



# A.15-05-002, et al. S-MAP Phase 2, Workshop



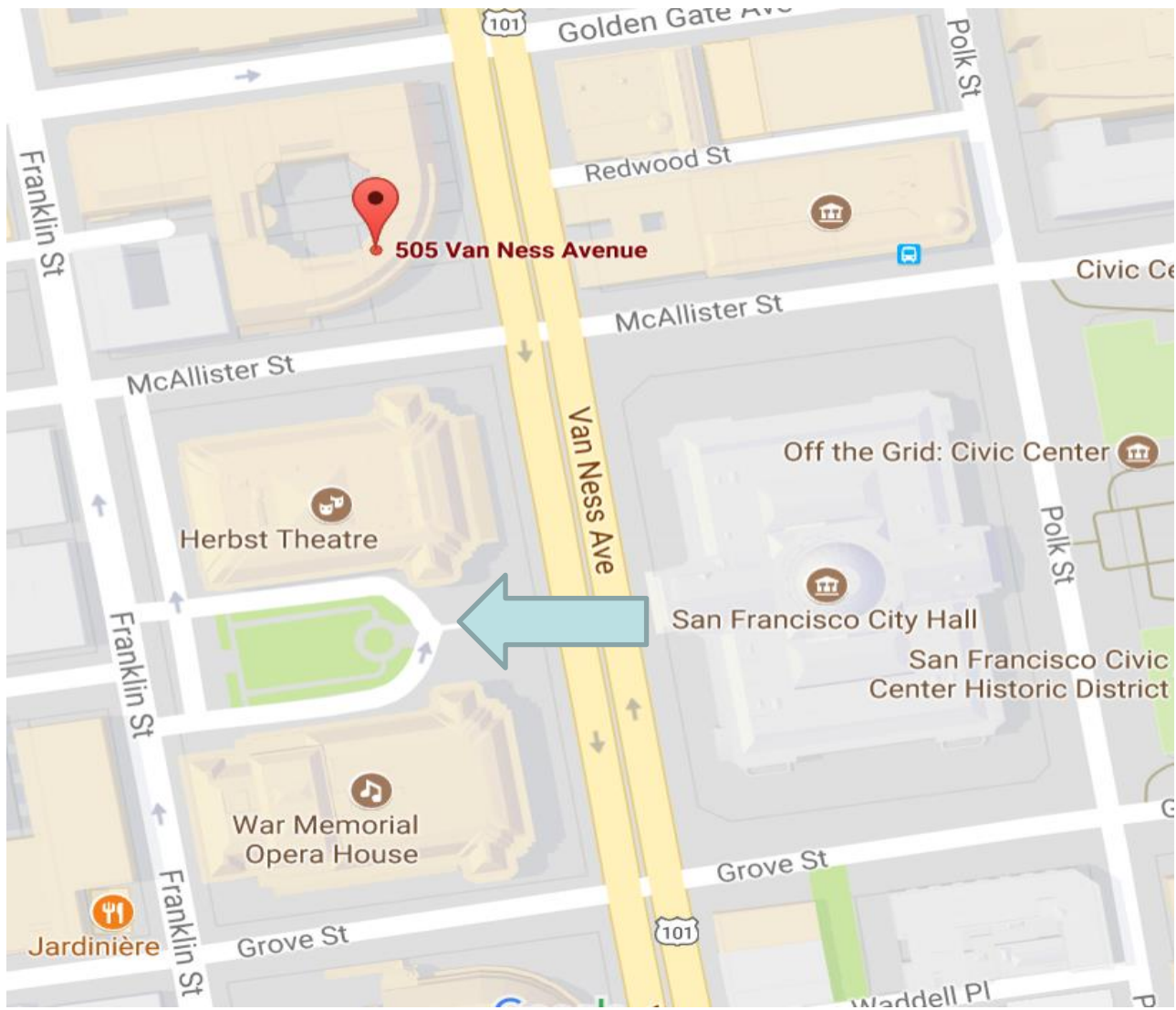
**Safety & Enforcement Division**

July 6, 2018



## Safety and Emergency Information

- In the event of an emergency, please proceed calmly out the exits.
- The Evacuation Location is the courtyard between the War Memorial Building and the Herbst Theater, located across from City Hall.
- Please exit the building at Van Ness entrance, cross McAllister and convene at courtyard area until all clear is given.





# S-MAP Phase 2 Workshops

- Workshop 1 – Oct. 21, 2016. Refresher of the Joint Intervenor Approach (JIA).
- Workshop 2 – Feb. 15, 2017. Joint Utilities introduced the Joint Utilities Approach (JUA).
- Workshop 3 – Sept. 28, 2017. Joint Utilities presented safety attribute for use in the JUA.
- Workshop 4 – Nov. 6 and 7, 2017. JIA and JUA reviewed test drive results.
- Workshop 5 – February 22, 2018. How to apply risk framework to smaller utilities; Spending and Safety Impact Accountability reporting.
- **Workshop 6 – July 6, 2018. Discussion of Proposed Settlement Agreement; Energy Division to discuss revised proposal on Accountability Reports.**



# Agenda

## **Proposed Settlement Agreement Workshop**

- 10:00 – 10:20 Introduction and Background
- 10:20 – 11:05 Comparison of Proposed Settlement to Joint Intervenors' Approach (JIA) and Joint Utilities' Approach (JUA)
- 11:05 – 12:00 Demonstration of three example problems using the proposed settlement approach.
- 12:00 – 1:00 Lunch Break
- 1:00 – 1:30 Example problems (continued)
- 1:30 – 2:00 Impact of Proposed Settlement on RAMP filings
- 2:00 – 2:30 Discussion on whether Proposed Settlement address or accomplish all the required tasks and goals contemplated in original test drive?
- 2:30 – 2:45 Break
- 2:45 – 3:15 Open discussion on accomplishments and future directions of the S-MAP process
- 3:15 – 3:45 Other general questions and answers
- 3:45 – 4:00 Break
- 4:00 – 4:30 Energy Division to discuss staff proposal on accountability reports



# Background

- R.13-11-006 Order Instituting Rulemaking to Develop a Risk-Based Decision-Making Framework to Evaluate Safety and Reliability Improvements and Revise the Rate Case Plan for Energy Utilities (the Risk OIR) to incorporate a risk-based decision-making framework into the RCP for the energy utilities' GRCs.
- D.14-12-025 adopted the risk-based decision-making framework, consisting of S-MAP, RAMP Phase proceeding, and the filing of annual verification reports consisting of the Risk Mitigation Accountability Report and the Risk Spending Accountability Report for use by the large energy utilities, consisting of PG&E, SDG&E, SoCalGas, and SCE.
- According to D.14-12-025, beginning February 1, 2015, the risk-based decision-making framework shall apply to all future GRC application filings of PG&E, SDG&E, SoCalGas, and SCE.



- The purpose of the S-MAP is to allow the Commission and parties to examine, understand, and comment on the models that the energy utilities plan to use to prioritize and mitigate risks, and for the Commission to establish guidelines and standards for these models.
- The end-product of each S-MAP proceeding will be a Commission decision deciding whether a particular risk assessment approach or model that a utility is using, or a variant or alternative model, can be used as the basis for each energy utilities' RAMP filing in its respective GRC.
- S-MAP is a triennial process. First S-MAP began with A.15-05-002 et al.
- Joint Intervenors introduced Joint Intervenors Approach (JIA) in the last workshop in Phase I
- S-MAP Phase I decision D.16-08-018 rejected the utilities' individual approaches and instead selected the JIA on interim basis subject to a successful test drive of the JIA. Test drive began in Phase II.



- In second workshop in Phase II, the Joint Utilities also introduced the Joint Utilities Approach as a competing alternative to the JIA.
- In fourth workshop in Phase II, test results using the JIA and the JUA were presented. During break in the workshop, Joint Intervenors and Joint Utilities representatives began to consider the possibility of a hybrid approach. After the workshop they proposed to begin settlement discussions.
- Parties reached settlement agreement and on May 2, 2018, a proposed settlement agreement was served to the service list of the S-MAP. Today's workshop is to discuss the proposed settlement agreement. We are here today to try to understand that settlement agreement by looking at some specific examples. We will also be looking at how the settlement agreement will affect the RAMP filings.





**Thank You!**

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