



November 30, 2020

Via E-Mail Only

Wildfire Safety Advisory Board
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Email: WildfireSafetyAdvisoryBoard@cpuc.ca.gov

Re: **SMUD Comments on Guidance Advisory Opinion for the 2021 Wildfire Mitigation Plans of Publicly Owned Electric Utilities and Electrical Cooperatives**

Dear Chair Edwards and Board Members:

The Sacramento Municipal Utility District (SMUD) appreciates the opportunity to submit these comments on the California Wildfire Safety Advisory Board (Board) draft Guidance Advisory Opinion for the 2021 Wildfire Mitigation Plans of Publicly Owned Electric Utilities and Electrical Cooperatives (“Draft Guidance”) in accordance with your November 13, 2020, distribution email. SMUD thanks the Board and staff for their dedication and the careful thought that went into preparing the Draft Guidance. We look forward to working with the Board and staff to clarify several recommendations included in the Draft Guidance and submitting a responsive WMP in July 2021.

SMUD is a member of the California Municipal Utility Association (CMUA) and supports the Draft Guidance comments submitted by CMUA. These comments are intended to supplement and not repeat matters raised by CMUA. As such, these comments reflect SMUD’s perspectives. We request clarification on several recommendations outlined in the Draft Guidance, and in some instances offer cost-effective approaches for addressing concerns raised by the Board.

Background

SMUD also thanks the Board for recognizing attributes of our initial Wildfire Mitigation Plan (WMP) and for the invitation to present certain aspects of our plan. As the Draft Guidance recognizes, publicly owned utilities (POUs) are different from their investor owned utility (IOU) brethren and unique among themselves in size, structure, and risk profile. SMUD is the second largest POU in California, serving about 640,000 customers in its 900 square mile service territory covering Sacramento County. SMUD also maintains generation facilities and related transmission and distribution lines in El Dorado and Solano counties. While the service territory and most generation facilities reside outside the California Public

Utilities Commission (CPUC) High Fire Threat District (HFTD), SMUD's Upper American River Project hydroelectric generation and related transmission and distribution facilities are located in Tier 2 and Tier 3 areas as described in our WMP. SMUD's WMP was developed through an organization wide enterprise risk management process, made available to our public safety partners and communities for review and comment, reviewed by a qualified independent evaluator, and presented to SMUD's elected governing board of directors at two separate meetings noticed in accordance with the Ralph M. Brown Open Meeting Act. The Board of Directors adopted the WMP on October 17, 2019. SMUD maintains a separate page on its website dedicated to wildfire safety and the WMP is posted on that page (www.smud.org/wildfiresafety).

SMUD is a public agency organized and existing pursuant to the Municipal Utility District (MUD) Act set forth in the California Public Utilities Code. As a MUD, SMUD is an independent special district, as distinguished from many POU's that are part of municipal organization structures. Our governing board is accountable directly to our customers and sets the organization's policy direction and objectives. While SMUD maintains close relationships with all of our local agencies, including the City and County of Sacramento, and first responders including the County Office of Emergency Services, local fire departments and fire safe councils, we are not structurally part of the City or County organization. Our Local and Regional Government Affairs department is focused on maintaining these relationships and open communication flow with all our local agencies. SMUD is also proud to be uniquely situated in the Sacramento area and collaborates regularly with CalFire and other state organizations.

SMUD's overarching goal continues to be providing safe, reliable, environmentally sustainable and cost-effective power to our customers. SMUD's WMP embodies this goal and builds upon 70 years of experience doing so. Our WMP is a living document and SMUD staff continue to look beyond the pages of the plan to identify new initiatives and technologies that will best serve our communities. In accordance with the direction of Public Utilities Code (Code) section 8387(b)(1), SMUD reviewed its WMP during this 2020 calendar year and presented the updated 2021 WMP to our Board of Directors on November 17, 2020. The Board adopted the 2021 WMP on that date. However, SMUD will continue to review and supplement this 2021 WMP to address the Wildfire Safety Advisory Board's recommendations prior to submitting the plan to the Board in 2021.

SMUD supports the template approach proposed in the Draft Guidance, with some clarification.

SMUD agrees that the design of a template could provide helpful direction and focus for future POU WMPs. We believe the original template prepared by CMUA is a good starting point and will work with and through CMUA to provide input as the Board develops its template. The Draft Guidance identifies numerous information sets and data points the Board would recommend be included in POU WMPs and

SMUD urges the Board to use this template process to offer insight into what detail the Board is envisioning to satisfy its recommendations.

In doing so, however, the Board should be conscious of the limited resources available to POU's and ensure the focus remains on expending those resources on actionable, cost-effective initiatives based on proven standards and technologies, and that the WMP preparation doesn't funnel resources away from action.

As the Board recognized in its Draft Guidance each POU is unique – with different size, geography, topography, weather patterns, customer and community demographics, load requirements, governance structures and other characteristics. To successfully serve this array of entities, any template structure must be flexible; one size most definitely won't fit all. Further, any template must be designed not to be a cookie cutter used identically by every utility, but rather as a tool to guide the utilities in their analysis. An appropriate template, for example, could act as an expanded checklist, providing common terminology and questions to consider. How each individual utility uses the template will depend on the utility's characteristics and wildfire risk profile. For any given utility some questions may not be appropriate for inclusion and other areas may require more description.

To the extent a new template may require substantial restructuring of existing WMPs the Board should be mindful not only of the investments utilities have made in preparing their WMPs, but also the public input and presentation requirements dictated by the Code. Substantial rewrite and approval of a restructured "template" WMP simply may not be feasible for all POU's to accomplish between March and July. This concern is even more pronounced as the POU's are challenged by statutory language requiring presentation of their WMPs "not less than annually" in an appropriately noticed public meeting. As noted above, SMUD adopted its WMP in October 2019. To ensure compliance with the requirement to present an updated WMP "not less than annually" SMUD undertook an organization wide, enterprise risk management process starting in February 2020 to review its WMP. An updated draft was completed and circulated for public input in October and presented to the SMUD Board of Directors in November for adoption. Prior to the presentation, SMUD also retained a qualified independent evaluator (QIE) to review the updated WMP. The QIE's report on the updated WMP was also presented to the Board of Directors in November.

As demonstrated by the above six-month plus review process undertaken in 2020, SMUD takes wildfire prevention and mitigation very seriously and understands the value of the WMP. Even with the resources available to SMUD, three months, between March and July, simply is not sufficient time to repeat this process in a meaningful way. SMUD strongly recommends that the Board not rush to adopt a template format that may create more confusion and unnecessary expenditure of resources without commiserate benefit. SMUD recommends further that to the extent adoption of a template approach requires a utility to reformat or restructure its WMP, that such redrafting be implemented as part of the utility's comprehensive WMP revision due to the Board in July 2023.

In the intervening years SMUD proposes that its 2021 and 2022 WMP submittals include a cover page containing the utility risk data called out by the Draft Guidance in the table on page 7, as it may be revised through collaboration with CMUA and the other POU associations. Further SMUD could respond to each of the 14 recommendations outlined in the Draft Guidance and supplement its WMP as needed to address the Board's recommendations. SMUD believes this approach achieves objectives identified in the Draft Guidance in an efficient and digestible manner.

SMUD comments on individual recommendations in the Draft Guidance.

1. Plan structure:

In the WMP update, the Board hopes to receive information at the beginning of the POU plans that will help the Board gain a general understanding about each POU's risk profile. The goal would be to create a document that describes the utility composition, location, and risk profile upfront...

SMUD supports a cover-page approach to the extent standardized data categories can be identified to encompass the breadth of POU experience. In putting such a cover-page together the Board must take care not to force any POU into one of a pre-defined set of boxes. Consideration should be given to providing the flexibility for each different POU to properly identify its true risk characteristics. A cover-page approach that results in a limited or misleading depiction of a utility's risk is obviously counterproductive.

A cover-page approach must also recognize that the data although identifiable may fluctuate or require estimation. SMUD suggests including an option for linking to a utility website(s) in instances where the requested information is already maintained in an easily accessible public format.

2. Monitoring/Auditing and Budget:

In the WMP update, the Board recommends utilities provide a paragraph describing the process for receiving approval from their governing body. The Board requests additional data on monitoring and auditing and how that information is presented to each POU's governing body. A short explanation on each POU's budget mechanism to be used to perform wildfire mitigation would also be helpful to the Board.

SMUD suggests that the Board's recommendations regarding information about wildfire mitigation goal setting are appropriately addressed through individual utility metrics which are reflective of the utility's risk profile. SMUD agrees that WMP metrics can be further developed as the POU experience reflecting their wildfire prevention and mitigation in the WMP format advances. These metrics must

recognize that time is required to build a sufficient data set on which to base a credible analysis, which may take multiple years of comparative data collection. While WMPs are not budget documents, SMUD notes that POU budgets are adopted through open and public processes. Program commitments reflected in any given budget are impacted by many factors, including risk evaluations, system condition and requirements, emergency occurrences, economy, legislation, environment, and liability exposure. These commitments are consistently under evaluation, and program priorities can change if any of these factors shift. Thus, any detailed description of budget commitments must be accompanied by a caution that the budgeting prioritization process and outcomes are not static and can change with new information/data and that the primary objectives of safety and reliability may require revising priorities throughout the plan year.

3. Qualified independent evaluator:

In the future, the Board recommends IEs perform a robust evaluation of the contents and substance of the POUs WMP. The Board especially appreciates evaluations of how each POU compares to industry standards, and recommendations on how to meet those standards.

The timing and structure of the relationship between a utility and QIE may constrain the utility's ability to provide a specifically restructured QIE report for 2021 submittal. The independent nature of the QIE limits the utility's ability to direct the evaluation process and report outcome. As a public agency SMUD retains its QIE through a procurement process including a request for information followed by scope and contract negotiation with the most qualified respondent. This process can take several months. SMUD suggests the Board consider developing a model scope and criteria as part of the template process with the intent that utilities can adjust that scope to fit their individual risk profiles. The new criteria can be incorporated into future RFI and contract work scopes.

Regarding the Draft Guidance reference in footnote 6 to the IOU Mitigation Maturity Model, SMUD concurs that the model should only be borrowed for a POU "when applicable" and when borrowed must be adapted to address the unique POU characteristics. In large part the measures set out in the model are inapplicable or overexpansive for POUs. SMUD reviewed the model as part of its 2020 WMP update process and found that the exercise provided little if any direction because in large part the construct of the model measures did not align with SMUD's operating structures.

4. Risk profile templates:

The 2021 POU WMPs should be based on a revised template that reflects the learnings from the 2020 initial effort. To develop that template in a timely manner, the Board invites the municipal utility associations CMUA, the Southern California Public Power Association, the Northern California Power Agency, and the Golden State Power Cooperative, to work collaboratively with the WSAB to identify the utility groupings and develop a revised template for 2021.

SMUD has no additional comments at this time.

5. IOU PSPS:

In the next round of WMPs, utilities should specifically describe whether customers are impacted by another POU or IOUs PSPS or deenergization event relating to wildfire risk or mitigation. Each POU should clearly indicate how it mitigates the impacts of an IOU triggered PSPS, including whether it has utility-scale supplemental backup power sources, the ability to sectionalize, a program to distribute generation for individual customers, or other measures. It would be useful to highlight what the POU intends to do if an IOU calls a PSPS or deenergization event or if it plans on calling a PSPS itself to preserve system equipment or reduce risk of causing a utility ignited wildfire. POU should include a detailed and well-articulated protocol and initiative to address these concerns in order for the Board to understand the strategic direction and effectiveness of each POU and assist in furthering best practices.

While SMUD understands the concern voiced in the Draft Guidance for POU that depend on IOUs at the distribution level to serve the POU customers and may be directly impacted by IOU de-energization events, the same level of analysis is not called for where the POU doesn't have such reliance. For example, SMUD interconnects with Pacific Gas & Electric Company (PG&E) at the transmission level and maintains its own generation and energy resources to serve its customers. SMUD's exposure to a PG&E de-energization event is limited to transmission curtailment or shortfall. As SMUD's WMP describes, we have processes in place to address such potential shortfalls through such mechanisms as alternative transmission paths, internal generation, and demand response. As a last resort we have process in place to implement rolling outages which limit customer/community impact to short periods of around one hour. SMUD would communicate directly with its customers in such an event, with forecast of impacted communities available on our website (<https://www.smud.org/en/Customer-Support/Outage-Status/Rotating-outage-map>).

6. Emergency communications:

For planning purposes, the Board understands that there is a distinction between being a resident of a community and being customer of a utility. The utility plan, while frequently a part of the municipal plan, should address the utility customer dimensions of emergency preparedness planning with respect to PSPS and wildfires and the unique concerns of more vulnerable customers such as: Access and Functional Needs, medical baseline, and non-English speakers. The Board recommends future WMPs continue to describe the specific methods, content, and timing used to communicate with customers. Beginning with the 2021 WMPs, the POUs should provide an evaluation of whether the current method of emergency communication appears sufficient and, if not, what can be done to improve it, especially protocols for notifying customers, essential service providers, and other critical facilities of IOU or self-triggered PSPS events.

Independent special districts operate differently than city departments. Nonetheless POUs like SMUD that operate outside the local agency organization work in close coordination with city/county/state emergency protocols while maintaining their own communication plans, processes and mechanisms. SMUD agrees it is appropriate to describe these communication protocols in its WMP.

7. System hardening/Grid design:

The Board requests information on existing and planned system upgrades. In future WMPs, the Board would like to see detailed system hardening and grid design program descriptions. The WMPs should identify the goals of the programs and the risk any particular measure is designed to mitigate. The Board also wants to understand each POUs approach to PSPS mitigation and prevention. Finally, POUs should report on any supply shortages.

SMUD has no additional comments at this time.

8. Inspections:

To prevent unanticipated ignitions due to our changing environmental circumstances, utilities should consider additional visual patrols on all potentially impacted circuits annually. The Board requests that future WMPs describe the risks a utility is inspecting for such as insect, wildfire incursion, wood split, woodpeckers, termites, etc. WMPs should also describe whether and how an inspection can lead to a system improvement.

SMUD has no additional comments at this time.

9. Underground utilities:

The Board recommends the POU's create engineering and risk management teams to surface and flag black swan events for further consideration and remediation.

SMUD has no additional comments at this time.

10. System design and construction:

The Board recommends the WMPs state the particular wildfire risks associated with system design and construction such as topography and location near a HFTD of another utility. The Board would also like information about G.O. 95 exempt assets and possible updates to G.O. 95 that could facilitate more resilient utility transmission and distribution assets.

SMUD suggests that additional clarity on this recommendation is needed. POU's as a general matter voluntarily comply with the CPUC's General Orders, including General Order 95 (GO95) that addresses overhead lines. SMUD incorporates the standards developed in GO95 into its procedures and meets or exceeds these standards. Notwithstanding this familiarity with GO95, SMUD is not clear on the Draft Guidance use of the phrase "GO95 exempt equipment" and requests further information be provided. SMUD does install "CalFire exempt equipment" to address potential ignition risk in higher hazard areas of its service area and in HFTD areas; however, this exemption references Public Resource Code clearance requirements not GO95.

Regarding changes to GO95, SMUD notes that the CPUC recently updated several Rules impacting wildfire safety. CMUA, SMUD and other POU's actively participated in that process and SMUD suggests that any future changes to GO95 be assessed through similar properly noticed proceedings allowing participation from all interested parties.

11. Modeling and technology partnerships:

The Board requests information on how and why grid intelligence is installed, and where on the system. The Board would also like insight into decisions that are made not to install situational awareness technology. Are there constraints such as budgets, availability of equipment, knowledge to effectively deploy, or qualified personnel to install and monitor effectively? Finally, the Board would like information about whether this data is received from or shared with other agencies, utilities, or fire professionals.

The Draft Guidance uses the term "grid intelligence" and SMUD requests clarification on the meaning of that term and how it is distinguished from "situational awareness."

SMUD supports data sharing generally where it is feasible and can be accomplished without undue burden or risk. For example, SMUD has mechanisms in place to share operational information with neighboring utilities as necessary to support safety and reliability. Moreover, POU records are generally subject to disclosure under the California Public Records Act. However, certain exceptions to these disclosure obligations have been and should continue to be recognized to address cyber and physical security constraints, information system constraints and liability constraints. Further, much utility operation data reflects a snapshot in time and cannot be guaranteed for any particular use or reliance. SMUD urges caution in the establishment of any data sharing obligations that could result in utility exposure to new risks.

12. Vegetation management methods:

The Board recommends the 2021 WMP Updates describe treatment plans for all types of vegetation, from the ground to the sky, which includes vegetation above and below electrical lines. In order to understand current and future risk profiles for each POU, the WMPs should highlight: The reasoning behind each treatment plan and the ecological impact of the treatment options chosen; How vegetation management in the HFTD or Fire Threat Zones differs from other areas, including within private property and urban landscaping; The difference between any enhanced vegetation management and the vegetation management that meets the G.O. 95 standard; A list of native and non-native species and describe how treatment methods vary; and The new growth that occurs in areas that has previously been cleared or treated, and how the POUs tracks growth.

The Draft Guidance appears to suggest that POUs identify all potential vegetation related wildfire risks and possible vegetation management practices to mitigate those risks. SMUD believes it is important to distinguish the appropriate development of action plans to mitigate existing risks from an exercise to address the universe of potential risks. Such universe of potential risks is constantly evolving; time and resources could be better spent putting actionable measures in place to address vegetation related risks as they are identified. SMUD suggests that the Draft Guidance focus its recommendation on vegetation management activities that include the assessment and management of ignition risk created by vegetation affecting utility overhead facilities. SMUD further suggests that the recommendation focus on actions within the jurisdiction of the utility. One approach could be to design an approach that encourages utilities to share relevant data in a table reflecting the utility's work streams in various fire hazard/threat areas. SMUD requests that the Draft Guidance reference to "enhanced vegetation management" be clarified. This is not a concept that POUs have used as a defined term.

13. Vegetation management personnel qualifications:

The Board recommends the POU WMPs list the qualifications of any experts relied upon, such as scientific experts in ecology, fire ecology, fire behavior, geology, and meteorology. The WMPs should specify the level of expertise of the POU staff that manages the contractors performing vegetation management.

The Board also recommends the WMPs describe measures each POU takes to ensure that POU staff and contractors comply with or verify compliance with Cal/OSHA standards on Minimum Approach Distances (MAD). Ensuring that on Qualified Electrical Workers treat vegetation within the MAD of an energized utility line as required by Cal/OSHA, is critical to fostering a strong safety culture.

The Draft Guidance in recommendation 13 appears to be focused on vegetation management expertise and compliance. Accordingly, SMUD seeks clarification regarding the data sought in reference to individual experts retained by the POUs. We are not aware of any requirement or expectation that POUs would retain the listed outside expertise. In fact, much intelligence is gathered through the utility personnel experience, knowledge of the area, and industry group participation. Further, depending on the risk profile and characteristics of the POU the referenced expertise may not be relevant to the risk assessment and mitigation planning process. Directing detail or lack thereof be included in the WMP invites inappropriate comparison and critique among POUs, as well as potential liability.

14. Vegetation management innovation:

The Board recommends WMPs describe whether the POU has considered innovative and alternative approaches to vegetation management such as requiring property owners to manage vegetation a certain distance from structures or utility lines, and pilot programs in home hardening.

Inherently there are many approaches to innovation. Each POU should be encouraged to adopt innovative approaches appropriate to it. In doing so the specific jurisdiction and authority of various types of POU organizations must be recognized. SMUD suggests that the Draft Guidance avoid specifying preferred “innovative” activities. For example, special districts may not have authority to legislate private landowner or customer actions in the same way a city may. SMUD is not a city department and takes a collaborative approach with its customers, working with landowners to expand rights of way, provide education and encourage expanded clearances, partnering with State and Federal forest agencies to develop projects and direct spending, and partnering with the forest industry to develop non-traditional approaches to work. These approaches are equally valid and more accessible for SMUD. Such differences should be recognized.

Conclusion

SMUD again thanks the Board and staff for their recommendations and looks forward to working with you to ensure these recommendations are actionable and can be fully reflected in SMUD's 2021 WMP submittal.

Sincerely,



Lora Anguay
Interim Chief Grid Strategies and Operations Officer

Copy: California Wildfire Safety Advisory Board

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