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

Bill No:	SB 256	**Hearing Date:**	4/29/2025
Author:	Pérez		
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Urgency:	No	**Fiscal:**	Yes
Consultant:	Nidia Bautista		

SUBJECT: Electricity: electrical infrastructure: wildfire mitigation: undergrounding: emergency operations

DIGEST: This bill includes various provisions related to wildfire mitigation by electrical corporations, including notifications regarding deenergizations and the conversion of overhead electrical distribution utility infrastructure to underground.

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))

10) Requires the WMP of electrical corporations to identify circuits that have frequently been deenergized pursuant to a deenergization event to mitigate the risk of wildfire and the measures taken, or planned to be taken, by the electrical corporation to reduce the need for, and impact of, future deenergization of those circuits. (Public Utilities Code §8386 (c)(8))

11) Requires the CPUC to establish an expedited utility distribution undergrounding program. Requires, to participate in the program, large electrical corporations to submit to the OEIS a distribution infrastructure undergrounding plan meeting certain requirements. Requires the OEIS upon the submission of the plan, to publish the plan for public comment. (Public Utilities Code §8388.5)

This bill:

1) Requires electrical corporations, electrical cooperatives, and local electric publicly owned utilities (POUs) to include consideration of low-risk areas for the description in the WMP of the preventive strategies and programs to minimize the risk of its electrical lines and equipment causing catastrophic wildfires.

2) Requires a WMP to include an identification of any lapses in communication coordination during recent past emergency response events with local governments, as specified, and a description of any opportunities to collaborate with local governments, and other steps that can be taken to establish more efficient communication coordination during future emergency responses, as provided.

3) Requires electrical corporations, electrical cooperatives, and local electric POUs to conduct annual wildfire preparedness workshops in collaboration with and open to any local fire departments in their service areas to provide updates on the latest adopted WMPs, discuss any lapses in, and opportunities to increase efficiency of, communication coordination during emergency responses, and gather input for inclusion in the development of the next annual submission of their WMPs, as provided.

4) Requires the CPUC to require all electrical corporations to participate in the program expedited undergrounding program, as specified.

5) Requires the CPUC to coordinate with the OEIS to make participation in the program a requirement for obtaining the safety certification.

6) Requires the CPUC to adopt a decision on the financing of infrastructure projects conducted pursuant to the program that implements a revised return on equity structure for electrical corporations that caps the maximum allowable return on capital investment at a set percentage for undergrounding and that may include either securitization for specific projects, as specified, or public-private partnerships or public ownership models. Requires the CPUC to ensure that this decision leads to reduced long-term expenses for customers.

7) Requires all electrical corporations and local electric POUs that have service areas that overlap with the boundaries of a state regional emergency operations center, in cooperation with Office of Emergency Services (OES), and other emergency service agencies, to establish procedures for the coordination of

efforts between electrical corporations and local electric POUs and their representatives and those of emergency response agencies.

8) Requires these electrical corporations and local electric POUs to assign a representative to work within each state regional operations center that has boundaries that overlap with the electrical corporation's or local electric POU's service area.

9) Requires the representative to complete the appropriate Standardized Emergency Management System training. Requires the CPUC to update the deenergization guidelines adopted to require each electrical corporation and local electric POU to establish a means for notifying customers and noncustomers located in an area subject to a public safety power shutoff that is accomplished in partnership with OES through the use of the Emergency Alert System and update to the alert and warning guidelines, as specified.

10) Requires the means of notification to do specified things, including be designed to be an alert that allows customers or noncustomers to opt out of receiving future alerts and include specified things including a procedure that notifies customers and noncustomers of the expected or estimated time of service restoration, as specified.

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).

Wildfire Mitigation Plan. As a result of SB 1028 (Hill, Chapter 598, Statutes of 2016), and further expanded by SB 901 (Dodd, Chapter 626, Statutes of 2018) and AB 1054 (Holden, Chapter 79, Statutes of 2019), electric investor-owned utilities (IOUs) are required to file WMPs with guidance by OEIS (as of 2021). OEIS reviews and determines whether to approve these plans and ensures compliance with guidance and statute. The electric IOUs' WMPs detail, describe and summarize electric IOU responsibilities, actions, and resources to mitigate wildfires. These actions include plans to harden their system to prevent wildfire ignitions caused by utility infrastructure, such as widespread electric line replacement with covered conductors designed to lower wildfire ignition, pole replacement, and other actions. The plans also include information regarding the electric IOUs' efforts to conduct extensive vegetation management to reduce the risk of tree branches, grasses, and other vegetation from coming into contact with utility infrastructure. The WMPs also require electric utilities to incorporate their protocols and procedures for proactive power shutoffs as required by CPUC rules.

History with power shutoffs. Utilities have increasingly utilized proactive power shutoffs as a tool to prevent sparking ignitions. 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 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 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 also require electric IOUs to, whenever possible, adhere to minimum notification timelines.

Safety certificate. Under AB 1054 (Holden, 2019), the Executive Director of the CPUC is required to issue a safety certification to electric corporations that meet specific documentation criteria, pursuant to Public Utilities Code §8389. The statute provides for electrical corporations to seek a "safety certification" in order to encourage them to invest in safety and limit wildfire risks. Obtaining the safety certification affects the amount, if any, the electrical corporation must repay the Wildfire Fund for costs and expenses associated with a covered wildfire. Electrical corporations that are found to have acted reasonably by the CPUC do not have to repay the Wildfire Fund.

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 in their service territory 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 in 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 outages 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

Need for this bill. The author contends that the destruction of the Eaton Fire in Altadena underscores the need to expand how wildfire risk is assessed. Their office notes that the area was not officially classified as high risk, an analysis by the Los Angeles Times found that 94% of properties within the fire's perimeter were rated by First Street as having "severe" or "extreme" fire risk, with at least a 1 in 7 chance of experiencing a wildfire over 30 years. They express concerns that since the participation in the voluntary electric utility expedited distribution infrastructure undergrounding program is optional, utilities can receive safety "certification without adopting the most impactful risk-reduction strategies, leaving communities vulnerable despite efforts to improve grid safety."

Need for consistency with existing power shutoff guidelines. This bill includes various provisions to address wildfire risks and mitigation, largely in response to the events in January, including the widespread power shutoffs by SCE and the catastrophic fires (for which the cause has not been determined). As it relates to notifications of deenergization events to customers the current CPUC protocols require specified notifications to customers, public safety partners, and others. However, as noted above, SCE's execution of the events in January seem to not have provided the necessary notifications to many of their customers due to the evolving conditions and inadequate response by the utility. The need to ensure accurate and timely information is critical, as the loss of power can have many impacts on customers and communities. The CPUC is in the process of reviewing SCE's execution of the events and should it find the utility did not execute as required, they may fine and penalize the utility.

Addressing wildfire risks. This bill would require electrical corporations to participate in the voluntary expedited utility undergrounding program created by SB 884 (McGuire, Chapter 819, Statutes of 2022). The costs to underground electrical infrastructure can run into several millions of dollars per mile of electrical circuit. These costs can put further pressure on electric utility bills, even as they may help reduce wildfire risks. Additionally, undergrounding circuits can take several years, which could continue to expose customers to the risks of wildfires and added expense of additional mitigation measures. In this regard, the Legislature may wish to proceed with caution given that affordability of electric utility bills has been expressed as a top concern. Additionally, the provisions in this bill which attempt to address these concerns by limiting the electrical corporation's return on equity, authorizing securitization, and public ownership models, would be limited in providing additional savings, particularly as public ownership models of utility distribution infrastructure would necessitate a much larger consideration and study, beyond the scope of this bill.

Need for amendments. In order to ensure consistency with the existing guidelines and protocols for deenergization events, the author and committee may wish to amend this bill to recast the language related to notifications and related to undergrounding to within the WMP. These amendments would:

- *Require consideration of undergrounding where it is cost-effective for areas rebuilding after a wildfire.*
- *Ensure the language reflects the notifications to public safety partners, instead of noncustomers who would be difficult for the utility to notify.*
- *Ensure references to local publicly owned utilities reflect their WMP framework.*
- *Delete specific references to public ownership models.*

- *Delete the requirements to tie additional specified actions to the safety certificate.*

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 272 (Cervantes) of the current legislative session, includes various proposals related to deenergizaton events. The bill is pending in this committee.

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 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:

None received

OPPOSITION:

North American Wood Pole Council
Pacific Gas and Electric Company
San Diego Gas and Electric Company
Southern California Edison
Treated Wood Council
Western Wood Preservers Institute

ARGUMENTS IN SUPPORT: According to the author:

> SB 256 strengthens California's wildfire and emergency response policies by expanding mitigation planning to include low-risk areas and addressing past communication failures to improve future coordination. It also requires annual preparedness workshops, mandates utilities to collaborate with regional emergency centers, and enhances PSPS notifications. Finally, it also makes participation in the undergrounding program mandatory for utilities seeking safety certification and directs the CPUC to develop a financing plan that reduces long-term costs for customers while limiting utility profits on undergrounding projects.

ARGUMENTS IN OPPOSITION: PG&E, SCE, and SDG&E oppose this bill arguing it would complicate existing wildfire mitigation efforts and create concerns regarding unconstitutional takings, particularly as it proposes to set a cap on the rate of return. They also oppose the bill requiring electrical corporations to participate in the expedited undergrounding program to obtain a safety certificate. Furthermore, they raise concerns about the infeasibility of notifying noncustomers about deenergization events.

The Western Wood Preservers Institute, North American Wood Pole Council, and Treated Wood Council oppose the bill's requirement that all electrical corporations participate in the expected utility distribution infrastructure undergrounding program. They contend there are above ground technological advancements to hardening electrical infrastructure that are more cost-effective solutions that should be considered.

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