

May 22, 2025

## **Position on Bills at 2025 Session of Oregon Legislature:**

### **SB 926A: Support but oppose -A5 and -A9 amendments**



The Consolidated Oregon Indivisible Network (COIN) is a coalition of over 50 local Indivisible groups throughout Oregon that cooperate and amplify their joint efforts to advance important federal and state legislation and engage with elected officials to promote causes for the benefit of all Oregonians.

COIN supports SB 926A, which would prohibit a regulated electric utility with more than 25,000 retail customers in Oregon (PGE, PP&L) from charging ratepayers for certain costs, if a court or jury finds that a wildfire resulted from the negligence or a higher degree of fault on the part of the electric company. It also would require such a utility to refrain from distributing income to its owners (stockholders or Berkshire Hathaway, Inc.), until wildfire judgments are paid.

COIN filed detailed testimony on May 10 and on May 13 responded with written testimony to the later-filed testimony of Portland General Electric Co. (PGE).

COIN opposes the -A5 and -A9 amendments, which would roll back several of the provisions of SB 926A. COIN also opposes the -A4 amendment, which would set up an entirely different system for compensation of some wildfire victims.

The -A5 and -A9 amendments would roll back the provision that would require such a utility to refrain from distributing income to its owners (stockholders or Berkshire Hathaway, Inc.), until wildfire judgments are paid. Instead, they allows the utility to ask the Oregon Public Utility Commission (OPUC) for permission to make such distributions. The OPUC is directed to “balance the electric company’s obligation to provide adequate service to its customers and its ability to pay the debts owed on the outstanding judgment or judgments.” Thus, distributions may be allowed, even if the utility has unpaid wildfire judgments.

The proposed -A5 and -A9 amendments also remove the provisions that utility must pay the income taxes owed by victims on their judgments, when collected. Collecting a judgment for a destroyed home may well generate a taxable involuntary capital gain. Instead, the amendments just allow victims ask the court to order that, with no standards stated for when such a motion should be granted.

The proposed -A5 and -A9 amendments also remove the provision that the victims get prejudgment interest. Instead, victims can ask courts to order prejudgment interest, with no assurance that the courts would do so.

The proposed -A5 and -A9 amendments also import into this bill the OPUC “wildfire safety certification” provisions of other bills COIN has opposed. The concern is that such utilities could use such certification as a defense to a judicial finding of negligence in causing wildfires. The amendments contain the strange language that the certification “Does not establish immunity against claims for damages resulting from a wildfire.” “Immunity” is not the issue. The issue is whether the certification can be introduced in court as evidence that the utility was not negligent. The proposed amendments do not preclude that.

We now offers brief response to the testimony of CUB. CUB states:

Section 3 of SB 926A risks unintended consequences for residential households of electric utilities, which includes victims of the 2020 fires. For example, this section could harm a utility's ability to invest in its future capacity needs and wildfire mitigation strategies, creating safety and reliability concerns for customers. These utilities often issue stock for necessary grid investment purposes. This bill would prevent utilities from maintaining their system until an outstanding judgment is paid.

This implies that the bill somehow prevents the utility from raising funds by issuing stock. It does not. Its Section 3 states:

(2) If an electric company owes any debt on an outstanding judgment that is based on a finding by a court or jury that a wildfire resulted from the negligence or a higher degree of fault on the part of the electric company, the electric company may not:

(a) Pay or distribute dividends, income, interest or profits of the electric company, or affiliate or subsidiary of the electric company, to any person or individual with an ownership or beneficial interest in the electric company; or

(b) Pay, distribute or repurchase stock or other ownership interest in the electric company, or affiliate or subsidiary of the electric company, to any person or individual with an ownership or beneficial interest in the electric company

The restriction is on distributing stock “to any person or individual with an ownership or beneficial interest in the electric company” or repurchasing stock (which is the opposite of issuing or selling stock to raise funds). Also, the utility with the wildfire liability is PP&L, which does not issue new stock at all, because it is wholly owned by Berkshire Hathaway, Inc.

Also, there is nothing in the bill that would “would prevent utilities from maintaining their system until an outstanding judgment is paid.” What it prevents is charging ratepayers for repairing the fire damage to the utility’s own property, if the fire was caused by the utility’s negligence or higher level of fault.

## **Consolidated Oregon Indivisible Network (COIN)**

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