



September 18, 2020

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Re: BVES 2020 Wildfire Mitigation Plan Remedial Compliance Plan

Background

On August 26, 2020, the Wildfire Safety Division (“WSD”) issued a Final Action Statement (“Action Statement”) with respect to Bear Valley Electric Service, Inc. (“BVES” or “Bear Valley”) 2020 Wildfire Mitigation Plan submitted on February 7, 2020, amended initially on March 6, 2020 and again on May 22, 2022 (“Prior WMP”). In the Action Statement, the WSD denied the Prior WMP and required BVES to file a new WMP (“New WMP”) no later than 60 days from the date of the Action Statement. In addition, WSD strongly urged BVES to also address Class A and Class B deficiencies which WSD found in the draft Action Statement dated July 22, 2020, draft Resolution WSD-006 and Resolution WSD-002.

WSD-002 provides requirements for all electrical corporations named therein, including BVES.¹ It provides, among other thing, a discussion of common deficiencies found across all WMPs, and a discussion of post-WMP reporting.² WSD-002 identifies three classes of deficiencies: Class A – aspects of the WMP that are lacking or flawed; Class B – insufficient detail or justification provided in WMP; and Class C -- gaps in baseline or historical data, as required in 2020 WMP Guidelines. Class A deficiencies are of the highest concern to the Commission, and utilities are required to address them in a remedial compliance plan (“RCP”). Class B deficiencies are of moderate concern and require reporting on a quarterly basis to provide missing data or update its progress. Class C deficiencies are to be addressed in a 2021 WMP.

Draft Resolution WSD-010, which was withdrawn, strongly urged BVES to address Class A and Class B deficiencies that the WSD had identified in the draft Action Statement and draft Resolutions WSD-006 and WSD-002. It further stated:

¹ WSD-002 at p. 1.

² Id. at p. 1 following Table of Contents.

To address Class A and B deficiencies, BVES should include submission of a Remedial Compliance Plan along with its new WMP as well as information required in the first Quarterly Report.³

Although the directive to address Class A and Class B deficiencies that the WSD had identified in the draft Action Statement, draft Resolution WSD-006 and Resolution WSD -002 was retained in the Final Action Statement, the manner in which BVES was to address those deficiencies was not specifically addressed in the Final Action Statement.

Class A, B and C Deficiencies are intended to address issues of a WMP that has been reviewed and approved by the WSD. Although Bear Valley's Prior WMP was denied, the deficiencies identified in Resolution WSD-002 and draft Resolution WSD-006 nevertheless exist as a result of WSD's review of Bear Valley's Prior WMP.

Purpose and Scope of RCP

Bear Valley has addressed in its New WMP the deficiencies identified by WSD in its Draft Action Statement, draft Resolution WSD-006 and Resolution WSD-002. Out of an abundance of caution, BVES is also filing, concurrently with the filing of its New WMP, this RCP in accordance with Resolution WSD--002, which requires Class A deficiencies to be addressed in an RCP. However, this RCP will first identify the Class A deficiency declared by WSD and then provide a cross reference to where in the New WMP Bear Valley's response to such Class A deficiency can be found. In effect, this RCP will provide a "road map" of where in the New WMP Bear Valley's response to a Class A deficiency may be found.

Resolution WSD-002 Class A Deficiencies

Deficiency Guidance-3 – Lack of Risk Modeling to Inform Decision-Making. In Deficiency Guidance-3 the WSD identified as a concern a perceived lack of risk modeling to inform decision-making, and declared that a Class A Deficiency. Briefly summarized, WSD concluded that utilities failed to outline in detail how they determine where to prioritize to improve asset management or determine portions of circuits that would benefit the most from hardening and vegetation management.⁴

Condition Guidance 3. WSD directed each electrical corporation to submit in its RCP the following:

- i) How it intends to apply risk modeling and risk assessment techniques to each initiative in its WMP, with an emphasis on much more targeted use of asset management, vegetation management, grid hardening and PSPS based on wildfire risk modeling outputs;
- ii) Identify all wildfire risk analyses it currently performs (including probability and consequences modeling) to determine which mitigation is targeted to circuits and assets where initiatives will provide the greatest benefit to wildfire risk reduction;

³ Draft WSD-010 at pp.1-2.

⁴ WSD-002 at p. 21.

- iii) A timeline to leverage its risk modeling outputs to prioritize and target initiatives and set PSPS thresholds, including at least asset management, grid operations, vegetation management, and system hardening initiatives;
- iv) How it intends to incorporate future improvements in risk modeling into initiative prioritization and targeting processes; and
- v) How it intends to adapt its approach based on learnings going forward.

BVES Response: See Appendix C – Deficiencies and Conditions Applicable to All Electric Corporations: 1.3 – Guidance – 3: Lack of Risk Modeling to Inform Decision-Making.

Class B Deficiencies Will Be Addressed in BVES Quarterly Report

WSD identified a number of Class B Deficiencies in its draft Action Statement, draft Resolution WSD—006 and Resolution WSD-002. Class B Deficiencies will be addressed in Bear Valley’s First Quarterly Report, which is being filed with the WSD concurrently with this RCP and Bear Valley’s New WMP.

Conclusion

This RCP is being filed concurrently with Bear Valley’s New WMP and its First Quarterly Report. It is intended to comply with the procedural requirements set forth in Resolution WSD-002 for addressing Class A Deficiencies. Bear Valley’s substantive response to its Class A Deficiency set forth in Resolution WSD—2 is addressed in Appendix C of New WMP as described above.

Respectfully submitted,

Bear Valley Electric Service, Inc.

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