

Southern California Edison
2025-WMPs – 2025-WMPs

DATA REQUEST SET Cal Advocates - SCE - 2025 WMP - 05

To: Cal Advocates
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Response Date: 4/12/2024

Question 05:

SCE further states in response to Required Progress Item 2 of ACI SCE-23-09, Pursuant to this ACI, SCE conducted an analysis of the process to select undergrounding projects. SCE examined both ignition and PSPS risk at each of the circuits that it identified as Severe Risk and where it selected TUG as the mitigation over covered conductor and REFCL (“SRA sites”).¹⁴

SCE states in footnote 35 that “In this analysis, SCE looks at the circuit segments planned for TUG between 2025 and 2028. SCE then rolled up the segments to the circuit level.”¹⁵

This approach yielded a Net Present Value analysis that states that “for all SRA sites combined, TUG has a higher risk reduction than CC/REFCL++ even though TUG’s 45 years of useful life is not fully realized. Despite that TUG’s useful life benefits are not fully realized in this comparison, TUG still has a higher risk reduction in over 90% of the SRA sites.”¹⁶

- a) Justify SCE’s chosen method of performing the abovementioned NPV analysis.
- b) Does the abovementioned NPV analysis align with electric utility industry standards? Explain your response.
- c) If the answer to part (b) is “no”, please explain why SCE used this method of performing the abovementioned NPV analysis.
- d) Has SCE engaged an independent expert or third party to review its NPV analysis supporting the process to select underground projects?
- e) If the answer to part (d) is “no,” explain why not.
- f) If the answer to part (d) is “yes,” provide a copy of all available reports, analyses, studies, or research that have resulted from this work.

¹⁴ SCE 2025 WMP Update at 62

¹⁵ SCE 2025 WMP Update at 62

¹⁶ SCE 2025 WMP Update at 62

Response to Question 05:

a) Justify SCE's chosen method of performing the abovementioned NPV analysis.

SCE's analysis for this ACI was based on estimated risk reduction per year as measured in MARS (Multi Attribute Risk Score) units. This approach is consistent with the S-MAP settlement (Decision 18-12-014), and with MARS-based risk analysis performed by SCE in its 2022 RAMP application and its 2025 General Rate Case.

Given the multi-decade timeframe for the analysis, SCE discounted the MARS reduction values from future years into a present using the Net Present Value (NPV) function.

b) Does the abovementioned NPV analysis align with electric utility industry standards? Explain your response.

Yes, please see above. It is consistent with methodology required by the CPUC.

c) If the answer to part (b) is "no", please explain why SCE used this method of performing the abovementioned NPV analysis.

N/A

d) Has SCE engaged an independent expert or third party to review its NPV analysis supporting the process to select underground projects?

No.

e) If the answer to part (d) is "no," explain why not.

SCE has not engaged an independent expert or third party to review the analysis in its response to ACI SCE-23-09 because the MARS methodology is consistent with risk analysis practices aligned with the S-MAP settlement, which has been in place since late 2018. The mitigation effectiveness assumptions, which inform the amount of forecasted risk reduction, are consistent with what SCE published in its 2023-2024 WMP (see Appendix F2), which was evaluated by OEIS and other participants in the WMP process.

f) If the answer to part (d) is "yes," provide a copy of all available reports, analyses, studies, or research that have resulted from this work

N/A