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**Before the Committee on Energy and Natural Resources
United States Senate
*Hearing to examine the impacts of wildfire on electric grid reliability***

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Chairman Murkowski, Ranking Member Manchin, and Members of the Committee, thank you for the opportunity to testify today on the impacts of wildfire on electric reliability, efforts to mitigate wildfire risk, and the need to increase grid resiliency. In an industry dedicated to safety, reliability, and affordability for our customers, wildfire stands out as a major threat to all three principles. It is a challenge that demands our best collaborative effort. Today, I will describe some actions already underway and areas where the federal government can help regarding mitigation strategies, coordination, and vegetation management.

Overview: Some Progress, More Work Ahead

The Northwest Public Power Association is comprised of 158 consumer-owned electric utilities in the Western United States and Canada. Our members include electric utilities in Alaska, California, Idaho, Montana, Nevada, Utah, Wyoming, Oregon, and Washington. Geographically, we exist where much of the land is under federal ownership, and where many of the largest wildfires occur.

The devastation, loss, and grief that wildfire can bring to populated areas is not new in our region rife with dry vegetation, wind, and lightning. Fires are a fact of life. Even before much of the West was electrified, our history is filled with examples such as the Great Fire of 1910 that burned three million acres in Idaho and Montana, killing over 80 people. If you live in these areas, you or your family or friends have been impacted; it's part of the fabric of our communities. These fires are not something viewed on the evening news-- they are something we live. For public power the resulting risk for safety, cost, and reliability of electric service for critical needs falls upon the neighbors who are our customers and owners.

Recent years have seen utilities mobilize to act where they can to prevent or mitigate fire risk and severity. We appreciate that Congress has also prioritized wildfire prevention. With leadership from this Committee, Congress not only stepped up last year to begin addressing the funding issue that had plagued federal fire response efforts, but also passed an important amendment to the Federal Land Policy and Management Act to establish more reasonable and aggressive management of forests and vegetation that poses a wildfire risk. NWPPA supported those changes, and we thank you.

Now, as with all tough issues, there is more to do. We appreciate you holding this hearing at this time because there are many areas where the federal government can help by lending assistance

and by improving certain policies and practices. Your oversight of this work will be important to its success, and the faster we act ahead of the next fire season the better.

Vegetation Management on Public Lands – Next Steps

The Bureau of Land Management (BLM) and the U.S. Forest Service manage about 440 million acres throughout the United States containing almost 90,000 miles of electrical transmission and distribution rights of way. Some of our members maintain service territories where 80% of the land is owned by the federal government. Effective management demands true partnership to lower the risk of trees causing outages and fires, and to avoid infrastructure being decimated once fires start. Delays in removing trees, or widening corridors that are no longer a safe width, have exacerbated the risk of catastrophic wildfire.

The best way to suppress or avoid a fire is to eliminate fuel or ignition in the first place. Yet, the limitation placed on getting federal approval to address this reality has created understandable frustration among the hardworking utility staff attempting to properly manage vegetation on or near rights-of-way. They know that fire from whatever cause is an inevitability where there is fuel, and they are told they could be held strictly liable for damages. They can see what needs to be done to avoid vegetation coming into contact with electric lines and equipment-- the question is whether they will be allowed to act fast enough. So far, the answer is that some local federal offices are more responsive than others, some have better partnerships with utilities than others, but problems persist in too many areas.

Consistent, Coordinated, and Quick Implementation—The new Section 512 of the Federal Land Policy and Management Act of 1976 (the Act) recognizes that layers of long-standing regulatory hurdles were impeding the process for utilities to get approval to clear vegetation and maintain equipment. We appreciate that the U.S. Forest Service issued a proposed rule to update its vegetation management regulations this fall. We are still waiting for BLM to issue a similar rule, though some state BLM offices have provided limited guidance.

NWPPA wrote comments recently on the Forest Service rule joined by 14 other western utility organizations. In those comments, we underscored the serious responsibility of electric utilities for ensuring that rights-of-way are clear of vegetation that could potentially encounter electric transmission and distribution lines. And, we described the challenges that arise when approval of special use authorizations to implement vegetation management on or near ROW are delayed, when application of standards for approving such work are inconsistently applied, or when requests to cut hazard trees that are in danger of falling onto infrastructure are held up or denied. Remember that utilities also have system reliability standards and processes to adhere to in conjunction with the North American Electric Reliability Corporation (NERC), regional reliability councils, state regulators, and local and utility policies.

There are several areas where we think the federal land management agencies must pay close attention to the intent of Congress as this law is implemented:

Legislative Intent-- Regulations and guidance must align with the intent of the underlying law “to reduce such wildfires, in part, by promoting federal consistency, accountability, and timely

decision-making as it relates to protecting electricity transmission and distribution lines on some federal lands from hazard trees.” (House Report 115-165) Procedures should enable timely approval of special use authorizations to manage vegetation, facilitate coordination between federal land managers and rights-of-way owner/operators, and promote responsible management of USFS lands that are immediately adjacent to rights-of-way to enable operators to address hazard trees and fuel loads that are a threat.

Consolidation and Coordination – Priority should be put on consolidated and coordinated guidelines that are consistent and *eliminate the need for case-by-case approvals* for routine operations and for utility vegetation management activities that are necessary to control hazard trees. Every fire season reminds us that we are out of time to address hazardous vegetation; continued delays are not an option.

Culture of Responsiveness—Proper implementation of the Act means that the land management agencies need to establish a top to bottom culture that prioritizes review of utility vegetation management plans and collaboration with operators. There are many hardworking public servants in the Forest Service and BLM who *share our goal of stewardship and proper care of federal lands*. Often, however, our members find inconsistencies working with federal agency personnel, and outcomes vary based on individual federal employees’ decisions and timelines. A single utility that provides service in an area overseen by two separate district offices may receive differing guidance and cooperation in approving special use authorizations for management of vegetation on or near the right-of-way. Or, a decision may be delayed in one location but expedited in a reasonable manner in another location. Review of vegetation management plans and collaboration with operators must be a priority—the stakes are high, the safe operation of electric systems depends upon timely response, and it starts with culture.

Use of Categorical Exclusions—We also urge full implementation of the tools Congress provided in the Act including full use of agency discretion to identify categorical exclusions to the lengthy processes under the National Environmental Policy Act for routine and regular work on or near rights-of-way, or hazard tree removal.

Hazard Trees—We supported a key provision of the Act by which owners/operators can identify hazard trees (whether inside or outside of the right-of-way) that are likely to cause substantial damage or disruption of electrical systems, and take action to remove those trees while notifying the federal land managers. Quick, straightforward implementation of this provision is vital to decisive action to protect electric systems, prevent wildfires, and ensure public safety.

Liability—We support implementation of the very sensible provisions in the Act that assert that the federal agencies shall not impose strict liability on utilities for events caused by agency delay, and that there be reasonable liability limits for damages that may result from activities conducted in accordance with the operation and maintenance plans established pursuant to this Act. Utilities, and ultimately their customers, bear the cost of maintaining rights-of-ways as well as the cost of liability for damages. Limiting strict liability is important to empower operators to quickly address urgent threats to power lines in order to avert potential crises.

One final word on vegetation management: even while expressing frustration with these federal processes, it is noteworthy that some of our members have created good working relationships and helpful coordination with the local offices of the Forest Service and BLM. Utility personnel are well-positioned to assist in any process that involves assessing threats to electric systems – it is what we do. So, we believe there are useful models upon which to build more effective processes and training programs, and we stand ready to help coordinate and implement the **training provisions of the Act**. Also, note that another helpful joint comment letter on the Forest Service proposed regulation was filed by the National Rural Electric Cooperative Association (NRECA) and American Public Power Association (APPA).

Risk and Responsibility

The federal provision on liability discussed above is important to implement because it comprises only one of the layers of legal and financial risk our members experience. The states add various approaches to defining the legal duty of care, the obligations, and the liability for utilities. Liability for catastrophic wildfires represents the largest financial risk for many of our electric utility members. And, insurance availability and rates have become a serious consideration.

Our members are extremely concerned about human safety and the reliability of the systems providing the power that people rely on for critical needs; the current uncertainty from wildfire risk raises many questions about what the actual financial risk will be and what operations are needed to mitigate it. At times, even when there is no indication that a utility or its infrastructure in any way caused an event, the utility has received an invoice from a state or federal agency for damages; in some cases, these appear years afterwards, without any process. In our sector, where our companies are already owned and run by not-for-profit entities, there needs to be clarity around risk and costs so that we can keep power affordable, especially in low income and sparsely populated areas.

Utilities, Mitigation, and Grid Resiliency

Consumer-owned utilities across the West are taking a multitude of actions to further address fire prevention by implementing mitigation plans. These plans contain multiple elements of planning, action, and monitoring to mitigate threats and allow quick action for grid resiliency. Typically, there are dozens of items in these plans within topic areas such as:

- Enhanced Inspections
- Operational Practices
- Situational Awareness
- Vegetation Management
- System Hardening
- Public Safety and Notification
- Addressing Circuit Reclosing
- Direct Fire Response and Recovery

Coordination—Many mitigation measures demand extensive coordination among utilities, customers, emergency operations centers, incident command teams, all levels of government, and of course the public and media. With the number of disasters impacting utilities nationally, including wildfires, this is an area where there has been real progress in recent years.

There is significant alignment across our industry on how electric utilities need to be able to coordinate comprehensively with each other and the many federal, state, and local agencies involved. We are familiar with the valuable work to that end by APPA and NRECA, and understand that there is industry wide coordination with the Edison Electric Institute (EEI) and others through the Electricity Subsector Coordinating Council regarding threats like this to our critical infrastructure.

Prioritizing Funding, Resources, and Technology—We support and appreciate the shift underway to specifically fund federal fire related efforts with an emergency reserve account rather than borrow from non-fire programs as had been the pattern. Adequate funding to prevent and fight forest fires is a critical need to all of the public, including our utility personnel and the infrastructure they maintain that brings electricity to homes and businesses.

As increased taxpayer and utility funding is put to this problem, it is important that we continuously evaluate the best bang for the buck. The size of this issue will outweigh even large increases in funding, so prioritizing efforts to the highest and best use is important. That will take constant coordination with the utilities on the ground who have the experience to know what works and what does not.

A potential upside of the influx of fire-related funding is that necessity brings innovation. There are dozens of new technologies and strategies coming to the task of advanced forecasting, monitoring, and hardening at both the distribution and transmission system levels. Some of these will be described further at this hearing today. As an industry, expertise and technology is enabling us to rapidly increase our situational awareness and ability to mitigate fire risk before it occurs and to respond more quickly to events as they happen.

In conclusion, while there has been much progress recently in starting to address the threat of wildfire to electric reliability and grid resiliency, this is a continuously evolving set of issues. This hearing is important to highlight both the new areas of potential for federal investment and involvement, and to ensure there is proper oversight, collaboration, and on-the-ground progress in areas that are decidedly not new, like vegetation management in utility rights-of-way.

We greatly appreciate the committee's focus on this critical set of issues. I would be glad to answer any questions today and to provide any additional information for the record at your request.