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PG&E and SCE's Wildfire Mitigation Plans Detail More than \$23 billion in Expenditures through 2025

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In their Wildfire Mitigation Plans (WMPs), Pacific Gas & Electric Company (PG&E) and Southern California Edison (SCE) indicate plans to spend roughly \$18 billion and \$5.8 billion respectively over the 2023-2025 WMP cycle. These total figures represent an approximately 26% increase over the utilities' 2020-2022 WMP expenditures.¹

On March 27, 2023, the investor-owned utilities (IOUs) submitted their respective 2023-2025 Wildfire Mitigation Plans (WMPs) to the state's Office of Energy Infrastructure and Safety (OIS) for review and approval. As required under Senate Bill (SB) 901, the annual WMPs reflect the IOUs' strategies and programs for mitigating the risk of catastrophic wildfires in their service territory over a three-year period. OIS is responsible for reviewing the WMPs to ensure that mitigation efforts sufficiently address increasing utility wildfire risk.

The reports were a key element of Senate Bill (SB) 901 (2018), which added California Public Utilities Code (PUC) Section 8386, requiring the IOUs to develop WMPs to prevent, combat, and respond to wildfires within their service territories. Under PUC 8386(c), the IOUs are required to include statutorily prescribed content addressing a list of specific issues, including:

- Risk assessment and prioritization
- Descriptions of preventative strategies and programs to be adopted by the utility to minimize risk of catastrophic fires, including consideration of climate change risks
- Evaluation metrics and assumptions
- System hardening and modernization plans

Risk Assessment & Prioritization

The IOUs' plans must describe how the utility identifies and evaluates options for mitigating wildfire and Public Safety Power Shutoff (PSPS) risk at various analytical scales. The current guidelines governing this process are derived from the CPUC's risk-based decision making framework (RDF), established in the Safety Model and Assessment Proceeding (S-MAP) and the Risk Assessment Mitigation Phase (RAMP) filings. The RDF sets the methods for gas and electric energy utilities to consider how qualitative safety,

¹ PG&E's WMP reflects \$14 billion in actual expenditures over 2020-2022; SCE's WMP reflects \$4.6 billion in actual expenditures over the 2020-2022 cycle.

reliability, and security issues can be connected to the quantitative decisions in a GRC, in which the utilities request funding for such activities. Updates to the RDF are currently being considered in CPUC proceeding R. 20-07-013.

Planned Expenditures

The WMPs include the IOUs' planned capital and O&M expenditures over 2023-2025 that have either been approved for inclusion in customer rates, or are still pending review for approval through cost recovery proceedings.

These total expenditures span multiple cost recovery mechanisms, including the utility's General Rate Case at the CPUC, Transmission Owner rate case at the Federal Energy Regulatory Commission, Fire Risk Mitigation Memorandum Account, Wildfire Mitigation Plan Memorandum Account, Microgrid Memorandum Account, Microgrids Balancing Account, Electric Program Investment Charge, and Wildfire Mitigation Balancing Account.

PG&E

PG&E's WMP details the plan to spend roughly \$18 billion through 2025 to build upon measures that, PG&E says, reduced wildfire risk from the company's equipment by more than 90%. This expected spend is about \$3.8 billion higher than PG&E's actual WMP expenditures for the 2020-2022 cycle.

PG&E's plan includes "system hardening" work, such as setting up covered conductors and stronger poles, pruning vegetation located close to infrastructure, and performing visual inspections of transmission structures in high-risk areas.

In an effort to reduce the frequency of PSPS events, PG&E plans to install sectionalization devices on its transmission system and inside its substations to reduce the number of line de-energizations needed, and implement new technologies, including "downed conductor detection" to allow for better fault detection.

SCE

SCE's WMP projects roughly \$5.8 billion in WMP expenditures over the 2023-2025 cycle to expand mitigation efforts that have purportedly reduced the probability of wildfires in SCE's territory by 75-80% since 2018. SCE's total planned WMP expenditures reflect an approximately \$1.1 billion increase over expenditures for 2020-2022.

Among other measures, SCE plans to set up roughly 2,850 miles of covered conductors through 2025, and inspect more than 250,000 structures on its grid each year using drones and helicopters, to identify infrastructure that needs to be repaired or replaced.

SCE's WMP includes 40 mitigation initiatives designed to reduce the frequency, duration, and impact of PSPS events, which include:

- Re-evaluate existing PSPS windspeed thresholds using engineering based analysis that considers, among other factors, the effectiveness of covered conductors
- Additional grid sectionalization
- Harden circuits in high fire risk areas; and
- Incorporate emerging technologies

More information on the WMPs, including WMPs from the prior years, is available at [OIS's Wildfire Mitigation and Safety Page](#).

Buchalter's Energy practice group regularly monitors legal and regulatory updates and represents stakeholders' interests in various state and federal regulatory involving the electric utilities' wildfire mitigation efforts. If you have any questions, please contact Nora Sheriff or Samir Hafez.



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