

Submitter: Stephen Floyd
On Behalf Of:
Committee: House Committee On Judiciary
Measure, Appointment or Topic: SB926

To the honorable members of the House Committee on Judiciary,

As you consider possible revisions to SB 926, I urge you to retain the language which prevents utilities from passing on the legal costs of negligently-caused wildfires to ratepayers. While this is valid simply on the ethical grounds of preventing utilities from profiting off their own wrongdoing, it is also a practical solution to a very real problem.

PacifiCorp has taken the first regulatory steps to pass on billions of dollars in costs over the 2020 wildfires to ratepayers, including more than \$1 billion in settlements, more than \$1 billion in attorneys fees and related costs, \$50 million in rebuilding costs, while it also owes more than \$300 million so far in James et al vs. PacifiCorp. PacifiCorp has braced for the possibility of \$8 billion or more in total losses from the 2020 wildfires, and currently there are no stopgaps in Oregon law to prevent them from incorporating this into customer rates save for the discretion of the Oregon Public Utility Commission which has proven itself ineffectual in protecting the interests of ratepayers.

The possibility of PacifiCorp making customers pay for its own wrongdoing is an existential threat to Oregonians. Not only would this result in even higher energy costs (PacifiCorp has already increased rates on residential users by 50% since the fires) but also because this would embolden the company and others of its ilk to act recklessly in the future.

The provisions in SB 926 would be an effective deterrent against future irresponsible behavior, which is evident because PacifiCorp has already chosen a more responsible path after it was hit in the pocketbook. When a jury in James found PacifiCorp responsible in 2023 for the most devastating of the 2020 wildfires, its credit rating dropped two whole ranks. It was after this point the company began settling with fire survivors and seeking remedies aside from a flat refusal to be held accountable. If Oregon legislators make it clear that electric utilities will bear the financial responsibility of negligently causing a wildfire, utilities will listen and Oregonians will be safer.

SB 926 gives PacifiCorp multiple reasons to take seriously the damage it has caused to the lives of thousands of Oregonians. I urge you to take the bill seriously as well and retain the bans on recovering settlements, court awards, civil penalties, litigation costs and rebuilding costs.