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Impacts of Wildfire-related Costs on Electric Ratepayers

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What Makes Up Wildfire-Related Costs in Customer Bills

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Wildfire Mitigation

Undergrounding, covered conductor, and vegetation management.

Insurance

Premiums or self-insurance that covers claims, including for wildfire losses.
Includes Wildfire Fund charges.

Wildfire Liability

Claims and restoration costs after a utility-linked fire.

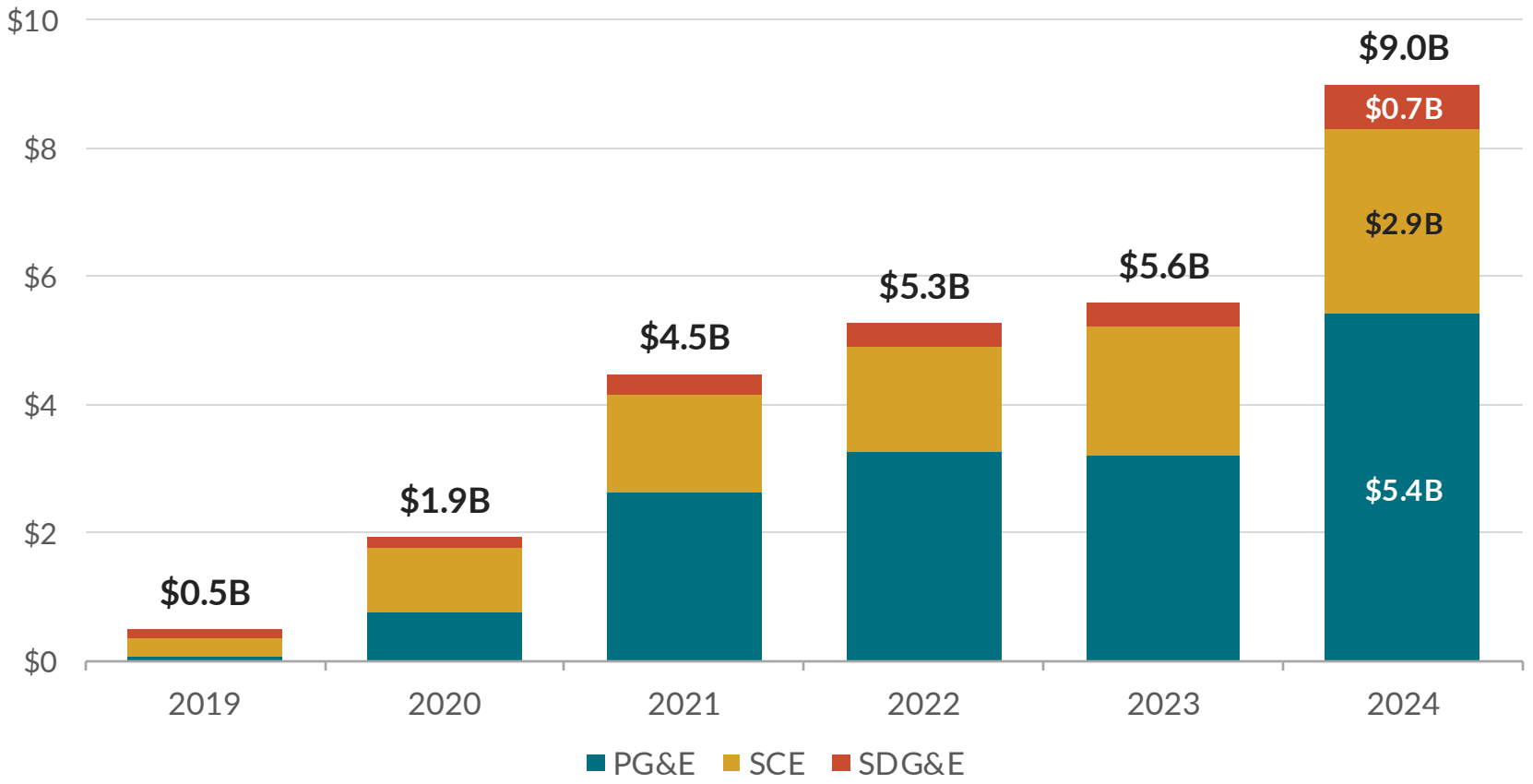
Wildfire-related costs account for **14% to 19%** of a typical customer's electric bill – and that share continues to grow.

Typical bundled residential non-CARE customer, year-end 2024.
Source: CPUC 2025 SB 695 Report (Sept. 2025).

Wildfire Costs in Electric Rates Rose From $0.5B to $9B, 2019–2024

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Wildfire-related costs in electric rates, by year ($ billions)



Wildfire costs added to rates since 2019

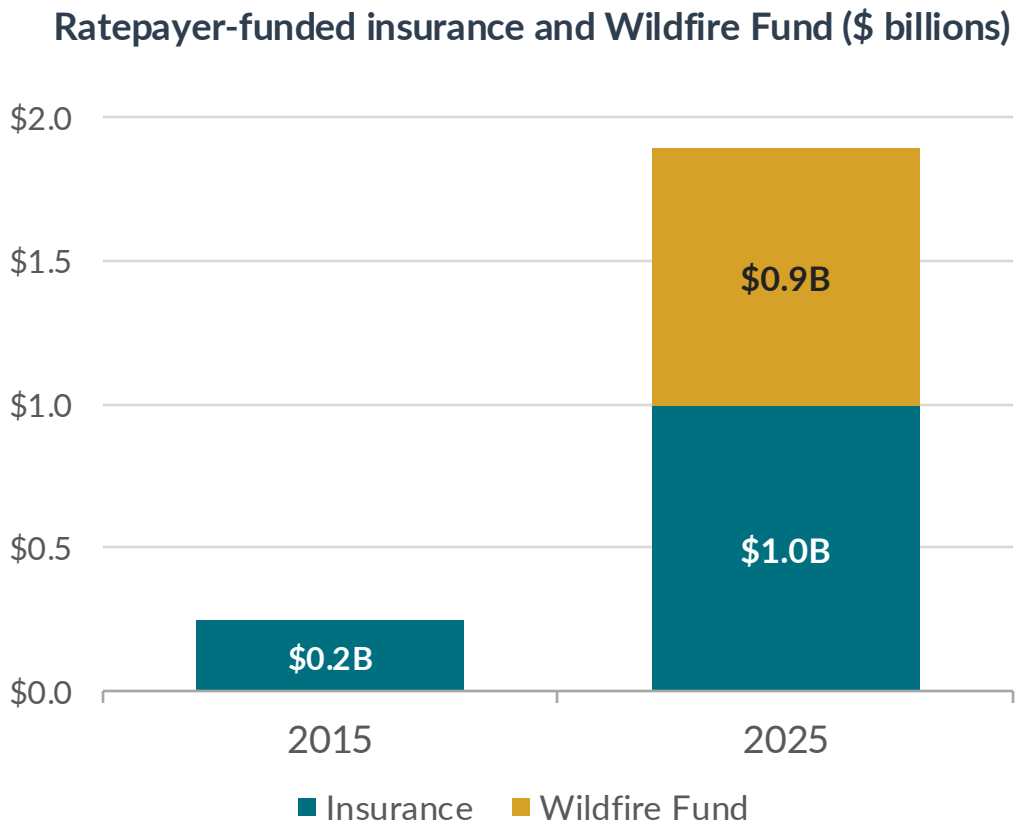
PG&E	+$5.3B
SCE	+$2.6B
SDG&E	+$0.6B

Looking ahead

IOUs are projected to seek recovery of and additional **$9 billion/year** in wildfire mitigation costs from 2026-2028.

Includes wildfire mitigation and wildfire liability (insurance and catastrophic events). Year-end revenue requirement reflected in rates, not necessarily amounts collected over the full year.
Source: CPUC 2025 SB 695 Report (Sept. 2025), Tables 7–9, Table 13.

Insurance Expenditures Have Increased from $250 Million to $1.9 Billion



Ratepayers funded **$1.9 billion** in 2025 for insurance, including the Wildfire Fund, over **7.5 times higher** than the 2015 level.

Significant Risk Reduction Comes at Significant Cost to Ratepayers

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Undergrounding

PACE

Slowest: 36+ months

COST

Most expensive:
~$3 million per distribution mile

IGNITION RISK REDUCTION

Greatly reduced (~98%)

RELIABILITY

Strong improvement

Covered Conductor + Fast Trip

PACE

Modest: 12–18 months

COST

Modest:
~$1 million per distribution mile

IGNITION RISK REDUCTION

Highly reduced (65–95%)

RELIABILITY

Modest improvement

Public Safety Power Shutoffs

PACE

Quick: days to months

COST

Low expense:
Sectionalization, Resource Centers

IGNITION RISK REDUCTION

Prevents ignitions (if in correct areas)

RELIABILITY

Reduced, sometimes greatly

Wildfire Costs are the Largest Part of Customers' Monthly Electric Bills

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PG&E

$41

per month

19% of the bill

SCE

$27

per month

17% of the bill

SDG&E

$21

per month

14% of the bill

Typical bundled residential non-CARE customer, year-end 2024.
Source: CPUC 2025 SB 695 Report (Sept. 2025), Table 12.

Ratepayers Can No Longer Afford to Be the Financial Backstop

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1. **Avoid Increasing Costs to Ratepayers:** Further shifting of wildfire costs onto ratepayer bills worsens affordability and undermines California's clean energy goals.

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

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

4. **Increase Transparency and Prioritize Utility Spending:** Utility wildfire mitigation costs should be reviewed holistically in General Rate Cases to ensure spending is prudent, prioritized, and in ratepayers' best interest.

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Risk Assessment Mitigation Phase (RAMP)

1. **Sunshine Risks:** Require utilities every 4 years to identify all major risks, place them in relative order, and get feedback from stakeholders, including CPUC staff.

2. **Assess Mitigations:** Help ensure utilities are considering reasonable mitigations and their alternatives to address risks.

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

SDG&E's Top 5 RAMP Risks

- Wildfire and PSPS
- Electric Infrastructure Integrity
- Contractor Safety
- Employee Safety
- Medium Pressure Gas System

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SB 254: Aligning Wildfire Plans with Rate Cases

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Before SB 254 RAMP and WMP are staggered, on different cycles

Rate case	RAMP	GRC	GRC Decision	GRC Year 1
Wildfire plan	Base WMP	WMP Update	WMP Update	New Base WMP
	Test Year –3	Test Year –2	Test Year -1	Test Year

After SB 254 Starting in 2027, RAMP and WMP are simultaneous, with both feeding into the GRC

RAMP + WMP → GRC (includes WMP testimony) → GRC Decision including final WMP costs → Utility files revised WMP within 45 days; OEIS has 2 months to approve

Source: SB 254 (Becker, Chapter 119, Statutes of 2025); OEIS proposed WMP submission schedule (Jan. 26, 2026).
RAMP = Risk Assessment Mitigation Phase; WMP = Wildfire Mitigation Plan; GRC = General Rate Case; OEIS = Office of Energy Infrastructure Safety.

Residential Rates Have Risen Sharply Since 2016

	Average Rate ($ per kWh)	3-Year Change June 2023 – June 2026	5-Year Change Jan. 2021 – June 2026	10-Year Change Jan. 2016 – June 2026
PG&E	$0.337	↑ 8%	↑ 39%	**↑ 69%**
SCE	$0.344	↑ 4%	↑ 56%	**↑ 101%**
SDG&E	$0.455	↑ 5%	↑ 42%	**↑ 97%**

Residential average rates exclude the California Climate Credit. Percent changes are measured through June 2026.
Source: Public Advocates Office, Q2 2026 Electric Rates Report (July 2026), slide 8; investor-owned utility advice letters.

Utility-Linked Wildfire Costs

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Since 2015, IOUs have sought $27.5 billion from ratepayers for utility-linked ignitions. Ratepayers have paid over $11b in damages to date.

Fire Year	Utility	Fire(s)	Requested	Approved
2007	SDG&E	Witch, Guejito, Rice	$ 379,000,000	$ -
2017	SCE	Thomas Fire & Montecito Debris Flow	$ 2,472,000,000	$ 1,630,067,867
2015 - 2018	PG&E	Butte, North Bay & Camp Fires	$ 16,500,000,000	$ 7,500,000,000
2018	SCE	Woolsey Fire	$ 5,484,000,000	$ 1,952,018,028
2020	Liberty	Mountain View Fire	$ 78,200,000	TBD
2019 & 2021	PG&E	Dixie & Kincade Fires	$ 2,627,233,000	TBD
		Total	$ 27,540,433,000	$ 11,082,085,895