SENATE COMMITTEE ON ENERGY, UTILITIES AND COMMUNICATIONS
Senator Benjamin Allen, Chair
2025 - 2026 Regular

Bill No:	AB 2700	**Hearing Date:**	6/30/2026
Author:	Patterson		
Version:	6/24/2026 Amended		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Nidia Bautista		

SUBJECT: Electrical corporations: wildfire victim restitution shortfalls: report

DIGEST: This bill requires the CPUC on or before January 1, 2028, to generate a report assessing the verified restitution shortfalls for victims of wildfires caused by electrical corporations occurring before July 12, 2019.

ANALYSIS:

Existing law:

1) Establishes and vests the California Public Utilities Commission (CPUC) with regulatory authority over public utilities, including electrical corporations. (Article 12 of the California Constitution)

2) Establishes the Wildfire Fund, which is not a fund in the State Treasury, administered by the Wildfire Fund Administrator, pursuant to Section 8899.72 of the Government Code, subject to the direction of the California Catastrophe Response Council, pursuant to Section 8899.70 of the Government Code, to provide funds to participating electrical corporations to satisfy eligible claims arising from a covered wildfire. (Public Utilities Code §3284)

3) Requires the Wildfire Fund to be capitalized from initial and annual contributions from shareholders of the large electrical corporations and nonbypassable charges assessed on customers of the large electrical corporations, which combined would provide approximately $21 billion in total capitalization. (Public Utilities Code §§3285, 3289)

4) Establishes the Wildfire Fund Continuation Account to provide funds to participating electrical corporations to satisfy eligible claims arising from a covered wildfire ignited on or after September 19, 2025. Requires the Wildfire Fund Continuation Account to be capitalized from annual and any additional contributions from shareholders of the large electrical corporations and an extension of the nonbypassable charges assessed on customers of the large

electrical corporations, which combined would provide approximately $18 billion in total capitalization. (Public Utilities Code §3298 *et seq*.)

5) Requires the Wildfire Fund Administrator, in consultation with the CPUC and other entities, to prepare and submit to the Legislature and the Governor a report that evaluates and sets forth recommendations on new models or approaches that mitigate damage, accelerate recovery, and responsibly and equitable allocate burdens from natural catastrophes, including catastrophic wildfires, across stakeholders, as provided. (Public Utilities Code §719)

This bill:

1) Requires the CPUC on or before January 1, 2028, to generate a report assessing the verified restitution shortfalls for victims of wildfires caused by electrical corporations occurring before July 12, 2019.

2) Requires the CPUC to recommend mechanisms for electrical corporations to address those shortfalls to ensure victims are fully and fairly compensated in a timely manner while supporting long-term rate stability.

3) Prohibits recommendations that include any measures that authorize rate recovery for restitution payments.

Background

Wildfires before July 12, 2019. The Wildfire Fund was established by AB 1054 (Holden, Chapter 79, Statutes of 2019) to help pay eligible claims from fires ignited by electrical corporation infrastructure whose costs fall above $1 billion in the aggregate within a calendar year (or over the amount of the utility's required insurance coverage). The legislation was enacted on July 12, 2019, to help address liabilities from wildfires ignited by electric utility infrastructure. The legislation provides that "covered wildfire" for which a participating electrical corporation can tap into the Wildfire Fund is a wildfire ignited by its infrastructure on or after July 12, 2019. As such, previous fires ignited by electrical corporation infrastructure were not covered wildfires for purposes of the Wildfire Fund and those liabilities would be handled with the electrical corporation as had been the practice up until the creation of the Wildfire Fund. In this regard, wildfires before AB 1054 was signed into law include: the 2015 Butte Fire (PG&E), 2017 North Bay Fires (PG&E), 2017 Thomas Fires (SCE), and 2018 Camp Fire (PG&E).

PG&E Federal Bankruptcy Court Settlement. 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, established as a condition of PG&E's bankruptcy reorganization. PG&E funded the Fire Victim Trust with $5.4 billion in cash and 22.19% of stock in the reorganized PG&E company. 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.[1] As of the last reporting, the Trust has paid out $13.71 billion in claims with a total of $19.57 billion in determination for economic and noneconomic claims.[2]

Comments

Need for this bill. The author states:

> Wildfire victims have lost their properties, their homes, and sometimes even their loved ones. Despite these significant losses, wildfire victims have waited years to be paid what they were promised. No amount of compensation can fully redress the pain and heartache victims have suffered but even this meager help has not been provided them. AB 2700 is an important step to ensure that victims of wildfires can receive the compensation they deserve.

This bill requires the CPUC, by January 1, 2028, to generate a report that includes an assessment of verified restitution shortfalls for victims of wildfires caused by electrical corporations that occurred prior to July 12, 2019. The bill also requires the CPUC to recommend mechanisms for electrical corporations to address those shortfalls to ensure victims are fully and fairly compensated in a timely manner. The bill prohibits the CPUC from recommending rate recovery from ratepayers for restitution payments. As the bill moves forward, the author may wish to consider whether the CPUC should consider a time-limited range of wildfires, such as 10 years.

Prior/Related Legislation

SB 254 (Becker, Chapter 119, Statute of 2025) among its provisions, established the Wildfire Fund Continuation Account.

AB 1054 (Holden, Chapter 79, Statutes of 2019) among its provisions, established the Wildfire Fund to help pay eligible claims from fires ignited by electrical corporation infrastructure.

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[1] Letter from Trustee Cathy Yanni, https://www.firevictimtrust.com/ViewPDFDoc.aspx?letter%20from%20the%20trustee%20(12-31-25).pdf, December 31, 2025.
[2] https://www.firevictimtrust.com/ accessed on June 26, 2026.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT:

Mayor Steve Crowder, Town of Paradise
Supervisor Robert Rickman, San Joaquin County District 5
Adler Law Group
After the Fire
California Farm Bureau
County of Butte
Cutter Law
Easton Fire Residents United
Green Power Institute
KastleRock Foundation
Utility Wildfire Survivor Coalition
19 Individuals

OPPOSITION:

None received

ARGUMENTS IN SUPPORT: According to the Utility Wildfire Survivor Coalition:

> Many wildfire survivors from the 2015-2018 PG&E fires continue to suffer from dramatically incomplete compensation, unrepaired homes, vacant lots, unpaid medical liens, financial instability, and years of delayed recovery. Indeed, the suffering of tens of thousands of wildfire survivors are due to the ongoing actions of PG&E to delay and otherwise interfere with victim recovery to advance their own corporate and investor interests. PG&E has not made good on their stated commitments to fully and fairly pay fire victims. Instead, they actively work with their investors and with organizations like "Wildfire Victims First" to undermine victim recovery. If we do not ultimately hold utilities responsible for FULL victim restitution, these same problems will threaten future wildfire survivors. That said, AB 2700 does not predetermine the outcome of the CPUC's work. It simply requires the CPUC to assess verified restitution shortfalls and recommend mechanisms for electrical corporations to address them.

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