

Ralph Bloemers
Go Alliance
3141 E. Burnside Street
Portland Oregon 97215

May 15, 2025

Re: Response to Claims in Testimony by PacifiCorp, PGE, Renewable Northwest, OBI and others on SB 926

Chair Kropf and Members of the Committee:

I have attended both public hearings on SB 926. I have also read all the testimony submitted into the record. I write to respond to testimony submitted by PacifiCorp, PGE, Renewable Northwest, OBI and others in opposition to SB 926.

1. SB 926 prohibits a negligent electric company from passing on the costs of its negligence to ratepayers. This bill ensures action that the Oregon Public Utilities Commission and consumer advocates appear unable to accomplish. Pacificorp's claim that the bill "compromises customer affordability" is unsubstantiated. If PacifiCorp wanted to provide for customer affordability, **it would stop raising its rates and invest in green power development that is competitive on the open market**, among other actions.
2. SB 926 does not limit PacifiCorp's ability to raise capital. PacifiCorp is owned by a trillion-dollar corporation, which could invest in its subsidiary. SB 926 applies only after an electric company has been found negligent, grossly negligent or acting with reckless disregard. In this way, **the bill incentivizes utilities to NOT start fires**.
3. SB 926 bill does not force PacifiCorp or any other utility to do anything in any case against it. The company can continue to go to trial and continue to appeal. This bill does not meddle in the judicial process, it prevents the process from being abused and protects fire victims and incentivizes resolution. How? By providing interest on proven claims **the bill creates a natural consequence for utilities who chose to delay resolution**, while people are suffering, committing suicide, dying and giving up.
4. PacifiCorp complains about the use of a class action by wildfire survivors. What alternative does PacifiCorp prefer that is reasonable in the circumstances? I am waiting to hear one. If the company had its way every one of the thousands of fire victims would have to get their own attorney and spend hundreds of thousands proving that the power company started the same fire — and **the cases would stretch out for decades**. That approach only makes no sense for a multibillion-dollar corporation with the money to pay lawyers to delay justice for fire victims.

5. PacifiCorp's settlement claims are also highly misleading because many are with people in California, who are protected by better laws (See below). PacifiCorp did settle many claims brought via subrogation by insurance companies, as those meant it paid pennies on each dollar of loss. PacifiCorp has taken the position that the fire victims who it burned up should not receive any noneconomic damages. **The heartbreaking testimony and reality from the last two days more than answers that question.**
6. PacifiCorp touts settlements it has made with some individual fire victims. I have looked at those settlements, and, as a lawyer, I would have been embarrassed and ashamed to have made them. Yes, the lawyers who handled those settlements did great, likely earning around upwards of \$50 million. And I understand they had no plan to go to trial, and they got paid regardless. But on a pro rata basis, the fire victims, after paying their lawyers and taxes, **are likely left with much less than what it would cost to rebuild their home.**¹ This does not account for any money owed to the bank, the cost of acquiring a new loan, site and infrastructure costs. If you dig into it you can quickly see this settlement is far from fair or reasonable, instead it was a great deal for PacifiCorp.
7. As for tax liabilities on settlements paid to victims for burning up their homes and property, it is important to recognize that most of us get to choose when to sell our home, and most of our gain on that home is not taxed. We also are not taxed on goods we buy in Oregon, as we have no sales tax. The fundamental and incredible unfairness for fire victims is that they have to pay taxes at ordinary income rates on any payment they get for their burned up home and property. These fire survivors did not decide to sell their home, these fire survivor did not want to sell their home - the loss was forced upon them. This fundamental and grave unfairness is **why the Oregon legislature unanimously passed tax relief for fire survivors in the 2024 session.**² And this is why Senator Ron Wyden and all of his colleagues unanimously passed tax relief for fire survivors in the United States Congress in 2024.³ However, the federal tax relief has a sunset, and so **the provision in this bill providing that the utility cover the tax consequences it caused is entirely consistent with the unanimous vote of this legislature in 2024.**
8. Renewable Northwest asserts that other states are doing the right thing, and claims that bills that limit utility liability for fires they cause are what Oregon needs. Earlier this session, the legislature considered, and rejected, a putative "fire victim" fund bill (HB 3917) as well as a bill which would have allowed utilities to obtain a safety certificate

¹ <https://www.canyonweekly.com/2024/06/07/pacificorp-settles-with-403-survivors/> (\$178 million, less 30 percent to lawyers at \$53 million, equals \$123 million. This equates to about \$305,000 per survivor, before taxes. Cost to rebuild at \$400 psf, results in a 764 sf house without accounting for tax liabilities.

² <https://www.statesmanjournal.com/story/news/2024/03/08/oregon-legislature-passes-bills-to-help-wildfire-survivors-with-tax-issues/72898722007/>

³ <https://www.oregonlive.com/politics/2024/12/congress-approves-tax-relief-for-wildfire-survivors-in-oregon-and-other-states.html>

and use it to claim claim immunity for utility ignited fires (HB 3666). Renewable Northwest needs to take more time to study and understand the incredible challenges facing people and communities burned up by fire. Second, Renewable Northwest needs to study and understand the key difference in laws in California which provide a far different baseline framework:

- Strict liability for all power line ignited fires
- **Mandatory reporting of all ignitions within 2-4 hours**⁴
- Reports of ignitions may be used in court to prove liability

9. Renewable Northwest needs to take the time to comprehend the differences between what was in HB 3666 and HB 3917 and what others states, like California, have put in place and how those laws are doing in the wake of recent wildfires. I have commented extensively on HB 3917 in the legislative record and laid out all the ways in which the California approach was different in significant, material respects from HB 3917.⁵ For example, in California, utilities are not able to use safety certificates as surrogates to prove reasonable conduct as HB 3666 proposed. In California, AB 1054 did set up a fund and capitalized it with ~\$21 billion dollars. Under AB 1054, utilities have to submit to and **admit liability** to avail themselves of the fund. The fund was capitalized at ~\$21 billion dollars, and despite this funding it now appears that the Dixie Fire and the Eaton Fire **may significantly, if not entirely, deplete the fund**.⁶ HB 3917 was to be capitalized at no more than \$800 million, with no identified source of funding and at an amount **not even enough to cover losses from the 2020 Labor Day fires**. Also under AB 1054, the utilities are liable to pay for the losses directly to the fire victim. HB 3917 proposed to make the State of Oregon the middle man along with a system where it would be incredibly unlikely that an investor owned utility would need to reimburse the State or pay into the fund, as the burdens of proof in HB 3917 were all tilted in favor of utilities.
10. Renewable Northwest **points to what Wyoming and Utah as wise and sound**, well Wyoming and Utah are **both states that obtain significant power from burning coal**. Is that also wise and sound? Warren Buffett's Berkshire Hathaway owns operates the dirtiest set of coal-fired power plants in the U.S. in these states and exerts significant influence politically through these entities.⁷ Yet, the **backlash to the liability cap legislation passed in Utah was significant** because after the caps were put in place,

⁴ <https://www.cpuc.ca.gov/regulatory-services/safety/emergency-reporting#>

⁵ <https://olis.oregonlegislature.gov/liz/2025R1/Downloads/PublicTestimonyDocument/187375>

⁶ <https://laist.com/brief/news/climate-environment/la-county-sues-edison-over-deadly-fire-states-wildfire-fund-in-jeopardy>

⁷ <https://www.reuters.com/investigations/buffetts-berkshire-hathaway-operates-dirtiest-set-coal-fired-power-plants-us-2025-01-14/>

Rocky Mountain Power sought to significantly raised rates. Time will tell how the public and legislators respond when a big fire burns a significant, politically powerful constituency in Utah and Wyoming, as that is when people will learn that the power company does not owe them anything near what was destroyed. We do not yet know if these policies are wise, sound, or in the public interest.

11. Renewable Northwest holds up other states as examples of good policy choices on utility caused wildfire liability, but **none of those states have experienced significant conflagration and community loss stemming from utility caused fires** that has put in place liability caps, safety certificate immunity bills, or overly complicated, unworkable fund bills. Utah, Wyoming have experienced wildfires, but I am not aware of any major fires caused by utilities resulting in significant community loss.
12. The fact that Renewable Northwest is **pointing to coal burning states like Utah, Wyoming, Nevada to tell us what Oregon should do** to limit utility liability for powerline caused fire in Oregon should be enough to give us all pause. According to a recent OPB and ProPublica report,⁸ it is the lack of adequate transmission facilities that is holding up green energy development. Representative Ken Helm expressed a refreshing willingness to reflect, as he said in the article:

“Oregon Rep. Ken Helm, a Portland-area Democrat who was a sponsor of the 2021 legislation, said the failure to prioritize transmission lines wasn’t the only flaw with the legislation. He said the bill failed to provide accountability, having no penalties for when a utility did not reach certain deadlines for acquiring either solar or wind energy. Helm said now, House Bill 2021 is “dead letter law.”

“Senators and representatives like me, we cannot continue to believe our own PR, that we have been successful in promoting a renewable electricity future,” said Helm, a member of the House Committee on Climate, Energy and Environment. “We are not heading in that direction, and we’re going to have to take action to change that or nothing will happen.”

I submit that Renewable Northwest needs to look in the mirror, as Representative Helm appears to have the humility and willingness to do, and examine its own effectiveness, or lack thereof, in getting the policies in place to require green energy development, instead of scapegoating wildfire victims, undercutting investments in wildfire mitigation and carrying water for the investor owned utilities.

⁸ <https://www.opb.org/article/2025/05/13/rolling-blackouts-oregon-washington-power-grid/>

Just across the border in California, we see significant investment in green energy,⁹ as well as enormous investments in wildfire mitigation and payments by investor owned utilities to California fire survivors for burning up their homes and communities. While the utilities in California have faced challenges, they have made it through those challenges without abandoning fire victims. California utilities have also continued to make significantly greater investments in wildfire mitigation to try to prevent future humanitarian losses.

In sum, we do not have to abandon Oregon fire survivors to get clean power, fair rates and a fire safe Oregon.

Sincerely,

A handwritten signature in black ink that reads "Ralph Bloemers". The signature is written in a cursive, flowing style.

Ralph Bloemers
Director of Fire Safe Communities

⁹ See, e.g. <https://www.energy-storage.news/california-utility-pge-proposes-1-6gw-6-4gwh-of-new-battery-storage-across-nine-projects/>