August 11, 2026

The Honorable Monique Limón
President pro Tempore, California State Senate

The Honorable Robert Rivas
Speaker, California State Assembly

RE: Oppose Any Proposal to Shift Liability for Utility-Caused Wildfires from Utilities and Their Shareholders to Policyholders, Taxpayers, Local Governments, and Fire Victims

Dear President pro Tempore Limón, Speaker Rivas, and Members of the California Legislature:

On behalf of the undersigned organizations representing local governments, wildfire survivors, insurers, and community stakeholders across California, **we write to strongly oppose any proposal that would reduce or eliminate the liability of investor-owned utilities for damage caused by utility-ignited wildfires.**

California has experienced some of the most destructive and deadly wildfires in global history as a result of utility equipment failures – in fact, 7 of the 20 mostly costly wildfires globally have occurred here and were caused by utility equipment. Existing liability standards ensure that utilities and their shareholders remain accountable when their infrastructure causes catastrophic harm. Any effort to weaken those standards would shift billions of dollars in costs away from utility shareholders and onto insurance policyholders, cities, counties, taxpayers, and wildfire victims.

Under California law, when utility equipment causes a wildfire that destroys homes, businesses, public infrastructure, and local government assets, the at-fault utility bears financial responsibility for those losses. The Legislature is now being asked to consider proposals that would instead transfer those costs to homeowners' insurers, local governments, state taxpayers, and the very communities devastated by these disasters. Californians would not avoid the costs of utility-caused wildfires; they would simply receive the bill in a different form through higher insurance costs, higher taxes, diminished public services, or reduced compensation for wildfire losses.

It would also undermine one of California's most important incentives for utility safety. Strong liability standards encourage utilities to invest in system hardening, vegetation management, grid modernization, and prudent operational practices. **Weakening accountability sends exactly the wrong signal by reducing the financial consequences when utility equipment causes catastrophic destruction.**

Local governments would be among the most severely affected by a liability shift. Counties, cities, and special districts are responsible for rebuilding critical infrastructure after disasters, including roads, bridges, water systems, sewer systems, emergency facilities, and other public assets. If utilities are no longer fully responsible for damage caused by their equipment, local governments could be left without a viable funding source to rebuild essential infrastructure. The result would be delayed recovery, increased costs for taxpayers, and prolonged hardship for affected communities. The inability to recover these costs also threatens public safety services, local budgets, and economic recovery efforts.

Wildfire survivors should not be asked to subsidize utility shareholders. Families who have lost loved ones, homes, businesses, and livelihoods because of utility-caused fires deserve full compensation and a clear path toward recovery. Likewise, insurance policyholders should not be forced to absorb these losses through increased premiums in order to protect utility profits.

Californians are already struggling with significant affordability challenges. Any policy that transfers utility-caused wildfire costs onto Californians and off shareholders would further strain household budgets without addressing the underlying causes of wildfire risk.

California should instead focus on solutions that meaningfully reduce wildfire risk and enhance community resilience. This coalition believes that the state should strengthen statewide coordination for wildfire mitigation, improve risk assessment tools and data infrastructure, support community-level mitigation efforts, increase incentives for home hardening and defensible space, accelerate hazardous fuels reduction projects, and reinforce the link between risk reduction and insurance availability and affordability. These constructive reforms, many of which are already recommended in the SB 254 report, would improve public safety without relieving utilities of responsibility for the consequences of their actions.

Accordingly, we respectfully urge you to:

1. Reject any proposal that shifts utility-caused wildfire liability onto insurance policyholders, driving higher insurance costs and threatening the availability of coverage for consumers.
2. Protect wildfire survivors' rights to full compensation and recovery.
3. Protect cities, counties, special districts, and taxpayers from being forced to absorb the costs of utility-caused disasters.
4. Prioritize investments in wildfire prevention, mitigation, resilience, and community safety rather than corporate bailouts.
5. Advance policies that hold utilities accountable for maintaining safe systems and reducing wildfire risk.

California's wildfire challenges require meaningful prevention and mitigation efforts, not a transfer of liability from the parties responsible for causing catastrophic fires onto the backs of the communities that suffer their consequences. Utility shareholders should not be insulated from the financial risks associated with utility-caused wildfires while California families, businesses, local governments, and wildfire victims are left to bear the burden.

We respectfully urge you to oppose any proposal that shifts liability for utility-caused wildfires away from investor-owned utilities and their shareholders.

Sincerely,

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California State Association of California -- Jordan Wells, jwells@counties.org

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Consumer Watchdog -- Carmen Balber, carmen@consumerwatchdog.org and Jamie Court jamie@consumerwatchdog.org

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