



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

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Bill Title: Relating to wildfires.

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

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Public Utility Commission	\$ -	\$ -	\$ 1,973,562	\$ -	\$ 1,973,562	6	4.50
Total Fiscal Impact	\$ -	\$ -	\$ 1,973,562	\$ -	\$ 1,973,562	6	4.50
2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Public Utility Commission	\$ -	\$ -	\$ 2,045,891	\$ -	\$ 2,045,891	6	6.00
Total Fiscal Impact	\$ -	\$ -	\$ 2,045,891	\$ -	\$ 2,045,891	6	6.00

Measure Description

The measure establishes a wildfire safety certification process for electric companies that serve more than 25,000 retail electricity consumers located in Oregon. The Public Utility Commission (PUC) is directed to issue a certification to electric companies who have demonstrated compliance with approved wildfire protection or mitigation plans and meet implementation, reporting, and safety standards. Certification requirements include safety audits, employee training, third-party assessments, and alignment with existing PUC rules.

PUC must approve or deny applications within 90 days and adopt rules for program implementation in consultation with the Oregon Department of Forestry (ODF), Department of the State Fire Marshal (DSFM), and academic institutions with wildfire mitigation expertise. A company's decision not to apply for certification, or delays in certification review, are not admissible in related civil proceedings. Companies are required to submit their first application by December 31, 2027. PUC is directed to adopt certification rules in consultation with DSFM, ODF, and certain academic institutions. Rules must include reporting and auditing requirements to determine an applicant's implementation of an approved wildfire protection plan.

The measure 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 electricity providers to defray the study costs. The requirement to conduct a study and assess fees to support the study is repealed on January 2, 2028.

The measure defines provisions for litigation of wildfires ignited between January 1, 2020 and January 1, 2025, and creates an associated income tax exemption for recoverable amounts from electric companies. A wildfire plaintiff is allowed to file a motion to recover associated federal income taxes owed or paid.

Fiscal Analysis**Public Utility Commission**

The total estimated fiscal impact for PUC is \$1,973,652 in Other Funds expenditure limitation and six permanent full-time positions (4.50 FTE) in the 2025-27 biennium and \$2,045,891 in Other Funds expenditure limitation and six permanent full-time positions (6.00 FTE) in the 2027-29 biennium.

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 with expertise in evidence-based wildfire mitigation strategies. Once the certification 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 (4.50 FTE in the 2025-27 biennium and 6.00 FTE in the 2027-29 biennium).

Services and supplies are estimated at \$80,490 in the 2025-27 biennium and \$592,692 in the 2027-29 biennium. These costs cover support expenses, travel for inspections, legal review costs, professional services to validate audit accuracy, and the third-party study, anticipated to be \$350,000, on catastrophic wildfire risk and recovery.

The Legislative Fiscal Office notes PUC is supported through Other Funds revenue generated by an annual fee on the gross revenues of electric, gas, telecommunications, and water/wastewater utilities operating in the state. It is anticipated existing utility gross fee revenues would cover costs related to the measure and that PUC would begin implementing this program with existing resources. However, PUC would need to return to the legislature in 2026 for the additional positions necessary to continue the program, as well as increased Other Funds expenditure limitation.

Other Entities

There is a minimal fiscal impact to ODF, DSFM, Department of Justice, Oregon Judicial Department, and Department of Revenue.

There is no fiscal impact to the Legislative Assembly.

Relevant Dates

The measure declares an emergency and takes effect on passage.

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

Public utilities must file their first wildfire safety certification application by December 31, 2027.

The requirement for PUC to conduct a study on wildfire risk and recovery is repealed on January 2, 2028.