Abstract

Support of Study on New Models and Approaches to Complement or Replace the Wildfire Fund

Filsinger Energy Partners

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Filsinger Energy Partners (FEP) respectfully submits this abstract to support the State of California's intent to develop an approach to wildfire risk that balances mitigation, defense and affordability. With over 400 years of collective experience, our team of wildfire specialists (including fields of vegetation management, risk and fire spread modeling, meteorology, infrastructure, and others) have assisted multiple utilities with their risk assessment. We have also partnered with utilities in the development of their wildfire mitigation plans and programs, inspected their assets and provided related and forward-looking observations.

There has been much progress in recent years by utilities and regulatory agencies to reduce the risk of wildfire. These entities cannot rest or become complacent as the natural contributors continue to change, including impacts of weather and tree mortality. Through advancement of innovative technology (e.g., early fault detection, wildfire detection, and ecological benefit studies for prescribed fire and fuel treatment), utilities can partner with key stakeholders (homeowners, landowners, state government, federal agencies, insurance companies, and others). These efforts can yield a framework for the future that brings the aforementioned balance of mitigation, defense, and affordability.

The suggested framework includes the following:

(1) Understand causation for the limited availability and high cost of insurance: This would include identifying the key factors and proposing mitigations to address them.
(2) Transform the "Wildfire Fund" into a "Catastrophe Fund" that can address all types of disasters. The potential benefits include: 1) improved response and compensation to all types of disasters, 2) diversification of the funding sources from utilities and ratepayers to all types of funding mechanisms, 3) increasing the size of the fund to improve response capability, and 4) lowering individual insurance rates by providing a form of reinsurance. Funding could potentially come from a wide range of stakeholders, including state, federal, utilities and insurance companies.
(3) Create a holistic state-level approach to vegetation management: Increased wildfires consequences are driven by increased vegetation (including decline in traditional clearing and controlled burns), dryness of vegetation (climate change), and increased housing in areas of Wildland Urban Interface (WUI) and High Fire Threat District (HFTD). The state-level approach to vegetation management could leverage utility, state, and federal resources to reduce and control fuels. Data from these entities could be coupled with studies performed

by universities to determine the optimal amount of vegetation management to perform before experiencing diminishing returns.

(4) Continue to invest in utility infrastructure monitoring: Detecting and immediately responding to ignition events is critical to preventing spread. This includes continuous monitoring, real-time sensors and the required telecommunications infrastructure to enable those sensors. The benefits of this investment include identifying and repairing equipment prior to failure, thus addressing a major source of utility ignitions.

(5) Increase situational awareness to enhance the ability to respond to emergent wildfires: Artificial intelligence (AI) cameras have been a game-changer for Cal Fire's ability to respond to ignitions. Implementation, however, is inconsistent among utilities and may leave gaps in coverage. Further investment in the AI camera system state-wide, perhaps operated by the Cal OES, can provide additional response benefits. The expected benefits of initiatives include reduction in consequence, damage and insurance costs.

(6) Develop and enforce building codes for new construction in wildfire areas. This would require home and community wildfire-hardened designs. The state, utilities and other stakeholders can produce and provide attractive, retrofit home hardening designs that can 1) reduce wildfire damage risk, 2) support a home's curb appeal and value, and 3) lower insurance costs. These designs should be disseminated freely to homeowners and communities throughout the state. Partnership resources to implement the retrofits could be screened and made available statewide.

(7) Combine effort to focus on urban conflagration modeling and integrate into wildfire risk models on an expedited basis: This includes a) leveraging the combined wildfire modeling consisting of methodologies from utilities and land management agencies across the world to create an ensemble view for portfolio design on the tail risk of urban conflagration modeling and b) providing risk projections under different climate projections from Shared Socioeconomic Pathways / Remote Concentration Pathways (SSP/RCP) and the implications to the wildfire risk exposure for the state based on carbon emission scenarios.

FEP is in a unique position to contribute to the end-to-end process required to build this framework and looks forward to collaborating with all stakeholders to help it become a reality.