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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair  
2025 - 2026 Regular Session

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### **SB 618 (Reyes) - Electricity: deenergization events: report: compensation**

**Version:** May 1, 2025

**Urgency:** No

**Hearing Date:** May 19, 2025

**Policy Vote:** E., U. & C. 14 - 2

**Mandate:** Yes

**Consultant:** Ashley Ames

**Bill Summary:** This bill would require each electrical corporation to file a post-deenergization event report with the California Public Utilities Commission (CPUC) that includes the cost to a customer of the interruption of electrical service, among other things.

#### **Fiscal Impact:**

- The CPUC estimates ongoing costs of about \$475,000 annually (ratepayer funds) to develop a standardized methodology for calculating the cost to a customer of the interruption of electrical service, and to conduct ongoing adjudicatory proceedings when fines or penalties are assessed following deenergization events as well as the crediting of any authorized fines/penalties back to affected customers through the appropriate CPUC proceeding.
- To the extent that this bill impacts electricity rates, it could result in costs or savings to the state as a an electric utility ratepayer. The State of California is an electricity customer, purchasing roughly one percent of the state's electricity. As such, the state incurs costs when rates increase, and realizes cost savings if rates go down (various funds).

#### **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).

**Proposed Law:** This bill would:

1. Require each electrical corporation to file a post-deenergization event report with the CPUC that includes:
  - a. the duration of the deenergization event,
  - b. the circuits affected,
  - c. the number of customers impacted,
  - d. the cost to a customer of the interruption of electrical service—per affected customer as well as the aggregated cost for all affected customers in the report—and
  - e. any other information required by the CPUC.
2. Require the CPUC, in a new or existing proceeding, to develop a standardized methodology for calculating that above-described cost, as specified.
3. Authorize the CPUC to assess a fine or penalty on an electrical corporation following its review of a deenergization event if the commission determines the electrical corporation violated deenergization protocols, commission rules, laws, or other requirements.
  - a. If the commission assesses a fine or penalty on an electrical corporation, the bill would require the commission to consider the impact of the deenergization event on the electrical corporation's customers and to direct any revenues from the fine or penalty to automatic credits to those customers affected by the deenergization event, as specified.
4. Require a local publicly owned electric utility's wildfire mitigation plan to additionally include appropriate and feasible procedures for compensating a customer who may be impacted by the deenergizing of electrical lines.

**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.

SB 256 (Perez) of the current legislative session, includes various provisions related to addressing wildfire mitigation by electrical corporations.

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.

SB 559 (Stern) of the current legislative session, would require 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.

SB 797 (Choi) of the current legislative session, would require the CPUC to establish a working group and develop a report related to wildfire mitigation.

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.

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