

Welcome

The SB 254 (2025) Natural Catastrophe Resiliency Study webinar will begin shortly

Senate Bill 254 (2025) Natural Catastrophe Resiliency Study

Informational Webinar #3

Friday, March 6, 2026:

12:00 - 1:00 p.m. (Pacific Time)

POLL

Question: How involved have you been in the SB 254 (2025) study process so far?

Select one of the following:

- a) This is my first connection with the study.
- b) I have been engaged throughout the process.
- c) I'm somewhere in between.

Stakeholder Engagement Feedback Survey



Agenda

Welcome and Webinar Overview

1. Framing the Study Focus
2. Highlights of the SB 254 Study Process
3. Current State and Key Problems to be Solved
4. Cost of Doing Nothing
5. Q&A
6. Closing and Next Steps

Part 1

Framing the Study Focus

- **People and communities**
- **Systems we use to socialize costs before and after disasters**
- **Actionable, viable and durable solutions that meet the study goals set by the Legislature**



Senate Bill (SB) 254 Rationale for the Study: *“To address the emerging climate-fueled economic crisis, California must evaluate new models to equitably socialize risk that balance the state’s goals...”*

Provide Californians with safe, affordable, and reliable energy

Maintain progress toward climate goals

Mitigate the incidence of and harm from wildfires and other disasters

Stabilize insurance markets to protect both access and affordability

Provide swift and fair compensation to those harmed



Framing around Systems – Electric Utilities, Property Insurance, Risk Reduction, and Financing Catastrophe Recovery

Before Disaster

- Policyholders purchase insurance.
- Insurers buy reinsurance.
- Ratepayers contribute to utility wildfire insurance and mitigation.
- Government and property owners invest in community risk reduction, vegetation management and “home hardening.”

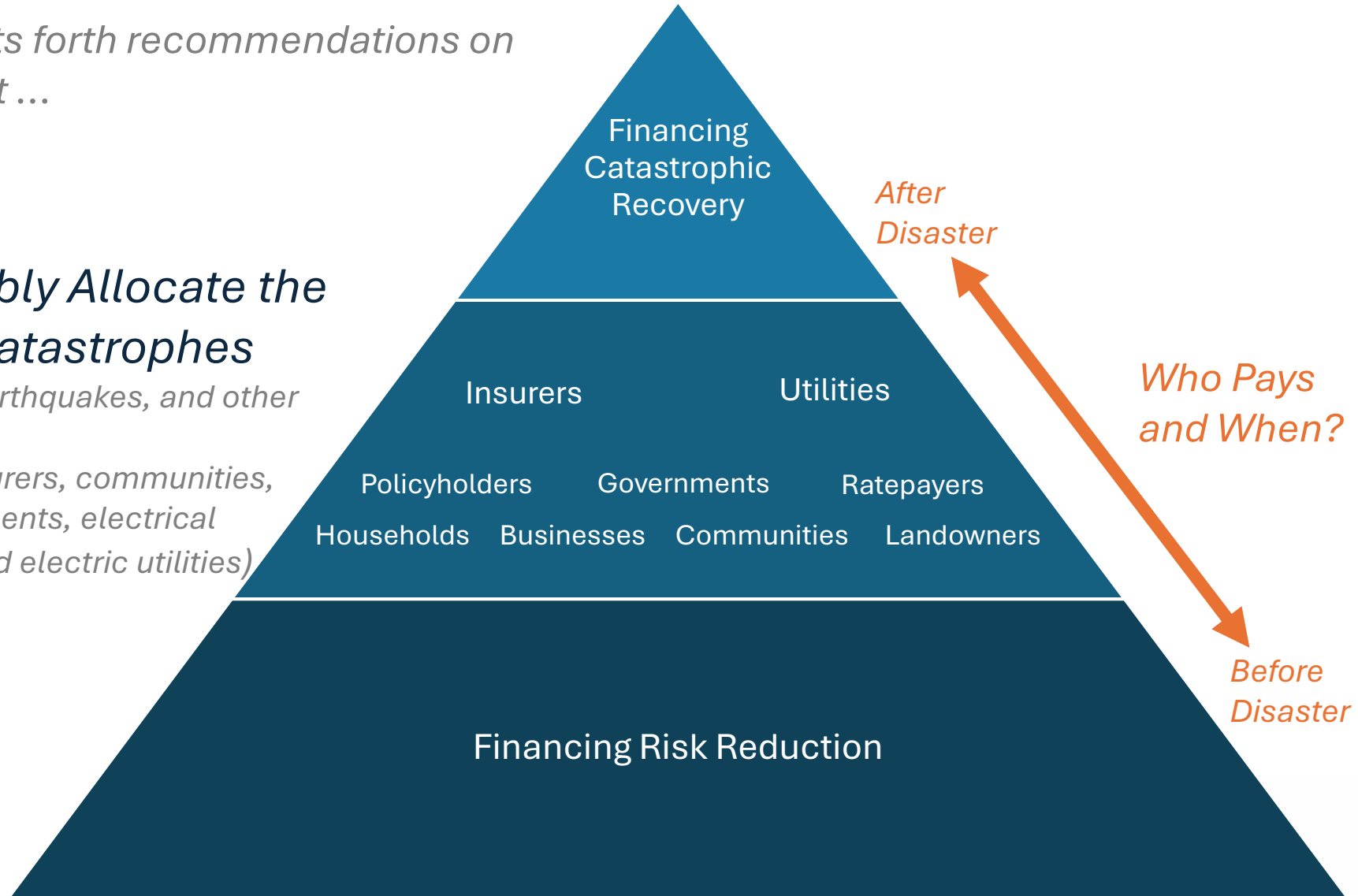
After Disaster

- Insurers pay claims to survivors, file claims with reinsurers, and seek subrogation from utilities that caused a wildfire.
- Utility shareholders’ and ratepayers’ 50/50 contributions pay for utility-caused wildfire claims made by survivors, insurers, impacted governments, and other injured parties.
- Government, banks/lenders, philanthropy, and property owners provide additional funds for recovery and rebuilding.



“A report that evaluates and sets forth recommendations on new models or approaches that ...

- **Accelerate Recovery**
- **Responsibly and Equitably Allocate the Burdens from Natural Catastrophes**
(Including catastrophic wildfires, earthquakes, and other natural disasters)
(across stakeholders, including insurers, communities, homeowners, landowners, governments, electrical corporations, & local publicly owned electric utilities)
- **Mitigate Damage**



... to complement or replace the Wildfire Fund.”

Accelerate Recovery

- Money isn't the only means of facilitating disaster recovery — social capital and “whole community” approaches to coordination and action also matter.
- Insurance is a crucial system for providing billions in recovery dollars to those harmed.

Responsibly and Equitably Allocate the Risk Burdens

- No single system or constituency can absorb the full cost of catastrophes.
- Stable utility companies and insurance markets are essential to a healthy economy.
- Recovery must reach all survivors, not just those with robust insurance coverage or more resources.

Mitigate Damage

- With both the frequency and severity of wildfires projected to increase, “mitigation at scale” must be a foundational part of California’s resilience.
- A comprehensive solution requires funding and change at every level from homes, to infrastructure and communities, and to the State.
- Good risk management decisions stem from a common understanding of the risks and the most viable paths forward.

Part 2

Highlights of the SB 254 Study Process

- Stakeholder Engagement
- Options Framing and Analysis
- Developing the Final Study Report



Study Timeline – Entering Report Development and Finalization



October	November - December	January – early February	February – early March	March
<ul style="list-style-type: none"> • Project management and knowledge management infrastructure • Launch open call for submissions • Workstream structuring and staffing 	<ul style="list-style-type: none"> • Workstream initiation • Data gathering, organization and analysis • Dec 10: Webinar 1, Project Overview • Dec 12: Open Call for submissions closed 	<ul style="list-style-type: none"> • Stakeholder engagement and state agency meetings • Workstreams synthesize input from open call, agencies, stakeholder engagement, and workstream research • Consultant team convergence meeting #1 • Jan 30: Governor’s request that all state agency input be provided • Feb 6: Workstream synthesis documents due • Feb 6: Informational Webinar 2, Themes Emerging from the Study 	<ul style="list-style-type: none"> • Workstreams converge focused on modeling, options development and packaging, and writing final report • Consultant team convergence meeting #2: • Mar 6: Workstream final reports • Mar 6: Informational Webinar 3, Study Findings 	<ul style="list-style-type: none"> • Final report development and report delivery, on or before April 1, 2026

Stakeholder Engagement – Open Call for Submissions

- **83 responses from 69 unique organizations/individuals, all available on CWF website**
- Includes all SB 254 mandated stakeholder groups (ratepayer advocates, insurance policyholder advocates, electrical corporations, insurance companies, and claimant attorneys)

Utilities & Energy Sector	Insurance & Financial Sectors	Consumer & Survivor Advocates & Attorneys	Mitigation Technology & Advisory	Local Government	Environmental, Policy & Academic
<ul style="list-style-type: none"> • American Clean Power Network • California Municipal Utilities Association (CMUA) • California Water Association (CWA) and Association of California Water Agencies (ACWA) • California Association of Mutual Water Companies (CalMutuals) JPRIMA • Golden State Power Cooperative • Los Angeles Department of Water and Power (LADWP) • Liberty Utilities (CalPeco Electric) • NextEra Energy Transmission • Paradise Irrigation District (PID) • PG&E • SDG&E/Sempra • Southern California Edison (SCE) 	<ul style="list-style-type: none"> • APCIA-PADIC-RAA • BofA Securities • Coalition for Sustainable Flood Insurance (CSFI) • Insurance Institute for Business & Home Safety (IBHS) • McKinsey & Company • Milliman • PIFC-NAMIC 	<ul style="list-style-type: none"> • Affordable Energy Campaign • C. Brown • Claimant Attorneys of California (CAOC) • Consumer Watchdog • Eaton Fire Residents United • Eaton Fire Survivors Network • K. Girard, PhD • M.J. Lee • M. Szarama • The Utility Reform Network (TURN) • Utility Wildfire Survivor Coalition 	<ul style="list-style-type: none"> • ASTM Task Group • California Conservation Corps Foundation • California Farm Bureau • Filsinger Energy Partners • FireAside • Firescape Inc. • Frontline Wildfire Defense • IND Technology • Mariposa Resource Conservation District • Matador Fire • Megafire Action • ROCKWOOL • Vibrant Planet 	<ul style="list-style-type: none"> • California State Association of Counties (CSAC) • Rural County Representatives of California (RCRC) • League of California Cities (Cal Cities) • Town of Los Gatos 	<ul style="list-style-type: none"> • Allotrope Cellulosic Development Company • Blue Forest • California Alliance for Community Energy • Climate & Community Institute (CCI) • Darwin Fund • Environmental Defense Fund (EDF) • Greenthread and Resilience Investments • Independent Institute • Natural Resources Defense Council • Putting California's Assets to Work • Reclaim Our Power! Utility Justice Campaign • Sierra Business Council (SBC) • Southern California Ignition Reduction Program (SCIRP) • The Nature Conservancy (TNC) • UC Berkeley, Goldman School of Public Policy • UCLA Luskin Center for Innovation

Stakeholder Engagement – Submissions, Interviews, Focus Groups, and other Touchpoints

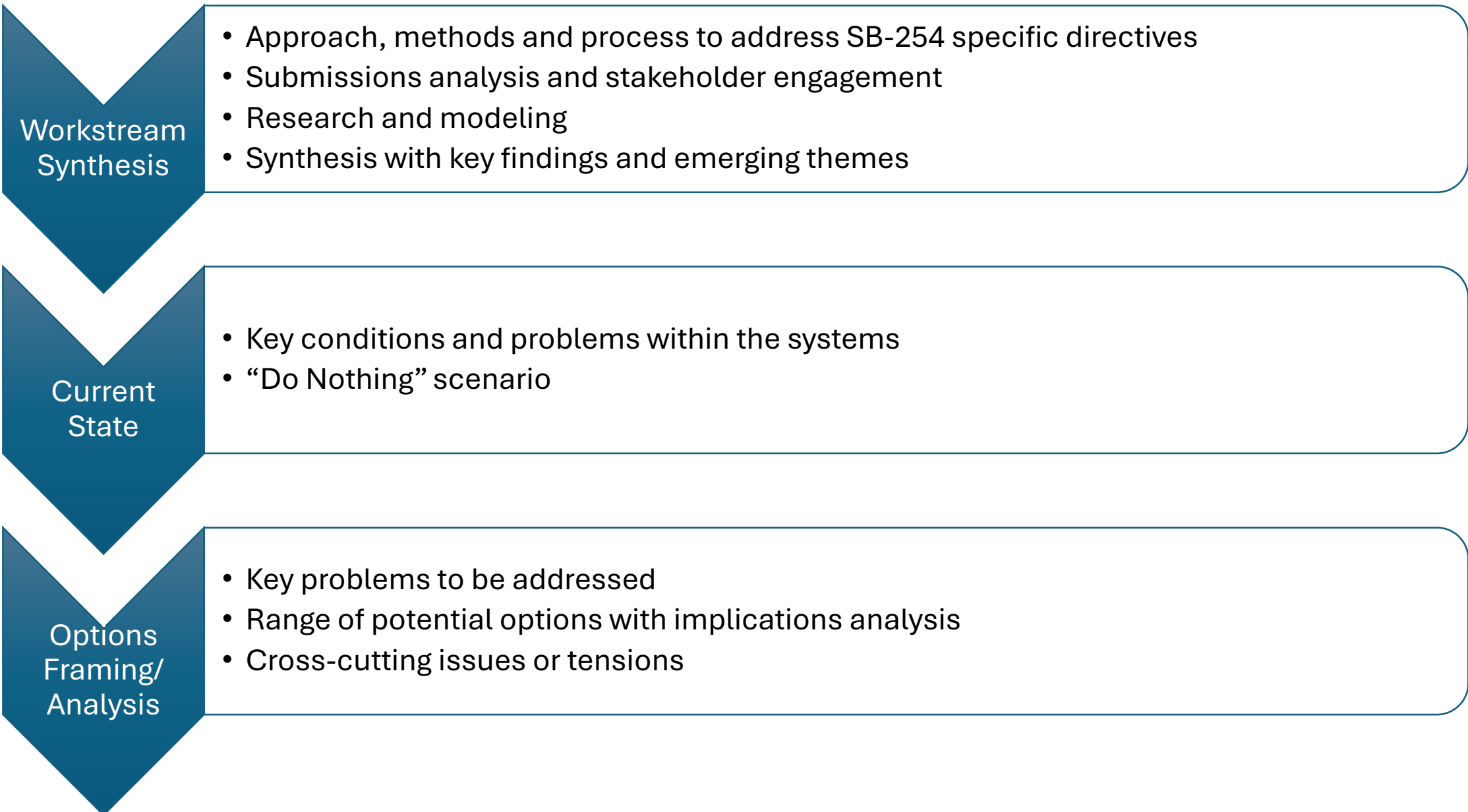
SB 254 Mandated Stakeholder Groups

Engagement Type	Ratepayer Advocates	Insurance Policyholder Advocates	Electrical Corporations	Insurance Companies	Claimant Attorneys
Open Call Submissions	11	8	8	6	1
Workstream Engagements (Meetings, Focus Groups, Written)	6	11	17	21	4
Additional Scheduled Engagements	-	-	-	-	-
Total ~95	17	19	25	27	5

Other Key Stakeholder Groups

Engagement Type	Other Legal + Regulatory Advocates	Survivor Orgs/Reps	Local Gov't/Tribes	Public Utilities	Gas Utilities	Financial Sector	Industry/Technology	Other Private Enterprise	Climate Resilience/Environment	Philanthropy
Open Call Submissions	24	9	9	6	2	1	9	9	13	0
Engagements (Meetings, Written)	33	6	7	8	8	11	2	5	21	4
Scheduled Engagements	0	2	1	0	1	2	0	0	3	0
Total ~200	57	17	17	14	11	14	11	14	37	4

Workstream Process - Resulting in Five Workstream Reports



“Convergence Framework” to Develop the Final Study Report, Options and Potential Solutions

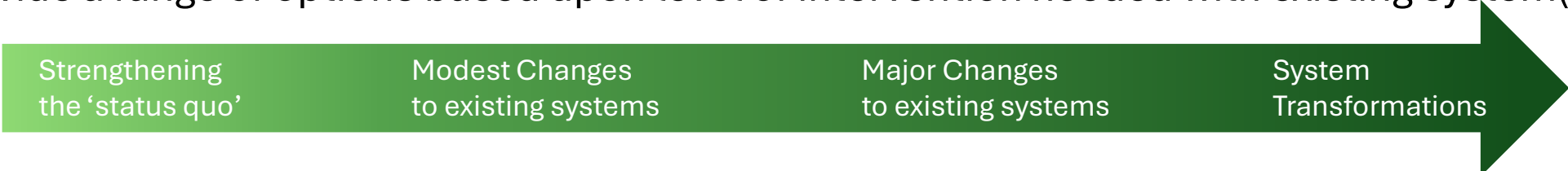


SB 254 Final Study Report

- Systems used to socialize risk costs before and after disaster
- Current state of those systems and key problems to be solved
- Cost of doing nothing
- Options and potential solutions sets for the Governor and Legislature to consider

Options and potential solutions sets for the Governor & Legislature to consider in addressing gaps and inequities in the current systems that serve people and communities in preparing for and recovering from disasters.

- Options that address the three overarching goals of the study:
 - Accelerate recovery
 - Responsibly and equitably allocate the risk burdens
 - Mitigate damage
- Provide a range of options based upon level of intervention needed with existing system(s):



- Assess costs and shifts among key stakeholders (utility ratepayers/shareholders, insurers/policyholders, government/taxpayers)
- Identify stakeholder support and opposition
- Provide an implementation timeframe: near- to longer-term

Part 3

Current State of Key Systems and Problems to Be Solved

- Risk Reduction and Financing
- Electrical Utilities
- Property Insurance
- Financing Catastrophe Recovery



Risk Reduction and Financing

Focusing on SB 254 (2025) specific directives:

3. Additional mitigation measures and technology solutions to reduce the risk of ignition of wildfires and limit the spread of and damage from wildfires.

8. Options for enactment of programs to reduce the risk of wildfire spreading and becoming high-severity catastrophes, including improved state and local catastrophic event response capability, home fire risk reduction standards, vegetation management practices, and community wide wildfire hardening requirements.

9. Options for reducing the economic damage resulting from wildfires and potentially other catastrophic natural disasters, including minimal insurance requirements, mechanisms to ensure insurance rates appropriately account for home and community hardening measures taken, special assessments to support infrastructure investments and emergency response, and improved land use planning.

Current State

- Vegetation “fuel” accumulation, settlement patterns, and climate change are increasing wildfire risk statewide.
- Wildfire suppression statewide is effective.
 - Roughly 98% of all unwanted fires are suppressed at less than 100 acres.
- “Fast fires” represent only 2.7% of all wildfires, yet they account for 89% of all structures damaged or destroyed.
- About 1/3 of all California homes are located in the wildland urban interface (WUI), and 90% were built before modern wildfire codes were enacted.

Problems to be Solved

- Paying down the “mitigation debt” that exists across California.
- Find consensus on a clear set of standards to anchor risk reduction policies, with data and tools to set appropriate targets and measure progress.
- Workforce available to do the scale of mitigation needed.
- Integrated governance and financing to prioritize and leverage public and private investment and action most effectively.

Electric Utilities

Focusing on SB 254 (2025) specific directives:

5. Additional measures to benefit ratepayers through reducing costs caused by fiscal uncertainty while holding electrical corporations accountable for improving safety and reducing the risk of catastrophic wildfires.

7. An analysis of the potential benefits and potential negative impacts on homeowners related to reasonable limitations on changes to recoveries in wildfire litigation arising from ignitions caused by electrical or gas utility infrastructure, including, but not limited to, restriction on the recovery of attorneys' fees, limitations on economic and noneconomic damages, including claims by insurers, limitations on public entity claims, limitations on claims by those outside the fire perimeter, and aggregate limitations on liability per event.

Current State

- Utility-ignited wildfires cause disproportionate damage among all wildfire ignition sources.
- Inverse condemnation imposes strict no-fault liability on California utilities.
- Wildfire liability and resulting bankruptcies have impaired the credit quality of all California electric utilities.
- A series of legislative responses (SB 901, AB 1054, and SB 254) focused on preventing utility ignitions through safety investments and accountability.
- California built the most sophisticated utility wildfire mitigation system in the country—with utilities investing ~\$40 billion from 2019–2024, with substantial additional investment planned.
- Expansion of California’s Wildland-Urban Interface (WUI) continues to be a significant risk driver as electric utility infrastructure must follow urban growth.
- Rising ratepayer costs for safety investments and wildfire liabilities are straining affordability.

Problems to be Solved

- Reduced uncertainty about utility liabilities; uncertainty increases the cost of capital which is passed onto ratepayers.
- Equitable distribution of the costs of funding utility liabilities.
- Fair and timely compensation for survivors of utility-caused wildfires, including reducing inefficiencies and delays in paying liability claims.
- How much system mitigation is “enough?”
 - Ratepayers cover the cost of utility system safety improvements and utility investors/ lenders earn a return on those ratepayer-funded investments.
 - California has not defined an acceptable level of residual risk. Balancing system safety investments against quantifiable risk reduction from the work is essential to prevent investments that do not materially reduce risk.
 - Regulatory processes do not necessarily incentivize the most cost-effective risk reductions.
- Planning, funding, and oversight cycles are misaligned (though improving).
 - Permitting delays can slow mitigation work in high-risk areas.
- Infrastructure management is largely reactive.
 - Risk data and detection technologies are not yet fully accessible across agencies and stakeholders that need them.

Focusing on SB 254 (2025) specific directives:

1. Accessibility and affordability of property insurance in California in light of the accelerating costs of climate change-induced and other natural catastrophes.

6. Options for enactment of a streamlined, low-cost compensation mechanism to provide injured parties full compensation for damages resulting from wildfires.

Current State

- Over the past decade California's homeowner insurance market has been under stress, largely driven by wildfires.
- The 2017-2018 wildfire seasons were a turning point for the state's property insurance market.
- Losses, coupled with a history of a difficult regulatory environment, led to a pronounced deterioration in insurance availability within the admitted market in high fire-risk regions, a growing reliance on the FAIR Plan and residual markets, and rising insurance costs for households.
- Cost, underinsurance, and insurance gaps are all "multiperil" issues (fire, earthquake, and flood).
- The "Sustainable Insurance Strategy" and other recent reforms are helping market stability, but it will take time.

Problems to be Solved

- Improving the availability of property coverage in the admitted market in high risk areas.
- Addressing insurance gaps, affordability, and recovery challenges for vulnerable populations who are both underinsured and not insured.
- Tightening linkages between risk reduction and risk transfer, including improving the ability of insurance to better reflect loss reduction and expand incentives for improved insurability.

System:

Financing Catastrophe Recovery

Focusing on SB 254 (2025) specific directives:

2. An evaluation of alternative structures to socialize risk of damage from natural catastrophes, including catastrophic wildfires, that most efficiently and expeditiously compensate those harmed while maintaining accessibility to property insurance and access to safe, affordable, and reliable energy for Californians.

4. Financing, insurance and other mechanisms to expedite recovery for communities impacted by natural catastrophes, including wildfires, and to expedite compensation for property loss.

10. Options for new models to complement or replace the Wildfire Fund, such as state-supported property insurance, or reinsurance, or both insurance and reinsurance, for wildfires and potential catastrophic natural disasters; a mutual wildfire insurance fund; a publicly sponsored financial safety net to enhance long-term resilience and utility and insurance rate affordability; and improvements to the Fund to enhance its durability.



Current State

- California does not have an integrated system for financing catastrophe recovery.
- The wildfire risk is growing, impacting everyone and all systems.
- Wildfire losses are growing too.
 - Mean annual insured losses >\$4 Billion are now accompanied by a realistic prospect of extreme wildfire events that could generate tens of billions of dollars in damage.

Problems to be Solved

- Integrating systems (insurance, utilities, and financing).
- Tradeoff of financial load between utility ratepayers, insurance policyholders, public and survivors.
- Options for catastrophe fund constructs to support both catastrophe recovery and mitigation.

Part 4 Cost of Doing Nothing



They are not working for....

- **Communities Destroyed by Fire.** Fire survivors face significant delays to rebuild or lack adequate resources to rebuild.
- **Utility Customers.** Combined, utility wildfire liability and mitigation expenses are 15-20% of total customer bill per month.
- **Insurance Policyholders**, especially in high-fire risk areas who are unable to insure their homes or forced onto the FAIR Plan or other coverage reductions.
- **Affordable Housing Construction**, as costs of insurance increase.
- **California's Climate Goals** and meeting new demands and bringing on new clean energy sources for an electrified economy.

It's not going to get better...it's only going to get worse.

- **Consumer Affordability** will worsen.
- **Access to Insurance** will worsen.
- **Utility Company Stability** will continue to deteriorate, driving up rates.
- The number of **Communities at Risk** will continue to increase.
 - Eaton and Palisades Fires are not hypothetical outliers but reasonable representations of the types of events that are expected more frequently in the coming decades with climate change.

California's Wildfire Problem warrants urgent attention, as it is still at a scale that effective interventions can make a significant impact.

Part 5 Q&A



Part 6

Closing and Next Steps



- **April 1: Final Study Report posted on the California Wildfire Fund website**
<https://www.cawildfirefund.com/sb-254-natural-catastrophe-resilience-study>
 - Five Workstream Reports
 - Open Call Submissions
 - State Agency and Department Contributions
 - Other Study Documentation
- **A Final Post-Report Informational Webinar (Date/Time to Come)**
 - Theme: Study Options and Packages
- **Updates – Please sign-up, so we notice you of final milestones and activities.**
 - Signup at: <https://www.cawildfirefund.com/sb-254-natural-catastrophe-resilience-study>
- **Questions**
 - Email: SB254Questions@calquake.com

Stakeholder Engagement Feedback – SB 254 (2025) Natural Catastrophe Resiliency Study

Friday, March 6, 2026: 12:00 - 1:00 p.m. (Pacific Time)

Thank you for joining today's informational webinar. We appreciate your time and perspective and invite you to take a few minutes to complete this brief survey.

Your feedback helps the study team ensure the work continues to reflect the needs and questions of the stakeholder community.

[Stakeholder Engagement Feedback Survey](#)

SB 254 (2025) Natural Catastrophe Resiliency Study

Thank you for attending this webinar!

SB 254 Study website: <https://www.cawildfirefund.com/sb-254-natural-catastrophe-resilience-study>

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