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Impacts of Wildfire-related Costs on Electric Ratepayers

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Oct 20, 2026

What Makes Up Wildfire-Related Costs in Customer Bills

Wildfire Mitigation

Undergrounding, covered conductor, and vegetation management.

Insurance

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

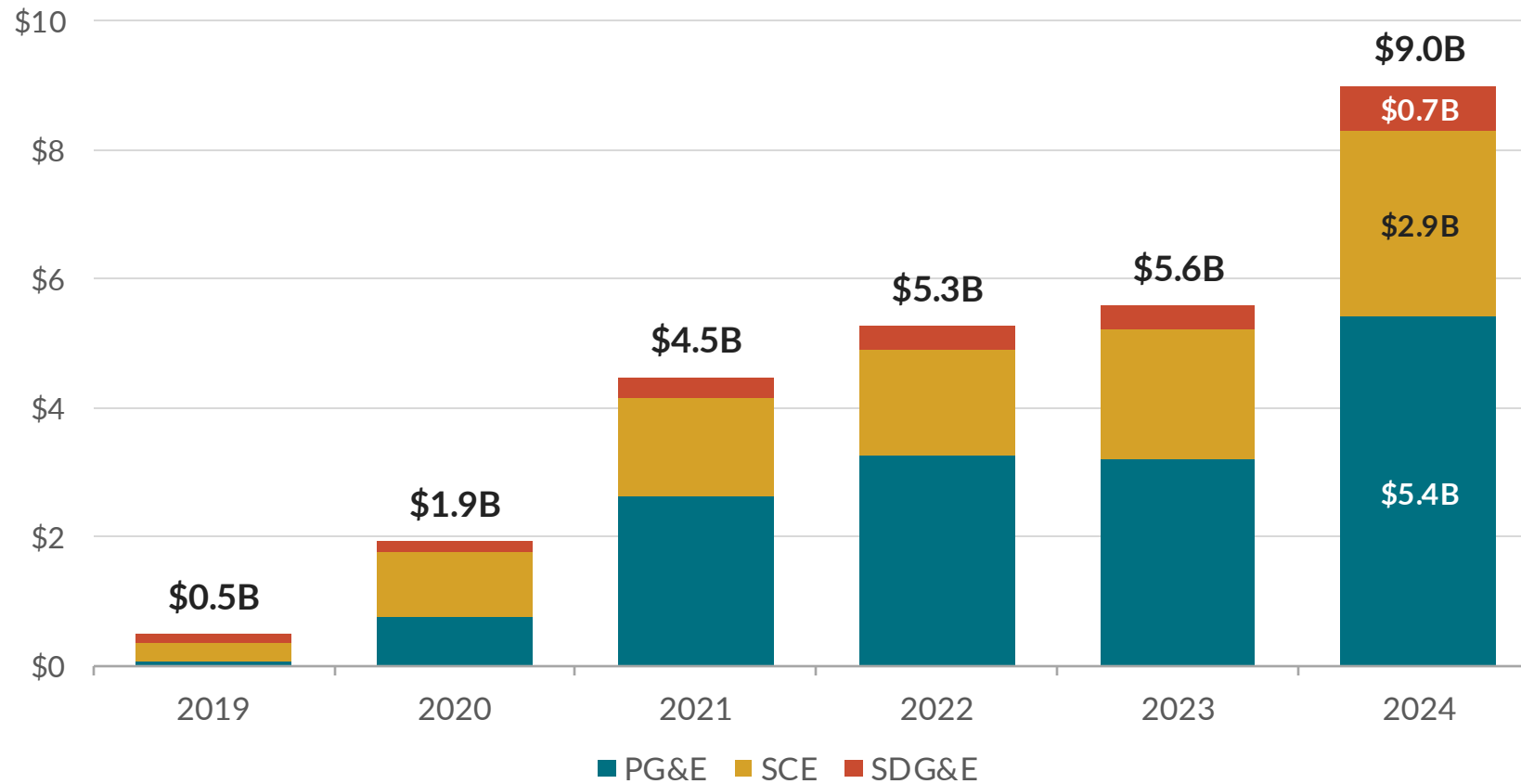
Wildfire Liability

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.

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

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



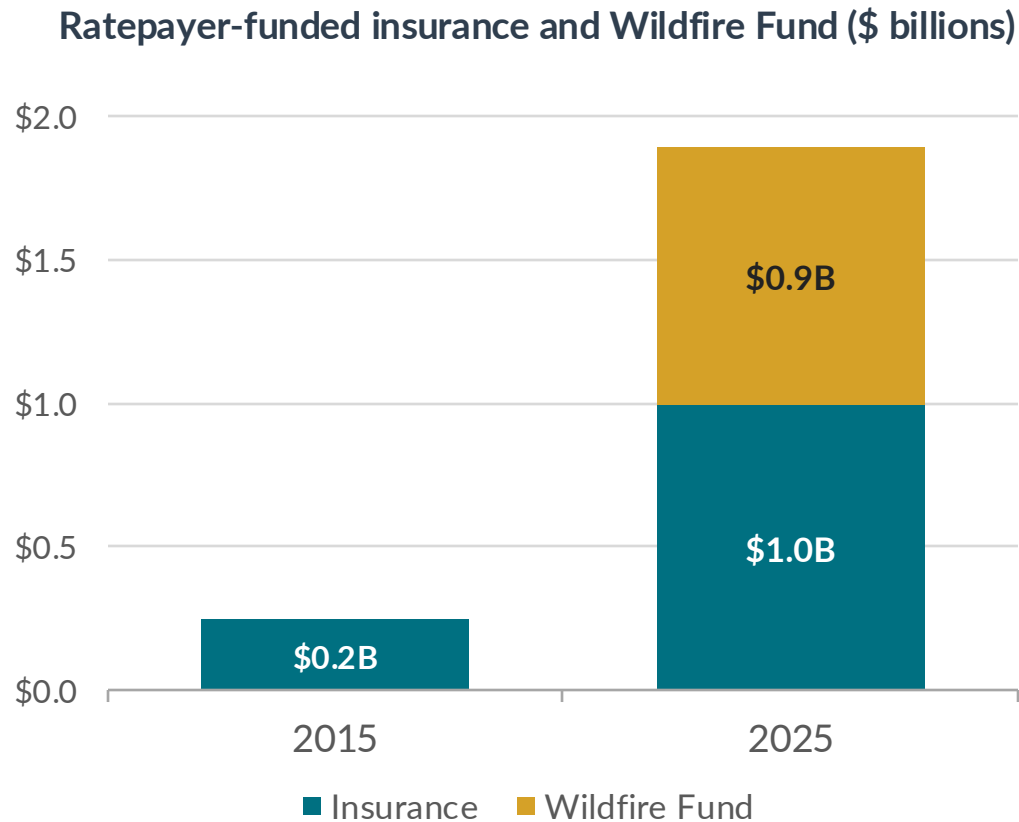
Wildfire costs added to rates since 2019



Looking ahead

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

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

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

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

Ratepayers Can No Longer Afford to Be the Financial Backstop

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

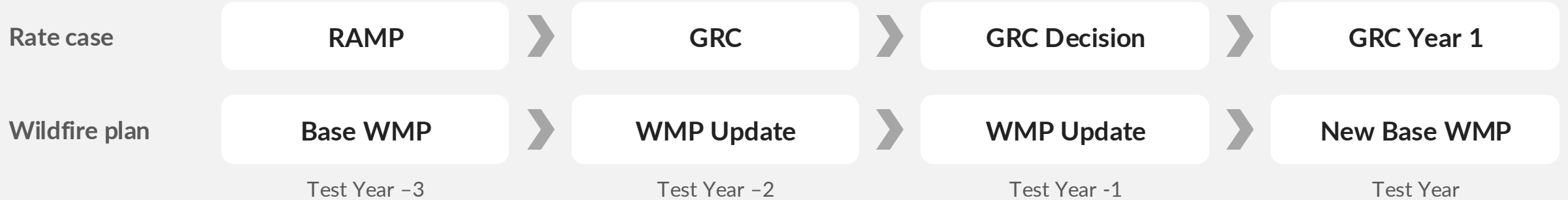
Employee
Safety

Medium
Pressure Gas
System

SB 254: Aligning Wildfire Plans with Rate Cases

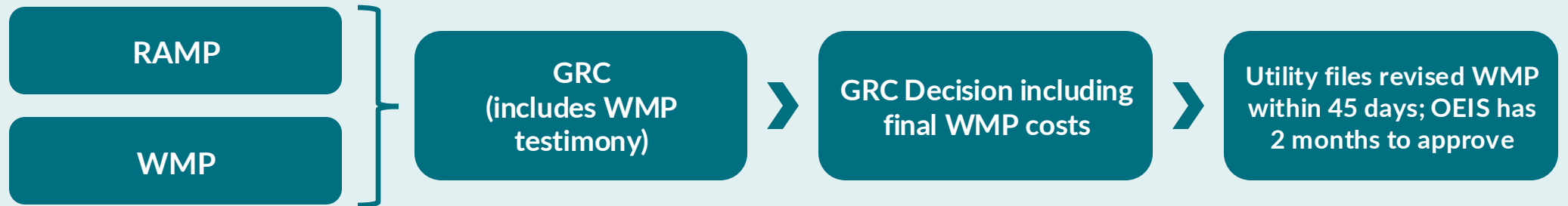
Before SB 254

RAMP and WMP are staggered, on different cycles



After SB 254

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



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

**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