

Southern California Edison
2023-WMPs – 2023-WMPs

DATA REQUEST SET Cal Advocates - SCE - 2023 WMP - 08

To: Cal Advocates
Prepared by: Ally Guillatt
Job Title: Senior Advisor
Received Date: 4/5/2023

Response Date: 4/7/2023

Question 06:

Referring to section 6.6.1 Independent Review, on p.170 of your WMP, SCE states that, "In 2022, SCE engaged a third-party independent evaluator [Exponent] to review its RSE development process for the 2023 WMP and the accuracy of its RSE."

- a) Please provide a copy of Exponent's report, including all findings and recommendations.
- b) How has SCE incorporated Exponent's recommendations into its current RSE estimation process?
- c) Which recommendations by Exponent were deemed not feasible for implementation?
- d) What measures does SCE have in place to ensure ongoing transparency and external validation of its RSE process, calculations, and results?

Response to Question 06:

- a. Attached is Exponent's memorandum on SCE's 2023 WMP Risk Spend Efficiencies (RSEs), including its findings and recommendations. Please see file entitled "15Feb2023_Exponent_RSE_Memo.pdf".
- b. SCE appreciates Exponent's thorough review of its RSEs which identified several recommendations that SCE has incorporated into its RSE estimations. SCE summarizes key findings from Exponent's memorandum below and steps that SCE has taken to address:

Finding	Resolution
Risk Reduction and NPV benefits dropped across programs as compared to earlier datasets provided	SCE determined that this was an issue with the Probability of Ignition (POI) file used in that specific data run causing data inconsistencies. This was addressed for subsequent runs and deemed to be a one-time issue.
Exponent identified that five mitigations contained duplicates	SCE modified its code to remove duplicates and remedy this issue.
Risk driver frequencies for transmission inspection RSEs were all zero resulting in zero risk reduction and associated RSE	SCE corrected this finding; mitigations were updated to reflect non-zero Frequencies of Ignitions (FOI), resulting in non-zero RSEs.
Programs did not have consistent unit cost rates within deployment years	SCE modified its code to address this issue and to ensure consistent unit cost rates.
Exponent recommended that additional data be provided in the RSE output file, including WMP Tranche, RAMP Tranche, and HF Tranche	Although these data fields do not impact the RSE calculation, SCE agrees that these are helpful data points, and as such, has included WMP and RAMP Tranche (HF Tranche is the old nomenclature for the aforementioned tranches).

Finding	Resolution
Mitigation effectiveness (ME) rationale for SH-16 should be updated	Although this finding does not impact the RSE calculation, SCE agrees with the recommendation and has updated the mitigation effectiveness rationale for SH-16 for clarity.

In addition to the findings listed above, there are recommendations that SCE intends to implement as longer-term improvement activities. These do not impact the RSE calculation but would be helpful improvements to SCE's overall RSE process. For example, SCE will consider how to incorporate enhancements related to SCE's RSE dashboard, data cataloging, supplemental mitigation effectiveness descriptions, and uncertainty metrics. Exponent also identified that all programs addressing wildfire risk (i.e., non-PSPS dataset) had at least one risk driver with a frequency of zero throughout the dataset (e.g., transmission level subdrivers are zero for distribution level mitigations). Although those zero values are correct, Exponent recommended that SCE add appropriate disclaimers and/or clarifying language when presenting results. SCE generally supports Exponent's recommendation and will evaluate how it can add disclaimers for clarity. Lastly, Exponent identified mitigations with both wildfire and PSPS risk reduction where the input form only reflected the wildfire risk component, resulting in apparent inconsistencies. SCE explains that the risk reduction in these cases is applied within the model; therefore, the inconsistencies are not an issue with the RSE calculation, but rather highlights an opportunity for additional clarity in the way this information is presented. Therefore, SCE will consider incorporating this additional component in its input form for transparency.

In response to Exponent's feedback, SCE has implemented additional QA/QC checks to ensure accuracy of the calculations. SCE continues to improve data quality to inform its risk models and is taking additional steps to further improve its overall RSE process, such as improved standardization and scalability.

- c. While none of Exponent's findings are technically infeasible, not all of them may be prudent to implement. SCE will assess longer-term refinements to determine which are prudent to implement and the appropriate timing of those changes considering resource constraints, value gained, time requirements, etc.
- d. SCE will continue to provide RSE values and explanations of methodologies in its various filings, as required. Additionally, SCE will continue its internal QA/QC processes, enhancements to code and processes, and intends to contract with an independent third-party for validation of SCE's RSEs.