

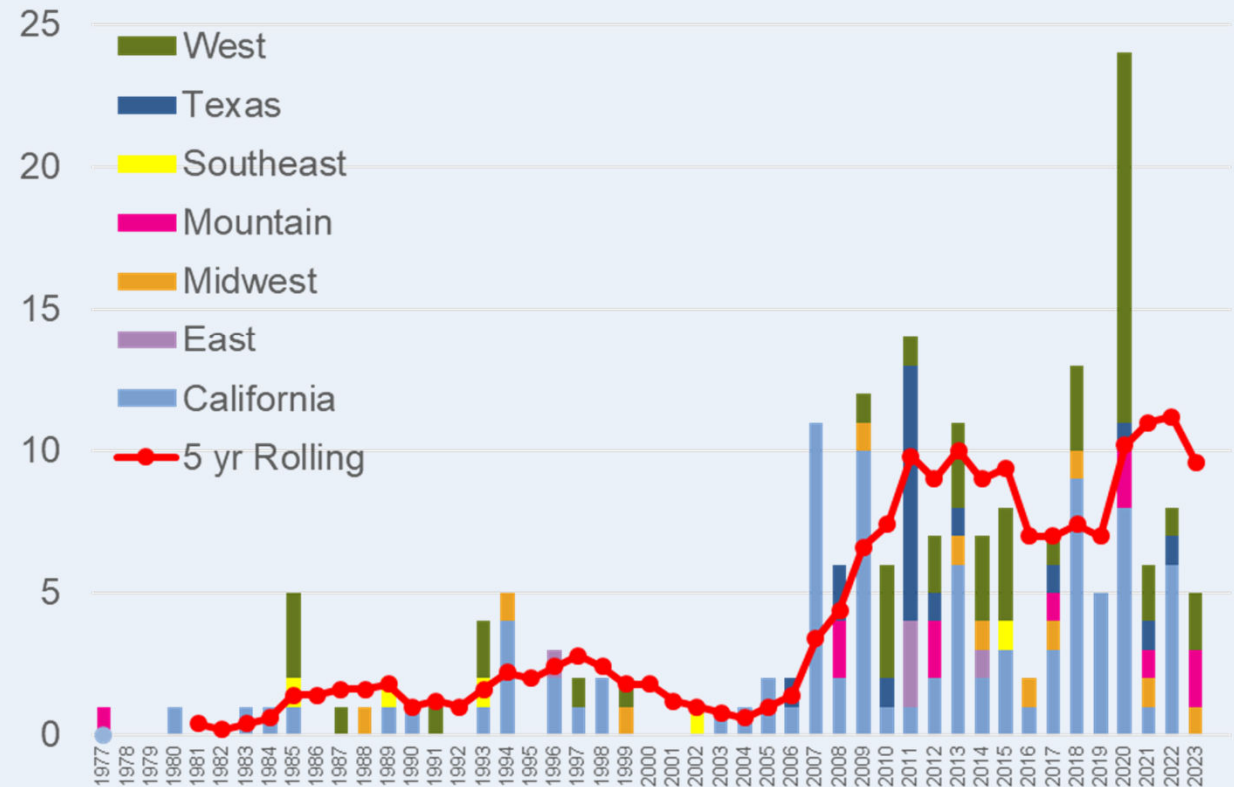
Wildfire



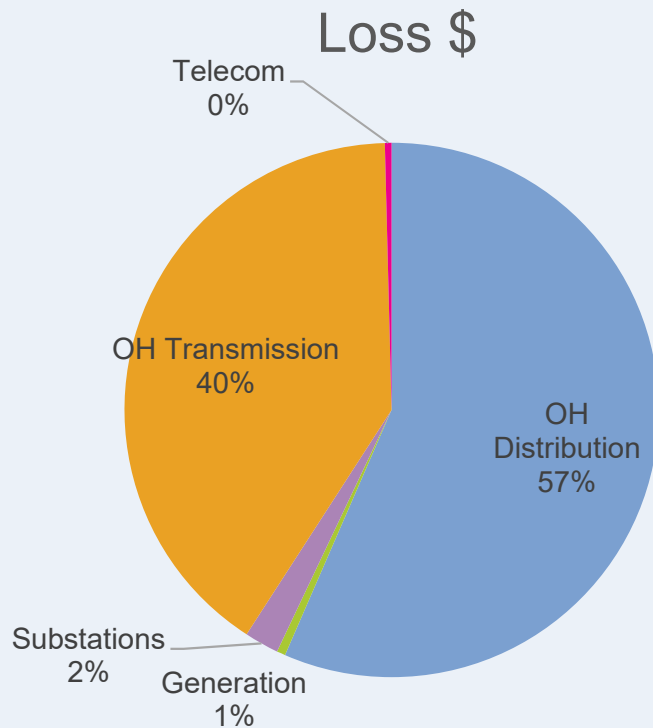
Wildfire Trends

- Wildfires in a broader geography, not just California
- Frequency increasing
 - More Fires
 - More notices
 - More incurred/paid claims
- More wildfires where utilities held responsible - mitigation is critical

Claim Notices



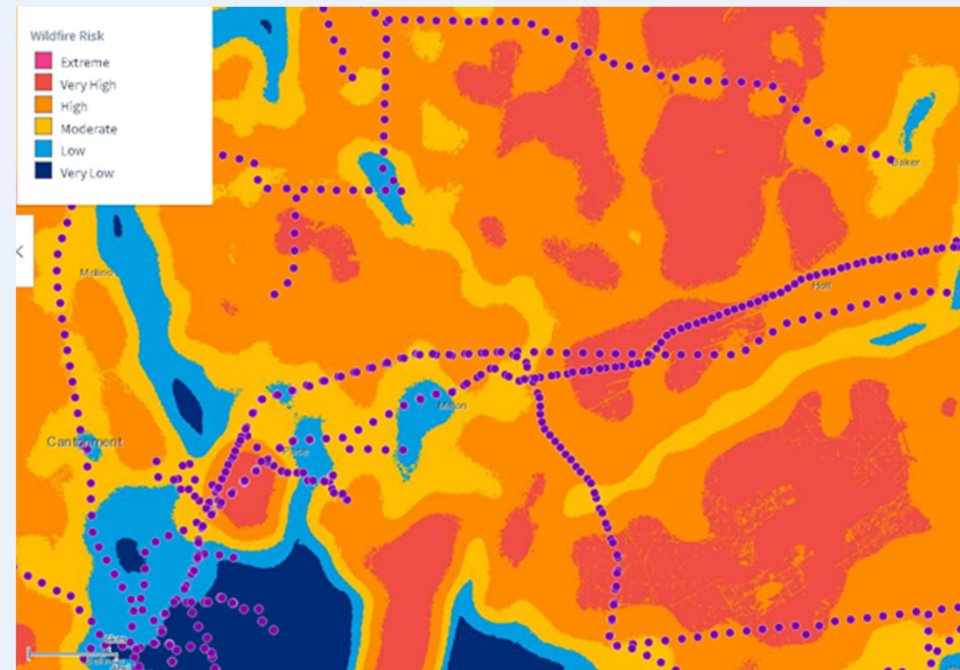
Wildfire Trends: Where in system are AEGIS wildfire losses?



- Dominated by T&D Lines
- Frequency increasing

What can electric utilities do?

- Assess the wildfire risk in your service territory. Modeling should look at more than just historical wildfire events. The changing climate requires modeling for events that are more severe than in the past.
- Consider collaborating with neighboring utilities, regulators, county and state Fire and Department of Natural Resources agencies.
- Develop your risk mitigation plan based on a thorough understanding of the risks in your territory, leveraging data, information, and industry model practices



Pre-Emptive Power Shutoff

- Pre-emptive power shut off: identify areas of heightened wildfire threat within the service territory and mitigate the risk of electric system-caused wildfire ignition through planned de-energizations (Public Safety Power Shutoffs - PSPS) during periods of extreme fire risk.
- AEGIS does not take a position that a utility should or should not do pre-emptive power shut-off.
 - Each utility, in conjunction with their regulators, should determine if PSPS is an effective mitigation strategy
 - Obtaining PUC confirmation of right to shut off and/or approval of PSPS Program can mitigate liability for shut off
- For utilities with a PSPS program, a well-constructed program should include robust community outreach, pro-active communication, support for medical needs customers, and clear criteria when the PSPS may be enacted.
- Lines should be 100% patrolled before re-energization.
 - Experience shows that having sufficient resources throughout an increasingly long wildfire season is a challenge

Wildfire risk mitigation

- **System Hardening:** risk-informed approach to identify and prioritize system hardening and resiliency:
 - Avian protection
 - Replace wood structures with non-wood
 - Covered conductor
 - Overhead to underground conversions
 - Non expulsion fuses
- **Operational Practices:** Modify circuit breaker and recloser protection to minimize fault energy and reduce the risk of utility-caused ignitions during Fire Season
- **Situational Awareness:** improve wildfire-related risk management and situational awareness capabilities: weather stations, services, cameras, partnerships
- **Increased Inspection:** Ignition Prevention inspections within fire threat zones
- **Enhanced Vegetation Management:** Fuels reductions, enhanced clearing, LiDAR and hyperspectral imagery to monitor vegetation density and proximity to conductors

AEGIS Resources

- **AEGIS Loss Control Team**
 - Casualty Risk Assessments will include a discussion on wildfire, including AEGIS wildfire modeling
 - Property Risk Assessments include vegetation management discussions at renewable sites
 - Available for discussions with Members to share model practices across the industry / discuss plans
- **Your Underwriting Team:** To discuss current and planned responses to wildfire
- **AEGIS Modeling:** Assist in a deeper dive into wildfire modeling discussions
- **AEGISlink:** White papers, webinars, and other communications regarding wildfire, as well as other critical topics impacting our industry

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