

## ASSEMBLY THIRD READING

AB 2700 (Gallagher)

As Amended May 18, 2026

Majority vote

**SUMMARY**

Mandates the California Public Utilities Commission (CPUC) to generate a report to make recommendations to address restitution shortfalls for victims of wildfires caused by electrical corporations occurring before July 12, 2019.

**Major Provisions**

Specifically, *this bill*: Directs the CPUC to generate a report assessing the verified restitution shortfalls for victims of electrical-corporation-caused wildfires occurring before July 12, 2019, and recommend mechanisms for electrical corporations to address those shortfalls without rate recovery.

**COMMENTS**

*Significance of July 12, 2019* – On July 12, 2019, Governor Newsom signed AB 1054, which established the California Wildfire Fund. A “covered wildfire” under that law is only one ignited on or after July 12, 2019. This means that while electrical corporations are still liable for damages caused by wildfires caused by their equipment prior to July 12, 2019, they cannot access the Wildfire Fund to pay those liabilities. The fires at issue primarily include the 2015 Butte Fire, 2017 North Bay Fires (including the Tubbs Fire), 2017 Thomas Fire, and 2018 Camp Fire. For victims of the 2015 Butte Fire, 2017 North Bay Fires, and 2018 Camp Fire, the primary restitution mechanism is the PG&E Fire Victim Trust (Trust), established as a condition of PG&E's bankruptcy reorganization. PG&E funded the Trust with \$5.4 billion in cash and 22.19% of stock in the reorganized PG&E. Tying compensation to PG&E stock value proved problematic for victims. As of October 2024, the pro rata payment percentage stood at 70%, with no mechanism to recover the remaining 30%. The stock held in the Trust is fully liquidated, with the final distribution expected this spring or summer following resolution on a settlement agreement with a utility vegetation management contractor.

**According to the Author**

"AB 2700 directs the Public Utilities Commission to assess verified restitution shortfalls for victims of utility-caused wildfires that occurred prior to July 12, 2019, and recommend mechanisms for electrical corporations to fully and fairly compensate those victims in a timely manner, without shifting those costs to ratepayers. This bill delivers long-overdue justice for wildfire survivors."

**Arguments in Support**

Utility wildfire survivors are supportive of the directive to the Commission to recommend mechanisms for utilities to fully and fairly compensate victims in a timely manner, without shifting those costs to ratepayers.

**Arguments in Opposition**

None on file

**FISCAL COMMENTS**

According to the Assembly Appropriations Committee: One-time costs to the CPUC of an unknown, but likely significant amount, likely in the range of hundreds of thousands of dollars (Public Utilities Commission Utilities Reimbursement Account) to assess verified restitution shortfalls for victims of wildfires caused by electrical corporations (also known as investor-owned utilities (IOUs)) occurring before July 12, 2019, and to recommend mechanisms for electrical IOUs to address those shortfalls to ensure victims are fully and fairly compensated in a timely manner while supporting long-term rate stability.

**VOTES****ASM UTILITIES AND ENERGY: 17-0-1**

**YES:** Petrie-Norris, Patterson, Boerner, Calderon, Davies, Mark González, Harabedian, Hart, Irwin, Kalra, Papan, Rogers, Schiavo, Schultz, Ta, Wallis, Zbur

**ABS, ABST OR NV:** Chen

**ASM APPROPRIATIONS: 15-0-0**

**YES:** Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

**UPDATED**

VERSION: May 18, 2026

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