

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



December 30, 2020

### **Wildfire Safety Division Evaluation of PacifiCorp's Remedial Compliance Plan**

The Wildfire Safety Division (WSD) finds that PacifiCorp's Remedial Compliance Plan (RCP) is Insufficient. WSD reviewed PacifiCorp's RCP in accordance with guidance set out in Resolution WSD-002, Resolution WSD-008, 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 Remedial Compliance Plan (RCP) submitted by PacifiCorp on July 27, 2020. RCP submittals were required as a stipulation of the Wildfire Safety Division's (WSD) "Conditional Approval" of PacifiCorp's 2020 Wildfire Mitigation Plan (WMP). RCPs were required to address all Class A deficiencies identified by the WSD in its review of PacifiCorp's 2020 WMP. In this document, the WSD issues its determination of whether PacifiCorp's RCP 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 an RCP is deemed "Sufficient" no further action related to the RCP is required; however, in the event that an RCP is found "Insufficient," the WSD may provide further direction on necessary actions PacifiCorp must take to deliver a sufficient RCP and recommend potential enforcement action.

The WSD finds that PacifiCorp's RCP is Insufficient. PacifiCorp was required to satisfy the Class A deficiencies shown in Table 1 and set forth in Resolution WSD-002 and Resolution WSD-008.

*Table 1: Class A Deficiencies from PacifiCorp's 2020 WMP*

<b>Deficiency/Condition No.</b>	<b>Class</b>	<b>Deficiency Title</b>	<b>Sufficiency Finding</b>
Guidance-3	A	Lack of risk modeling to inform decision-making.	Insufficient

Due to the WSD's determination that PacifiCorp's RCP is Insufficient, in its 2021 WMP update, PacifiCorp is required to address all Actions identified in Section 5.1 of this document. Nothing in this document should be construed as a decision by WSD or the CPUC not to pursue other compliance or enforcement mechanisms if appropriate.

<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)

## 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 corporation's 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:

- **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 PacifiCorp's 2020 WMP, the WSD issued a "Conditional Approval." The Conditional Approval requires PacifiCorp to satisfy the set of conditions set forth in Resolution WSD-002 and Resolution WSD-004. Table 2 below presents a summary of the number of conditions, grouped by classification.

Class A conditions are intended to address aspects of electrical corporations' 2020 WMPs which the WSD found lacking or flawed and were of highest concern. Class A conditions require each electrical corporation to file an RCP, which is broadly defined in Resolution WSD-002 as follows:

*An RCP must present all missing information and/or articulate the electrical corporation's plan, including proposed timeline, to bring the electrical corporation's WMP into compliance.*

Pursuant to Ordering Paragraph (OP) 7 of Resolution WSD-002, PacifiCorp was required to submit an RCP within 45 days of California Public Utilities Commission's (CPUC or Commission) ratification of PacifiCorp's 2020 WMP Resolution, WSD-008. The Commission ratified the 2020 WMP Resolutions<sup>3</sup> on Thursday, June 11, 2020; therefore, PacifiCorp was required to file an RCP by Monday July 27, 2020. PacifiCorp timely filed its RCP on Monday, July 27, 2020. Public comments on electrical corporations' RCPs were filed on August 10, 2020 by the Commission's Public Advocates Office, Mussey Grade Road Alliance, and Protect Our Communities Foundation.

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

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

## WSD Evaluation of PacifiCorp's RCP

Table 2: 2020 WMP Resolutions - Conditions Summary for PacifiCorp

Condition Class	WSD-002	WSD-008	Total
Class A	1	0	1
Class B <sup>4</sup>	10 (1)	5 (0)	15 (1)
Class C	1	2	3
<b>Total</b>	<b>12</b>	<b>7</b>	<b>19</b>

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

An RCP'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 RCP filing sufficiently 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 A deficiency and RCP filing in accordance with the following factors:

- Completeness – The RCP is complete and comprehensively responds to the condition;
- Effectiveness - The plans and remedies outlined in the RCP will reasonably resolve the deficiency;
- Feasibility - The plans and remedies outlined in the RCP are reasonably feasible considering the electrical corporation's resources and the scope and timeline identified.

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

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

If the WSD finds that an RCP is Insufficient, the WSD will require the electrical corporation to address the insufficiencies in its 2021 WMP update, in accordance to 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 enforcement action be taken by the CPUC.

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<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.

<sup>5</sup> Forward-looking growth is not applicable to assessing sufficiency of RCPs because the RCP, by its nature, is intended to address a current plan of action to address lacking or flawed aspects of 2020 WMPs and does not require an assessment of maturity growth.

## WSD Evaluation of PacifiCorp’s RCP

Table 3: RCP Evaluation Criteria

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

### 4. Public and Stakeholder Comments

On August 10, 2020, public comments were received on the RCPs, but no comments raised major issues specific to PacifiCorp.

### 5. Discussion of the WSD’s RCP 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 PacifiCorp’s RCP in totality.

Table 4: Review of PacifiCorp’s RCP by Evaluation Criterion

Category	Criteria	Yes	No
Completeness	Does the RCP 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 RCP include a timeline for implementation and completion of remedial actions?	X	
Effectiveness	Does the RCP identify reasonably effective plans and remedies to resolve the identified deficiencies?		X
	Is the timeline identified in the RCP sufficient, given the importance of the deficiency and its potential impact on wildfire risk?	X	
Feasibility	Does the utility reasonably have the resources required to execute the plans and remedies in its RCP in accordance with the identified scope and timeline?	X	

Accordingly, the WSD finds PacifiCorp's RCP to be Insufficient.

WSD requests clarification or additional information to remediate its finding of Insufficient RCP elements. In its 2021 WMP update, PacifiCorp 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 PacifiCorp's RCP, which includes input from the public and other stakeholders. The following is an assessment of PacifiCorp's response to each Class A condition, as presented in its RCP. Provided in the discussion are the detailed elements pertaining to the requirements for each PacifiCorp Class A 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 are individually numbered and must be completely addressed in PacifiCorp's 2021 WMP update to meet the WSD's expectation of a sufficient RCP.

### **5.1.1. Condition (Guidance-3, Class A): Lack of Risk Modeling to Inform Decision-Making**

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

Below is an analysis of the itemized requirements within Condition Guidance-3, corresponding discussions of specific insufficiencies in PacifiCorp's response to Guidance-3, and the necessary actions required to make PacifiCorp's RCP Sufficient:

*Each electrical corporation shall submit in its remedial correction plan (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;*

PacifiCorp applies a blanket statement to all initiatives addressing risk modeling indicating that more granularity will be added. PacifiCorp also details the development and implementation of a composite risk score that reflects the total risk of a utility-related ignition occurring due to a fault on each module. The composite score promises to be a useful tool to identify and prioritize tagged areas, however, it is not explained how the composite score will aide in the targeting and selection of specific initiatives. Ultimately, PacifiCorp's approach targets circuits and locations, not initiatives or mitigations.

**Action PacifiCorp-1:** In its 2021 WMP update, PacifiCorp shall explain how the composite score will aide in targeting and selection of specific initiatives and mitigations.

*ii. Identify all wildfire risk analyses it currently performs (including probability and consequence modeling) to determine which mitigation is targeted to circuits and assets where initiatives will provide the greatest benefit to wildfire risk reduction;*

PacifiCorp states that it takes a “broad brush” approach in its development of risk modeling, but it remains unclear what risk analyses are currently in place. PacifiCorp only mentions the High Fire Threat District (HFTD) map as a current risk analysis that is used to prioritize mitigation activities without discussion of any analysis to confirm the sufficiency of mitigation prioritization.

**Action PacifiCorp-2:** In its 2021 WMP update, PacifiCorp shall submit a table describing its risk assessment techniques used for each initiative in the format used by Southern California Edison (SCE).<sup>6</sup>

**Action PacifiCorp-3:** In its 2021 WMP update, PacifiCorp shall explain and provide the analysis used to determine the sufficiency of relying on HFTD for prioritization and modeling efforts.

**Action PacifiCorp-4:** In its 2021 WMP update, PacifiCorp shall explain how it integrates cost analysis into its modeling and decision-making.

*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;*

PacifiCorp provides a timeline in Attachment A of its RCP where it details module risk modeling is scheduled to be completed by January 2021.

*iv. How it intends to incorporate future improvements in risk modeling into initiative prioritization and targeting processes; and*

PacifiCorp notes that it participates in an Electric Program Investment Charge (EPIC) program to help build and implement a wildfire risk analysis but fails to provide adequate information regarding how it intends to use the model for decision-making. PacifiCorp's description of modeling seems to indicate more static calculations instead of dynamic modeling initiatives and needs to provide more justification as to why annual updates are sufficient.

**Action PacifiCorp-5:** In its 2021 WMP update, PacifiCorp shall: 1) explain how its modeling efforts are dynamic and detail the frequency of calculations for both model inputs and outputs, and 2) justify why annual refreshing of the model is sufficient.

**Action PacifiCorp-6:** In its 2021 WMP update, PacifiCorp shall provide more information on its procedures to utilize the results of its modeling efforts for decision-making and prioritization of WMP initiatives.

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<sup>6</sup> See SCE RCP at 9.

*v. How it intends to adapt its approach based on learnings going forward.*

Within the provided attachment, PacifiCorp outlines the components and rates for updates of its risk modeling, including details on each individual components in terms of “Triggers to Refresh” and “Testing Validation.” Through these processes, PacifiCorp adequately demonstrates that it will be further updating and validating its modeling approach. However, PacifiCorp needs to provide more details on its procedures in the event that a particular component fails validation, and how it intends to change its modeling in order to address failure.

**Action PacifiCorp-7:** In its 2021 WMP update, PacifiCorp shall explain how it intends to update its modeling approach in the event that one of the components fails the “Testing Validation” outlined in Attachment A of PacifiCorp’s QR filing.

## **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 PacifiCorp’s RCP, the WSD intends to send a clear message to PacifiCorp 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 PacifiCorp 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, PacifiCorp shall address the insufficient elements of its RCP submission by taking the actions identified by the WSD and presenting the required information and detail in its 2021 WMP update.

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 instant document.

Sincerely,



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