LC 83 2020 Regular Session 12100-002 1/13/20 (CDT/ps)

# DRAFT

#### SUMMARY

Requires electric company to operate in compliance with risk-based wildfire protection plan acknowledged by Public Utility Commission. Requires periodic submission of new plan. Specifies minimum required contents for plan. Requires submission of initial plan no later than December 31, 2020.

Makes reasonable and prudent investment that electric company incurs to develop, implement or operate wildfire protection plan or to mitigate risk, severity or extent of wildfire recoverable as rates charged by company.

Requires consumer-owned utility to operate in compliance with risk-based wildfire mitigation plan approved by governing body of utility. Requires periodic submission of new plan. Requires submission of initial plan no later than December 31, 2021.

Requires consumer-owned utility to conduct wildfire risk assessment of utility facilities. Requires review and revision of assessment as required by governing body of utility.

Requires consumer-owned utility to construct, maintain and operate electrical lines and equipment in manner designed to reduce likelihood of wildfire.

Requires Public Utility Commission workshops to develop and share information for best practices regarding wildfire.

Requires Department of Land Conservation and Development to oversee and coordinate development and maintenance of comprehensive statewide map of wildfire risk. Requires department to establish minimum standards and provide consultation to cities and counties to implement and maintain wildfire risk planning and zoning and to develop wildfire risk mitigation standards. Requires Insurance Commissioner to order insurers to identify and provide incentives for policyholder actions to reduce wildfire risk.

Requires State Fire Marshal to establish minimum defensible space requirements. Requires local government to administer and enforce applicable State Fire Marshal defensible space requirements. Allows local government to adopt local defensible space requirements in excess of State Fire Marshal requirements. Requires local government to periodically report to State Fire Marshal regarding compliance with defensible space requirements. Requires State Fire Marshal to maintain map of defensible space requirements and compliance.

Requires State Fire Marshal to administer and enforce program to provide assistance to local governments for administration and enforcement of defensible space requirements. Establishes Wildfire Defensible Space Fund. Establishes creation of defensible space on lands of certain underserved populations as priority use of financial assistance.

Requires Department of Land Conservation and Development to establish
 program to assist counties and cities to adopt local building code provisions
 and local wildfire safety requirements that exceed state requirements. Creates Local Wildfire Response Fund.

<sup>9</sup> Requires Oregon Health Authority to establish standards for residential
 <sup>10</sup> smoke filtration systems. Requires authority to establish program to increase
 <sup>11</sup> availability of systems among vulnerable persons residing in areas suscepti <sup>12</sup> availability of systems. Creates Wildfire Smoke Abatement Fund.

Establishes task force to identify barriers to installation of smoke
 filtration systems in areas susceptible to wildfire smoke. Requires task force
 report no later than September 15, 2021. Sunsets task force December 31,
 2021.

16 Requires State Forestry Department to establish program for reducing fuel load on forestlands. Establishes Forestland Treatment Fund.

Requires State Forester to establish baseline level of wildfire protection
 for lands susceptible to wildfire.

Requires county to assist landowners and jurisdictions to form, expand or change boundaries of jurisdiction that provides wildfire protection. Requires county to assist jurisdiction in developing adequate wildfire protection facilities, equipment, training and other resources. Requires that county ensure lands susceptible to wildfire are provided with wildfire protection meeting or exceeding baseline level no later than January 1, 2025.

Requires State Forestry Department to contract for services of private consultant to evaluate and make recommendations on specified issues regarding wildfires. Requires consultant to report to Governor and legislative committee no later than September 15, 2022.

Allows Governor to authorize joint state-federal partnerships to direct wildfire strategy based on recommendations of Governor's Council on Wildfire Response.

28 Declares emergency, effective on passage.

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# A BILL FOR AN ACT

<sup>30</sup> Relating to wildfires; and declaring an emergency.

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1	Be It Enacted by the People of the State of Oregon:
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3	UTILITIES
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5	SECTION 1. Sections 2 to 5 of this 2020 Act are added to and made
6	a part of ORS chapter 757.
7	SECTION 2. (1) As used in this section, "electric company" has the
8	meaning given that term in ORS 757.600.
9	(2) An electric company must have and operate in compliance with
10	a risk-based wildfire protection plan acknowledged by the Public Util-
11	ity Commission.
12	(3) An electric company shall submit a risk-based wildfire pro-
13	tection plan to the commission every three years. The plan must, at
14	a minimum:
15	(a) Identify areas within the service territory of the electric com-
16	pany that are subject to a heightened risk of wildfire.
17	(b) Identify a means for mitigating wildfire risk that is cost effec-
18	tive and reflects a reasonable balancing of mitigation costs with the
19	resulting reduction of wildfire risk.
20	(c) Identify preventative actions and programs that the electric
21	company will carry out to minimize the risk of electric company fa-
22	cilities causing a wildfire.
23	(d) Identify a protocol for the deenergizing of power lines and ad-
24	justing power system operations to mitigate wildfires, promote the
25	safety of the public and first responders and preserve health and
26	communication infrastructure.
27	(e) Describe the procedures, standards and time frames that the
28	electric company will use to inspect company infrastructure in areas
29	that the company identifies under paragraph (a) of this subsection.
30	(f) Describe the procedures, standards and time frames that the
31	electric company will use to carry out vegetation management in areas
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1 that the company identifies under paragraph (a) of this subsection.

2 (g) Identify the development, implementation and administration
3 costs for the plan.

(h) Identify the community outreach and public awareness efforts
that the electric company will use before, during and after a wildfire
season.

7 (4) The commission, in consultation with the State Forestry De-8 partment and local emergency services agencies, shall review a 9 wildfire protection plan that an electric company submits under this 10 section. The commission shall:

11 (a) Acknowledge the submitted plan; or

(b) Disapprove the submitted plan and inform the electric company
 of the modifications necessary to obtain approval.

(5) The commission shall adopt rules for the submission, review,
 acknowledgment or disapproval of electric company wildfire protection
 plans.

SECTION 3. (1) Reasonable and prudent investments and expendi-17tures by an electric company, including but not limited to the cost of 18 capital, that are incurred to develop, implement or operate a wildfire 19 protection plan under section 2 of this 2020 Act are recoverable in the 20rates charged by the company. Reasonable and prudent investments 21and expenditures by an electric company, including but not limited to 22the cost of capital, that are incurred to mitigate the risk, severity or 23extent of wildfires are recoverable in the rates charged by the com-24pany. 25

(2) The Public Utility Commission shall establish processes and mechanisms to ensure timely cost recovery for costs associated with subsection (1) of this section. The commission shall establish the processes and mechanisms to address situations in which compliance with sections 2 to 5 of this 2020 Act results in the electric companies incurring costs for which cost recovery mechanisms otherwise author-

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1 ized by law are not adequate.

<u>SECTION 4.</u> (1) As used in this section, "consumer-owned utility"
and "governing body" have the meanings given those terms in ORS
757.600.

5 (2) A consumer-owned utility must have, and operate in compliance 6 with, a risk-based wildfire mitigation plan approved by the governing 7 body of the utility. The utility shall submit a risk-based wildfire miti-8 gation plan to the governing body of the utility every three years.

9 (3) A consumer-owned utility shall conduct a wildfire risk assess-10 ment of utility facilities to determine the extent to which the facilities 11 contribute to the direct causation of wildfires. The utility shall review 12 and revise the assessment on a schedule the governing body deems 13 consistent with prudent utility practices.

(4) A consumer-owned utility shall submit a copy of the risk-based
wildfire mitigation plan approved by the utility governing body to the
Public Utility Commission and the State Department of Energy to facilitate commission and department functions regarding statewide
wildfire mitigation planning and wildfire preparedness.

(5) A consumer-owned utility shall construct, maintain and operate the electrical lines and equipment of the utility in a manner designed to reduce the likelihood of wildfire. The construction, maintenance and operation must include provision for vegetation removal that meets or exceeds National Electrical Safety Code standards for vegetation removal.

<u>SECTION 5.</u> The Public Utility Commission shall periodically convene workshops for the purpose of helping electric companies, consumer-owned utilities and operators of electrical distribution systems to develop and share information for the identification, adoption and carrying out of best practices regarding wildfires, including, but not limited to, risk-based wildfire protection and risk-based wildfire mitigation procedures and standards.

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1 <u>SECTION 6.</u> An electric company shall submit the first risk-based 2 wildfire protection plan required of the company under section 2 of 3 this 2020 Act no later than December 31, 2020.

4 <u>SECTION 7.</u> A consumer-owned utility shall submit the first risk-5 based wildfire mitigation plan required under section 4 of this 2020 Act 6 to the utility governing body no later than December 31, 2021.

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#### LAND USE

SECTION 8. The Department of Land Conservation and Develop-10 ment shall oversee and coordinate the development and maintenance 11 12of a comprehensive statewide map of wildfire risk. The map shall be sufficiently detailed to allow the assessment of wildfire risk at the 13 property-ownership level. The department shall collaborate with the 14 State Forestry Department, the State Fire Marshal, other state and 15local governments and officials, other public bodies, insurance com-16 panies and any other information sources that the Department of 17Land Conservation and Development deems appropriate to develop and 18 maintain the map. The department shall make the map described in 19 this subsection accessible in electronic form to the public without 2021charge.

<u>SECTION 9.</u> (1) The Department of Land Conservation and Development, in consultation with organizations representing cities and counties, shall adopt rules consistent with statewide planning goals and guidelines regarding areas subject to natural hazards to establish minimum standards for city and county wildfire risk reduction planning and zoning and wildfire risk reduction.

(2) The department, the State Forestry Department and the State
Fire Marshal shall provide technical assistance and resources to cities
and counties to facilitate the implementation and maintenance of
wildfire risk planning and zoning and the development of wildfire risk

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1 mitigation standards.

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<u>SECTION 10.</u> The Insurance Commissioner shall order companies
 that issue property insurance policies providing fire damage coverage
 for private property to identify and provide incentives for policyholders
 to undertake wildfire risk reduction measures.

**DEFENSIBLE SPACE** 

SECTION 11. (1) The State Fire Marshal shall establish minimum 9 defensible space requirements for wildfire risk reduction on lands in 10 areas susceptible to wildfire. The State Fire Marshal may establish 11 12 different minimum defensible space requirements for homes and infrastructure on different types of land. Subject to additional local 13 requirements, a minimum defensible space requirement that the State 14 Fire Marshal establishes for a type of land shall apply statewide for 15all lands of that type that are in areas susceptible to wildfire. The 16 State Fire Marshal shall select the minimum defensible space re-17 quirements from the standards set forth in the International 18 Wildland-Urban Interface Code (2012 Edition). 19

(2) Except as provided in subsection (3) of this section, a local government shall administer and enforce the minimum defensible space
requirements established by the State Fire Marshal under subsection
(1) of this section that are applicable to the lands within the jurisdiction of the local government.

(3) A local government may adopt minimum defensible space as local requirements for defensible space on lands that have requirements
that are greater than the minimum defensible space requirements established by the State Fire Marshal. The local government shall select
any local minimum defensible space requirements from the standards
set forth in International Wildland-Urban Interface Code (2012 Edition).

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1 (4) A local government described in this section shall inspect properties within the jurisdiction for compliance with the minimum  $\mathbf{2}$ defensible space requirements established by the State Fire Marshal 3 that apply to the lands or with any applicable local minimum 4 defensible space requirements. If construction or other activities occur 5to change land to a type that is subject to different minimum 6 defensible space requirements, the local jurisdiction shall inspect to 7 determine whether the land continues to meet minimum defensible 8 space requirements. 9

(5) The local jurisdiction shall periodically report to the State Fire 10 Marshal regarding whether lands within the jurisdiction of the local 11 12government are in compliance with the applicable minimum defensible space requirements. The reports shall state the extent of compliance 13 for each property, the change in degree of compliance since the pre-14 vious report and any other information required by the State Fire 15 Marshal by rule. In addition to requiring periodic reports, the State 16 Fire Marshal may at any time require a local jurisdiction to report the 17 defensible space conditions for any lands within the jurisdiction of the 18 local government. 19

(6) The State Fire Marshal shall oversee and coordinate the development and maintenance of a comprehensive statewide map of minimum defensible space requirements for lands susceptible to wildfire and the degree of compliance on those lands. The State Fire Marshal shall base the map on the local government reports described in subsection (5) of this section.

(7) The State Fire Marshal shall administer and enforce a program
to provide financial, administrative, technical or other assistance to
a local government to facilitate the administration and enforcement
of minimum defensible space requirements within the jurisdiction of
the local government. A local government provided with financial assistance as described in this subsection shall give priority to the cre-

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ation of defensible space on lands owned by communities of color,
indigenous communities, persons with limited proficiency in English
and persons of lower income as defined in ORS 456.055.

<u>SECTION 12.</u> The Wildfire Defensible Space Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Wildfire Defensible Space Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the State Fire Marshal for the purpose of carrying out the local government financial assistance program described in section 11 of this 2020 Act.

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# BUILDING CODE

<u>SECTION 13.</u> (1) The Department of Land Conservation and Devel opment shall establish a program to:

(a) Assist counties and cities to adopt, administer and enforce local
 building code provisions that address local conditions that increase
 wildfire risk; and

(b) Assist local governments to adopt, administer and enforce local
fire safety requirements that address local conditions that increase
wildfire risk.

(2) The department, in consultation with counties, cities and the 22Department of Consumer and Business Services shall identify local 23conditions related to wildfire risk that merit the adoption of special 24building code requirements within a county or city that reduce that 25local risk. The Department of Land Conservation and Development 26shall assist counties and cities to develop local building code require-27ments that, based on local risk conditions, provide greater wildfire 28protection than the requirements imposed by the state building code. 29 (3) Notwithstanding ORS 455.030 and 455.040, a county or city that 30

31 has a local condition described in subsection (2) of this section may

adopt, administer and enforce a local building code requirement developed in consultation with the department under subsection (2) of
this section.

4 (4) The department, in consultation with local governments as de-5 fined in ORS 174.116 and the State Fire Marshal shall identify local 6 conditions related to wildfire risk that merit the adoption of special 7 fire safety requirements within a county or city. The department shall 8 assist counties and cities to develop local wildfire safety requirements 9 that, based on local risk conditions, provide greater wildfire protection 10 than the requirements imposed by the state fire code.

(5) A local government that has a condition described in subsection
(4) of this section may adopt, administer and enforce special fire safety
requirements developed in consultation with the department under
subsection (4) of this section.

SECTION 14. The Local Wildfire Risk Response Fund is established 15 in the State Treasury, separate and distinct from the General Fund. 16 Interest earned by the Local Wildfire Risk Response Fund shall be 17credited to the fund. Moneys in the fund are continuously appropriated 18 to the Department of Land Conservation and Development for the 19 purpose of carrying out the program described in section 13 of this 2020 2021Act, including but not limited to, the issuing of grants to facilitate the adoption, administration and enforcement of county or city building 22code and wildfire safety requirements under section 13 of this 2020 Act. 2324

#### **HEALTH EFFECTS**

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27 <u>SECTION 15.</u> (1) As used in this section, "smoke filtration system" 28 means a residential air filtration system capable of removing 29 particulates and other harmful components of wildfire smoke.

30 (2) The Oregon Health Authority shall adopt rules establishing 31 standards for smoke filtration systems, including but not limited to, minimum acceptable efficiency for the removal of particulates and
other harmful substances generated by wildfires.

(3) The authority shall establish a program to increase the avail-3 ability of smoke filtration systems among persons vulnerable to the 4 health effects of wildfire smoke who reside in areas susceptible to 5wildfire smoke. The authority may issue grants for the installation of 6 smoke filtration systems in residential buildings in areas susceptible 7 to wildfire smoke. The authority shall give grant priority to installa-8 tions in residential properties occupied by persons of lower income as 9 defined in ORS 456.055 who are vulnerable to the health effects of 10 wildfire smoke. 11

<u>SECTION 16.</u> The Wildfire Smoke Abatement Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Wildfire Smoke Abatement Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Oregon Health Authority for the purpose of carrying out the program required under section 15 of this 2020 Act.

18 <u>SECTION 17.</u> (1) The Task Force on Wildfire Smoke Health Effects
 19 is established.

(2) The task force consists of seven members appointed by the Di rector of the Oregon Health Authority and having such qualifications
 as the director deems appropriate.

23 (3) The task force shall identify and consult with stakeholders to:

(a) Identify barriers to the installation of smoke filtration systems
in areas susceptible to wildfire smoke, and potential solutions to
identified barriers; and

(b) Determine the extent to which renters are able to take advantage of smoke filtration systems.

(4) A majority of the members of the task force constitutes a quo rum for the transaction of business.

31 (5) Official action by the task force requires the approval of a ma-

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1 jority of the members of the task force.

2 (6) The task force shall elect one of its members to serve as chair-3 person.

4 (7) If there is a vacancy for any cause, the director shall make an 5 appointment to become immediately effective.

6 (8) The task force shall meet at times and places specified by the 7 call of the chairperson or of a majority of the members of the task 8 force.

9 (9) The task force may adopt rules necessary for the operation of
10 the task force.

(10) The task force shall submit a report in the manner provided in
 ORS 192.245, and may include recommendations for legislation, to the
 Governor, the director and a legislative committee related to natural
 resources no later than September 15, 2021.

(11) The Oregon Health Authority shall provide staff support to the
 task force.

(12) Members of the task force are not entitled to compensation or
 reimbursement for expenses and serve as volunteers on the task force.
 <u>SECTION 18.</u> Section 17 of this 2020 Act is repealed on December
 31, 2021.

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# EMERGENCY MANAGEMENT

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24 <u>SECTION 19.</u> The Office of Emergency Management shall establish 25 six positions within the office whose responsibilities include, but need 26 not be limited to, administering the office response to wildfire emer-27 gencies within an assigned region of the state.

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# TREATMENT PROGRAM

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31 <u>SECTION 20.</u> The State Forestry Department shall oversee a pro-

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gram to reduce fuel load levels on forestlands within this state. The program shall be designed to treat 300,000 acres of forestland annually. The department shall work in cooperation with units of federal, state and local government, nonprofit organizations, private parties and other interested stakeholders to identify and leverage available funding, identify priority sites for treatment and coordinate treatment efforts to maximize the amount of fuel load reduction obtained.

8 <u>SECTION 21.</u> The program required under section 20 of this 2020 9 Act must:

(1) Include, but not be limited to, field work, providing adequate
 forester staffing to execute treatment projects conducted pursuant to
 Good Neighbor Authority agreements and providing adequate staffing
 for treatment procurement and contract administration.

(2) To the extent practicable, be linked to a stable funding stream
 derived from multiple sources, including but not limited to, federal
 and state investments, timber, revenue from benefited stakeholders
 and other revenues.

(3) Provide for the leveraging of state investments to maximized
 federal investments.

(4) Be maintained for a period of not less than 19 years, with a
 treatment goal of not less than 5.6 million acres of forestland.

(5) Emphasize the treatment of forestlands that are in the three
highest relative importance categories identified in the United States
Forest Service report titled "Pacific Northwest Quantitative Wildfire
Risk Assessment: Methods and Results" and dated April 9, 2018, or on
which treatment would provide a substantial benefit to the state.

(6) For federal lands, prioritize forestland treatment that has re ceived approval under the National Environmental Policy Act.

(7) For private lands, prioritize treatment work on forestlands of
 willing landowners.

31 (8) Focus publicly funded projects on the treatment of forestlands

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that have insufficient commercial timber resources to offset the
 treatment costs.

<u>SECTION 22.</u> The Forestland Treatment Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Forestland Treatment Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the State Forestry Department for the purpose of carrying out oversight and forestland treatment under the program described in section 20 of this 2020 Act.

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#### **PROTECTION OF LAND**

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<u>SECTION 23.</u> (1) The State Forester, in collaboration with the State Fire Marshal, state agencies and local governments as defined in ORS 174.116, shall adopt rules establishing a baseline level of wildfire protection for lands that are located in areas susceptible to wildfire. A county shall ensure that all lands within the county that are susceptible to wildfire are provided with wildfire protection services at the baseline level or a higher level.

 $20 \qquad (2) A county shall:$ 

(a) Assist landowners with forming jurisdictions to provide wildfire
 protection or with obtaining changes to boundaries or facility lo cations of jurisdictions that provide wildfire protection;

(b) Assist jurisdictions to expand or adjust jurisdiction service
 boundaries to ensure adequate wildfire protection for lands; and

(c) Assist jurisdictions in developing wildfire protection facilities,
equipment, training and other resources adequate to ensure that the
jurisdiction provides timely and effective wildfire protection at the
baseline level or higher throughout the jurisdiction.

30 (3) The State Forester may provide financial assistance to counties 31 for carrying out county duties under subsection (2) of this section

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from any funds made available to the State Forester and designated
 for that purpose.

3 <u>SECTION 24.</u> A county shall ensure no later than January 1, 2025,
4 that all lands within the county that are susceptible to wildfire have
5 baseline level or higher wildfire protection as described in section 23
6 of this 2020 Act.

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FUNDING STUDY

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10 <u>SECTION 25.</u> (1) The State Forestry Department shall contract for 11 the services of a private consultant to evaluate and make findings re-12 garding:

(a) Wildfire protection and suppression information, including but
 not limited to, the availability, accuracy and utility of the informa tion;

(b) The relative value delivered to public and private sectors from
 state-funded wildfire suppression services, including but not limited
 to, social, ecological and economic benefits;

(c) Costs of Oregon wildfire protection and wildfire protection in
 similarly situated states, adjusted to common bases suitable for comparison; and

(d) Economic aspects of wildfire protection and suppression that
 vary within regions of the state.

(2) The consultant shall develop recommendations that include but
 need not be limited to:

(a) Possible means for producing wildfire protection and sup pression information in a manner that maximizes the value of the in formation without undue burdens on information suppliers; and

(b) Possible methods for allocating wildfire protection and sup pression costs to achieve equity in the distribution of costs and bene fits.

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1 (3) The consultant shall report the findings and recommendations described in this section to the Governor and an interim committee  $\mathbf{2}$ of the Legislative Assembly relating to natural resources in the man-3 ner provided by ORS 192.245 no later than September 15, 2022. 4 5JOINT PARTNERSHIPS 6 7 SECTION 26. The Governor may, as the Governor deems appropri-8 ate, authorize joint partnerships between state and federal agencies to 9 administer and enforce a wildfire strategy program based on the rec-10 ommendations contained in the "Governor's Council on Wildfire Re-11 12sponse, November 2019: Report and Recommendations." 13 **COUNCIL** 14 15 SECTION 27. The Governor may assign duties to the Governor's 16 Council on Wildfire Response as the Governor deems appropriate to 17assist state and local agencies and officials to oversee and assist in the 18 implementation of sections 2 to 26 of this 2020 Act. The council's du-19 ties may include, but need not be limited to, providing advice, sug-20gesting priorities, recommending future actions and providing 21coordination with federal agencies. 22SECTION 28. Section 27 of this 2020 Act is repealed on January 2, 232022. 2425**CAPTIONS** 2627SECTION 29. The unit captions used in this 2020 Act are provided 28only for the convenience of the reader and do not become part of the 29statutory law of this state or express any legislative intent in the 30 enactment of this 2020 Act. 31

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1	EMERGENCY
<b>2</b>	
3	SECTION 30. This 2020 Act being necessary for the immediate
4	preservation of the public peace, health and safety, an emergency is
5	declared to exist, and this 2020 Act takes effect on its passage.
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