Exhibit to Agenda Item #10

SMUD Board of Directors Meeting
Thursday, October 17, 2019 scheduled to begin at 9:00 a.m.
Customer Service Center, Rubicon Room

Powering forward. Together.
Requested Action

Adopt SMUD’s 2019 Wildfire Mitigation Plan
SMUD’s Wildfire Mitigation Plan (WMP)

Overview of SMUD’s WMP & SMUD’s Low Wildfire Risk Profile

Enterprise Risk Approach

WMP Requirements

Elements of Wildfire Plan

Public Outreach

Qualified Independent Evaluator’s Report

Board Presentation
Wildfire Prevention Programs

Vegetation Management & Fuels Reduction
- Pole and wire clearing
- Right of way maintenance

Design & Construction
- Non-expulsion equipment
- System upgrades

Inspection & Maintenance
- Aerial and ground patrols
- LiDAR and infrared technologies

Recloser & De-Energization
- Transmission and distribution protocols

Situational Awareness
- Weather stations
- Camera pilot

Education & Outage Comm.
- Critical event messaging
Communications and Notifications

Emergency preparedness

- California OES Standardized Emergency Management System (SEMS)

Customer and stakeholder communications through multiple channels

- Preparing for potential fire events
- During high fire conditions
- Before, during and after an event
Plan Effectiveness

**Lead Executive**
- Chief Grid Strategy and Operations Officer

**Performance Metrics**
- Wire down events
- Ignition events

**Program Targets**
- Completion of vegetation clearing for lines and rights of way
- Miles of line inspected

**Monitoring**
- Operations level
- Compliance and quality assurance
- Internal and/or external audit
WILDFIRE MITIGATION PLAN

INDEPENDENT EVALUATION SERVICES

OCTOBER 17, 2019
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LEGISLATIVE BACKGROUND

**Senate Bill (SB) 901** was signed into law on September 21, 2018 in an effort to enhance utility practices in mitigating and preventing future catastrophic wildfires and increase the rate of recovery efforts:

- Modified Public Utilities Code (PUC) Section 8387, which requires publicly-owned utilities to **develop and annually** present to their respective governing board a comprehensive Wildfire Mitigation Plan (WMP or Plan)
  - PUC Section 8387 outlines the required elements to be included in the Plan

**Assembly Bill (AB) 1054** was recently signed into law on July 12, 2019:

- Critical measure developed with consideration of the **Governor's Strike Force** 2018 Wildfire Safety and Reform package to establish state and regulatory Wildfire Safety entities and create a Wildfire Insurance Fund
- AB 1054 did not change the scope or approach for Plans adopted during this calendar year
(c) The local publicly owned electric utility or electrical cooperative shall contract with a qualified independent evaluator with experience in assessing the safe operation of electrical infrastructure to review and assess the comprehensiveness of its wildfire mitigation plan. The independent evaluator shall issue a report that shall be made available on the internet website of the local publicly owned electric utility or electrical cooperative, and shall present the report at a public meeting of the local publicly owned electric utility’s or electrical cooperative’s governing board.

The Sacramento Municipal Utility District (SMUD) contracted with Navigant in July of 2019 to perform a comprehensive assessment of its WMP.
• Navigant has provided independent evaluation (IE) services throughout the nation.
  • IE projects include storm hardening, wildfire mitigation, resiliency assessments, and advanced technology suitability.
• Navigant continues to track proceedings and pending legislation surrounding utility wildfire risk and remains active with WMP engagements across all jurisdictions.
  • E.g., Navigant continues to provide thought leadership and advisory services related to WMP and other resiliency efforts to the California Energy Commission (since 2008).
• Additionally, Navigant’s reach into grid resiliency and disaster-hardening extends across the nation including island grids, such as Puerto Rico, recovering from recent, weather-related catastrophes.
EVALUATION APPROACH
SCOPE & APPROACH

- **Inputs**
  - Statutory Requirements
  - Industry Practice
  - Thought Leadership Events & Adviseement

- **Assess**

- **Outputs**
  - Comprehensive Plan Determination

- **Conclude**
SCOPE & APPROACH

SCOPE

Navigant performed an assessment to determine the comprehensiveness of SMUD’s WMP as required by PUC Section 8387 (c) and produced a results report to present to SMUD’s Board of Directors at a public meeting.

APPROACH

Navigant employed the following methods to successfully complete the evaluation:

- Assessed compliance elements against PUC Section 8387
- Performed a gap analysis of applicable strategies and Plan elements along with investor-owned utility Plan guidance
- Benchmarked SMUD Plan elements against industry practices and standards
- Attended a facilities site visit in the Upper American River Project region to better understand SMUD’s vegetation management practices
  - Tier 2 and Tier 3 of the High Fire-Threat District (HFTD) designation* 

RESULT

After completing the independent evaluation, SMUD’s WMP is determined to be comprehensive and meets required statutory provisions listed in PUC Section 8387.

(*) Source: https://www.cpuc.ca.gov/FireThreatMaps/
MITIGATION
STRATEGIES AND
INDUSTRY PRACTICES
## PLAN GAP ANALYSIS & INDUSTRY PRACTICES

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SMUD meets state requirements and aligns with applicable industry standards and practices.
Benchmark Ranking:
As part of the evaluation development process, Navigant performed a cursory benchmarking of SMUD’s Plan to successfully demonstrated industry practices. This was not intended to be a complete benchmark, but aimed to provide rough insight on SMUD’s position relative to the industry.

- Meets the state and federal requirements and aligns with the identified benchmarking practices
- The Plan does not effectively describe the mitigation measure to warrant a sound determination or the strategy does not align with the presented best practice strategy. For the purpose of this evaluation, exploratory considerations of proposed best practice measures would fall under this category.
- The strategy does not apply to SMUD or their risk exposure to wildfire events

After performing this benchmark activity, Navigant determined that SMUD’s applicable Plan strategies align with the industry standards and practices
RESULTS & DISCUSSION
Navigant determined that SMUD’s WMP is comprehensive and meets the statutory requirements listed in PUC Section 8387.

- The Plan elements align with industry standards and practices.

Thank you. Any questions?
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