

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SAFETY POLICY DIVISION

Resolution SPD-12
February 23, 2023RESOLUTION**RESOLUTION SPD-12. Resolution Ratifying Action of the Office of Energy Infrastructure Safety on PacifiCorp's 2022 Wildfire Mitigation Plan Update Pursuant to Public Utilities Code Section 8386.**

This Resolution ratifies the attached decision (Appendix A) of the Office of Energy Infrastructure Safety (Energy Safety) approving PacifiCorp (PacifiCorp, or electrical corporation) 2022 Wildfire Mitigation Plan (WMP) Update pursuant to Public Utilities Code (Pub. Util. Code) Section 8386.3(a).

This Resolution acts on the WMP Update submitted on May 06, 2022 pursuant to the Commission's obligations under Pub. Util. Code Section 8386.3(a). PacifiCorp's WMP responds to a list of 22 requirements set forth in Pub. Util. Code 8386(c). PacifiCorp submitted a comprehensive WMP in 2020 covering the three-year period 2020-2022. This WMP focused on measures the electrical corporation will take to reduce the risk of, and impact from, a catastrophic wildfire related to its electrical infrastructure and equipment. PacifiCorp's 2022 WMP Update provides information on PacifiCorp's progress over the past year as well as updates to its 2021 and 2022 projections. In addition, the 2022 WMP Update responds to additional requirements and metrics approved by the Commission in Resolution M-4860 and the 2022 WMP Guidelines adopted by Energy Safety.

Upon approval of the 2022 WMP Update by Energy Safety, ratification by the Commission is required.

OUTCOME SUMMARY:

- Ratifies the attached decision of Energy Safety to approve the 2022 WMP Update of PacifiCorp.
- Does not approve costs attributable to WMPs, as Pub. Util. Code Section 8386.4(b) requires electrical corporations to seek and prove the legitimacy of all expenditures at a future time in their general rate cases (GRC) or application for cost recovery. Nothing in this Resolution or Energy Safety's Decision should be construed as approval of any WMP-related costs.

- Does not establish a defense to any enforcement action for a violation of a Commission decision, order, or rule.

SAFETY CONSIDERATIONS:

Mitigation of catastrophic wildfires in California is among the most important safety challenges the Commission-regulated electrical corporations face. Comprehensive WMPs are essential to safety because the WMPs articulate an electrical corporation's understanding of its utility-related wildfire risk and the proposed actions to reduce that risk and prevent catastrophic wildfires caused by utility infrastructure and equipment.

Utility-related catastrophic wildfire risk should be reduced over time by implementing measures such as vegetation management, system hardening (such as insulating overhead lines and removing or upgrading equipment most likely to cause fire ignition), grid topology improvements (such as installation and operation of electrical equipment to sectionalize or island portions of the grid), improving asset inspection and maintenance, situational awareness (such as cameras, weather stations, and use of data to predict areas of highest fire threat), improving community engagement and awareness, and other measures.

ESTIMATED COST:

- Costs are not considered in this Resolution, as Pub. Util. Code Section 8386.4(b) provides for Commission cost review in a utility GRC or separate application. Nothing in this Resolution should be construed as approval of the costs associated with the WMP mitigation efforts.
- For illustrative purposes, Table 1 below contains PacifiCorp's actual costs for 2021 and its projected costs for the implementation of wildfire mitigation efforts in its 2022 WMP Update.

Table 1: PacifiCorp's WMP Costs

Proposed 2021 costs (as reported in the 2021 WMP)	\$33,375,000
Actual 2021 costs (as reported in the 2022 WMP Update)	\$42,149,000
Difference between 2021 proposed/actual costs (+/-)	\$8,774,000
Proposed 2022 costs	\$91,900,000

Proposed total costs 2020-2022 (including actual 2020-2021 costs)	\$152,570,000
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DISCUSSION

1. Summary

This Resolution ratifies the attached Energy Safety decision, adopted on December 9, 2022, approving the 2022 WMP Update submitted by PacifiCorp on May 06, 2022 (Appendix A).¹ Pub. Util. Code Section 8386(c) requires that electrical corporations' WMPs contain 22 elements. Energy Safety's approval and the Commission's ratification do not relieve the electrical corporation from any and all otherwise applicable permitting, ratemaking, or other legal and regulatory obligations.

2. Background

Since several catastrophic wildfires in the San Diego area in 2007, the equipment of large electric utilities the Commission regulates have been implicated in the most devastating wildfires in our state's history. The California Legislature enacted several measures requiring electrical corporations to submit, Energy Safety to review, approve, or otherwise act on, and the Commission to ratify, WMPs designed to reduce the risk of utility-related catastrophic wildfire. Catastrophic wildfires in 2017-19 led the California Legislature to pass Senate Bill 901² in 2018 and its successor Assembly Bill (AB) 1054, as well as AB 111 in 2019.³

AB 1054 requires Energy Safety to review and approve or deny electrical corporations' WMPs, with Commission ratification of any approval to follow thereafter. Energy Safety oversees electrical corporations' compliance with the WMP.⁴ If Energy Safety determines an electrical corporation is not in compliance with its approved WMP, it may recommend that the Commission pursue an enforcement action against the electrical corporation for noncompliance with its approved plan.⁵ The Commission may assess penalties on electrical corporations if they fail to substantially comply with their plans.⁶

¹ PacifiCorp's 2022 WMP Update can be found at <https://energysafety.ca.gov/what-we-do/electrical-infrastructure-safety/wildfire-mitigation-and-safety/wildfire-mitigation-plans/2022-wmp/>

² Stats. 2018, Ch. 626.

³ Stats. 2019, Ch. 79 and 81.

⁴ Pub. Util. Code Section 8386.3(c).

⁵ Pub. Util. Code Section 8389(g).

⁶ Pub. Util. Code Section 8386.1.

The 2022 WMP Guidelines adopted by Energy Safety on December 15, 2021 require that each electric corporation have a WMP that contains all elements required by AB 1054.⁷ For example, every WMP must contain plans for vegetation management, system hardening, inspections of assets and vegetation, situational awareness, reduction, and management of PSPS events, customer and first responder outreach and coordination, risk analysis, and geographic information system (GIS) data, as well as a short- and long-term vision, an ignition cause analysis, and many other elements.

PacifiCorp initially submitted its WMP Update for 2022 on May 06, 2022, and provided an overview of the WMP in a workshop overseen by Energy Safety on May 18, 2022. PacifiCorp's 2022 WMP Update did not satisfy the completeness requirements delineated in the Final 2022 Wildfire Mitigation Plan Update Guidelines. As a result, Energy Safety rejected the initial submission and a revised submission by PacifiCorp was resubmitted on July 18, 2022. Comments on the WMPs were due on August 15, 2022, and reply comments were due on August 22, 2022. Comments were provided by California Department of Fish and Wildlife (CDFW), the Public Advocate's Office (Cal Advocates), Green Power Institute (GPI), and Rural County Representatives of California (RCRC).⁸ Comments generally called for additional detail, information, and monitoring of specific issues, such as risk assessment and mapping tools, pole replacement, undergrounding projects. However, none of the comments called for a rejection of the plan. Energy Safety evaluated these comments, concurred with some comments, and in some instances incorporated stakeholder input into the decision.²

3. Notice

In accordance with Pub. Util. Code Section 8386(d), notice of PacifiCorp's 2022 WMP Update was given by posting the WMP Update on Energy Safety's web page at <https://energysafety.ca.gov/what-we-do/electrical-infrastructure-safety/wildfire-mitigation-and-safety/wildfire-mitigation-plans/2022-wmp/>.

4. Energy Safety Approval of WMP

The Public Utilities Code requires Energy Safety to review, request revision, and approve or deny a utility WMP. Energy Safety has approved the 2022 WMP Update for PacifiCorp pursuant to Public Utilities Code 8386.3 and submitted it to the Commission for ratification. According to Energy Safety's decision, attached hereto as Appendix A, Energy Safety reviewed the WMP and received input from the California Department of

⁷ The 2022 WMP Guidelines are available at:

<https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=51912&shareable=true>

⁸ Comments and reply comments are available on the 2022 Wildfire Mitigation Plan Updates (2022-WMPs) docket log at: <https://efiling.energysafety.ca.gov/Lists/DocketLog.aspx?docketnumber=2022-WMPs>.

² Final decision on PacifiCorp's 2022 WMP Update at 11-12, summarizing how it incorporated stakeholder comments.

Forestry and Fire Protection (CAL FIRE) and stakeholders, responses to data requests, and responses to ongoing reporting required in connection with previous WMP submissions and decisions. Energy Safety also applied a “maturity model” to test whether electrical corporations are improving or “maturing” in their response to catastrophic wildfire over time.

We take official notice that Energy Safety approved PacifiCorp’s 2022 WMP Update in its Final decision on PacifiCorp’s 2022 WMP Update on December 9, 2022 pursuant to Commission Rules of Practice and Procedure 13.10 and California Evidence Code Section 452(c). Parties may address the propriety of taking such notice in comments on the Draft Resolution.

5. Comments on Energy Safety’s Decision

Comments on the Draft Decision were due on November 28, 2022, and reply comments were due on December 5, 2022. Energy Safety did not receive comments on the Draft Decision and made no substantive revisions to the Decision.

A summary of comments incorporated into Energy Safety’s disposition of PacifiCorp’s WMP Update can be found in Appendix C of the attached decision (Appendix A to this Resolution).

6. Ratification

The Commission has reviewed Energy Safety’s evaluation of PacifiCorp’s 2022 WMP Update, the decision issued by Energy Safety pursuant to Pub. Util. Code Section 8386.3, stakeholder comments served on Energy Safety’s 2022 WMP docket, and other public input. Pursuant to Pub. Util. Code Section 8386.3(a), the Commission ratifies Energy Safety’s action approving PacifiCorp’s 2022 WMP Update.

7. Wildfire Mitigation Costs

Pursuant to statute, an electrical corporation’s costs associated with wildfire mitigation activities are not approved as part of its WMP; rather, costs are evaluated in each electrical corporation’s GRC or other application for rate recovery.

The Commission will evaluate 2022 wildfire mitigation costs in PacifiCorp’s GRC or in a future Application.

8. Conclusion

Consistent with Pub. Util. Code Section 8386.3(a), the Commission ratifies Energy Safety’s decision (Appendix A hereto) approving PacifiCorp’s 2022 WMP Update.

COMMENTS

Pub. Util. Code Section 311(g)(1) provides that resolutions must be served to all parties and subject to at least 30 days public review. However, given that this Resolution is issued outside of a formal proceeding, interested stakeholders need not have party status in a Commission proceeding in order to submit comments. Comments are due 20 days from the mailing date of this Resolution. Replies will not be accepted.

This draft Resolution was served on the service list of R.18-10-007 and will be placed on the Commission's agenda no earlier than 30 days from today.

FINDINGS

1. The Office of Energy Infrastructure Safety reviewed and approved PacifiCorp's Company's 2022 Wildfire Mitigation Plan Update pursuant to Public Utilities Code Section 8386.3(a) (Appendix A hereto).
2. Public Utilities Code section 8386.3(a) requires the Commission to ratify decisions of the Office of Energy Infrastructure Safety approving the Wildfire Mitigation Plans of electrical corporations.

THEREFORE, IT IS ORDERED THAT:

1. The Office of Energy Infrastructure Safety's Decision approving PacifiCorp's 2022 Wildfire Mitigation Plan Update is ratified.
2. Nothing in this Resolution should be construed as approval of the costs associated with the implementation of PacifiCorp's 2022 Wildfire Mitigation Plan.
3. The Commission takes official notice that the Office of Energy Infrastructure Safety approved PacifiCorp's 2022 Wildfire Mitigation Plan (WMP) Update in its Final Decision on PacifiCorp's 2022 WMP Update on December 9, 2022 pursuant to Commission Rules of Practice and Procedure 13.10 and California Evidence Code Section 452(c).
4. Nothing in this Resolution should be construed as a defense to any enforcement action for a violation of a Commission decision, order, or rule.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on February 23, 2023; the following Commissioners voting favorably thereon:

RACHEL PETERSON
Executive Director

APPENDIX A
OFFICE OF ENERGY INFRASTRUCTURE SAFETY DECISION