



November 3, 2025

California Earthquake Authority
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Submitted Electronically

Re: American Clean Power – California Recommendations in Support of Study on New Models and Approaches to Complement or Replace the Wildfire Fund

American Clean Power – California (“ACP-California”) appreciates this opportunity to provide the following recommendations pertaining to the California Earthquake Authority’s study that will evaluate and set forth recommendations on new models or approaches to complement or replace the Wildfire Fund, as mandated by Senate Bill (“SB”) 254.

Author Information

As required by the instructions on page 3 of the request for stakeholder contributions, here is the requisite information about the authors:

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Background on ACP-California

The American Clean Power Association (“ACP”) is the voice of companies from across the clean power sector that are providing cost-effective solutions to the climate crisis while creating jobs, spurring massive investment in the American economy, and driving high-tech innovation across the United States. ACP’s mission is to transform the U.S. power grid to a low-cost, reliable, and renewable power system. ACP-California is a state project of ACP, representing companies who develop, own and operate utility-scale solar, storage, land-based

wind, offshore wind, geothermal and transmission assets to power a clean and renewable economy for California and the West.

Summary of Recommendations

ACP-California's members have a vested interest in ensuring that the utilities remain financially solvent. The utilities play an integral role in ensuring that new carbon-free energy projects are available to the grid. The utilities buy power from independent power producers and are also responsible for the maintenance and development of electric transmission needed to transmit power to where it is used. All of this requires creditworthy counterparties, and the state will not be able to meet its clean energy or reliability goals if the utilities continually face major financial risks due to wildfires. The wildfire fund should be structured and administered in a way that provides certainty. The utilities should be able to continue to rely on the fund for the foreseeable future without having to resort to the uncertainties of the legislative process, following catastrophic events. Doing so would better ensure that the utilities remain financially viable and are poised to make long-term investments in California's climate mitigation strategies.

There is also a need to find a more equitable way to socialize the risks and costs of wildfires sparked by utility equipment, even when prudently maintained and managed. California ratepayers spend enormous sums of money in the form of electricity rates to prevent ignitions of wildfires. This is largely due to California's legal standard of "inverse condemnation," which creates strict liability for damages even when the California Public Utilities Commission finds a utility has acted prudently. However, California invests far less in fire resilience for homes and community hardening. These measures would be much more cost-effective in limiting damages due to wildfires than expensive proposals such as undergrounding transmission lines and continuing to have utilities bear financial burdens of inverse condemnation. Continuing to finance wildfire mitigation costs on the backs of utility shareholders and ratepayers is the leading cause of rate increases that now threaten to derail California's climate mitigation agenda. The SB 254 Report should acknowledge this unfortunate trend and detail strategies to remedy it.

ACP-California appreciates the opportunity to provide these recommendations.