

June 8, 2023

***VIA ELECTRONIC FILING***

Public Utility Commission of Oregon  
Attn: Filing Center  
201 High Street SE, Suite 100  
Salem, OR 97301-3398

**RE: UM 2207—PacifiCorp’s Reply Comments to the Staff’s Public Meeting Memo**

**I. Introduction**

PacifiCorp d/b/a Pacific Power (Pacific Power or the Company) respectfully submits these comments to the Public Utility Commission of Oregon (Commission) regarding Staff’s Public Meeting Memo (Memo) published June 6, 2023, which contains Staff’s evaluation of Pacific Power’s 2023 Wildfire Mitigation Plan (WMP), recommendations for future plans, and a recommended motion to approve.

Pacific Power appreciates Staff’s thorough review, the Independent Evaluator’s (IE) efforts, the formal recommendation for approval, and the conclusion that the Company’s 2023 WMP met the statutory and regulatory requirements. The comprehensive nature of Staff’s and the IE’s recommendations for future plans are an important part of an iterative process to continuously improve the Company’s wildfire mitigation activities. The overriding purpose of the WMP is to guide Pacific Power’s wildfire mitigation strategies in Oregon, and Pacific Power values feedback which helps inform and improve its WMP with each iteration. While Pacific Power supports Staff’s overall recommendation and stands ready to consider and implement Staff’s recommendations, the Company recommends clarification and/or modification of two recommendations identified below. Additionally, Pacific Power disagrees with Staff’s conclusion, specifically addressed later in these comments.

**II. Background**

Pacific Power’s 2023 Wildfire Mitigation Plan (WMP) was filed on December 29, 2022, consistent with Oregon law and the regulations adopted by the Commission.<sup>1</sup> On March 14, 2023, PacifiCorp presented an overview of its 2023 WMP to Staff, the IE, stakeholders, and the public to initiate evaluation of the plan. At Staff’s request, PacifiCorp, also presented and participated in six “deep dive” workshops between March 24, 2023, to May 2, 2023, that allowed Staff the chance to review, in more detail, seven plan elements including risk assessment and drivers, risk mitigation and valuation methods, asset management, vegetation management, system hardening, situational awareness and operational protocols, and community engagement

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<sup>1</sup> See ORS §757.963; OAR §860-300-0020 et. seq.

and PSPS protocols. Following each “deep dive” Pacific Power responded to data requests prepared by Staff and the last set of responses were submitted on May 11, 2023.

The IE report, filed on May 23, 2023, found that Pacific Power’s WMP “Met” or “Substantially Met” the IE’s “Expectation of Demonstrated Compliance” on all 30 individual descriptions items in the IE Report.<sup>2</sup> Additionally, the IE report highlighted Pacific Power’s clear year-over-year improvement and good momentum, concluding that Pacific Power had made changes to its WMP to demonstrate efforts to reduce fire risks as required by Commission rules and proven to have taken a good step forward in their WMP process and philosophies while understanding there is always room for improvement. Staff’s Memo published June 6, 2023, contains Staff’s final evaluation of Pacific Power’s 2023 WMP, including incorporation of the IE report recommendations, and outlines twenty-nine formal recommendations for consideration in Pacific Power’s 2024 WMP.

### III. Comments on Staff’s Recommendations

*Staff Recommendation #8: Detail progress made towards a uniform risk-spend valuation methodology.*

Suggested Revision to Staff Recommendation #8: *Detail progress made towards a ~~uniform~~ wildfire risk-spend valuation methodology.*

Pacific Power agrees with Staff’s recommendation to detail progress toward a risk-spend valuation methodology in its 2024 WMP but stresses the risk-spend valuation should be specific to wildfire mitigation and individual utility. The Company recognizes the importance of advancing risk-spend valuation methodologies to inform prioritization of projects, program effectiveness, and continuous improvement over time to mitigate the risk of wildfire. To this end, Pacific Power has invested in Technosylva’s Wildfire Analyst Enterprise (WFA-E) software,<sup>3</sup> a commercially available and industry recognized wildfire risk modeling software suite currently used by the California Department of Forestry and Fire Protection (Cal Fire) and many of the electric utilities in California.<sup>4</sup> Specific to wildfire risk spend valuation, this modeling software suite includes the Wildfire Risk Reduction Model (WRRM), which was built on the quantitative risk model developed by San Diego Gas and Electric (SDG&E) and Technosylva to provide a comprehensive approach to assessing wildfire impacts by including locational risk and potential fire behavior in addition to utility supplied data. Once operational, PacifiCorp will leverage WRRM to assess risk and inform long-term investments such as system hardening and deployment of

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<sup>2</sup> *In the Matter of PacifiCorp d/b/a Pacific Power, Wildfire Protection Plan*, Docket No.UM 2207, Updated Independent Evaluator Report on Wildfire Mitigation Plan Compliance (updated Jun. 5, 2023).

<sup>3</sup> Pacific Power chose to implement WRRM based on Technosylva’s experience with other West Coast utilities and their partnership with experts in wildfire and fire data science Technosylva has in-house fire and data scientists, and partners with key providers in fire planning, advanced data modeling, wildland fire research and development to enhance the models used in their software. Technosylva has also published studies in scientific journals and wildfire industry publications.

<sup>4</sup> *In the Matter of PacifiCorp d/b/a Pacific Power, Wildfire Protection Plan*, Docket No.UM 2207, 2023 Wildfire Mitigation Plan at 25 (Dec. 29, 2022).

covered conductor. Pacific Power is also investing in an advanced data analytics tool patterned after similar tools developed and in use by many of the large investor-owned utilities (IOUs) in California to complement WFA-E and evaluate the overall effectiveness of mitigation programs, validate risk modeling assumptions and outputs, and enable Risk-Spend Efficiency (RSE) calculations.<sup>5</sup>

Pacific Power has made great progress toward procuring and implementing these tools that build upon years of experience and utility best practices in California to model and evaluate wildfire risk and program effectiveness. Pivoting now to a different, Oregon specific, uniform methodology will stall progress, erode value already achieved, and increase overall costs. Pausing the existing work will also limit Pacific Power's ability to advance its risk-spend valuation capabilities and provide Staff the additional data requested to evaluate future plans. For these reasons, Pacific Power has suggested edits described above to Staff Recommendation #8.

*Staff Recommendation #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 WPMs.*

Pacific Power emphasizes its dedication to continuous improvement to mitigate the risk of wildfire. As stated above, the overriding purpose of the WMP is to guide Pacific Power's wildfire mitigation strategies in Oregon and Pacific Power is committed to evolving its plan as new information is learned or new analysis, technologies, practices, and environmental factors change. Pacific Power is able to draw upon the experience with the California Public Utilities Commission and the WMP planning and evaluation process, including the maturity model referenced to support the development of an Oregon rubric. Pacific Power does not oppose Staff recommendation #28. Pacific Power believes that its specific experience in California can be leveraged to guide and incorporate improvements into an Oregon version of the maturity model and looks forward to working with Idaho Power Company and Portland General Electric to move the conversation forward.

#### **IV. Pacific Power's Commitment to the Wildfire Mitigation Plan Process**

Pacific Power stresses that WMP development and implementation is a central and critical exercise for the Company. The risk of wildfire and potential impacts posed to customers, the state of Oregon, and the financial health of the Company cannot be understated. Pacific Power is committed to the development and timely implementation of WMPs that consider the impact on Oregon customers and Oregon communities, as part of the overall imperative to provide safe, reliable, and affordable electric service. In light of the Company's approach, Pacific Power is confused with certain statements in Staff's conclusion.

Pacific Power is prudently investing to implement the programs and projects outlined in its WMP. While the WMP itself may be structured to facilitate review and evaluation consistent with statutes, regulatory requirements, and the checklist style framework developed by the IE, the programs, projects, and objectives of the WMP build upon many years of experience in

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<sup>5</sup> 2023 Wildfire Mitigation Plan at 27.

California, are thoughtfully developed, meaningfully considered, and expeditiously implemented throughout each year by the Company, with consideration of unavoidable constraints such as supply chain limitations and resource availability.

Furthermore, the programs and projects included in the WMP often exceed statutory and regulatory requirements to incrementally reduce risk beyond what is required. Examples include Pacific Power's build out and operation of 115 weather stations throughout its Oregon service territory, the creation of situational awareness websites to aggregate and make weather station data publicly available, the expansion of the Company's asset inspection and correction programs to exceed the regulatory minimum cycle requirements to accelerate additional corrective maintenance work, and the adoption of a three-year cycle for distribution vegetation management work throughout Oregon to incrementally mitigate risk throughout the company's service territory. None of these programs or program elements are explicitly required but the Company believes this work is important to mitigate risk to customers in Oregon.

Staff's conclusion is notably different than the IE's conclusion. The IE report emphasized Pacific Power's good momentum and assessed that Pacific Power's WMP demonstrated clear year-over-year improvement and provided confidence that future WMPs will continue to show professionalism and improvements. The IE report further concludes "that Pacific Power has made changes to their WMP that demonstrates their efforts to reduce fire risks... and Pacific Power has proven to have taken a good step forward in their WMP processes and philosophies while understanding there is always room for improvement."<sup>6</sup> This seems misaligned with Staff's conclusion.

Pacific Power was active and engaged in discussions with Staff and the IE, timely responding to data requests and making subject matter experts available. Pacific Power disagrees with the unsupported statements in Staff's conclusion. Pacific Power did not receive any feedback or indication of this assessment during the WMP review process. Throughout the WMP review process Pacific Power strived to be collaborative and transparent. The Company developed formal presentation material to address pre-identified program elements and presented at one kick-off workshop and six "deep dive" workshops, which spanned seventeen hours during which over 10 subject matter experts in key director and manager roles were available for questions and discussion. Following the workshops, Pacific Power did not hesitate to respond to over 130 data requests, many with multiple sub-parts. The Company respects and supports the discovery process and all responses were provided on time or ahead of schedule at the request of Staff. Pacific Power did not receive any follow up data requests or indication that the Company's responses were in any way unsatisfactory but recognizes the limited time for review may have been a factor.

Pacific Power understands that this is only the second WMP submitted for review by the Commission, and the process will evolve with each review to facilitate timely review and the exchange of information. Pacific Power recognizes there is an opportunity for collaboration to develop a more formalized process for future WMP reviews that allows time for follow up discovery and discussions earlier, recognizing the timing constraints and requirements for Staff's

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<sup>6</sup> Independent Evaluator Report on Wildfire Mitigation Plan Compliance at 23.

review and the Commission's approval. Pacific Power is ready and willing to facilitate these discussions.

## V. Recommended Modification to Staff's Proposed Commission Motion

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

Suggested Revision to Staff Recommendation: Approve PacifiCorp's (Pacific Power or Company) 2023 Wildfire Mitigation Plan and direct Pacific Power to *consider* incorporat*ing* Staff's recommendation in its 2024 Plan.

Pacific Power agrees with Staff's overall recommendation but requests that the language in the proposed motion be changed to better align with the 2022 Order.<sup>7</sup>

Pacific Power is committed to continuous improvement and transparency, wants to be fully responsive, and wants to address recommendations, but the recommendations are provided mid-year when substantial work is already underway implementing the 2023 WMP and incorporation of recommendations takes time and careful consideration. While these recommendations are targeted to the 2024 WMP, Pacific Power is concerned that these recommendations would become requirements as ordered by the Commission without consideration of cost/benefit analysis or impacts to other wildfire mitigation activities.

Additionally, it takes time to compile information and data, meaningfully consider recommendations, and thoughtfully implement changes to the plan. Implementation of recommendations may require additional resources or tools not currently available or may not be aligned with other projects or processes in development. Because WMP development and implementation requires a holistic, companywide approach, implementation of recommendations and changes also require a lot of collaboration. For all these reasons, we request the Commission consider the revised language suggested above that is consistent with Order No. 22-131 that approved Pacific Power's 2022 WMP.

## VI. Conclusion

Pacific Power again notes that we appreciate Staff's thorough review, the IE's efforts, the formal recommendation for approval, and the conclusion that our 2023 WMP met the statutory and regulatory requirements. Pacific Power's next update to its WMP will bring in many of the thoughts, elements, and recommendations found in both the IE's report and Staff's Memo. Pacific Power respectfully requests that the Commission adopt the recommended changes proposed in the comments above. As we move forward, Pacific Power is hopeful that a formalized process or schedule can be established early in the review time period to provide for

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<sup>7</sup> *In the Matter of PacifiCorp d/b/a Pacific Power, 2022 Wildfire Mitigation Plan*, Docket No. UM 2207, Order No. 22-131 (Apr. 28, 2022) ("PacifiCorp is directed to engage with Staff and stakeholders through a workshop process prior to filing its 2023 Plan to allow for consideration, with ample time, of each of Staffs recommendations outlined in the memo.").

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enhanced dialogue, data gathering and sharing, and deeper evaluation of the company's 2024 WMP.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matthew McVee', written in a cursive style.

Matthew McVee  
Vice President, Regulatory Policy and Operations