

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

PG&E Data Request No.:	SPD_006-Q006Supp01
PG&E File Name:	WMP-Discovery2026-2028_DR_SPD_006-Q006Supp01
Request Date:	May 20, 2025
Requester DR No.:	SPD-PGE-WMP2026- 006
Requesting Party:	Safety Policy Division
Requester:	Edwin Schmitt
Date Sent:	May 22, 2025 (Original) Supp01: May 28, 2025

SUBJECT: FOLLOW-UP 2026-2028 BASE WMP DATA REQUESTS (SPD-PGE-WMP2026-006)

QUESTION 006

In a meeting on May 9th to discuss the Wildfire Benefit Cost Analysis (WBCA) Tool, PG&E informed SPD that the baseline value of risk used to calculate CBR is different in the 2024 RAMP and the WBCA Tool.

- a. Provide a detailed step by step explanation of how CBR is calculated for the 2024 RAMP and WBCA Tool. This should include an example with a table that is similar Table PG&E-6.2.1.2-2 in the 2026-2028 Base WMP but should continue through to the entire CBR calculation.
 - i. In the narrative answer to this question highlight the differences in the baseline value of risk used in each approach. Explain any other differences.

ANSWER 006 SUPPLEMENTAL 01

- a. Please see attachment "*WMP-Discovery2026-2028_DR_SPD_006-Q006Supp01Atch01.xlsx*" for a simplified example CBR calculation using WBCA methodology in similar format to Table PG&E-6.2.1.2-2 on the "WBCA Example" sheet and a CBR calculation example using the 2024 RAMP methodology on the "2024 RAMP Example" sheet.

The values and assumptions used in the "WBCA Example" sheet of the attachment are an illustrative example only, as the WBCA is still in development and subject to change.

The attachment provides the detailed CBR steps. For the RAMP CBR the calculations, the tranche and multi-year methodology and input values are not transferable to the format of Table PG&E-6.2.1.2-2 in the 2026-2028 Base WMP.

- i. The RAMP methodology is different than the WBCA methodology for calculating CBRs primarily due to the following factors:

- RAMP calculates the CBR at the tranche-level¹, whereas the WBCA calculates the CBR at a circuit segment-level.
- RAMP calculations use a multi-year period for calculating the CBR (e.g. 2027-2030), whereas the WBCA will calculate the CBR for a single project (i.e. circuit segment) in a given year (e.g. 2028). Both methodologies consider the benefits and costs of the projects over the life of the asset (e.g. 55 years for undergrounding).
- There are differences in the baseline risks used in the CBR calculations: RAMP methodology does not consider operational mitigations or their resulting outage program risks, focusing on permanent infrastructure upgrades to address unmitigated wildfire risk, whereas the WBCA is intended to use post-PSPS wildfire risk for baseline calculations.

ANSWER 006

- Pursuant to agreement with SPD, PG&E will provide this response on May 28, 2025.
- Historically, the near permanent mitigation of wildfire risk through infrastructure upgrades has been the focus of most system hardening initiatives. Outage programs, such as EPSS and PSPS, are operational mitigations that reduce wildfire risk at the expense of reliability risk. However, to maintain focus on only the infrastructure upgrades, neither the wildfire risk reduction nor the reliability risk increase resulting from EPSS and PSPS were included in the combined CBRs in PG&E's 2024 RAMP.

The WBCA is being developed to comply with EUP requirements to simultaneously analyze the comprehensive costs versus benefits of system hardening mitigations relative to both Wildfire Risk and Outage Program Risk. To do so, PG&E had to adopt a methodology which accounts for the risk trade-offs associated with operational mitigations.

¹ A tranche represents a group of assets that are determined to have a similar risk profile associated with Likelihood of Failure (LOF) and Consequence of Failure (COF) risk events.