

# House Bill 3666: Wildfire Safety and Accountability Act

**Escalating wildfire risk is driving up utility bills and compromising reliable electrical service.** As wildfire risks continue to grow, Oregon needs clear standards for how electric companies should work to prevent wildfires and keep communities safe. Clear guidance from the state legislature and regulators is critical to utilities' ability to manage wildfire risk and provide reliable, affordable power.

## HB 3666:

Requires IOUs and allows COUs to apply to the Public Utility Commission for a Wildfire Safety Certification to:

- ✓ Audit and verify that the utility is prudently implementing its PUC-approved, wildfire protection plan, which is already required by law and outlines wildfire prevention efforts like risk assessment, clearing vegetation, and system hardening;
- ✓ Confirm the utility's commitment to wildfire safety and continuous improvement; and
- ✓ Hold utilities accountable by requiring them to explain wildfire mitigation actions not taken and why, and ensure the utility addresses any safety audit deficiencies.

If the PUC issues a safety certificate, the certification establishes that the utility is acting reasonably regarding wildfire safety practices and is materially consistent with its approved wildfire mitigation plan. This action is consistent with the ability of state agencies to establish, implement and enforce safety standards. The certificate can be used in court as one piece of evidence weighed by the judge or jury and does not make a utility immune from lawsuits.

**Support HB 3666 to protect affordable, reliable power and economies across Oregon**

**[ LOGOS ]**

# Utility Wildfire Risks

House Committee on Judiciary

March 3, 2025

Letha Tawney, Commissioner  
Nolan Moser, Executive Director



# Summary of Presentation

- Background
  - PUC Overview
- Basics of Utility Ratemaking
  - Process Steps
  - PUC's Role in Setting Rates
- Wildfire Risks
  - Mitigating physical wildfire risks
  - Financial risks associated with wildfire

# PUC Overview

## Economic regulator of investor-owned utilities (IOUs)

- Electric – PGE, PacifiCorp, and Idaho Power
- Natural Gas – NW Natural, Cascade, and Avista
- Select telecom and small water companies

## Safety oversight for all utilities, including consumer-owned utilities

- Cooperatives
- Municipalities
- Peoples' Utility Districts

Our **mission** is to ensure Oregonians have access to **safe, reliable and fairly priced** utility services that advance **state policy** and promote the **public interest**.

We use an **inclusive process** to evaluate differing viewpoints and visions of the public interest and arrive at **balanced, well-reasoned, independent decisions** supported by fact and law.

# PUC Ratemaking – Background

- PUC has “the broadest authority—commensurate with that of the legislature itself—for the exercise of [its] regulatory function.” *Gearhart* 255 Or App 58 (2013)
  - Limited by the boundaries of the legislature's delegation and confines of state and federal constitutions
- The PUC sets reasonable rates to balance interests of the utility and its customers
  - For customers, rates must be sufficiently low to avoid unjust and unreasonable exactions
  - For the utility investor, rates must provide sufficient revenue for operating expenses and capital costs
- IOUs remain private enterprises with private rights
  - If rates “do not afford sufficient compensation, the State has taken the use of the utility property without paying just compensation \* \* \*.” *Duquesne Light* 488 US 299 (1989)

# PUC 101 – General Rate Case

- Year-long contested case to resolve disputed issues of fact, law, and policy
- Staff and other parties (customer/environmental) evaluate utility projected costs
  - ▶ Operations and Maintenance ▶ Administrative and General
  - ▶ Capital costs ▶ New investments
- PUC determines:
  - A revenue requirement and rate of return
  - How to allocate costs among customer classes
- Decisions must be based on evidentiary record
  - *Ex parte* restrictions apply
  - May be appealed to Court of Appeals

# PUC's Traditional Safety Role

Requires utilities to proactively manage all safety and reliability risks (e.g. wildfire, earthquake, cybersecurity, civil unrest)

Unique in the West - conduct field audits for compliance with:

- National Electric Safety Code and
- Minimum vegetation clearance requirements set out in rule

Review whether the IOUs have sufficient revenue and are spending to operate and maintain systems in a safe manner

# Heightened Wildfire Risk – Call to Action

## PUC Action:

- 2019 - Directed IOUs to report on wildfire mitigation plans and efforts to address risk
- West Coast Forum to share lessons learned, emerging best practices, and actions taken throughout the region
- Convened forum in Southern Oregon to bring utilities, emergency partners, utilities, and state agencies on wildfire risk

## Executive Order 20-04 and SB 762:

- PUC to hold workshops to assist all operators of electrical systems to develop and share best practices for mitigating wildfire risk
- Required all utilities operate under Wildfire Protection Plans:
  - IOUs submit plans for PUC approval
  - COUs file approved plans with PUC



# Wildfire Mitigation Planning Evolution

## EO 20-04 & SB 762

Establish  
OWEC

Create PSPS  
Expectations

Create WMP  
Rules

Update Safety  
Rules

## Formal WMP – 2022-23

Common plan  
structure

Community  
Engagement

Cost recovery  
mechanism

## WMP Improvement Phase 1 – 2024

Transition to  
3-year plans  
with interim  
updates

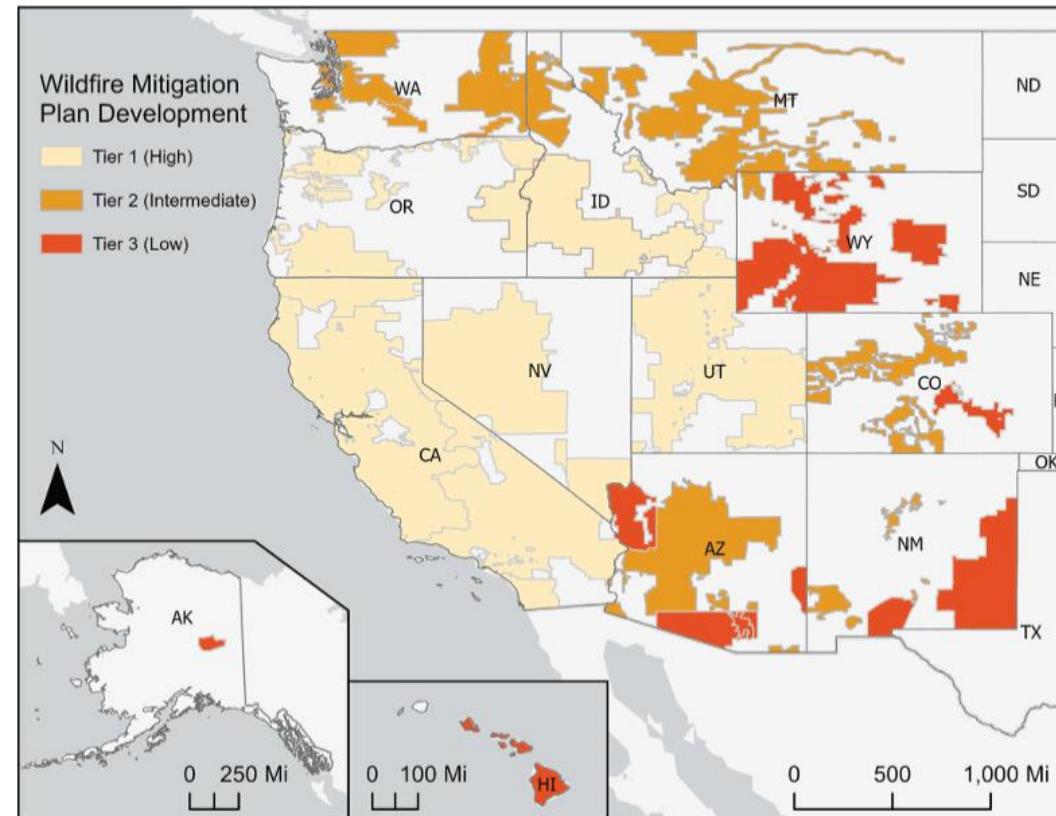
Develop  
consistent  
data  
expectations

## WMP Improvement Phase 2 - 2025

Create  
common risk  
quantification,  
mitigation &  
valuation  
methods

# External Perspective on IOU Wildfire Maturity

Figure 3: Wildfire Mitigation Plan Development in Western Investor-Owned Electric Utilities Exposed to Wildfire Risk (Utility Service Territory)



# Current Forecasts for Multiyear Spend

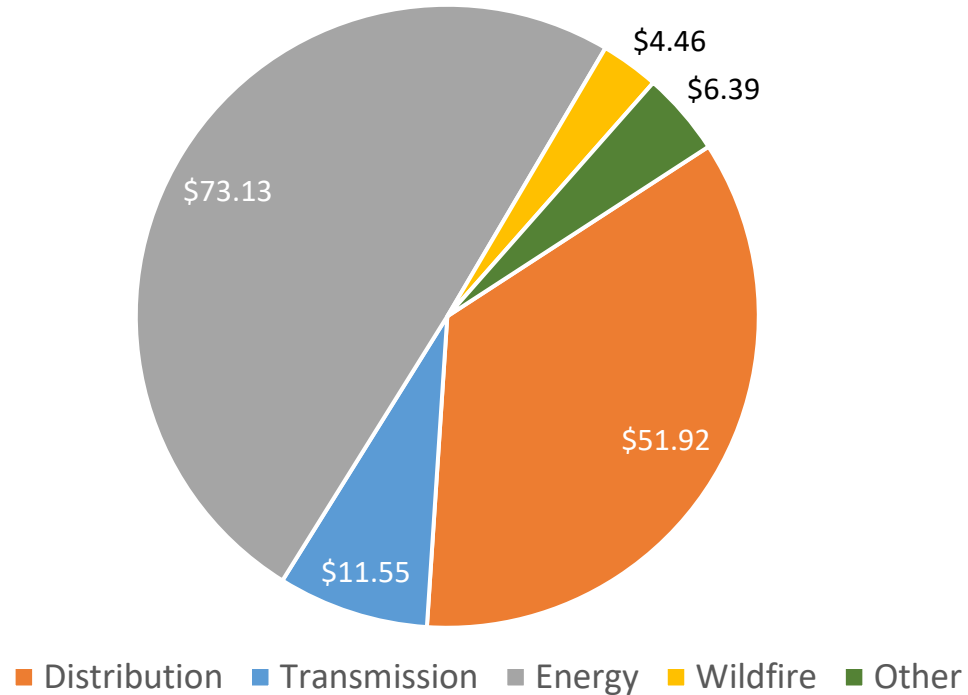
WMP Costs Actual & Planned \$Millions	PacifiCorp (thru 2028)*	PGE (thru 2027)	Idaho Power (thru 2027)	Total
O&M to date	60.2	97.2		157.4
Capital to date	60.3	58		118.3
O&M planned	195	163.9	1.8	360.7
Capital planned	780.8	235.3	4.9	1,021
Total	1,096.3	554.4	6.7	1,657.4
Cost Per High-Risk Line Mile	\$300,112	\$432,112	\$88,103	\$330,713
Cost per Customer	\$1,777	\$601	\$33	\$1,063

\*costs from 2024-2028 Plan

# PacifiCorp & PGE Bill Comparison

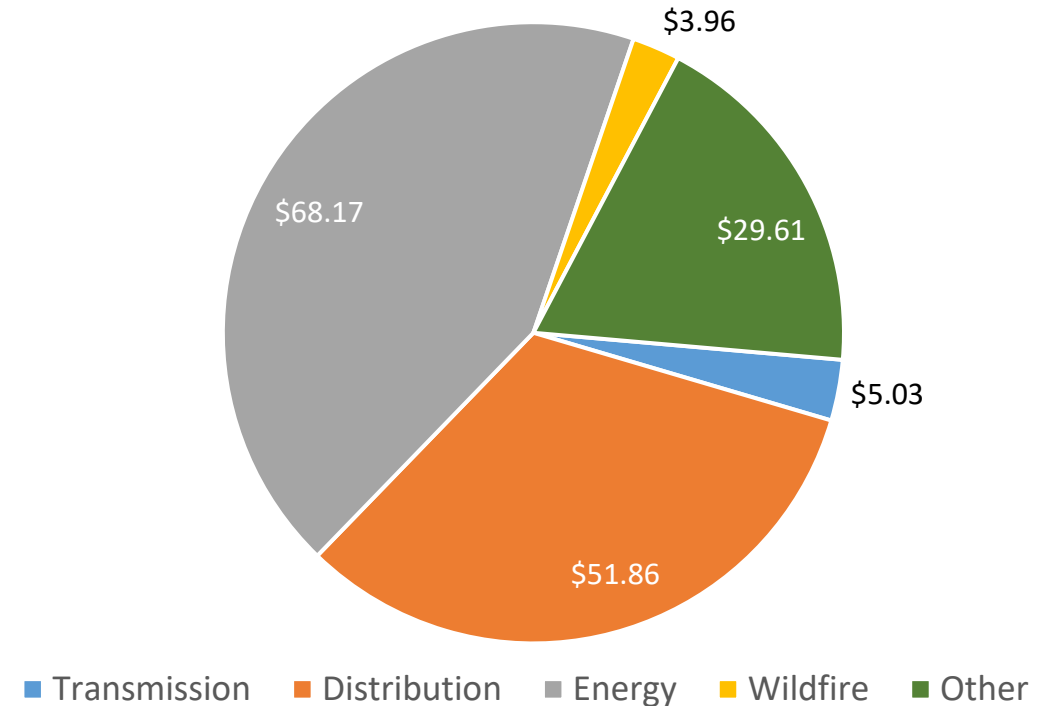
Note: Wildfire bill impact does NOT include cost of settlements or damages

PacifiCorp January 2024 Average Customer Bill Breakdown



Assumes residential average usage of 950 kWh per month

PGE January 2024 Average Customer Bill Breakdown



Assumes residential average usage of 795 kWh per month

# Limitations of Utility Risk Mitigation

## Full Utility Control

- Maintenance / Hardening
- Sensitive Settings / PSPS

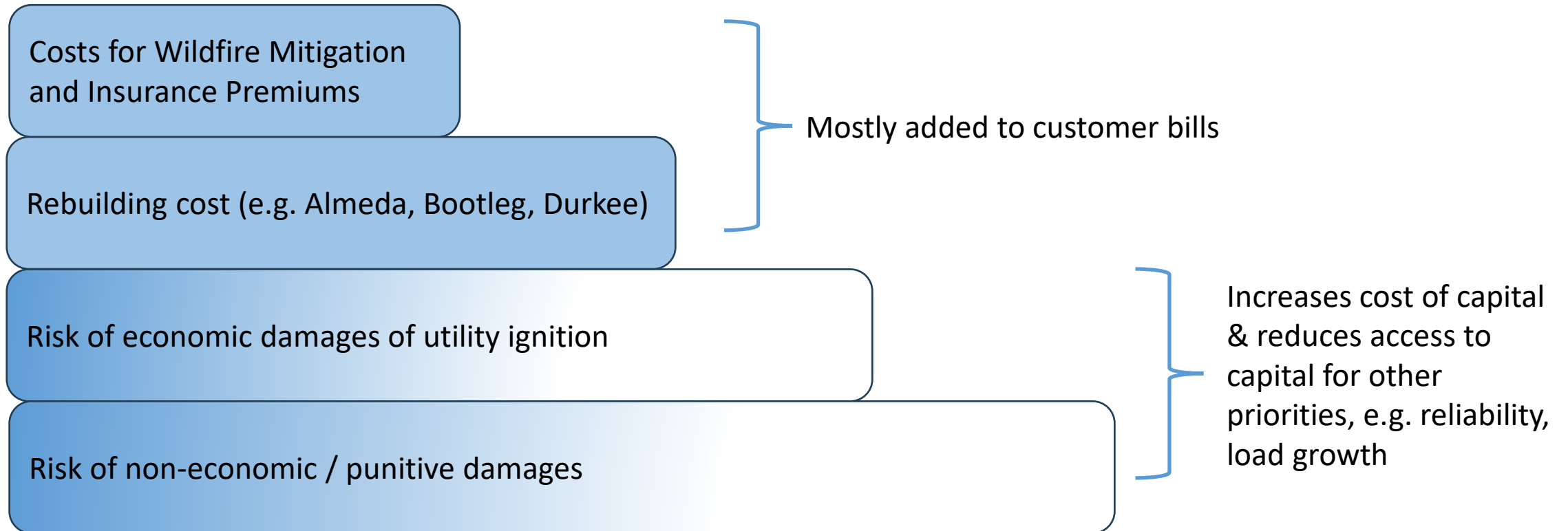
## Partial Utility Control

- Vegetation Management
- Wildfire Liability Insurance

## No Utility Control

- Drought impacts
- Extreme weather
- Building codes
- Response capabilities

# Customer Cost Impacts of Wildfire Risk



# Financial Risks – Key Takeaways

- Utilities have made significant progress to mitigate the risk of ignition, but that risk can never be eliminated
- Utilities can do very little to reduce the consequences of an ignition
- Any ignition near utility infrastructure can result in civil litigation that can produce financially destabilizing judgments
  - Severely impair the quality and cost of service to customers
  - Impair work on state energy policies
  - Limit wildfire victims' ability to receive compensation

# Questions?

For follow-up questions, please contact  
[Nolan.Moser@puc.oregon.gov](mailto:Nolan.Moser@puc.oregon.gov)



# Key Drivers of Recent Rate Increases

- Increased cost of purchasing wholesale electricity and natural gas
- Investments in grid infrastructure to maintain safety and improve reliability
- Extreme weather events and clean up
- Increased spending on wildfire mitigation/increased insurance costs
- Economy-wide inflation

# Wildfire Protection Plans (WPPs)

- IOUs:
  - File annual WPPs at end of year
  - PUC reviews and approves within 180 days
- COUs file copies of approved plans
- PUC currently reviewing 2025 plans
- [Link to Copies of Plans and PUC Dockets](#)



# WPP – Key Requirements

- Identify high-risk areas in service territory or rights-of-way
- Provide risk analysis and plans to prevent and mitigate wildfire risk
- Describe:
  - Plans for community engagement and strategies for collaborating with gov't agencies and local communities
  - Public Safety Power Shut-off (PSPS) protocols
  - Infrastructure inspection and vegetation management practices
- [PUC Rules - WPP Requirements](#)

# House Bill 3666

Sponsored by Representatives MARSH, MANNIX; Representative KROPF

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Makes a power company apply to the PUC to show that the company carries out wildfire safety. Allows COUs to apply. (Flesch Readability Score: 63.2).

Requires an electric public utility to apply for a wildfire safety certification. Allows a consumer-owned utility to apply for a wildfire safety certification. Directs the Public Utility Commission to issue a certification if the applicant has and implements, as applicable, a wildfire protection plan or wildfire mitigation plan and meets certain requirements.

Establishes a statutory presumption that a utility that has been issued a wildfire safety certification is acting reasonably with regard to wildfire safety practices and materially consistent with the utility's wildfire protection plan or wildfire mitigation plan. Provides that a certification is valid for 12 months.

Declares legislative findings with regard to human-caused wildfires and utilities.

## A BILL FOR AN ACT

Relating to utility wildfire safety practices.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1. Sections 2 to 4 of this 2025 Act are added to and made a part of ORS chapter 757.**

**SECTION 2. (1) The Legislative Assembly finds that:**

**(a) Human-caused wildfires are a risk to people, property and the natural environment in Oregon;**

**(b) Electric utilities play an important role in reducing and mitigating the risks of human-caused wildfires;**

**(c) Electric utilities are required to have and operate in compliance with a risk-based wildfire protection plan under ORS 757.963 or risk-based wildfire mitigation plan under ORS 757.966;**

**(d) Consistent with ORS 756.040, the Public Utility Commission has the jurisdiction and powers to supervise and regulate public utilities with regard to wildfire safety; and**

**(e) State agencies, through regulations and orders, are allowed to establish standards of care that apply to entities that the state agencies regulate.**

**(2) It is the intent of the Legislative Assembly:**

**(a) To establish wildfire safety standards that apply to public utilities; and**

**(b) To vest the Public Utility Commission with the authority to implement and enforce the wildfire safety standards in a manner that is consistent with state law.**

**SECTION 3. (1) A public utility that provides electricity must file an application with the Public Utility Commission for a wildfire safety certification.**

**(2) The commission shall issue a wildfire safety certification to an applicant if the applicant provides documentation that demonstrates that the applicant has a wildfire protection**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 plan approved under ORS 757.963 and the applicant:

2 (a) Is prudently and reasonably implementing the wildfire protection plan and has taken  
3 actions identified in the wildfire protection plan. The documentation must describe and verify  
4 the development and adoption of the wildfire protection plan's components and measures by  
5 documenting the applicant's wildfire mitigation expenditures and physical evidence of the  
6 work taken in the development and adoption of the wildfire protection plan's components and  
7 measures.

8 (b) Has identified any actions identified in the wildfire protection plan that have not been  
9 implemented, provided adequate justification for not taking such actions and established  
10 dates by which such actions will be taken.

11 (c) Has demonstrated a commitment to wildfire safety. An applicant may demonstrate a  
12 commitment to wildfire safety through various means, such as:

13 (A) Participating in workshops convened by the commission under ORS 757.960.

14 (B) Performing an internal wildfire safety culture assessment and adopting a process to  
15 implement the findings of the assessment.

16 (C) Providing wildfire safety training to employees.

17 (D) Conducting annual safety performance reviews establishing processes to facilitate the  
18 reporting of risks and management accountability.

19 (E) Implementing other wildfire mitigation measures.

20 (d) Has taken timely and reasonable actions on matters within the applicant's control,  
21 that are consistent with safety rules adopted by the commission under ORS 757.035, to ad-  
22 dress any outstanding deficiencies reported by the commission during the commission's most  
23 recent audit and safety inspection of the applicant's infrastructure.

24 (e) Has met any other requirements adopted by the commission.

25 (3) The commission may adopt requirements under subsection (2)(e) of this section that  
26 help verify that an applicant is applying risk-based wildfire mitigation standards and proce-  
27 dures to protect the public safety, reduce risks to utility customers and promote electric  
28 system resilience to wildfire damage. To verify that the applicant is meeting requirements  
29 adopted under subsection (2)(e) of this section, an applicant may provide reviews, assess-  
30 ments or evaluations conducted by third parties that demonstrate the applicant's efforts  
31 regarding risk reduction and development of a resilient electric system.

32 (4) The commission shall approve or deny an application for a wildfire safety certification  
33 within 90 days after receipt of the application. If the commission finds that an application  
34 does not include documentation sufficient to approve the application, the commission may  
35 allow the applicant to provide additional documentation or require the applicant to refile.

36 (5) A wildfire safety certification establishes that an applicant is acting reasonably with  
37 regard to wildfire safety practices and materially consistent with the applicant's wildfire  
38 protection plan or wildfire mitigation plan and is valid for a period of 12 months from the  
39 date the wildfire safety certification is issued.

40 (6) Failure of the commission to act in a timely manner on an application for a wildfire  
41 safety certification is not admissible evidence in a civil proceeding relating to allegations that  
42 a utility that provides electricity caused or contributed to a wildfire.

43 (7) The commission, in consultation with the State Forestry Department, the Department  
44 of the State Fire Marshal and academic institutions with expertise in evidence-based wildfire  
45 mitigation strategies, shall adopt rules for the implementation of this section. The rules

1 must include:

2 (a) Reporting and auditing requirements for determining an applicant's implementation  
3 of the applicant's wildfire protection plan approved under ORS 757.963.

4 (b) The timing, procedures, reporting requirements and standards for the review of an  
5 application for a wildfire safety certification.

6 **SECTION 4.** (1) As used in this section, "consumer-owned utility" has the meaning given  
7 that term in ORS 757.600.

8 (2) A consumer-owned utility may file an application for a wildfire safety certification  
9 under section 3 of this 2025 Act.

10 (3) The Public Utility Commission shall approve an application filed by a consumer-owned  
11 utility if the application meets all requirements for a wildfire safety certification under sec-  
12 tion 3 of this 2025 Act, except:

13 (a) Rather than a wildfire protection plan, the applicant shall be required to have and  
14 implement a wildfire mitigation plan approved under ORS 757.966; and

15 (b) An application filed by a consumer-owned utility is not subject to any requirements  
16 adopted by the commission under section 3 (2)(e) of this 2025 Act.

17 (4) A decision by a consumer-owned utility to not apply for a wildfire safety certification  
18 is not admissible evidence in a civil proceeding relating to allegations that a consumer-owned  
19 utility caused or contributed to a wildfire.

20 **SECTION 5.** A public utility that provides electricity shall file the public utility's first  
21 application under section 3 of this 2025 Act no later than December 31, 2027.  
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