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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

MARGARET W. BUSSE
Executive Director

CHRIS PARKER
Division Director

Comments

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Doug Wheelwright, Utility Technical Consultant Supervisor
Abdinasir Abdulle, Utility Technical Consultant Supervisor
Jonathan Lee, Utility Analyst

Date: May 10, 2024

Re: **Docket No. 23-035-44**, RMP's Revised 2023 Utah Wildland Fire Protection Plan

Recommendation (Acknowledge with Recommendation)

The Division of Public Utilities ("Division") recommends that the Public Service Commission ("Commission") acknowledge Rocky Mountain Power's ("RMP") Revised 2023 Utah Wildland Fire Protection Plan ("February WFPP" or "Revised Plan") as complying with Utah Code §54-24-201. The Division also recommends that an independent contractor be considered to evaluate the scope of RMP's Wildland Fire program to appropriately balance the costs of implementing the plan with the risk of potential wildland fire to achieve optimal program benefits while protecting Utah ratepayers. This is especially important given the added liability protections that attach to RMP's plan under Utah Code Section 54-24-303(6).

Issue & Background

Pursuant to Utah Code §54-24-201(3), on September 25, 2023, Rocky Mountain Power ("RMP") filed its 2023 Wildland Fire Protection Plan ("September WFPP" or "Original Plan"). On the same date, the Commission issued an Action Request directing the Division to review the Original Plan for compliance and make recommendations with a due date of

Division of Public Utilities

Heber M. Wells Building • 160 East 300 South • P.O. Box 146751 Salt Lake City, UT 84114-6741
www.dpu.utah.gov • telephone (801) 530-7622 • toll-free in Utah (877) 874-0904 • fax (801) 530-6512

October 25, 2023. On October 5, 2023, the Commission issued a Scheduling Order in this docket. On November 9, 2023, The Utah Division of Forestry, Fire and State Lands (“FFSL”) submitted comments and/or recommendations on RMP’s September WFPP in accordance with Utah Code §54-24-201(3) and Utah Administrative Rule 746-315-2-(2). On November 17, 2023, RMP filed a Motion to Vacate Schedule and Request for Expedited Treatment (“Motion to Vacate Schedule”). RMP requests the Commission vacate the Scheduling Order to allow RMP to work with the FFSL to revise RMP’s September WFPP. RMP stated it would file a revised plan as soon as possible, but no later than February 29, 2024. On November 21, 2023, the Commission issued its Order Granting Motion to Vacate its Scheduling Order. On February 28, 2024, RMP filed its Revised WFPP Plan. On the same date, the Commission issued an Action Request directing the Division to review the Revised Plan for compliance and make recommendations with a due date of March 28, 2024. A second scheduling conference was held on March 19, 2024. At the scheduling conference, the Commission noted the parties in attendance stipulated to a schedule the PSC approved and adopted. On March 20, 2024, the Commission issued the Scheduling Order where the FFSL comments would be filed by April 12, 2024, and comments from other interested persons would be filed by May 10, 2024, with reply comments due May 24, 2024. On April 12, 2024, FFSL filed its comments on the February WFPP. This memorandum is the Division’s comments on RMP’s revised February WFPP.

Discussion

Utah Code § 54-24-201 requires a qualified utility to prepare and file a wildland fire protection plan on June 1, 2020, and on or before October 1 of every third year after 2020. The plan should contain a description of the areas with heightened risk of wildland fire, the procedures, standards, and time frames for inspecting and operating the infrastructure, performing vegetation management, and the procedure for de-energizing power lines and disabling reclosers to mitigate wildland fires. The plan should also contain descriptions of the upgrades to facilities and preventative programs to reduce the risk of wildland fire, procedures to restore power in case of wildland fire, community outreach and public awareness efforts, and the costs for implementing the plan.

In compliance, on September 25, 2023, RMP filed its September WFPP and described strategies RMP has already implemented and intends to deploy in Utah to reduce the probability of utility-related wildfires and to mitigate wildfire damage to RMP's facilities. The September WFPP outlines the Wildfire mitigation effort for 2023 – 2035 and is divided into 14 sections and various subsections. The September WFPP estimates an investment of approximately \$322 million; or, \$273 million of Capital Investment costs and \$49 million of Operation and Expense over the next three years.¹ On November 9, 2023, the FFSL filed its comments noting that some of the Risk Modeling and Drivers used in the September WFPP were using outdated datasets and census data and thus did not properly or accurately reflect the actual wildfire risk in Utah² as well as other comments related to various pages of the September WFPP. As a result, on November 17, 2023, RMP filed a Motion to vacate the Scheduling Order to allow RMP to work with the FFSL to revise the WFPP.

In compliance with the Commission's Second Scheduling Order, RMP filed its revised 2023 Wildland Fire Protection Plan on February 28, 2024. The February WFPP now incorporates inputs from the FFSL's November 9, 2023, comments. RMP's responses to these comments, concerns, and modifications to the September WFPP are included on pages 146 – 150 in Appendix C. The February WFPP's structure remains fundamentally the same as the September 2023 WFPP, with 14 sections and various subsections, however, it is now more substantial, descriptive, and comprehensive in detail as it addressed the FFSL's November comments. The updated cost in the February WFPP is now approximately \$446 million; or \$372 million of Capital Investment costs and \$74 million of Operation and Expenses over the next three years.³ This represents approximately a 39 percent increase in total costs; representing a 36 percent increase in Capital Investment costs and an approximately 51 percent increase in expenses.

A more detailed look into Capital Investment Costs shows that System Hardening now accounts for \$293.9 million or approximately 79 percent of the total \$371.7 million. The

¹ Page 2 of RMP's Utah Wildfire Mitigation Plan, filed September 23, 2023.

² FFSL November 9, 2023 filing, Section I

³ RMP verified that Capital Investment cost reported on pages 2 and 137, should be \$371.7 million and not \$362 million nor the \$363.6 as shown in Table 26, page 138 of the February WFPP. As a result, the total 3-year WFPP cost is now \$446 million.

revised program represents an increase of \$53.9 million or approximately 22 percent from the September WFPP. The February WFPP quantifies that 240 miles of overhead distribution lines, and 74 miles of overhead transmission lines would be rebuilt.⁴ This is an increase of 32 miles of distribution line rebuilds and a decrease of 3 miles in the transmission line rebuilds from the September WFPP. The February WFPP identifies 60 miles projected to be rebuilt in 2024 and 100 miles planned to be rebuilt in 2025. As a comparison, from 2020 – 2022, only 43 miles of distribution lines were rebuilt, and in 2023, only 37 miles of distribution lines were rebuilt. The Division is concerned with the significant increase, and it is unclear if RMP will be able to increase its distribution line rebuild by 60% year over year, and its transmission line rebuild by 66%. Much of the increased cost in the February WFPP may be due to the acceleration in the rebuilding and system hardening effort.

In response to data requests,⁵ the February WFPP added cost for the distribution line rebuilds is \$13.9 million for the additional 32 miles. The per-mile costs for 2023 – 2025 are \$1.16, \$0.75, and \$0.81 million per mile respectively. This is consistent and slightly lower than the \$1.00, \$0.92, and \$0.92 million per mile in the September WFPP. When evaluating the transmission line rebuild, the February WFPP reduced the number of miles from 77 to 74 miles; however, the costs have increased by \$36.8 million for the 3 years. There is a significant increase in costs per year per mile from \$1.33, \$1.25, and \$1.25 million per mile in the September WFPP to \$1.82, \$1.75, and \$2.5 million per mile for 2023 – 2025 respectively in the February WFPP. RMP states that the increase in 2024 and 2025 is due to increased line rebuild scope as a result of the expanded FHCA. The Division notes that it is the same 20 miles per year stated in the February WFPP that was also stated earlier in the September WFPP.

Asset inspection and corrections account for \$56.4 million or approximately 15.2 percent of the Planned Capital Investment Costs. The total amount is allocated with \$16.4 million in 2023, \$20 million in 2024, and \$20 million in 2025.⁶ This represents an increase from the

⁴ Table 16 on pages 67-68.

⁵ RMP response to OCS data request #2.1.

⁶ Table 26 on page 138.RMP

September WFPP plan of \$17.5 million or approximately 6.4 percent over the 3 years. For comparison, RMP's September WFPP showed \$5.3 million for 2023 and \$5.8 million for both 2024 and 2025. The actual costs for 2023 were higher than projected and the increase was projected into 2024 and 2025 according to RMP. The primary driver of this appears to be due to the increased FHCA area. While the increased costs may be due to the updated dataset and census data used, the Division has concerns about the period under review. The WFPP covers the years 2023 – 2025. It is unclear if RMP will be able to acquire the resources necessary to ramp up and be in compliance with its WFPP without paying a premium for labor and materials. The lateness of its plan and RMP's earlier use of incorrect data could be partly responsible for this condition, which could warrant some investment being considered imprudent if the facts warrant.

The Division notes that in RMP's 2023 Wildland Fire Cost and Compliance Report, Docket No. 23-035-27, RMP forecasted spending \$95 million for Capital Investment in 2023, which is approximately \$30 million above the original budget. In the September WFPP, RMP had planned \$65.1 million for 2023. In the February WFPP, Capital Investment cost is now \$81.4 million. This is a significant increase from the September WFPP planned amount and closer to the actual amount spent for 2023. Per Utah Code Ann. § 54-24-203(4), the WFPP is reviewed on an annual basis for compliance. The Division recognizes that this WFPP does not constitute the annual compliance filing, however, the Division is concerned about how RMP is following its WFPP and whether the WFPP parameters were used for 2023 or if its WFPP can generate such significant variances from actual to budget.

RMP uses its various risk evaluation tools to evaluate the likelihood of a specific risk event and the impact of the event. One evaluation tool that RMP has procured and is currently implementing is FireSight. The model calculates risk scores for wind-driven risk and fuel/terrain-driven risk, and the combination of the two becomes the composite risk score. Using the composite score, RMP can evaluate and map out areas of fire risk. Over the year, RMP has incorporated new data, tools, and processes to evaluate additional areas for inclusion in the Fire High Consequence Area (FHCA). The FHCA reflects areas with FireSight model risk scores of 85-100 percentile. RMP has added a couple of additions to the FHCA. "Area of Interest I" reflects the 65-85 percentile, and "Area of Interest II" reflects

the 45-65 percentile. With these additions, the historical FHCA line miles have significantly increased from 649 miles or 3.6 percent of overhead service territory to 2,056 miles or 11.3 percent of overhead service territory,⁷ an increase of 1,406 miles or approximately 315 percent.

The Division commends RMP in sharing its plans to provide the updated FHCA boundary with cities and utilities close to the FHCA boundary. In some other areas, the Division is concerned the Company has not provided sufficient information to determine if including these significant additional miles is optimal and cost-effective. The Division is concerned that the expansiveness of the new FHCA areas, including the additional areas of interest(s) in the February WFPP, does not balance the costs of implementation versus the risk of a potential wildland fire. The projected costs should not outweigh the potential benefits.

During the past ten years, the Utah Annual Cumulative Ignition Risk Drivers⁸ show that the historic risk drivers were primarily object contacts, equipment failure, unknown, and other. Total Period Wire Down Events during non-fire and fire seasons. The past ten years show that significantly higher incidents were classified as object contact (1,869 & 1,588 respectively) and equipment failure (1,086 and 633). A lesser number was due to lightning (46 & 205). The Division recognizes the changing effects of extreme weather and climate change, and although the above numbers are historical, it appears that to reduce incidents of fire, more focus should be given to preventing the main causes of incidents, that is, object contacts and equipment failure; yet mitigation efforts including vegetation management only had a slight increase of \$1.12 million from \$8.84 million to \$9.96 million, and inspection and correction increased from \$8.7 million to \$36.97 million. Most of the increase was in the category of condition correction due to the increased FHCA area.

As of January 1, 2023, RMP has 96 operational weather stations and 10 portable weather stations for rapid deployment to provide supplemental data during weather events. RMP plans to install another 25 weather stations in 2024 with a buildout of 161 weather stations by 2025. Additional locations are being evaluated in areas of data gaps or where location

⁷ Table 3 on page 21.

⁸ Figure 2 and Figure 3 on pages 7 and 8.

data would be beneficial.⁹ Additionally, RMP has developed an internal meteorology department consisting of four full-time meteorologists, one operations manager, one manager, and a data scientist. The Division notes that the cost of Situational Awareness, which includes the Meteorology Department, is minimal relative to the overall capital and operation costs. The Division recognizes the benefits of having the meteorological data to assist RMP in warning and determining what actions to take to mitigate potential wildland fires; however, the Division is mindful that RMP's primary business responsibility is to ultimately deliver electricity safely to its customers. As such, further continued cooperation with local and publicly available meteorological and weather information may temper the need for more expansion of RMP's meteorological department.

The analysis in this memo highlights some of the differences presented by RMP between its September 2023 and February 2024 WFPP. To assure Utah ratepayers that inputs and the actual cost outputs of RMP's WFPP are reasonable and optimal in scope, the Division recommends the Commission consider an outside expert or independent contractor. Such independent contractor or expert may be better able to determine to what extent certain elements of RMP's WFPP are a "necessity" to mitigate wildland fires versus what elements or extent of such elements would be more of a "want" in the optimization of costs versus mitigation of wildland fires in Utah, as well as, whether the cost model used by RMP is aligned with actual costs to execute the WFPP.

Conclusion

The Division reviewed the filing and determined that it contains a detailed description of all the items required by the code. Other than the concerns mentioned above, the Division did not identify any other problems or shortcomings with the February WFPP. Therefore, the Division concludes that RMP's filing as complying with Utah Code Annotated § 54-24-201. The Division does recommend that the Commission consider an independent contractor to evaluate the scope of RMP's Wildland Fire program.

cc: Jana Saba, Rocky Mountain Power
Michele Beck, Office of Consumer Services

⁹ Page 78- 80 of RMP's Revised Utah Wildfire Mitigation Plan, filed February 25, 2024.