



March 18, 2025

To: Representative Jason Kropf, Chair, House Committee on Judiciary  
Representative Willy Chotzen, Vice Chair, House Committee on Judiciary  
Representative Kim Wallan, Vice Chair, House Committee on Judiciary  
Members of the House Committee on Judiciary  
From: Diane Brandt, Policy & Legislative Affairs Director, Renewable Northwest

**Re: Support for HB 3666-1**

Chair Kropf, Vice Chair Chotzen, Vice Chair Wallan, and Members of the Committee,

Renewable Northwest (“RNW”) is a regional, renewable energy advocacy nonprofit based in Oregon, dedicated to decarbonizing the electricity grid by accelerating the use of renewable electricity resources. Our membership includes renewable energy developers and businesses, environmental organizations, and consumer advocates. Thank you for the opportunity to offer our **support for HB 3666 with the -1 amendment, which would establish a process for the issuance of wildfire safety certificates for electric utilities.**

The threat of wildfire is a present and growing reality in the state and region. The impacts are far reaching - from danger to life and safety to the economic impacts on Oregonians and Oregon businesses. The destabilizing effects of wildfire and the increased risk of wildfire is also acutely seen in the electricity sector where wildfire damage is increasing costs to utility customers and creating greater liability for electric utilities. It is vital to develop a fair approach that allows electric utilities to handle liability risks in wildfire-prone regions without resulting in unintended cost impacts to other affected parties. It appears that HB 3666-1 offers this.

### **Increase Wildfire Risk Threatens Safety and Sound Utility Operation**

The proposed approach in HB 3666-1 provides a specified pathway for utilities to receive a wildfire safety certificate from the Oregon Public Utility Commission (“PUC”). The bill requires investor owned utilities to do this and consumer owned utilities have the option to participate in this certification process. The bill points to existing standards for utility action around wildfire safety but also authorizes the PUC to establish other criteria for the certificate issuance. The issuance of the certificate adds another layer of scrutiny and standards to utility wildfire prevention actions to help ensure wildfires are not caused by utility infrastructure in the first place. The certificate notably does not offer a waiver of utility liability in the event of a wildfire. However, this added certification not only ensures that utilities are implementing an approved wildfire prevention plan or mitigation plan, but also offers potential assurances to outside businesses studying a utility's wildfire risk - such as an insurance agency or financial institution.

To be sure, the financial health of a utility can be greatly impacted by wildfire - either by one that has occurred in its service territory or the heightened threat of one. The utility industry has witnessed financial ratings (credit ratings) downgrades due to wildfire and this in turn impacts many aspects of the utility's operations: from the ability to access favorable financing terms to securing reasonable insurance coverage.<sup>1</sup> When utilities lose these two things, utility customers are hit the hardest in the form of increased rates. Utilities facing wildfire risk without a robust and regulated risk mitigation process face challenges in financing new generating resources, which are needed to meet load growth, support economic development, and meet Oregon's clean energy mandates. Without the ability to procure new clean generating resources, the cycle of increasing wildfire risk due to climate change will go unchecked indefinitely. Offering a certificate that indicates utility compliance with an approved plan of action will not only create a more robust and resilient electric system that can help prevent wildfires, but also helps them to be viewed more favorably by financial and insurance institutions. Both outcomes benefit Oregon utility customers and further the public interest.

### **Robust Scrutiny at PUC Essential to Certificate Success, Builds on Existing Wildfire Planning and Mitigation**

The role of the PUC in this process is an important one, and complements its existing work in scrutinizing utility planning and regulation. The role of the PUC is clearly stated in HB 3666 and the success of this program will require a fully staffed and resourced PUC.

HB 3666-1 builds on existing wildfire requirements and regulations already in place at the PUC. While it leverages existing programs, the bill also allows for augmentation, if needed. Importantly, the 12 month validity and cycle proposed by the certificate will offer a reasonable and appropriate rhythm that can reflect annual conditions. Again, to take the most advantage of this structure, the PUC will need to be sufficiently staffed and resourced to ensure scrutiny of plans and accountability of utilities.

### **Managing Wildfire Liability Essential for Future Resource Planning and Procurement**

We acknowledge that managing the risks associated with wildfire is complex and electric utilities are only one facet of the solution. Equally, managing the financial liability aspect of wildfire mitigation is just one element of electric utilities' necessary action and should not be the sole focus of the safety certificate process. Additionally, while the certificate process will offer Oregonians assurances that utilities are taking preventative actions, it also provides utilities with a tool which could provide assurances to financial and insurance institutions. This benefit should not be under-estimated for continued electricity delivery and enabling continued necessary procurement of energy resources to meet the rising electricity demand of the state to support economic development.

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<sup>1</sup><https://www.spglobal.com/ratings/en/research/articles/241106-wildfire-exposed-u-s-investor-owned-utilities-face-increasing-credit-risks-without-comprehensive-solutions-13297812>

In other words, we expect that this certificate process should make wildfire risks and liability less of a hurdle for utility planning and procurement through (1) the preventative measures to reduce the occurrence of utility-caused wildfires, and (2) offer some assurances on the financial side that could open up more favorable financial terms to continue procurement and implementation of utility plans. The PUC will be essential in this area to ensure that utilities are both managing the risk of wildfire and implementing prudent resource plans that meet clean energy mandates and policies of the state.

Utilities are facing very real and existential challenges with wildfire. Offering pathways that can help utilities manage the liability is in the public interest in order to keep the utilities solvent and financially healthy - this should allow for continued reliable electricity service and continued progress on decarbonization. However, utilities should not receive full waivers of liability, simply shifting the weight of liability to others. HB 3666 with the -1 amendment appears to offer a balanced approach of providing both scrutiny and accountability for utility wildfire prevention and a tool to support a utility's continued financial health and implementation of resource plans. **RNW supports HB 3666 with the -1 amendment** as part of the state's approach to managing wildfire and its associated risks.

We appreciate the opportunity to share these views.

Diane Brandt  
Policy and Legislative Affairs Director  
**Renewable Northwest**