

GENERAL RATE CASE PLAN

WORKSHOP #4 REPORT

Standardization of RAMP Filings

March 11, 2021

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1. Executive Summary

On February 9, 2021, Energy Division hosted the fourth in a series of workshops to explore standardizing the organization and format of General Rate Case (GRC) and Risk Assessment Mitigation Phase (RAMP) filings for the large California energy utilities. The workshops were ordered in Decision (D.) 20-01-002, which modified the Commission's Rate Case Plan (RCP) for large energy utilities. The objective of the workshops is to further explore and develop proposals to increase the efficiency of GRC proceedings. The scope of the fourth workshop was to better integrate the RAMP into the GRC and the Risk Spending Accountability Report (RSAR) as well as standardize the organization and format of GRC and RAMP filings. In addition to Commission staff, identified workshop attendees included Southern California Gas Company (SoCalGas), San Diego Gas & Electric Company (SDG&E), Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), the Public Advocates Office (Cal Advocates), The Utility Reform Network (TURN), Protect Our Communities Foundation (PCF), Commissioner Rechtschaffen and Administrative Law Judge (ALJ) Fogel.

The workshop scope included six main subject areas followed by open discussion:

- Risk mitigation and cost presentation standards
- Merger of the RSAR and other accountability reports
- Potential redundancies between RAMP, GRC, and RSAR filings
- GRC settlements and the relationship with RAMPs and RSARs
- RCP requirement updates
- RAMP clarifications and refinements

The investor-owned utilities (PG&E, SCE, SDG&E, and SoCalGas; collectively "IOUs") presented on all topics except for introductory remarks and a presentation by Cal Advocates regarding RCP updates and RAMP clarification and refinement. Energy Division, Cal Advocates, TURN, and ALJ Fogel all participated in the discussion during the workshop. Below is a high-level summary of the workshop discussion.

A draft version of this workshop report was circulated for comment on February 25, 2021. Informal comments were submitted on March 4, 2021 by Cal Advocates, TURN, and PCF (March 4 Post-Workshop Comments).

The March 4 Post-Workshop Comments of Cal Advocates and TURN were clarifying in nature. Cal Advocates also provided an additional recommendation, which was not discussed at the workshop, for RAMP applications to include and consider the results of utility Climate Change Vulnerability Assessments ordered in D.20-08-046. PCF did not provide comments or participate in the discussion during the workshop and instead submitted written positions in its March 4 Post-Workshop Comments. All March 4 Post-Workshop Comments are reflected in this report in a manner consistent with the purpose of this report to summarize the discussions held at the workshop and provide a neutral record of the topics of discussion.

2. Introduction

On February 9, 2021, Energy Division (ED), in concert with Safety Policy Division (SPD), hosted the fourth in a series of workshops related to the GRC filings of the large California energy utilities. The workshops were ordered in D.20-01-002, which modified the Commission's RCP for the large energy utilities. The objective of the workshops is to further explore ideas to standardize GRC filings and streamline the process in order to increase the efficiency of GRC proceedings. The scope of the fourth workshop was to discuss the standardization of the RAMP filings of the IOUs. The workshop was facilitated by ED with support from SPD as well as SoCalGas and SDG&E. This workshop report summarizes the discussions held during the February 9, 2021 workshop.

3. Background

On January 16, 2020, the Commission issued D.20-01-002 (the "Decision Modifying the Commission's Rate Case Plan for Energy Utilities" in Rulemaking (R.) 13-11-006), referred to herein as the "RCP Decision." The RCP Decision adopted changes to the Rate Case Plan for large California energy utilities to enable the Commission to conduct GRC proceedings more efficiently, including modifications to the GRC procedural schedule and extending the GRC cycle for each utility from three years to four years.¹ R.13-11-006 was closed upon the Commission adoption of the RCP Decision.

The RCP decision also ordered a series of workshops to explore and develop proposals to increase the efficiency of GRC proceedings. The basic purpose of the series of the workshops is to see if various matters common to all GRCs can be redesigned and consistently applied to make the proceedings more efficient for the Commission and parties alike. Based on the number of workshop topics, ED identified four workshops (and associated suggested timing) and invited parties to provide feedback on the scope of each workshop:

1. Workshop No. 1 - Stipulated Terms / Rebuttable Presumptions / Standardized Attrition Year Ratemaking – September 4, 2020
2. Workshop No. 2 - Standardization of GRC Filings – October 7, 2020
3. Workshop No. 3 - Results of Operations (RO) Model Uniformity – November 19, 2020
4. Workshop No. 4 - Standardization of RAMP Filings – February 9, 2021

The IOUs are supporting ED staff in facilitating the RCP workshops, and an IOU has been designated for each workshop. The RCP Decision also requires that no later than 30 days after the conclusion of the workshop, the designated IOU shall submit a report to the Directors of the Energy Division and Safety and Enforcement Division with copies served on the service list of R.13-11-006 summarizing the workshop and any agreed-upon proposals.

Subsequently, in July 2020, the Commission opened a new Rulemaking, R.20-07-013, to address Safety Model Assessment Proceeding (S-MAP) long-term roadmap issues and priorities. The

¹ To transition to this change, the Test Year 2019 GRC cycle for SDG&E and SoCalGas was extended to a five-year cycle.

Rulemaking was split into two Phases. Phase 1 was divided into four tracks and Phase 2 was divided into two tracks with each of the tracks being clearly and discretely defined.² Phase 1/Track 3 concerns “Refining RAMP and Related Procedural Requirements” and is further divided into three parts:

- a. Should the Commission provide further direction to align terms, definitions, and processes across RAMP and GRC proceedings, Risk Spending Accountability Reports (RSARs) and the Risk-Based Decision-Making Framework (RDF) to enable improved tracking of safety expenditures and related risk reductions? If so, should the guidance address:
 - i. How risk mitigation and related administrative or other costs, or investments, should be presented and defined in RAMP and GRC applications, and the RSARs, to better enable comparisons of proposals over time and to distinguish such costs from non-RAMP related costs;
 - ii. Potential redundancies between RSAR and related safety accountability reports and possible ways to integrate safety accountability reporting across proceedings;
 - iii. Potential redundancies between RAMP, GRC, and RSAR filings; and
 - iv. RAMP and RSAR requirements for GRC proceedings resolved via Settlement Agreement?
- b. Should Rate Case Plan requirements be updated to reflect any clarifications adopted in this proceeding?
- c. Other potential RAMP clarifications or refinements as needed, including those identified in D.20-01-002.

On January 13, 2021, ED sent a save the date via email for the workshop to the service lists of R.13-11-006 and R.20-07-013. There, ED stated that because the topics identified for the RCP Workshop No. 4 and the S-MAP Phase 1/Track 3 cover the same issues, ED determined that they are functionally the same and merged the RCP Workshop #4 with the S-MAP Track 3 Workshop. In preparation for the workshop, on January 22, 2021, ED issued a preliminary agenda for the consolidated workshop. The following is the combined RCP Workshop #4 and the S-MAP Track 3 Workshop summary prepared by SoCalGas and SDG&E, who were the leading IOU for this workshop.

4. Workshop

ED held the public workshop virtually via a recorded WebEx session on February 9, 2021. Due to the state’s public health order in response to the COVID-19 pandemic, there was no in-person attendance. ED sent a notice of the workshop to the service lists of R.13-11-006 and

² See R.20-07-013 Scoping Memorandum issued on November 2, 2020 at pages 4-9.

R.20-07-013. The public workshop notice was posted on the Commission’s Daily Calendar and website.

According to the ED’s January 22 preliminary agenda (at page 1), the workshop is mandated by both D.20-01-002 and R.20-07-013. Pursuant to these Commission orders, the purpose of the workshop is to “[b]etter integrate RAMP into the GRC and GRC-related reporting into the RSAR” and “[s]tandardizing the organization and format of GRC and RAMP filings.” The workshop, was scheduled from 11:00 am – 4:00 pm, and included the agenda below with topics prompted from ED’s January 22 preliminary agenda:

- Introduction and Purpose
- Lessons Learned and Topic Overview
- Topic 1: Track 3.a.i – Risk Mitigation and Cost Presentation Standards
- Topic 2: Track 3.a.ii – Merger of the RSAR and Other Accountability Reports
- Topic 3: Track 3.a.iii. – Redundancies Between RAMP, GRC, and RSAR
- Topic 4: Track 3.a.iv. – GRCs Resolved by Settlement Agreement
- Topic 5: Track 3.b./c. – Refining RAMP and GRC Procedural Requirements
- Topic 6: Track 3.b. – Updates to RCP Requirements
- Topic 7: Track 3.c. – RAMP Clarifications and Refinements
- Discussion / Q&A

The agenda topics reference and align with the tracks set forth in the S-MAP Rulemaking Scoping Memorandum.

ED staff began the workshop by discussing the workshop logistics and background and provided an overview of the workshop’s agenda and goals. Formal presentations were then made by the IOUs’ representatives and Cal Advocates. After each formal presentation, attendees had an opportunity to comment and ask questions.

5. ED and SPD Lessons Learned

The workshop began with ED providing opening remarks, and then they transitioned to lessons learned. For ED’s lessons learned, they described that while the RDF was being developed in the first S-MAP, parties to the proceedings were partially informed of how risk-related decisions were made but the general public was not particularly informed. With the approval of the S-MAP settlement agreement, adopted in D.18-12-014, ED explained that there has been a noticeable uptick in interest and understanding on how the Commission has made its decisions.³ Accordingly, ED stated that having consensus amongst the parties has been very helpful in making the RDF process work. ED would like to see more consensus to further drive the decision-making process. ED also noted that the RAMP and GRC filings do not have the same level of detail when describing programs and mitigations resulting in additional complexities when evaluating decision-making in RSARs. ED emphasized the desire for

³ In its March 4 Post-Workshop Comments, PCF notes its belief that “increased interest in risk-related decision-making likely resulted from the utilities’ 2019 Wildfire Mitigation Plans,” citing D.19-05-036, p. 29, fn. 42.

reporting to be expressed in work units, but recognized that, in some instances, there is no perfect unit of work and standardizing units may be limited based on the organization of each utility's GRC. That said, when there is an absence of units it is difficult for ED to evaluate and to determine if everything is being done properly in the context of RSARs. Similarly, ED has found that standardization of the discovery process is hampered because the IOUs are of differing sizes and are organized differently. ED has also stated that programs and mitigations are mismatched and hopes that the workshop process can develop definitions for programs and mitigations. ED noted that the Commission has not been using Risk Spend Efficiency (RSE) data when considering the funding of risk reducing activities and commented that RSEs can potentially be useful in that discussion. Lastly, ED concluded that modeling results are typically updated from the first "runs" presented in the RAMP prior to a utility submitting the GRC. ED acknowledges that RAMP cost estimates may not be accurate as they are calculated several years in advance and RAMP mitigations tend to be aspirational. The changes between RAMP to GRC may be confusing from the public's perspective when reviewing each filing. However, the extensive review process in the GRC is designed to consider any differences in the activities described in the RAMP and the GRC. In its March 4 Post-Workshop Comments, PCF notes that the "Energy Division's sentiment contradicts numerous Commission decisions which explicitly require quantification of risk reduction activities so that risk reduction activities may be prioritized based on their cost-effectiveness." PCF also states that the "Commission found in 2016, 'Without quantifying risk reduction, no meaningful ranking, prioritization or optimization of risk mitigations is possible, and the Commission's goals and processes set forth in D.14-12-025 are compromised.'"⁴

SPD also provided their "lessons learned" feedback based on its experience with SCE's recent GRC (Test Year (TY) 2021). SPD acknowledged and appreciated that SCE took SPD's RAMP feedback and incorporated it into the GRC, including a roadmap from the RAMP to the GRC making testimony and hearings much more productive by providing a baseline and a benchmark as reference. SPD also noted that SCE's modeling capability was greatly improved between the RAMP and the GRC and that consideration should be given to whether this model could become the template for other GRC applications.

6. Topic 1: Track 3.a.i – Risk Mitigation and Cost Presentation Standards

6.1 Staff Proposal

ED proposed that the IOUs present unified methods for identifying RAMP mitigation in the GRC, noting that RAMP is often more detailed. ED also proposed that the IOUs commit to presenting activities in the same manner in both the GRC and RAMP. While there has been movement in making GRC and RAMP more consistent, there is still more to do. Lastly, ED proposed developing guidelines to: (1) identify common elements between RAMP and GRC and (2) match RAMP information to the subsequent GRC.

⁴ Citing to D.16-08-018, Interim Decision Adopting the Multi-Attribute Approach (Or Utility Equivalent Features) and Directing Utilities to Take Steps Toward a More Uniform Risk Management Framework (August 18, 2016), p. 182 (Finding of Fact 33).

6.2 IOU Presentation – Challenges of RAMP Standardization and RAMP to GRC Integration

On behalf of the IOUs, SCE presented slides explaining that standardization of RAMP faces similar challenges as GRC standardization. SCE noted that stakeholders did not raise any concerns at the RCP Workshop #2, during which time parties extensively discussed how GRCs are organized to mirror the organization of each IOU's business structure. In its March 4 Post-Workshop Comments, PCF states, "No conclusion should be drawn regarding concerns not raised at RCP Workshop #2. Workshop participants may not have had the ability or opportunity to raise their concerns at the workshop, and not all parties to R.20-07-013 were participants in R.13-11-006." Notwithstanding this viewpoint, the IOUs have not received feedback that IOU organizational differences present any barriers to assessing utility showing or finding items within the showing.

Further, SCE stated that it is difficult to standardize RAMPs across the IOUs because each is organized differently, has different business lines, enterprise risks, proposed controls, mitigations, and funding approvals. SCE also stated that the mechanism to compare the RAMP to the GRC is tied to unique accounting systems for each of the IOUs. For example, SCE, other than a small component, has no gas business, which is a fundamental difference between SCE and SDG&E, SoCalGas, and PG&E. This differences in business structures leads to differences in how the IOUs organize their GRC presentations to make it the most visible, transparent and effective according to their own business.

Lastly, the IOUs agree that presentation in RAMP should be generally consistent with the IOU's GRC to the extent reasonably possible. But funding is not sought in RAMP, and reasonableness is not determined. The granularity, level of detail/workpapers, and justification presented in RAMP does not appear to be fully aligned with the GRC.

SCE explained that standardization across utilities is simply not practical because all of the IOU RAMP reports and GRCs will be unique to their respective businesses. All of the IOUs provide testimony, workpapers and/or roadmaps that give detailed information on how the RAMP was integrated into the respective GRC showings. For example, SCE provided detailed and specific testimony and workpapers in its TY 2021 GRC that addressed how RAMP and the GRC are integrated; whereas, PG&E provided a map from the RAMP to the GRC that translates how mitigation and control programs are incorporated into the GRC. Meanwhile, SoCalGas and SDG&E served testimony that provided a roadmap of RAMP-related costs, a dedicated chapter on RAMP-to-GRC integration, and additional testimony and workpapers to delineate RAMP cost estimates.

At the end of its presentation, SCE stated that the IOUs will continue to provide information on how mitigations and controls are incorporated into the GRC. The IOUs remain open to parties' feedback on this topic.

6.3 Discussion

Following SCE's presentation, parties provided comments. SPD stated that it sounds like the IOUs are different and that the outcome of this proceeding will be three separate templates for

integrating GRC and RAMP for PG&E, SCE, SoCalGas and SDG&E. In response, SCE stated that making specific things consistent would be better than just having a template from one GRC to the next. SPD stated that a working group could work on standardization among the IOUs, as RAMP continues to evolve. TURN stated that it wants a clear connection between RAMP and GRC (*e.g.*, whether the IOU changed anything in the GRC because of feedback received in RAMP), and the IOUs should make those connections clear as to what has been identified as a major risk and how the IOUs are funding those risks in the GRC. SCE replied that it agrees with TURN that the product should be transparent. Cal Advocates agreed with TURN that a template with a minimum set of components would be good. Lastly, Cal Advocates stated that it would like to see a chain between the S-MAP and RAMP and the work completed in the GRC, to see actual improvements in safety which may not be a single template, but there should be a clear set of connections and alignment within the same utility. In its March 4 Post-Workshop Comments, PFC expresses that there is “no meaningful justification for not standardizing RAMPs across the utilities.” PCF also indicated its “agree[ment] with the Energy Division that the utilities should present activities in the same manner in both the GRC and the RAMP.”

7. Topic 2: Track 3.a.ii – Merger of the RSAR and Other Accountability Reports

7.1 Staff Proposal – Merge Existing Reports Into RSAR

ED proposed that further discussions take place regarding merging existing gas safety-related spending accountability reports with the RSAR. ED also proposed methods for imputing authorized costs and work completed. ED stated that costs show up in RSAR as authorized GRC dollars and recorded costs. ED stated that there needs to be a standard method for the IOUs to show how authorized costs are imputed in the RSAR because the public has a hard time understanding how this is done. Additionally, ED recommended that IOUs explicitly reference workpaper description activities in their variance explanations. Lastly, ED would like the IOUs to explicitly identify activities with no recorded costs as cancelled or deferred.

7.2 IOU Presentation – Consolidation of Existing Gas Reports into the RSAR and Methods to Achieve More Safety Spending Visibility

On behalf of the IOUs, PG&E presented that the IOUs are supportive of merging the existing accountability reports. Specifically, the IOUs propose to consolidate relevant information from the following existing gas safety reports (referred to herein as “Gas Reports”) into their RAMP and RSAR, where applicable, with the retirement of those separate Gas Reports:

- PG&E’s Gas Transmission and Storage (GT&S) Compliance Report pursuant to D.19-09-025;
- PG&E’s Gas Distribution Pipeline Safety Report (GDPSR) pursuant to D.11-05-018;
- SDG&E’s Gas Transmission and Distribution Safety Report pursuant to D.13-05-010; and
- SoCalGas’s Gas Transmission, Distribution, and Storage Safety Report pursuant to D.13-05-010.

PG&E stated that the applicable Public Utilities Code (PUC) Sections 958.5 and 591's requirements can be satisfied through the RSAR and RAMP Reports. Information would be included in the RSAR using RSAR standards/thresholds for reporting. Gas Report information beyond scope of the RSAR would retire with the Gas Reports. SoCalGas and SDG&E added that their RSAR already provides the PUC Section 985.5 required information.

Regarding achieving more visibility into safety spending, PG&E, on behalf of the IOUs, presented that IOUs have or intend to impute most RAMP mitigations and controls and will provide a view of imputed and recorded amounts as part of upcoming RSARs. Also, as part of RSARs, the IOUs will identify adopted activities that are cancelled or deferred. To aid with future RSARs, the IOUs will also include work units where applicable in GRC filings and are not opposed to providing workpaper references as part of variance explanations, where applicable, in RSARs.

7.3 Discussion

Comments on Topic 2 (Track 3.a.ii) were held until discussion of Topic 4.

8. Topic 3: Track 3.a.iii. Redundancies Between RAMP, GRC, and RSAR

8.1 Staff Proposal – Address Reporting Redundancies

ED noted that there were no topics for discussion on this item.

9. Topic 4: Track 3.a.iv. GRCs Resolved by Settlement Agreement

9.1 Staff Proposal – Workshop Discussion to Resolve Support Issues

ED encouraged workshop discussions to include how GRC proceedings resolved via Settlement Agreement will provide needed support to related RAMPs and authorized values for RSARs.

9.2 IOU Presentation – Processes Exist to Review IOUs' RAMPs and GRCs

On behalf of the IOUs, SoCalGas/SDG&E responded to ED staff's proposal for a workshop discussion on how GRC settlements could include support related to RAMP reporting and authorized values for RSARs. SoCalGas/SDG&E stated that, although guidelines may be helpful, because parties spend significant efforts to reach settlement agreements, any guidelines developed should not negatively impact parties' ability to conduct and ultimately reach settlement agreements in GRCs. The Commission's Rules of Practice and Procedure currently define requirements related to settlements. That said, the IOUs are not opposed to establishing guidelines with respect to RAMP and RSARs for parties to consider during the settlement process. SoCalGas/SDG&E stated that if guidelines are established for settlements, GRC decisions should mirror the same level of detail. Currently, in situations in which a GRC decision (settled or litigated) does not provide the level of detail required to explicitly identify authorized amounts, IOUs impute authorized values and explain how this was accomplished in RSARs. SoCalGas/SDG&E noted that imputing authorized values may still be required and RSARs will address how imputing was accomplished in accordance with applicable approved settlements. SoCalGas/SDG&E made clear that there is value in settlements and the IOUs do

not want new requirements that would hinder the ability to settle. Guidelines, provided by the Commission, should leverage existing processes.

9.3 Discussion

The discussion that followed pertained to Topic 2 (Track 3.a.ii); there was no discussion regarding Topic 4 (Track 3.a.iv).

Following SoCalGas/SDG&E's presentation, TURN underscored that it is important for RSARs to include units in order to see that progress is made toward identifiable targets. Cal Advocates asked whether the Gas Reports would be simply incorporated into RSAR, to which PG&E replied yes. However, additional gas program information beyond the RSAR standards would no longer be provided. PG&E explained that the Gas Reports are partially duplicative of what the Commission's Staff already receive in the RSAR. Other than PG&E's Gas Transmission and Storage Compliance Report, the Gas Reports are submitted directly to Commission Staff and not filed. PG&E indicated it is their experience that while Staff currently makes inquiries, there is no requirement that ED or SED issue an evaluation report. Cal Advocates also commented that the Gas Reports are provided on a more frequent basis than RSARs and RAMPs. In response to Cal Advocates' comment, SoCalGas and SDG&E clarified that their Gas Reports are submitted twice a year; however, the first submission includes only numbers for the first half of the year and the second submission includes numbers for the full year and variance explanations.

SPD commented that there needs to be a discussion as to who will review the Gas Reports' information if being incorporated into RSAR because Gas Reports are currently submitted to ED and SED while review of the RSAR is the responsibility of ED. SPD pointed out that objectives of the original reports should be met and nuances between the reports, including who receives each report, need to be addressed. SoCalGas/SDG&E added that additional reports have been initiated since the enactment of the Public Utilities Code 958.8 that created the Gas Reports which are reviewed by SPD, including the Safety Performance Metrics Report and eventually the Risk Mitigation Accountability Report (RMAR). In response, ED stated that efficiencies of consolidating reports are obvious, but the granularity and frequency do not match.⁵ Therefore, further discussions are warranted, and this is just the beginning of the conversation.

In its March 4 Post-Workshop Comments on Staff Proposal Topic 2 (Track 3.a.ii), "PCF disagrees with the Energy Division's statement 'that there needs to be a standard method for the IOUs to show how authorized costs are imputed in the RSAR because the public has a hard time understanding how this is done.'" PCF expressed its view that "[o]nly actually authorized amounts should be used," rather than use of 'imputed' authorized amounts.

⁵ In its March 4 Post-Workshop Comments, "PCF agrees with the Energy Division but posits that, more important than granularity or frequency, the legislative intent and purpose of each report should be the guiding factor in discussions on merging reports."

10. Topic 5: Refining RAMP and GRC Procedural Requirements

10.1 Cal Advocates Presentation and Discussion

Cal Advocates focused its presentation on Track 3, “Refining RAMP and Related Procedural Requirements” Topics 3.b. and 3.c. (November 2, 2020 Scoping Memo Ruling at page 6):

- b. “Should Rate Case Plan requirements be updated to reflect any clarifications adopted in this proceeding?”
- c. “Other potential RAMP clarifications or refinements as needed, including those identified in D.20-01-002.”

Cal Advocates recommends that the Commission include these clarifications and refinements to improve the RAMP and related procedural requirements:

1. Risk and accountability reporting should be revised to provide meaningful context including graphical indications of historical progress, current status, as well as depicting how near term planned mitigations fit into the context of a long-term mitigation plan. This information should be reported annually and included in both the RAMP and GRC filings.

For example, 150 miles of conductor hardening authorized; 100 miles actually hardened out of 5,000 miles that need to be hardened in High Fire Threat Districts.

2. RAMPs and GRCs should include utility assessment of prior and proposed Mitigation Program Effectiveness. Utilities should develop and use appropriate program specific criteria for assessing mitigation program effectiveness. Utilities should also include a comparison of expected and actual effectiveness.

Discussion:

SPD questioned what kind of methodology was envisioned for measuring mitigation effectiveness. Cal Advocates responded that it would be dependent upon the mitigation program and that it would be difficult to have a common methodology for all programs. The expectation is that when an IOU proposes a mitigation program in its GRC, it should anticipate a specific outcome from that program and use that in making its decision. To demonstrate this, the utility should provide granular program level data and criteria as to why the program was selected, what the program is anticipated to do, and parties could review it. SPD further asked if Cal Advocates anticipates that the risk score would use the Multi-Attribute Value Function (MAVF) to perform the risk score calculation. Cal Advocates suggests that the use of the MAVF would be a good topic for future discussion. Mitigation programs proposed in GRC filings include much more granular information than the level of programs presented in RAMP applications. SPD asked if Cal Advocates envisions a uniform approach for measuring effectiveness across utilities. Cal Advocates stated that it would be difficult to

develop a uniform approach across utilities. Rather, Cal Advocates suggested that each IOU develop its own metric to match and describe its unique processes and share its approach to assessing effectiveness across the utilities to assist in the development of best practices.

3. RAMPs and GRCs should include a comparison of expected and actual mitigation program RSE values.
4. The Commission should standardize GRC mitigation programs reporting. For example, pole replacement programs should be reported with the number of poles to be replaced, as opposed to reporting only a budget for pole replacements.
5. The Commission should require utilities to list the comments by parties in the RAMP and when/how the utility has addressed the comments in its GRC. Furthermore, parties input from the pre-RAMP workshop should be included in RAMP filings.

Discussion:

At the workshop, there was discussion that page 42 of D.14-12-025 specifies that a “Utility [must] incorporate RAMP results into its GRC filing.” To avoid past differences in how utilities incorporate RAMP results into GRCs, Cal Advocates recommends that the Commission provide explicit direction to provide transparency, accountability and ensure that utilities are addressing party concerns in the GRC.

While not presented at the workshop, in its March 4 Post-Workshop Comments Cal Advocates recommends that an additional RAMP refinement be included in Section 9 of the report discussing Topic 5 Refining RAMP and GRC Procedural Requirements:

6. Utility RAMP applications should include and consider the results of utility Climate Change Vulnerability Assessments, the requirements for which are laid out in D.20-08-046.⁶ These assessments are required to include the best available forward-looking climate data available for the purposes of maintaining resilient and reliable service.⁷ D.20-08-046 also puts forth that “Climate change adaptation planning in a time of worsening climate impacts is a prudent step to ensure the safety and reliability of the investments and operations of all California investor-owned utilities.”⁸ Given the acknowledged urgency of utility planning for climate change impacts, and the fact that these impacts are already

⁶ D.20-08-046, Decision on Energy Utility Climate Change Vulnerability Assessments And Climate Adaptation in Disadvantaged Communities (Phase 1, Topics 4 and 5) (August 27, 2020).

⁷ D.20-08-046, p. 2 (“At its essence, climate change adaptation for California’s investor-owned energy utilities focuses on incorporating the best available climate science into utility infrastructure and operational planning for the long term to help ensure provision of resilient and reliable service to all customers.”).

⁸ D.20-08-046, p. 5.

occurring,⁹ the RAMP process is an ideal venue for considering climate change impacts as they pertain to current top utility safety risks (e.g. wildfire). Therefore, Cal Advocates recommends that RAMPs be required to incorporate the results of climate change vulnerability assessments when assessing top utility safety risks, starting with the first scheduled vulnerability assessment filing by Southern California Edison Company (SCE) in 2022, which will be filed the same day as SCE's RAMP application.¹⁰ Cal Advocates recommends that discussion of specific rules for incorporation of vulnerability assessment results into RAMP filings take place within an RDF Track 3 Working Group.¹¹

11. Topic 6: Track 3b. Updates to RCP Requirements

11.1 Staff Proposal - Process for Revising RAMP, and Method Linking the RAMP and GRC

ED proposed to create a process for revising or supplementing the RAMP (particularly requirements for MAVF). ED also proposed that a methodology should be identified to link the RAMP's findings (particularly mitigation costs) to the GRC.

11.2 IOU Presentation – Processes that Currently Exist and Integration of RAMP Into the GRC

SoCalGas/SDG&E, on behalf of the IOUs, commented that RAMP is a report that provides a process for utilities to present its risk mitigation information to interested parties and the Commission, and feedback is received during the RAMP process. The utilities take feedback received on their respective RAMP filings seriously. SoCalGas/SDG&E responded to Staff's proposal stating that the process currently in place requires the utilities to integrate RAMP results, including comments to the RAMP filings, into GRCs and that no additional processes are needed or required. SoCalGas/SDG&E further clarified that the RCP requirements for reporting are evolving and the utilities continue to pivot and include requirements as they evolve. Given the revised schedule for filing GRCs, there is sometimes not enough time to revise testimony or execute new or additional analysis and meet the filing deadline. SoCalGas/SDG&E further stated that some of the comments received in RAMPs (particularly where comments conflict with each other) would be better addressed in a statewide proceeding, such as the S-MAP forum, rather than in a utility-specific GRC.

⁹ Bedsworth, Louise, Dan Cayan, Guido Franco, Leah Fisher, Sonya Ziaja. (California Governor's Office of Planning and Research, Scripps Institution of Oceanography, California Energy Commission, California Public Utilities Commission). 2018. Statewide Summary Report. California's Fourth Climate Change Assessment. Publication number: SUMCCCA4-2018-013. https://www.energy.ca.gov/sites/default/files/2019-11/Statewide_Reports-SUM-CCCA4-2018-013_Statewide_Summary_Report_ADA.pdf.

¹⁰ D.20-08-046, p. 100.

¹¹ Due to the submission of this recommendation in March 4 Post-Workshop comments to the draft Workshop Report, parties have not yet had an opportunity to comment on this recommendation.

SCE also responded to Staff's proposal stating that RAMP does not provide GRC-quality forecasts, instead the RAMP provides cost estimates for mitigation activities. The RAMP informs, but is not intended to serve as a substitute for the cost forecasts presented as part of a reasonableness showing in the GRC that occurs a year later. Additionally, in their respective GRCs, the IOUs explain the differences and the variances that occur between the RAMP and the GRC, and provide a roadmap to show how the RAMP integrates into the GRC. The IOUs will continue to follow this format. SCE further stated that each IOU's GRC is the appropriate venue to address specific concerns about the variances; however, generalized requirements should be addressed in a statewide proceeding.

11.3 Discussion

TURN responded to the IOU's presentation stating that all of the information in the RAMP, including the RSE, is a tool for justifying proposals in the GRC. To the extent IOUs are receiving feedback in the RAMP, it gives the utility an opportunity to improve their GRC and it is TURN's expectation that their comments be addressed. TURN further stated that the IOUs should highlight and acknowledge the feedback received and whether or not it was incorporated into the filing or if any calculations were changed. TURN disagreed that some issues be dependent to the timing of S-MAP (previously triennially) because that would cause an undue delay in addressing those issues.¹² SoCalGas/SDG&E responded by stressing the importance of timely feedback due to multiple workshops and the narrow windows in the RAMP process. SCE also responded agreeing that comments from intervenors that would make the showing more accurate or transparent should be included; however, if a party is seeking to change the requirements then, as a matter of due process, all parties need to be heard before the change is enacted.¹³

ALJ Fogel requested background regarding why the RAMP estimates are different from the GRC forecasts and requested guidance regarding how to follow the costs between the two filings. SoCalGas/SDG&E responded that there are several differences between the two reports making tracking costs difficult, namely: (1) costs in GRCs are presented by organization whereas the RAMP is presented by activity; (2) the RAMP reflects safety risk cost estimates only and those that are anticipated to be proposed in the next GRC; and (3) the GRC forecast is calculated closer to the operating year. SCE also responded that the Commission was very thoughtful in establishing these different phases – the RAMP and the GRC. The GRC forecasts represent a different timeframe than the RAMP estimates, and that the RAMP is not seeking funding. Thus, they are two different types of showings with two different goals. Also, the GRC forecasts are developed significantly closer in time to the date that the utility actually files its application seeking funding approvals.

ALJ Fogel followed up with an additional question asking if the IOUs take the RSEs from the RAMP and update them in the GRC. SoCalGas/SDG&E responded that according to the S-MAP settlement agreement, IOUs are required to update the RSEs from RAMP in their GRC. The

¹² PCF similarly disagreed, as expressed in its March 4 Post-Workshop Comments.

¹³ In its March 4 Post-Workshop Comments, PFC indicated its concurrence with SCE's viewpoint.

IOUs provide a roadmap in their GRC of changes or updates made between the RAMP and GRC processes.

ALJ Fogel asked for a description of the differences between the assumptions used to develop the RAMP versus the GRC forecast. SCE responded that they used the factors known at the time to develop the RAMP; and the RAMP may omit information that would support a full reasonableness showing because the RAMP itself is not a funding request. SoCalGas/SDG&E added that this might be a utility specific answer; however, at SoCalGas/SDG&E, the RAMP is activity-based whereas the GRC is workpaper based largely organizationally and the GRC workpapers are comprised of multiple components that include risk activities as well as other activities' costs.

ALJ Fogel noted that she remains concerned about being as efficient as possible with these processes and asked that stakeholders be mindful of avoiding duplication of effort in the production and the review of the RAMP and GRC.¹⁴ TURN concurred stating that inclusion of the intervenor's RAMP comments into the GRC will aid in making the review process more efficient. PG&E responded that because they are incorporating the RAMP feedback and other inputs into the GRC that will lead to a degree of change. The GRC has a more refined forecast versus the RAMP estimate, but the RAMP is the lead process into the GRC. The RAMP focuses on the risk modeling and getting that right.

ED stated that there is a need to develop a process to close RAMP applications and the S-MAP is the venue for the parties to do so. ED suggested that working groups discuss how to accomplish closing RAMP proceedings in an efficient and effective timeframe prior to filing of the GRC Application.

In response to the ED's proposal that a methodology should be identified to link the RAMP's findings (particularly mitigation costs) to the GRC," PCF, in its March 4 Post-Workshop Comments, states "that no reason exists to reinvent the wheel. The RAMP filing and comment process already forms the basis for a utility's 'assessment of its safety risks in its general rate case filing.'" PCF recommends that the "Commission focus on enforcing existing requirements." On the topic of differences between RAMP estimates and GRC forecasts, PFC also indicated its view that in GRCs costs should be presented by program rather than by organization and "that the programs should be traceable from the RAMP to the GRC to the RSAR." However, with respect to ED's comment that "there is a need to develop a process to close RAMP applications and the S-MAP is the venue for the parties to do so," PFC in its March 4 Post-Workshop Comments disagrees "and submits that this statement by the Energy Division contradicts past Commission decisions."¹⁵

¹⁴ In its March 4 Post-Workshop Comments, PFC indicated that it "shares ALJ Fogel's concerns about efficiency and the need to avoid duplication of effort from the RAMP to the GRC."

¹⁵ Citing as an example I.19-11-010, Order Instituting Investigation into the Risk Assessment and Mitigation Phase Submission of Southern California Gas Company (November 7, 2019), p. 5 describing circumstances for an OII to be consolidated with a GRC or closed.

12. Topic 7: Track 3.c. RAMP Clarifications and Refinements

12.1 Staff Proposal – Mitigation Risk Scores in Attrition Years and Master Data Requests

ED stated that the Rate Case Plan Decision (D.20-01-002) directed the IOUs to consider a Master Data Request (MDR) guideline for proceedings such as RAMP and RSAR. ED pointed out that the issue of a master data request in the context of the GRC was addressed in Workshop #2 and the consensus was that the workshop process has been the venue for seeking clarifications and is working formally (hearings) and informally (workshops).

ED stated that there is a need to include risk scores in RAMPs for attrition years. This issue pertains to development of a future RMAR. ED questions whether risk scores would be comparable between RAMPs and would it be possible or even desirable.

12.2a IOU Presentation – Post-Test Year Cost Estimates

There are multiple methods for determining post-test year revenue requirements and each utility must support their attrition proposal with information to meet the burden of proof in their respective GRCs. SoCalGas and SDG&E use an escalation-based mechanism to determine post-test year revenue requirements and largely do not provide project specific forecasts in the GRC beyond the test year. Given that SoCalGas and SDG&E use a mechanism, not project forecasts, in the post-test years and the intent of RAMP to inform GRCs in general, a requirement to provide post-test year cost estimates in RAMP is not applicable for SoCalGas and SDG&E. Project forecasts for post-test years are not needed as current reporting requirements (the Safety Performance Metric Report and the RSAR) demonstrate how mitigations perform in post-test years by comparing authorized funding and work units (where available) to recorded actual information.

SCE stated there is a difference among how the utilities calculate attrition in the post-test years. SCE bases their attrition years on project forecasts as opposed to an escalation factor. SCE will be providing the post-test year cost estimates in the RAMP and GRC wherever feasible for purpose of risk mitigation scoring. Post-test year cost estimates in RAMP seem to be of limited usefulness unless post-test year project specific funding is authorized in GRCs. SCE will provide a reconciliation and variance explanation if costs estimates change in the year between the RAMP filing and the GRC application.

12.2b IOU Presentation – Master Data Request for RAMP

On behalf of the IOUs, SCE stated that they do not feel having an MDR for RAMP would provide sufficient benefits. As the Commission has stated, the RAMP filings are evolving and are somewhat unique from one another. Each IOU's subsequent RAMP to GRC integration may be different making standardization of an MDR difficult. Any additional MDRs for RAMP may also be duplicative of the MDRs in the GRC. IOU's RAMPs are already a rather detailed process involving an extensive showing with workpapers. It is most efficient and productive for all stakeholders if parties review the showing and workpapers before issuing data requests. Otherwise, the utility may be answering data requests when the responsive material is already embedded in the RAMP showing. The process that seems to be favored by stakeholders and

repeatedly adopted by the Commission is multiple workshops after the RAMP Report is filed. The IOUs are open to discussions on how to improve the mapping and reader accessibility for our RAMP filings. If desired, additional walk-throughs can be provided to discuss the RAMP filings.

12.3 Discussion

TURN believes RSEs should be limited to the test year and believes that a test year plus an attrition process is preferred because of resource constraints. Conversely, PCF, in its March 4 Post-Workshop Comments, believes an escalation-based mechanism to determine post-test year requirements are not appropriate and recommends that any discussion of post-test year cost estimates recognize: (1) the regulatory compact and attrition year calculations work in two directions, and (2) utilities cannot rely upon attrition year adjustments in certain circumstances.

ED posed the questions: (1) how easy would it be to compare mitigations between RAMPs? and (2) what about attrition years that haven't happened yet in the course of a RAMP that is open? SPD stated that they need to develop a template first for the RMAR and that this discussion is premature. This topic will likely require a workshop to hash out the details. RMAR is considering comparing RSEs from one GRC cycle to another, but what is required to be compared for RMAR purposes remains an open item.

To address ED's and SPD's prompt, SoCalGas/SDG&E stated that the timelines and details for filing RMARs have not been established. Notwithstanding the implementation issues related to RMARs, SoCalGas/SDG&E commented that it was their understanding that the RMAR would not compare RSEs between GRC cycles, but rather would compare authorized to actual RSEs, similar to the RSARs for costs. TURN asked how the concept of authorized RSEs would work.

SoCalGas/SDG&E responded that it is unclear how "authorized" RSEs will evolve in GRCs and whether the Commission will provide authorized RSE figures in future GRC decisions. SoCalGas and SDG&E noted that they did not present RSEs in the last GRC and will be doing so in the upcoming GRC. To do what SoCalGas and SDG&E are suggesting, ED stated that RSEs would be needed for the test year and post-test years, and asked how this would work?

SoCalGas/SDG&E agreed, explaining that RSEs could be calculated for test years and imputed for post-test years using a similar methodology as the RSARs. SPD responded that the cost component would be rather straight forward as escalation-based values can be used. However, the RSE's numerator is more complicated. From GRC cycle to GRC cycle, there are different requirements and ways for calculating MAVFs, which may require going back to previous RAMPs or GRCs. SPD pointed out that it is premature to have this discussion and this topic should be addressed through a technical working group.

ALJ Fogel noted that D.19-04-020 suspended the requirement for utilities to submit RMARs and the requirement is dependent on Phase 2 of the S-MAP Rulemaking.

SoCalGas/SDG&E voiced concerns about comparing one GRC cycle's authorized to that of a new cycle. It is well recognized that things come up during GRC cycles that may require a utility to re-prioritize funding to address immediate needs. Therefore, for the RMAR, authorized

benefits from the current GRC cycle should be compared to actual benefits. ED concluded by recognizing the interest in the discussion and stating it will continue at a later time.

13. Next Steps

Comments should be sent to the SoCalGas and SDG&E representative, to ED and SPD with a copy to the service list. The schedule for comments and the workshop report is:

- Draft Report: February 25, 2021
- Informal Comments: March 4, 2021
- Final Report: March 11, 2021
- Final Report Comments: March 25, 2021

The Final Report is to be issued within 30 days of the workshop conclusion and is to be sent to the Director of Energy Division and Safety Policy Division as well as to the proceeding service list.

After service of the Final Report, ED indicated that working groups will convene. The working groups will discuss each part of the workshop report and will make recommendations. There may also be Staff proposals and/or party proposals in the record; the working groups will determine if these are needed.

14. Appendix A: Workshop Presentation

Consolidated Workshop RCP-RDF

**D.20-01-002 Rate Case Plan (RCP) Workshop 4
R.20-07-013 Risk-based Decision-making
framework (RDF) Track 3 (aka S-MAP 2.0)**

February 9, 2021

11:00 AM to 4:00 PM



California Public
Utilities Commission

Outline

- Agenda
- Purpose
- Lessons Learned
- Topic Overview

Agenda 11:00 AM to 4:00 PM

11:00	-	11:15	Introduction and Purpose
11:15	-	11:30	Lessons Learned and Topic Overview
11:30	-	12:15	Track 3.a. K. Vyas (SCE)
12:15	-	1:00	Lunch
1:00	-	2:00	Track 3.a. J. York (SDGE); K. Chang & K. Arnold (PGE)
2:00	-	2:15	Break
2:15	-	2:30	Track 3.b./c. Chris Parkes (Cal Advocates)
2:30	-	3:00	Track 3.b. K. Vyas & J. York
3:00	-	3:30	Track 3.c. K. Vyas & J. York
3:30	-	4:00	Discussion / Q&A

Purpose

- Improve integration of Risk Assessment Mitigation Phase (RAMP) into the General Rate Case (GRC) and GRC-related reporting into the Risk Spending Accountability Report (RSAR)
- Standardize the organization and format of GRC and RAMP filings

This workshop is mandated by both the D.20-01-002 of closed proceeding R.13-11-006 and OIR R.20-07-013 (Track 3)

Lessons Learned from Energy Division

- The public often doesn't have a good understanding of the risk evaluation process.
- The RAMP often doesn't provide the same level of detail as in the GRC.
- Standardizing units of work for the RSARs is hampered by GRC organization.
- Standardizing the discovery process is hampered by individual IOU organization (see 3.b).
- Programs/mitigations need better definitions.
- The CPUC must decide how it intends to use risk-spend efficiency (RSE) data in its consideration of funding risk reduction activities (see 3.a.ii).
- While the initial RAMP filing includes public participation and CPUC oversight the risk modeling results are often updated before they are presented in the GRC (see 3.b).

Lessons Learned

from Safety Policy Division's Risk Assessment & Safety Advisory Section

- 2019 SCE GRC Application was an iterative step in the RAMP process:
 1. More thoroughly addressed their RAMP report and CPUC staff evaluation, and stakeholder feedback.
 2. Included a more useful "RAMP roadmap" tying their GRC sections to their RAMP report, that provides a template for future GRC applications.
 3. Utilized improved modeling capabilities to provide a wildfire risk curve that assessed wildfire risk on their distribution system for every circuit mile of the 10,000 miles of distribution system in high fire threat districts.
 4. Enabled greater transparency and stakeholder input into GRC the proceeding, allowing for better GRC decision-making.

Topic Overview

6 Topics of Track 3

From OIR R.20-07-013

Track 3: Safety Performance Metrics

6 Topics in Track 3

1. Track 3.a. Cost tracking, risk reductions, terms, and processes across RAMPs, GRCs, and RSARs
 - 3.a.i - Risk mitigation and cost presentation standard: comparing RAMP and non-RAMP activities
 - 3.a.ii - Merge the RSAR and other accountability reports
 - 3.a.iii - Address potential redundancies between RAMP, GRC, and RSAR filings
 - 3.a.iv - GRCs resolved via a settlement agreement must provide strong relationships to related RAMPs and authorized values for RSARs
2. Track 3.b. RCP requirements should be updated
3. Track 3.c. RAMP clarifications and refinements

3.a.i – Risk Mitigation and Cost Presentation Standard

Staff Proposal:

1. IOU to present unified methods for identifying RAMP mitigation in the GRC
2. IOU to commit to presenting activities in the same manner in both the GRC and RAMP
3. Develop guidelines to:
 - a. Identify common elements between RAMP and GRC
 - b. Match RAMP information to the subsequent GRC

Track 3.a

Kris Vyas
Southern California Edison

Standardization of RAMP Faces Similar Challenges as GRC Standardization

- At the Rate Case Plan (RCP) Workshop #2, parties extensively discussed how GRCs are organized to mirror the organization of each IOU's business structure, and IOUs have not received feedback that differences in organization amongst IOU's present any barrier to assessing utility showing or finding items within the showing. Stakeholders did not raise any concerns
- Similarly, it is difficult to standardize RAMPs across IOU's. The IOU's have different organizations, business lines, enterprise risks, proposed controls, mitigations, and funding approvals
- Further, the mechanism to compare the RAMP to the GRC is tied to unique accounting systems for each of the IOUs
- The IOUs agree that presentation in RAMP should be generally consistent with the IOU's GRC to the extent reasonably possible. But funding is not sought in RAMP, and reasonableness is not determined. The granularity, level of detail/workpapers, and justification presented in RAMP does not appear to be fully applicable to the GRC

The IOUs Currently Provide Testimony, Workpapers and Roadmaps Detailing RAMP To GRC Integration

- As previously mentioned, all of the IOU RAMP reports and GRCs will be unique to their respective businesses, and therefore any standardization across utilities is simply not practical
- All of the IOUs provide testimony, workpapers and/or roadmaps that give detailed information on how the RAMP was integrated into our respective GRC showings
 - SCE provided detailed and specific testimony and workpapers in our TY 2021 GRC that addressed how we integrated RAMP and GRC
 - PG&E provided a map from the RAMP to the GRC that translates how mitigation and control programs are incorporated into the GRC.
 - SoCalGas and SDG&E served testimony that provided a roadmap of RAMP -related costs, a dedicated chapter on RAMP-to-GRC integration, and additional testimony and workpapers to delineate RAMP cost estimates.
- The IOUS will continue to provide information on how mitigations and controls are incorporated into the GRC. We welcome parties' feedback

Intervenor Comments

Lunch

3.a.ii – Merge the RSAR and Other Accountability Reports

Staff Proposal:

1. Consider merging existing spending accountability report with the RSAR D.19-04-020.
2. Propose methods for inputting authorized costs and work completed.
3. IOU to reference workpaper description activities in variance explanations.
4. IOU to identify activities with no funding as cancelled or deferred.

Track 3.a.ii

Jamie York

SoCalGas / SDG&E

Kimberly Chang

Pacific Gas & Electric

Ken Arnold

Pacific Gas & Electric

Gas Reports in Addition to RSAR (3.a.ii)

In addition to the Risk Spending Accountability Report, the IOUs submit Gas Reports specific to gas operations activities.

Report	IOU	Description	Directive
Gas Transmission and Storage (GT&S) Compliance Report	PG&E	Provides a description of the Integrated Planning Process, Budget and Spend, and safety programs details for Pacific Gas and Electric Company's Gas Transmission and Storage system.	D.19-09-025 (PG&E's 2019 GT&S Rate Case)
Gas Distribution Pipeline Safety Report	PG&E	Provides a description of the Integrated Planning Process, Budget and Spend, and Capital Project details for Pacific Gas and Electric Company's Gas Distribution system.	D.11-05-018 (PG&E's 2011 GRC) Continued in D.17-05-013 (PG&E's 2017 GRC)
Gas Transmission and Distribution Safety Report	SDG&E	Provides a description of the Strategic Planning and Decision-Making Process, Budget and Spend, and variance explanations for SDG&E's Gas Transmission and Distribution Systems.	D.13-05-010 (Sempra Utilities' 2012 GRC), Attachment C.
Gas Transmission, Distribution, and Storage Safety Report	SoCalGas	Provides a description of the Strategic Planning and Decision-Making Process, Budget and Spend, and variance explanations for SoCalGas's Gas Transmission, Distribution, and Storage Systems.	D.13-05-010 (Sempra Utilities' 2012 GRC), Attachment C.

Proposal to Merge Existing Spending Accountability Reports

To merge existing Gas Reports with the RSAR, the IOUs propose the following be adopted:

- Consolidation of relevant information from existing Gas Reports into the RSAR and retirement of separate Gas Reports.
 - Information will be included in the RSAR using RSAR standards/thresholds for reporting.
- PU Code requirements that initiated the Gas Reports can be satisfied through the RSAR and RAMP Reports.

Public Utilities Code 958.5 and 591

PU Code 958.5

- (a) Twice a year, or as determined by the commission, each gas corporation shall file with the division of the commission responsible for utility safety a gas transmission and storage safety report. The division of the commission responsible for utility safety shall review the reports to monitor each gas corporation's storage and pipeline-related activities to assess whether the projects that have been identified as high risk are being carried out, and to track whether the gas corporation is spending its allocated funds on these storage and pipeline-related safety, reliability, and integrity activities for which they have received approval from the commission.
- (b) The gas transmission and storage safety report shall include a thorough description and explanation of the strategic planning and decision-making approach used to determine and rank the gas storage projects, intrastate transmission line safety, integrity, and reliability, operation and maintenance activities, and inspections of its intrastate transmission lines. If there has been no change in the gas corporation's approach for determining and ranking which projects and activities are prioritized since the previous gas transmission and storage safety report, the subsequent report may reference the immediately preceding report.
- (c) If the division of the commission responsible for utility safety determines that there is a deficiency in a gas corporation's prioritization or administration of the storage or pipeline capital projects or operation and maintenance activities, the division shall bring the problems to the commission's immediate attention.

PU Code 591

- (a) The commission shall require an electrical or gas corporation to annually notify the commission, as part of an ongoing proceeding or in a report otherwise required to be submitted to the commission, of each time since that notification was last provided that capital or expense revenue authorized by the commission for maintenance, safety, or reliability was redirected by the electrical or gas corporation to other purposes.
- (b) The commission shall ensure that the notification provided by each electrical or gas corporation is also made available in a timely fashion to the Office of the Safety Advocate, Public Advocate's Office of the Public Utilities Commission, and parties on the service list of any relevant proceeding.

Visibility on Safety Spending (3.a.ii)

Consider how to achieve more visibility into safety spending by:

1. Improve methods “imputing authorized” costs:
 - IOUs have or intend to impute most RAMP mitigations and controls and will provide a view of imputed and recorded amounts as part of the upcoming Risk Spending Accountability Report.
2. Relate authorized costs for work done:
 - IOUs provide this analysis as part of the RSAR; GRC filings will include work units, where applicable.
3. Reference workpapers in variance explanations:
 - IOUs are not opposed to providing workpaper references as part of variance explanations, where available.
4. Identify authorized activities that are cancelled or deferred:
 - IOUs provide this information as part of the RSAR pursuant to the 2019 SMAP Decision (D.19-04-020), for programs that meet the applied threshold, “...whether any projects or other units of work were canceled, deferred, or expanded that may have led to the difference.”

3.a.iii – Address redundancies between RAMP, GRC, and RSAR

Staff Proposal:

1. Identify and significant redundancies between RAMP, GRC, RSAR fillings.

The IOUs do not have any topics for consideration here at this time.

3.a.iv – GRCs resolved via a settlement agreement

Staff Proposal:

1. Workshop discussions should state how GRC proceedings resolved via Settlement Agreement will provide needed support to related RAMPs and authorized values for RSARs.

Prudent Touchpoints With Settlements

- Parties spend significant efforts to reach settlement agreements. Any guidelines developed should not negatively impact parties' ability to conduct and ultimately reach settlement agreements.
- IOUs are not opposed to establishing guidelines with respect to RAMP and RSARs for parties to consider during the settlement process.
- If guidelines are established for settlements, GRC decisions should mirror the same level of detail.
- Imputing authorized values may still be required and RSARs will address how imputing was accomplished in accordance with applicable approved settlements.

Intervenor Comments

Break

Track 3.b and 3.c

Chris Parkes
Public Advocates Office



D.20-01-002 Rate Case Plan (RCP)
R.20-07-013 Risk-based Decision-making Framework (RDF)

Consolidated Workshop 4: Refining RAMP and GRC procedural requirements

**Public Advocates Office
February 9, 2021**

Chris Parkes, Supervisor, Financial Impacts Section, Safety Branch



Agenda

Energy Division Track 3 Workshop 6 Topics

- 3.a. Cost tracking, risk reductions, terms, and processes across RAMPs, GRCs, and RSARs.
 - i. Risk mitigation and cost presentation standard: comparing RAMP and non-RAMP activities.
 - ii. Merge the RSAR and other accountability reports.
 - iii. Address potential redundancies between RAMP, GRC, and RSAR filings.
 - iv. GRCs resolved via a settlement agreement must provide strong relationships to related RAMPs and authorized values for RSARs.

3.b RCP requirements should be updated.

3.c RAMP clarifications and refinements.



This Presentation



Scoping Memo/Track 3:

“Refining RAMP and Related Procedural Requirements”

3.b.: “Should Rate Case Plan requirements be updated to reflect any clarifications adopted in this proceeding?”

3.c: “Other potential RAMP clarifications or refinements as needed, including those identified in D.20-01-002.”



Cal Advocates proposes refinements to:

- 1) Increase transparency;
- 2) Increase accountability; and
- 3) Increase dissemination and application of best practices.



Increasing Transparency, Accountability, and Best Practices

1. Utilities should enhance annual safety metrics and risk spending/mitigation accountability reporting:
 - Risk and accountability reports should be revised to provide meaningful context including graphical indications of historical progress, current status, as well as depicting how near-term planned mitigations fit into the context of a long-term mitigation plan.
 - e.g. 150 miles of conductor hardening authorized; 100 miles actually hardened; out of 5,000 miles that need to be hardened in High Fire Threat Districts.
 - This information should be reported annually and included in both the RAMP & GRC filings.



Increasing Transparency, Accountability, and Best Practices

2. Mitigation Program Effectiveness:

- ❑ RAMPs and GRCs should include utility assessment of prior and proposed Mitigation Program Effectiveness. Utilities should develop and use appropriate program specific criteria for assessing mitigation program effectiveness.
- ❑ Utilities should also include a comparison of expected and actual effectiveness.

3. Risk Spend Efficiency (RSE): Similar to Mitigation Program Effectiveness, RAMPs and GRCs should include a comparison of expected and actual mitigation program RSE values.



Refining RAMP and Related Procedural Requirements

5. The Commission should standardize GRC mitigation programs reporting.
 - ❑ For example, pole replacement programs should be reported with the number of poles to be replaced, as opposed to reporting only a budget for pole replacements.
6. The Commission should require utilities to list the comments by parties in the RAMP and when/how the utility has addressed the comments in its GRC.
 - ❑ Currently there is no tracking of party recommendations from the RAMP to the GRC. This leads to a lack of transparency and accountability that utilities are addressing party concerns in the GRC.



Questions/Discussion

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415-703-1975

3.b– RCP requirements should be updated

Staff Proposal:

- 1. List process for revising or supplementing the RAMP (particularly requirements for MAVF).**
- 2. Identify methodology for link the RAMP’s findings (particularly mitigation costs) to the GRC.**

Track 3.b

Jamie York

SoCalGas / SDG&E

Kris Vyas

Southern California Edison

A Process is Already in Place to Review IOUs RAMPs and GRCs

- RAMP provides a process for reporting an IOU's available risk mitigation information and analysis. Disagreements regarding reporting requirements may be addressed in a statewide proceeding, such as the S-MAP.
- The RAMP process requires a utility to incorporate "RAMP results into its GRC filing" (D.14-12-025 at 42). Accordingly, utilities integrate risk mitigation information into the GRC, considering feedback from staff and parties identified in the RAMP proceeding, which will be evaluated as part of determining specific requests in the GRCs.
- No additional processes, workshops or otherwise, are needed.
- Additional processes would further diminish an already narrow window (set forth in D.20-01-002) for receiving RAMP results and then integrating them into the next GRC.

Integrating RAMP Into GRC

- The IOUs note that RAMP does not provide GRC-funding "forecasts," but simply gives cost estimates for the mitigations. IOUs already explain in the post-RAMP GRC application the difference between the RAMP-chosen mitigations and the GRC-proposed work
- As previously indicated, the IOUs provide testimony, workpapers and/or roadmaps that show how the RAMP was integrated into our respective General Rate Cases. We will continue to do so
- The current RAMP process calls for IOUs to integrate the RAMP results into their GRC. Accordingly, a particular IOU's GRC is the productive venue to consider whether concerns that may have been raised by Staff and parties in the utility's RAMP proceeding are adequately addressed in the utility's GRC showing

Intervenor Comments

3.C– RAMP clarifications or Refinement

Staff Proposal:

1. Include mitigation risk scores in RAMPs for attrition years (i.e. post-test years).
2. Develop a Master Data Request (MDR) guideline consistent with RAMP fillings and each IOU.

Track 3.c

Jamie York

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SoCalGas and SDG&E Use a Post-Test Year Mechanism; Program Cost Estimates in Attrition Years Are Largely Not Provided

- RAMP is intended to inform IOU GRC proposals.
- SoCalGas and SDG&E support the Staff proposal's statement that "Attrition years from prior GRCs are generally unrelated to the RAMP..."
- Generally, SoCalGas and SDG&E do not provide cost estimates in their RAMP or GRC beyond the test year. Rather, SoCalGas and SDG&E use an escalation-based post-test year mechanism for the GRC.
- SoCalGas and SDG&E support their attrition proposals with information to meet their burden of proof in GRCs.
- Accountability reporting demonstrates how mitigations perform in post-test years by comparing authorized funding and work units (where available) to recorded information.

SCE Plans on Providing Post-Test Year Cost Estimates in its RAMP and GRC

- While SCE is still finalizing our approach for our May 2022 RAMP showing, SCE currently anticipates providing Test Year and Post-Test Year cost estimates in its GRC, and in its RAMP wherever feasible for purposes of risk mitigation scoring
 - Post-Test Year cost estimates in RAMP seem of limited usefulness unless Post-Test Year funding authorization in GRCs also uses cost estimates (rather than simple formula attrition year mechanism)
- SCE will provide a reconciliation and variance explanation if cost estimates have changed in the one year between filing the RAMP and filing the GRC application.

The IOUs Do Not Feel a Master Data Request for RAMP is Warranted

- The IOUs do not feel that having an MDR for RAMP would provide benefits for all parties
- While a respective IOU's GRC remains generally consistent between cases, RAMP filings are likely to evolve and be somewhat unique from each other. In addition, each IOU's subsequent RAMP to GRC integration may be different, again making standardization of an MDR difficult. Any additional MDRs for RAMP may also be duplicative of the MDRs in the GRC
- The utility RAMPs are already a rather detailed process involving an extensive showing with workpapers. It is most efficient and productive for all stakeholders if parties review the showing and workpapers before issuing data requests. Otherwise, the utility may be answering data requests when the responsive material is already embedded in the RAMP showing
- The process that seems to be favored by stakeholders and repeatedly adopted by the Commission is multiple workshops after the RAMP Report is filed
- The IOUs are open to discussions on how to improve the mapping and reader accessibility for our RAMP filings. If desired, additional walk-throughs can be provided to discuss the RAMP filing

Intervenor Comments

Next Steps

- Workshop Report (D.20-01 -002 calls for it in 30 days)
 - Compile notes and comments. Circulate draft
 - Final report to be published on CPUC website
- Working Group (Scope p 10)
 - Discussion of the report
 - Identify majority and minority views and recommendations
- Final Proposal
 - Final “outcomes” or “decisions” (e.g. final proposal)

Discussion on Preliminary Comments and Report Schedule

- Draft Report: Feb 25, 2021
- Informal Comments on Draft Report: March 4, 2021
- Final Report: March 11, 2021
- Final Report Comments: March 25, 2021

Questions?





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