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# *Improving the Utility Wildfire-Related Cost Recovery System for Ratepayers*

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# Utility Wildfire-Related Costs

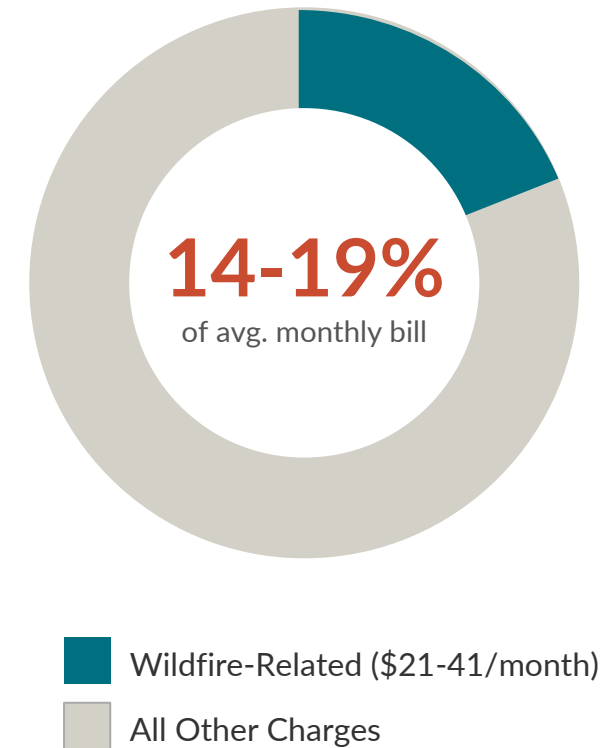
	Approved Costs Already in Rates	Costs Awaiting Approval	Costs Not Yet Requested for Recovery*
<b>PG&amp;E</b>	\$6.23 billion	\$5.00 billion	\$1.05 billion
<b>SCE</b>	\$3.05 billion	\$132.99 million	\$919.48 million
<b>SDG&amp;E</b>	\$80.65 million	\$2.17 billion	\$43.31 million
<b>Total</b>	\$9.36 billion	<b>\$7.30 billion</b>	<b>\$2.01 billion</b>

\*Anticipated future cost recovery as of Oct. 2025 (SCE and SDG&E) and Feb. 2026 (PG&E). Includes Wildfire Expense (WEMA), Wildfire Mitigation Plan (WMPMA), and Catastrophic Event (CEMA) Memorandum Accounts. "Approved costs" and "costs awaiting approval" include CEMA and WMPMA, in addition to many other miscellaneous accounts requested in the WMCEs.

# Wildfire-Related Costs Are a Significant and Growing Portion of Electric Customer Bills

- **\$29.9 billion** requested by IOUs since 2007 to recover major catastrophic wildfire costs
- **~\$900M/year** ratepayer-funded Wildfire Fund (AB 1054)
- **~\$700M** paid in 2025 by ratepayers for wildfire insurance across the three large IOUs
- Wildfire insurance and the Wildfire Fund add **~\$10/month** to customer bills
- SB 254 proposed ratepayer-funded permanent wildfire fund would add an additional **\$9.75/month** to customer bills<sup>1</sup>
- IOUs projected to seek recovery of **\$9 billion/year** 2028 in wildfire mitigation costs from ratepayers<sup>2</sup>

Wildfire-Related Share of Avg. Customer Bills<sup>3</sup>



<sup>1</sup> SB 254 Report, p. 83: permanent wildfire fund, combined with existing fund, estimated to increase bills to \$14.75/month.

<sup>2</sup> SB 254 Report, p. 55: total IOU expenditures on wildfire mitigation costs were more than \$40B from 2019–2024 and are projected to avg. approx. \$9B/year through 2028.

<sup>3</sup> SB 254 Report, p. 24: wildfire-related charges add approx. \$41/mo to avg. PG&E residential bill (19%), \$27 for SCE (17%), and \$21 for SDG&E (14%).

# Key Questions for Evaluating Wildfire-Related Proposals and Ratepayer Impacts

1. Does the proposal meaningfully reduce wildfire-related costs?
2. Are increasing wildfire-related costs tied to measurable reductions in wildfire risk and improved safety outcomes?
3. Who ultimately bears the financial responsibility over time – electric ratepayers, utilities, insurance ratepayers, insurers, taxpayers, or some combination?
4. Does the proposal create incentives for long-term cost discipline, accountability, and efficient risk reduction?
5. How will the proposal affect customer affordability and utility bills over the long term?

# Public Advocates Office Recommendations

1

**Do Not Increase Costs to Ratepayers:** Further shifting wildfire costs onto ratepayer bills worsens affordability and undermines California's clean energy goals.

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2

**Keep IOUs Accountable:** Wildfire-related cost recovery must be tied to measurable reductions in wildfire risk and demonstrated improvements in public safety.

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3

**Lower Costs to Ratepayers:** Reduce financing costs associated with IOUs' wildfire-related capital expenditures to deliver direct, meaningful bill relief to customers.

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4

**Increase Transparency and Prioritize IOU Spending:** IOU wildfire mitigation costs should be reviewed holistically in GRCs to ensure spending is prudent, prioritized, and in ratepayers' best interest.



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