# UTILITY WILDFIRE FUND (HB 3917) PARTNER GUIDANCE

#### **BACKGROUND**

Recent climate-fueled wildfire events in Oregon have claimed lives, leveled more than 4,200 homes and buildings, and scorched millions of acres. The destruction caused by wildfires has price tags in the billions, and has created an existential crisis for electric utilities across the West who are facing financial challenges due to wildfire liability. This financial instability threatens utilities' ability to invest in grid modernization, clean energy, and the transmission infrastructure needed to achieve Oregon's 100% clean electricity mandate.

HB 3917 seeks to address this challenge by creating a Catastrophic Wildfire Fund, designed to compensate property owners for damages resulting from catastrophic wildfires ignited by public utility facilities. The fund would be capitalized through a 50/50 split in shareholder and ratepayer contribution from participating public utilities, with the intention of providing a financial safety net for affected residents while maintaining the financial stability of utilities. While the proposed funding mechanism is preferable to the far more utility-friendly mechanisms adopted in Idaho and Montana, it will still impose costs on ratepayers, further underscoring the importance of advancing complementary energy affordability measures in the 2025 legislative session.

The bill also grants the Public Utility Commission (PUC) authority to assess whether a utility acted prudently before a wildfire. If found imprudent, the utility could be required to reimburse the fund. However, **HB 3917 does not explicitly tie liability protections to proactive wildfire mitigation or broader climate mitigation performance metrics**—a critical gap. Without such provisions, utilities may receive both liability protections and financial cover for utility-caused wildfires without being required to accelerate investments in grid-enhancing technologies, transmission, and clean energy deployment.

HB 3917 is scheduled for a hearing in the House Judiciary Committee on Tuesday, April 8, at 3:00 PM. Given the complexity of this challenge, we recognize that partners may have differing positions on HB 3917. Regardless of your organization's position on the bill, we encourage advocacy highlighting these above gaps and uplifting the need for wildfire liability solutions to advance Oregon's clean energy and climate goals. Please see below for key concerns, messaging and sample talking points to uplift in your testimony.

### **HOW TO ENGAGE:**

- Provide written and/or verbal testimony at the <u>House Judiciary Committee</u> on Tuesday, April 8, at 3:00 PM.
  - o DEADLINE FOR WRITTEN TESTIMONY: Thursday, April 10, at 3:00 pm.
- Amplify the need for HB 3917/other wildfire liability legislation to reduce wildfire risk, decarbonize the grid and protect ratepayers from rising utility costs.
- Support complementary energy affordability and transmission-related legislation.

#### **KEY CONCERNS & MESSAGING TO UPLIFT**

## 1. Ensure Utility Protections Be Tied to Climate Mitigation Actions

- HB 3917 lacks explicit provisions requiring utilities to invest in grid-enhancing technologies, microgrids, transmission infrastructure, and accelerated renewable energy deployment.
- Oregon's clean electricity law (HB 2021) passed four years ago, yet utilities have made little progress toward their emissions reduction goals. Liability protections should be contingent on utilities demonstrating progress.
- Strengthening this bill with climate mitigation requirements will align wildfire risk reduction with Oregon's clean energy transition.

## 2. Advance Complementary Legislation on Energy Affordability & Transmission

- The proposed 50/50 cost split will impact ratepayers, making it even more essential to pass **energy affordability measures** in the 2025 legislative session.
- Expanding transmission infrastructure is critical to integrating more renewable energy and reducing reliance on vulnerable power lines in high-risk wildfire areas.
- Lawmakers must ensure that any wildfire liability solution does not hinder
   Oregon's clean energy goals by shifting costs onto ratepayers without requiring utilities to step up their investments in clean energy.

#### 3. Strengthen Proactive Wildfire Mitigation Incentives

- The bill does not go far enough in directing utility investment toward proactive wildfire mitigation, such as undergrounding power lines, advanced weather monitoring, and expanding distributed energy resources.
- Liability protections should be paired with aggressive requirements for utilities to reduce the ignition risk of their infrastructure.

### **Sample Testimony Talking Points**

- HB 3917 seeks to address a critical challenge for Oregon's electric utilities, but it fails to
  ensure that wildfire liability protections are contingent on climate mitigation performance.
   Oregon cannot afford to let utilities off the hook without requiring them to accelerate
  clean energy investments and protect ratepayers from growing energy costs.
- We support efforts to stabilize Oregon's utility sector, but any wildfire liability fund must include clear mandates for utilities to invest in transmission, grid resilience, and the rapid deployment of renewable energy.
- Ratepayers should not bear the burden of wildfire liability without guarantees that utilities
  will take every possible step to reduce wildfire risk, decarbonize the grid and protect
  ratepayers from rising utility costs.
- As legislators consider HB 3917, they must also advance complementary policies to address energy affordability and expand transmission infrastructure to support clean energy growth.