HB 3984-5 (LC 4988) 6/22/25 (CPA/ps)

Requested by Representative KROPF

PROPOSED AMENDMENTS TO HOUSE BILL 3984

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

3 Delete lines 4 through 8 and insert:

4

5

"WILDFIRE LITIGATION

6

7

"SECTION 1. (1) As used in this section:

"(a) 'Electric company' means an electric company, as defined in
ORS 757.600, that serves more than 25,000 retail electricity consumers
located in this state.

"(b) 'Final judgment' means a judgment that is not subject to further appeal or review or for which the time to file an appeal has expired without a party filing an appeal.

"(c) 'Retail electricity consumer' has the meaning given that term
in ORS 757.600.

"(2) In a civil action arising out of allegations that the conduct of an electric company caused or substantially contributed to a wildfire, a plaintiff may file a motion for entry of a supplemental judgment against the electric company for any additional tax liabilities that the plaintiff may owe on the underlying final judgment if the tax liabilities on the final judgment are greater than the tax liabilities that a plaintiff would have owed, taking into consideration any changes in
tax treatment under federal or state law, on the final judgment if the
final judgment was entered and satisfied on the date the electric
company was found to be liable.

<u>SECTION 2.</u> Section 1 of this 2025 Act applies to wildfires that are
 ignited on or after January 1, 2020, and before January 1, 2025.

- 7
- 8

9

"WILDFIRE SAFETY CERTIFICATION

¹⁰ "<u>SECTION 3.</u> Sections 4 and 5 of this 2025 Act are added to and ¹¹ made a part of ORS chapter 757.

12 "SECTION 4. (1) The Legislative Assembly finds that:

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

15 "(b) Electric companies play an important role in reducing and
 16 mitigating the risks of human-caused wildfires;

"(c) Electric companies are required to have and operate in com pliance with a risk-based wildfire protection plan under ORS 757.963;

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

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

25 **"(2) It is the intent of the Legislative Assembly:**

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

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

"<u>SECTION 5.</u> (1) As used in this section and section 4 of this 2025
Act, 'electric company' has the meaning given that term in ORS
757.600.

4 "(2) An electric company shall file annually an application with the
5 Public Utility Commission for a wildfire safety certification.

"(3) The commission shall issue a wildfire safety certification to an
applicant if the applicant:

8 "(a) Has a wildfire protection plan approved under ORS 757.963.

9 "(b) Establishes that the applicant is implementing and taking 10 actions identified in the wildfire protection plan. The application must 11 describe and verify the development and adoption of the wildfire pro-12 tection plan's components and measures by documenting, for the prior 13 12-month period, the applicant's wildfire mitigation expenditures and 14 physical evidence of the work undertaken in the development and 15 adoption of the wildfire protection plan's components and measures.

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

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

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

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

27 "(C) Providing wildfire safety training to employees.

"(D) Conducting annual safety performance reviews establishing
 processes to facilitate the reporting of risks and management ac countability.

1 "(E) Implementing other wildfire mitigation measures.

2 "(e) Has taken timely and reasonable actions on matters within the 3 applicant's control, that are consistent with safety rules adopted by 4 the commission under ORS 757.035, to address any outstanding defi-5 ciencies reported by the commission during the commission's most 6 recent audit and safety inspection of the applicant's infrastructure.

7

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

"(4) The commission may adopt requirements under subsection 8 (3)(f) of this section that help verify that an applicant is applying 9 risk-based wildfire mitigation standards and procedures to protect the 10 public safety, reduce risks to utility customers and promote electric 11 system resilience to wildfire damage. To verify that the applicant 12 meets requirements adopted under subsection (3)(f) of this section, an 13 applicant may provide reviews, assessments or evaluations conducted 14 by third parties that demonstrate the applicant's efforts regarding risk 15reduction and development of a resilient electric system. 16

"(5) The commission shall approve or deny an application for a wildfire safety certification within 90 days after receipt of the application. If the commission finds that an application does not include documentation sufficient to approve the application, the commission may allow the applicant to provide additional documentation or require the applicant to refile.

23 **"(6)** The issuance of a wildfire safety certification:

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

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

1 "(c) Does not establish immunity against claims for damages re-2 sulting from a wildfire.

"(7) The denial of an application for a wildfire safety certification
does not establish liability for claims for damages resulting from a
wildfire.

6 "(8) Failure of the commission to act in a timely manner on an 7 application for a wildfire safety certification is not admissible evidence 8 in a civil proceeding relating to allegations that an electric company 9 caused or contributed to a wildfire.

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

"(a) Reporting and auditing requirements for determining an
 applicant's implementation of the applicant's wildfire protection plan
 approved under ORS 757.963.

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

"<u>SECTION 6.</u> An electric company shall file the electric company's
 first application under section 5 of this 2025 Act no later than Decem ber 31, 2027.

"STUDY ON CATASTROPHIC WILDFIRE RISK AND RECOVERY

26

25

23

24

"<u>SECTION 7.</u> (1) The Public Utility Commission shall commission a third-party expert to conduct a study and examine issues related to catastrophic wildfire risk and recovery and develop a range of scenarios for a balanced solution.

HB 3984-5 6/22/25 Proposed Amendments to HB 3984 1 "(2) The study must:

"(a) Articulate and examine the negative consequences of cat astrophic wildfires, including:

4 "(A) The risks and impacts of electricity service disruption to 5 communities located in areas with high risk of wildfires, including 6 electricity service disruption resulting from wildfire mitigation prac-7 tices;

"(B) The liability risks from wildfires for an electric company and the effects of those risks on an electric company's ability to access capital or insurance, and the secondary effects on customers, the state's economic growth, electricity reliability, electricity generated from zero-emissions or renewable resources and the ability of the state to achieve the clean energy targets set forth in ORS 469A.410 and other state policy goals; and

15 "(C) The pace of wildfire recovery funding;

"(b) Outline a range of policy options, including their essential ele ments, that balance the needs of communities impacted by a wildfire
 and utility customers. The range of policy options must address:

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

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

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

30 "(c) Enumerate the steps required to implement the proposed policy

HB 3984-5 6/22/25 Proposed Amendments to HB 3984 option solutions and provide a general cost estimate for carrying out
the administrative implementation steps with enough sufficiency to
support a fiscal impact analysis.

"(3) During the 2026 regular session of the Eighty-third Legislative 4 Assembly, the commission shall provide an interim report, in the $\mathbf{5}$ manner provided in ORS 192.245, to the committees of the Legislative 6 Assembly related to energy and environment on the study's findings 7 and recommendations. The commission shall consult with the State 8 Forestry Department and the State Fire Marshal and provide recom-9 mendations for a stakeholder process to follow the final study report, 10 with the goal of the stakeholder process being to develop recommen-11 dations for legislation for the 2027 regular session of the Eighty-fourth 12 Legislative Assembly. 13

"(4) The commission shall assess a fee against the electric compa nies, as defined in ORS 757.600, to defray the costs of carrying out the
 provisions of this section. An electric company may not recover from
 ratepayers a fee assessed under this section.

"SECTION 8. Section 7 of this 2025 Act is repealed on January 2,
2028.

20

- 21
- 22

"CAPTIONS

- 23 "<u>SECTION 9.</u> The unit captions used in this 2025 Act are provided 24 only for the convenience of the reader and do not become part of the 25 statutory law of this state or express any legislative intent in the 26 enactment of this 2025 Act.
- 27

28 29

"EFFECTIVE DATE

30 "SECTION 10. This 2025 Act being necessary for the immediate

HB 3984-5 6/22/25 Proposed Amendments to HB 3984 1 preservation of the public peace, health and safety, an emergency is

2 declared to exist, and this 2025 Act takes effect on its passage.".

3