Wildfire Conference Committee Outline
August 24, 2018

Key Elements of Conference Report:

UTILITY FIRE PREVENTION AND PLANNING: This element of the conference report will have new requirements for both IOUs and POUs to prepare, adopt and implement comprehensive fire prevention plans. Language and contents of plans will largely track the Governor's proposal that has been public and online for several weeks, and that was reviewed in public hearing two weeks ago. In addition to the CPUC, the IOU plans will be reviewed by CALFIRE and other state experts to ensure plans and measure are leading edge requirements to prevent wildfires. POU plans will be subject to review and implementation by local POU governing bodies.

FORESTRY AND LANDSCAPE MANAGEMENT: This segment of the conference report, along with pending legislation will contain comprehensive streamlining of landscape and forestry management. It will contain small landowner incentives, fuels reduction, and other measures to expedite removal of dead and dying trees and chaparral from moderate, significant, and extreme fire risk areas.

These provisions also will include CEQA streamlining, small landowner exemptions from timber harvesting plan rules, and new requirements for the State Air Resources Board to quantify and publish greenhouse gas emissions from fires. This element also will extend some existing biomass contracts and revise standards that plants must meet in order to give more flexibility on monthly and annual reporting requirements.

These provisions will also require all conservation easements granted by state agencies to include conditions for wildfire, fuels reduction, carbon sequestration, and wildlife habitat protection.

CPUC REASONABLENESS REVIEW: This segment of the conference report will revise and add new provisions to current law directing the CPUC to take into account additional factors such as the nature and severity of the conduct of the IOU, whether it disregarded risk of fires, whether factors outside the control of the IOU were a causal factor in the fire, whether it had a past record of disregard for fire protection, and whether extreme weather events contributed to the fires.

IOU RATEPAYER PROTECTION BONDS: This segment of the conference report will allow the CPUC to authorize an IOU to "finance" those costs that are put into utility rates where they are the result of a catastrophic fire. Financing these costs with appropriate parameters is a mechanism for the CPUC to approve a dedicated rate component, to allow an IOU to sell revenue bonds to help pay off that debt, and to manage and even out costs to ratepayers to avoid rate spikes and excessive utility bills.

MUTUAL AID: This segment of the conference report will expand the purposes of the 2018 Budget Act appropriation for mutual aid so that it can be used more expansively to

pre-position firefighters and equipment, working with local responders, to interdict fires early to prevent more severe damages.

IOU EXECUTIVE COMPENSATION: This element of the conference report will prohibit any expenditure of utility ratepayer funds to pay for IOU executive compensation or perks.

JOBS AND WORKER PROTECTIONS: This element of the conference report will contain job protections for public firefighters and will protect IOU workers in the unlikely event of an IOU insolvency.

SIGNIFICANT INVESTMENT FOR FORESTRY, FIRE, AND CARBON REDUCTION ACTIVITIES: This segment of the conference report will extend current one time budget year funding from the Greenhouse Gas Reduction Fund over multiple years to ensure consistent and sustained investment in forest management, healthy forests, and the Administration's forest carbon reduction plan.

BLUE RIBBON COMMISSION: This element of the conference report will establish a Blue Ribbon Commission to examine and make recommendations to the Legislature and Governor on more effective ways to socialize the costs of damages from wildfires and whether to set up a fund to assist in the payment of costs.. The commission would report back in 2019 with its recommendations.