

HOUSE AMENDMENTS TO HOUSE BILL 3984

By COMMITTEE ON RULES

June 27

1 In line 2 of the printed bill, after “wildfires” insert “; and declaring an emergency”.

2 Delete lines 4 through 8 and insert:

“WILDFIRE LITIGATION

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6 **“SECTION 1. (1) As used in this section:**

7 **“(a) ‘Electric company’ means an electric company, as defined in ORS 757.600, that serves**
8 **more than 25,000 retail electricity consumers located in this state.**

9 **“(b) ‘Retail electricity consumer’ has the meaning given that term in ORS 757.600.**

10 **“(2) In a civil action arising out of allegations that the conduct of an electric company**
11 **caused or substantially contributed to a wildfire, an electric company that has been found**
12 **to be liable for damages to a plaintiff or class member shall also be liable for any federal**
13 **income tax liability for any tax years that is imposed on any amounts received by the**
14 **plaintiff or class member in relation to the civil action and that the plaintiff or class member**
15 **owes or pays.**

16 **“(3) A plaintiff or class member may file a motion for entry of a supplemental judgment**
17 **against an electric company for any amounts in federal income tax liability for which the**
18 **electric company is liable under subsection (2) of this section.**

19 **“SECTION 2. Section 1 of this 2025 Act applies to wildfires that are ignited on or after**
20 **January 1, 2020, and before January 1, 2025.**

21 **“SECTION 3. Section 4 of this 2025 Act is added to and made a part of ORS chapter 316.**

22 **“SECTION 4. For purposes of determining Oregon taxable income, there shall be sub-**
23 **tracted from federal taxable income any amount that is received by a taxpayer under section**
24 **1 of this 2025 Act and properly included in federal taxable income.**

“WILDFIRE SAFETY CERTIFICATION

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28 **“SECTION 5. Sections 6 and 7 of this 2025 Act are added to and made a part of ORS**
29 **chapter 757.**

30 **“SECTION 6. (1) The Legislative Assembly finds that:**

31 **“(a) Human-caused wildfires are a risk to people, property and the natural environment**
32 **in Oregon;**

33 **“(b) Electric companies play an important role in reducing and mitigating the risks of**
34 **human-caused wildfires;**

35 **“(c) Electric companies are required to have and operate in compliance with a risk-based**

1 wildfire protection plan under ORS 757.963;

2 “(d) Consistent with ORS 756.040, the Public Utility Commission has the jurisdiction and
3 powers to supervise and regulate public utilities with regard to wildfire safety; and

4 “(e) State agencies, through regulations and orders, are allowed to establish standards
5 of care that apply to entities that the state agencies regulate.

6 “(2) It is the intent of the Legislative Assembly:

7 “(a) To establish wildfire safety standards that apply to electric companies; and

8 “(b) To vest the Public Utility Commission with the authority to implement and enforce
9 the wildfire safety standards in a manner that is consistent with state law.

10 “SECTION 7. (1) As used in this section and section 6 of this 2025 Act, ‘electric
11 company’ has the meaning given that term in ORS 757.600.

12 “(2) An electric company shall file annually an application with the Public Utility Com-
13 mission for a wildfire safety certification.

14 “(3) The commission shall issue a wildfire safety certification to an applicant if the ap-
15 plicant:

16 “(a) Has a wildfire protection plan approved under ORS 757.963.

17 “(b) Establishes that the applicant is implementing and taking actions identified in the
18 wildfire protection plan. The application must describe and verify the development and
19 adoption of the wildfire protection plan’s components and measures by documenting, for the
20 prior 12-month period, the applicant’s wildfire mitigation expenditures and physical evidence
21 of the work undertaken in the development and adoption of the wildfire protection plan’s
22 components and measures.

23 “(c) Identifies any actions identified in the wildfire protection plan that have not been
24 implemented, provides adequate justification for not taking such actions and establishes
25 dates by which such actions will be taken.

26 “(d) Demonstrates a commitment to wildfire safety. An applicant may demonstrate a
27 commitment to wildfire safety through various means, such as:

28 “(A) Participating in workshops convened by the commission under ORS 757.960.

29 “(B) Performing an internal wildfire safety culture assessment and adopting a process
30 to implement the findings of the assessment.

31 “(C) Providing wildfire safety training to employees.

32 “(D) Conducting annual safety performance reviews establishing processes to facilitate
33 the reporting of risks and management accountability.

34 “(E) Implementing other wildfire mitigation measures.

35 “(e) Has taken timely and reasonable actions on matters within the applicant’s control,
36 that are consistent with safety rules adopted by the commission under ORS 757.035, to ad-
37 dress any outstanding deficiencies reported by the commission during the commission’s most
38 recent audit and safety inspection of the applicant’s infrastructure.

39 “(f) Meets any other requirements adopted by the commission.

40 “(4) The commission may adopt requirements under subsection (3)(f) of this section that
41 help verify that an applicant is applying risk-based wildfire mitigation standards and proce-
42 dures to protect the public safety, reduce risks to utility customers and promote electric
43 system resilience to wildfire damage. To verify that the applicant meets requirements
44 adopted under subsection (3)(f) of this section, an applicant may provide reviews, assess-
45 ments or evaluations conducted by third parties that demonstrate the applicant’s efforts

1 regarding risk reduction and development of a resilient electric system.

2 “(5) The commission shall approve or deny an application for a wildfire safety certifica-
3 tion within 90 days after receipt of the application. If the commission finds that an applica-
4 tion does not include documentation sufficient to approve the application, the commission
5 may allow the applicant to provide additional documentation or require the applicant to re-
6 file.

7 “(6) The issuance of a wildfire safety certification:

8 “(a) Establishes that the applicant has established and implemented wildfire policies and
9 practices consistent with the commission’s wildfire safety standards for electric companies
10 on the date the certification is issued.

11 “(b) Does not relieve an applicant from the applicant’s obligation to take reasonable care
12 to mitigate wildfire risk resulting from utility equipment or operations to prevent wildfires.

13 “(c) Does not establish immunity against claims for damages resulting from a wildfire.

14 “(7) The denial of an application for a wildfire safety certification does not establish li-
15 ability for claims for damages resulting from a wildfire.

16 “(8) Failure of the commission to act in a timely manner on an application for a wildfire
17 safety certification is not admissible evidence in a civil proceeding relating to allegations that
18 an electric company caused or contributed to a wildfire.

19 “(9) The commission, in consultation with the State Forestry Department, the Depart-
20 ment of the State Fire Marshal and academic institutions with expertise in evidence-based
21 wildfire mitigation strategies, shall adopt rules for the implementation of this section. The
22 rules must include:

23 “(a) Reporting and auditing requirements for determining an applicant’s implementation
24 of the applicant’s wildfire protection plan approved under ORS 757.963.

25 “(b) The timing, procedures, reporting requirements and standards for the review of an
26 application for a wildfire safety certification.

27 “SECTION 8. An electric company shall file the electric company’s first application under
28 section 7 of this 2025 Act no later than December 31, 2027.

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30 “STUDY ON CATASTROPHIC WILDFIRE
31 RISK AND RECOVERY
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33 “SECTION 9. (1) The Public Utility Commission shall commission a third-party expert to
34 conduct a study and examine issues related to catastrophic wildfire risk and recovery and
35 develop a range of scenarios for a balanced solution.

36 “(2) The study must:

37 “(a) Articulate and examine the negative consequences of catastrophic wildfires, includ-
38 ing:

39 “(A) The risks and impacts of electricity service disruption to communities located in
40 areas with high risk of wildfires, including electricity service disruption resulting from
41 wildfire mitigation practices;

42 “(B) The liability risks from wildfires for an electric company and the effects of those
43 risks on an electric company’s ability to access capital or insurance, and the secondary ef-
44 fects on customers, the state’s economic growth, electricity reliability, electricity generated
45 from zero-emissions or renewable resources and the ability of the state to achieve the clean

1 energy targets set forth in ORS 469A.410 and other state policy goals; and

2 “(C) The pace of wildfire recovery funding;

3 “(b) Outline a range of policy options, including their essential elements, that balance the
4 needs of communities impacted by a wildfire and utility customers. The range of policy
5 options must address:

6 “(A) A process by which communities and individuals who are impacted by a wildfire that
7 is caused by utility infrastructure may receive fair and expedient economic compensation for
8 damages resulting from the wildfire;

9 “(B) An overall approach that supports stable access to low-cost capital in order to ad-
10 vance the state’s economic growth, electricity reliability, electricity generated from zero-
11 emissions or renewable resources and the ability of the state to achieve the clean energy
12 targets set forth in ORS 469A.410 and other state policy goals; and

13 “(C) The process and timing by which the causes of a wildfire are determined; and

14 “(c) Enumerate the steps required to implement the proposed policy option solutions and
15 provide a general cost estimate for carrying out the administrative implementation steps
16 with enough sufficiency to support a fiscal impact analysis.

17 “(3) During the 2026 regular session of the Eighty-third Legislative Assembly, the com-
18 mission shall provide an interim report, in the manner provided in ORS 192.245, to the com-
19 mittees of the Legislative Assembly related to energy and environment on the study’s
20 findings and recommendations. The commission shall consult with the State Forestry De-
21 partment and the State Fire Marshal and provide recommendations for a stakeholder process
22 to follow the final study report, with the goal of the stakeholder process being to develop
23 recommendations for legislation for the 2027 regular session of the Eighty-fourth Legislative
24 Assembly.

25 “(4) The commission shall assess a fee against the electric companies, as defined in ORS
26 757.600, to defray the costs of carrying out the provisions of this section. An electric com-
27 pany may not recover from ratepayers a fee assessed under this section.

28 “SECTION 10. Section 9 of this 2025 Act is repealed on January 2, 2028.

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30 “CAPTIONS

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32 “SECTION 11. The unit captions used in this 2025 Act are provided only for the conven-
33 ience of the reader and do not become part of the statutory law of this state or express any
34 legislative intent in the enactment of this 2025 Act.

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36 “EFFECTIVE DATE

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38 “SECTION 12. This 2025 Act being necessary for the immediate preservation of the public
39 peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect
40 on its passage.”.