

Southern California Edison
2023-WMPs – 2023-WMPs

DATA REQUEST SET O E I S - P - W M P _ 2 0 2 3 - S C E - 0 0 1

To: Energy Safety
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Job Title: Sr. Advisor
Received Date: 4/7/2023

Response Date: 4/12/2023

Question 03 b, d, e.:

Regarding Portfolio Level Risk Analysis and Risk Spend Efficiency

- b. Are tail-risks calculated on a portfolio of risks? If so, provide an example.
- d. Provide an example of how risk spend efficiency (RSE) deals with interdependent risks, and mutually exclusive risks. As appropriate, response should be provided in Excel.
- e. Is RSE calculated for both average and tail? If so, provide an example. Response should be provided in Excel.

Response to Question 03 b, d, e.:

b. Are tail-risks calculated on a portfolio of risks? If so, provide an example.

b) Yes. SCE's wildfire consequences are based on a catalog of 444 historical wind and weather scenarios representing high fire weather conditions. SCE uses the maximum consequence value (e.g. acres max) across each of these scenarios based on the eight-hour simulated wildfire progression, without fire suppression, at each asset location to represent the consequence.

d. Provide an example of how risk spend efficiency (RSE) deals with interdependent risks, and mutually exclusive risks. As appropriate, response should be provided in Excel.

d) Please see response to Question 3a for further clarification on calculating the overall risk on a particular asset. Risk Spend Efficiency is calculated from the risk reduction of both Wildfire and PSPS risks, where applicable, and costs associated with a particular mitigation program. For example, the RSE for covered conductor hardening takes into account the risk reduction from both Wildfire and PSPS risk, while the RSE for inspections program only accounts for the Wildfire risk reduction. SCE uses specific deployment scope, where applicable, in the RSE calculation such that, for example, a particular segment does not have both Covered Conductor and Targeted Underground hardening.

e. Is RSE calculated for both average and tail? If so, provide an example. Response should be provided in Excel.

e) No. SCE's calculation of RSE for a particular mitigation program on a specific asset (e.g. circuit segment) is a singular value using the maximum consequence as specified in response to part b.