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**SENATE COMMITTEE ON ENERGY, UTILITIES AND  
COMMUNICATIONS**  
**Senator Josh Becker, Chair**  
**2025 - 2026 Regular**

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<b>Bill No:</b>	SB 618	<b>Hearing Date:</b>	4/29/2025
<b>Author:</b>	Reyes		
<b>Version:</b>	3/26/2025	Amended	
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Nidia Bautista		

**SUBJECT:** Electricity: deenergization events: reimbursement credit

**DIGEST:** This bill requires specified reimbursement credit every 24-hour period when customers of electrical corporations experience deenergization events.

**ANALYSIS:**

Existing law:

- 1) Establishes the California Public Utilities Commission (CPUC) with regulatory authority over public utilities, including electrical corporations. (Article XII of the California Constitution)
- 2) Establishes the Office of Energy Infrastructure Safety (OEIS) is the successor to, and, effective July 1, 2021, is vested with, all of the duties, powers, and responsibilities of the Wildfire Safety Division within the CPUC established pursuant to Section 326 of the Public Utilities Code, including, but not limited to, the power to compel information and conduct investigations. (Government Code §15475)
- 3) Requires every public utility to furnish and maintain adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public. (Public Utilities Code §451)
- 4) Establishes the policy of the state that each electrical corporation is required to continue operate its electric distribution grid in its service territory and to do so in a safe, reliable, efficient, and cost-effective manner. (Public Utilities Code §399.2(a))
- 5) Authorizes the CPUC to supervise and regulate every public utility in the state and to do all things necessary and convenient in the exercise of such power and jurisdiction. (Public Utilities Code §701)

- 6) Requires an electrical corporation to construct, maintain, and operate its electrical lines and equipment in a manner that will minimize the risk of catastrophic wildfire posed by those electrical lines and equipment. (Public Utilities Code §8386 (a))
- 7) Requires each electrical corporation to annually prepare a wildfire mitigation plan (WMP) and to submit the plan to the Wildfire Safety Division, and, as of July 1, 2021, to the OEIS, for review and approval. (Public Utilities Code §8386 (b))
- 8) Requires a WMP of an electrical corporation to include, among other things, protocols for deenergizing portions of the electrical distribution system that consider the associated impacts on public safety, and protocols related to mitigating the public safety impacts of those protocols, including impacts on critical first responders and on health and communications infrastructure. (Public Utilities Code §§8386 (c)(6))
- 9) Requires a WMP plan of an electrical corporation to also include appropriate and feasible procedures for notifying a customer who may be impacted by the deenergizing of electrical lines and requires these procedures to consider the need to notify, as a priority, critical first responders, health care facilities, and operators of telecommunications infrastructure with premises within the footprint of a potential deenergization event. (Public Utilities Code §8386 (c)(7))

This bill:

- 1) Requires each electrical corporation to automatically provide a reimbursement credit to all customers affected by a deenergization event in an amount equal to \$30 for every 24 hours that a customer experiences a deenergization event.
- 2) Prohibits the reimbursement credit from being funded with ratepayer moneys.
- 3) Requires the WMP by local publicly owned utilities (POUs) to additionally include appropriate and feasible procedures for compensating a customer who may be impacted by the deenergizing of electrical lines.
- 4) Imposes a state-mandated local program by imposing new duties on local electric POUs.

## Background

*California wildfire and electric utility infrastructure.* Electrical equipment, including downed power lines, arcing, and conductor contact with trees and grass, can act as an ignition source. Risks for wildfires also increased with the extended drought and bark beetle infestation that has increased tree mortalities and, as a result, increased the fuel, and risk for wildfires. In recent years, California has experienced a number of catastrophic wildfires, including several ignited by electrical utility infrastructure.

*Deenergizing electric lines.* Generally, electric utilities attempt to maintain power and ensure continued reliability of the flow of electricity. However, catastrophic fires in recent years have demonstrated, the risk of ignition by electric utility infrastructure can pose great damage and loss of life, perhaps greater than the risks of turning off the power to certain electrical circuits. As a safety consideration, electric utilities have the ability and authority to deenergize electric lines in order to prevent harm or threats of harm. However, deenergizing electric lines can result in the loss of electricity to households, businesses, traffic signals, communication systems, water treatment facilities, emergency services and other critical which can also cause harm, as well as, economic impacts to residents and businesses. Therefore, efforts to deenergize electric lines must consider the potential harm of the energized lines causing a wildfire against the safety hazards associated with eliminating electricity to the areas served by the line(s).

*History with power shutoffs.* Utilities have increasingly utilized proactive power shutoffs as a tool to prevent sparking. The practice of proactively deenergizing electric circuits to prevent catastrophic wildfire began by San Diego Gas & Electric (SDG&E) after several electric utility infrastructure-ignited catastrophic fires in 2007. Proactive power shutoffs were one of the many measures SDG&E implemented to reduce the risk of fire ignited by its infrastructure (other measures included installing steel poles and expanding ground and aerial inspections). Although the use of proactive power shutoffs were met with opposition and concerns about its use by communities, ultimately the CPUC acknowledged SDG&E's authority to deenergize lines in order to protect public safety, noting this authority in Public Utilities Code §451 and §399.2. Since then, the practice has also been expanded and adopted by the state's two largest electric utilities – Pacific Gas & Electric (PG&E) and Southern California Edison (SCE), as well as, the smaller investor-owned electric utilities (IOUs) and exploration by POUs.

*Oversight of proactive power shutoffs.* The CPUC adopted protocols for deenergizing electric lines with a focus on who should receive notice and when; who should be responsible for notification; how different customer groups should

be identified; the information that should be included in notifications in advance of and directly preceding a deenergizing event; the methods of communication; and how the IOUs should communicate and coordinate with public safety partners before, during, and after an event. The CPUC is working with the Office of Emergency Services (OES), Cal FIRE, and first-responders to address potential impacts of utility deenergization practices on emergency response activities, including evacuations. The CPUC is also monitoring the development and continuously assessing implementation of deenergization programs by utilities, including performing a review of deenergization events. In adopting the initial protocols, the CPUC commissioners expressed a desire that the power shutoffs would only be used as a “last resort” by the utilities. However, the use of proactive power shutoffs by electric utilities became widespread and increased concerns that the practice is relied upon more frequently than a last resort. In some instances, deenergization events overlap and result in customers experiencing extended days with loss of power.

*Proactive power shutoff protocols.* Over several years, the proactive power shutoff protocols have evolved via CPUC oversight and various CPUC decisions. The protocols include specified requirements related to advance planning with public safety partners and local governments, as well as, specified notifications to customers prior to, during, and after deenergization events. The protocols also require specified actions to address the public safety impacts for critical facilities and access and functional needs populations, among others. The CPUC and Legislature have exercised continued oversight of the utilities’ practices with the goal of minimizing the use of power shutoffs and accelerating wildfire mitigation to reduce risks of the electrical infrastructure igniting fires. However, proactive power shutoffs continue to be a tool in the electric utility’s toolbox to mitigate wildfire ignition risks. Currently, CPUC notifications require specified timing of notifications to customers and an extended (and continually evolving) list of public safety partners and critical facilities, including emergency services, government facilities, medical facilities, energy facilities, drinking water and wastewater treatment facilities, communications facilities, and others. The protocols require electric IOUs to, whenever possible, adhere to minimum notification timelines.

*January 2025 Santa Ana wind events.* This January, with expected severe Santa Ana winds, low-humidity, high vegetation growth from previous wet winters, and dry conditions due to delayed precipitation, Southern California was at high risk for wildfires. Additionally, aerial fire suppression was limited by the extreme winds, which included gusts approaching 100 mph in some areas. Both SCE and SDG&E executed proactive power shutoffs in their service territory as a public safety measure. In the case of SCE, the proactive power shutoffs resulted in extended outages throughout their service territory impacting upwards of 500,000

plus customer accounts (affecting many times more individuals) between January 2 through January 27, including two separate (and, in some cases overlapping) events. These deenergization events coincided with several wildfires in the area, including two large catastrophic fires, the Palisades Fire and the Eaton Fire (fire investigations as to the cause of these fires are still in process, ignition cause has not been determined).

Based on SCE's post-event reports, the proactive power shutoffs were the largest number of affected customers since the tool had been deployed and likely the largest in duration. These events resulted in many frustrations for customers and local governments as the utility's execution of the proactive power shutoffs seems to have been greatly challenged by the scale and duration of the events (official CPUC oversight and review of these events is process) with reports that their website crashed, inadequate notifications to customers, inability of some local governments to reach a utility point person, and inaccurate maps displayed at times on their websites. SCE also adjusted their operational thresholds in the midst of the events due to the evolving conditions which resulted in many customers unexpectedly experiencing proactive power shutoff without any advance notification. SCE's post-event reports also indicated nearly 100 incidents of damage on deenergized facilities that, if they had been energized, could have been a significant risk to igniting wildfires.

## **Comments**

### *Author's statement:*

As PSPSs become more frequent and prolonged, it is essential to address the financial and personal burdens placed on those affected. Extended outages can pose life-threatening risks for individuals who rely on electrically powered medical devices. They can result in significant losses for ratepayers, including hundreds of dollars in spoiled food, lost income, and daily disruptions such as school closures, forcing parents to make last-minute childcare arrangements at additional costs.

SB 618 (Reyes) is a crucial step toward offering relief to residents who bear the brunt of these events. The bill would require investor-owned utilities to compensate customers \$30 for every 24 hours of power loss during a PSPS. In addition, the bill tasks public utilities to include provisions for compensating customers in their wildfire mitigation plans. The Legislature needs to balance the safety concerns of these shutoffs with the very real impact they are having with ratepayer's lives.

*Current efforts to provide relief to affected customers.* The CPUC has stated its existing authority to require utilities to provide bill credits directly to customers. Instead, the CPUC has ordered utilities to include the total amount of estimated unrealized volumetric sales and unrealized revenue resulting from public safety power shutoff events in the annual Energy Resource Recovery Account proceedings addressing the years in which the deenergization events occurred to reduce the costs of electric service. As a result, all customers receive lower electric rates, not just the customers that experienced the loss of power. However, the supporters and author contend that customers can lose access to their homes, groceries, potential wages and even their lives if the deenergization occurs during an extreme heat event. They argue that given the cost and impact of deenergization, there should be a way to compensate ratepayers who experience these shutoffs.

*Amendments needed. The author and committee may wish to amend this bill to recast the language to authorize the CPUC to provide reimbursements to affected customers of deenergization events based on the post-event review, where the CPUC has issued penalties and fines. The CPUC shall direct those monies as the source of any reimbursements for affected customers.*

### **Prior/Related Legislation**

SB 254 (Becker) of the current legislative session, includes various proposals to address electric utility bill affordability, including requirements to consider the time required to implement an action and the amount of risk reduced when electric utilities implement wildfire mitigation strategies. The bill is pending in this committee.

SB 256 (Perez) of the current legislative session, includes various provisions related to addressing wildfire mitigation by electrical corporations. The bill is pending in this committee.

SB 292 (Cervantes) of the current legislative session, includes specified reporting by electric utilities of deenergization events and annual reliability reports.

SB 332 (Wahab) of the current legislative session, includes various proposals, including consideration of underground of electrical infrastructure within an electrical corporation's wildfire mitigation plan. The bill is pending in the Senate Appropriations Committee.

SB 559 (Stern) of the current legislative session, requires electrical corporations to provide specified notifications of deenergization events related to mitigating

wildfire ignition risks, and requires specified reporting to, and oversight by, the CPUC. The bill is pending in the Senate Appropriations Committee.

SB 797 (Choi) of the current legislative session, requires the CPUC to establish a working group and develop a report related to wildfire mitigation. The bill is pending in this committee.

SB 1003 (Dodd) of 2024, would have modified timelines relevant to the wildfire mitigation plans by electrical corporations and requires the electrical corporations to take into account both the time required to implement an action and the amount of risk reduced for the costs and risk remaining. The bill was held on the Assembly Floor.

SB 884 (McGuire, Chapter 819, Statutes of 2022) required the CPUC to establish an expedited electric utility distribution infrastructure undergrounding program for large electrical corporations.

SB 533 (Stern, Chapter 244, Statutes of 2021) required electrical corporations to identify circuits that have frequently been deenergized to mitigate the risk of wildfire and the measures taken to reduce the need for future deenergization of those circuits, as specified.

AB 1054 (Holden, Chapter 79, Statutes of 2019) included numerous provisions related to addressing wildfires caused by electric utility infrastructure, including: bolstering safety oversight and processes, recasting recovery of costs from damages to third-parties, including the authorization for an electrical corporation and ratepayer jointly funded Wildfire Fund to address future damages.

SB 167 (Dodd, Chapter 403, Statutes of 2019) required electrical corporations to include impacts on customers enrolled in specified programs as part of the protocols for deenergizing portions of their distribution system within their WMP.

SB 901 (Dodd, Chapter 626, Statutes of 2018) addressed numerous issues concerning wildfire prevention, response and recovery, including funding for mutual aid, fuel reduction and forestry policies, WMP by electric utilities, and cost recovery by electric corporations of wildfire-related damages.

SB 1028 (Hill, Chapter 598, Statutes of 2016) required electric CPUC-regulated utilities to file annual WMPs and requires the CPUC to review and comment on those plans.

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

**SUPPORT:**

Reclaim Our Power: Utility Justice Campaign

**OPPOSITION:**

Pacific Gas and Electric Company  
San Diego Gas and Electric Company

**ARGUMENTS IN SUPPORT:** Reclaim our Power states:

As extreme weather events become more frequent and intense, Public Safety Power Shutoffs (PSPSs), also referred to as de-energization events, are increasingly being used as a fire preventative measure by utilities due to their aging infrastructure and decades-long deferred grid maintenance. If the utilities prioritized maintaining their infrastructure, ensuring their equipment is safe to operate, they wouldn't need to rely on these shutoffs to reduce danger. Instead, their deferred maintenance comes at a significant cost to ratepayers—many of whom lose perishable goods, income, and in some cases, access to vital medical equipment or essential services. These shutoffs are impacting large amounts of people all throughout California. ...Earlier this year, over 400,000 Southern California Edison customers experienced outages lasting as long as eleven days. These disruptions are not just inconvenient—they come with significant consequences, including hundreds of dollars in lost food and income for residents.

**ARGUMENTS IN OPPOSITION:** PG&E and SDG&E state:

The bill [SB 618] duplicates existing law, conflicts with established regulatory authority, undermines the discretion utilities must exercise to protect public safety, and introduces significant unintended consequences for the state's wildfire risk mitigation strategy. We urge the Legislature to continue supporting the comprehensive CPUC regulatory framework, which is already functioning effectively to balance customer needs, safety imperatives, and utility accountability.

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