

ALLOCATION OF 2017 WILDFIRE COSTS FOR SB 901 SECURITIZATION

- PG&E is filing an application under SB 901 for authority to issue **\$7.5 billion in bonds** securitized by a fixed recovery charge for a portion of 2017 wildfire claims costs
 - PG&E is **foregoing any other cost recovery** for claims associated with recent wildfires, including incidents with no alleged violation or where it was determined that PG&E's equipment was not the cause, like the 2017 Tubbs Fire
- As SB 901 only applies to 2017 wildfires, PG&E must show that at least \$7.5 billion of wildfire claims costs can be attributed to the North Bay Wildfires
- PG&E's expert relied on public data and a variety of allocation metrics to estimate allocation of costs to North Bay Wildfires
 - No payments to claimants have been made to date and the trustees that oversee the Subrogation Settlement and Fire Victim Settlement have not published the compensation frameworks that will be used for distributions to claimants
 - Nor is it known how the Fire Victim Settlement will be distributed across different categories of losses
 - PG&E's expert **assessed the allocation using a range of metrics**, including reported losses to California Department of Insurance, number of wildfire claims, value of destroyed residences, revenue/employees in fire perimeter businesses, acreage of fire, etc.
- Based on **publicly available data**, PG&E's application demonstrates that the following can be attributed to the North Bay Wildfires:
 - \$386 million of the \$1 billion Public Entity Settlement
 - \$5.4 billion of the \$11 billion Subrogation Settlement
 - \$6.3 billion of the \$13.5 billion (in Plan Value) of the Fire Victim Settlement
 - Less \$807.5 million in insurance proceeds attributable to North Bay Wildfires
- Net attribution of settlement amounts to North Bay Wildfires is **roughly \$11 billion** (far greater than the \$7.5 billion required for securitization)
 - If the metric that attributes the largest share of the Fire Victim Settlement to the North Bay Wildfires were used, \$12.8 billion would be attributable to the North Bay Wildfires
 - Even using the metric that attributes the smallest share of the Fire Victim Settlement to the North Bay Wildfires, approximately \$9.2 billion would be attributable to the North Bay Wildfires