



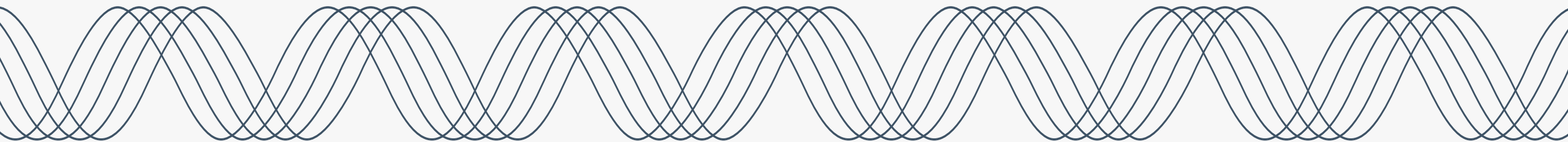
Portland General Electric:

Hearing on HB 3666: Wildfire Safety

Larry Bekkedahl, Senior Vice President, Advanced Energy Delivery

House Committee on Judiciary

March 3, 2025



PGE at a Glance

Mission

- **PGE exists to power our customers' lives and the economic growth of Oregon's communities**
- **PGE has the privilege and obligation to serve a critical public good to all Oregonians in its service territory**

Quick facts

- Vertically integrated electric utility that generates, transmits and distributes electricity
- Responsible for >30,000 miles of transmission and distribution lines
- Approximately 950,000 retail customers within a service area of approximately 1.9 million residents
- Roughly half of Oregon's population lives within PGE service area, encompassing 51 incorporated cities entirely within the State of Oregon
- Roughly two-thirds of Oregon's commercial and industrial activity occurs in PGE service area

3,500+ MWs of Generation



What it means to be an Investor-Owned Utility

- ❖ More Americans receive their energy from investor-owned utilities than from any other utility type
- ❖ As an investor-owned electric utility, our responsibility is to bring capital at the lowest possible cost from national capital markets (debt, equity, and insurance) to provide an essential public good
- ❖ Customer prices and capital earnings are determined by the PUC through a public rate review process.

IOUs benefit customers in the following ways:

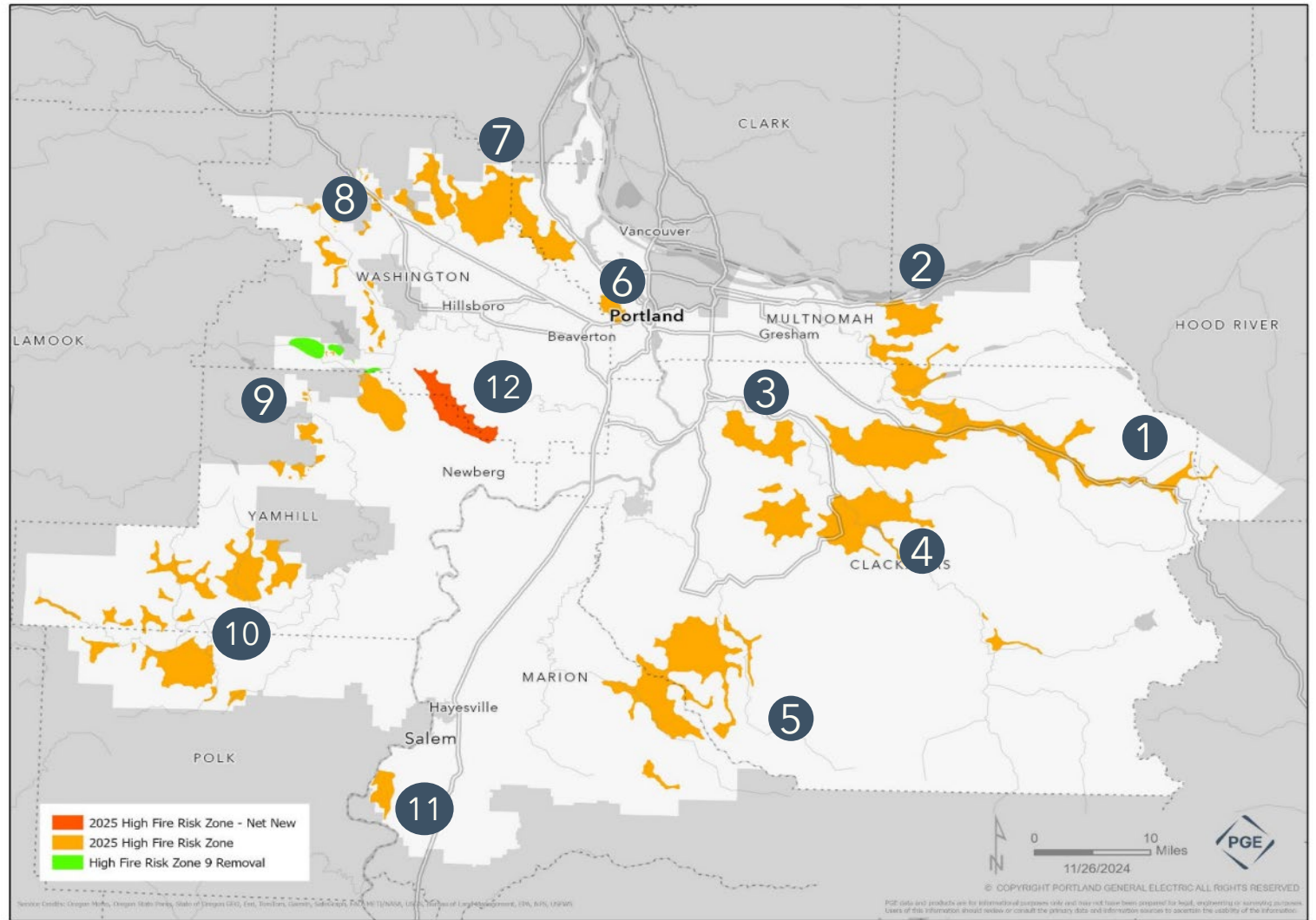
- **Government Oversight of IOUs** - ensures safety, continuity of service, and fair and reasonable rates for customers
- **Access to Capital and Lower Borrowing Costs** - a financially healthy IOU can secure funding from third parties at lower interest rates to share the costs of building and maintaining Oregon's grid, reducing costs for electricity customers
- **Investment in Resilience and a Clean, Connected Grid** - IOUs can invest in new technologies, improve grid efficiency, and integrate renewable energy sources at scale
- **Resilience and Emergency Preparedness** - IOUs can respond effectively to natural disasters, cyber threats, and other emergencies without major service disruptions and expedite recovery
- **Economic Growth and Job Creation** - IOUs support local economies by providing jobs, contracting with suppliers, and enabling businesses to operate smoothly and grow with a dependable power supply

PGE Operates in 12 High Fire Risk Zones



- 2%** of PGE customers are within an HFRZ
- 9%** of all PGE distribution circuits identified as HFRZ (line miles)
- 2** Public Safety Power Shutoff events executed since 2020
- 3%** of customers have experienced at least one PSPS

The number of identified High Fire Risk Zones has expanded as drought, tree mortality, and temperature changes have worsened, and the threat of wildfire from any cause increases.



High Fire Risk Zones
2025 additions in Red, reductions in Green

Timeline of PGE's Wildfire Prevention Work



Start of
Wildfire Mitigation Plans

2018-2019

- Industry-wide wildfire taskforce
- Enhanced Vegetation Management
- Revamped Western coordination and mutual aid (WMAG)
- Initial fire risk assessment
- Evaluated Public Power Safety Power Shutoff (PSPS)

2020

- Created dedicated full time Wildfire group
- **Initiated first Public Safety Power Shutoff (PSPS) in Mt Hood area**

2021

- Updated risk assessment: expanded High Fire Risk Zones (HFRZ) from 1 to 7
- 26 weather stations
- 2 HD AI Cameras
- First Wildfire mitigation Plan filed with OPUC for 2022 wildfire season

2022

- 2022 - First Wildfire Mitigation Plan (WMP)
- Further updates to risk assessment: expanded HFRZ from 7 to 10
- **Initiated PSPS across all 10 HFRZ**
- 49 weather stations
- 24 HD AI Cameras
- Matured community engagement Strategies

2023

- 2023 WMP
- Review of risk assessment: minor modifications made to HFRZ
- 80 remote automated weather stations
- 30 HD AI-enhanced cameras
- Grid hardening

2024

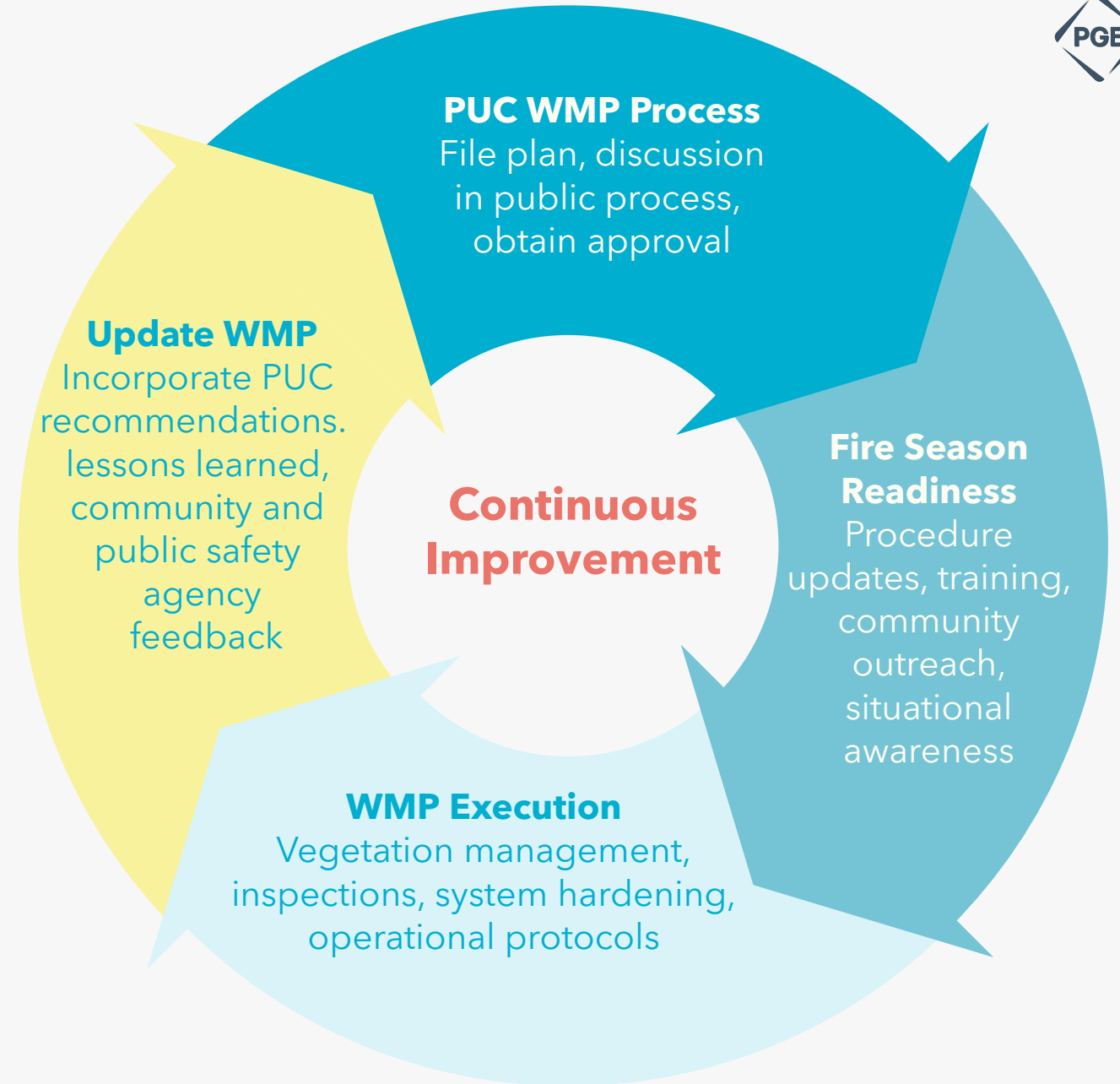
- 2024 WMP
- Added 1 new HFRZ
- 85 weather stations
- 37 AI-enhanced cameras covering critical infrastructure
- Converted 8.7 miles of overhead to underground
- Converted approximately 15 miles of bare wire to insulated cable
- Recognized by IWRMC as risk management leader across utilities

Wildfire Mitigation Plans



- Risk-based plans designed to protect public safety, reduce risk to utility customers, and promote electrical system resilience to wildfire damage
- Required by SB 762 (2021)
- Requires PUC approval through a public process
- PUC approves WMPs but does not verify

Since 2020, PGE has spent approximately \$194 million on wildfire mitigation - the fastest growing impact to customer prices



Wildfire Mitigation Efforts to Keep Communities Safe

PGE's Wildfire Mitigation Plan outlines our mitigation activities in the following areas:

Situational Awareness

- Real time weather and fire risk monitoring, advanced prediction analytics and AI-driven cameras

System Hardening

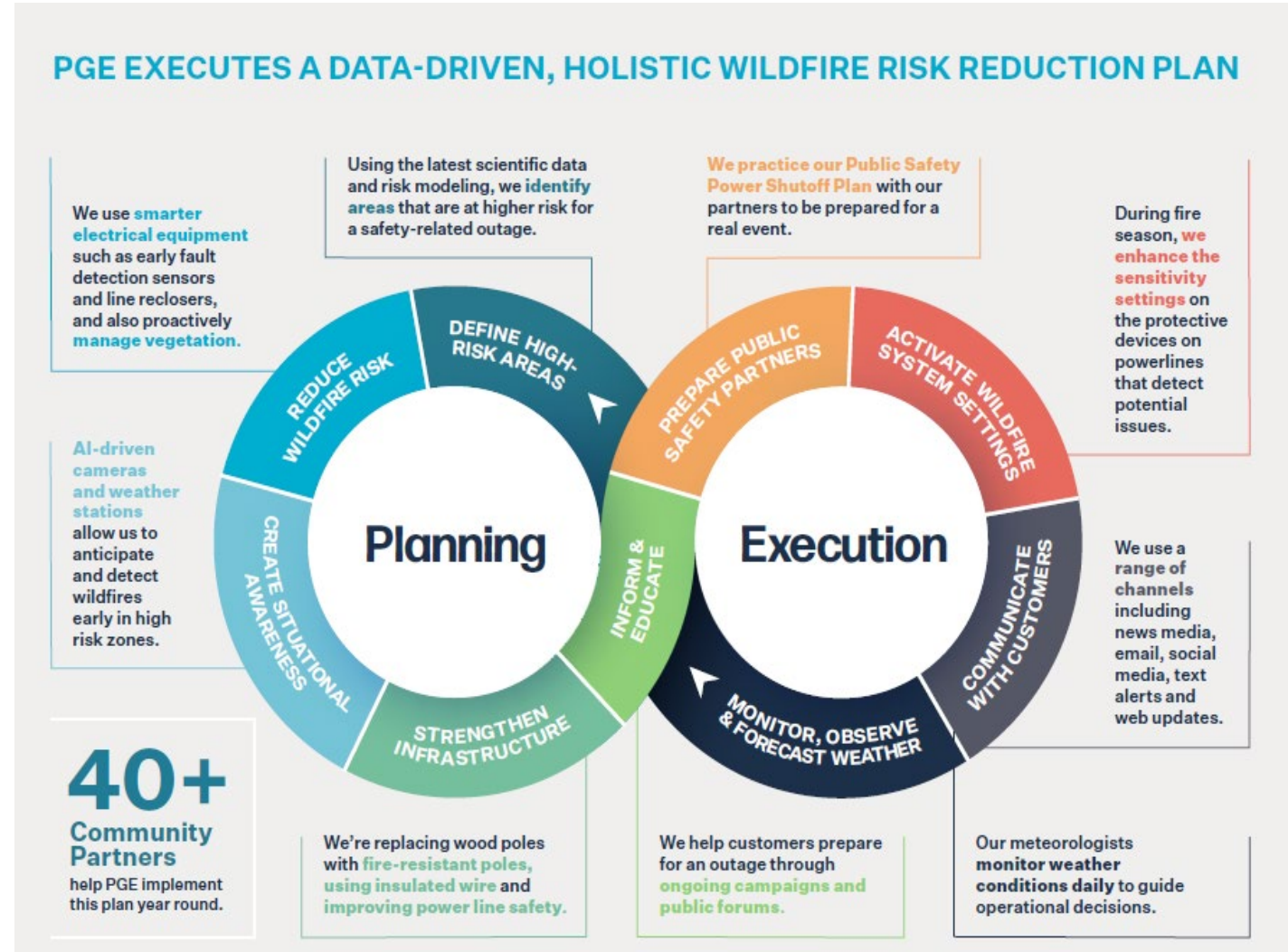
- Undergrounding, ductile iron poles, covered wires, fire safe fuses, and other protective devices

Operational Practices

- Vegetation management, line inspections, and enhanced safety settings to detect potential issues sooner

Public Safety Programs

- As a last resort, institute public safety power shutoffs to keep communities safe.
- Help communities proactively prepare for fire season and potential outages through outreach and education



HB 3666: Accountability & Clarity to Protect Communities



- As wildfire risk continues to grow, Oregon needs **clear standards** for how electric companies should work to prevent wildfires and keep communities safe – much like how state agencies can establish, implement and enforce safety standards in other sectors.
- A safety certificate **will raise and clarify the state's expectations** and enable the **PUC to verify** that a utility is **acting reasonably in accordance with its approved wildfire mitigation plan**
- Without clear safety standards and accountability, electric customers in Oregon may see **increasing customer prices and service disruptions in response to growing wildfire threat**

HB 3666 creates a wildfire safety certificate that:

- ✓ **Audits and verifies** that the utility is prudently implementing its PUC-approved, wildfire protection plan and outlines wildfire prevention efforts
- ✓ **Confirms** the utility's commitment to wildfire safety and **continuous improvement**
- ✓ **Holds utilities accountable** by requiring them to explain wildfire mitigation actions not taken and why, and ensures the utility addresses any safety audit deficiencies

If issued, 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

Additional Wildfire Policy Needed in Oregon

Regulators, policy makers and utilities **across the country** are grappling with escalating wildfire risk and the impacts to communities, customers and the ability of utilities to make long term investments in reliable, electrical service.

While specific policy instruments may vary state-to-state, for Oregon, the goals are to:

- Establish clearer safety standards and best practices for wildfire mitigation and the activities and investments utilities will take to keep communities safe (HB 3666)
- Provide more immediate and certain remedy to victims impacted by wildfires by creating a wildfire fund

PGE is supportive of both in concept and looks forward to discussions with legislators and stakeholders on specifics as fund legislation is formally introduced

Thank you