



Portland General Electric

121 SW Salmon Street • Portland, OR 97204
portlandgeneral.com

Portland General Electric Comments on SB 926A, -A9 Amendment

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At Portland General Electric, our focus is on prevention and working cooperatively with the state and communities to do everything we can to avoid ignition from utility equipment causing catastrophic wildfire. PGE has developed and implemented a robust, industry-leading wildfire prevention program, which is detailed in our Wildfire Mitigation Plan approved by the Oregon Public Utility Commission.

It is important to note that PGE has never had a negligence claim or finding with regard to catastrophic wildfire on our system or due to our operations. We continue to enhance our wildfire mitigation plans and activities in response to evolving conditions and industry best practices.

We fully support raising and clarifying the standards utilities should meet to keep communities safe, and to verify and hold utilities accountable if they do not take the appropriate actions to meet those standards.

Portland General Electric appreciates the opportunity to share our feedback with the committee on the -A9 amendment to SB 926A, and we appreciate the efforts of the Chair to amend the bill. Unfortunately, PGE still has several substantial concerns with the -A9 amendment to SB926A.

Section 2 Discourages Settlements and Reduces OPUC Authority

Section 2 of the amendment retains language that fails to recognize that settlements, often made without admitting fault, can be the most prudent and beneficial resolution for wildfire victims and utility customers. The utility would be barred from seeking to recover those settlement costs, even when settling is the most prudent, responsible option for victims and all parties involved, simply because of *allegations* that the utility was negligent. This provision could have unintended consequences by creating a disincentive for settling with affected parties and providing timely recovery.

We request that the committee make the following changes to Section 2 (b):

- (b) Costs and expenses that are, or are associated with, a settlement that is based on:
 - ~~(A) The underlying allegations that there are losses, expenses or damages caused by the wildfire that resulted from the negligence or a higher degree of fault on the part of the electric company; or~~
 - (B) The finding that the wildfire resulted from negligence or a higher degree of fault on the part of the electric company.

Similarly, we remain concerned about the strict cost recovery language in Section 2 (2) (d) that prohibits a utility from seeking cost recovery for repairing or rebuilding any property damaged or destroyed in a wildfire when a utility has been found negligent. We believe firmly that the OPUC should retain its ability to evaluate the utility's actions for prudence and cost recovery for rebuilding following a wildfire and prohibiting cost recovery in certain circumstances may result in the establishment of confiscatory rates, an unconstitutional taking. This prohibition will directly affect the ability of a utility like PGE from rebuilding in an impacted community. We have a mandate to serve

everyone in our service territory on a nondiscriminatory basis, including people and businesses located in high fire risk areas.

It is important to note that Section 2(2)(d) impacts utility customers – even if there is never a catastrophic wildfire resulting from utility negligence. By interfering with the utility’s right to cost recovery for expenses prudently incurred in the public’s interest, such as settlement costs or reconstruction costs, the Legislature signals that Oregon is a hostile environment for capital investment, one that will raise the costs of capital and thus the rates that all customers pay, as we progress toward meeting our shared, lower GHG emitting future. We request that Section 2 (2) (d) be removed.

Section 11 Study and Process While we firmly believe that the Legislature must continue to address wildfire risk in the energy sector in future sessions and support the continued engagement of the Oregon Public Utility Commission and stakeholders on this issue, we do not believe the statute should provide that stakeholder discussions on this issue be aimed at the 2027 session. There are two potentially dangerous wildfire seasons between now and the close of the 2027 session and the state’s own wildfire forecast for this summer provides ample reason to anticipate the dry and extreme conditions that can drive a catastrophic wildfire. Addressing wildfire risk to ensure the safety of our communities and the continuity of service is an urgent priority for Oregon. The interim work proposed by the -A9 amendment should occur such that legislature may make progress in 2026.

Contact: Chloe Becker, State Legislative Affairs Manager, chloe.becker@pgn.com