

## PUBLIC UTILITIES COMMISSION

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January 21, 2021

### **Wildfire Safety Division Evaluation of Liberty Utilities' First Quarterly Report**

The Wildfire Safety Division (WSD) finds that Liberty Utilities' (Liberty) First Quarterly Report (QR) is Insufficient. WSD reviewed Liberty's QR in accordance with guidance set out in Resolution WSD-002, Resolution WSD-007, and the WSD letter titled "Guidance on the Remedial Compliance Plan & Quarterly Report Process Set Forth in Resolution WSD-002," provided to electrical corporations on July 17, 2020.<sup>1</sup>

#### **1. Introduction**

These findings act on the First Quarterly Report (QR) submitted by Liberty on September 9, 2020. QR submittals were required in the Wildfire Safety Division's (WSD) "Conditional Approval" of Liberty's 2020 Wildfire Mitigation Plan (WMP). QRs were required to address all Class B deficiencies identified by the WSD in its review of Liberty's 2020 WMP. In this document, the WSD issues its determination of whether Liberty's QR is "Sufficient" or "Insufficient." In accordance with the letter titled "Guidance on the Remedial Compliance Plan & Quarterly Report Process Set Forth in Resolution WSD-002" (RCP & QR Guidance Letter) issued by the WSD on July 17, 2020, if a QR is deemed "Sufficient" no further action related to the QR is required; however, in the event that a QR is found "Insufficient," the WSD may provide further direction on actions Liberty must take to deliver a sufficient QR. The WSD may also recommend potential enforcement action.

The WSD finds that Liberty's QR is Insufficient. Liberty was required to satisfy the Class B deficiencies shown in Table 1 and set forth in Resolution WSD-002 and Resolution WSD-007.

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<sup>1</sup> [https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About\\_Us/Organization/Divisions/WSD/WSD%20Guidance%20Statement%20on%20RCP%20QP%2020200717.pdf](https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About_Us/Organization/Divisions/WSD/WSD%20Guidance%20Statement%20on%20RCP%20QP%2020200717.pdf)

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Table 1: Class B Deficiencies from Liberty's 2020 WMP

Deficiency/Condition No.	Class	Deficiency Title	Sufficiency Finding
Guidance-1	B	Lack of risk spend efficiency (RSE) information	Insufficient
Guidance-2	B	Lack of alternatives analysis for chosen initiatives	Sufficient
Guidance-4	B	Lack of discussion on PSPS impacts	Insufficient
Guidance-5	B	Aggregation of initiatives into programs	Sufficient
Guidance-6	B	Failure to disaggregate WMP initiatives from standard operations	Insufficient
Guidance-7	B	Lack of detail on effectiveness of “enhanced” inspection programs	Sufficient
Guidance-9	B	Insufficient discussion of pilot programs	Insufficient
Guidance-10	B	Data issues - general	Sufficient
Guidance-11	B	Lack of detail on plans to address personnel shortages	Insufficient
Guidance-12	B	Lack of detail on long-term planning	Sufficient
LIB-1	B	Liberty did not describe methods for tracking effectiveness of its covered conductor initiative	Insufficient
LIB-2	B	Liberty reports inspection frequencies that raise concerns about effectiveness	Insufficient
LIB-4	B	Liberty notes the challenge of attracting and retaining employees in the high-cost Lake Tahoe area	Sufficient
LIB-5	B	Data governance	Sufficient

Due to the WSD’s determination that Liberty’s QR is Insufficient, Liberty is required to address all Actions identified in Section 5.1 of this document in its 2021 WMP Update.

## 2. Background

On February 7, 2020, electrical corporations submitted their 2020 WMPs in accordance with the 2020 WMP Guidelines issued through an Administrative Law Judge (ALJ) Ruling on December 16, 2019. Pursuant to its statutory mandate, the WSD reviewed and issued its disposition of electrical corporations’ 2020 WMPs via the 2020 WMP Resolutions.<sup>2</sup> Upon review of electrical corporations' 2020 WMPs, the WSD identified several elements that were missing or inadequate in the filings. Each of these issues was identified as a "Deficiency." A corresponding "Condition," intended to remedy the identified deficiency, was imposed on the electrical corporation as part of the WSD’s “Conditional Approval” of 2020 WMPs. Each deficiency and associated condition were categorized into one of the following classifications, with Class A being the most serious:

<sup>2</sup> Resolutions WSD-002, WSD-003, WSD-004, WSD-005, WSD-007, WSD-008, WSD-009, and WSD-010.

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- Class A** - Aspects of the WMP 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.

Consequently, upon review of Liberty's 2020 WMP, the WSD issued a "Conditional Approval." The Conditional Approval is predicated on Liberty satisfying the set of conditions set forth in Resolution WSD-002 and Resolution WSD-007. Table 2 below presents a summary of the number of conditions, grouped by classification.

Class B conditions are intended to address aspects of moderate concern within the electrical corporations' 2020 WMPs for which the WSD found the utilities did not provide sufficient detail or justification. Class B conditions require each electrical corporation to file a QR, which is broadly defined in Resolution WSD-002 as follows:

*Class B deficiencies are of moderate concern and require reporting on a quarterly basis by the electrical corporation to provide missing data or update its progress in a quarterly report. Such information shall be submitted either one time in the first quarterly report or on an ongoing basis as specified by each condition.*

Pursuant to Ordering Paragraph (OP) 8 of Resolution WSD-002, Liberty was required to submit a QR within 90 days of the California Public Utilities Commission's (CPUC or Commission) ratification of Liberty's 2020 WMP Resolution, WSD-007. The Commission ratified the 2020 WMP Resolutions<sup>3</sup> on Thursday, June 11, 2020; therefore, Liberty was required to file a QR by September 9, 2020. Liberty timely submitted its QR on Friday, September 9, 2020. Public comment on electrical corporations' QRs were submitted on September 30, 2020 by the Commission's Public Advocates Office (Cal Advocates), Green Power Institute (GPI), Mussey Grade Road Alliance (MGRA), and Small Business Utility Advocates (SBUA).

Table 2: 2020 WMP Resolutions - Conditions Summary for Liberty

<b>Condition Class</b>	<b>WSD-002</b>	<b>WSD-007</b>	<b>Total</b>
Class A	1	0	<b>1</b>
Class B <sup>4</sup>	10 (1)	4(1)	<b>14(2)</b>
Class C	1	1	<b>2</b>
<b>Total</b>	<b>12</b>	<b>5</b>	<b>17</b>

### 3. Summary of WSD's Assessment of QRs

A QR's fundamental intent is for electrical corporations to present a plan to resolve WMP deficiencies with the level of specificity, detail, and scope outlined in the respective condition. Accordingly, the WSD has determined whether an electrical corporation's QR filing sufficiently

<sup>3</sup> Resolutions WSD-002, WSD-003, WSD-004, WSD-005, WSD-007, WSD-008, WSD-009, and WSD-010.

<sup>4</sup> Values in parenthesis indicate the number of Class B deficiency and condition pairs that require ongoing reporting. All other Class B deficiency and condition pairs will be addressed in the electrical corporations' first quarterly report submission.

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resolves the deficiency and meets the intent of the condition. To make this determination, the WSD looked to Resolution WSD-002 and the factors used to evaluate 2020 WMPs. While all four factors used in evaluating WMP approval were not applicable<sup>5</sup>, the WSD evaluated the sufficiency for each Class B deficiency and QR filing in accordance with the following factors:

- Completeness – The QR is complete and comprehensively responds to the condition;
- Effectiveness - The plans and remedies outlined in the QR will reasonably resolve the deficiency;

Outlined in Table 3: QR Evaluation Criteria, below, are the approval criteria the WSD used to evaluate whether a QR filing is sufficient. In this document, the WSD issues one of the following determinations:

- Sufficient - The QR is sufficient, and no further action is required;
- Insufficient - The QR is insufficient.

If the WSD finds that a QR is Insufficient, the WSD will require the electrical corporation to address the insufficiencies in its 2021 WMP Update, in accordance with the specific actions outlined in Section 5.1 of this document. The WSD will assess the responses in its evaluation of the 2021 WMP Update and will factor noncompliance into its review and may recommend that the CPUC take enforcement action.

*Table 3: QR Evaluation Criteria*

<b>Category</b>	<b>Criteria</b>
Completeness	Does the QR provide all the information identified in the condition?
	If not, does the utility provide an explanation of why the QR is incomplete and a timeline for when the completed information will be provided?
	Does the QR include a timeline for implementation and completion of remedial actions?
Effectiveness	Does the QR identify reasonably effective plans and remedies to resolve the identified deficiencies?
	Is the timeline identified in the QR sufficient, given the importance of the deficiency and its potential impact on wildfire risk?

#### **4. Public and Stakeholder Comments**

On September 30, 2020, Cal Advocates, GPI, MGRA, and SBUA submitted comments on utility QRs. Provided below is a non-exhaustive summary of the major issues in Liberty’s QR raised by stakeholders.

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<sup>5</sup> Feasibility and forward-looking growth are not applicable to assessing sufficiency of QRs because the QR is simply intended to provide additional information on existing efforts detailed in the 2020 WMP.

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### Public Advocates Office (Cal Advocates)

- Each electric utility should present a plan to complement expert judgement with empirical evidence when estimating mitigation effectiveness of its WMP activities.

### Small Business Utility Advocates (SBUA)

- Set a firm due date by when the small utilities have to (i) develop their risk-spend methodology and (ii) implement it into their WMPs (Condition Guidance-1)
- Require Liberty Utilities to supplement or revise its quarterly report with actual details for how the company’s use of technology will reduce ignition risk materially (Condition Guidance-9)

## 5. Discussion of the WSD’s QR Assessment

In accordance with guidance set out in Resolution WSD-002 and the RCP & QR Guidance Letter, in Table 4 below the WSD presents its findings of sufficiency for Liberty’s QR in totality.

*Table 4: Review of Liberty’s QR by Evaluation Criterion*

Category	Criteria	Yes	No
Completeness	Does the QR provide all the information identified in the condition?		X
	If not, does the utility provide an explanation of why the remedy is incomplete and a timeline for when the completed information will be provided?	X	
	Does the QR include a timeline for implementation and completion of remedial actions?	X	
Effectiveness	Does the QR identify reasonably effective plans and remedies to resolve the identified deficiencies?		X
	Is the timeline identified in the QR sufficient, given the importance of the deficiency and its potential impact on wildfire risk?	X	

Accordingly, the WSD finds Liberty’s QR to be Insufficient.

WSD requests clarification or additional information to remediate its finding of Insufficient QR elements. In its 2021 WMP Update, Liberty is required to address all Actions identified in Section 5.1.

### 5.1. Discussion of the WSD’s Condition Assessment

Pursuant to WSD-002, these findings and the subsequent discussion comprise the WSD’s review of Liberty’s QR, which includes input from the public and other stakeholders. The following is an assessment of Liberty’s response to each Class B condition, as presented in its RCP. Provided in the discussion are the detailed elements pertaining to the requirements for each Liberty Class B condition, with a corresponding required “action” to sufficiently address the scope, purpose, and intent of the specific element in each applicable condition. Each action identified in the

subsequent sections is individually numbered and must be completely addressed in Liberty's 2021 WMP Update to meet the WSD's expectation of a sufficient QR.

**5.1.1. Condition (Guidance-1, Class B):  
Lack of risk spend efficiency (RSE) information**

WSD finding for Liberty's Condition Guidance-3 response: Insufficient

Below is an analysis of the itemized requirements within Condition Guidance-1, corresponding discussions of specific insufficiencies in Liberty's response to Guidance-1, and the actions required to make Liberty's QR Sufficient:

*In its first quarterly report, each electrical corporation shall provide the following:*

- i. its calculated reduction in ignition risk for each initiative in its 2020 WMP*
- ii. its calculated reduction in wildfire consequence risk for each initiative in its 2020 WMP*
- iii. the risk models used to calculate (i) and (ii) above*

Liberty states that it is still building its wildfire risk model. Liberty reports that its model will resemble those of the larger IOUs: Pacific Gas and Electric, Southern California Edison, and San Diego Gas & Electric. At the time of its QR submission, Liberty describes the project as 75% complete with an estimated completion date of October 1, 2020. The WSD looks forward to the completion of Liberty's model and receipt of additional associated details.

**Action LIB-1:** In its 2021 WMP Update, Liberty shall use its completed wildfire risk model to inform and provide: 1) the calculated reduction in ignition risk for each initiative in its 2021 WMP Update, and 2) the calculated reduction in wildfire consequence risk for each initiative in its 2021 WMP Update.

**5.1.2. Condition (Guidance-2, Class B):  
Lack of alternatives analysis for chosen initiatives**

WSD finding for Liberty's Condition Guidance-2 response: Sufficient

*In its first quarterly report, each electrical corporation shall provide the following:*

- i. all alternatives considered for each grid hardening or vegetation management initiative in its 2020 WMP*
- ii. all tools, models, and other resources used to compare alternative initiatives*
- iii. how it quantified and determined the risk reduction benefits of each initiative*
- iv. why it chose to implement each initiative over alternative options*

Liberty provides Table 1<sup>6</sup> as a response to all subparts of Condition Guidance-2. The information is complete and adequately addresses this Condition, however, it is difficult to assess initiative implementation without quantitative data. Once Liberty has completed its wildfire risk model as discussed in Condition Guidance-1, Section 5.1.1 above, the WSD expects Liberty to provide quantitative support for implementing its chosen initiatives over alternative options.

**5.1.3. Condition (Guidance-4, Class B):  
Lack of discussion on PSPS impacts**

WSD finding for Liberty's Condition Guidance-4 response: Insufficient

Below is an analysis of the itemized requirements within Condition Guidance-4, corresponding discussions of specific insufficiencies for Liberty's response to Guidance-4, and the actions required to make Liberty's QR Sufficient:

*In its first quarterly report, each electrical corporation shall detail whether and how each initiative in its WMP:*

- i. affects its threshold values for initiating PSPS events*
- ii. is expected to reduce the frequency (i.e. number of events) of PSPS events*
- iii. is expected to reduce the scope (i.e. number of customers impacted) of PSPS events*
- iv. is expected to reduce the duration of PSPS events*
- v. supports its directional vision for necessity of PSPS, as outlined in Section 4.4 of its WMP*

Liberty provides Table 2<sup>7</sup> addressing subparts (i)–(iv) of Condition Guidance-4. Liberty states that each WMP initiative “generally supports [Liberty’s] directional vision for necessity of mitigating PSPS events and customer impacts resulting from PSPS events.”<sup>8</sup> This statement is contradictory to the contents of Table 2, where of 30 identified initiatives, 24 are listed to have no effect on PSPS frequency, scope, duration, or threshold values.

It is insufficient and concerning that of the 30 initiatives that reduce wildfire risk, Liberty claims only six reduce PSPS impact. Limited PSPS experience is an unacceptable excuse for an insufficient response. To achieve a reduction of PSPS impact, it is important to capture the effect each initiative has on PSPS impact, even when indirect. The WSD expects Liberty to re-examine and make a good faith effort to assess how each WMP initiative may affect PSPS impact and include quantitative analysis and data where practicable.

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<sup>6</sup> Liberty QR at p. 11–19.

<sup>7</sup> Liberty QR at p. 23–29.

<sup>8</sup> Liberty QR at p. 21.

**Action LIB-2:** In its 2021 WMP Update, Liberty shall detail how each initiative in its WMP: 1) affects its threshold values for initiating PSPS events, 2) is expected to reduce the frequency of PSPS events, 3) is expected to reduce the scope of PSPS events, 4) is expected to reduce the duration of PSPS events, and 5) supports its directional vision for necessity of PSPS.

**5.1.4. Condition (Guidance-5, Class B):  
Aggregation of initiatives into programs**

WSD finding for Liberty's Condition Guidance-4 response: Sufficient

*In its first quarterly report, each electrical corporation shall:*

*i. break out its programs outlined in section 5.3 into individual initiatives*

*ii. report its spend on each individual initiative*

In response to subparts (i) and (ii), Liberty states that its 2020 WMP submission identified individual initiatives according to the Section 5.3 guidelines. Liberty also states that some initiatives may have been redundant in scope and that spend was reported only once to avoid duplication of costs. For future WMP submissions, Liberty should clearly identify and map when a WMP initiative is redundant across guideline definitions.

*iii. describe the effectiveness of each initiative at reducing ignition probability or wildfire consequence*

*iv. list all data and metrics used to evaluate effectiveness described in (iii), including the threshold values used to differentiate between effective and ineffective initiatives*

In response to subparts (iii) and (iv), Liberty defers back to its still-in-development wildfire risk model as described in its response to Condition Guidance-1 and discussed in Section 5.1.1 above. Sufficiently addressing Action LIB-1 is adequate to address the concerns of these subparts.

*v. provide the information required for each initiative in section 5.3 of the Guidelines*

Liberty states that it does not have updates to Section 5.3 and has provided all available information regarding each WMP initiative. When Liberty's wildfire risk model is complete, the WSD expects Liberty to provide data on the effectiveness of each initiative for future WMP submissions.



**5.1.5. Condition (Guidance-6, Class B):  
Failure to disaggregate WMP initiatives from standard operations**

WSD finding for Liberty's Condition Guidance-6 response: Insufficient

Below is an analysis of the itemized requirements within Condition Guidance-6, corresponding discussions of specific insufficiencies for Liberty's response to Guidance-6, and the actions required to make Liberty's QR Sufficient:

*In its first quarterly report, each electrical corporation shall:*

- i. clearly identify each initiative in Section 5.3 of its WMP as "Standard Operations" or "Augmented Wildfire Operations"*
- ii. report WMP required data for all Standard Operations and Augmented Wildfire Operations*
- iii. confirm that it is budgeting and accounting for WMP activity of each initiative*
- iv. include a "ledger" of all subaccounts that show a breakdown by initiative.*

Liberty provided Table 3<sup>9</sup> which lists each WMP initiative, classifies the initiative as standard operations or augmented operations, and provides the account tracking number for the initiative. The information provided is nearly adequate to address this Condition, however, five initiatives are listed with no account tracking number ("number not yet created"). The WSD is concerned that by September 9, 2020, the date of this QR submission, Liberty has yet to set up the accounting mechanisms to track the costs of some initiatives. In its 2021 WMP Update, Liberty is expected to accurately report costs incurred in 2020 for each initiative.

**Action LIB-3:** In its 2021 WMP Update, Liberty shall provide an updated table that shows the account tracking number for each of its WMP initiatives. Where an account is not yet created or otherwise unavailable for a WMP initiative, Liberty shall explain the delay and describe how it tracked the 2020 costs of those initiatives.

**5.1.6. Condition (Guidance-7, Class B):  
Lack of detail on effectiveness of "enhanced" inspection programs**

WSD finding for Liberty's Condition Guidance-7 response: Sufficient

*In its first quarterly report, each electrical corporation shall detail:*

- i. the incremental quantifiable risk identified by such 'enhanced' inspection programs*
- ii. whether it addresses the findings uncovered by 'enhanced' programs differently than findings discovered through existing inspections*
- iii. a detailed cost-benefit analysis of combining elements of such 'enhanced' inspections into existing inspection programs*

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<sup>9</sup> Liberty QR at pp. 33–34.

Liberty states in its WMP and reasserts in its QR that it does not perform enhanced inspections with the exception of increased tree inspections in HFTD Tier 3 areas. Due to Liberty's lack of enhanced inspection programs, Liberty's response detailing its "enhanced" tree inspections is adequate for this Condition. Additional concerns over Liberty's vegetation inspections are addressed Section 5.1.12 below.

**5.1.7. Condition (Guidance-9, Class B):  
Insufficient discussion of pilot programs**

WSD finding for Liberty's Condition Guidance-9 response: Insufficient

Below is an analysis of the itemized requirements within Condition Guidance-9, corresponding discussions of specific insufficiencies for Liberty's response to Guidance-9, and the necessary actions required to make Liberty's QR Sufficient:

*In its quarterly report, each electrical corporation shall detail:*

*i. all pilot programs or demonstrations identified in its WMP*

Liberty lists all programs it has defined as pilot programs and adequately addresses this subpart.

*ii. status of the pilot, including where pilots have been initiated and whether the pilot is progressing toward broader adoption*

Liberty provides the status of all identified pilot programs and includes timeline information for upcoming milestones.

*iii. results of the pilot, including quantitative performance metrics and quantitative risk reduction benefits*

Liberty states that none of the identified pilots are mature enough to be assigned performance metrics and that it plans track pilot programs in a similar method to how it tracks the effectiveness of covered conductor.<sup>10</sup> The WSD contends that quantitative risk reduction measurements should be part of the initial scoping of a pilot and offer insight as to how and how much the pilot, if fully implemented, would provide risk reduction benefits.

**Action LIB-4:** In its 2021 WMP Update, Liberty shall provide quantitative risk reduction estimates for its pilot programs, under the assumption that the technology would be adopted and fully implemented.

*iv. how the electrical corporation remedies ignitions or faults revealed during the pilot on a schedule that promptly mitigates the risk of such ignition or fault, and incorporates such mitigation into its operational practices*

Liberty does not squarely address this subpart due to the relative newness of Liberty's pilot programs. As the pilots mature, the WSD expects Liberty to develop plans to remedy ignitions or

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<sup>10</sup> See Response to Condition LIB-1, Liberty QR at p. 2.

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faults revealed during the pilots and to integrate effective mitigation from pilots into its operational practices.

*v. a proposal for how to expand use of the technology if it reduces ignition risk materially.*

Liberty outlines methods and timelines for the expansion of each pilot program if they are deemed effective.

### **5.1.8. Condition (Guidance-10, Class B):**

#### **Data issues – general**

WSD finding for Liberty's Condition Guidance-10 response: Sufficient

*Electrical corporations shall ensure that all future data submissions to the WSD adhere to the forthcoming data taxonomy and schema currently being developed by the WSD. Additionally, each electrical corporation shall file a quarterly report detailing:*

*i. locations where grid hardening, vegetation management, and asset inspections were completed over the prior reporting period, clearly identifying each initiative and supported with GIS data*

*ii. the type of hardening, vegetation management and asset inspection work done, and the number of circuit miles covered, supported with GIS data*

*iii. the analysis that led it to target that specific area and hardening, vegetation management or asset inspection initiative*

*iv. hardening, vegetation management, and asset inspection work scheduled for the following reporting period, with the detail in (i) – (iii)*

In its QR submission, Liberty did not provide any GIS data in accordance with the WSD's GIS data reporting requirements. Due to the brief amount of time between the issuance of the WSD's GIS data reporting requirements and the submittal of the initial QRs, the WSD recognized that it would be difficult for utilities to fully comply with the newly issued requirements. Accordingly, the WSD indicated it would take a phased approach to assessing utility GIS data submissions and provided a status tracker spreadsheet for utilities to report progress with each subsequent GIS data submission. In its status tracker spreadsheet, Liberty indicated it was in the process updating its enterprise GIS platform and would provide the requested GIS data in the subsequent December 2020 submission. Liberty timely filed its GIS data on December 9, 2020 and the WSD is currently reviewing Liberty's data in preparation for the 2021 WMP Update.

### **5.1.9. Condition (Guidance-11, Class B):**

#### **Lack of detail on plans to address personnel shortages**

WSD finding for Liberty's Condition Guidance-11 response: Insufficient

Below is an analysis of the itemized requirements within Condition Guidance-11, corresponding discussions of specific insufficiencies for Liberty's response to Guidance-11, and the actions required to make Liberty's QR Sufficient:

*In its first quarterly report, each electrical corporation shall detail:*

*i. a listing and description of its programs for recruitment and training of personnel, including for vegetation management*

Liberty provides a narrative of various direct and indirect recruitment programs. Regarding its training programs, Liberty simply states that it has created an “effective plan”<sup>11</sup> for training newly hired employees both on-site and remotely due to the COVID-19 pandemic. The description of its training programs is insufficient.

**Action LIB-5:** In its 2021 WMP Update, Liberty shall provide a listing of required training programs for personnel classifications executing: 1) vegetation inspections and trimming/removal, and 2) asset inspections and replacements. The listing shall include the hours of training required under each program and a description of the scope of each program.

*ii. a description of its strategy for direct recruiting and indirect recruiting via contractors and subcontractors*

Liberty describes its direct and indirect recruiting strategies, including the hiring of a Manager of Talent Acquisition, employee referral program, and the use of local staffing agencies, contractors, and sub-contractors. While the response sufficiently addresses this subpart, the WSD is concerned that Liberty does not describe any program for oversight of hires from staffing agencies, contractors, or sub-contractors.

*iii. its metrics to track the effectiveness of its recruiting programs, including metrics to track the percentage of recruits that are newly trained, percentage from out of state, and the percentage that were working for another California utility immediately prior to being hired.*

Liberty states that it uses metrics pulled from its applicant tracking system and gives two example metrics: 1) time to fill open positions, and 2) applicant source information.<sup>12</sup> This is not sufficient to address the subpart. Liberty should provide a complete picture of the metrics it uses to track the effectiveness of its recruitment programs and specify what applicant source information it will use. It is unclear what “applicant source information” encompasses and Liberty does not provide any further information on the percentage of new employees who were working for another California utility immediately prior to being hired and therefore does not alleviate the concern that Liberty and the other IOUs are competing over the same labor resources.

**Action LIB-6:** In its 2021 WMP Update, Liberty shall provide a complete listing of the metrics it uses to track the effectiveness of its recruiting programs.

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<sup>11</sup> Liberty QR at p. 43.

<sup>12</sup> Liberty QR at p. 43.

**Action LIB-7:** In its 2021 WMP Update, Liberty shall: 1) describe the data that is captured as “applicant source information”, and 2) provide the percentage of recruits that were working for another California utility immediately prior to being hired.

**5.1.10. Condition (Guidance-12, Class B):  
Lack of detail on long-term planning**

WSD finding for Liberty's Condition Guidance-12 response: Sufficient

*In their first quarterly report, each electrical corporations shall detail:*

*i. its expected state of wildfire mitigation in 10 years, including 1) a description of wildfire mitigation capabilities in 10 years, 2) a description of its grid architecture, lines, and equipment*

Liberty provides an adequate response that outlines its major long-term WMP plans, however, much of the narrative relies on qualitative descriptions (e.g., “significantly reduced” or “significantly more”). For its 2021 WMP Update and future WMP submissions, Liberty should detail its quantitative goals for long-term WMP planning. While the WSD understands that long-term goals may shift due to changing circumstances, quantitative values are imperative to setting and tracking progress against wildfire risk reduction goals.

*ii. a year-by-year timeline for reaching these goals*

Liberty provides a table that outlines the year-by-year timeline for reaching the stated 10-year goals that adequately addresses this subpart. Moving forward, and as mentioned above, the WSD expects Liberty to set quantitative goals which should carry into a year-by-year timeline with quantitative benchmarks.

*iii. a list of activities that will be required to achieve this end goal*

Liberty provides a reasonable list of activities that it must complete in order to meet its 10-year goal, however, like the other subparts of this condition, Liberty relies heavily on the use of qualitative actions. For future submissions that contain similar lists, Liberty should use quantitative benchmarks for actions and be more specific on what “continuing” a task means.

*iv. a description of how the electrical corporation's three-year WMP is a step on the way to this 10-year goal*

Liberty provides a broad overview of how its current three-year WMP creates a framework for subsequent WMPs. Compared to its WMP, Liberty has better articulated its long-term goals in this QR submission and is moving in the right direction, however, the WSD is still concerned that Liberty's long-term goals lack quantitative commitments. The WSD expects Liberty to define quantitative long-term goals which will clarify how current WMP activities fit into the long-term vision.

**5.1.11. Condition (LIB-1, Class B):**

**Liberty did not describe methods for tracking effectiveness of its covered conductor initiative**

WSD finding for Liberty's Condition LIB-1 response: Insufficient

Below is an analysis of the itemized requirements within Condition LIB-1, corresponding discussions of specific insufficiencies for Liberty's response to LIB-1, and the actions required to make Liberty's QR Sufficient:

*In its first quarterly report, Liberty shall:*

*i. Describe a methodology for tracking and measuring the effectiveness of its covered conductor installations at reducing the frequency and probability of:*

- 1. outages for top 10 outage causes based on best available historical data, and*
- 2. ignitions for all CPUC reportable ignitions,*

Liberty describes a four-step process to target areas for covered conductor deployment and to track performance of covered conductor by circuit/segment through the usage of the Smart M.Apps application. Liberty's process provides an adequate methodology to track effectiveness of covered conductor installations and the WSD looks forward to Liberty further detailing its revised covered conductor strategy in its 2021 WMP Update.

*ii. Describe the magnitude and scope of the structural impacts of broad covered conductor deployment across its existing overhead facilities, the associated asset replacement consequences by asset type, and the estimated cost of those associated replacements.*

In response to this condition subpart, Liberty only describes cost estimates for covered conductor and addresses neither the structural impacts on overhead infrastructure nor the ancillary consequences on other assets. Liberty is pursuing a targeted approach to covered conductor and has moved away from "broad" covered conductor deployment as originally described in its 2020 WMP. However, Liberty should still investigate structural impacts and asset consequences of its more targeted covered conductor deployment.

**Action LIB-8:** In its 2021 WMP Update, Liberty shall describe the structural impact on overhead facilities and the ancillary consequences on other assets (i.e., necessity to replace poles, crossarms, etc.) of its targeted covered conductor deployment.

**5.1.12. Condition (LIB-2, Class B):**

**Liberty reports inspection frequencies that raise concern about effectiveness**

WSD finding for Liberty's Condition LIB-2 response: Insufficient

Below is an analysis of the itemized requirements within Condition LIB-2, corresponding discussions of specific insufficiencies for Liberty's response to LIB-2, and the actions required to make Liberty's QR Sufficient:

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*In its first quarterly report, Liberty shall:*

- i. justify its three-year cycle,*
- ii. report how it is meeting its PRC clearance requirements, and*
- iii. if its current inspection cycle is insufficient to avoid violations of clearance requirements, explain how they will resolve those deficiencies, including potential increases in frequency of inspections, reviews and audits.*

Liberty states that in 2018, it contracted a third-party assessment of its vegetation management program which concluded that a three-year cycle would be “optimal”<sup>13</sup> for its routine vegetation management program. Liberty also states that if adverse vegetation conditions are encountered during other inspection activities (e.g., asset inspections), those conditions are reported to the vegetation management department. Liberty will be conducting another third-party assessment of its vegetation management program in fall 2020.

Liberty's response is insufficient. While Liberty asserted that the third-party assessment found a three-year vegetation inspection cycle to be “optimal”, no supporting data was provided. Liberty's explanation of processes which may help meet PRC requirements were similarly unsupported and did not detail whether PRC requirements were actually being met.

**Action LIB-9:** In its 2021 WMP Update, Liberty shall provide a justification with supporting data of its three-year vegetation inspection cycle outside of Tier 3 HFTD areas.

**Action LIB-10:** In its 2021 WMP Update, Liberty shall detail: 1) whether it tracks the number of problematic vegetation conditions (e.g., violation of GO 95 clearance requirements, dead, dying, diseased, or rotten trees, etc.) found for each inspection program, and 2) the number of PRC violations found during inspections broken out by inspection type.

### **5.1.13. Condition (LIB-4, Class B):**

**Liberty notes the challenge of attracting and retaining employees in the high-cost Lake Tahoe community**

WSD finding for Liberty's Condition LIB-4 response: Sufficient

*In its first quarterly report, Liberty shall detail:*

- i. its recruitment and retention strategy for labor, considering the high cost of living in its service territory, and*

Liberty states that it has hired a Manager of Talent Acquisition who develops a recruitment strategy for each position. Liberty also describes its retention strategy including the use of an employee engagement team and retention bonuses.

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<sup>13</sup> Liberty QR at p. 5.

*ii. how it plans to deal with this constraining factor in scaling its WMP programs and initiatives*

Liberty describes that it developed a staffing plan which has been successfully implemented and has resulted in a full staff. While the response satisfies this subpart, the WSD expects Liberty to continue working to ensure its staffing plan is forward-looking and adequate to address potential future increases in WMP related work. Other concerns regarding Liberty's staffing are addressed in Section 5.1.9 above.

**5.1.14. Condition (LIB-5, Class B):**

**Liberty's data governance program includes its GIS data and asset inventory requires improvement before the 2021 WMP filing**

WSD finding for Liberty's Condition LIB-5 response: Sufficient

*Liberty should confer with CAL FIRE and the WSD to fill in gaps in its GIS data in preparation for its 2021 WMP update. Liberty is also directed to include in quarterly reports to the WSD updates on the progress of its data governance upgrades, until Liberty's system-wide survey, asset inventory database, and upgrades to its GIS system have modernized or Liberty is otherwise directed.*

Liberty provided a progress update on its GIS system modernization. Liberty states its GIS system update is scheduled to go live in June 2021 and is using a mobile application in the interim. The records from the mobile application will be imported into the new GIS system once fully implemented. The system-wide survey is reported to be 75% complete at the time of the first QR submission and estimated to be complete by October 1, 2020.

Although Liberty did not provide a GIS data submission in its first QR, as discussed in analysis of Guidance-10 and presented in Section 5.1.8 above, Liberty gathered and provided GIS data in its subsequent December QR submission. Liberty timely filed its GIS data on December 9, 2020 and the WSD is currently reviewing Liberty's data in preparation for the 2021 WMP Update.

**6. Conclusion**

Catastrophic wildfires remain a serious threat to the health and safety of Californians. Electric utilities must continue to make progress toward reducing utility-related wildfire risk. With the finding of "Insufficient" for Liberty's QR, the WSD intends to send a clear message to Liberty that its WMP, RCP, and QRs must be of the highest quality and include sufficient detail and plans to facilitate transparency, allow for efficient review, and effectively implement potentially lifesaving wildfire risk mitigation initiatives. The WSD will continue to ensure Liberty is held accountable for successfully executing the wildfire risk reduction initiatives presented in its 2020 WMP, RCP, and other required updates through the Division's continued audit and compliance work. As indicated in Section 5.1 above, Liberty shall remedy the insufficient elements of its QR submission by taking the actions identified by the WSD and presenting the required information and detail in its 2021 WMP Update.



WSD Evaluation of Liberty's First QR

Finally, along with the issuance of this action statement, the WSD concurrently issues a Notice of Noncompliance document summarizing the findings and noncompliance issues detailed herein. The WSD notes that nothing in this action statement or the concurrent Notice of Noncompliance precludes the Commission from exercising its enforcement authority related to any findings or matters addressed in the present document.

Sincerely,

A handwritten signature in blue ink, appearing to read 'C. Thomas Jacobs', with a stylized flourish at the end.

Caroline Thomas Jacobs  
Director, Wildfire Safety Division  
California Public Utilities Commission