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March 11, 2022

Via Electronic Filing

Public Utility Commission of Oregon
Attention: Filing Center
P.O. Box 1088
Salem, OR 97308-1088

RE: UM 2208 – Portland General Electric Company’s Wildfire Protection Plan

Dear Filing Center,

Portland General Electric Company (“PGE”) appreciates the opportunity to comment on the draft Independent Evaluator (“IE”) report of PGE’s 2022 Wildfire Mitigation Plan (“WMP”) prepared by Bureau Veritas. PGE values the experience and expertise that the IE has developed from reviewing wildfire mitigation plans in other states and will consider the IE’s recommendations in future WMPs.

On November 30, 2021 in Order No. 20-440, the Public Utility Commission of Oregon (“Commission” or “OPUC”) adopted rules to govern wildfire mitigation plans as required by Senate Bill 762 (2021). Specifically, in its Order the Commission adopted Oregon Administrative Rule (OAR) 860-300-0001 through 860-300-0004, with OAR 860-300-0002 being Wildfire Protection Plan Filing Requirements. It is these rules the IE and the Commission should use to evaluate the 2022 WMPs of each Oregon investor-owned utility (“IOU”).

While the rules adopted by the Commission are interim permanent rules, final permanent rules continue to be developed in AR 638 with adoption expected in mid-2022. As a result, the rules adopted in AR 648 will likely only apply to the IOU WMPs filed in December 2021 for the 2022 fire season.

The IE’s review of PGE’s 2022 WMP, as reflected in its draft IE report, applies requirements that go beyond the rules adopted by the Commission. Those IE “requirements” should not be used to evaluate PGE’s, or any other’s 2022 WMP compliance. By including supplementary compliance metrics that were

not known to PGE prior to the submission of our WMP nor discussed in the AR 648 docket, the IE is establishing a precedent that additional requirements can be unilaterally imposed outside of the rulemaking process.

The IE's draft report includes seven instances where its assessment is that PGE's WMP requirements were "substantially met". PGE believes that its 2022 WMP "met" all of the requirements set forth by the Commission's rules and that the IE's requirements in areas noted as "substantially met" exceed what is required by the applicable OARs. These additional review requirements reflect the IE's expectation of demonstrated compliance or recommendations for continuous improvement rather than the rule requirements themselves. Below is a discussion of each of the seven "substantially met" requirements.

Subject Area 4: PSPS events

OAR 860-300-0002 (1)(d): Demonstration of 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 wildfire, promote the safety of the public and first responders and preserve health and communication infrastructure.

IE's Interpretation of Demonstrated Compliance (4.2): *Provide a list of specific regional, state, and local entities, including municipalities, who have been reached out to, when are they reached out to, who will be reached out to, and the results of the outreach. Provide detail of topics covered, and input from agencies that have impacted utility wildfire risk reduction planned activities.*

IE Recommendation:

The IE recommends that for future WMPs PGE provide more detail regarding results of Public Safety Partner outreach and how input received has influenced the WMP. Information collected in After Action Reports of exercises or events should be narrated in the WMP, and the obtained

feedback points should depict how the lessons learned have influenced or confirmed assumptions in the plan.

Due to commentary from Emergency Managers (EM) and staff interviews, operational meetings, exercises, and coordination meetings must occur timely and planning these efforts should be made prior to the upcoming fire season and that notification of these meetings be sent to the stakeholders weeks in advance to ensure attendance. The WMP should illustrate the time of the year that these meetings are planned. Coordination or planning meetings should occur pre, during and post events. Timelines should be demonstrated in the WMP to provide deadlines when the subject meetings or communications will occur.

PGE response:

The IE's expectation that PGE "[p]rovide a list of specific regional, state, and local entities, including municipalities, **who have been reached out to, when are they reached out to,** who will be reached out to, and the **results of the outreach.** Provide detail of topics covered, and input from agencies that have impacted utility wildfire risk reduction planned activities" in the WMP is unfounded. [Emphasis added]. PGE is developing an outreach plan that includes the components identified by the IE for implementation prior to the 2022 fire season; however, this process is not yet complete. Completion of the outreach prior to the submission of the WMP is not required by the rules adopted by the Commission on November 30, 2021, and the IE's expectation constitutes an expansion of what was required to take place prior to our filing of the 2022 WMP in December of 2021.

Subject Area 5: De-energization of power lines

OAR 860-300-0002(1)(e): Identified protocol for the de-energization of power lines and adjusting of power system operations to mitigate wildfires, promote the safety of the public and first responders and preserve health and communication infrastructure.

IE's Interpretation of Demonstrated Compliance (5.3): *Description of adjusted power system operations to mitigate wildfire, and description of operations in non-wildfire threat conditions. Include details of: information used, and analysis completed before adjusting operations, utility staff involved with adjusting operations, reasoning/logic to specific operational choices.*

IE Recommendation:

The IE recommends that for future WMPs PGE include details of the individual positions and departments included in the Corporate Incident Management Team (CIMT) during PSPS events and their roles and responsibilities.

The IE also recommends that for future WMPs PGE include more information about the analysis completed to make their programmatic decisions of modifying system operations, such as limiting reclosing to one attempt during fire season, and no reclosing on Red Flag Warning days. Without specific information included in the WMP, it is difficult to measure successes and procedure adjustments in future WMPs.

PGE response:

PGE takes the reasonable interpretation of the word “protocol” which is to provide an overview of the de-energization process. Nothing in the Commission adopted rule requires inclusion of positions and departments in CIMT during PSPS events, or the operational decision-making process for Red Flag Warning Days, let alone details about the individual positions or their roles and responsibilities. PGE believes that it has provided the “protocol” for de-energizations.

Subject Area 7: Infrastructure Inspections

OAR 860-300-0002(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.

IE's Interpretation of Demonstrated Compliance (7.3): *Description of inspection activities in wildfire risk areas, detailed by miles and structures of impacted distribution and transmission assets, inspection types and methods, frequency, infraction categorization, infraction protocol.*

IE Recommendation:

The IE recommends that for future WMPs PGE clearly identify inspection and correction procedures for distribution assets, for non-wildfire risk zones and HRFZs, along with the impacted line-miles and structure counts for transmission and distribution assets in HRFZs.

The IE also recommends that for future WMPs PGE clarify if the enhanced inspection and correction protocols are planned only for the WMP year, or if they are forecasted to expand beyond the plan year.

PGE response:

The IE's interpretation of demonstrated compliance exceeds the adopted Commission rule. In its 2022 WMP, PGE has "met" the requirements in 860-300-0002(1)(g) as outlined in "Section 8. Asset Management and Inspections" which includes a description of PGE's routine inspections and maintenance efforts for all assets as well as enhanced FITNESS and correction approach for wildfire areas which meets the requirements for *identified as heightened risk of wildfire* areas. Furthermore, the IE's recommendation that OAR 860-300-0002(1)(g) requires inspection details of non-HRFZs is clearly outside the bounds of (1)(g).

Subject Area 8: Vegetation Management

OAR 860-300-0002(1)(h): Description of the procedures, standards, and time frames that the Public Utility will use to carry out vegetation management in areas the Public Utility identified as heightened risk of wildfire.

IE's Interpretation of Demonstrated Compliance (8.2): *Description of vegetation management activities in wildfire risk areas, detailed by miles and structures of impacted distribution and transmission assets, trimming, and clearing protocol and frequency, inspections, QA/QC program (separated clearly between distribution and transmission activities).*

IE's Interpretation of Demonstrated Compliance (8.3): *Explanation of logic/reasoning in selected vegetation management practices in wildfire risk areas.*

IE Recommendation:

The IE recommends that for future WMPs PGE provide any analysis of historical events pertaining to PGE's power lines, specific equipment type, vegetation and wildfires be provided that informed the program's design and its success factors, as well as logic and details of analysis completed for their programming decisions in HRFZs regarding vegetation management practices and protocols. The IE also recommends that for future WMPs PGE provide the impacted line-miles and structure counts for transmission and distribution assets that are included in the AWRR program.

PGE response:

Again, OAR 860-300-0002(1)(h) does not include the IE's subset "Expectation of Demonstrated Compliance" included in Description No. 8.2 or 8.3. In addition, even if the recommendation were a requirement in the rules, PGE's WMP "met" this recommendation. Historical analysis of events is not required by the rule; however, it should be noted that risk assessment/analysis is utilized to inform the mitigation efforts in the WMP which includes vegetation management. In addition, the inclusion of impacted line miles is not an explicit requirement of (1)(h) but will be considered for future versions of the WMP. Ultimately, PGE's WMP has "met" the requirements of 860-300-0002(1)(h).

Subject Area 8: Program Costs

OAR 860-300-0002(1)(i): Identification of the development, implementation, and administrative costs for the plan, which includes a discussion of risk-based cost and benefit analysis, including consideration of technologies that offer co-benefits to the utility's system.

IE's Interpretation of Demonstrated Compliance (9.2): *Two detailed tables, one for capital costs and one for expense (O&M) costs, with annual costs for each plan activity, and a forecast of costs for the activities described in the plan that are anticipated to go beyond 2022.*

IE's Interpretation of Demonstrated Compliance (9.3): *Summary discussion of decision making process on planned expenditures, based on risk-based cost and benefit analysis, and co-benefits to the utility's system.*

IE Recommendation:

The IE recommends that for future WMPs PGE provide details of the cost-benefit analysis completed to support decisions of program strategy and scale. The programs are consistent with emerging industry best practices, however, there is little information provided of the cost-benefit assessments that were made to make budgeting decisions, and if any initial budgets were modified based on cost-benefit analysis completed.

The IE also recommends that for future WMPs PGE provide program level forecasted costs, for the WMP year, as well as a forecast of costs at minimum three years out.

PGE response:

The metric against which the IE evaluated PGE's WMP is for "[t]wo detailed tables, one for capital costs and one for expense (O&M) costs, with annual costs for each plan activity, and a **forecast of costs for the activities described in the plan that are anticipated to go beyond 2022**" is not included

in the Commission approved rules. [Emphasis added]. Similarly, the recommendation for at least three years of program costs is also not required by the rules.

Regarding cost/benefit analysis, as stated in its WMP, whenever possible PGE applies its asset risk methodology to assess the cost/benefit of proactive asset replacement during planned improvement/maintenance activities on other nearby assets. PGE prioritizes capital investments and maintenance activities that provide multiple benefits (i.e., co-benefits) to the system including minimizing outage duration, asset survival and other impacts to infrastructure beyond wildfire mitigation. This multi-dimensional view allows PGE to achieve the best-value risk reduction per dollar of investment. PGE's risk-based cost and benefit analysis connects the many components of PGE's wildfire risk management strategy, from system hardening to vegetation management to situational awareness. The comparative risk mitigation value of these actions can be measured using the ISO-31000 framework, allowing PGE to make investment prioritization decisions that deliver the most mitigation value to customers and the region.

To reiterate, WMPs should be evaluated against the actual rules in effect, and not the "Expectation of Demonstrated Compliance" that the IE appears to be imposing.

Consideration of IE Recommendations in Future WMPs

A previously stated, PGE will consider all recommendations and suggestions on how to improve future WMPs. We also think it is important to comment on some of the IE's recommendation on separating costs into O&M and capital tables for future WMPs. This recommendation seems reasonable if itemization is kept at a reasonably high level. The more detailed the budget, the less likely that the budget will match actual costs as PGE adapts its plan to accommodate conditions on the ground and improved understanding of risks and appropriate mitigation measures during any given WMP plan year.

PGE is committed to mitigating risk of ignition from utility facilities for the long term and will continue to fund wildfire mitigation efforts going forward. However, the IE's recommendation to include at least three years of wildfire mitigation budgets in future WMPs is not a requirement. The rapidly

evolving wildfire environment in which PGE operates makes forecasting WMP budgets multiple years in the future challenging; the forecasts will either prove inaccurate or will unduly restrict PGE's ability to modify WMPs if held to the projections.

Another IE recommendation for future WMPs is that “[f]urther information should be included that identifies the conditions that drive the activation of Community Resource Centers (CRC) and how the placement of the Community Resource Centers is determined.” Subject Area 6 860-300-0002 (1)(f) requires: “Identification of the community outreach and public awareness efforts that the Public Utility will use before, during, and after a wildfire season.” The rule is silent on CRCs. Further, the conditions that lead to activation of a CRC may vary substantially from event to event and evolve over time. Similarly, the factors considered on where to place the CRC may vary. With that said, CRCs are a tool that we utilize to support the community if a PSPS event is activated, and we have worked with local community leaders and emergency managers on this strategy. It is also very clear that this strategy is not a requirement of (1)(f).

Conclusion:

PGE reiterates its commitment to wildfire mitigation efforts that protect the safety of the public, increase our system's resiliency to wildfire damage, and reduce the risk of utility facilities causing a wildfire. This is important work, and PGE recognizes that electric utilities are one of the many critical partners needed for the state to be successful in its pursuit of holistic and effective wildfire risk mitigation efforts. PGE is committed to continually improving its wildfire mitigation program and will consider *all* recommendations from the IE, Staff, and other parties when developing future WMPs. However, PGE's 2022 Wildfire Mitigation Plan should be reviewed for compliance against the *existing* rules. PGE recommends that for its final report, the IE strictly review the WMPs for compliance with the existing wildfire mitigation rules adopted by the Commission in AR 648 (Order 20-440). PGE appreciates that the IE took a broader, beyond Oregon view of potential ways to improve future WMPs and would welcome

the inclusion of their recommendations for future WMPs in a section of the report separate from the compliance review.

Again, PGE appreciates all the recommendations provided by the IE, some of which we have addressed here, but in all cases, PGE feels that the recommendations are beyond the current Commission adopted WMP rule requirements.

Sincerely,

/s/ WM Messner

William M. Messner, Esq.
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Portland General Electric Company