

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF ROCKY MOUNTAIN ) CASE NO. PAC-E-24-09**  
**POWER’S APPLICATION FOR APPROVAL )**  
**OF THE 2024 IDAHO WILDFIRE ) ORDER NO. 36405**  
**MITIGATION PLAN )**  
**)**

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On June 7, 2024, Rocky Mountain Power, a division of PacifiCorp (“Company”), applied for approval of its 2024-2026 Idaho Wildfire Mitigation Plan (“2024 WMP”). According to the Company, the 2024 WMP describes its efforts to mitigate the risk of wildfires by constructing, maintaining, and operating electrical infrastructure to minimize this risk. The Company requested this matter be processed via Modified Procedure.

On July 25, 2024, the Commission issued a Notice of Application and Notice of Modified Procedure, setting public comment and Company reply deadlines. Order No. 36275. Commission Staff (“Staff”) and the Idaho Conservation League (“ICL”) filed comments to which the Company replied.

Having reviewed the record, the Commission acknowledges the Company’s 2024 WMP and directs the Company to take further action as described below.

**STAFF COMMENTS**

After reviewing the Application, the 2024 WMP, and the Company’s responses to production requests, Staff recommended that the Commission acknowledge, rather than approve, the 2024 WMP. Staff urged acknowledgment, instead of approval or acceptance, as this would indicate that the Commission thoroughly reviewed the 2024 WMP without opining on the prudence of monetary investments described therein. To facilitate and improve future iterations of the 2024 WMP, Staff recommended that the Commission direct the Company to take certain actions in relation to future iterations of its wildfire mitigation plan.

Staff noted that, despite having similar plans in other states, the 2024 WMP is the first such plan that the Company has filed in Idaho. According to Staff, the 2024 WMP assessed ignition risk in Idaho using the FireSight model, which generated composite risk scores using both characteristics of the Company’s assets and their surrounding location. If the model placed a segment of the Company’s circuits within the 85<sup>th</sup> to 100<sup>th</sup> risk percentile, the Company considered it a Fire High Consequence Area (“FHCA”). Although the Company’s Idaho service

territory has no FHCAs, it has many areas of significant wildfire risk (*i.e.*, the 45<sup>th</sup> to 85<sup>th</sup> percentile). In addition to FireSight modeling, the Company used several other models and tools to guide its operational decisions.

Staff further noted that the 2024 WMP revealed that the Company anticipates investing about \$800,000 over the next two years to increase its situational awareness. This investment will fund a meteorology department and the construction of 35 weather stations in Idaho, which the Company can use to generate a comprehensive weather forecast, predicting weather conditions for the next 96 hours. Staff expressed concern that these modeling and meteorology investments may be duplicative and encouraged the Company to streamline these investments to reduce redundancies.

Staff also expressed concern over the Company's vegetation management efforts. Currently, the Company employs a three-year management cycle for much of its system. For portions of its system located in FHCAs, the Company employs an Enhanced Vegetation Management program with annual vegetation inspections. Staff is concerned that the criteria its in-house experts use to evaluate wildfire risk differ from those used in its third-party modeling. Staff encouraged the Company to explore cost-saving opportunities with these overlapping models and methods.

The 2024 WMP also described the Company's efforts to mitigate wildfire risk via system hardening. These hardening efforts will focus on FHCAs and could entail the use of covered conductors for certain lines, installation of non-wooden poles, and underground lines. Currently, the Company has undergrounded only one line in Idaho, which occurred in 2023 at a cost of about \$522,000. The Company also indicated that it plans to use quick reaction microprocessor relays, arcless expulsion fuses, and fault indicators. Staff recommended that the Commission direct the Company to develop and employ a least-cost least-risk analysis to evaluate system hardening projects.

The Company is modifying its operations to reduce wildfire risk. In this vein, the Company is implementing elevated fire risk ("EFR") settings throughout its service territory. During 2023, Idaho experienced 90 EFR outages in July and August. As these operations impact reliability, the Company is exploring different strategies with lower impact. The Company has also developed procedures to control work performed in conditions with a high wildfire risk—improving worksite preparation and providing employees with fire suppression and remote

communications equipment. Through 2026, the Company plans to spend about \$16 million on capital investments and operation and maintenance.

The 2024 WMP explained the Company's participation in collaborative industry bodies. The Company's goal in participating in these collaborative bodies is to increase its understanding of best practices and emerging technologies. Although Staff commended the Company for this practice, it urged the Company to mitigate the cost of these collaborations.

The 2024 WMP also described the introduction of the Company's Idaho Public Safety Power Shutoffs ("PSPS") program. During 2023, the Company initiated the Idaho PSPS. The PSPS program allows the Company to temporarily de-energize lines during extreme weather to prevent wildfire ignitions. The Company uses a Partner Safety Portal to communicate with safety partners during PSPS events. Customers impacted by PSPS events are notified via calls, texts, emails and the Company's PSPS webpage or mobile app. Staff recommended that the Company consider communication with other stakeholders and partner utilities during PSPS events. Staff further recommended that the Company clarify precisely what portions of its service territory will be subject to PSPS events.

Staff noted that the Company has not indicated how it will communicate with the Commission before and during PSPS events. Such communication is particularly important considering ESF-12 coordination, the Commission's role during statewide emergencies, and the high volume of customer calls the Commission may receive during PSPS events. Staff expressed its willingness to work with the Company to establish notice and communication protocols for PSPS events.

Staff further observed that the PSPS program is not the only avenue for the Company to de-energize its lines in emergencies. The Wildfire Encroachment System Operations Procedure ("SOP") establishes specific guidelines for de-energizing lines due to an active wildfire. Staff expressed similar notice and communication concerns in relation to the SOP.

The 2024 WMP contemplates about \$22 million in projected capital expenditures and about \$9 million for operations and maintenance expenditures.<sup>1</sup> However, Staff noted that the Company did not provide forecasts for its internal labor cost for its wildfire safety department. Without a specific line item dedicated to internal labor costs, Staff asserted that it could not track

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<sup>1</sup> Staff's comments contain Table No. 1, which sets forth a detailed cost summary of the Company's planned investments.

such costs. Consequently, Staff recommended that the Commission direct the Company to include such a line item in its cost forecasts.

Staff also noted that the 2024 WMP indicated the Company was considering a backup power rebate program for Idaho customers, which the Company already offers in California and Oregon. Staff recommended the Commission direct the Company to seek Commission approval before instituting such a program in Idaho. Additionally, Staff recommended the Commission direct the Company to provide an analysis and a comparison of alternatives it considered for each wildfire mitigation project or program when seeking recovery of such costs in a separate case.

### **ICL COMMENTS**

The ICL recommended Commission approval of the 2024 WMP, citing the improved meteorological forecasting and data collection it proposed. However, ICL also noted that the costs and acreage affected by wildfires has significantly increased over the last 30 years. According to ICL, although climate change is the primary driver of this increase, it combines with other factors to create a trend requiring reexamination of wildfire expectations.

Additionally, despite favorably citing the separation of fuel/terrain-driven ignition events from those driven by wind in the 2024 WMP, ICL identified what it believed were some deficiencies in the risk analysis employed in the 2024 WMP. Specifically, ICL noted that the 2024 WMP likely did not identify any FHCAs in Idaho because Idaho's potential impact data was lumped in with California's potential impact data. Because of California's higher population and property values, ICL found it unsurprising that no location in Idaho placed in the highest wildfire risk tier. The ICL also criticized the 2024 WMP for relying exclusively on historical wildfire events, resulting in modeling that assumes the future will resemble the past. Furthermore, the ICL noted that the 2024 WMP failed to account for what its expert anticipates will be substantial efforts to preserve Sage-grouse habitat in the northwest corner of the Company's Idaho service territory.

The ICL concluded its comments by acknowledging the Company's recognition of the evolving risk wildfires pose. However, the ICL cautioned that it believed wildfire impacts seen to date are merely the tip of the iceberg and that worse wildfires will occur in the coming decades.

### **COMPANY REPLY COMMENTS**

The Company focused its reply comments on responding to Staff's recommendations and concerns. Generally, the Company either agreed or did not oppose Staff's recommendations. The notable points over which the Company disagreed with Staff are highlighted below.

Although the Company did not object to evaluating wildfire mitigation projects on a least-cost least-risk basis, it asserted that approval of its wildfire mitigation projects should not be held to a heightened prudence standard that it believed Staff was advocating. The Company believed this would impose an unnecessary regulatory burden.

Regarding Staff's recommendations for updating the wildfire mitigation plan, the Company proposed that it file updated versions of its plan every three years. According to the Company, this planning horizon would not only accommodate both minor and significant plan updates, but it would also put Idaho on the same update schedule as Utah and Wyoming. The Company asserted that placing Idaho on the same update schedule as its neighboring states would promote consistency between the plans filed in each state. Additionally, the Company noted that this shortened reporting schedule would obviate the need for the biannual filing of version changes and semi-annual updates Staff recommended. The Company cited the absence of FHCA areas in Idaho to further support its opposition to the semi-annual updates.

The Company was not opposed to disclosing its internal labor costs for its wildfire safety department. However, the Company indicated that it does not break down such expenses into line items. According to a table included in its reply comments, the following amounts represent Idaho's share of the Company's anticipated internal labor costs for wildfire safety: 1) \$23,000 in 2024; 2) \$121,333 in 2025; and 3) \$126,187 in 2026.

In response to Staff's concerns related to overlapping modeling methods, the Company noted that its FireSight and meteorological models have different functions. Specifically, the purpose of FireSight is to identify high-risk areas where long-term mitigation projects, like vegetation management, should be implemented. Meteorological models, on the other hand, are intended to provide forecasts and real-time data to identify short-term or emergent fire risks. Although it was not opposed to exploring cost-saving opportunities in relation to its modeling, the Company implied that, despite some potential overlap, the different functions of these models justify their cost.

### **COMMISSION FINDINGS AND DECISION**

The Company is an electrical corporation and public utility as defined in *Idaho Code* §§ 61-119 and -129, and the Commission has jurisdiction over it and the issues in this case under Title 61 of the Idaho Code, including *Idaho Code* § 61-501.

The Commission has reviewed the record—including the Application, the 2024 WMP, and the comments from Staff, ICL, and the Company. Based on our review, we find that the 2024 WMP satisfies Order No. 36045, which directed the Company to file a copy of its wildfire mitigation plan for Idaho. We thus acknowledge that the Company has filed the 2024 WMP. However, as this is the first such plan the Company has filed in Idaho, we find it reasonable to establish some directives and provide additional guidance for future iterations of the Company’s wildfire mitigation plan.

The 2024 WMP describes programs and other initiatives that will involve significant monetary investment. We anticipate that the Company will seek to recover the cost of these programs in rates. To encourage reasonable investments and facilitate future evaluation of the prudence of the Company’s wildfire mitigation projects, we direct the Company to develop a least-cost least-risk analysis to evaluate these projects. Additionally, when the Company seeks to recover the costs of these mitigation projects, we direct the Company to provide an analysis and comparison of alternatives considered in relation to each mitigation project or program for which recovery is sought. Additionally, consistent with program expansions generally, we direct the Company to seek Commission approval before expanding its backup battery program into Idaho.

In the same vein, we find it reasonable to direct the Company to include a line item disclosing internal labor costs for its wildfire safety department in the cost forecasts of future wildfire mitigation plans. This will allow Staff to track these costs going forward.

Furthermore, it appears likely that wildfires will continue to pose a significant threat to Idahoans, the Company, and property in the future. Thus, we anticipate that updates to the 2024 WMP will be necessary. For future iterations of the Company’s wildfire mitigation plan to develop appropriate responses that the evolving wildfire threat requires, the Company must plan for the long-term while retaining flexibility to take more immediate action addressing emergent threats. Accordingly, we find it reasonable to direct the Company to file an updated wildfire mitigation plan every three years following the issuance of this Order. These updated wildfire mitigation plans shall include cost forecasts that display the previous year’s budget to actual expenses. The Company shall also file a copy of any modifications made to the Company’s wildfire mitigation plan occurring outside the establish three-year update cycle.

Considering the potential damage and widespread injury that wildfires carry, we find it reasonable to direct the Company to conduct semi-annual (pre-fire and post-fire season) wildfire

updates for the Commission. These updates will help keep the Commission apprised of emerging wildfire risks the Company identifies before the wildfire season starts and the performance of the Company's mitigation efforts after the fire season.

In addition to the semi-annual wildfire updates, we must address one additional communication issue. As noted, Staff expressed concern that the Company had not indicated how it will communicate with the Commission before and during PSPS events. We have established a protocol for electric utilities to follow to communicate with the Commission during PSPS events. We direct the Company to adhere to that protocol when it decides to de-energize a line during a PSPS or SOP event. The Company should direct any questions or concerns about this protocol to Staff.

### **ORDER**

IT IS HEREBY ORDERED that the Company's 2024 WMP is acknowledged.

IT IS FURTHER ORDERED that the Company develop a least-cost least risk analysis to evaluate its wildfire mitigation projects.

IT IS FURTHER ORDERED that, when seeking cost recovery for wildfire mitigation projects, the Company provide an analysis and comparison of alternatives considered in relation to each wildfire mitigation project for which recovery is sought.

IT IS FURTHER ORDERED that the Company seek Commission approval before expanding its battery backup program into Idaho.


IT IS FURTHER ORDERED that the Company include a line item in the cost forecasts contained in future wildfire mitigation plans disclosing the internal labor costs for its wildfire safety department.

IT IS FURTHER ORDERED that the Company file updated versions of its wildfire mitigation plan for Idaho every three calendar years following the issuance of this Order.

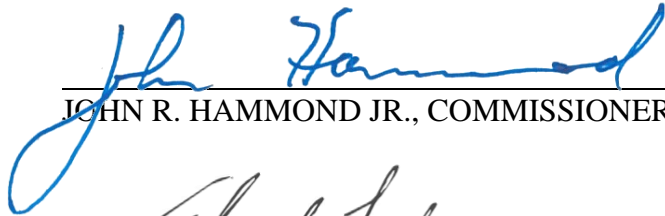
IT IS FURTHER ORDERED that the Company conduct semi-annual (pre-fire and post-fire season) wildfire updates for the Commission.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date upon this Order regarding any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

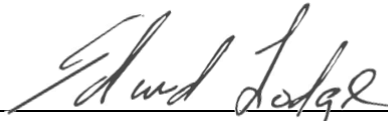
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 26<sup>th</sup> day of November 2024.



ERIC ANDERSON, PRESIDENT

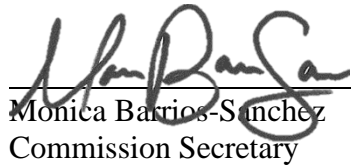


JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



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Monica Barrios-Sanchez  
Commission Secretary

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