Statewide Impacts of Utility Credit and Access to Capital

California Public Utilities Commission

Presentation Roadmap

How wildfire risks affect utilities, customers, and California's energy future

01

Growing wildfire risks

Destructive fires and economic losses

02

Higher costs for ratepayers

Mitigation, liabilities, and electricity bills

03

Wildfire Fund protections

AB 1054, SB 254, and funding gaps

04

Credit ratings and financing

Downgrades, borrowing costs, and grid investment

05

Unequal access to protections

Utilities excluded from the Wildfire Fund

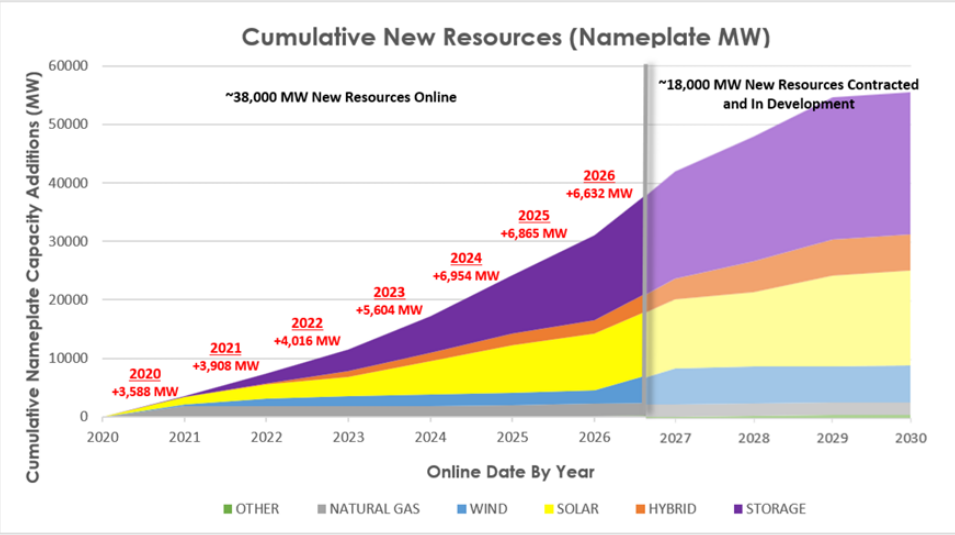
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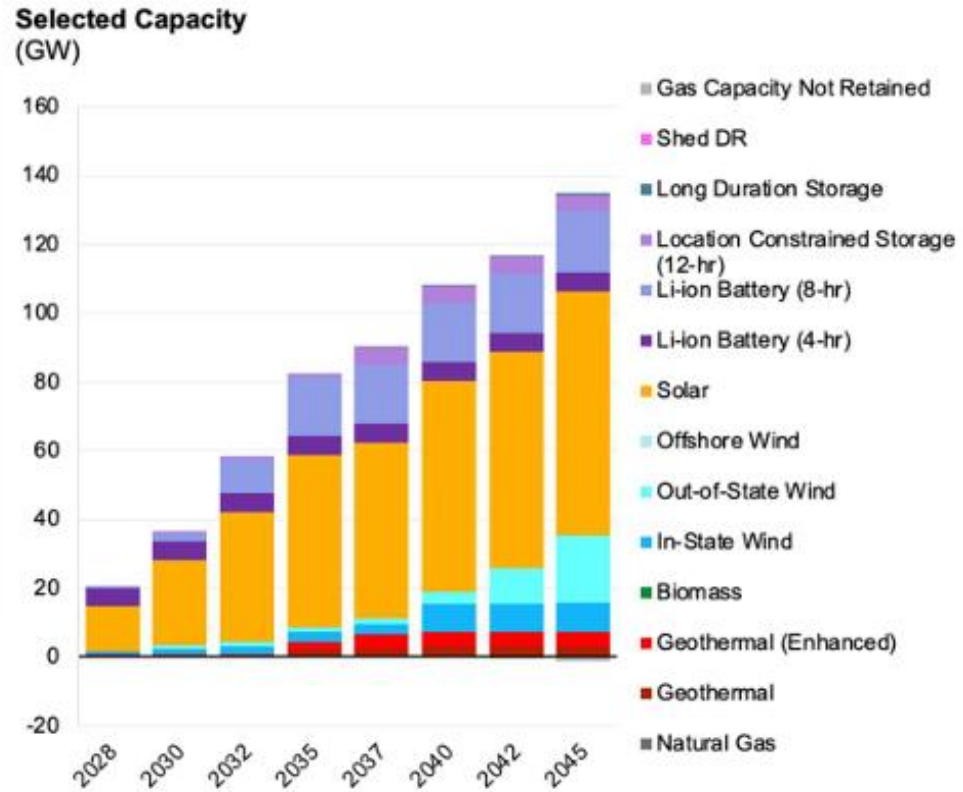
Need for reform

Financial stability, affordability, and future claims

Clean Energy & Grid Investments Growing in CA

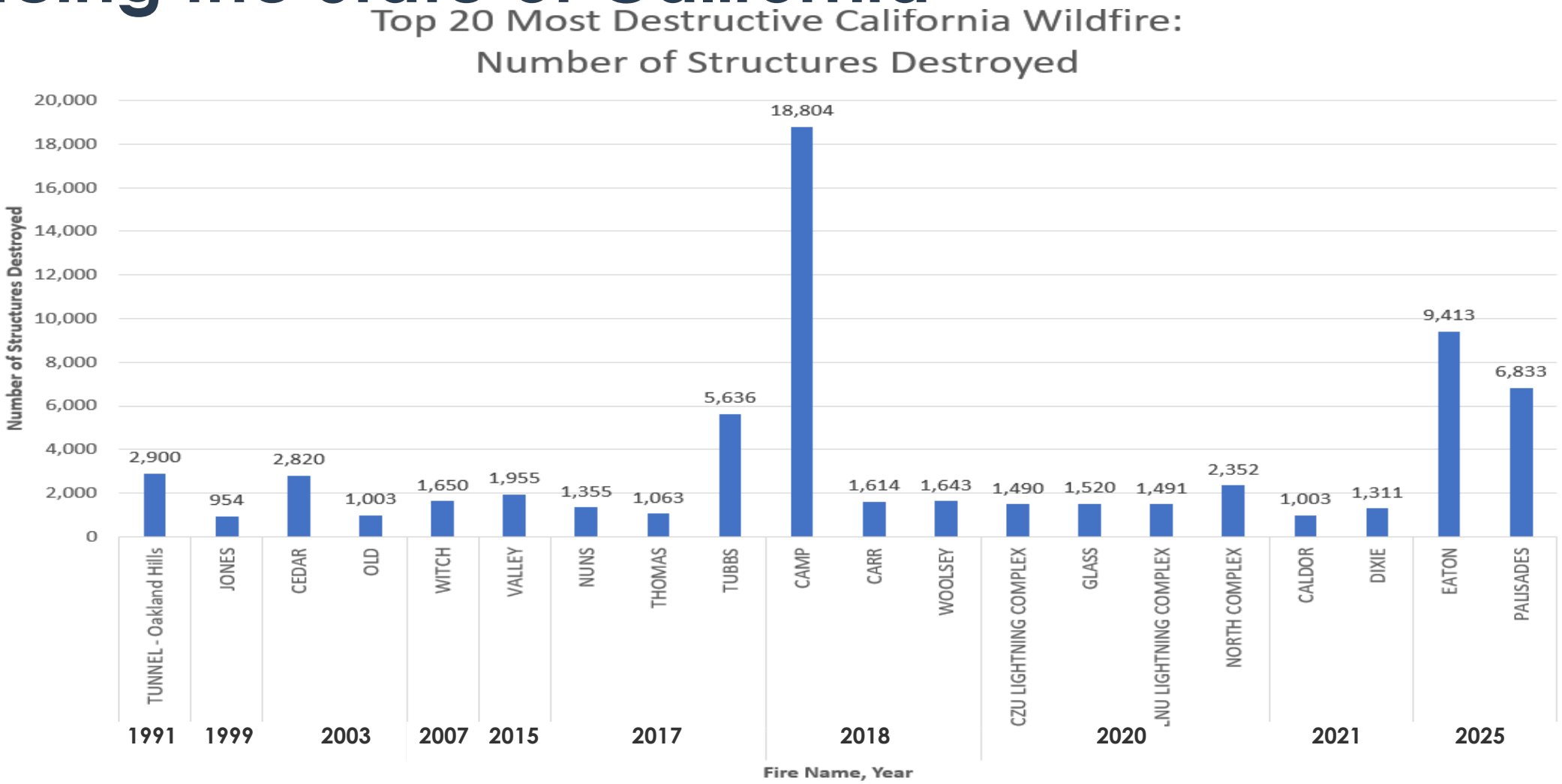
- **Looking Back -** 38 GW online since 2020.
- **Looking Ahead –** 130+ GW by 2045





Note: Data shown here shows a snapshot of new resources added to CAISO grid Q12020 – Q3 2026, including specified CAISO imports. Also shown is a projection of future new resources based on contracts in place by August 2026. "Other" resources includes geothermal, biomass, biogas, and hydropower.

California Wildfire Risks are a Critical Issue Facing the State of California



Source: CAL FIRE, Top 20 Most Destructive California Wildfires

Authorized Costs vs. Revenue Requirements

Authorized costs
Expenditures approved by the CPUC

Revenue requirements
Amounts utilities are authorized to recover from customers through rates

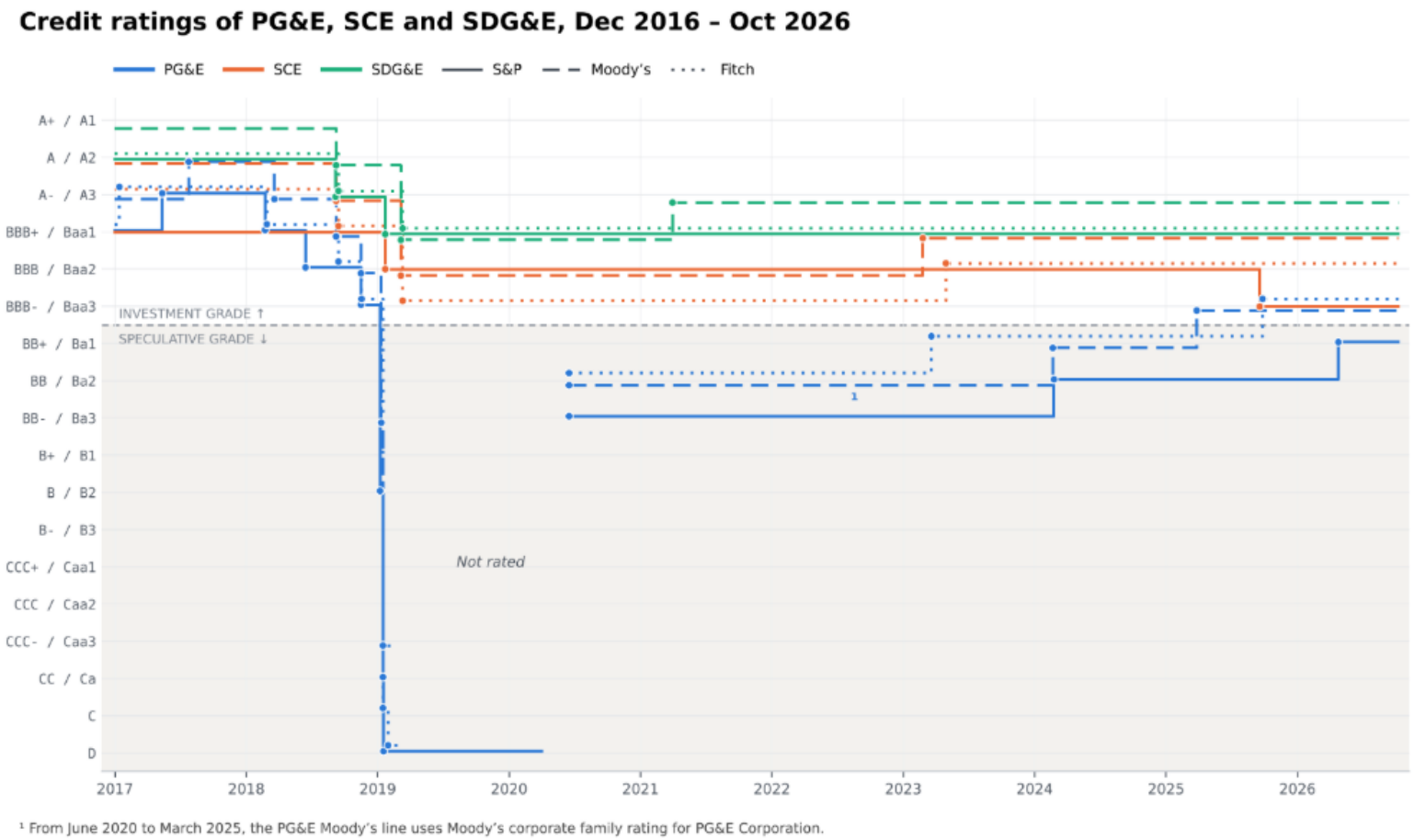
Why they differ

- Capital costs are generally recovered over many years.
- Revenue requirements may include costs authorized in prior years.
- The two totals are not directly comparable or additive.

Growing Wildfire Risks Are Driving Higher Costs for California Ratepayers – Both Mitigation and Liabilities

	Authorized Costs ($ billions) Incurred Between 2020-2025			Authorized Revenue Requirements ($ billions) Placed Into Rates 2020-2025		
	(A)	(B)	(C)	(D)	(E)	(F)
Utility	**Total Wildfire Mitigation Authorized Costs**	**Total Wildfire Liability Authorized Costs**	**Total Wildfire-Related Authorized Costs (A) + (B)**	**Total Wildfire Mitigation Authorized Revenue Requirement**	**Total Wildfire Liability Authorized Revenue Requirement**	**Total Wildfire-Related Authorized Revenue Requirement (D) + (E)**
PG&E	$24.9	$7.4	$32.3	$15.5	$6.9	$22.4
SCE	$12.2	$5.9	$18.1	$5.9	$6.1	$12.0
SDG&E	$1.9	$1.6	$3.5	$1.3	$1.7	$3.0
Total	**$39.0**	**$14.9**	**$53.9**	**$22.7**	**$14.7**	**$37.4**

Credit Rating Near or Below Investment Grade for Several Utilities



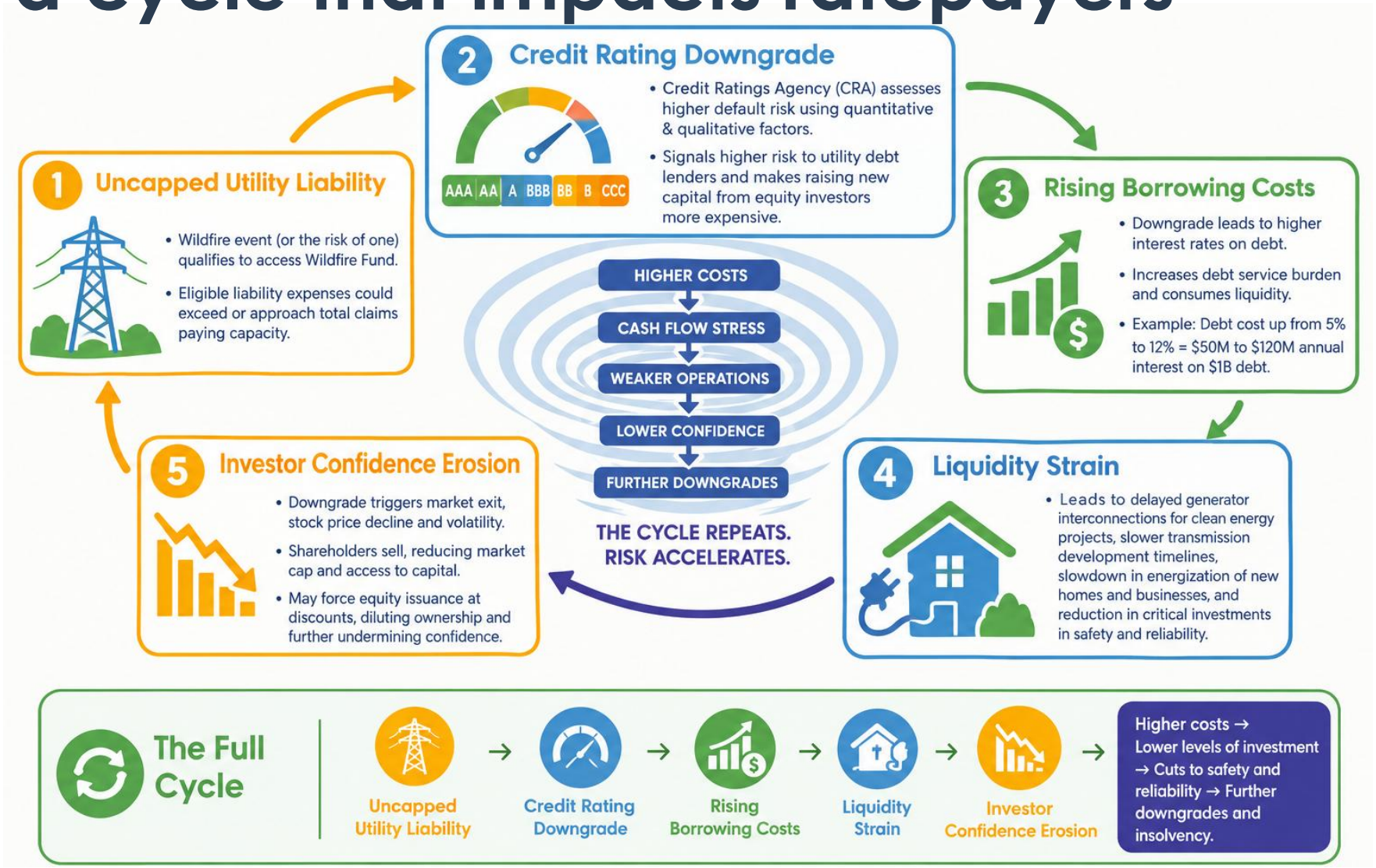
[1] From June 2020 to March 2025, the PG&E Moody's line uses Moody's corporate family rating for PG&E Corporation.

Even in combination, the original AB 1054 Wildfire Fund and the SB 254 Continuation Account are neither durable nor sustainable solutions.

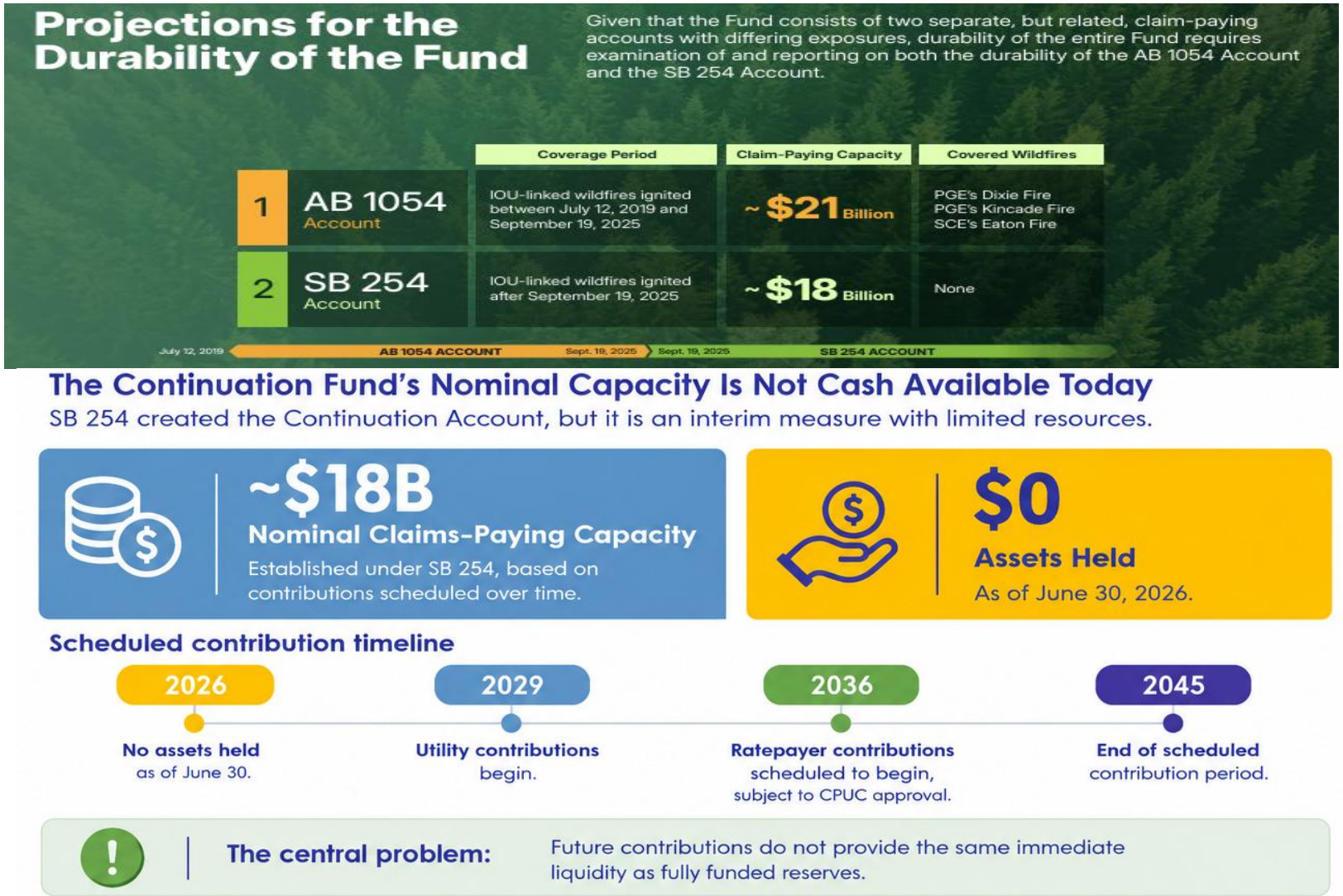
In the absence of both of those solutions and given utility imprudence, the full weight of unlimited liability for a utility involved wildfire falls directly on the utility's ratepayers.

– CEA April 2026 Report

Liability risks and utility credit rating downgrades cause a cycle that impacts ratepayers

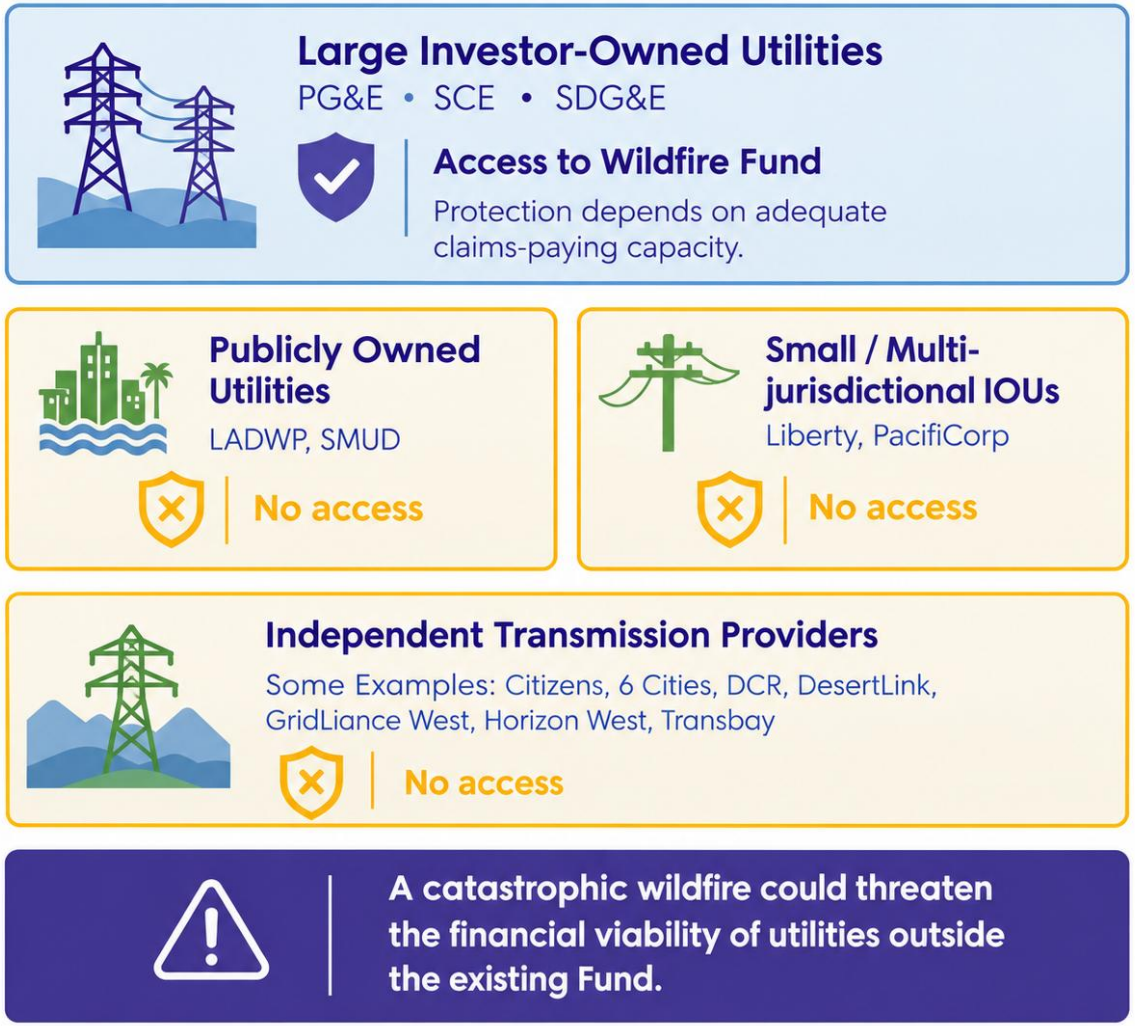


California's Wildfire Funds Provide Important Protections, but Their Long-Term Adequacy Remains Uncertain



Source: California Earthquake Authority (CEA), April 2026 SB 254 Study

Not all California Utilities Have Access to the Wildfire Fund



Reform Urgency



Questions?





California Public Utilities Commission

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