

**PACIFIC GAS AND ELECTRIC COMPANY**  
**Wildfire Mitigations Plans Discovery 2026-2028**  
**Data Response**

<b>PG&amp;E Data Request No.:</b>	SPD_004-Q031
<b>PG&amp;E File Name:</b>	WMP-Discovery2026-2028_DR_SPD_004-Q031
<b>Request Date:</b>	May 1, 2025
<b>Requester DR No.:</b>	CONF-SPD-PGE-WMP2026-004
<b>Requesting Party:</b>	Safety Policy Division
<b>sRequester:</b>	Edwin Schmitt
<b>Date Sent:</b>	May 13, 2025

**SUBJECT: MITIGATION COST EFFICIENCY ASSESSMENT (SPD-PGE-WMP2026-004)**

**QUESTION 031**

On page 124 in the 2026-2028 Base WMP, PG&E states “PG&E’s Investment Planning group leverages the CBRs and the RDF to prioritize the proposed investments to achieve risk reduction at a reasonable cost as part of its GRC forecast.”

- a. How does PG&E leverage CBRs to prioritize investments in risk reduction? Explain.
- b. List which non-CBR aspects of the RDF PG&E leverages to prioritize investments in risk reduction.
  - i. Explain how PG&E leverages those non-CBR aspects of the RDF to prioritize investments in risk reduction.
- c. Define “reasonable cost”. Explain how PG&E incorporates “reasonable cost” as a constraint in its risk models.

**ANSWER 031**

- a. PG&E notes that while the wildfire mitigations in its WMP are consistent with those that will be proposed in the GRC, there is a distinction between GRC forecasting activities and the work planning as described in the WMP. In the GRC, CBRs are one component that PG&E utilizes for the purpose of developing its overall funding request *across all mitigation programs* (gas transmission vintage pipe replacement programs, dam spillway remediation, wildfire undergrounding, etc.). Hence program-level CBRs are determined across all PG&E’s Functional Areas and utilized as described in Exhibit (PG&E-2), Chapter 1 and Exhibit (PG&E-4), Chapter 3 of its 2027 GRC Testimony, which will be filed on May 15, 2025. In the WMP, the portfolio of projects are selected, partly based on project-level CBRs, but also based on other factors as described on page 125.
- b. Row 26 of the RDF states that mitigation programs can be selected based on other factors besides their CBRs. These factors are:
  - PG&E’s obligation to consider Safety as the Top Priority

- The exercise of PG&E's Prudent Operator Judgement
- Modeling Limitations and Uncertainty
- Compliance Requirements.

Exhibit (PG&E-2), Chapter 1 of PG&E's 2027 GRC Testimony provides an in-depth discussion on each of these factors.

- i. PG&E considers CBRs, and the factors mentioned above on a case-by-case basis for each of its mitigations and documents the rationale for selecting them in the GRC Testimony.
- c. PG&E does not apply a strict definition of "reasonable cost" but considers the circumstances around each of its mitigation programs in its determination of reasonableness. Some programs have reasonable cost based on the risk reduction benefits they provide, i.e., their CBRs. Others are reasonable because they are the most economical way to address known vulnerabilities and threats or meet compliance requirements in an efficacious manner.