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June 15, 2020

Wildfire Safety Advisory Board
Marcie Edwards, Chair
300 Capital Mall, 5th Floor
Sacramento, CA 95814
wildfiresafetyadvisoryboard@cpuc.ca.gov

Re: Comments on Recommendations on the 2021 Wildfire Mitigation Plan Guidelines, Performance Metrics, and Safety Culture Draft for Public Comment

Dear Ms. Edwards and Board Members:

The Utility Reform Network (TURN)¹ appreciates this opportunity to comment on the Wildfire Safety Advisory Board's (WSAB's) draft comments providing recommendations for the 2021 Wildfire Mitigation Plans (WMP) guidance document. TURN's comments are informed by its considerable experience advocating for cost-effective wildfire risk mitigation at the CPUC.

Summary of Comments

TURN concurs with WSAB's recommendation that the 2021 WMP Guidelines require "a deeper Risk Spend Efficiency [(RSE)] analysis on each mitigation measure."² TURN urges that the final WSAB positions go further and recommend that RSE be provided on a circuit basis and that the utilities move towards optimizing wildfire risk reduction spending. These comments also address the WSAB recommendations related to:

- The establishment of a scientific advisory panel;
- WSD participation in the General Rate Case (GRC); and
- Adoption of a "prudent operator standard."

¹ TURN has a long history of representing residential and small commercial customers of California's Investor Owned Utilities (IOUs) before the California Public Utilities Commission (CPUC), with a particular focus on vulnerable customers. In addition to its work advocating for affordable rates for IOU customers, TURN has been actively participating in CPUC efforts on risk management, wildfire mitigation and safety. TURN offers both experience and a customer-focused perspective on balancing the requirements for a safe utility system with the goal of affordable utility rates.

² Wildfire Safety Advisory Board, Recommendations on the 2021 Wildfire Mitigation Plan Guidelines, Performance Metrics, and Safety Culture Draft for Public Comment, June 2, 2020 at 2 (hereinafter WSAB Draft).

Finally, given the interconnected nature of the work of the WSD and the work of the CPUC and potential savings associated, TURN supports the WSAB recommendation that the legislature and governor take action to keep the WSD at the CPUC rather than moving the WSD to the Division of Natural Resources.

The Final WSAB Guidance Should Clarify that RSE Analysis Should be Provided by Circuit

WSAB recommends that the guidelines require a RSE analysis for “each mitigation measure.”³ The WSAB also states that the goal for providing RSEs is the identification of “the most appropriate wildfire mitigation effort for each circuit section.”⁴ TURN recommends the final recommendations clarify the WSAB intent that the IOUs provide the RSE for each mitigation at the circuit level. Further, in addition to the RSE for the chosen mitigation, guidance should require the RSE for alternative mitigations at the circuit level. Unless the RSE for the chosen mitigation and its alternatives is provided at the circuit level, the utilities cannot demonstrate that they are pursuing an optimal risk mitigation strategy.⁵

The Scientific Advisory Panel Should Complement Processes Previously Adopted by the Commission

The WSAB recommends that a scientific panel be convened to assess the risk modeling used by the utility. This recommendation can be improved and provide for a more effective use of resources by clarifying how it will relate to other proceedings currently ongoing at the Commission.⁶

In the Safety Model Assessment Proceeding (SMAP) the CPUC reviews the risk assessment models to be used by the IOUs in each of their Risk Assessment Mitigation Phase (RAMP) proceedings. RAMP proceedings, in turn, provide an early opportunity to review the utilities’ selection and prioritization of risk mitigation activities, in advance of each utility’s general rate case (GRC). In Decision 18-12-014 in SMAP, the Commission adopted a settlement (in which TURN was the lead non-utility representative) that prescribes detailed requirements for the quantitative risk and mitigation assessment methodology that utilities must use in their RAMP and GRC proceedings. Because the RAMP/GRCs include funding requests for the wildfire mitigations in approved WMPs, there should be consistency in the risk analysis used for the WMPs and for the RAMP/GRCs. Thus, the work of the proposed panel should recognize and complement the procedures and methodology that have already been vetted and adopted by the CPUC for risk-based decision-making.

From the face of the WSAB draft, it is not clear how the work of the proposed scientific advisory panel would coordinate with the work to be done in the SMAP and RAMP/GRCs. If the

³ WSAB Draft at 19 (emphasis added).

⁴ *Id.* (emphasis added).

⁵ For additional discussion of the importance of providing a more granular RSE please see TURN’s April 7 Comments on PG&E’s and SCE’s WMP at pages 11-13.

⁶ WSAB Draft at 26.

scientific panel is addressing the methodology for quantitative risk assessment used by the utilities, any panel recommendations should best be considered in the SMAP, where this is the central issue. On the other hand, if the advisory panel would be offering recommendations on making use of fire science to improve the inputs to the methodology adopted in the SMAP, there would be less direct overlap with the work of the SMAP, although awareness and coordination with the work of the SMAP and RAMP/GRCs would be advisable.

For example, SCE and PG&E rely on Reax Engineering models to understand fire spread.⁷ This modeling is particular to understanding wildfire risk and it would be useful for the WSD to convene expert analysis on how to best take advantage of such models. However, if the panel were interested in changing the broader risk assessment methodology adopted in the SMAP, such a discussion should take place in the SMAP. Clear delineation of tasks and coordination between proceedings is important to make best use of CPUC, WSD and intervenor resources.

WSD Should Seek Party Status in IOU GRCs

WSAB recommends that WSD staff participate in GRC proceedings by producing reports on the wildfire mitigation status.⁸ The WSAB draft guidance, however, does not address how the report would become part of the record or what role WSD should play in the GRC. The reasonableness of the costs associated with wildfire mitigation projects reviewed in the WMP process is subject to review in the GRC, and TURN agrees that it is reasonable for the WSD to publicly and transparently present its views regarding wildfire costs in the GRC.

TURN recommends that WSD, regardless of whether it moves to the Department of Natural Resources, should seek party status for its participation in the GRC, as does the Public Advocates Office and as did the non-defunct CPUC Office of the Safety Advocate. By participating in the GRC as a party, WSD's participation will be consistent with due process and will give parties the opportunity to undertake discovery regarding the basis for the analysis and recommendations in any WSD reports, and, when appropriate, cross examine the sponsor(s) of such reports.

WSAB Should Clarify Its Discussion of the "Prudent Operator Standard"

The WSAB suggests that the WSD adopt "a 'Prudent Operator' standard to establish the risk reduction that a prudent operator would assume given specific mitigation measures and circuit topography."⁹ Referring to this as a "prudent operator standard" perhaps inadvertently suggests that the WSAB is wading into an issue of significant controversy at the Legislature in 2018 and 2019, which was resolved in AB 1054 by making changes to the prudence standard for review of wildfire liability costs in Public Utilities Code Section 451.1.

⁷ SCE 2020-2022 Wildfire Mitigation Plan Revision 3, R.18-10-007 (CPUC Mar 18, 2020) at 21; PG&E&E 2020 Wildfire Mitigation Plan Report Updated, R.18-10-007 (CPUC Feb28, 2020) at 5-296.

⁸ WSAB Draft at 34.

⁹ WASB Draft at 35.

However, the content of WSAB's recommendation indicates that this was not WSAB's intent. Instead TURN interprets the WSAB recommendation as potentially suggesting that WSD establish a level of required risk reduction and/or a level of remaining risk considered acceptable after the implementation of the WMP (i.e., a level of risk tolerance). Alternatively, WSAB may be suggesting that the WSD adopt additional operating requirements for utilities and proposing an analytic framework for how to determine those requirements. TURN suggests the final guidance should clarify the WSAB's intent. In any event, to avoid inadvertently stirring up a highly controversial issue that the Legislature has recently resolved, WSAB should avoid using the phrase "prudent operator standard", which appears to be a misnomer.

TURN Agrees with the WSAB Recommendation that the WSD Stay Housed at the CPUC

Finally, the WSAB recommends that the Legislature and Governor take the actions required to leave the WSD as part of the CPUC rather than move the agency to the Department of Natural Resources in Summer 2021.¹⁰ The WSAB reasons that, given the costs and work required for the move as well as the WSD's success in reviewing WMPs while housed at the CPUC, the move would not be an efficient use of resources.¹¹ TURN agrees and supports the WSAB recommendation.

In addition to the reasons laid out by the WSAB, the WSD remaining at the Commission more easily allows the WSD to take advantage of the CPUC's well-established procedures for ensuring a fair deliberative process and tools for promoting effective intervenor participation, including the intervenor compensation program. Thus, among the benefits of leaving the WSD at the CPUC is the ability to rely on these procedures and tools, rather than require the establishment of new programs after the WSD moves.

If you have any questions about TURN's positions expressed in this letter, please do not hesitate to contact me at kmorsony@turn.org or 415-929-8876 ext. 313.

Sincerely,

/s/

Katy Morsony
Staff Attorney

cc: R.18-10-007 Service List

¹⁰ WSAB Draft at 44-45.

¹¹ WSAB Draft at 45.