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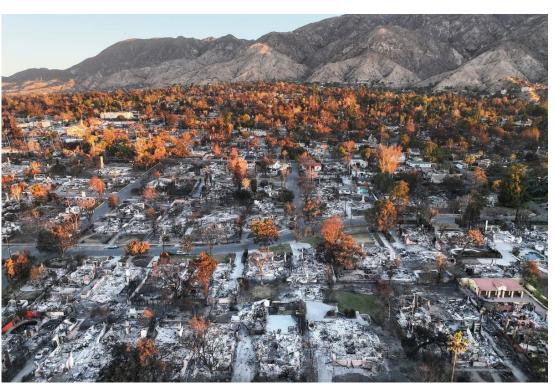
Electric Utilities, Insurance, and Wildfire

Michael Mastrandrea NASEM BECS Webinar December 1, 2025



Coffey Park, October 2017

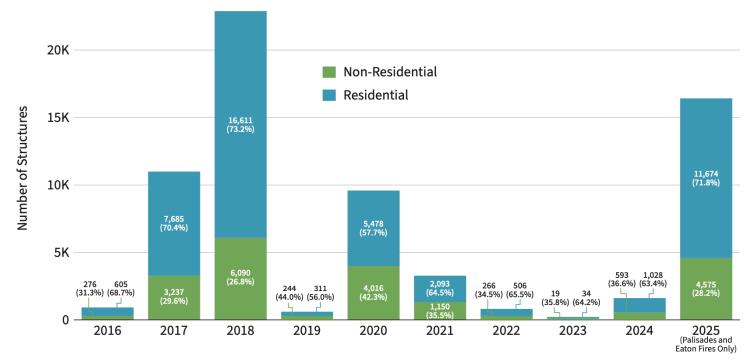




Altadena, January 2021

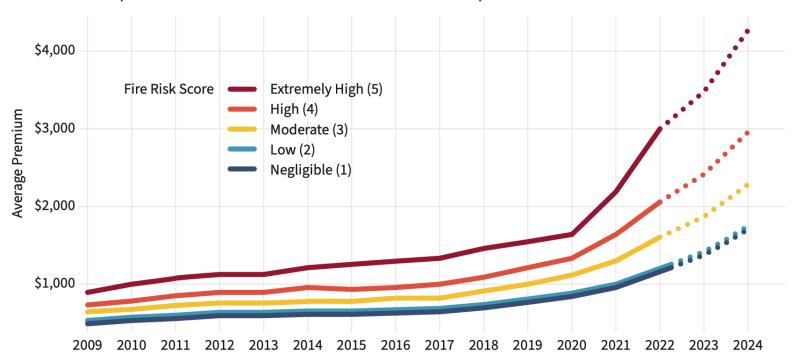
5 out of 10 past years are major structure loss years

Figure 4. Residential and non-residential California structures destroyed by wildfires, 2016-2025¹³



Data Source: CAL FIRE Damage Inspection (DINS).

Figure 5. Average homeowner insurance premiums by fire risk score assigned by the California Department of Insurance Wildfire Risk Information Report¹⁹



Data Source: California Department of Insurance.

Total California FAIR Plan Residential Exposure (Billions \$)

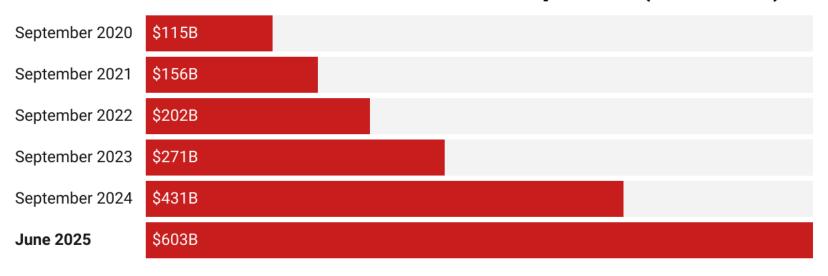


Chart: Avery Bick, Stanford Climate and Energy Policy Program • Source: CA FAIR Plan • Created with Datawrapper

The Utility Wildfire Mitigation Playbook

Chapter 1

Chapter 2

Chapter 3

Chapter 4

Create situational awareness with weather stations

Evaluate ignition risk and consequences

Develop process to decide when it is unsafe to operate system (PSPS)

Develop process to decide when and where to use Fast Trip



The Utility Wildfire Mitigation Playbook

Chapter 5

Coordinate with government, other utilities and customers

Chapter 6

Identify
vulnerable
customers and
help them to be
ready

Chapter 7

Work to mitigate reliability impacts of PSPS and Fast Trip

And so on...

Repeat and improve with practice and experience



Cheap Expensive

Expensive

The Utility Wildfire Mitigation Playbook

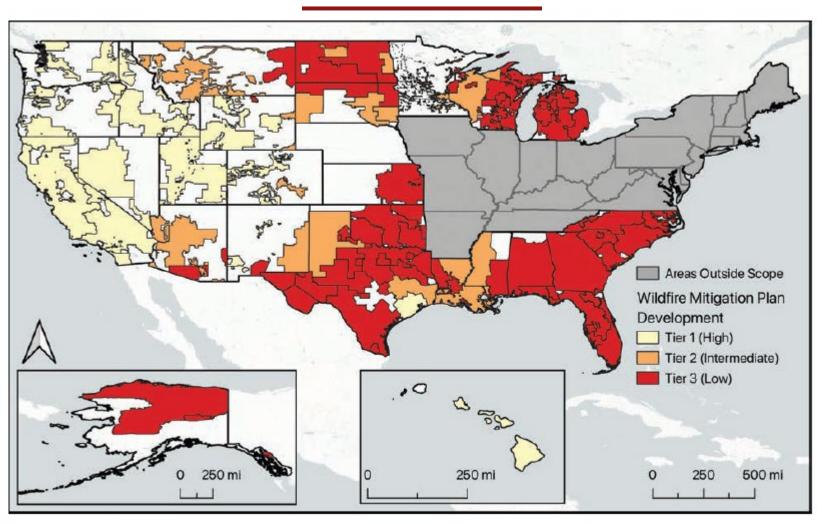
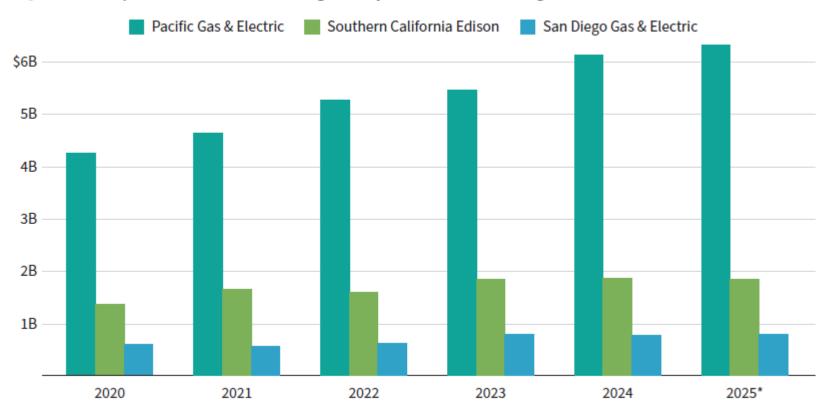


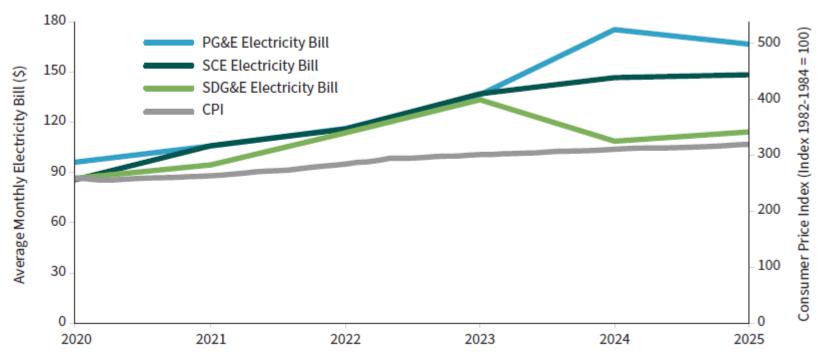
Figure 9 Expenditures on wildfire mitigation by California's three large investor-owned utilities



Data Sources: PG&E,44 SCE,45 and SDG&E.46

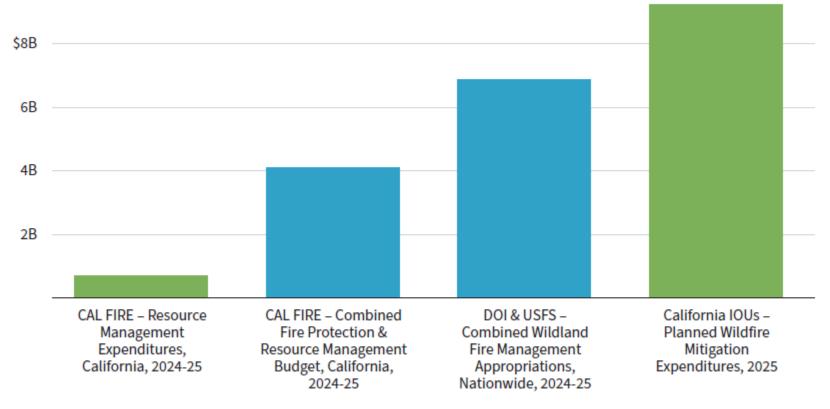
^{*}Planned, not actual, expenditures.

Figure 7. Average monthly electricity bills for PG&E, SCE, and SDG&E compared against Consumer Price Index (CPI), February 2020-February 2025²²



Data Sources: Energy and Environmental Economics, Inc.;²³ PG&E;²⁴ SCE;²⁵ SDG&E;²⁶ and the Federal Reserve Bank of St. Louis.²⁷

Figure 8. Federal and California wildfire spending and investor-owned utility spending on wildfire mitigation³⁶



Created with Datawrapper

Data Sources: California Department of Finance, 37 U.S. Department of the Interior, 38 U.S. Department of Agriculture, 39 and California IOUs. 40

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Thank you

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