



Legislative Landscape for Utilities and Wildfire

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Wildfire Resiliency Standards & Metrics for Utilities

Emerging Wildfire Risk State TA

Wildfire Risk: Utility Business Models

RADR-FIRE

WMP Database

Standards & Metrics Development

Technical Assistance for Utilities

Regional Risk Assessment & Wildfire Workshops (CESER - GDO)

Targeted State Support & Workshops

Legislative & Industry Trends

Technical Advisory Committee

Triple Line Defense

WILDFIRE.PNNL.GOV

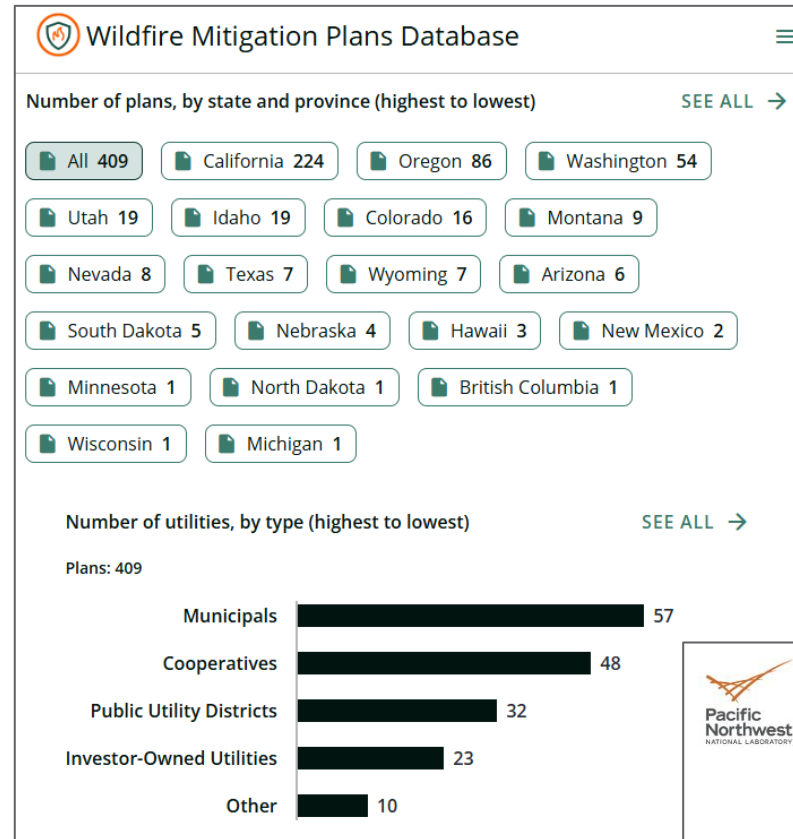
1. Wildfire Mitigation Plan (WMP) Database

wildfire.pnnl.gov/mitigationplans

2. Technical assistance programs for states and utilities

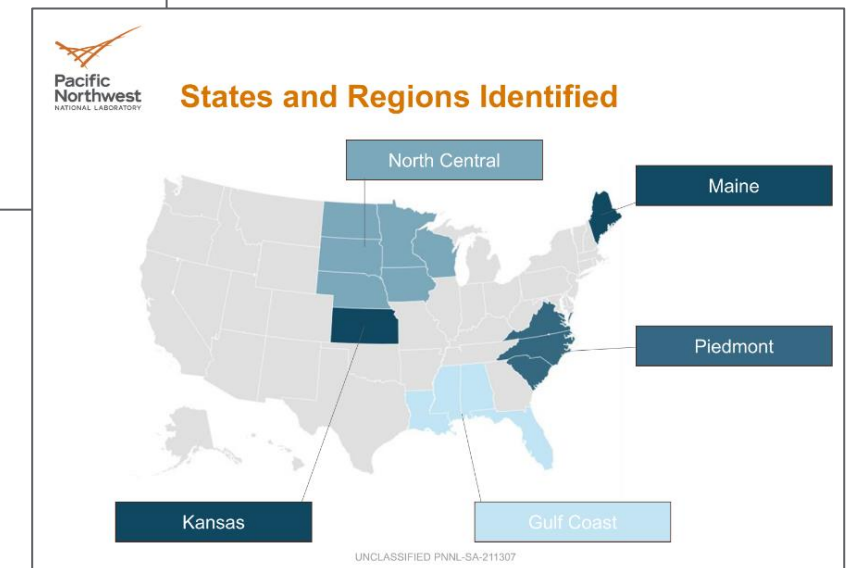
3. Targeted state support and workshops

4. Wildfire tools and modeling capabilities



Technical assistance is being delivered to regions where wildfire is an emergent concern.

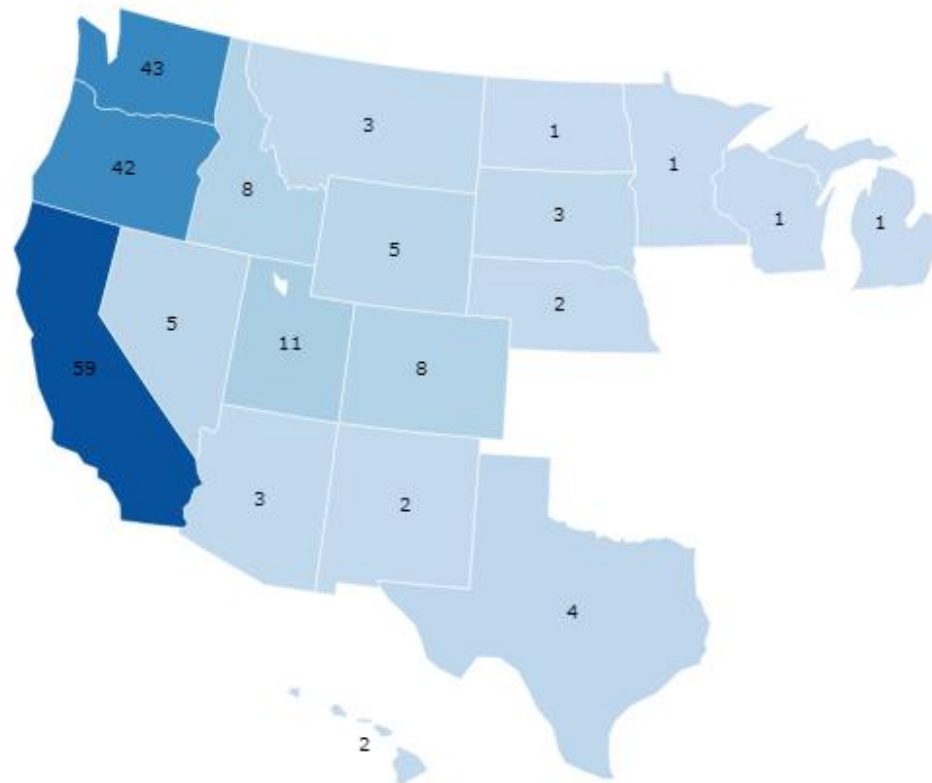
The database currently contains 409 WMPs from 170 utilities in 18 states.



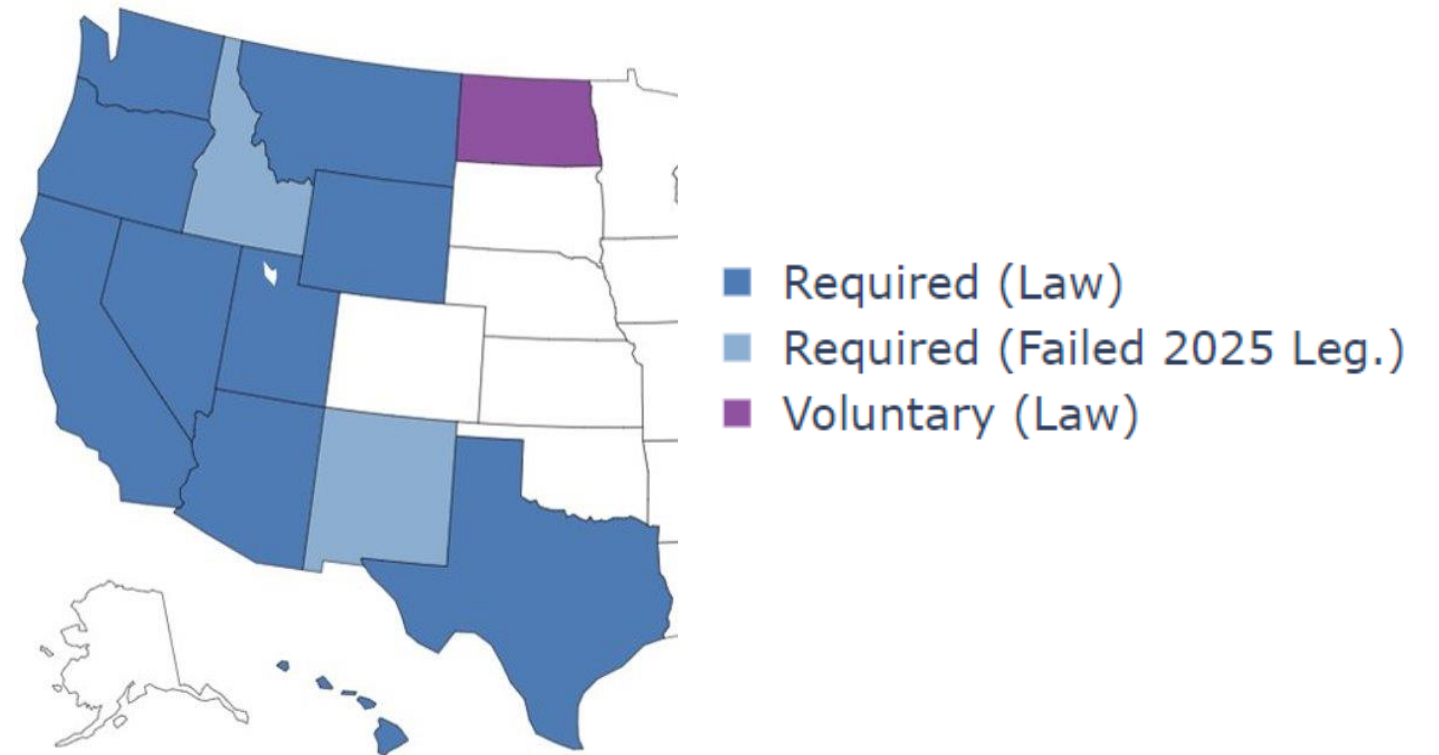
WMP adoption is increasing across the country

Nine states have passed legislation requiring utilities to prepare WMPs, and two additional states proposed legislation in 2025 that failed to advance. Utilities in other states are also producing WMPs without legislative requirements.

Utilities with at least one WMP



State WMP requirements



Overview: Legislative approach by state

State	Wildfire Mitigation Planning	Modified Liability	Modified Damages	Payment Fund or Bond Authorization
AZ	Law	Law	Law	
CA	Law	Law		Law
HI	Commission Order	Law		
ID	Law	Law	Clarification of Law	
KS			Law	
MT	Law	Law	Law	
ND	Law	Law		
NV	Law			
OR	Law		Law	
TX	Law	Law		
UT	Law	Law	Law	Law
WA	Law			
WY	Law	Law	Law	

Cumulatively, thirteen states have addressed components of utility wildfire risk legislatively and another three have attempted to through unsuccessful legislation.

Laws or commission order

 Not addressed

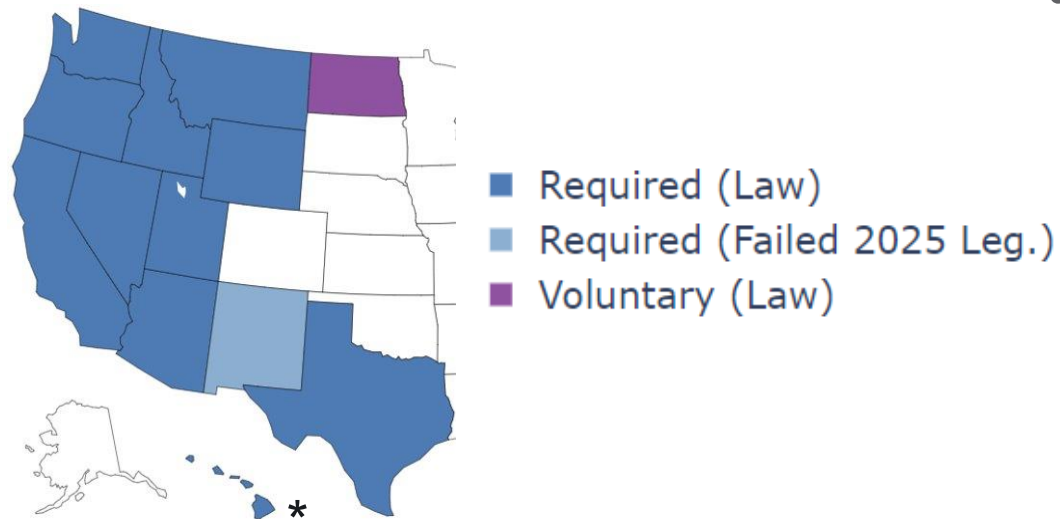
Idaho, New Mexico, Oklahoma, Oregon, and South Dakota proposed 2025 legislation that did not pass.

Inverse Condemnation

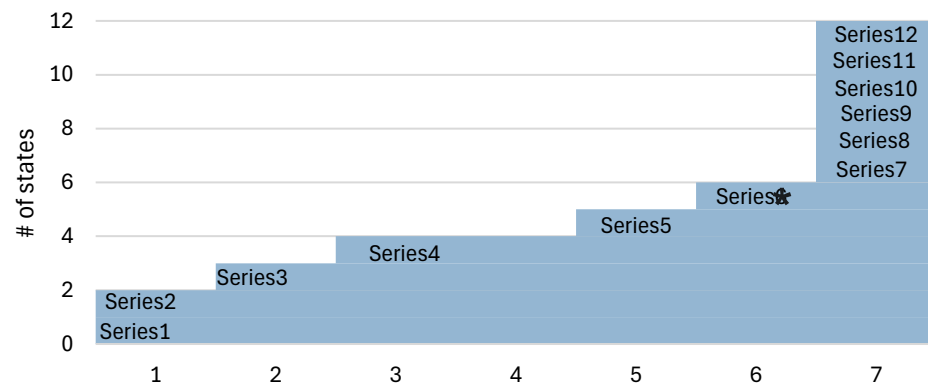
Unlike most states, in California it is not necessary to prove negligence to seek recovery for damages from utility operations.



Wildfire Mitigation or Wildfire Protection Plans



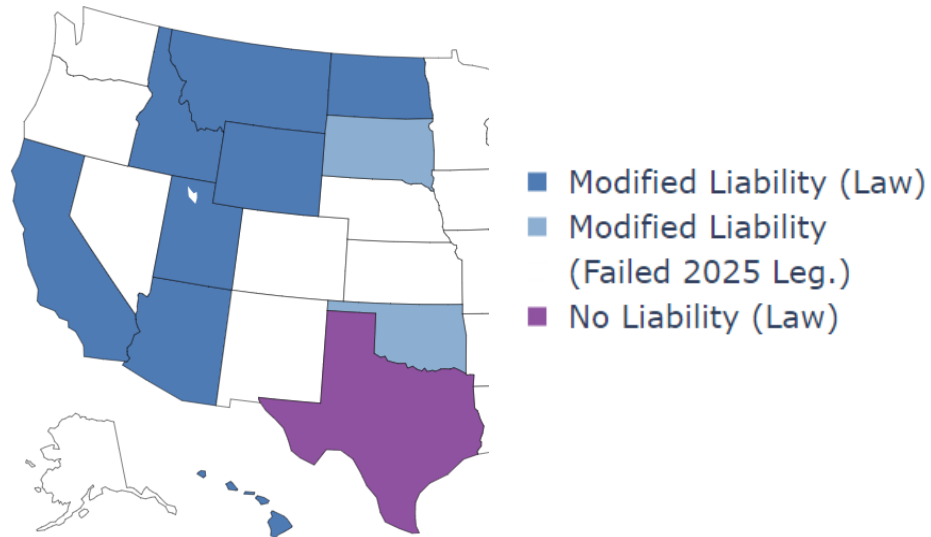
WMP provision



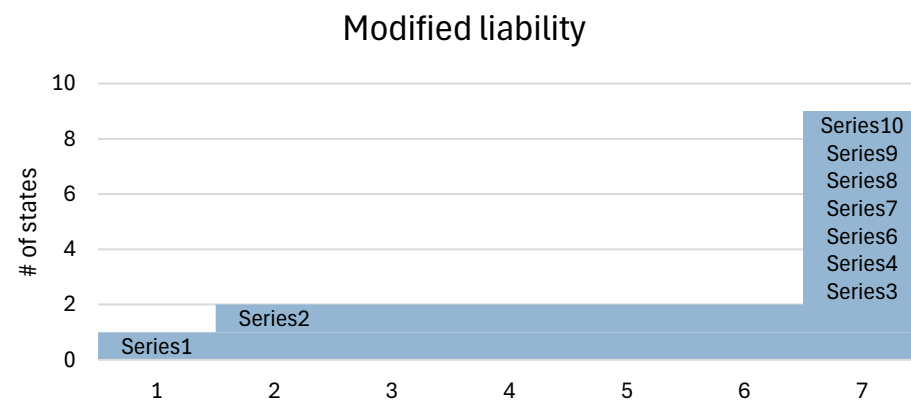
*Hawaii requires WMPs through Commission Order No. 41033, which achieves the same objective as legislatively directed WMPs and is included in summary information here. Oklahoma 2025 legislation directs utilities to comply with Commission requirements and the National Electric Safety Code but does not require WMPs explicitly at this time and is not included here.

- **California and Nevada** introduced the first legislation requiring Wildfire Mitigation or Wildfire Protection Plans (WMPs) in 2019. Since then, a total of **seven states** have enacted legislation requiring WMPs. Three states require them as a component of qualifying for reduced risk, reduced damages, or utilization of a public fund for damages, and three additional states passed legislation to require or encourage them in their 2025 sessions.
- In California, legislation requiring WMPs was enacted coincident to legislation modifying the liability standard and creating a payment fund. In all other states, except Oregon, **the requirement for WMPs was the first mandate associated with clarification and/ or reduction of utility business risk from wildfires.**

Legislative liability standards modifications

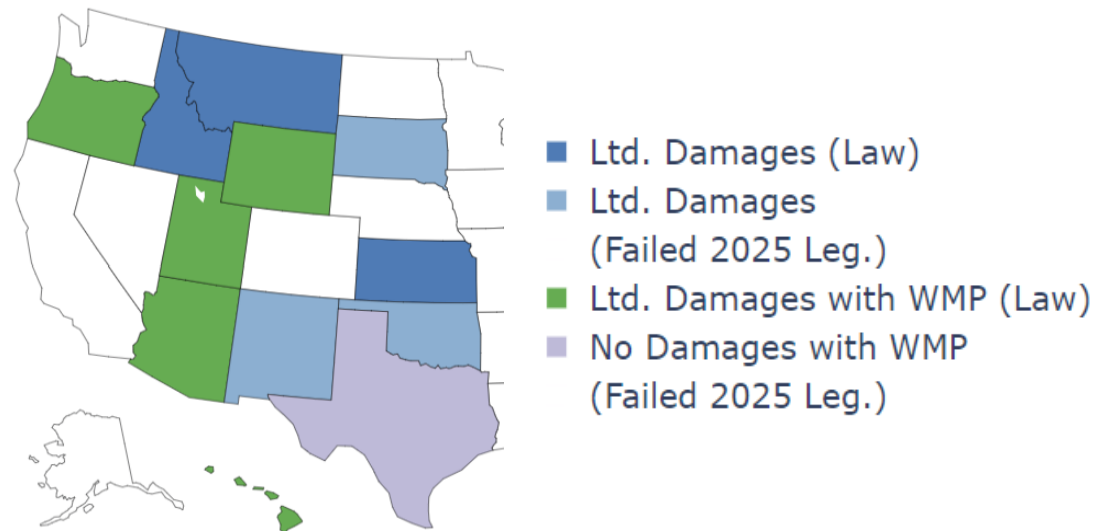


- Montana and North Dakota have moved from **strict liability to negligence law** for utility wildfire claims.
- Arizona, California, Idaho, Texas, Utah and Wyoming have established through legislation that the **standard of care has been met through compliance with a WMP**, establishment of a Safety Certification for wildfire, compliance with National Electric Safety Code, or completion of mitigation work established through WMP.
- Hawaii establishes a prudent conduct standard for determining who replenishes the wildfire fund.
- Of note, Nevada, Oregon, and Washington require WMPs, but do not currently establish that compliance with an approved WMP modifies liability.

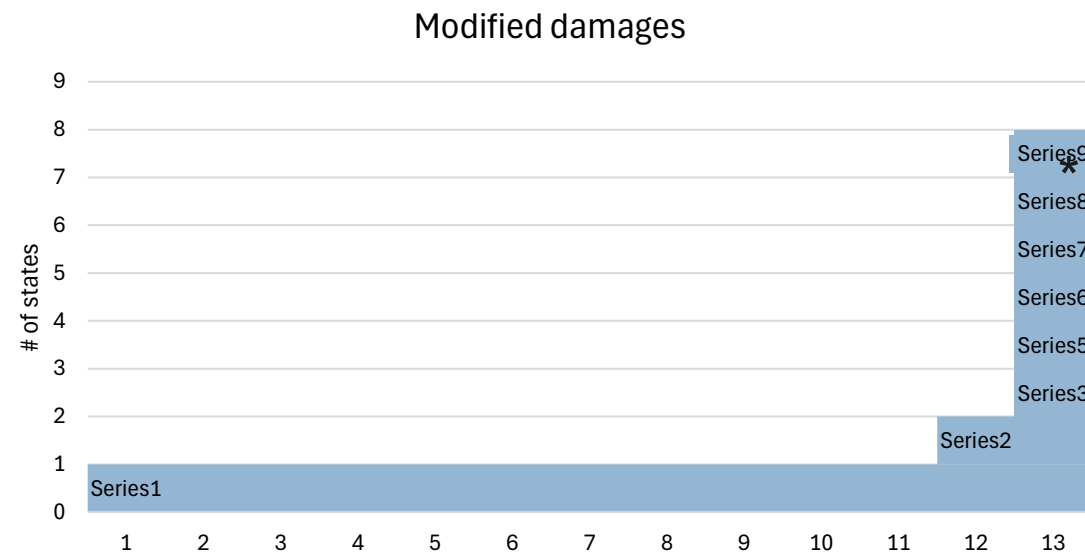


*Note: the appendix includes summary legal terms and links to additional explanation.

Legislative damage limitations



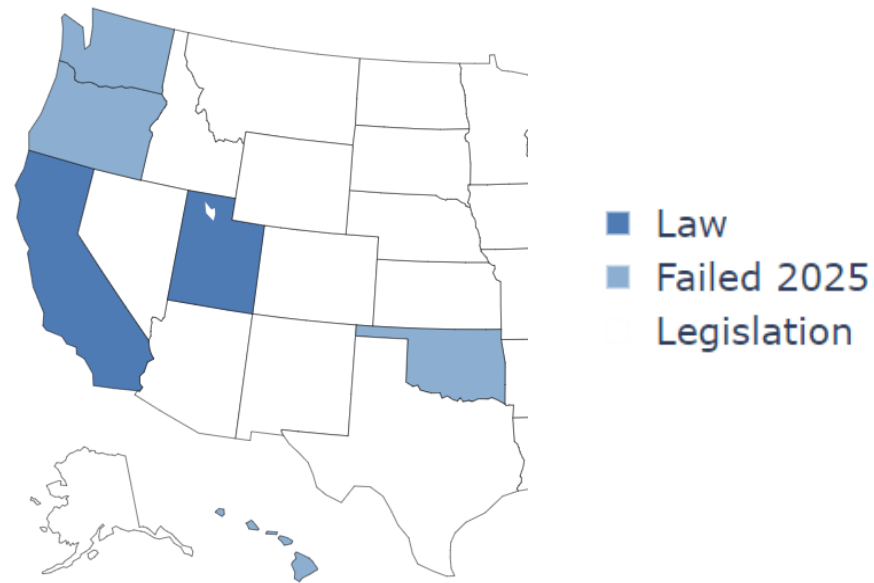
- Oregon enacted wildfire damage limitations for all plaintiff types in 2013 to the value of economic and property damage if not the result of negligence, and twice the value if the result of negligence. Utah followed in 2024 with legislation linking WMP approval and compliance to caps on damage recovery for economic and non-economic loss.



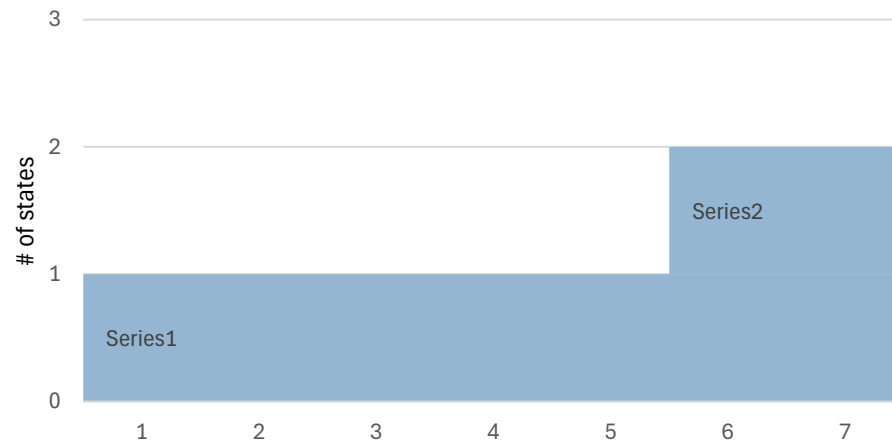
- **In all states with proposed or enacted legislation the damage language reduces the magnitude of damages from what would be allowable under standard tort law remedies.**

* Idaho law clarifies that existing damage caps for other cause apply to utilities. Separately, California AB1054 (2019-2020) allows recovery of costs and expenses arising from a covered wildfire if the costs and expenses are just and reasonable.

Legislatively-created payment funds



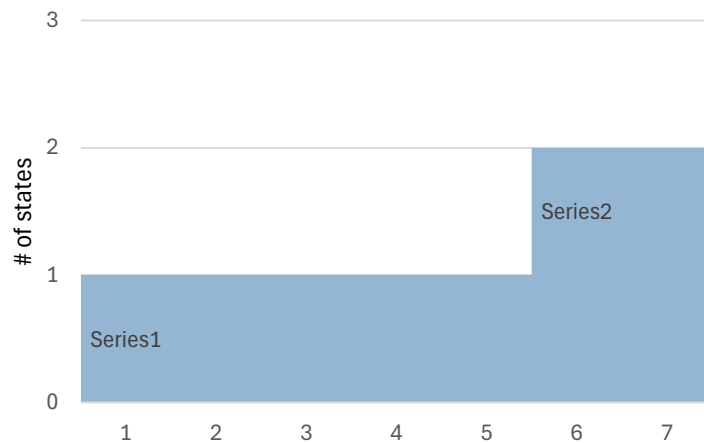
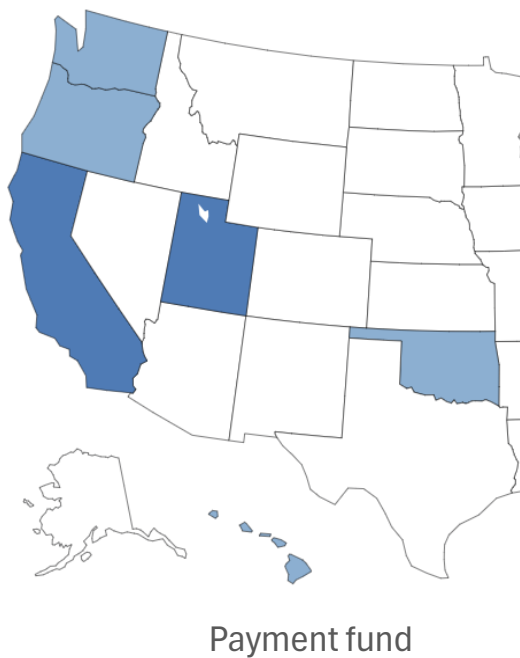
Payment fund



- California created the initial wildfire payment fund in 2019 with mandatory contributions from ratepayers and shareholders. In 2024, Utah authorized utilities to collect and self-manage wildfire funds that may be applied to payment of damages that exceed eligible payments covered by each utility's own funds.
- **2025 legislation related to payment funds did not show clear trends in the development of fund design.**

Payment fund proposal structures vary

- Law
- Failed 2025 Legislation



*2025 legislation in HI, OK, OR, and WA did not advance to law.

	CA	HI	OK	OR	UT	WA
Legislation	AB1054 (2019)	HB982/SB1201 (2025-proposed)	SB1071 (2025 proposed)	HB3917 (2025-proposed)	SB224 (2024)	HB1656 (2025-proposed)
Target volume	\$21B			\$800M	\$1B	
Capitalization source	Ratepayers and shareholders (50:50)	Ratepayers and shareholders	Appropriated, grants, donations and "other funding sources"	Ratepayers and shareholders (up to 50:50)	Ratepayers	Ratepayer securitization for bonds
Capitalization time	10 years for utilities; 15 years for customer charge	Up to 5 years	Revolving taxpayer fund	Up to 10 years	Up to 10 years	
Utility payment cap	\$1B				\$10M	
Caps on customer rate increases			Not utility specific	3% increase to a customer's bill in any rate class	4.95% increase in rates overall or \$3.70 per month per average residential customer	

Additional and alternative measures may be necessary to mitigate utility wildfire risk

Additional measures proposed in the literature but not yet widely adopted include:

- **Permitting reform**, e.g., for vegetation management and undergrounding, to expedite implementation of wildfire mitigation plans.
- **Differential electricity rates**, where customers with higher wildfire risk would pay higher electricity rates.
- **Voluntary federal backstop insurance** for utilities, conditioned on implementing certain risk reduction measures like improved situational awareness, fast-trip de-energization, and public-safety power shutoffs.
- **Corporate restructuring** as a potential means to isolate state or regional wildfire risks, among other things, as PacifiCorp was asked to explore in Utah.
- **Significant adjustments to utility ownership structure**, such as municipalization or other public control of investor-owned utilities.
- **Addressing wildfire risk through means beyond utilities' direct control**, e.g., through hardening homes and reducing the consequences of wildfire, which could help reduce damages arising from utility-caused wildfires.

What's next for PNNL

This has become a national issue, and we are supporting federal investment to work with utilities to de-risk these issues.

We're investigating:

- How to set new metrics to guide utility standards
- How to support resilience-based wildfire mitigation planning
- Understanding what are the key attributes and technologies that make the system more reliable and affordable

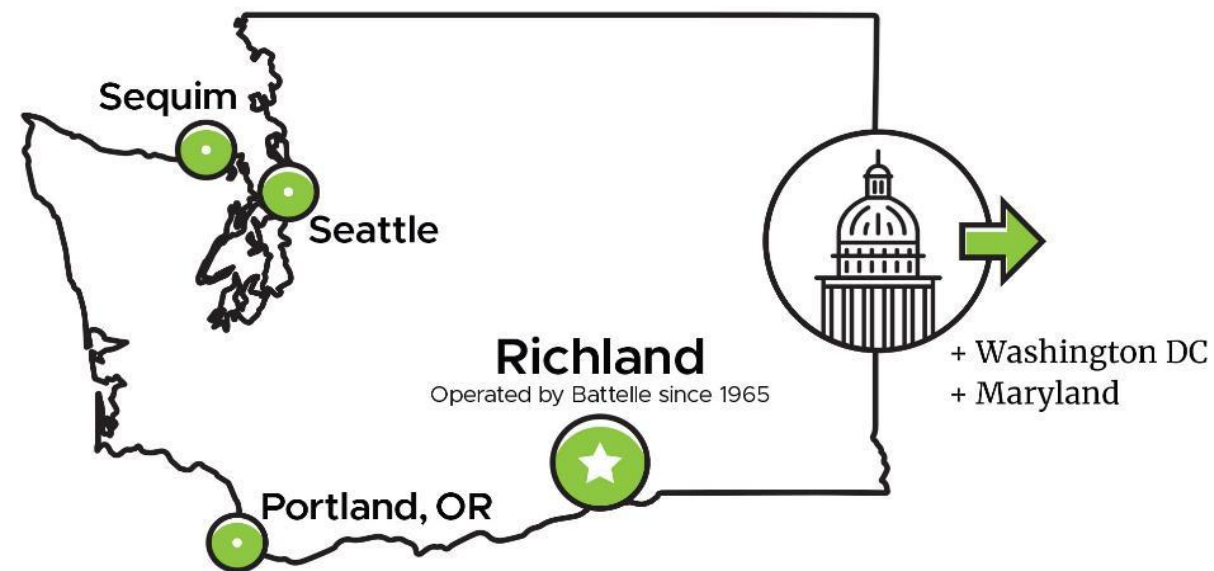


Thank you

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Suggested citation: *Barlow, J., Powell, D., Kincaid, J., Abernethy-Cannella, K., & Boff, D. (2025). Wildfire Risk: Review of Utility Industry Trends. PNNL-SA-211619.*

USDOE National Laboratories



6,437

Scientists,
engineers, and
professional staff



2,297

Active S&T
projects*



125+

Countries where
staff at PNNL are
actively engaged



3,213

U.S. and foreign
patents granted
(since 1965)

Utilities are threatened by costly damages from wildfire impacts

- **Utilities face two main types of damages from wildfire impacts:** direct damages to equipment and property, and liability from legal claims related to utility-caused damages to third parties.
- **While direct damages to a utility's own equipment can be significant, third-party liability is typically a much greater financial concern.**

2020

Pacific Gas & Electric settled, through bankruptcy, **\$25.5 billion** in claims from 2017 and 2018 wildfires

2020 & 2022

PacifiCorp estimates probable loss of **\$2.75 billion** related to 2020 and 2022 wildfires; litigation is ongoing

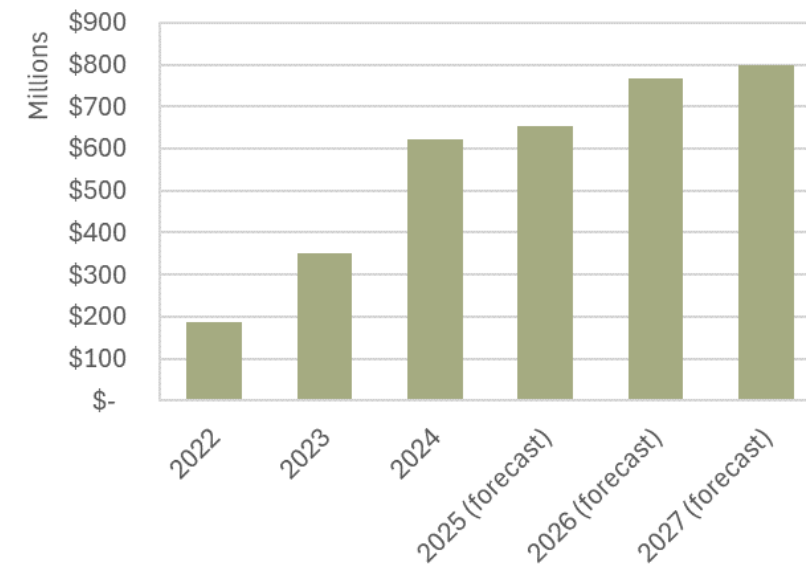
2024

Hawaiian Electric Company and parent company HEI entered into settlement agreements for **\$1.99 billion** to resolve certain claims from the 2023 Maui fire

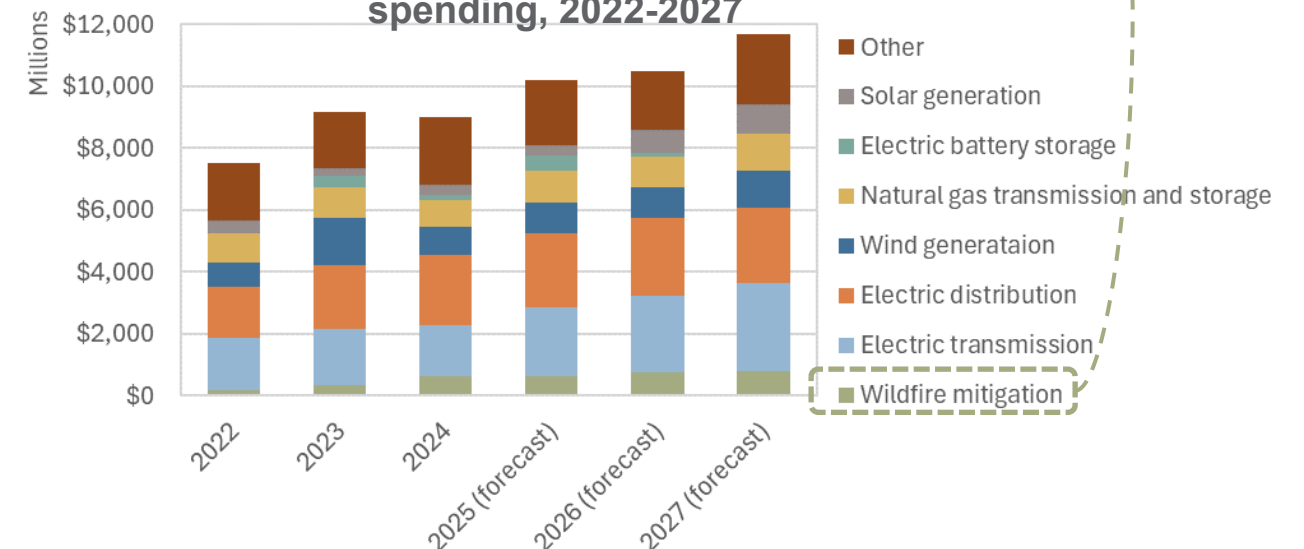
Wildfire mitigation spending can be significant and is generally increasing

- Wildfire mitigation practices vary and include:
 - Vegetation Management
 - System Hardening
 - Situational Awareness
 - De-energization
- Utilities expect **continued year-over-year increases** in wildfire mitigation spending.
- Direct spending on wildfire mitigation currently is a small share of utility spending but is rapidly increasing. However, it represents **only a fraction of total wildfire costs utilities must bear.**

BHE total wildfire mitigation capital spending, 2022-2027

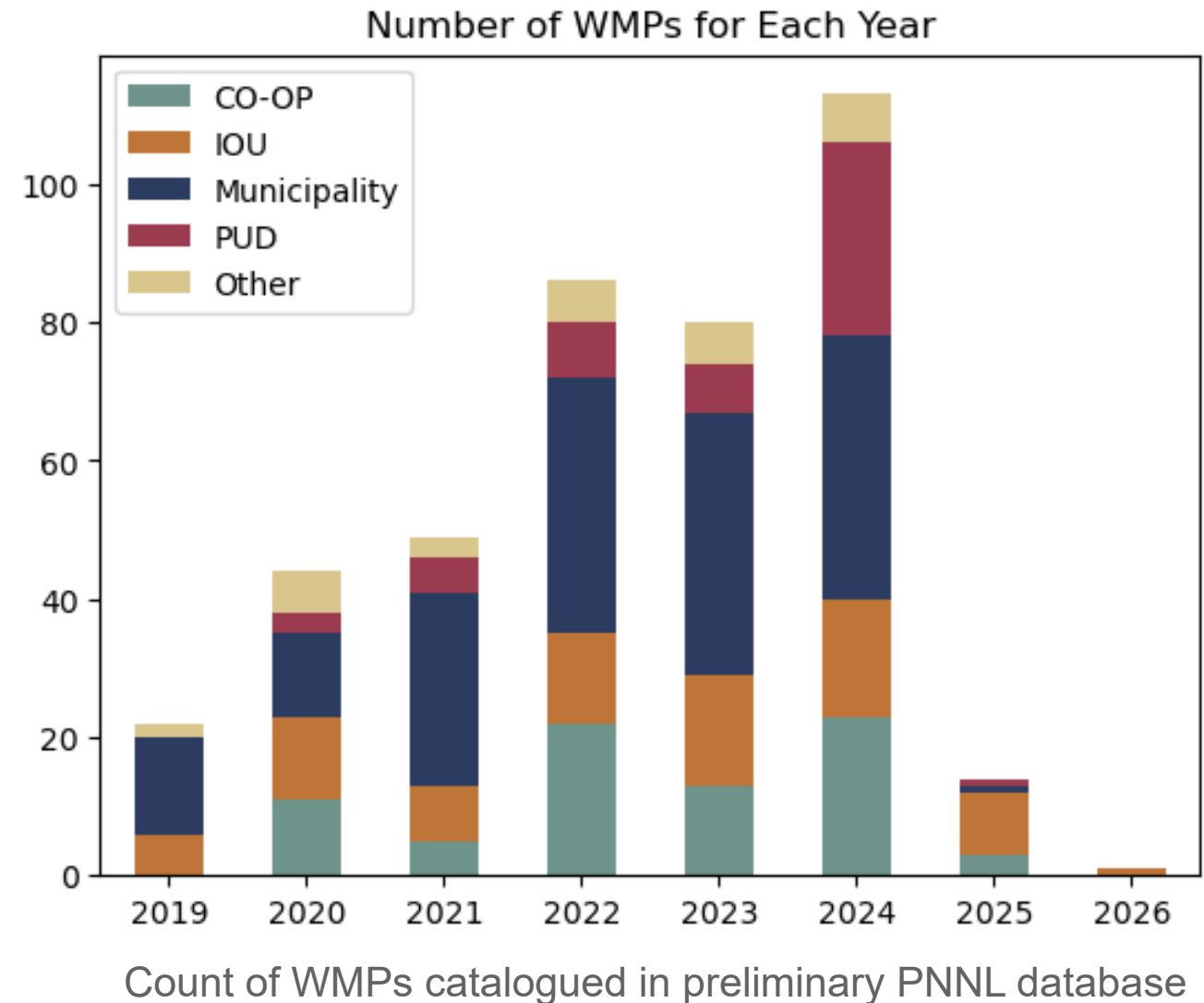


Wildfire mitigation as proportion of total BHE capital spending, 2022-2027



Utilities are developing and implementing wildfire mitigation plans

- **Wildfire mitigation plans (WMPs)** are utility-prepared documents identifying strategies and measures to mitigate risk, including through:
 - Capital improvements like undergrounding and pole and conductor upgrades
 - Operational improvements like vegetation management and situational awareness
- WMPs are being prepared by **all utility ownership types**.
- Regular documentation of wildfire mitigation through WMPs may become a new norm due to **business pressures**.
- Implementation of an approved WMP can also **support utility credit ratings** ([S&P Global 2024](#), [Fitch 2023](#)).



Prioritizing wildfire business risks to utilities

Notable risks identified as key trends:

- Rising insurance costs and decreasing availability
- Credit rating downgrades
- Additional costs to access capital
- Ratepayer impacts from direct and indirect wildfire costs

Second-order risks:

- Depletion of state wildfire funds / publicly-funded firefighting resources
- Ineffective implementation of wildfire mitigation plans

Additional and contributing risks of note:

- Direct costs of fire suppression, as well as equipment repair and restoration
- Loss of life and property
- Reputational harm
- Costs and risks of increased litigation
- Regulatory cost recovery challenges
- Erosion of customer and shareholder satisfaction
- Stock volatility