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SCE Comments on Climate Adaptation IEPR Workshop

Additional submitted attachment is included below.

August 16, 2018

California Energy Commission
Docket Office, MS-4
Re: Docket No. 18-IEPR-05
1516 Ninth Street
Sacramento, CA 95814-5512
docket@energy.ca.gov

Re: Southern California Edison Company's Comments on the California Energy
Commission Docket No. 18-IEPR-05: Climate Adaptation and Resiliency

Dear Commissioners:

On August 2, 2018, the California Energy Commission (CEC), the California Public Utilities Commission (CPUC), the California Natural Resources Agency (CNRA), and the Governor's Office of Planning and Research (OPR) held a joint agency workshop to discuss climate adaptation and resiliency as part of the 2018 Integrated Energy Policy Report (IEPR) Update Proceeding ("the workshop"). The workshop considered the projected increase in the frequency and severity of wildfires on account of climate change and the measures undertaken by utilities to reduce wildfire risk. Southern California Edison (SCE) appreciates the opportunity to provide these written comments.

SCE's view that a typical wildfire season in California is now a year-round "new normal" is consistent with the climate science research and key findings presented at the workshop. SCE participated in the workshop and discussed recent advancements in its grid resiliency and wildfire mitigation efforts to address these trends. During the panel discussion, SCE received three questions from the dais with respect to its wildfire insurance, vegetation management, and outreach to customers with special needs during emergencies. SCE's responses to these questions are outlined below.

1. Has any progress been made on wildfire-related insurance matters since the advice letter from SCE was first submitted?¹

Answer: SCE continues to face the same challenges in the wildfire insurance market as it did when Advice Letter 3768-E was submitted to the Commission on March 14, 2018. Many insurance carriers have either left the utility wildfire liability insurance market altogether, or significantly reduced the insurance capacity that they are willing to provide. In addition, premiums have escalated dramatically. SCE completed its June 2018 wildfire liability insurance renewal at a cost much greater than prior years and much greater than could have been forecasted in its General

¹ See SCE's Request for Z-Factor Recovery of the Revenue Requirement Associated with Incremental Wildfire-Related Liability Insurance, Advice Letter 3768-E, filed March 14, 2018.

Rate Case (GRC) filing. Therefore, SCE has submitted an application to establish a Wildfire Expense Memorandum Account (WEMA) to track, and to seek recovery of, wildfire liability insurance expenses in excess of what was forecasted in SCE's GRC filing. That application was filed with the CPUC on April 3, 2018 and is currently pending with the Commission. In addition, the California legislature is considering a number of measures to address the "new normal" of California wildfires.

2. What are some of the challenges and insurance risks faced by the company in doing vegetation management in high-fire areas?

Answer: SCE typically delegates its vegetation management operations to contractors, and many contractors are impacted by the same wildfire liability insurance market forces as SCE. The contractors face much higher insurance premiums than in the past and often have difficulty obtaining adequate insurance limits. Thus, contractors are experiencing higher overall costs that will be passed through to SCE and/or may result in asking SCE to accept lower insurance limits.

3. What are utilities doing to outreach to customers with special needs in emergencies?

Answer: Every year, we send our annual Medical Baseline letter to all customers enrolled in the program (about 92,000). The letter reminds our customers that they need to have an emergency back-up plan for when outages occur and also requests that they contact us to ensure that we have their most up-to-date contact information for power outages. Additionally, the letter reminds them that we can send alerts and notifications through an alternate preferred method of contact that they provide us. The most recent letter was delivered in June 2018.

When a repair (unplanned) outage impacts customers for 30 or more minutes, customers who signed up or were automatically enrolled in digital outage alerts will receive a notification via their preferred digital communication channel (e.g., email, text, automated phone call). Anytime the estimated restoration time changes by 61 or more minutes, notifications will be sent out. This occurs throughout the lifecycle of the outage. Finally, customers will get a restoration notification once power is restored.

As part of our ongoing communication strategy regarding wildfire mitigation, SCE sent a letter to customer accounts that are served by our circuits within the High Fire Risk Areas (HFRAs). The letter included high-level information on Public Safety Power Shutoff (PSPS) protocols, a website for more information on SCE wildfire mitigation topics, a telephone number to call should they have any questions, a section on how to prepare for power outages, and directions on how to update their customer (My Account) profile in order to ensure we have their updated contact information.

SCE communicates with customers about PSPS by holding community meetings in areas within our HFRAs that include a presentation about the details of our broader wildfire mitigation efforts and brochures in multiple languages with information on PSPS, outage safety, and the Medical Baseline Program. The meetings provide customers with an opportunity to directly ask our subject matter experts about our wildfire mitigation efforts, including PSPS, and are staffed by bi-lingual Customer Service Representatives who help customers update their account information and sign

up for programs (including Medical Baseline). Customers also have an opportunity to ask questions by contacting a customer service representative by telephone.

If it seems that a PSPS event may occur, SCE will contact all customers impacted by an outage—including medically-sensitive customers—approximately 48 and 24 hours in advance of fire conditions that may trigger a PSPS event. SCE also plans to contact all customers when power is shut off and again when it is restored. The actual onset of extreme weather conditions and other circumstances beyond our control may impact coordination and notification efforts in advance of a PSPS event. Critical care customers within our Medical Baseline Program are the first customers to be called in the event of a PSPS. If a critical care customer cannot be reached via their preferred contact method, a field representative will be sent to the customer's residence for a welfare check. This is the same process we follow with other long-term outages.

SCE is exploring the use of innovative technology in wildfire mitigation. Some of the panelists at the workshop described the potential for technologies to reduce the risk of wildfires. SCE has been exploring new and evolving technologies to incorporate into our future planning. One approach at SCE is to pull in the perspectives of technology leaders from non-utility industries, such as: advanced weather forecasting and analytics, artificial intelligence and machine learnings, advanced image pattern recognitions, advanced remote-controlled aerial inspection technology (e.g., drones) and various advanced sensory technologies. These technologies fall into two broad categories: Equipment and Infrastructure and Analytics and Modeling. Equipment and Infrastructure may be deployed to reduce potential for ignitions, increase grid resiliency, enhance our situational awareness, or improve our inspection and detection capabilities. Analytics and Modeling help to integrate sensor and weather data and visualize information. Analytics and Modeling also help to improve quantifying risks and prioritizing investments, and better inform our decision-making process. SCE aims to enhance our detection and analytic capabilities through the use of these technologies.

SCE is developing a comprehensive wildfire planning strategy, as illustrated by some of the initiatives outlined above, and supports the CEC's efforts to advance our knowledge of wildfire risks. SCE appreciates the Joint Agencies' consideration of these comments and looks forward to its continuing collaboration with the Energy Commission and stakeholders. Please do not hesitate to contact me at (916) 441-3979 with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

Very truly yours,

/s/

Catherine Hackney