Submitter: Stephen Floyd

On Behalf Of:

Committee: House Committee On Judiciary

Measure, Appointment or Topic: HB3917

To the honorable members of the House Committee on Judiciary,

My opposition to HB 3917 is very similar to my opposition to UE 433 before the Public Utility Commission, where the idea of a Catastrophic Fire Fund originated.

This proposal was never about assisting fire survivors, but about protecting PacifiCorp's bottom line, and is only before the legislature because PUC rejected it last year. PacifiCorp is trying to dodge accountability and use ratepayer money to solve a problem it created, and a problem it is amply able to afford solving on its own.

In UE 433, PacifiCorp explicitly said the fund was meant to protect them from further credit rating declines, as experienced following an adverse jury decision in 2023 over the 2020 Labor Day fires. The company also wanted to protect itself from wildfire liabilities above what was covered by insurance, with liabilities from the 2020 fires currently well above its $350 million annual limit.

PacifiCorp cares nothing about compensating fire survivors. We saw this in UE 428–which PUC also rejected–in which PacifiCorp asked for a limited liability clause in its contract for services which would make ratepayers unable to collect any wildfire damages from the company. Similar language is now part of HB 3917, which would place significant restrictions on recoverable damages from wildfires. If such provisions remain, they would more than likely be struck down as violations of the Oregon Constitution's guarantee of access to legal remedies, the same premise upon which UE 428 was rejected.

HB 3917 is another attempt by PacifiCorp to essentially make it legal for the company to act with reckless disregard for human life and safety as they did on Labor Day 2020. Passage of this bill will result in more wildfires in Oregon because companies like PacifiCorp will not have the financial incentives to operate responsibly or to take the lives of Oregonians seriously.

Additionally, PacifiCorp has funds on hand to respond to its liabilities over the 2020 fires and does not require state intervention. PacifiCorp historically pays Berkshire Hathaway $700 million in annual dividends and has suspended these for five years to generate a nest egg for legal claims over the fires. They have also leveraged more than $5 billion in lines of credit to further bankroll pending claims. This alone renders HB 3917 moot because PacifiCorp is not actually in need of financial assistance or protection, and neither are other power companies because they had the good sense to not leave their systems energized during a red flag warning.

A good thought experiment to test whether or not HB 3917 is necessary is to ask how many times in the past it would have been utilized. The only answer is from the historic 2020 wildfire season, which is directly attributable to PacifiCorp's negligence. But for PacifiCorp's bad actions, there would be no need for such a fund. So why reward a careless company when it can already clean up its own mess, and should not be incentivized to be reckless in the future?

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