

From:



To: Seager, Jonathan (ET); Rmus, Tatjana

CC: Hovhannisyan, Hayk

Sent: 12/9/2020 8:16:40 PM

Subject: RE: LTIP Measure - Hardening

Attachments: Public Safety LTIP Target Setting V37.pptx

The NEW LTIP 2021 to 2023 has the two conditions that we need to balance, So the 1171 comes with conditions.

Basically

For 1.0 – Of the 1171 Miles

- 937 Miles need to meet Condition 1
- 117 Miles need to meet Condition 2

System Hardening

Conditions

Condition 1: 80%¹ of system hardening miles have to be highest-risk miles over the three-year period or LTIP is 0

Risk Profile (Highest Risk Miles defined as)

1. Top 20%² of risk buydown curve
2. Fire rebuild miles
3. PSPS mitigation miles

Condition 2: Minimum percentage of miles mitigated with either Line Removal or Undergrounding over the three-year period or LTIP is 0

Risk Effectiveness

- 10% of Undergrounding or Line Removal work in the System Hardening project portfolio³

Risk Exposure

- Count of circuit miles system hardened in the HFTD and HFRA

2021
2022
2023
2021-2023

1. Basis of the 80% is to allow for operational execution considerations including permitting, weather related access, and mob/demob e
2. Basis of the top 20% correlates to ~70% of the risk on the risk buydown curve
3. Risk reduction effectiveness for Overhead Hardening is estimated at 62% and Undergrounding or Line Removal is estimated at 99%

There is no such thing as a small act of kindness; every act creates a ripple with no logical end.

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From: [REDACTED]
Sent: Wednesday, December 09, 2020 4:51 PM
To: [REDACTED]
Subject: LTIP Measure - Hardening

FYI - Keeping us all in the loop, I sent the below to [REDACTED] as a view of the Hardening LTIP measure.

Given the status of the 2021 hardening work, what we accomplish in 2021 will directly impact our ability to achieve the 3-year targets in either LTIP tranche (if there's more to how the BOD or Comp is viewing the tranches, please let me know).

200 miles was assumed given current approved work from the Governance Committee, and likely late Q2 / Q3 window to deliver (Q4 is largely lost to PSPS):

	2020	2021	2022	2023	Total
Prior LTIP	~351.8 (actual)	200	469		1,021 miles
New LTIP		200	469	502	1,171 miles

[REDACTED]

Some of the measures included in this document are contemplated as additional precautionary measures intended to further reduce the risk of future ignitions following the 2017 and 2018 wildfires