

## HB 3666 -3 STAFF MEASURE SUMMARY

### House Committee On Judiciary

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**Meeting Dates:** 3/18, 4/7

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#### WHAT THE MEASURE DOES:

This measure requires public utilities and allows consumer-owned utilities to apply for wildfire safety certifications, and establishes associated standards and criteria.

#### Detailed Summary:

##### **Legislative intent**

- Declares and recognizes wildfire danger, electric utilities' role in mitigating risk, existing wildfire protection and mitigation plans under ORS 757.963 & 757.966, and state agencies' role in setting utilities' standard of care.
- Empowers the Public Utilities Commission (PUC) to implement and enforce wildfire safety standards to effectuate the Legislative Assembly's intent.

##### **Public utilities' safety certificate**

- Requires investor-owned utilities (public utilities or IOUs), to apply for PUC wildfire safety certificates with documentation satisfying the following criteria:
  - An existing wildfire protection plan under ORS 757.963;
  - Proof of development, adoption, and implementation of a wildfire protection plan;
  - Identification of and a plan to effectuate any outstanding elements of a wildfire protection plan;
  - A demonstrated commitment to wildfire safety, including workshops, trainings, annual performance reviews, and implementation of additional mitigation measures; and
  - Responsiveness to PUC safety rules, additional requirements, and identified deficiencies.
- Authorizes the PUC to adopt additional requirements to verify a utility company's implementation of wildfire safety measures and electrical grid resiliency, and allows a utility company to provide third-party assessments to demonstrate such implementation.
- Requires the PUC to approve or deny an application for wildfire safety certification within 90 days.
- Directs the PUC to consult with the State Forestry Department, State Fire Marshall, and academic institutions to adopt rules to implement and audit safety certifications.
- Establishes that a utility company with a safety certification is acting reasonably regarding wildfire safety practices and renders such certification valid for 12 months.

##### **Consumer-owned utilities' safety certificate**

- Allows a consumer-owned utility (COUs) to apply for a safety certificate subject to similar standards with the following exceptions:
  - A COU is required to have a wildfire mitigation plan (ORS 757.966) instead of a wildfire protection plan (ORS 757.963); and
  - A COU is not subject to the PUC's adoption of the above-noted additional requirements.
- A COU's decision not to seek a safety certification is not admissible evidence.

##### **Operative date**

- Public utilities must apply for a safety certificate by December 31, 2027.

#### **ISSUES DISCUSSED:**

- Existing wildfire protection and mitigation plans

## HB 3666 -3 STAFF MEASURE SUMMARY

- Utilities' duty of care and effect of the -1 amendment
- Increasing fire risk
- Application of the measure to IOUs vs. COUs
- Legislative intent as to balancing the needs of consumers, utilities, and the economy

### **EFFECT OF AMENDMENT:**

-3 The amendment clarifies that a wildfire safety certification establishes that an electric utility has wildfire policies and practices consistent with PUC wildfire safety standards at the time the certification is issued, recognizing the distinction between how COUs' and IOUs' standards are set.

*FISCAL: Fiscal impact issued*

*REVENUE: No revenue impact*

### **BACKGROUND:**

In 2021, the Legislative Assembly enacted Senate Bill 762, a wide-ranging wildfire law that invested in dozens of programs and initiatives with a focus on creating fire-adapted communities, developing safe and effective wildfire responses, and increasing the resiliency of Oregon's landscapes and electrical grid. SB 762 required Oregon investor-owned utilities (IOUs) to submit annual wildfire protection plans to the PUC for review pursuant to ORS 757.963. IOUs' wildfire protection plans must, among other requirements, identify high risk areas along with associated mitigation actions and investments, protocols for deenergizing power lines, vegetation management, and public awareness efforts.

Under SB 762, consumer-owned utilities (COUs) develop wildfire mitigation plans internally and submit copies of approved plans to the PUC pursuant to ORS 757.966. In 2023, the Legislative Assembly enacted Senate Bill 80, which adapted and refined various provisions of SB 762.