

Support SB 254:

Strengthen California Wildfire Fund & Address Electricity Affordability

Senate Bill 254 will address two critical priorities:

- 1) **Strengthen the State Wildfire Fund** to ensure there are adequate resources to help families and communities recover and rebuild in the event of future wildfires.
- 2) **Address electricity affordability** to reduce costs for customers.

Strengthening the Wildfire Fund to Help Victims and Communities

- **Background:** The California Wildfire Fund (Fund) was established in 2019 to ensure resources are available to help families and communities recover and rebuild quickly in the event of a wildfire where utility equipment is involved. January's Southern California wildfires and the threat of even more intense and costly future wildfires have raised concerns about whether the Fund is sufficient. Without action, communities impacted by future wildfires could have limited resources to recover and rebuild.
- **SB 254 will continue the Fund**, so additional resources are available for families and communities in the future.
 - Utilities have committed **\$9 billion** in new shareholder contributions to strengthen the Fund, on top of **\$10.5 billion** utility shareholders have already contributed under Assembly Bill 1054 (2019).
 - In addition, SB 254 will extend a modest customer contribution of \$2.50/month beyond 2035. Importantly, electricity **consumers will not pay more** monthly than they pay today.
 - Furthermore, utilities will continue to be held accountable for implementing aggressive wildfire **mitigation plans to reduce wildfire risk** from their equipment.

Address Electricity Affordability

- **Background:** Electricity costs are rising due to growing energy demand and the need to invest in significant wildfire mitigation and prevention. Furthermore, the risk of these liabilities has driven down utility credit ratings, which in turn increase electricity costs for customers by billions of dollars for vital investments in the electric system.
- **SB 254 addresses affordability.**
 - The state's IOUs have committed to **\$6 billion** in wildfire prevention investments — including undergrounding power lines — without earning a rate of return. This will **save electricity customers money**.
 - By creating a mechanism to address future wildfire liabilities and reduce risk, SB 254 will help prevent downward pressure on utility credit ratings, enabling access to lower-cost financing to make critical infrastructure investments for customers.

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Strengthen the Wildfire Fund. Address Electricity Affordability.