

Southern California Edison
2022-WMPs – 2022 Wildfire Mitigation Plan Updates

DATA REQUEST SET Cal Advocates - SCE - 2022 WMP - 06

To: Cal Advocates
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Response Date: 3/4/2022

Question 04. a-d:

Regarding initiative 7.3.3.12.2 (Grid Design & System Hardening - Other corrective action) in Table 12 of your WMP non-spatial data submission:

- a. What specific reasons or circumstances explain the forecast increase in capital expenditures from 2021 to 2022?
- b. How does SCE justify allocating \$10,596,000 in CAPEX to this mitigation effort in 2022 (289% increase from 2021) for one isolation bank?
- c. What specific reasons or circumstances explain the forecast increase in capital expenditures from 2022 to 2023?
- d. How does SCE justify allocating \$23,917,000 in CAPEX to this mitigation effort in 2023 (226% increase from 2022) for two GFN's?

Response to Question 04. a-d:

Generally, REFCL projects follow a similar timeline to non-licensing substation projects, which typically have an average three-year project cycle. The first year is project design and engineering. The second year is material procurement, and the final year is construction. Larger material assets (e.g., Transformer Banks) can have a longer lead time up to 18-24 months, which requires material purchases to be scheduled in parallel to design completion in the first year. Other drivers impacting cost increases are global supply chain shortages, and material constraints caused by the COVID-19 pandemic. In some cases, such as a more complicated REFCL project, substation rebuild, or expansion, the project timeline may extend to four years or longer.

- a. See the explanation on the lifecycle process above. SCE incurred \$2.707¹million in 2021 for completion of the REFCL project at Neenach Substation and some design and material costs for the Isolation bank to be installed in 2022. SCE has a forecast of \$10.596 million in 2022 which comprises of the installation cost for one Isolation bank in 2022 as well as design and material purchases of the two Ground Fault Neutralizer (GFN) units to be installed in 2023.
- b. See the explanation on the lifecycle process above. REFCL is a promising technology that can substantially reduce the energy released in ground faults, and therefore has the potential to significantly reduce these risks. SCE plans to ramp up the deployment of three variants of REFCL in future years. As stated in part a, SCE estimates \$10.596 million for the

¹ SCE incorrectly stated capital costs of \$3.668 million in 2021 in Table 12 in the 2022 WMP. SCE will include this update in a WMP Revision.

installation of one Isolation bank and design and purchase of two GFN units for future installations. REFCL was calculated to have a high RSE score in SCE's WMP portfolio.

- c. See the explanation on the lifecycle process above. Similarly, for 2023, the forecast includes costs to install 2023 units and design and material purchases of future installations.
- d. See the explanation on the lifecycle process above. The \$23.917 million forecast for 2023 is not just for the installation of the two GFN units but also includes design and material purchases of future installations.