



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

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Bill Title: Relating to wildfires resulting from the fault of an electric company.

Government Unit(s) Affected: Public Utility Commission, Department of Forestry, Department of the State Fire Marshal, Department of Justice, Judicial Department

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Public Utility Commission	\$ -	\$ -	\$ 2,391,346	\$ -	\$ 2,391,346	6	5.25
Total Fiscal Impact	\$ -	\$ -	\$ 2,391,346	\$ -	\$ 2,391,346	6	5.25
2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Public Utility Commission	\$ -	\$ -	\$ 2,295,891	\$ -	\$ 2,295,891	6	6.00
Total Fiscal Impact	\$ -	\$ -	\$ 2,295,891	\$ -	\$ 2,295,891	6	6.00

Measure Description

The measure prohibits electric companies from recovering wildfire-related costs from ratepayers if a court or jury finds the company's negligence or greater fault caused the wildfire. Prohibited recoverable costs include civil or criminal penalties, settlements, litigation expenses, and repair or replacement of damaged utility property.

Electric companies with outstanding wildfire-related judgments must notify the Public Utility Commission (PUC) prior to issuing certain dividends, stock distributions, or repurchases. PUC may impose restrictions, such as setting a minimum equity threshold, to ensure financial accountability. The measure authorizes courts to require electric companies to post bond under specified litigation conditions and allows for prejudgment interest and supplemental judgments for tax liabilities in wildfire-related cases.

The measure establishes a wildfire safety certification program administered by PUC. Electric companies must apply annually and demonstrate implementation of approved wildfire protection plans. PUC is directed to adopt certification rules in consultation with the Department of the State Fire Marshal (DSFM), the Oregon Department of Forestry (ODF), and academic institutions. Rules must include reporting and auditing requirements to determine an applicant's implementation of an approved wildfire protection plan.

The measure also directs PUC to commission a third-party study on catastrophic wildfire risk and recovery. The study must evaluate the financial and service impacts of wildfire risk, outline policy options for compensation and liability, and provide cost estimates for implementation. PUC is to assess a fee on electric companies to defray study costs; however, electric companies may not recover these costs from ratepayers.

Fiscal Analysis

The total estimated fiscal impact of the measure is \$2,391,346 Other Funds and six permanent full-time positions (5.25 FTE) in the 2025-27 biennium and \$2,295,891 Other Funds and six permanent full-time positions (6.00 FTE) in the 2027-29 biennium.

Public Utility Commission

PUC is expected to conduct a rulemaking process to establish wildfire safety certification criteria, involving staff-led investigations, stakeholder engagement, and coordination with ODF, DSFM, and academic institutions. Once the program is established, the Commission must review and issue decisions on certification applications within 90 days of receipt, including potential in-field audits to verify plan implementation. To manage this workload, PUC would hire six permanent full-time Utility and Energy Analyst 3 positions (5.25 FTE in the 2025-27 biennium and 6.00 FTE in the 2027-29 biennium), with position costs estimated at \$1,517,118 Other Funds in the 2025-27 biennium and \$1,733,844 Other Funds in the 2027-29 biennium.

Additional services and supplies are estimated at \$874,228 Other Funds in the 2025-27 biennium and \$562,047 in the 2027-29 biennium. These costs cover support expenses, travel for inspections, legal review, professional services to validate audit accuracy, and the third-party study on catastrophic wildfire risk and recovery. PUC will receive Other Funds revenue from the fee assessed on electric companies to cover the study cost.

In addition, the measure requires PUC to analyze court judgments issued outside the agency to determine their applicability in contested rate cases. Legal review will be necessary to assess whether judgments meet statutory criteria related to wildfire cost recovery. Because the volume and complexity of these cases are difficult to predict, associated legal costs are considered indeterminate.

The Legislative Fiscal Office notes PUC is supported through Other Funds generated by an annual fee on the gross revenues of electric, gas, telecommunications, and water/wastewater utilities operating in the state. This fee is currently capped in statute at 0.45% of gross revenue, and PUC's fees are set at the statutory cap. In order to support the positions and associated costs under this measure long-term, PUC would require both a statutory cap increase and a higher fee on utility gross revenues. Absent a cap increase and associated fee adjustment, the Legislature may need to consider funding some expenditures with General Fund resources.

Other entities

There is minimal impact anticipated for the Oregon Department of Forestry, Department of Justice, Oregon Judicial Department, and Department of the State Fire Marshal.

Relevant Dates

Electric companies must file their first wildfire safety certification application by December 31, 2027.

PUC must submit an interim report on the wildfire risk and recovery study to the committees of the Legislative Assembly related to energy and environment during the 2026 regular session.

The study requirement and associated fee authority are repealed on January 2, 2028.

The measure declares an emergency and takes effect on passage.