



Regulatory Options to Combat the Spreading Risk of Wildfires

**National Conference of
Regulatory Attorneys**

**Michael Grant
May 14, 2025**

Preventing and Mitigating Wildfire Risk

- Background
 - Oregon PUC and role with utility safety
- Physical Risk of Wildfires
 - Call to Action – Growing Risk
 - Wildfire Mitigation Strategies
- Financial Risks of Wildfires
 - Impacts – Legal Liability
 - Legislative Responses

Oregon PUC

Economic regulator of IOUs:

- Electric – Portland General Electric, PacifiCorp, and Idaho Power

Safety Regulator of all electric utilities, including 38 COUs:

- Cooperatives
- Municipalities
- People's Utility Districts

3 full-time Commissioners – 135 FTE



PUC's Safety Role

Requires utilities to proactively manage all safety and reliability risks (wildfire, earthquake, cybersecurity threats)

Safety Rules

- National Electric Safety Code
- Minimum vegetation clearance requirements

Inspection Team

- Conducts audits in field for compliance
- Trust but verify



Utility Infrastructure Risk

Ignition Causes

Downed Power Lines:

Power lines can fall onto vegetation, creating an arcing hazard or igniting nearby materials.

Arcing:

Lines can arc (release sparks) when in contact with vegetation, debris, or other objects

Overheating:

Overheated lines can melt or ignite nearby dry vegetation, especially in hot and dry weather.

Contributing Factors

Aging Infrastructure:

Many systems are old and not be equipped with modern safety features or monitoring systems

Negligent Maintenance:

Inadequate maintenance: poor vegetation management and lack of equipment inspections

Climate and Weather:

Increased temperatures and drought; severe dry and windy weather

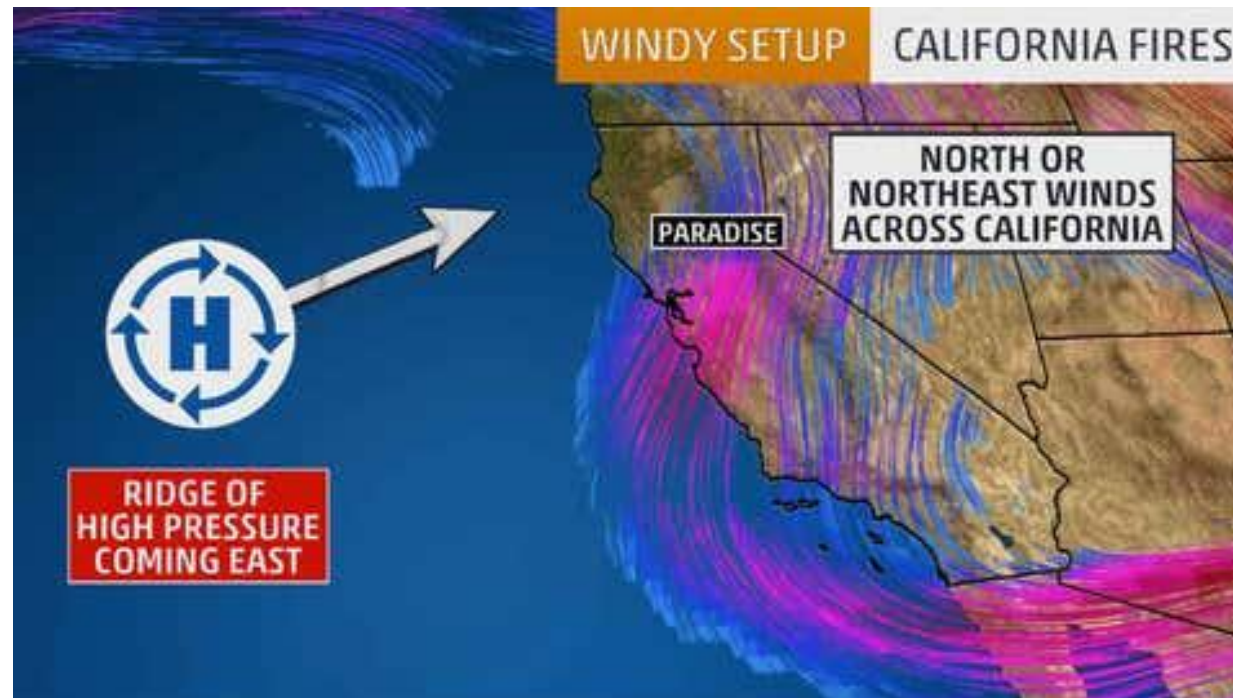
Land Use/Forest Management:

Wildlands-Urban Interface; Fuel Loads, Right of Way

Call to Action – Camp Fire, Paradise CA

November 2018 – Red Flag Weather

- Excessive precipitation (increased fuels/) followed by drought (<1" rain since May)
- Extremely low humidity – 11% Sustained winds 20-30mph – Gusts up to 60mph
- Poorly maintained transmission line with worn equipment



Pacific Gas and Electric Transmission Line

- 6:20am: Worn hook failed, causing transmission line to fall and contact tower
- Electric arc - reached 5,000 to 10,000 °F
- Melted metal components – fell into brush
- CalFire on site 6:44am – noted difficulty accessing
- By 7:00am – burned 200-300 acres
- By 7:50am – fires reported in Paradise 7 miles from ignition



Paradise CA



- Burned 153,336 acres over 2 weeks
- 85 fatalities, and destroyed 18,000+ structures

*The Ugly Truth to the 2018
Camp Fire – 12 Minute Video*

<https://www.youtube.com/watch?v=cV74dRke1PA>



Oregon Wildfire Fire Risk

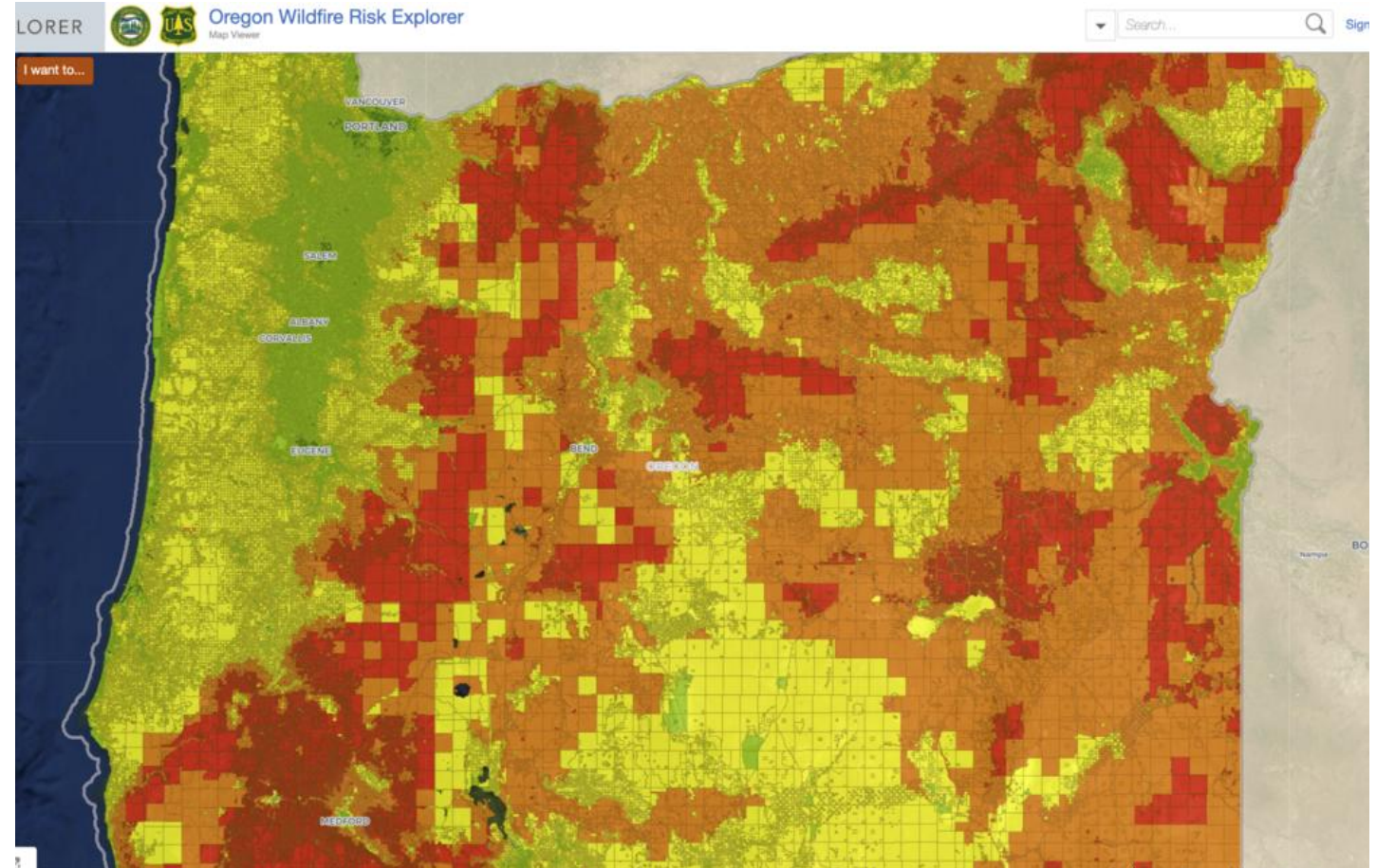
Oregon's Geography:

Coast and Willamette Valley

- People and rain

High Desert to the South and East

- Hot and arid



Raising Awareness – 2019 and 2020

- Oregon PUC directed electric utilities to report on wildfire mitigation planning
- Hosted Wildfire Dialogue of West Coast Commissioners
 - Lessons learned, best practices, actions
- Visited Southern Oregon
 - Oregon Dept of Forestry Early Detection Center
 - Emergency Managers/Community Members
 - Introduced concept of Public Safety Power Shut-offs

2020 Labor Day Fires

- Wet spring followed by drought
- Extremely low humidity – 3%
- Sustained winds 20-30mph – gusts to 60+
- Lightning strikes – many fires burning but stable
- 21 major fires
 - 6 over 100k acres
 - 11 deaths; 3000 structures destroyed
- Burned over 1.2 million acres



Labor Day Fires 2020



Impacts

California

- PG&E pled guilty to 85 counts involuntary manslaughter
- Settled multiple lawsuits
 - \$13.5B settlement
 - Former Executives and Directors also paid \$117M
 - Declared bankruptcy in 2019

Oregon

- Jury found PacifiCorp started Santiam wildfires and was grossly negligent in not cutting power
- Class Action Lawsuit – 1000+ parties raising \$30+B in claims (PacifiCorp's 6-state assets total \$34B)

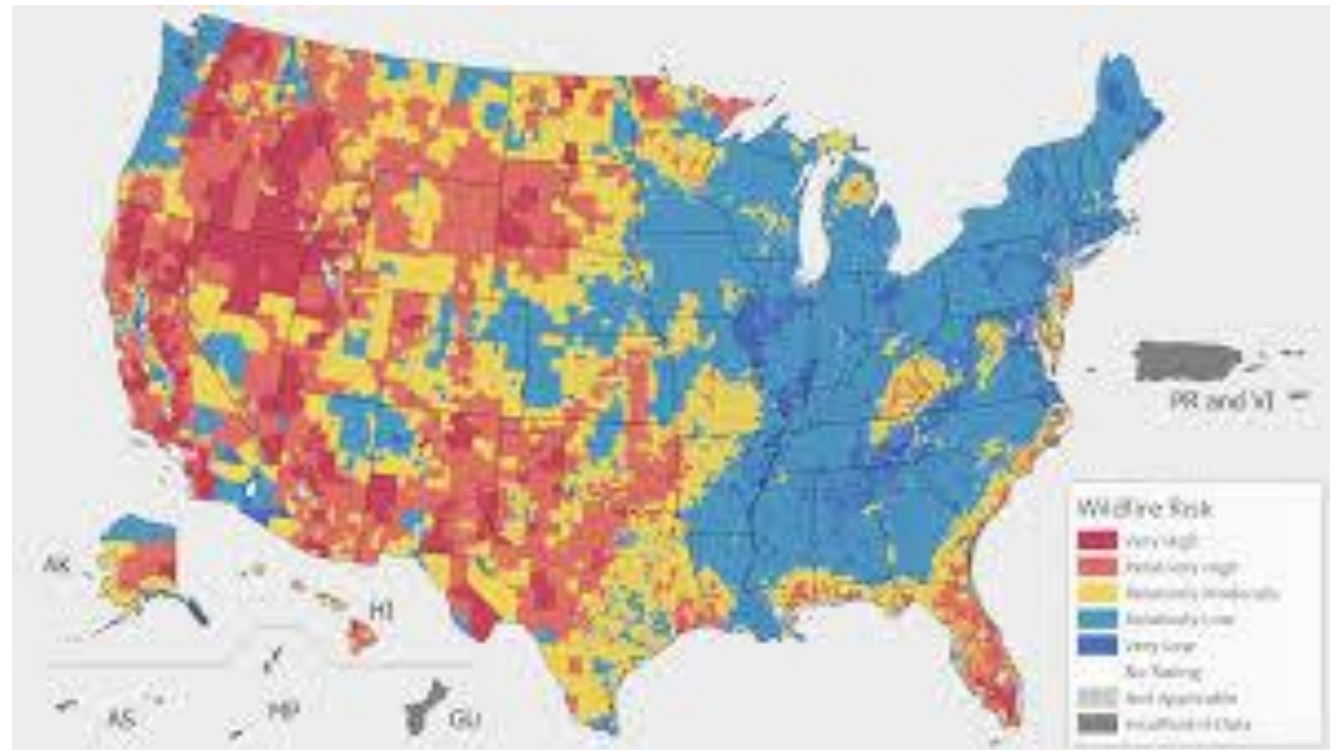


Wildfire Risks – Growing Problem

Colorado – 2021 Marshall Fire
Texas – 2024 Smokehouse Creek
Hawaii – 2023 Maui Fire
Los Angeles – 2025 Palisades and
Eaton Fires

[Wikipedia - List of US Wildfires 2024](#)

100+ fires over 1000 acres
26 states



Oregon Response

Senate Bill 762 (2021)

- Comprehensive bill to improve wildfire response and mitigation efforts
- Focuses on creating fire-adapted communities, developing safe and effective wildfire response, and increasing the resilience of Oregon's landscape
- New electric utility mandates to prevent and mitigate ignitions from utility infrastructure
- Both IOUs and COUs must operate under risk-based wildfire mitigation plans
 - IOUs submit plans annually to the PUC for review and approval.
 - COUs submit copies to the PUC once plans approved by governing bodies

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
- First IOUs plans approved in 2022
- [Link to Copies of Plans and PUC Dockets](#)

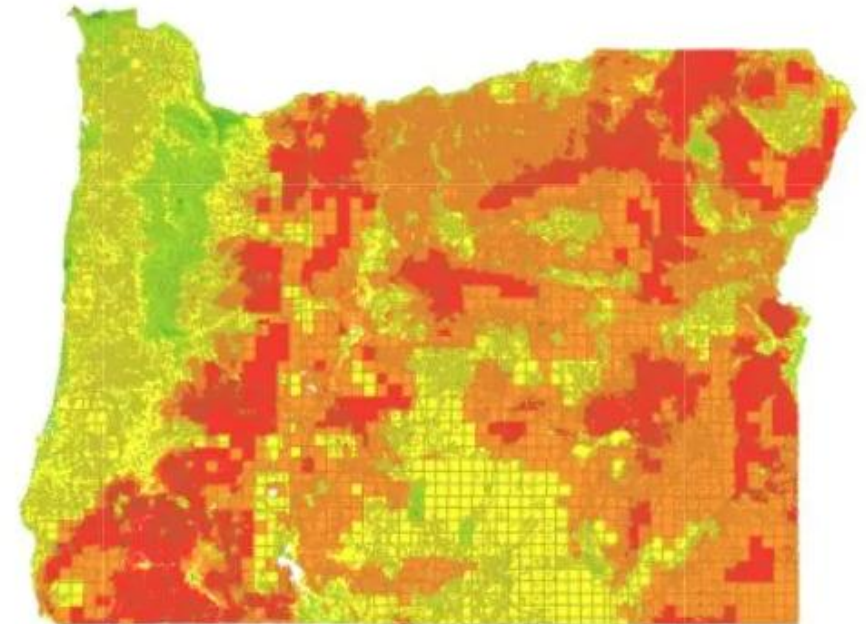


Wildfire Protection Plans – Key Requirements

- Identify high-risk areas in service territory or rights-of-way
- Provide risk analysis and plans to prevent and mitigate wildfire risk
 - System Hardening
 - Vegetation Management
 - Operational Protocols
- Plans for community engagement and strategies for collaborating with gov't agencies and local communities
 - Public Safety Power Shut-offs (PSPS)
- [PUC Rules - WPP Requirements](#)

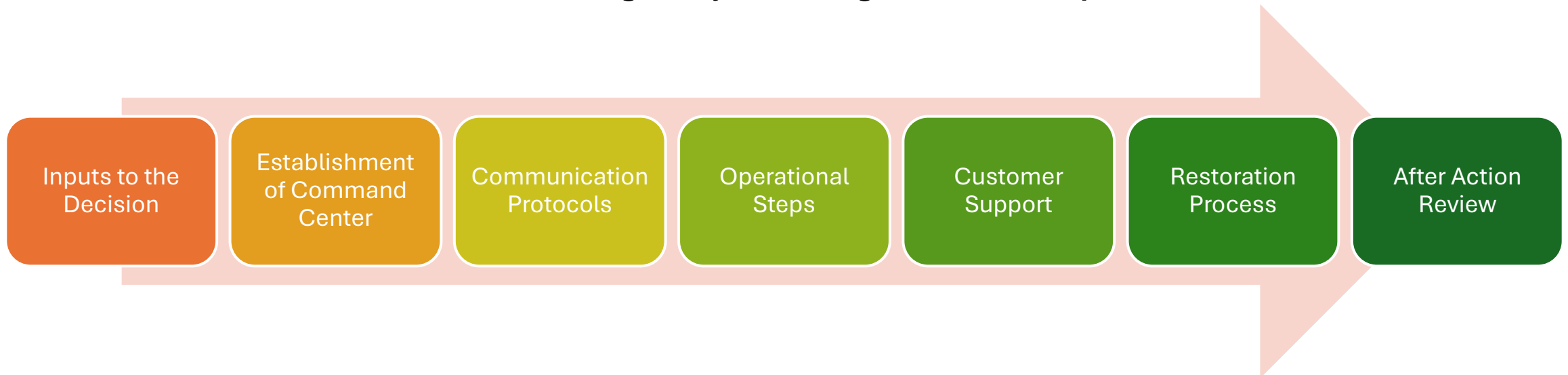
High Risk Fire Zones (HRFZs)

- All Oregon electric utilities face risk of wildfire – varies due to location of service territories
- Fire Risk and PSPS can happen outside HRFZs
- Both IOUs and COUs operate overhead electrical lines in HRFZs
 - PGE operates ~ 1,000 miles in HRFZs
 - PacifiCorp operates ~ 3,600 miles in HRFZs
 - Idaho Power operates ~ 80 miles in HRFZs
 - COUs operate a combined 5,000 to 10,000 in HRFZs



Public Safety Power Shutoffs (PSPS)

- Proactive de-energization of electricity during extreme weather conditions
- Last resort - must balance risks of disconnecting service during emergency
- Utility decision based on knowledge of system and equipment, real time conditions
- Coordinate with local emergency managers and impacted communities



PSPS Communication Requirements

Requirements	Timing			Notes
Where, when, how long, impacts	72-48 hours	48-24 hours	4-1 hours	
Public Safety Partners	✓	✓	✓	When feasible utility will support local emergency management efforts to send out notifications
ESF 12	✓	✓	✓	Will notify Oregon Emergency Response System partners and Local Emergency Mgt in coordination with Oregon's Dept of Emergency Mgt
Utility Identified Critical Facilities	✓	✓	✓	IOUs also notify medically vulnerable customers that self-identify
Customers		✓	✓	Notice provided via email, phone call, website, social media, radio, television, and media

September 2022 PSPS Event

7 utilities performed PSPSs (2 IOUs, 5 COUs)

- Red Flag Weather:
 - 25+ mph winds, with gusts to 60 mph
 - Low humidity, high fuel load
- Over 51,000 customers across 7 counties
 - Broad and robust communications
 - Coordination with Public Safety Partners
 - Community Resource Centers
- PUC After-Action review
 - Recording available [here](#)
 - Details of utility actions [here](#)



Impacts on Customer Rates

- Mitigation Costs
 - Vegetation Management
 - Hardening of Systems
 - Undergrounding of Lines
 - Monitoring Equipment and Personnel
 - Increased Inspections
- Insurance Costs



Summary – Western States Wildfire Mitigation Plans

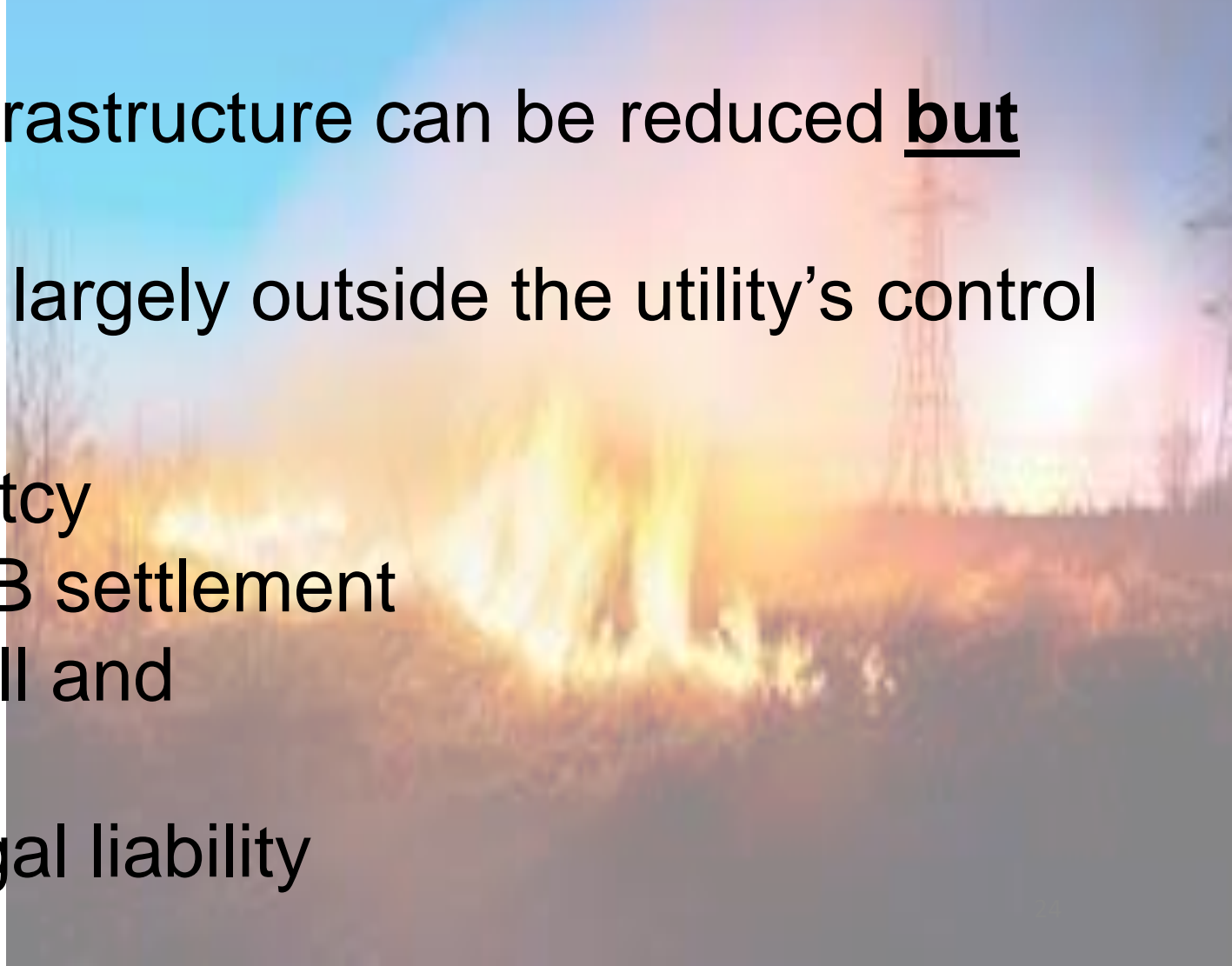
Oregon	California	Idaho	Utah	Washington
Reviewing Authority				
PUC oversight of safety, including wildfire mitigation activities.	New OEIS safety oversight previously done by the CPUC.	Utilities submit plans to IPUC as part of general rate case	Utah PSC has oversight of wildfire mitigation issues.	Dept of Natural Resources developing IOU plans for with WUTC
Identification of High Risk Areas				
Utilities identify HRFZs. ODF also working on state map	Statewide map created by scientists, foresters, fire fighters, and utilities	Idaho Utilities identify HRFZs but seek input from state and federal agencies.	Utah utilities identifies HRFZs in their protection plans with assistance from state agencies.	Washington IOUs identify HRFZs.
Efficacy of Mitigation Actions				
PUC balances IOU risk versus spend. Annual cost recovery mechanisms established for PGE and PacifiCorp.	California determines objective risk spend efficiency based on identifying threats, costs to mitigate, and potential threat impact.	Least-cost, least-risk investments are focus in Idaho but utilities may pursue extra pilot projects.	Utah WPPs and annual reports describe the costs of implementation but cost-effectiveness is not specified.	Topic of discussion in Washington rate cases, but there are not specific rules.
Verification of Equipment Installation				
Oregon performs no specific audits of mitigation investments; are validated as part of routine line audits.	OEIS conducts extensive audits for work reported quarterly. Costs for mitigation are assessed by CPUC as part of rate cases.	Idaho PUC audits 5-10% of investments in rate cases, some randomly and others prioritized.	No auditing of investments. Locations are not provided as part of reports.	No specific audit of wildfire investments; reviewed with other spending during a rate case.

Litigation Risk

- Wildfire risk from utility infrastructure can be reduced **but** **not** eliminated
- Consequence of ignitions largely outside the utility's control

Wildfire related lawsuits

- Led to PG&E Bankruptcy
- Hawaiian Electric - \$3B settlement
- Xcel Energy – Marshall and Smokehouse Fires
- PacifiCorp - \$30B+ legal liability



Impacts to Rates and Reliability

- **Investor concern**
 - In February 2024 letter to investors, Warren Buffet reported that wildfire-related lawsuits have raised uncertainty “about the desirability of future [utility] investments.”
- **Increased Costs of Capital**
 - Credit downgrades; increased borrowing costs
- **Impacts Reliability**
 - More PSPSs and sensitive settings
- **Effects on Bankruptcy**
 - Risks remain preventing reorganization

Legislative Responses

- **Wildfire Compensation Funds**
 - Designated funds to help ensure liquidity of utility
- **Liability Limits**
 - Providing cap for economic and non-economic damages
- **Safety Certifications**
 - Help establish expectations



Summary – Western States Safety Certification and Compensation Fund

Oregon	California	Idaho	Utah	Washington
Safety Certification				
HB 3666 proposes to establish a certificate process. Implementing plan and commitment to safety	Certification by OEIS aids IOUs in access to the Wildfire Fund and wildfire cost recovery at the CPUC.	None	No specific, but Utah PSC does acknowledge protection plans that meet specific requirements.	None
State Wildfire Damages Fund				
Proposed legislation introduced but failed – looking at study bill.	\$21B Wildfire Fund. Funding is evenly split: shareholder funds front-loaded and ratepayer payments being spread evenly over 10 years.	None	Rocky Mountain to seek approval for a \$1B fund to pay for utility-caused wildfire liabilities. Fund would come from a ratepayer surcharge.	Not yet. It's been proposed as a policy solution by the Office of the Insurance Commissioner.

Summary – Western States Liability Limits

Oregon	California	Idaho	Utah	Washington
Financial Liability Limits				
None	<p>Compensation not limited, but CPUC may determine max liability an IOU can pay before bankruptcy and direct further costs to be paid by ratepayers.</p> <p>Wildfire Fund should limit the need for the CPUC to exercise this authority unless an IOU is found to have operated irresponsibly.</p>	<p>Idaho law has \$250k caps for economic damages from negligent destruction of property and damages for physical harm. Punitive damages capped at \$250k or 3X compensatory damages if utility acted in oppressive, fraudulent, malicious, or outrageous manner.</p>	<p>Compensation is capped up to \$100k for people physically unharmed and up to \$450k for people physically harmed. No limitation for wrongful death actions; no liability caps if the PSC determines RMP operated in a manner materially out of compliance with PSC-approved WPP.</p>	<p>WA law requires electric utilities to demonstrate the “highest standard of care” for prudence in utility operations to avoid being found negligent for wildfire-related damages.</p>



Questions?

michael.grant@puc.oregon.gov