
AND RECOMMENDATIONS REGARDING THE 2020 WILDFIRE MITIGATION
PLAN FILINGS**

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In accordance with the procedural schedule set forth in Wildfire Safety Division (WSD) Resolution WSD-01 adopted on January 16, 2020, PacifiCorp, d.b.a. Pacific Power (PacifiCorp) submits these comments in response to stakeholder comments and recommendations filed regarding the 2020 wildfire mitigation plans (WMPs). The following stakeholders filed comments: the Public Advocates Office at the California Public Utilities Commission (Cal Advocates), the Energy Producers and Users Coalition (EPUC), the Green Power Institute (GPI), California Environmental Justice Alliance (CEJA), the Protect our Communities Foundation, Rural County Representatives of California, Perimeter Solutions, Orange County Fire Association, Mussey Grade Road Alliance, County of Santa Clara, the Joint Local Governments,¹ East Bay Municipal Utility District, and several individual members of the public. With limited exceptions, the comments filed by stakeholders focus on the WMPs submitted by the three large investor owned utilities: Pacific Gas & Electric (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E) (together, the Large IOUs).

¹ The Joint Local Governments are comprised of the Counties of Mendocino, Napa, and Sonoma and the City of Santa Rosa.

No stakeholder has recommended denying approval of PacifiCorp's 2020 WMP. In fact, Cal Advocates has suggested a process that could allow PacifiCorp to file an update to its 2020 WMP in lieu of a 2021 WMP.² As discussed in greater detail below, the company supports Cal Advocates' recommendations and confirms that it has not only satisfied the requirements for its 2020 WMP filing as set forth in the 2020 WMP templates but is also making sufficient implementation progress. The progress achieved by PacifiCorp supports a determination that it is reasonable for the company to file a progress report and a 2020 WMP update in lieu of a full 2021 WMP.

These comments respond to the recommendations from Cal Advocates, the observations of GPI regarding the 2020 WMPs submitted by PacifiCorp and the other small, multi-jurisdictional utilities (collectively referred to as the SMJUs³), and also to certain broad recommendations applicable to all utilities including cost-recovery, metrics, and next steps. The company appreciates this opportunity to provide further support for approval of its 2020 WMP. PacifiCorp looks forward to continued collaboration with the Public Utilities Commission of California (Commission) and stakeholders as it addresses this important initiative.

I. Background

PacifiCorp is a multi-jurisdictional utility that operates in California, Idaho, Oregon, Utah, Washington, and Wyoming.⁴ With its operations in Northern California, PacifiCorp serves approximately 45,000 retail customers in a large, rural area. Approximately 14,000 (or 39 percent) of PacifiCorp's approximately 36,000 residential customers are eligible for low income assistance

² Cal Advocates Comments at 27-28.

³ The SMJUs include PacifiCorp, Liberty Utilities (Calpeco Utilities), and Bear Valley Electric Service, Inc. and are otherwise known as the California Association of Small and Multi-jurisdictional Utilities or CASMU.

⁴ PacifiCorp d/b/a Rocky Mountain Power in Utah, Idaho, and Wyoming.

under the California Alternative Rates for Energy program. PacifiCorp is uniquely situated in comparison to other retail sellers of electricity in California because PacifiCorp's California customers and its electric facilities are geographically-dispersed. PacifiCorp only has approximately four customers per square mile. These unique characteristics have informed both the design of PacifiCorp's WMP and its historical practices as a small California investor-owned utility.

PacifiCorp, like the SMJUs, has not previously been subject to the same requirements as the Large IOUs. These different requirements have resulted in a different baseline for data collection and risk-spend analysis. For example, while PacifiCorp was a respondent to Rulemaking R.13-11-006 (the risk-based decision-making framework proceeding), the Commission determined that the risk-based decision-making requirements adopted for California's Large IOUs, should not apply to the small California utilities including PacifiCorp.⁵ Decision 14-12-025 went on to state that the safety model assessment proceeding (S-MAP) and risk assessment mitigation phase (RAMP) processes may not be practical or appropriate for the small utilities.⁶ Instead the Commission required the small utilities to begin incorporating risk-based decision-making into their General Rate Case (GRC) application filings that are only recently being implemented by the small utilities. Given that PacifiCorp is not subject to the complete S-MAP- and RAMP-specific process and requirements, it was not fully able to incorporate certain aspects S-MAP and RAMP data into its WMP. These challenges were conveyed in the joint comments submitted by the SMJUs on January 7, 2020 in response to the proposed WMP templates.

⁵ D.14-12-025, p. 18.

⁶ *Id.*

II. Wildfire Mitigation Plan Cost Recovery

EPUC did not file specific comments related to PacifiCorp's 2020 WMP but did include comments related to the Commission's approval of costs and scope as part of its approval of the 2020 WMP filings that are applicable to all utilities.⁷ EPUC argues that approval of a WMP should be narrowly limited to a determination that a utility has complied with Section 8386(c) of the Public Utilities Code.⁸ EPUC further asserts that the Commission should not make any determinations regarding cost or scope of the WMPs until a utility's next GRC in order to ensure that utilities are not double recovering WMP costs; EPUC argues that it is impossible to determine outside of a GRC proceeding whether the costs associated with a WMP program are already included in base rates (in whole or in part).⁹

While PacifiCorp agrees with EPUC that the costs associated with the WMPs will be substantial and thus will require a detailed prudency review, it disagrees that approval of the 2020 WMP (or any WMP filing) is completely separate from approval of the associated cost recovery. While cost recovery will ultimately be determined in a separate proceeding, approval of the WMP itself plays an appropriate role in determining prudence. In the same way that it would be reasonable to apply an additional layer of scrutiny to costs associated with a WMP that is *not* approved, it is appropriate to accept approval of a WMP as the first "building block" of approving recovery for such significant costs incurred by a utility. As a result, PacifiCorp encourages the Commission not to accept the limiting view proposed by EPUC that would completely divorce WMP approval from the associated cost-recovery. Instead, the company encourages the

⁷ EPUC Opening Comments at 2-4 (commenting on approval of the costs and scope of PG&E and SCE's 2020 WMP filings).

⁸ Section 8386(c) of the Public Utilities Code sets forth the components of a WMP.

⁹ EPUC Comments at 4.

Commission to view WMP approval as a necessary first step towards its eventual approval of the cost recovery associated with such plan.

PacifiCorp continues to assert that approval of a WMP should mean that the proposed programs and mitigation measures outlined in the WMP are approved and deemed reasonable.¹⁰ The subsequent cost proceeding should be focused on review of the reasonableness of the costs associated with implementing the WMP programs and measures and not why a utility chose to execute an already approved program or measure that was included in its WMP. This approach is consistent with SB 901. Under SB 901, before the Commission approves a utility's WMP, parties and the public are afforded the opportunity to examine and contest the proposed WMPs and the proposed measures and programs included in the WMPs. SB 901 requires that the Commission consider comments from "the public, other local and state agencies, and interested parties, and verify that the plan complies with all applicable rules, regulations, and standards, as appropriate."¹¹ In addition to considering stakeholder feedback on WMPs, the Commission will also carefully review WMPs and any proposals in the WMPs.

Following this approval process, utilities are required to begin implementing the programs and measures that are outlined in their WMPs.¹² Acknowledgement that this approval is not wholly separate from future cost recovery would provide certainty that utilities will have adequate funding for these WMP programs and measures. This process also ensures that the laborious WMP review process is not repeated as part of a future cost recovery proceeding. While approval of the WMPs occurs on an expedited schedule (pursuant to statute) it is a detailed review that includes workshops, discovery, comments, and extensive discussions with the Commission's Wildfire

¹⁰ See PacifiCorp's March 22, 2019 Reply Comments filed regarding the 2019 WMPs.

¹¹ Pub. Utils. Code § 8386(d).

¹² Once approved, "the commission shall oversee compliance with the plans." (Pub. Util. Code § 8386.3(c).)

Safety Division. Undergoing this same review of the individual WMP programs or measures as part of the future cost recovery proceeding would be inefficient and would undermine the very purpose of requiring detailed, data intensive WMP filings. In fact, were cost not a natural part of this review process many of the data elements required and data requests responded to would be irrelevant since they require a risk-spend analysis.

Finally, the company also notes that pursuant to Section 8386.4(2)¹³ of the Public Utilities Code, cost recovery is not limited to consideration in a general rate case. Utilities are afforded a second option for seeking approval of cost recovery through a standalone filing that can be submitted at the conclusion of a WMP period, *e.g.*, at the conclusion of the three-year term associated with the 2020 WMP. As discussed above, the costs associated with these programs are not insignificant and PacifiCorp could consider submission of a standalone application to recover these costs in order to avoid rate shock for customers and to ensure adequate funding for continued implementation of its WMP programs and measures.

Response to Stakeholder Comments

a. California Public Advocates Office

Cal Advocates is the only stakeholder that made any recommendations regarding PacifiCorp's 2020 WMP. Generally, the company agrees with Cal Advocate's recommendations. PacifiCorp finds that the filing of an advice letter is an appropriate compliance mechanism for determining whether a three-year WMP will be necessary for 2021;¹⁴ the company's only modification to this proposal is to suggest a timeline that would allow for a Commission decision that provides PacifiCorp three months to develop a 2021 WMP if such a filing is necessary.

¹³ This additional cost recovery provision was added to the Public Utilities Code by Assembly Bill 1054 effective July 12, 2019.

¹⁴ Cal Advocates Comments at 28-29.

Cal Advocates' proposal is for an advice letter filing by PacifiCorp in October and a Commission decision by the end of November.¹⁵ Assuming that the deadline for filing 2021 WMPs will be early February, the company suggests that a Commission determination in early November would provide a more reasonable amount of time to compile the necessary information. PacifiCorp is amenable to targeting an earlier than suggested advice letter filing to accommodate this timeline (*i.e.*, filing such advice letter earlier than October 2020).

As discussed above, the company is making progress in the implementation of its wildfire mitigation programs that have been detailed in its 2019 and 2020 WMP filings. While there has been a necessary "ramp up" period, the company is confident that its program targets will be achieved on schedule. Further, it is this "ramp up" period that results in Cal Advocates' observation that the company has not implemented 20 percent of its five year goals for certain measures; the ramp up period was accounted for by the company when setting its targets and thus there is no reason to find that the company is behind schedule. Further, PacifiCorp currently anticipates that it will still be able to achieve its targets for system hardening but agrees to revisit its targets in future compliance filings.¹⁶ If adopted by the Commission, PacifiCorp agrees that it could support this progress through an advice letter that specifically addresses implementation of each of its WMP programs and measures, including installation of cover conductors, replacement of small sized copper conductors, installation of system automation equipment, and pole replacement and

¹⁵ Cal Advocates Comments at 32.

¹⁶ Cal Advocates Comments at 28-29. Especially important in light of current conditions; it remains unclear whether or how the current global pandemic might impact the availability of contractor resources necessary to achieve these goals. The company expects to have a better understanding of whether any such impacts will occur by October when Cal Advocates has suggested that a compliance filing reporting on PacifiCorp's progress be submitted to the WSD.

reinforcement.¹⁷ The company could support this progress through updated versions of the relevant data tables included in the 2020 WMP filing.

PacifiCorp also confirms that it will move forward with its plans to upgrade its GIS and data upgrades and could provide an update on its progress in the October advice letter filing recommended by Cal Advocates.¹⁸ These recommendations from Cal Advocates are reasonable and the company supports adoption of these recommendations. Further, if the company is permitted to file an update to its 2020 WMP in lieu of a 2021 WMP PacifiCorp would be able to focus even more on implementing its WMP programs and measures. As the Commission is aware, creation of the WMPs is a burdensome task and because the same company personnel are responsible for both creation of the WMP and its implementation, PacifiCorp would benefit from a reduced WMP reporting burden in 2021. This additional time between complete WMP filings would also allow the company to incorporate more meaningful lessons learned into the next iteration of a complete WMP.

b. Response to Greenpower Institute

GPI focuses on the Large IOUs but does include a few observations regarding the WMPs submitted by the SMJUs, including PacifiCorp. GPI's comments regarding the SMJUs' 2020 WMPs suggest that these utilities lag behind the Large IOUs with respect to data and risk-spend analysis.¹⁹ While PacifiCorp acknowledges that it is in the early stages of developing its risk-spend analysis and does not have the all of the historical data requested in the WMP templates, the substance of its plan should be considered within the context of Commission history which

¹⁷ See Cal Advocates Comments at 30-31.

¹⁸ Cal Advocates Comments at 34. PacifiCorp will also continue to evaluate grid sectionalization as a public safety power shutoff tool and include an update on these efforts including prioritization in the October advice letter filing. See Cal Advocates Comments at 33-34.

¹⁹ See GPI Comments at 13-14.

imposed different requirements for the Large IOUs and the SMJUs. By establishing more stringent requirements for the Large IOUs, the Commission created the disparities that GPI notes in its comments. It was the intent of the Commission to impose more stringent requirements on the Large IOUs that could later be leveraged across the state by the SMJUs. The Commission followed this plan by subjecting only the Large IOUs to the S-MAP requirements PacifiCorp and the other SMJUs are now able to learn from that experience as they begin to implement their own risk-spend analysis. Going forward, the company will have this risk-spend analysis methodology to build upon.

Similarly, as the company implements the WMP requirements it will collect data and the information gaps that currently exist will narrow. In the meantime, PacifiCorp could consider data included in other utilities' WMPs to assist in determining prioritization or development of WMP programs and measures as suggested by GPI.²⁰ GPI makes this suggestion as a means to address the limited data available to the SMJUs arguing that potential risks and impacts of wild fires are likely to be consistent across service territories.²¹ PacifiCorp agrees that the data of the Large IOUs could be informative, however, the company does not find that it could replace the company's own data or judgment. While there are similarities across service territories, there are also differences and nuances that require each utility to exercise its unique experience and judgment. These differences arise from a variety of reasons some of which are the utility's system, the geographic conditions of a service territory, and the demographics of a service territory. For this reason, the forecasted mitigation values used by the Large IOUs cannot simply be applied to the SMJUs even as a rough estimate.²²

²⁰ See GPI Comments at 23.

²¹ GPI Comments at 23.

²² See GPI Comments at 22.

GPI also noted that PacifiCorp's 2020 WMP did not include a proposal for a microgrid.²³ The company confirms that it did not include such a proposal; PacifiCorp has not identified any locations in its service territory where a microgrid would be the best solution for wildfire mitigation, particularly as it relates to maintaining service to key locations in the event of fire risk that could result in a PSPS. This does not suggest local generation sources do not exist. PacifiCorp has not proposed a microgrid because it has not yet identified sites where creating a local grid is the best investment for mitigating fire risk. However, the company will continue to evaluate this potential mitigation measure. Additionally, as technologies evolve and improved risk-spend information becomes available, PacifiCorp will include appropriate proposals in future WMPs. PacifiCorp's WMP programs and measures are all evolving as additional information becomes available; like all utilities, the company is closely monitoring new technologies that are capable of limiting the duration or probability of fault events that could result in wildfire. The company cautions that adoption of any new technology needs to be relevant to that utility's system and the best investment for its customers and should not be pushed to adopt technologies which may not provide the benefit asserted by their advocates.

III. Next Steps

CEJA's comments focus on the Large IOUs; however, it recommends that utilities should refile their 2020 WMPs to update outreach plans to incorporate the Commission's recent decision regarding outreach (Decision D. 19-03-004). The company disagrees that refiling the 2020 WMPs is necessary. This recent decision included additional requirements for providing outreach in prevalent languages within a utility's service territory and requirements to assess the effectiveness of outreach. While the company agrees that providing outreach in languages that its customers can

²³ GPI Comments at 18.

understand is an important goal of any communication plan, the requirements of the decision are already in effect and do not necessitate the refiling of the 2020 WMPs. The Commission has already directed the utilities to demonstrate compliance with the decision's language requirements by May 15, 2020.²⁴ Therefore, these updated language requirements need not be included in a refiled 2020 WMP but should instead be incorporated into future filings (e.g., the 2021 WMP).

Further, the assessment of outreach efforts required by D. 19-03-004 are likely to inform changes to utilities' outreach plans (other than language). For example, this outreach may influence the types of outreach methods used by PacifiCorp. The assessment of 2019 outreach will be concluded by May 30, 2020. This will allow the utilities to make some adjustments to outreach practices for the 2020 wildfire season but may not allow meaningful changes to outreach performed ahead of the 2020 wildfire season due to timing. It therefore is appropriate to allow the utilities to complete the assessment of the 2020 WMP outreach efforts (due by December 31, 2020) and use the data from both assessments to inform outreach efforts for 2021; any updates to outreach efforts prior to the 2021 WMP will be limited and will not have the benefit of D. 19-03-004's assessment requirements. PacifiCorp recommends that utilities wait to submit filings that reflect the requirements of that decision until the next cycle of WMP filings.²⁵

IV. Conclusion

PacifiCorp appreciates this opportunity to provide comments and looks forward to continuing to work with the Commission and stakeholders to refine its Wildfire Mitigation Plan filings going forward. The company respectfully requests the Commission's consideration of its responses to the recommendations made by stakeholders outlined above.

²⁴ Decision 20-03-004, Ordering Paragraph 1.

²⁵ As discussed above, Cal Advocates has tentatively recommended that PacifiCorp file an updated 2020 WMP in lieu of a 2021 WMP. This updated 2020 WMP filing or a 2021 WMP would be the next appropriate time for inclusion of updates to the company's outreach efforts related to its WMP.

