

Southern California Edison
**WSD-001 – Resolution WSD-001 to Establish Procedures for the Wildfire Safety Division's
Review of 2020 Wildfire Mitigation Plans Pursuant to PUC Sections 8386 and 8386.3**

DATA REQUEST SET E P U C - S C E - 0 0 3

To: EPUC
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Response Date: 3/25/2020

Question Q.3-3 a-b:

Regarding the Company's Risk Spend Efficiency (RSE) Analysis, described in Section 5.3.8.3 of "Southern California Edison 2020-2022 Wildfire Mitigation Plan," filed on February 7, 2020:

- a. Please provide the RSE calculations referenced in this section, including associated workpapers.
- b. Regarding the following sentence at page 5-133:
"Accordingly, SCE developed a comprehensive and balanced mitigation plan with activities that will collectively reduce the greatest amount of risk in the shortest amount of time, considering RSE as well as various regulatory, operational, resource, and cost constraints." Please explain in greater detail and with greater specificity how the Company "considered RSE" in developing its mitigation plan.

Response to Question Q.3-3 a-b:

- (a) As part of the 2020-2022 Wildfire Mitigation Plan filing, SCE submitted Excel tables containing mitigation RSEs. These tables can be found at www.sce.com/wmp. Please refer to SCE's response to the Wildfire Safety Division (WSD) data request for associated workpapers: WSD-SCE-002, Question 033 (SCE-43895-X-379).
- (b) Risk Spend Efficiency (RSE) is a measure of risk reduction per dollar spent. It is a relative measure of cost-effectiveness for risk mitigation activities relating to a specific risk. RSEs were calculated using the methodology discussed in Section 5.3.1.4 (Initiative mapping and estimation of wildfire and PSPS risk-reduction impact) of SCE's 2020-2022 WMP and SCE has provided supporting workpapers in response to question (a) above. RSE offers insights into how effective mitigations appear to be in reducing risk at a system, or portfolio, level while providing guidance on how effective new mitigations may be. They are used as a valuable contributing metric to inform the development of the overall wildfire mitigation plan. For new mitigations, SCE would use RSEs, if appropriate, as a factor in deciding whether to widely deploy that mitigation. For existing mitigations, SCE continuously monitors RSEs and if one should change, SCE would make changes, if appropriate, to its WMP. It is important to recognize that RSEs are not and should not be the only factor used to develop a risk mitigation plan. The RSE metric does not take into account certain operational realities, resource constraints, and other factors that SCE must consider in developing its plan. For example, while PSPS has a relatively high RSE, there are regulatory and practical limits to how much PSPS can be deployed. Indeed, the Commission prescribes

that PSPS should be used “as a last resort” despite its relatively high RSE.

The same is true for other mitigations presented in the WMP. As another example, while undergrounding overhead power lines may present a relatively high risk-reduction opportunity, it requires considerably greater planning and lead time to implement than reconductoring using covered conductor. If SCE focused only on undergrounding its overhead system in HFRA, its ability to immediately reduce risk would be significantly delayed. In addition, for various operational and financial reasons, it is not practical to underground the entire transmission and distribution system in HFRA.

Accordingly, SCE developed a comprehensive and balanced mitigation plan with activities that will collectively reduce the greatest amount of risk in the shortest amount of time, considering RSE as well as various regulatory, operational, resource, and cost constraints. It would be inappropriate to implement a comprehensive wildfire risk mitigation plan based solely on RSEs, which would likely lead to significant parts of the system and potentially significant risk issues left unaddressed.