

August 10, 2021

Public Utility Commission

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AR 648 Draft Phase I Wildfire Mitigation Rules

On July 28, 2021, Public Utility Commission of Oregon Staff (Staff) released its <u>updated Wildfire Mitigation Rulemaking strategy</u>. The strategy includes two phases: I) permanent rules that address the near-term procedural requirements of Senate Bill (SB) 762 on an accelerated timeline; and II) additional permanent rules that provide further detail and guidance for utility wildfire mitigation planning and preparation (for adoption by Spring 2022).

Given the administrative nature of the Phase I permanent rules and the statutory requirement for utilities to file wildfire mitigation plans by December 31, 2021, Staff indicated that it would move quickly to propose that the Commission open a new, near-term rulemaking docket (AR 648) and move the draft Phase 1 rules to the formal rulemaking stage. Staff communicated its plan to bring this proposal to the September 7, 2021 Regular Public Meeting and committed to circulate the draft Phase I rules by August 10, 2021.

Staff's draft Phase I Wildfire Mitigation Rules are provided as an attachment to this letter. While Staff designed these rules to largely mirror the near-term requirements in SB 762, comments are welcome in writing and at the September 7, 2021 Regular Public Meeting.

Please note that Staff is also in the process of scheduling a workshop to review its revised Phase 2 scope and schedule with stakeholders at the end of August.

Comments can be emailed to PUC.FILINGCENTER@puc.oregon.gov.

If you have questions, please contact:

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AR 648

DRAFT - Phase I Wildfire Mitigation Rules

Note: References use [SB 762] as placeholders in the below draft until such time that SB 762 is incorporated into Oregon Revised Statutes.

OAR 860-XXX-0001

Scope and Applicability of Rules

- (1) The rules in this division prescribe the filing requirements for risk-based Wildfire Protection Plans filed by a Public Utility that provides electric service in Oregon pursuant to ORS 757.005.
- (2) Upon request or its own motion, the Commission may waive any of the rules in this division for good cause shown. A request for waiver must be made in writing, unless otherwise allowed by the Commission.

Statutory/Other Authority:

Statutes/Other Implemented:

OAR 860-XXX-0002

Wildfire Protection Plan Filing Requirements

- (1) Wildfire Protection Plans and Updates must, at a minimum, contain the following requirements as set forth in [SB 762 Section 3(2)(a)-(h)] and as supplemented below:
- (a) 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.
- (b) Identified means of mitigating wildfire risk that reflects a reasonable balancing of mitigation costs with the resulting reduction of wildfire risk.
- (c) Identified preventative actions and programs that the Public Utility will carry out to minimize the risk of utility facilities causing wildfire.
- (d) Discussion 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 wildfires, promote the safety of the public and first responders and preserve health and communication infrastructure.
- (e) Identified protocol for the deenergization 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.
- (f) 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.
- (g) Description of the procedures, standards and time frames that the Public Utility will use to carry out vegetation management in in areas the Public Utility identified as heightened risk of wildfire.

- (h) 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.
- (i) Identification of the community outreach and public awareness efforts that the Public Utility will use before, during and after a wildfire season.

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- (j) Description of participation in national and international forums, including workshops identified in [SB 762, Section 2], as well as research and analysis the Public 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 develop implement cost-effective wildfire mitigation solutions.
- (2) A Public Utility's initial Wildfire Protection Plan must be filed no later than December 31, 2021. Wildfire Protection Plans must be updated annually and filed with the Commission.
- (3) Within 180 days of submission, Wildfire Protection Plans and Wildfire Protection Plan Updates may be approved or approved with conditions through a process identified by the Commission in utility-specific proceedings, which may include retention of an Independent Evaluator (IE). For purposes of this section, "approved" means the Commission finds that the Wildfire Protection Plan or Update is based on reasonable and prudent practices including those the Public Utility identified through Commission workshops identified in [SB 762, Section 2], and designed to meet all applicable rules and standards adopted by the Commission.
- (4) Approval of a Wildfire Protection Plan or Update does not establish a defense to any enforcement action for violation of a commission decision, order or rule or relieve a Public Utility from proactively managing wildfire risk, including by monitoring emerging practices and technologies.

Statutory/Other Authority: Statutes/Other Implemented:

OAR 860-XXX-0003

Cost Recovery

All reasonable operating costs incurred by, and prudent investments made by, a Public Utility to develop, implement or operate a Wildfire Protection Plan are recoverable in the rates of the Public Utility from all customers through a filing under ORS 757.210 to 757.220.

Statutory/Other Authority: Statutes/Other Implemented: