

ITEM NO. RA1

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: June 13, 2023

REGULAR  X  CONSENT       EFFECTIVE DATE       <sup>Upon</sup>  
Commission Approval

DATE: June 6, 2023

TO: Public Utility Commission

FROM: Heide Caswell

THROUGH: Bryan Conway **SIGNED**

SUBJECT: PacifiCorp:  
(Docket No. UM 2207)  
2023 Wildfire Mitigation Plan – Request for Commission Approval.

**STAFF RECOMMENDATION:**

Approve PacifiCorp's (Pacific Power or Company) 2023 Wildfire Mitigation Plan and direct Pacific Power to incorporate Staff's recommendations in its 2024 Plan.

**DISCUSSION:**

Issue

Whether the Oregon Public Utility Commission (Commission) should approve Pacific Power's 2023 Wildfire Mitigation Plan and direct Pacific Power to work with Staff and stakeholders to incorporate Staff's recommendations in the Company's 2024 plan.

Applicable Rule or Law

Executive Order 20-04 (EO 20-04), Section 5(B)(4) directs the Commission to evaluate electric companies' risk-based wildfire protection plans and planned activities to protect public safety, reduce risks to utility customers, and promote energy system resilience in the face of increased wildfire frequency and severity, and in consideration of the recommendations made by the Governor's Council on Wildfire Response 2019 Report and Recommendations.

Per ORS 756.040, the Commission has authority to supervise and regulate every public utility in Oregon, and to do all things necessary and convenient in the exercise of such power and jurisdiction.

Senate Bill (SB) 762 (2021),<sup>1</sup> incorporated as ORS 757.960 through 757.969, established standards for electric utility's Wildfire Mitigation Plans and required the Commission to promulgate rules related to the requirements of the Plans. Pursuant to ORS 757.963 the Commission may "approve with conditions" a public utility's Wildfire Mitigation Plan or update.

Division 300 of the OARs articulates the minimum requirements for the Plan filings as well as the process for Commission approval of the plans.

The approved Pacific Power 2022 WMP in Order No. 22-131 and directed the utility to engage with Staff and stakeholders through a workshop process prior to filing its 2023 Plan.

## Analysis

### *Background*

On December 29, 2022, Pacific Power filed its risk-based Wildfire Mitigation Plan (WMP or Plan) with the Commission. Under SB 762 (2021) and Oregon Administrative Rule (OAR) 860-300-0020, public utilities in the State of Oregon must adopt and operate in compliance with an annually updated WMP that is filed with the Commission. Staff and Bureau Veritas North America, Inc. (BVNA), an Independent Evaluator (IE), have evaluated the 2023 Plan. BVNA was selected to serve as an Expert Witness and to provide written testimony to assist in Staff's overall analysis and review of the Plan for rule compliance, and to make recommendations about Plan approval that may include conditions (i.e. future actions and/or additional requirements/updates for inclusion in upcoming year's Plan).<sup>2</sup>

Staff's analysis, detailed below, considers the Company's compliance with the Wildfire Mitigation Plan minimum requirements set forth in Division 300. The comments, recommended actions, and recommended additional requirements for inclusion in the Company's 2024 Plan, reflect Staff's review of the Company's WMP, review of the IE's Report, review of Stakeholder Comments, and ongoing participation in WMP public workshops and Stakeholder engagement.<sup>3</sup> In addition to written stakeholder comments,

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<sup>1</sup> <https://olis.oregonlegislature.gov/liz/2021R1/Measures/Overview/SB762>.

<sup>2</sup> UM 2207, *Independent Evaluator's Report on Wildfire Mitigation Plan Compliance* (IE Report), May 23, 2023, <https://edocs.puc.state.or.us/efdocs/HAH/um2207hah84826>.

<sup>3</sup> The IE's Report and stakeholder comments can be found in Docket No. UM 2207.

Staff and the IE consulted with emergency managers in some local jurisdictions to gain insight into perceptions by the local community of the effectiveness of the utility's community outreach efforts.

BVNA developed specific assessment criteria for evaluation of the utility WMPs in 2022 and used the same criteria for evaluation of the 2023 Plans.<sup>4</sup> While Staff finds these criteria generally consistent with Division 300 requirements, the criteria were, in many cases, more rigorous or detailed than the requirements in OAR. Compliance with these criteria did not alter Staff's determination of compliance with the 2023 Plan requirements, but rather provided insight for the utilities into how they might create a more thorough and robust Plan. Additionally, the IE used evaluation rankings of "Met," "Substantially Met," "Partially Met," and "Not Met." Staff did not adopt this ranking system. Staff's analysis resulted in a conclusion that the utility either met the requirement or did not meet the requirements. Staff does agree with many of the recommendations provided by the IE and those disagreements are captured in Staff's memo. In most cases, even when Staff determined the utility met a specific requirement, Staff provided recommendations that will enhance the Company's future Plans and provide additional evidence that the Company's Plan is risk based.

### *Process*

Staff's review of 2023 plans differed significantly from the review of 2022 WMPs. This difference results from a maturing of the WMP process. 2022 WMP plan review only considered compliance with the minimum criteria articulated in SB 762 and adopted in in AR 648.<sup>[1]</sup> For 2023, Staff reviewed compliance with Division 300 rules, which encapsulate rules adopted in both AR 648 and AR 638.<sup>[2]</sup> Moreover, the WMP process established plans for years long decisions on wildfire mitigation efforts, for which the companies are seeking rapid cost recovery. Recognizing this, the 2023 WMP review process included detailed evaluation of utility planning processes and evaluation metrics used to create the WMPs. Staff appreciates the utilities' collaborative approach to an evolving process and willingness to have open conversations about their Plans.

Staff kicked off the 2023 WMP review process with a public workshop on March 14. New this year were a series of workshops or 'deep dives' that allowed Staff the chance to probe deeper in seven different areas of the WMPs: Risk Analysis and Risk Drivers, including Asset Health; Risk Mitigation and Risk Spend Efficiency or other Valuation Methods; Inspection & Correction; Vegetation Management; System Hardening, including Technology Innovations; Situational Awareness & Operational Practices; and

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<sup>4</sup> These criteria were first presented to stakeholders in a workshop on January 31, 2022, prior to review of the 2022 WMPs. See <https://edocs.puc.state.or.us/efdocs/HAH/um2208hah113858.pdf>.

<sup>[1]</sup> <https://apps.puc.state.or.us/edockets/orders.asp?OrderNumber=21-440>.

<sup>[2]</sup> <https://apps.puc.state.or.us/edockets/orders.asp?OrderNumber=22-494>.

Community Engagement & Public Safety Protocols. Following each deep dive workshop, Staff prepared, and the utilities responded, subject-specific data requests about the WMPs.

Staff acknowledges that the data request process was substantial. Notably this is the first year Staff has had the opportunity to deeply review and understand utility planning processes and evaluation metrics in the context of wildfire planning. Staff hopes that this background knowledge will help streamline the process in future years. Further, many of Staff's requests focused on providing clear factual information regarding the risk mitigation effectiveness and costs of actions proposed in the WMP. This information is necessary to facilitate understanding of the utility's cost benefit analysis, required by OAR 860-0300-0020(1)(b), and to allow for data driven decisions to be made in the cost recovery process. Staff hopes that this information will form more of the primary content of WMPs in the future.

Finally, Staff provided stakeholders and the utilities an opportunity to provide public comments on the WMPs. At the utilities' request, Staff extended the comment period to May 31, 2023 to allow for comments on the IE report.

#### *Summary of Incorporation of 2022 Plan Recommendations*

In evaluating the 2023 plan's evolution, Staff reviewed the utility's integration of the recommendations made during the 2022 plan review. In certain cases, the 2022 recommendations were explicitly detailed, which allowed integration in the 2023 Plans to be directly evaluated. In other cases, the recommendations may have been minimally incorporated. These recommendations and their inclusion are contained in Attachment A. All Investor Owned Utilities (IOUs) made some modifications to their WMPs in response to IE and Staff recommendations, however they consistently fail to provide the underlying details which may have been part of the input to make changes, and as a result, Staff is unable to evaluate the objective measures which demonstrate growth of the utilities in the maturity of their WMPs; rather than words, Staff and stakeholders need to have visibility into the evidence of their evolving maturity, and Staff would welcome the opportunity to participate in joint IOU development work.

#### *Stakeholder Comments Related to Overall Plan*

Staff appreciates the time, effort, and insight provided in Stakeholder comments. Recommendations submitted in comments were considered in Staff's overall review, analysis, and recommendations for Pacific Power's WMP efforts for Commission consideration.

Staff received only one set of comments in UM 2207, from Pacific Power.<sup>5</sup> The Company's comments focus on the IE report, providing additional information and clarifications on its WMP. Staff acknowledges the desire of all three IOUs to have further discussions about the role of the IE Report in the WMP process and looks forward to leading those efforts.

*Plan Compliance Review and Recommendations by Section*

**OAR 860-300-0020 (1)(a)(A) & (B):**

Identified areas that are subject to a heightened risk of wildfire, including determinations for such conclusions, and are:

- (A) Within the service territory of the Public Utility, and
- (B) Outside the service territory of the Public Utility but within the Public Utility's right-of-way for generation and transmission assets.

**Staff Analysis:**

Pacific Power met this requirement by describing the approach it used to conduct its analyses to establish its Fire High Consequence Areas (FHCA) including support from a wildland fire consultant and risk assessment tools and techniques. Pacific Power utilizes methods developed through the California fire threat mapping process. Beginning in 2018, Pacific Power leveraged these experiences to establish its FHCA to inform long-term fire mitigation measures. Throughout its WMP, Pacific Power outlines its goals with wildfire mitigation, including reducing the likelihood of an ignition, reducing the intensity or risk of an ignition, rapidly responding when potential ignition events occur and complementing this approach with situational awareness. Like others in the industry, Pacific Power's approach to wildfire mitigation is evolving in response to changes in conditions and continual learning about effective approaches to mitigating wildfire risk. The Company may further adjust in response to rules or recommendations issued by the Commission.

In the 2023 WMP, Pacific Power identifies areas in Oregon that are designated as FHCA, however it removed its references to Public Safety Power Shutoff (PSPS) areas and asserts that it can utilize real-time analysis to monitor and designate areas across the state any of which may be best mitigated by PSPS. In response to this aspect of the plan, it is particularly important that Pacific Power clarify how it will evaluate and communicate seasonal (or near term) risk that could expose areas not previously identified as at risk of PSPS. Staff recommends Pacific Power develop seasonal outlooks to augment its annually-filed plan and share it with relevant Public Safety Partners (including ESF-12) consistent with its declaration that it could invoke a PSPS anywhere in the state in response to near term or seasonal conditions. Further, Staff

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<sup>5</sup> UM 2207, Comments from PAC, <https://edocs.puc.state.or.us/efdocs/HAC/um2207hac8443.pdf>.

recommends Pacific Power ensure tabletops and exercises have been done in potential PSPS risk areas, conveying the recently-identified risk.

Pacific Power analyzes locations in its service territory where a potential wildfire ignition would be most significant and using historic outage records addresses ignition risk from its assets. Pacific Power calculates risk as probability times consequence. Greater analysis should be conducted of specific equipment ignition risks supported by data, including that related to historic root cause analysis. In addition, Staff believes assets and their relative risks, based on fire risk designations, should be constructed using a common reporting structure across the IOUs.<sup>6</sup> Staff recommends the joint IOUs explore calibration of wildfire risk modeling methods to ensure that when and where overlaps occur, they are consistent, or explicable inconsistent, in their risk designation. Such designation and coordination across utilities may lend greater clarity for stakeholders and Staff to understand relative risks.

The IE provides its recommendations on ORS 860-0300-0020(1)(a)(A)&(B) in Subject Area 1 of the IE report.<sup>7</sup> Staff agrees with the IE's recommendation regarding the need to include details of the analysis that leads to identifying areas at high risk of wildfires. In addition, Staff recommends Pacific Power demonstrate how it integrates climate change models as the Company continues to evaluate its long term, mid-range, and short-term wildfire risk areas.

Staff Recommendations for Pacific Power's 2024 WMP:

- 1) Provide information on how Public Safety Partners in areas whose seasonal outlook could result in a PSPS are notified and communicated with throughout the risk period.
- 2) Provide explicit details of assets within and outside the FHCA, as well as those areas within and outside areas that are at risk of PSPS, based on the seasonal outlooks.
- 3) Detail any steps taken toward calibration of wildfire risk modeling methods to ensure that when and where overlaps occur, they are consistent, or explicable inconsistent, in their risk designation. Such designation and coordination across utilities may lend greater clarity for stakeholders and Staff to understand relative risks.
- 4) Provide details for incorporation of climate change modeling in establishing the FHCA.

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<sup>6</sup> Common reporting structure for assets and programs within Oregon and across the company (for MSPs) relating to equipment and risk zones identified (T&D, poles, etc.). Staff is open to reviewing a joint IOU proposal incorporating risk zones and equipment identified or leading a process to establish such a common reporting structure.

<sup>7</sup> See IE Report, p 9.

- 5) Provide historic root cause analysis supporting equipment ignition risk determinations.

**OAR 860-300-0020 (1)(b):**

Identified means of mitigating wildfire risk that reflects a reasonable balancing of mitigation costs with the resulting reduction of wildfire risk.

**Staff Analysis:**

Pacific Power met this requirement by describing the multiple activities it utilizes to reduce wildfire risk, how they reduce risk, and how the core principles guide their WMP investments. In its WMP, Pacific Power identifies various strategies and programs it utilizes to reduce fire risk. These strategies include situational awareness; enhanced monitoring and communication; training and preparedness; and operational strategies.

Pacific Power indicates that it has developed a method for fire incident tracking, which it asserts it will use to drive decisions core to wildfire mitigation measures. It anticipates that over time, the ignition probability values database can be refined to create more accurate risk projections. Staff appreciates this vision; however, Pacific Power did not demonstrate this history nor its use in evaluating ignition risks, targeting specific asset types, or optimizing investments. Staff recommends that Pacific Power demonstrate its fire incident tracking system and its use in data analytics for calculating risk spend efficiency. Further, Pacific Power should more explicitly detail how it accounts for information on wildfires that occurred in prior years.

Pacific Power discusses its plans for wildfire investment strategy, including expanding its use of data analytics, but provided no underlying ranking that it used to establish the current priorities of projects currently in the pipeline. Staff has two substantial concerns with the mitigation plans Pacific Power has outlined. First, in its 2022 plan Pacific Power outlined its plans to complete 650 miles of covered conductor over a five-year period, however, in this plan it indicates only 473 miles are now planned, and the Company only completed two miles in 2022. Given the substantial impact that PSPS has, particularly in areas having historic wildfire risk, this protracted period seems unacceptable for these communities. Further, Pacific Power has now identified that PSPS can happen anywhere in its territory, which further extends the likelihood of additional mitigation activities well beyond the originally suggested eight-year period. Considering the substantial investments in risk reduction measures that will be taken over the next years, Staff recommends Pacific Power facilitate risk spend efficiency investigation in collaboration with the other IOUs, Staff and relevant stakeholders. These could include stakeholders who participate in DSP, CEP, or other distribution-side activities. Further, Staff recommends this activity incorporate work undertaken by PGE in its quantification of risk spend efficiency, but broadly harmonize these efforts for

WMPs in the future, as well as other distribution investment efforts that might occur, such as associated with resiliency projects. Finally, without well- guided activity, efforts could be expended in wildfire mitigation that may be incongruous with resilience spend or other investments and could result in investments having either a shortened useful life, and potentially being deemed imprudent or unduly cost-burdensome.

Staff recommends Pacific Power work with other IOUs to develop a common framework for risk spend valuation that is extensible into other risk areas, including resilience,<sup>8</sup> DSP,<sup>9</sup> CEP,<sup>10</sup> and core investment activities. This methodology should explicitly calculate the risk buy-down that occurs with the investment and should be comparable against other risk mitigation measures. To the extent that the valuation includes non-monetary utility benefits, or non-utility monetary or non-monetary benefits, such as community benefit indicators (CBI) that were explored in UM 2225, they should be incorporated into the methodology. An objective methodology is critical both for OPUC Staff and the utilities. Given current methods often rely on “talking to experts,” there is a lot of room for doubt when evaluating spending decisions. While Staff recognizes the importance of experts and their role in establishing a course of action, it limits the ability of Staff and other stakeholders to objectively evaluate spending decisions and increases the risk of disallowance of recovery after the work has been completed since clear evidence to support its prudence may be unavailable. Staff recommends Pacific Power and other IOUs utilize the common framework to detail the projects and their priorities with their associated risk reduction values. To the extent that adjustments to priorities occur, the plan should be updated as this information is gained, and those actions are taken. Importantly, should areas be incorporated into Pacific Power’s FHCA, because of any risk modeling updates (such as planned for this year), they should be calibrated against the risk of the “legacy” projects and clearly organized for the newly established priorities.

Staff agrees with the IE’s recommendations for OAR 860-300-0020 (1)(b), Subject Area 2, that Pacific Power should include the details of the analysis comparing risk reduction activities and their costs, as well as providing a more detailed description for how they will be measured in their effectiveness.<sup>11</sup> Finally, Staff agrees with the IE that in future WMPs Pacific Power should provide information about wildfires that occurred within their service area in prior years.

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<sup>8</sup> See UM 2225 for exploration of resilience, including PNNL report at <https://apps.puc.state.or.us/edockets/edocs.asp?FileType=HAH&FileName=um2225hah113046.pdf&DocKetID=23160&numSequence=78> .

<sup>9</sup> See generally UM 2005.

<sup>10</sup> See generally UM 2225.

<sup>11</sup> See IE Report, p.10.



Staff Recommendations for Pacific Power's 2024 WMP:

- 6) Demonstrate the Company's ignition tracking database and processes and detail its enhancement roadmap and the role this information takes within its data analytics software and risk mitigation effectiveness estimations.
- 7) Provide program or project-level valuation for mitigations identified in the Company's WMP.
- 8) Detail progress made towards a uniform risk-spend valuation methodology.

**OAR 860-300-0020 (1)(c):**

Identified preventative actions and programs that the utility will carry out to minimize the risk of the utility's facilities causing wildfire.

Staff Analysis:

Pacific Power met this requirement by identifying preventative actions and programs that the utility will carry out to minimize the risk of the utility's facilities causing wildfire. The preventative programs implemented by Pacific Power enables the Company to set its priorities to minimize the wildfire risk. These activities include the line rebuild program, advanced system protection and control, and expulsion fuse replacement. These are augmented by situational awareness, wildfire risk modeling inspection and correction programs, vegetation management, and early fault detection technology. Pacific Power describes how each action minimizes the risk of utility facilities causing a wildfire, and in many cases provides graphics of work achieved to date. However, there is no detail to allow Staff or stakeholders to understand both short term progress against the year's plans, as well as long-term commitments to these actions and their individual or programmatic impact to wildfire risk reduction. Staff appreciates the program-level detail provided in Tables 28 and 29 and suggests with minor modifications this be considered a common reporting structure for each of the IOU's plans. Specifically, Staff believes there should be a comparison between the current plan versus the prior year plans. Staff believes all utilities should be planning capital investments multiple years out and communicating these decisions and their estimated value in wildfire risk reduction. Concurrently they should be cognizant of operations and maintenance costs of their proposed mitigation measures. Utilities should not be too reactive to short-term weather/precipitation patterns that would result in repeated changes to long-term hardening priorities and should generally "stay the course" given their current climate projections.

Staff agrees with the IE's recommendation, Subject Area 3, that Pacific Power should identify the preventative actions that were taken in prior year plans compared to the original plan and quantify the risk reduction produced for that work, both planned and

actual.<sup>12</sup> Further, Staff recommends minor modifications to better demonstrate how the plan has delivered and is evolving as updates occur to their WMPs.

Staff Recommendations for Pacific Power's 2024 Plan:

- 9) Provide planned and actual work completed and dollars planned and actually spent by program for the prior and future years, as well as associated estimations of risk reduction for the work completed, compared to their original estimations.
- 10) Provide a multiyear plan with project-level details for any near-term capital investments, with objective priorities identified and the estimated wildfire risk reduction for the project's selected mitigation method.

**OAR 860-300-0020 (1)(d):**

*Discussion of the outreach efforts to regional, state, and local entities, including municipalities, regarding a protocol for the de-energization of power lines and adjusting power system operations to mitigate wildfires, promote the safety of the public and first responders, and preserve health and communication infrastructure.*

Staff Analysis:

Pacific Power generally met this requirement by explaining its outreach efforts to regional, state, and local entities regarding de-energization of power lines.<sup>13</sup> The WMP includes, but is not limited to, an overview the criticality of the communication, a general list of the critical partners/entities, general description of the content of the outreach, cadence of outreach, and how the Company will support emergency alert efforts. In addition, the Company describes how it may support a community impacted by de-energization (i.e. through Community Resource Centers or CRCs).

Staff agrees with the IE, Subject Area 4, recommendations that Pacific Power should identify areas of the service territory that may be affected by a PSPS or modified power system operations.<sup>14</sup> However, to the extent that they believe anywhere in the service territory could be affected by a PSPS, Public Safety Partners supporting areas implicated in these seasonal outlooks should be apprised of the elevated seasonal risk and more directly involved in any preparatory workshops or tabletop exercises. These insights should also be incorporated into the Public Safety Partner Portal and other collateral which serves as interim updates for their situational awareness. Staff also believes further transparency about these conversations and actions taken because of

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<sup>12</sup> See IE Report, p.11.

<sup>13</sup> Pacific Power describes compliance with 1(d) beginning on page 103 under the heading 9. *Public Safety Partner Coordination Strategy* and subsection *Tabletop Exercises*, but it is also discussed in other sections of the Plan.

<sup>14</sup> See IE report, p.12.

them would be beneficial content to share as part of their Plan evolution. In addition, Staff believes that better coordination with Public Safety Partners, including ESF-12, would benefit Pacific Power and its customers as they continue to learn how best to become more resilient to wildfire impacts.

Staff Recommendations for Pacific Power's 2024 Plan:

- 11) Identify areas of the service territory that may be affected by a PSPS or modified power system operations, and should this be system-wide, develop a method for producing and communicating these seasonal outlooks to inform Public Safety Partners of the elevated risk of PSPS.
- 12) Evaluate additional CRC siting based upon the seasonal outlook and input from the relevant Public Safety Partners for those areas not historically considered at risk of PSPS.
- 13) Include as an appendix to its WMP a registry of Public Safety Partner events, identifying hosting organization, with feedback provided and actions taken because of the feedback.

***OAR 860-300-0020 (1)(e):***

*Identified protocol for the de-energization of power lines and adjusting of power system operation to mitigate wildfires, promote the safety of the public and first responders, and preserve health and communication infrastructure.*

Staff Analysis:

Pacific Power met the requirement to describe its PSPS protocol by explaining an overview of the stages of a PSPS event and the actions taken within each step. This includes what happens during a PSPS event, and the levels during a PSPS event, from a PSPS Watch through PSPS Restoration in its Plan.<sup>15</sup>

The plan includes an overview of actions leading up to a PSPS until power is restored, what is considered in the development of the actions, Company personnel and external resources involved in PSPS actions, the length of each PSPS stage or action, and known vulnerabilities to all who are impacted by and responding to a de-energization event is detailed in the Plan.

The Company is modifying some of its existing system operations for transmission lines and distribution circuits to mitigate wildfire risk. The operations include more frequently disabling distribution reclosers and employing modified relay settings and patrolling prior to line testing. Additionally Pacific Power has installed and is planning to continue to

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<sup>15</sup> In its 2023 WMP, Pacific Power describes its PSPS protocol under the headings Section 8. Public Safety Power Shutoff (PSPS) Program but the subject is also touched on in other sections of the plan.

install Communicating Fault Current Indicators (CFCIs) to better remotely pinpoint fault locations.

Staff agrees with the IE, Subject Area 5, that additional information regarding procedures used to re-energize lines after a PSPS event, in addition to more clearly explaining the evolution of its process based on findings of after-action investigations.<sup>16</sup> Staff shares the IE's concern that more information about the analysis used to make decisions for modifying operations during the fire season is needed. Staff recommends that Pacific Power continue to analyze and provide the results of analysis regarding operational modifications based upon "fire season" or other relevant elevated wildfire periods and make the information regarding these modifications more clearly known by Public Safety Partners and customers. Finally, Staff believes that IOUs and other electric operators should align on language to ensure that Public Safety Partners and the public generally understand the various operational modes which could impact their utility service reliability. These modes include utility practices such as "sensitive settings" and the likelihood of more prolonged sustained outages during extreme weather, in addition to immediate de-energization, in areas not explicitly identified as PSPS areas, as well as those within designated PSPS areas and receiving notification consistent with OARs.

Staff Recommendations for Pacific Power's 2024 Plan:

- 14) Provide information about the evolution of PSPS processes as lessons are learned.
- 15) Provide findings of analyses regarding operational modifications based upon "fire season" or other relevant elevated wildfire periods.
- 16) Provide updated language for Public Safety Partners and communities regarding modified operational practices, including "sensitive settings", PSPS, and other utility operational modes to mitigate wildfire risk.

***OAR 860-300-0020 (1)(f):***

*Identification of the community outreach and public awareness efforts that the utility will use before, during, and after a wildfire season.*

Staff Analysis:

Pacific Power met this requirement by describing their community outreach and public awareness efforts.<sup>17</sup> Pacific Power created the opportunity for both virtual and in person attendance and posted these sessions online. They further incorporated alternate languages, including Spanish and American Sign Language (ASL), to inform the

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<sup>16</sup> See IE report, p 14.

<sup>17</sup> Pacific Power described its community outreach to Public Safety Partners in Section 9 (beginning on Page 103) and to communities in Section 10 (beginning on page 110).

community more broadly. Finally, they provide attendance records and questions asked and answered during these forums.<sup>18</sup> It is important to note that these workshops were not well attended, from which Pacific Power might suggest that there was a lack of interest by the public. However, this may be in an incorrect conclusion, depending upon the level of coordination and involvement with partners, as well as communication and notification of these workshops to achieve higher attendance. Further, broadening the topic to wildfire safety generally, aligning with community activities, and inviting other Public Safety Partners could have yielded better outcomes for the customers and communities in achieving resilience to wildfire risks. To the extent possible, Staff recommends Pacific Power communicate and consider expanding its communication with local and state Public Safety Partners to apprise them of their wildfire community outreach methods before, during, and after wildfire season, consistent with their processes and experiences; where overlap of Public Safety Partners exist, Staff recommends the Company coordinate outreach among utilities.

Staff agrees with the IE recommendation, Subject Area 6, to continue to provide updated discussion regarding outreach strategy and learnings.<sup>19</sup> Further, Staff recommends that the IOUs consider coordinating community outreach (where overlap of Public Safety Partners may exist), aligning with community activities (such as Safety Fairs) and developing consistent methods for evaluating the effectiveness of their public outreach and their Public Safety Partner outreach and establish methods. Further, when results indicate modifications to outreach, these should be explicitly detailed in future WMPs. Finally, given that Pacific Power has indicated that PSPSs could occur anywhere in their service territory (whether in HFCA or not), specific designation regarding the effectiveness of outreach should distinguish whether the survey result relates to individuals within or outside the HFCA or not.

Staff Recommendations for Pacific Power's 2024 Plan:

- 17) Coordinate community outreach with partners, including ESF-12, and consider broadening the workshop to include relevant community safety topics, inviting Public Safety Partners regarding other topics appropriate to the community.
- 18) Detail methods for determining the effectiveness of customer outreach, distinguishing whether related to customers within or outside the HFCA, and describe any modifications made to outreach strategies as a result.

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<sup>18</sup> See Table 25, p. 116 and Table 26, p. 117.

<sup>19</sup> See IE Report, p. 16.

**OAR 860-300-0020 (1)(g):**

*Description of procedures, standards, and time frames that the Public Utility will use to inspect utility infrastructure in areas the Public Utility identified as heightened risk of wildfire.*

**Staff Analysis:**

Pacific Power met this requirement by providing description for the inspection activities and corrective measures in FHCAs and non-FHCAs. In its WMP, Pacific Power indicated that it is supplementing its existing overhead electric asset inspections and corrections program in the FHCAs by creating an energy release classification for specific Condition Codes, increasing inspection frequencies in the FHCAs, and reducing correction timeframes for fire threat conditions.<sup>20</sup>

Staff generally agrees with the IE assessment, Subject Area 7, regarding the inspection and correction program,<sup>21</sup> but further recommends that Pacific Power explore more explicitly the timing and frequency of incremental inspections beyond that outlined in its plan.<sup>22</sup>

**Staff Recommendations for Pacific Power's 2024 Plan:**

- 19) Provide cost analysis relating frequency of incremental inspections and correction timeframes using the described data analytics tools it is developing.
- 20) Demonstrate the use of its ignition tracking database and process to support its approach to ignition prevention inspections.

**OAR 860-300-0020 (1)(h):**

*Description of the procedures, standards, and timeframes that the utility will use to carryout vegetation management in areas it has identified as heightened risk of wildfire.*

**Staff Analysis:**

Pacific Power met this requirement by providing descriptions for the vegetation management activities and corrective measures in both FHCAs and non-HFCAs. Pacific Power provided information about vegetation inspection and trimming frequency protocols in both categories of transmission and distribution. Pacific Power provided description of vegetation management activities in wildfire risk areas, detailed by miles and structures of impacted distribution and transmission assets.

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<sup>20</sup> Pacific Power explains these conditions in Table 5 on Page 36.

<sup>21</sup> See IE Report, p. 16-17.

<sup>22</sup> See Pacific Power WMP, Tables 13-14, pg 48.

In its WMP, Pacific Power indicated that it is continuing its transition from a four-year vegetation inspection and trimming cycle to a three-year cycle. Additionally, Pacific Power has supplemented its existing vegetation management program in the FHCAs by completing annual vegetation inspections for all lines or portions of lines in the FHCAs; by increasing minimum post-work clearances to 12 feet of pruning for distribution circuits in the FHCAs. Additionally, it is implementing pole clearing that begins at the ground with a ten-foot radius cylinder up to eight feet vertically, for poles with equipment in the FHCA. Vegetation management focuses on maintaining minimum clearance between the utility infrastructure and the vegetation around those infrastructures. Pacific Power makes a distinction between the ways it approaches clearance specifications as they relate to distribution lines as opposed to transmission lines and provides tables that contain clearance information.

Staff agrees with the IE's recommendation, Subject Area 8, in which they advise that Pacific Power should provide further details regarding quality assurance/quality control work completed for both FHCA and non-FHCA, in addition to greater details regarding vegetation metrics beyond circuit miles treated, as well as the explaining how ignition tracking processes inform the program design.<sup>23</sup> In addition, as the risk spend efficiency work is completed, Staff recommends inclusion of vegetation management costs and benefits be integrated into that analysis.

Staff Recommendations for Pacific Power's 2024 Plan:

- 21) Staff recommends Pacific Power utilize the previously recommended risk spend efficiency methodology to determine the risk reduction that enhanced vegetation management delivers to customers.
- 22) Staff recommends that root cause analysis for vegetation-related risks be conducted to support the determination of how vegetation management is employed, including any analysis of historic events relating to power lines, specific equipment type, vegetation and wildfires.
- 23) Staff recommends that Pacific Power demonstrate its use of its ignition tracking database and process to evaluate the logic of its programmatic decisions for vegetation management in FHCAs and outside FHCAs.

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<sup>23</sup> See IE Report, p.19.

**OAR 860-300-0020 (1)(i):**

*Identification of the development, implementation, and administrative costs for the plan, which includes discussion of risk-based cost and benefit analysis, including consideration of technologies that offer co-benefits to the utility's system.*

**Staff Analysis:**

Pacific Power met the requirement of this rule by providing a description of costs as well as tables that show the predicted budgets over a five-year period. Consistent with last year's WMP, there is little discussion about the cost and benefit analysis, and only recognition that data analytics are intended to fulfill this gap in their process. For this reason, Staff believes the Company fell short of the intent of the rule and in its recommendations provides guidance to overcome this gap. The Company provided a detailed matrix of investments it plans to make over a five-year horizon. It discussed potential co-benefits of investments and opined on examples of the benefits of planned investments. The Company discussed investments that appear obvious for reducing risk of ignitions and outages but doesn't mention options or provide the crucial risk-based cost benefit analysis. The Company could have provided examples of potential solutions with cost and benefit to demonstrate that Pacific Power is making the best choices for ratepayers. Ideally, this would be tied to best practices and innovative options identified participating in activities described in OAR 860-300-0020 (1)(j) or research performed by the company itself.

Staff agrees with the IE recommendation, Subject Area 9, that Pacific Power should detail program and project costs and benefits and outline how these priorities and the related risk reduction are quantified consistent with industry best practices.<sup>24</sup> Staff also recognizes the substantial development of this subject area in House Bill 2021, relating to Clean Energy Plans and the investigation conducted at the direction of the legislature in UM 2225 regarding resilience and community benefit indicators.

**Staff Recommendations for Pacific Power's 2024 Plan:**

- 24) Include a summary of the quantitative analysis used in the choice and prioritization of specific solutions and investments.
- 25) Outline how solutions providing co-benefits have been considered in its investment strategies.
- 26) Discuss the impact of participation in expert forums on identification of solutions most likely to provide the benefits anticipated. This should include:
  - a. Cited research, reports, and studies used in any analysis, unless the source is confidential.

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<sup>24</sup> See IE Report, p.20.



- b. How the factors unique to the Company's facilities and service territory were used when considering the applicability of specific options to its systems.

**OAR 860-300-0020 (1)(j):**

*Description of participation in national and international forums, including workshops identified in section 2, chapter 592, Oregon Law 2021, as well as research and analysis the utility has undertaken to maintain expertise in leading edge technologies and operational practices, as well as how such technologies and operational practices have been used to develop and implement cost effective wildfire mitigation solutions.*

**Staff Analysis:**

Pacific Power met the requirement of this rule by explaining its engagement in industry collaboration.<sup>25</sup> However, consistent with the IE recommendation, Subject Area 10, Staff believes more specific details, including general knowledge sharing as well as specific information obtained from industry forums would be advisable.<sup>26</sup> Staff believes the evolution of these plans, the valuation methods, the underlying equipment, and the practices employed by utilities is at a very rich state of growth and anticipates that if shared broadly, they would benefit a variety of stakeholders in understanding the demonstrable improvements the utilities are making. Further, Staff believes there is an opportunity to leverage processes which others have deployed relating to technology vision and maturity of the vision, using a maturity model. Staff believes the utilities may be at a point in their evolution to articulate the expected journey through the development of a maturity model, similar to the model developed by the CPUC's Wildfire Safety Division (WSD).<sup>27</sup> Such clarity of vision would be helpful for stakeholders and regulators to gauge performance of the utilities in the future.

**Staff Recommendations for Pacific Power's 2024 Plan:**

- 27) In Recommendation 26, Staff recognized certain of the industry learnings were likely related to risk valuation, however directly responsive to the broader research and development and industry participation, Staff recommends Pacific Power provide specifics on program changes made in response to learnings from industry forums, as well as greater detail of who from the company participates and in what roles they function in various industry forums.
- 28) Staff recommends Pacific Power and joint utilities evaluate the CPUC WSD maturity model and develop an Oregon IOU rubric as part of their 2024 WMPs;

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<sup>25</sup> See Pacific Power WMP Section 11, pg 126-127.

<sup>26</sup> See IE Report, p.22.

<sup>27</sup> <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M322/K150/322150488.PDF>.

Staff would welcome the opportunity to participate in such a collaborative work effort.

***OAR 860-300-0020 (1)(k):***

*Description of ignition inspection programs, as described in Division 24 of these rules, including how the utility will determine, and instruct its inspectors to determine conditions that could pose an ignition risk on its own equipment and pole attachments.*

**Staff Analysis:**

Pacific Power met the requirement of this rule. Staff further agrees with the IE's recommendation, Subject Area 11, that further information regarding procedures and standards relating to ignition inspections would be helpful.<sup>28</sup> As a further recommendation, Staff believes summarization of root cause analyses of ignitions reported should be used to explain how the inspection program changes are further dialed in.

**Staff Recommendations for Pacific Power's 2024 Plan:**

- 29) Staff recommends Pacific Power demonstrate the use of its ignition tracking database and process to perform root cause analyses which led to any ignition inspection program changes.

**Conclusion**

As expressed in 2022, Staff considers WMPs to be living documents that demonstrate where the companies are in their evolution, on a journey, rather than a specific destination. Because of this journey, it is important that they be the best representation of where the company is heading, but also provide mile markers for where they are and which mile posts they have already passed. Therefore, clearly identifying what data or experiences led to adoption of a certain process, technology, or strategy is of critical value to all readers of the plan. To explain further, Staff finds it important to instill the collaborative and transparent nature in developing WMPs to support the shared growth among utilities, stakeholders, and regulators, and found the hesitancy and dismissal of Staff requests for decision-supporting details to be divisive and disruptive, which led Staff to feel that the utilities may have seen Plans as rhetoric over substance which then serve as a "check the box" activity rather than a detailed exploration demonstrating the logic of their decisions. Staff finds this tone uncomfortable for people in high fire wildfire risk areas, but also for utility customers who will bear the costs of these plans. It is clear those risks are substantial, and as we see from fire season every year, very real from the rate cases and the AAC's that the utilities have filed. We've seen that utilities are asking for very large quantities of funds to address these risks, but without appropriate

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<sup>28</sup> See IE Report, page 22.

information being provided in the wildfire mitigation plans, Staff is unable to assess whether the measures the utility is taking actually address the risk or are economically justifiable. Nevertheless, the utility is asking for customers to pay for all these measures, even at a time where the general economic situation is making utility cost affordability for customers tenuous and problematic, as we've seen expressed in multiple rate cases.

Staff's concluding summary of its evaluation of Pacific Power's 2023 WMP includes summarized recommendations from the analysis above that include certain actions and additional requirements for inclusion in the Company's 2024 WMP for Commission consideration.

Staff recommends approval of Pacific Power's 2023 WMP. Staff provides its observation on modifications to be included in Pacific Power's next WMP and includes them in Attachment A.

**PROPOSED COMMISSION MOTION:**

Approve Pacific Power's 2023 Wildfire Mitigation Plan and incorporate Staff's recommendations in its 2024 Plan.

Staff Recommendations for Pacific Power's 2024 WMP:

- 1) Provide information on how Public Safety Partners in areas whose seasonal outlook could result in a PSPS are notified and communicated with throughout the risk period.
- 2) Provide explicit details of assets within and outside the FHCA, as well as those areas within and outside areas that are at risk of PSPS, based on the seasonal outlooks.
- 3) Detail any steps taken toward calibration of wildfire risk modeling methods to ensure that when and where overlaps occur, they are consistent, or explicably inconsistent, in their risk designation. Such designation and coordination across utilities may lend greater clarity for stakeholders and Staff to understand relative risks.
- 4) Provide details for incorporation of climate change modeling in establishing the FHCA.
- 5) Provide historic root cause analysis supporting equipment ignition risk determinations.
- 6) Demonstrate the Company's ignition tracking database and processes and detail its enhancement roadmap and the role this information takes within its data analytics software and risk mitigation effectiveness estimations.
- 7) Provide program or project-level valuation for mitigations identified in the Company's WMP.
- 8) Detail progress made towards a uniform risk-spend valuation methodology.
- 9) Provide planned and actual work completed and dollars planned and actually spent by program for the prior and future years, as well as associated estimations of risk reduction for the work completed, compared to their original estimations.
- 10) Provide a multiyear plan with project-level details for any near-term capital investments, with objective priorities identified and the estimated wildfire risk reduction for the project's selected mitigation method.
- 11) Identify areas of the service territory that may be affected by a PSPS or modified power system operations, and should this be system-wide, develop a method for producing and communicating these seasonal outlooks to inform Public Safety Partners of the elevated risk of PSPS.
- 12) Evaluate additional CRC siting based upon the seasonal outlook and input from the relevant Public Safety Partners for those areas not historically considered at risk of PSPS.
- 13) Include as an appendix to its WMP a registry of Public Safety Partner events, identifying hosting organization, with feedback provided and actions taken because of the feedback.
- 14) Provide information about the evolution of PSPS processes as lessons are learned.
- 15) Provide findings of analyses regarding operational modifications based upon "fire season" or other relevant elevated wildfire periods.

- 16) Provide updated language for Public Safety Partners and communities regarding modified operational practices, including “sensitive settings”, PSPS, and other utility operational modes to mitigate wildfire risk.
- 17) Coordinate community outreach with partners, including ESF-12, and consider broadening the workshop to include relevant community safety topics, inviting Public Safety Partners regarding other topics appropriate to the community.
- 18) Detail methods for determining the effectiveness of customer outreach, distinguishing whether related to customers within or outside the HFCA, and describe any modifications made to outreach strategies as a result.
- 19) Provide cost analysis relating frequency of incremental inspections and correction timeframes using the described data analytics tools it is developing.
- 20) Demonstrate the use of its ignition tracking database and process to support its approach to ignition prevention inspections.
- 21) Staff recommends Pacific Power utilize the previously recommended risk spend efficiency methodology to determine the risk reduction that enhanced vegetation management delivers to customers.
- 22) Staff recommends that root cause analysis for vegetation-related risks be conducted to support the determination of how vegetation management is employed, including any analysis of historic events relating to power lines, specific equipment type, vegetation and wildfires.
- 23) Staff recommends that Pacific Power demonstrate its use of its ignition tracking database and process to evaluate the logic of its programmatic decisions for vegetation management in FHCAs and outside FHCAs.
- 24) Include a summary of the quantitative analysis used in the choice and prioritization of specific solutions and investments.
- 25) Outline how solutions providing co-benefits have been considered in its investment strategies.
- 26) Discuss the impact of participation in expert forums on identification of solutions most likely to provide the benefits anticipated. This should include:
  - a. Cited research, reports, and studies used in any analysis, unless the source is confidential.
  - b. How the factors unique to the Company's facilities and service territory were used when considering the applicability of specific options to its systems.
- 27) In Recommendation 26, Staff recognized certain of the industry learnings were likely related to risk valuation, however directly responsive to the broader research and development and industry participation, Staff recommends Pacific Power provide specifics on program changes made in response to learnings from industry forums, as well as greater detail of who from the company participates and in what roles they function in various industry forums.
- 28) Staff recommends Pacific Power and joint utilities evaluate the CPUC WSD maturity model and develop an Oregon IOU rubric as part of their 2024 WMPs;

Staff would welcome the opportunity to participate in such a collaborative work effort.

- 29) Staff recommends Pacific Power demonstrate the use of its ignition tracking database and process to perform root cause analyses which led to any ignition inspection program changes.