

# R.20-07-013, Phase 4, Workshop #3: Pre-Workshop Planning Questions

November 27, 2024

## Risk Mitigation Accountability

### Description of the Issue:

The Commission has identified challenges in developing the Risk Mitigation Accountability Report (RMAR), as directed in D.14-12-025,<sup>1</sup> modified in D.19-04-020,<sup>2</sup> and discussed in the OIR.<sup>3</sup> The purpose of the RMAR is to compare a utility's projections of the benefits and costs of the risk mitigation programs adopted in the GRC to the actual benefits and costs after implementation. The RMAR is an important tool for addressing accountability and transparency regarding the risk reduction achieved from investments in mitigation projects, which is still missing from the RDF. Ensuring accuracy within an RMAR also requires clarity on granular levels of reporting units, thus the discussion of scoped work (see above) is important to this topic. The Commission should consider integrating a standard RMAR approach into the RDF as well as how to improve its effectiveness as an accountability tool.

Once this Commission considers what improvements to the RMAR should be made, the time will be ripe to next consider potential improvements to the RAMP data templates. In Phase 3, the discussion of RAMP Reporting Templates was postponed until an approach to RMAR could be properly addressed and discussed in the OIR.

### Planning Questions:

1. Should the RMAR require utilities to make comparisons from a baseline level of risk to determine the impact of a mitigation? Explain your answer.
2. Should the RMAR compare data from a plan of proposed mitigations, such as the RAMP, a forecast, such as the mitigation investments in the GRC, and actual recorded data of mitigations after implementation? If so, why? If not, why not?
3. Should the Commission require RMAR submissions by the utilities be composed of multiple tables that explore the impact of mitigations across different dimensions (i.e. tranches, consequence attributes, time period, utility organizational structure, etc)?
  - a. If so, what kind of dimensions would you recommend and why?
  - b. If not, why not?
4. Should the Commission require the utility to present the outcomes of risk events in the RMAR that occurred during the report period and prior report periods?
  - a. If yes, explain why.
  - b. If yes, what kind of outcome data should be presented in the RMAR?
  - c. If no, explain why not.
5. Should the Commission require the utilities to report on the progress of work units related to mitigations in their RMAR submission? Explain your answer.

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<sup>1</sup> D.14-12-025 at 44.

<sup>2</sup> D.19-04-020 at 29.

<sup>3</sup> OIR 20-07-013 at 14.

6. Should the Commission require that the utilities provide clear explanations regarding how changes to their risk models will impact their RMAR submission?
  - a. If yes, explain why.
  - b. If yes, under what scenarios should the Commission require the utility to conduct a recast, backcast or replan<sup>4</sup> to ensure the RMAR accurately represents the impact of a mitigation?
  - c. If not, explain why not.
7. Should the Commission require the utilities to use various methodologies to demonstrate the causal relationship between the implementation of a mitigation and the stated risk reduction in the RMAR? Explain your answer.
8. Should the Commission require the utilities to demonstrate how they can infer attribution of risk reduction to the implementation of a mitigation?
  - a. If yes, explain why.
  - b. If yes, what methods would you recommend for demonstrating attribution?
  - c. If not, explain why not.
9. Should the Commission establish an enforcement framework to hold the utilities accountable to the information presented in an RMAR?
  - a. If so, explain why.
    - i. What type of infractions should be addressed by this enforcement framework?
    - ii. What type of actions or penalties should be levied for each infraction?
  - b. If not, explain why.
    - i. If not through an enforcement framework, how should the utilities be held accountable for the information presented in an RMAR?

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<sup>4</sup> *Recasting* is modeling the current scenario as if the original state of the organization was still in place. *Backcasting* restates history in terms of current models, data, and knowledge. *Replanning* entails a restatement of the plan, including history and future years, based on the current reality.