

SB 1536 -1 STAFF MEASURE SUMMARY

Senate Committee On Wildfire Reduction and Recovery

Prepared By: Laura Kentnesse, LPRO Analyst

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/3, 2/5, 2/10, 2/12

WHAT THE MEASURE DOES:

Requires **electric companies** to create, and operate in compliance with, a **risk-based wildfire protection plan** acknowledged by the Public Utility Commission (PUC). Specifies minimum required contents for a plan. Requires submission of the initial plan to the PUC no later than December 31, 2020, and subsequent submission every three years. Requires the PUC to review electric company plans in consultation with the Oregon Department of Forestry (ODF) and local emergency services, and to adopt rules for the submission, review, acknowledgement, or disapproval of these plans. Allows electric companies to recover reasonable and prudent expenditures incurred to develop, implement, or operate a wildfire protection plan, or to mitigate the risk, severity, or extent of wildfires through rates charged by the company. Requires the PUC to establish processes and mechanisms to ensure timely cost recovery and to address specified situations. Requires **consumer-owned utilities (COUs)** to create, and operate in compliance with, a **risk-based wildfire mitigation plan** approved by the governing body of the utility. Requires submission of the initial plan to the governing body no later than December 31, 2021, and subsequent submission every three years. Requires COUs to submit an approved plan copy to the PUC and Oregon Department of Energy. Requires each COU to conduct a wildfire risk assessment of utility facilities, and to review and revise the assessment on a schedule dictated by the governing body of the utility. Requires each COU to construct, maintain, and operate electrical lines and equipment in manner designed to reduce likelihood of wildfire, including vegetation removal that meets or exceeds National Electrical Safety Code standards. Requires the PUC to periodically convene workshops for electric companies, COUs, and electrical distribution system operators to develop and share information related to wildfire. Requires the **Department of Land Conservation and Development (DLCD)**, in collaboration with specified entities, to oversee and coordinate the development and maintenance of a publicly accessible, **comprehensive statewide map of wildfire risk**. Requires DLCD by rule to establish minimum standards for city and county wildfire risk reduction planning and zoning, and to provide along with ODF and the **Oregon State Fire Marshal (OSFM)** technical assistance and resources to cities and counties to implement and maintain wildfire risk planning and zoning, and to develop wildfire risk mitigation standards. Requires the Insurance Commissioner to order insurers to identify and provide incentives for policyholders to undertake wildfire risk reduction measures. Requires OSFM to establish minimum **defensible space** requirements for wildfire risk reduction on each type of land, to be applied statewide to that land type. Requires local governments to administer and enforce applicable OSFM defensible space requirements and to periodically report to OSFM on compliance. Allows local governments to adopt more stringent local defensible space requirements. Requires OSFM to maintain a map of defensible space requirements and compliance. Requires OSFM to administer and enforce a program to provide assistance to local governments for administration and enforcement of defensible space requirements, and requires local governments to prioritize defensible space actions on lands owned by communities of color, indigenous communities, persons with limited English proficiency, and persons of lower income. Establishes the Wildfire Defensible Space Fund, and continuously appropriates moneys to OSFM for the local government financial assistance program. Requires DLCD to establish a program to assist counties and cities to adopt local building code provisions and local wildfire safety requirements that exceed state requirements. Creates the Local Wildfire Response Fund, and continuously appropriates moneys to DLCD to issue grants for county and city adoption of building codes and wildfire safety

requirements. Requires **Oregon Health Authority** (OHA) by rule to establish standards for residential **smoke filtration systems**. Requires OHA to establish a program to increase the availability of systems among vulnerable persons residing in areas susceptible to wildfire smoke. Authorizes OHA to issue grants to increase availability of systems, and requires grant prioritization for properties with lower income occupants. Creates the Wildfire Smoke Abatement Fund, and continuously appropriates moneys to OHA for the smoke filtration system program. Establishes the Task Force on Wildfire Smoke Health Effects (Task Force) to identify barriers and solutions to installation of smoke filtration systems in areas susceptible to wildfire smoke. Requires that the Task Force report to the Governor, legislature, and director no later than September 15, 2021, and sunsets the Task Force on December 31, 2021. Requires the **Office of Emergency Management** to establish six positions for administering regional office response to wildfire emergencies. Requires ODF to establish a program for **reducing fuel loads on forestlands** that treats 300,000 acres annually for at least 19 years. Requires ODF cooperate with specified partners to identify and leverage available funding, identify priority treatment sites, and coordinate treatment efforts. Establishes the Forestland Treatment Fund, and continuously appropriates moneys to ODF for forestland treatments and oversight. Requires the State Forester, in collaboration with OSFM and others, to establish by rule a **baseline level of wildfire protection** for lands susceptible to wildfire. Requires counties to ensure all lands susceptible to wildfire are provided with wildfire protection services at the baseline level or higher by January 1, 2025. Requires counties to assist with jurisdiction creation or boundary modification and to assist jurisdictions with developing adequate wildfire protection **facilities, equipment, training**, and other resources. Requires ODF to contract for the services of a private consultant to evaluate and make recommendations on **costs and economic aspects** of, and public and private value derived from, wildfire protection and suppression. Requires the consultant to report to the Governor and legislature no later than September 15, 2022. Allows the Governor to authorize **joint state-federal partnerships** to direct a wildfire strategy based on the recommendations of the Governor's Council on Wildfire Response. Allows the Governor to assign duties to the **Governor's Council on Wildfire Response** to oversee and assist in the implementation of this Act through January 2, 2022. Declares emergency, effective on passage.

REVENUE: May have revenue impact, but no statement yet issued.

FISCAL: May have fiscal impact, but no statement yet issued.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Replaces Public Utilities Commission (PUC) acknowledgment of plans with plan approval. Simplifies PUC implementation rule requirement. Clarifies that recovery of deferred costs under rate schedule is permissible. Removes requirements for consumer-owned utilities to submit a plan to the governing body every three years, to assess which facilities contribute to the direct causation of fires, and to construct, maintain, and operate electrical lines and equipment in a manner designed to reduce the likelihood of wildfire. Replaces requirement for Insurance Commissioner to order insurers to provide homeowners incentives with encouragement that insurers consider changes that encourage property wildfire protection actions, and allows insurers to use agency wildfire risk maps when writing policies. Allows a local government to enter into an agreement with the Office of the State Fire Marshal (OSFM) to administer and enforce minimum defensible space requirements. Makes OSFM responsible for the administration and enforcement of defensible space standards rather than local governments. Removes building code requirements. Changes Oregon Health Authority rulemaking from mandatory to permissive. Appropriates \$1 million to the Wildfire Smoke Abatement Fund. Provides additional discretion to the Task Force on Wildfire Smoke Health Effects to address topics relevant to establishing programs and policies to make air filtration accessible to low income populations in areas susceptible to wildfire smoke. Outlines state policy and goals on fuel reduction. Directs Oregon Department of Forestry (ODF) to develop and

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implement a treatment program over a 20-year period. Specifies program requirements. Requires ODF report on the status of program development and implementation by December 1, 2020. Appropriates \$20 million to the Forestland and Rangeland Treatment Fund. Specifies that the baseline level of wildfire protection established for lands susceptible to wildfire applies specifically to lands outside of Forest Protection Districts. Directs the Governor's Council on Wildfire Response (Council) to develop a sustainable funding model to comprehensively address the costs of creating fire-adapted communities in Oregon, promoting resilient landscapes, and funding wildfire response. Requires that the Council report to the Governor and legislature by October 31, 2020.

REVENUE: May have revenue impact, but no statement yet issued.

FISCAL: May have fiscal impact, but no statement yet issued.

BACKGROUND:

Oregon Governor Kate Brown created the Governor's Council on Wildfire Response by executive order in January of 2019. The Council was tasked with reviewing Oregon's current model for wildfire prevention, preparedness, and response, and analyzing whether the current model is sustainable given increasing wildfire risks. The Council met regularly for nine months and formed three active subcommittees that focused on mitigation, fire suppression, and adaptation and recovery. The product of the Council's extensive work was a final report that concluded that some or all of the current models are not sufficient to ensure Oregon is prepared for increasingly severe wildfire seasons. The report proposed 37 recommendations, many of which are included in Senate Bill 1536.

Senate Bill 1536 would: require electric companies and consumer-owned utilities to create, and operate in compliance with, a risk-based wildfire mitigation plan; require the Public Utility Commission to periodically convene workshops for electric companies, COUs, and electrical distribution system operators to develop and share information related to wildfire; require the Department of Land Conservation and Development (DLCD) to oversee and coordinate the development and maintenance of a publicly accessible, comprehensive statewide map of wildfire risk; require DLCD by rule to establish minimum standards for city and county wildfire risk reduction planning and zoning, and to provide technical assistance and resources to cities and counties to facilitate implementation and maintenance of planning and zoning and development of wildfire risk mitigation standards; require the Insurance Commissioner to order insurers to identify and provide incentives for policyholders to undertake wildfire risk reduction measures; require the Oregon State Fire Marshal (OSFM) to establish minimum defensible space requirements for wildfire risk reduction, to maintain a map of the requirements, and to administer a local government financial assistance program; requires local governments to administer and enforce applicable OSFM defensible space requirements and to periodically report to OSFM on compliance; require DLCD to establish a program to assist counties and cities to adopt local building code provisions and local wildfire safety requirements that exceed state requirements; require the Oregon Health Authority (OHA) by rule to establish standards for residential smoke filtration systems, and to establish a program, that may include grants, to increase the availability of systems among vulnerable persons residing in areas susceptible to wildfire smoke; establish the Task Force on Wildfire Smoke Health Effects to identify barriers and solutions to installation of smoke filtration systems in areas susceptible to wildfire smoke; require the Office of Emergency Management to establish six positions for administering regional office response to wildfire emergencies; require ODF to establish a program for reducing fuel loads on forestlands that treats 300,000 acres annually for at least 19 years; require the State Forester, in collaboration with OSFM and others, to establish by rule a baseline level of wildfire protection for lands susceptible to wildfire; require counties to ensure all lands susceptible to wildfire are provided with wildfire protection services at the baseline level or higher by January 1, 2025; require ODF to contract for the services of a private consultant to evaluate and make recommendations on costs and economic aspects of, and public and private value derived from, wildfire protection and suppression;

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and to allow the Governor to authorize joint state-federal partnerships to direct a wildfire strategy based on the recommendations of the Governor's Council on Wildfire Response (Council), and allow the Council to oversee and assist in the implementation of this Act.

PRELIMINARY