



California Catastrophe Response Council Meeting

Thursday, February 5, 2026 – 1:00 p.m.

Location:

CalPERS – Feckner Auditorium
Lincoln Plaza North
400 P Street, Sacramento, CA 95811

Remote Access (via Zoom or dial-in):
Dial-in Number: **+1 (669) 900-6833**
Enter Meeting ID: **878 6450 9007**

Agenda

1. **Establish Quorum** – Call to order and member roll call
2. **Review and Approval of Minutes** – Review and approve the minutes of the October 30, 2025, meeting of the Council.
3. **Administrator Evaluation** – CEA Chief Executive Officer Tom Welsh will ask the Council to appoint one CCRC member to review the 2025 Wildfire Fund evaluation form to be distributed to members.
4. **Proposed 2026 Budget** – CEA Chief Financial Officer Tom Hanzel will seek approval of the proposed 2026 California Wildfire Fund Budget.
5. **Administrator’s Operational Reports** – CEA Executive Staff will provide a report on the following:
 - A. **Claims Administration Update: Kincade Fire; Dixie Fire; Eaton Fire**
 - B. **Financial Report**
 - C. **Enterprise Risk Management**
6. **SB 254** – Mr. Welsh and SB 254 Research Study Director Dr. Laurie Johnson will provide an update and facilitate a discussion of the SB 254 (2025) Study.
7. **Public Comment** – Public comment on matters within the California Catastrophe Response Council’s subject matter jurisdiction that do not appear on this Agenda. Please note that while the Council may hear general public comments on matters within its subject matter jurisdiction, Council members may not otherwise deliberate, including providing substantive comments in response to, any matter not specified on this Agenda.
8. **Adjournment**

Item 1

Meeting Call to Order

- **Governor**
 - *Designee:* Mark Ghilarducci
- **Treasurer**
 - *Designee:* Khaim Morton
- **Insurance Commissioner**
 - *Designee:* Michael Martinez
- **Secretary for Natural Resources**
 - *Designee:* Bryan Cash
- **Tracy Van Houten**
 - Appointed by the Speaker of the Assembly
- **Kathleen Ritzman**
 - Appointed by the Senate Rules Committee
- **Paul Rosenstiel**
 - Appointed by the Governor
- **Rhoda Rossman**
 - Appointed by the Governor
- **Catherine Barna**
 - Appointed by the Governor

Establishment of a quorum

Item 2

Meeting Minutes

Review and approve the minutes of the October 30, 2025, meeting of the Council.



Public Comment

To provide Public Comment on the Motion to Approve the Minutes:

- By phone: **press *9 on your phone or**
- By Zoom app: **click the “Raise Hand” button on the Zoom app and the moderator will unmute you.**



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Item 3

Administrator Evaluation

CEA Chief Executive Officer Tom Welsh will ask the Council to appoint one CCRC member to review the 2025 Wildfire Fund evaluation form to be distributed to members.



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Item 4

Proposed 2026 Budget

CEA Chief Financial Officer Tom Hanzel will seek approval of the proposed 2026 California Wildfire Fund Budget.

Budget Process

Since inception, CEA has been able to utilize its existing resources to undertake and perform all its Administrator responsibilities and has avoided adding permanent staffing. This is the sixth submission of an annual CWF budget to the California Catastrophe Response Council (“CCRC”) for approval. The staff of the CEA will perform the following procedures on the final Council approved budget for fiscal year 2026:

- After each month-end close, the staff of the CEA will compare actual additions and deductions to budgeted additions and deductions, document variances and send the comparisons to the Controller and CFO for approval.
- In mid-August 2026, the finance budget team will update the consolidated budget projections with the most recent data provided from the departments’ monthly projection schedules. After the mid-year budget revision is approved by the CFO, the finance budget team will prepare the mid-year budget revision Council memo and supporting documents. All budget augmentations (increases) must be approved by the CCRC. If the mid-year budget revision does not increase the total budget, the budget revision will be presented to the Council without a request for approval.
- At each quarterly CCRC meeting, the staff of the CEA will present the budget to actual comparisons for each of the line items included in the Council approved budget.
- Related to the Eaton fire, staff have only budgeted for CEA staff hours. Given the uncertainty regarding when SCE will submit the first Eaton claims and magnitude of those claims to the CWF, CEA staff have not adjusted the budget related to investment income, claims paid, and third-party expenses (e.g., Sedwick).

Item 4 2026 CWF Proposed Budget

2026 Proposed Budget vs 2025 Actual Activity (as of December 31, 2025)

	A	B	A - B	
	Proposed 2026 Budget	Actual Activity for the Year Ended December 31, 2025	Difference	Approved 2025 Budget
Additions to fund assets:				
Rate payer monthly NBCs, net	\$ 901,245,965 *	\$ 924,841,023	\$ (23,595,058)	\$ 920,615,301
Utility annual contributions	300,000,000	300,000,000	-	300,000,000
Investment income (net of expenses)	488,191,129	428,163,555	60,027,574	414,690,648
Total additions to fund assets	\$ 1,689,437,094	\$ 1,653,004,578	\$ 36,432,516	\$ 1,635,305,949
Deductions to fund assets:				
Wildfire paid claims	\$ 243,246,269 **	\$ 793,075,025	\$ (549,828,756)	\$ 783,740,161
<i>Personnel expenses:</i>				
Personnel expenses - allocated from CEA	2,127,227	1,043,279	1,083,948	1,188,000
<i>General and administrative expenses:</i>				
Wildfire Fund durability initiatives	-	4,506,745	(4,506,745)	4,537,175
SB 254 study	4,225,519	1,355,101	2,870,418	2,750,000
Other contracted services	510,000	1,217,671	(707,671)	1,595,300
Direct legal services-general	165,000	123,654	41,346	127,500
Financial services consulting	312,879	298,462	14,417	306,940
Bank fees	327,721	301,800	25,921	299,763
G&A expenses - allocated from CEA	803,876	683,101	120,775	630,614
Travel	24,680	-	24,680	16,500
Software and licenses	600	142	458	900
Direct IT services	1,000	-	1,000	1,000
Audit Fees	4,000	4,000	-	4,000
Printing & stationary	4,800	1,291	3,509	500
Council meeting expenses	3,000	1,381	1,619	3,750
<i>Total general and administrative expenses</i>	<i>6,383,075</i>	<i>8,493,348</i>	<i>(2,110,273)</i>	<i>10,273,942</i>
Total deductions to fund assets	\$ 251,756,571	\$ 802,611,652	\$ (550,855,081)	\$ 795,202,103
<i>Change in unrealized gain/(loss)</i>	<i>- ***</i>	<i>365,291,696</i>	<i>(365,291,696)</i>	<i>-</i>
Increase/(decrease) in net position	\$ 1,437,680,523	\$ 1,215,684,622	\$ 221,995,901	\$ 840,103,846

* - Budgeted NBC funds to be received by CWF in 2026 are net of \$6.2mm of DWR administrative and operating expenses.

** - Based on PG&E reporting, CEA reserved a total balance of \$1.075 billion related to the Dixie Fire and \$130mm related to the Kincadee fire. CEA began paying claims in Sept'24 and the total claims paid in 2024 and 2025 = \$961,753,731.

*** - The change in unrealized gain/(loss) is not budgeted for CWF

Recommendation:

Staff recommends that the Council take the following actions:

- **Approve the proposed 2026 CWF budget as presented; and**
- **Direct staff to operate the CWF business within the total approved budget amounts.**



Public Comment

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Item 5

Administrator's Operational Reports

CEA Executive Staff will provide a report on the following:

- A. Claims Administration Update: Kincade Fire; Dixie Fire; Eaton Fire
- B. Financial Report
- C. Enterprise Risk Management

Eaton Fire

Eaton Fire – ignited in the Eaton Canyon area of Altadena, CA on January 7, 2025, in Southern California Edison’s (SCE) servicing territory

- 14,000 acres burned
- 9,400 structures destroyed
- Investigation to determine the cause is ongoing

Covered Wildfire

- The Administrator received notice from Edison on September 12, 2025, that Edison’s claim settlement resulting in dismissal of litigation made the Eaton Fire a “covered wildfire” for the Wildfire Fund under Public Utilities Code § 1701.8(a)(1)

CWF Claims Administration

- The Administrator and Sedgwick Claims Management communicates and plans with SCE early and often
- Proactive shared approach to develop a smooth and secure data and document transfer process
- Administrative claim review will commence during the Threshold Claim settlement period (vs. when the threshold paid amount is reached)

Eaton Fire

Eaton Fire – SCE Claim Settlement

Subrogation

- On September 15, 2025, SCE notified the SEC that a subrogation settlement was reached with an insurer, which equates to \$.52 for each dollar of claims paid or to be paid
- The insurer paid its policyholders ~\$500 million to settle claims for the Eaton Fire

WRCP – Wildfire Recovery Compensation Program – launched on October 29, 2025

- Streamlined program designed to deliver fast and compensatory payments to individuals and businesses
- A voluntary program with an online claim-filing process / with or without an attorney
- Publicly available criteria where eligible claimants can file claims for dedicated loss categories
- As of January 27, 2025:
 - 2,120 claims submitted
 - 162 offers extended totaling \$66.9 million
 - 36 claims payments made, consisting of 59 individual claimants
 - 26% of claims submitted by plaintiffs' attorneys
 - Mix of claims: 1050 total loss, 951 non-burn damage, and 107 partial loss

Kincade Fire

Kincade Fire – ignited in Sonoma County, CA on October 23, 2019, in PG&E’s servicing territory

- 77,000 acres burned
- 374 structures destroyed
- PG&E estimate aggregate liabilities - \$1.325 billion
- PG&E committed settlements as of 01/15/2026 - ~\$1.320 billion

Claim Types

- Individual
- Subrogation
- Public Entity
- Smoke/Ash
- Large Claims – winery claims

Damage Types

- Real Property
- Loss of Use
- Personal/Business Property
- Personal Injury/Death
- Non-economic Damages

Claims Pending Resolution

- Individual Claims
- Smoke/Ash

Eligible Claim Paid Month	Approved Paid Amounts
February 2025	\$34,251,281
March 2025	\$26,019,070
April 2025	\$10,307,177
May 2025	\$53,574,345
June 2025	\$37,775,400
July 2025	0
August 2025	\$89,464,919
September 2025	\$25,949,050
Total	\$277,341,242
Reimbursement (Total * 40%)	\$110,936,496

Dixie Fire

Dixie Fire – Ignited in Plumas County, CA on July 13, 2021, in PG&E’s servicing territory

- 960,000 acres burned
- 1,311 structures destroyed
- PG&E estimate aggregate liabilities - \$2.125 billion
- PG&E committed settlements as of 01/15/2026 - ~\$2.04 billion

Claim Types

- Individual
- Subrogation
- Public Entity
- Smoke/Ash
- Large Claims – timber claims

Damage Types

- Real Property
- Loss of Use
- Personal/Business Property
- Personal Injury/Death
- Non-economic Damages

Claims Pending Resolution

- Individual Claims
- Larger claim involving Native American owned land

Eligible Claim Paid Month	Reimbursement to PG&E
June 2024	\$39,258,154
July 2024	\$33,657,156
August 2024	\$78,851,058
September 2024	\$16,877,339
October 2024	\$88,474,800
November 2024	\$48,807,990
December 2024	\$43,942,610
January 2025	\$30,244,000
February 2025	\$24,256,642
March 2025	\$40,456,399
April 2025	\$24,840,226
May 2025	\$77,741,000
June 2025	\$61,640,000
July 2025	\$48,364,963
August 2025	\$29,174,670
September 2025	\$164,195,228
Total	\$850,817,235

PG&E Application for Cost Recovery – Dixie and Kincade Fires

On November 14, 2025, PG&E filed the “Application for Review and Recovery of Costs Associated With the 2019 Kincade Fire and 2021 Dixie Fire Under AB1054” with the CPUC.

The proceeding is to determine whether the electrical corporation’s costs for the covered wildfire are just and reasonable. The scope of the proceeding considers issues such as:

- Was PG&E’s conducted related to the ignition of the fire prudent and reasonable?
- Were there any factors beyond PG&E's control to exacerbate the costs?
- Are there costs incurred, net of insurance, to resolve third-party claims, and are those costs reasonable?
- Are there costs incurred, net of insurance, to defend and resolve claims, and are those costs reasonable?
- Are the costs incurred to repair or replace damaged utility facilities and restore service reasonable?
- Should PG&E’s cost recovery proposal as set forth in the application be adopted?

CPUC’s proposed decision is scheduled to be issued on November 13, 2026.

Item 5B

Financial Report

CEA CFO, Tom Hanzel, will provide the Council with a financial report on the Wildfire Fund as of December 31, 2025.

Balance Sheets

UNAUDITED

	December 31, 2025	December 31, 2024	Variance \$	%
Assets				
Cash and investments:				
Cash and cash equivalents	\$ 7,506,750,080	\$ 478,679,326	\$ 7,028,070,754	1468.2%
Investments	6,554,197,012	12,379,364,117	(5,825,167,105)	-47.1%
Total cash and investments	14,060,947,092	12,858,043,443	1,202,903,649	9.4%
Interest receivable	39,231,421	90,049,130	(50,817,709)	-56.4%
Prepaid expense	197,500	-	197,500	NM
Total assets	\$ 14,100,376,013	\$ 12,948,092,573	1,152,283,440	8.9%
Liabilities and Net Position				
Loss and loss adjustment expense reserves	\$ 243,246,269	\$ 706,321,294	\$ (463,075,025)	-65.6%
Securities payable	10,474,379	74,793,715	(64,319,336)	-86.0%
Accounts payable and accrued expenses	2,558,371	1,629,100	929,271	57.0%
Related party payable - CEA	211,656	222,773	(11,117)	-5.0%
Total liabilities	256,490,675	782,966,882	(526,476,207)	-67.2%
Net position:				
Restricted for CWF	13,843,885,338	12,165,125,691	1,678,759,647	13.8%
Total net position	13,843,885,338	12,165,125,691	1,678,759,647	13.8%
Total liabilities and net position	\$ 14,100,376,013	\$ 12,948,092,573	\$ 1,152,283,440	8.9%

Statements of Revenues, Expenses, and Changes in Net Position

UNAUDITED

Years Ended

	December 31, 2025	December 31, 2024	Variance	
			\$	%
Additions to fund assets:				
Rate payer monthly NBCs	\$ 924,841,023	\$ 889,304,019	\$ 35,537,004	4.0%
Utility contributions	300,000,000	300,000,000	-	0.0%
Total contributions	1,224,841,023	1,189,304,019	35,537,004	3.0%
Investment income & expenses	428,163,555	324,055,995	104,107,560	32.1%
Change in unrealized gain	365,291,696	25,508,584	339,783,112	1332.0%
Net investment income	793,455,251	349,564,579	443,890,672	127.0%
Total additions to fund assets	<u>2,018,296,274</u>	<u>1,538,868,598</u>	<u>479,427,676</u>	<u>31.2%</u>
Deductions to fund assets:				
Loss and loss adjustment expenses	330,000,000	275,000,000	55,000,000	20.0%
General and administrative expenses	8,493,348	2,384,964	6,108,384	256.1%
Personnel expenses	1,043,279	336,457	706,822	210.1%
Total deductions to fund assets	<u>339,536,627</u>	<u>277,721,421</u>	<u>61,815,206</u>	<u>22.3%</u>
Increase in net position	1,678,759,647	1,261,147,177	417,612,470	33.1%
Net position, beginning of year	<u>12,165,125,691</u>	<u>10,903,978,514</u>	<u>1,261,147,177</u>	<u>11.6%</u>
Net position, end of year	<u>\$ 13,843,885,338</u>	<u>\$ 12,165,125,691</u>	<u>\$1,678,759,647</u>	<u>13.8%</u>

Contributions and NBCs Received – from inception through 12/31/2025

<u>Description</u>	<u>Date Received</u>	<u>Amount</u>	<u>Description</u>	<u>Date Received</u>	<u>Amount</u>
1. SDG&E initial capital contribution	9/9/2019	322,500,000	1. SMIF Loan Proceeds	8/15/2019	2,000,000,000 *
2. SoCal Edison initial capital contribution	9/9/2019	2,362,500,000	2. SMIF Loan Principal Payments	4/25/2023	(2,000,000,000) ↓
3. SDG&E 2019 annual contribution	12/19/2019	12,900,000	3. 2021 NBC funds received	12-months of 2021	875,076,565
4. SoCal Edison 2019 annual contribution	12/27/2019	94,500,000	4. 2022 NBC funds received	12-months of 2022	1,116,593,213
5. PG&E initial capital contribution	7/1/2020	4,815,000,000	5. 2023 NBC funds received	12-months of 2023	888,460,672
6. PG&E 2019 annual contribution	7/1/2020	192,600,000	6. 2024 NBC funds received	12-months of 2024	889,304,019
7. IOUs 2020 annual contributions	December-20	300,000,000	7. 2025 NBC funds received	12-months of 2025	924,841,023 **
8. IOUs 2021 annual contributions	December-21	300,000,000	Total SMIF Loan Activity & NBCs Received		4,694,275,492
9. IOUs 2022 annual contributions	December-22	300,000,000	Total Funds Received & Reimbursed		<u>\$ 14,294,275,492</u>
10. IOUs 2023 annual contributions	December-23	300,000,000			
11. IOUs 2024 annual contributions	December-24	300,000,000			
12. IOUs 2025 annual contributions	December-25	<u>300,000,000</u>			
Total IOU Contributions		9,600,000,000			

* - The legislation required that the CWF be initially capitalized in the form of a short-term \$2 billion loan from the Treasurer's Surplus Money Investment Fund (SMIF). Starting in December 2020, the CWF started making monthly principal payments of \$70 million, with the final payment occurring in April 2023. Additionally, the loan carried an interest rate of 2.35% which was paid on outstanding balances.

** - NBC funds received by CWF are net of DWR administrative and operating expenses (A&O). For fiscal year 2025, the DWR incurred \$3.8mm of A&O expenses and retained \$2.1mm of funds in the DWR Charge Fund to pay future A&O expenses.

Investment Analysis

December 31, 2025

The CWF’s total portfolio market value for December 2025 was \$14.06 billion with an average duration of 1.36 years and average credit ratings of “AA+”.

CWF Investment Portfolio as of December 31, 2025				
Sector	Value (\$MM)	% of Portfolio	Avg Credit Rating	Duration (Yrs)
U.S. Treasury	\$ 10,080	71.7%	AA+	0.98
U.S. Agency & Supranational	463	3.3%	AA+	3.03
Corporates	2,747	19.5%	A+	2.83
U.S. TSY MMF	771	5.5%	AAA	0.00
Total	\$ 14,061	100.0%	AA+	1.36

December 31, 2024

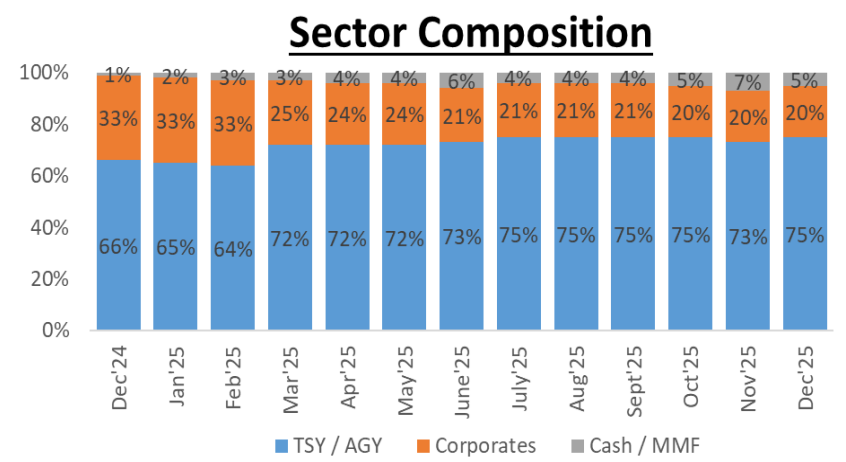
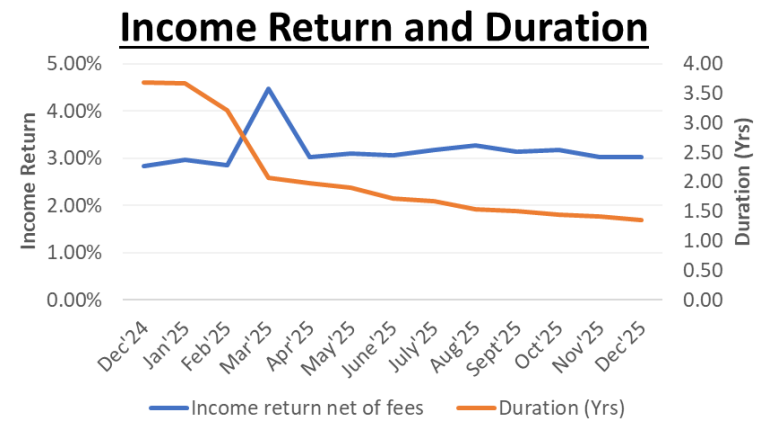
The CWF’s total portfolio market value for December 2024 was \$12.86 billion with an average duration of 3.69 years and average credit ratings of “AA”.

CWF Investment Portfolio as of December 31, 2024				
Sector	Value (\$MM)	% of Portfolio	Avg Credit Rating	Duration (Yrs)
U.S. Treasury	\$ 7,033	54.7%	AA+	3.94
U.S. Agency & Supranational	1,117	8.7%	AA+	2.40
Corporates	4,260	33.1%	A+	3.70
U.S. TSY MMF	448	3.5%	AAA	0.00
Total	\$ 12,858	100.0%	AA	3.69

Investment Analysis (Continued)

CWF Investment Portfolio Overview													
	Dec'24	Jan'25	Feb'25	Mar'25	Apr'25	May'25	June'25	July'25	Aug'25	Sept'25	Oct'25	Nov'25	Dec'25
Total Portfolio													
Market Value - Cash & Investments (\$MM)	\$12,858	\$12,835	\$12,742	\$13,205	\$13,371	\$13,311	\$13,452	\$13,573	\$13,623	\$13,742	\$13,785	\$14,009	\$14,061
Investment income (\$MM) *	30.72	32.07	30.90	48.85	33.80	34.75	34.68	36.10	37.61	36.21	36.79	35.45	35.71
Change in unrealized gain/(loss) (\$MM)	(114.58)	41.77	148.61	6.26	57.59	(34.08)	50.67	(17.35)	63.90	10.34	17.38	25.15	(4.95)
Investment management fees and bank fees (\$MM)	0.39	0.39	0.38	0.39	0.40	0.40	0.41	0.39	0.40	0.40	0.40	0.41	0.41
fees as a % of average AUM	0.0032%	0.0030%	0.0030%	0.0030%	0.0030%	0.0030%	0.0031%	0.0029%	0.0029%	0.0029%	0.0029%	0.0030%	0.0029%
Income return gross of fees	2.88%	3.00%	2.90%	4.52%	3.06%	3.14%	3.11%	3.21%	3.32%	3.18%	3.21%	3.06%	3.05%
Income return net of fees	2.84%	2.96%	2.86%	4.48%	3.03%	3.10%	3.07%	3.17%	3.28%	3.14%	3.17%	3.03%	3.02%
Yield to Maturity	4.56%	4.43%	4.09%	4.07%	4.05%	3.92%	3.99%	4.19%	3.65%	3.91%	3.61%	3.58%	3.47%
Duration (Yrs)	3.69	3.68	3.21	2.07	1.98	1.91	1.72	1.67	1.53	1.50	1.44	1.42	1.36
Portfolio Composition (%)													
TSY / AGY	66%	65%	64%	72%	72%	72%	73%	75%	75%	75%	75%	73%	75%
Corporates	33%	33%	33%	25%	24%	24%	21%	21%	21%	21%	20%	20%	20%
Cash / MMF	1%	2%	3%	3%	4%	4%	6%	4%	4%	4%	5%	7%	5%

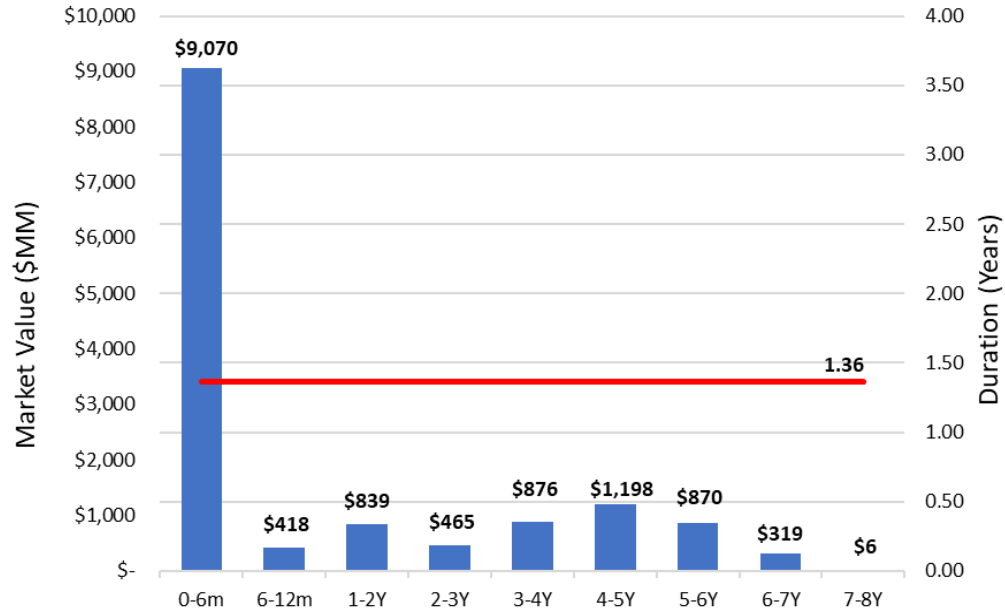
* - Investment income does not include bank and investment manager fees. The amount includes the following: (1) interest income and interest purchased (2) Accretion - discount (3) Amortization - premium (4) Realized gain/(loss)



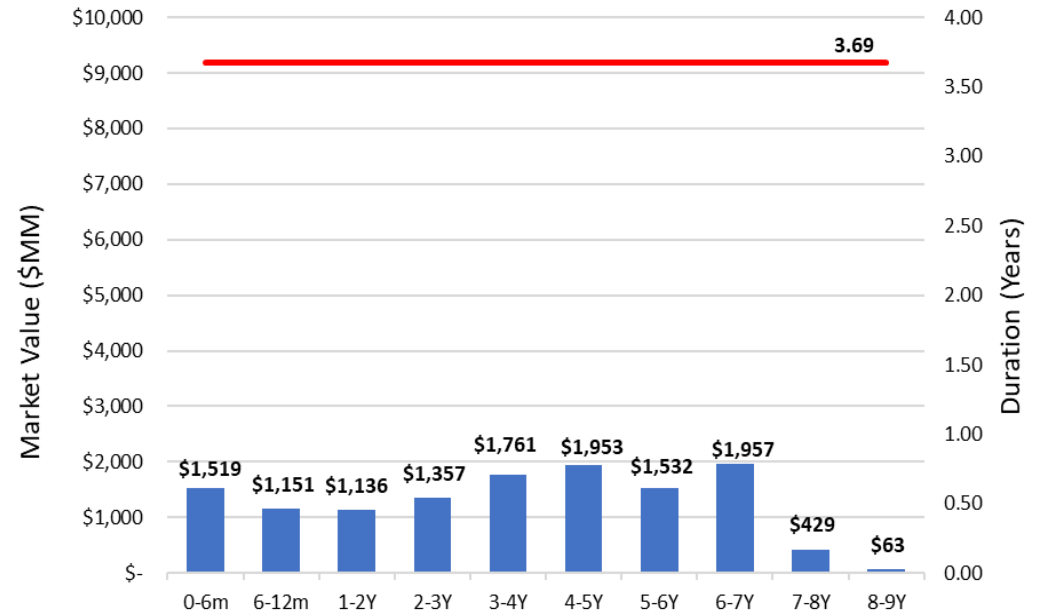
Liquidity Management

CEA staff continue to monitor market conditions for opportunities to build additional liquidity without incurring net realized losses.

CWF Maturity Distribution: December 31, 2025



CWF Maturity Distribution: December 31, 2024



Item 5C

ERM Program

Chief Risk and Actuarial Officer, Shawna Ackerman will deliver an update on the Enterprise Risk Management Program for the California Wildfire Fund.

ERM Risk Management – Risk Identification and Prioritization

Risk Name	Risk Description	Inherent Risk Score	Control Effectiveness	Residual Risk Score
Wildfire Fund Modeling	Distorted or incorrect view of Wildfire Fund durability due to invalid, inaccurate or outdated methods or assumptions in external or internal Wildfire Fund models.	● High	● Strong	● Medium
Workforce	Adverse impacts to the administration of the Wildfire Fund that occur due to a workforce issue or constraint at the CEA.	● Medium	● Strong	● Low
Mitigation - Wildfire	Durability of the Wildfire Fund is dependent on successful mitigation activities. These are outside the direct control of the CEA as Wildfire Fund Administrator but must be monitored.	● Medium	● Medium	● Medium
Risk Transfer	Reasonable priced risk transfer products for wildfire coverage are not available when needed.	● Medium	● Strong	● Low
Reputation	Public's loss of confidence in CEA as Administrator of the Wildfire Fund or loss of confidence in the ability of the Wildfire Fund to meet its objectives.	● High	● Strong	● Medium
Legislative/Regulatory	Legislative, regulatory or political actions that materially change the Wildfire Fund, the Administrator's or Council's roles and/or ability to fulfill its current obligations or mission.	● High	● Strong	● Medium
Legal	Harm to the Wildfire Fund resulting from (a) disputes with third parties, (b) regulatory/legislative enforcement actions, and/or (c) compliance lapses.	● Medium	● Strong	● Low
Investments	Losses to the Wildfire Fund due to failure to adhere to established investment guidelines and/or performance objectives not achieved.	● Medium	● Strong	● Low
IT Security	Loss due to unauthorized access, use, disclosure, disruption, modification, inspection, recording or destruction of information and/or accessibility of IT systems.	● Medium	● Strong	● Low
Financial Reporting	Inaccurate financial accounting or reporting; or inadequate controls that result in a material error in published financial statements.	● Medium	● Strong	● Low
Claims Management	Issues, conflicts or delays arising from or associated with IOU claims management.	● Medium	● Medium	● Medium
Business Continuity	Loss of business systems causing limited or delayed continuity of the Wildfire Fund business functions.	● Medium	● Medium	● Medium

ERM Risk Management – ERM Program Update

The Risk and Compliance Committee

Completed three internal audits in 2025:

- Procurement Policy & Process
- Secondary Employment Policy & Process
- Form 700 Filing

2026 compliance monitoring and audit plan under development.

IT Systems and Data Security

- On target to earn re-certification for SOC2 Type II.
- Our annual Penetration Test (testing of internal and external resistance to malicious network penetration) is also complete and we are in the remediation period. The results indicate that we are managing our vulnerabilities exceptionally well and have made good progress since our last test was conducted.



Public Comment

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raise
hand

Item 6

SB 254

Mr. Welsh and SB 254 Research Study Director Dr. Laurie Johnson will provide an update and facilitate a discussion of the SB 254 (2025) Study.

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

“A report that evaluates and sets forth recommendations on new models or approaches that mitigate damage, accelerate recovery, and 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, and local publicly owned electric utilities, to complement or replace the fund.”

Report preparation and submission to the Legislature, and to the Governor, on or before April 1, 2026

Responsible State Agencies/Departments:

- California Earthquake Authority (as administrator of the Wildfire Fund)
- In consultation with the Public Utilities Commission, the Office of Energy Infrastructure Safety, the Department of Insurance, the Office of Emergency Services, and the Department of Forestry and Fire Protection

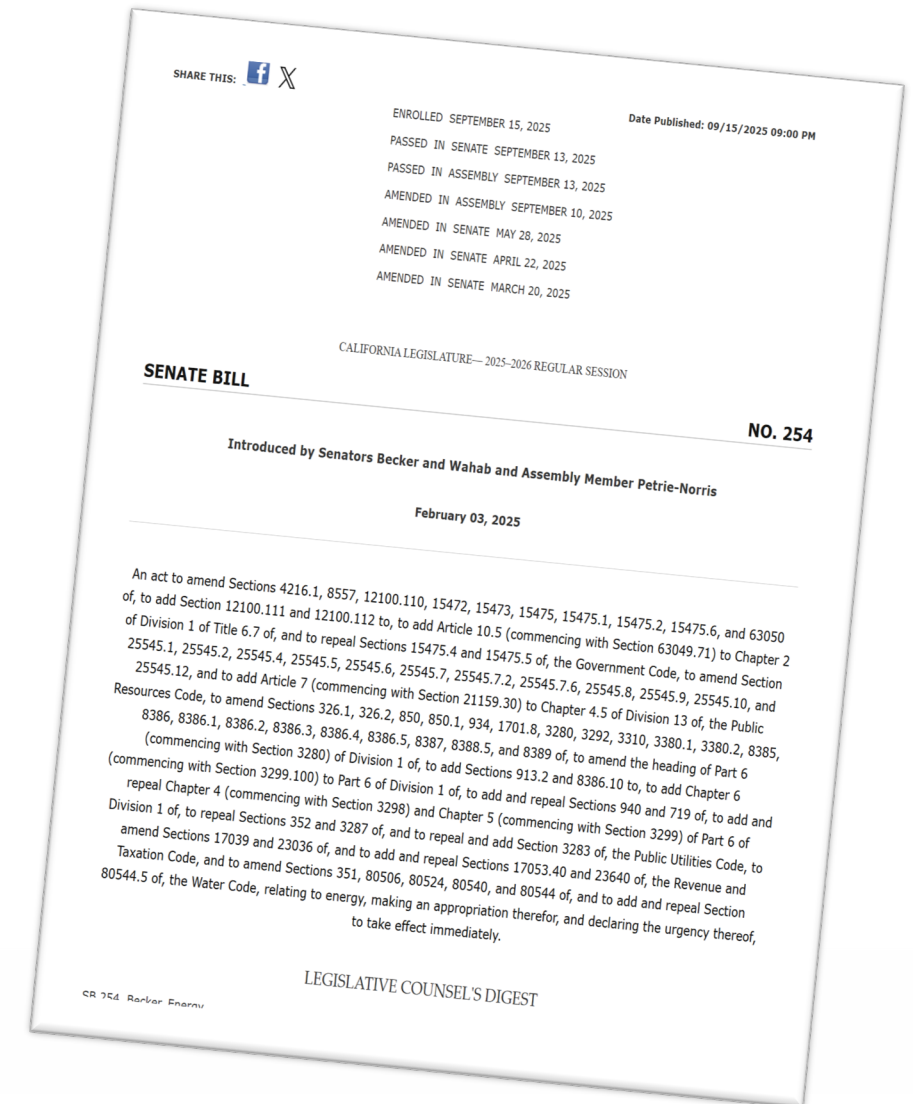
Feedback Solicited from Stakeholders, including, but not limited to:

- Ratepayer advocates,
- Insurance policyholder advocates,
- Electrical corporations,
- Insurance companies, and
- Claimant attorneys

10 Specific Directives Define the Scope of the Study

1. Accessibility and affordability of property insurance in CA.
2. Alternative structures to socialize risk of damage from natural catastrophes.
3. Additional wildfire mitigation measures and technology solutions to reduce risk.
4. Financing, insurance, and other mechanisms to expedite recovery for communities.
5. Additional measures to benefit ratepayers through reducing costs caused by fiscal uncertainty while holding IOU's accountable.
6. Options for a streamlined, low-cost mechanism to provide injured parties with full compensation for damages.
7. Impacts of reasonable limitations on changes to recoveries in wildfire litigation
8. Options for programs to reduce the risk of wildfires spreading.
9. Options for reducing economic damage resulting from natural catastrophes.
10. Options for new models to complement or replace the fund.

DUE APRIL 1, 2026



Governor’s Executive Order (N-34-25) states: *“Immediate action is needed to ensure that the CEA has the information needed from state agencies to develop the report and submit it on time.”*

- California Public Utilities Commission (CPUC)
- California Department of Insurance (CDI)
- California Department of Forestry and Fire Protection (CALFIRE)
- Office of Energy Infrastructure Safety (OEIS)
- California Governor’s Office of Emergency Services (Cal OES)

	CALFIRE	OIES	Cal OES	CPUC	CDI
1. Accessibility and affordability of property insurance.					X
2. Evaluation of alternative structure to social risk of damage from catastrophes.				X	X
3. Additional mitigation measures and technology solutions.	X	X		X	X
4. Financing, insurance and other mechanisms to expedite recovery .	X		X	X	X
5. Additional measures to benefit ratepayers through reducing costs.		X		X	
6. Options for enactment of streamlined, low-cost compensation mechanism for wildfire damages.	X			X	X
7. Analysis of potential benefits and negative impacts on homeowners related to recoveries in wildfire litigation.	X			X	X
8. Options for enactment of programs to reduce risk of wildfire spread/catastrophe.	X	X	X	X	X
9. Options for reducing economic damage from wildfires and potentially other catastrophic disasters.	X		X	X	X
10. Options for new models to complement or replace the Wildfire Fund.		X		X	X

Executive Steering Committee Members

- Tom Welsh, Chief Executive Officer, CEA
- Laurie Johnson, Research Study Director, CEA (LJC)
- Michael Martinez, Chief Deputy Commissioner, CDI
- Mike Peterson, Deputy Commissioner Climate and Sustainability, CDI
- Christina Curry, Acting Director, Cal OES
- Caroline Thomas Jacobs, Director, OEIS
- Leuwam Tesfai, Executive Director, CPUC
- Forest Kaser, Chief Deputy Executive Director, CPUC
- Frank Bigelow, Deputy Director - Community Wildfire Preparedness and Mitigation, CAL FIRE
- Mark Ghilarducci, Chair - California Catastrophe Response Council (CCRC)
- Paul Rosenstiel, Vice Chair - CCRC

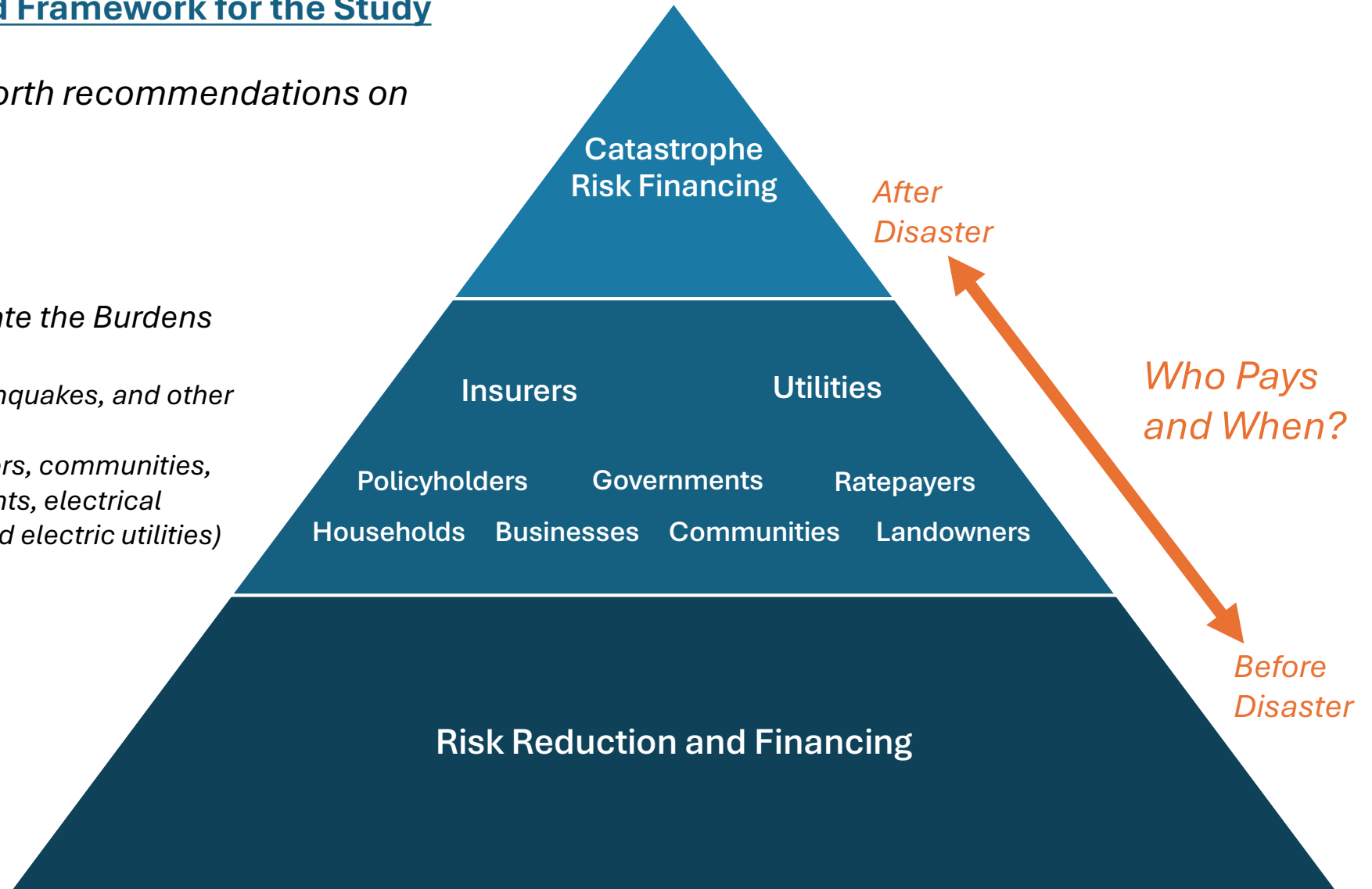
Committee Role

- **Oversee department/agency contributions**
 - Identify relevant reports or projects underway for us to track – October 15, 2025
 - Identify other state agencies and key stakeholder organizations – October 15, 2025
 - Provide statement of scope of agency submission – November 15, 2025
 - Administrator/workstream feedback on agency scope – December 1, 2025
 - Final agency submissions – ongoing and not later than January 30, 2026
- **Advise on stakeholder engagement workstream synthesis, and analysis of key options and recommendations**
- **Review final draft report to validate Administrator's synthesis and characterization of agency contributions**

Overarching Considerations and Framework for the Study

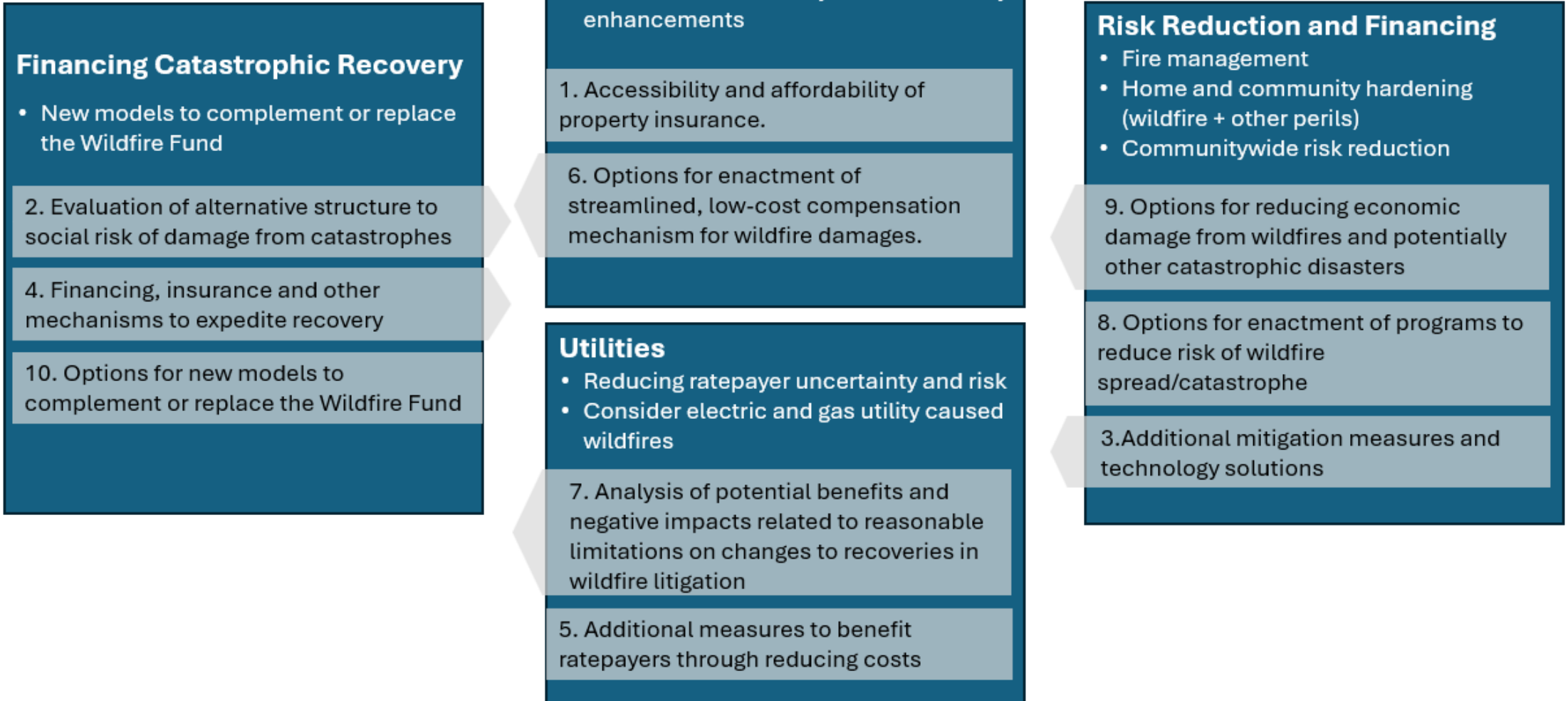
“A report that evaluates and sets forth recommendations on new models or approaches that ...

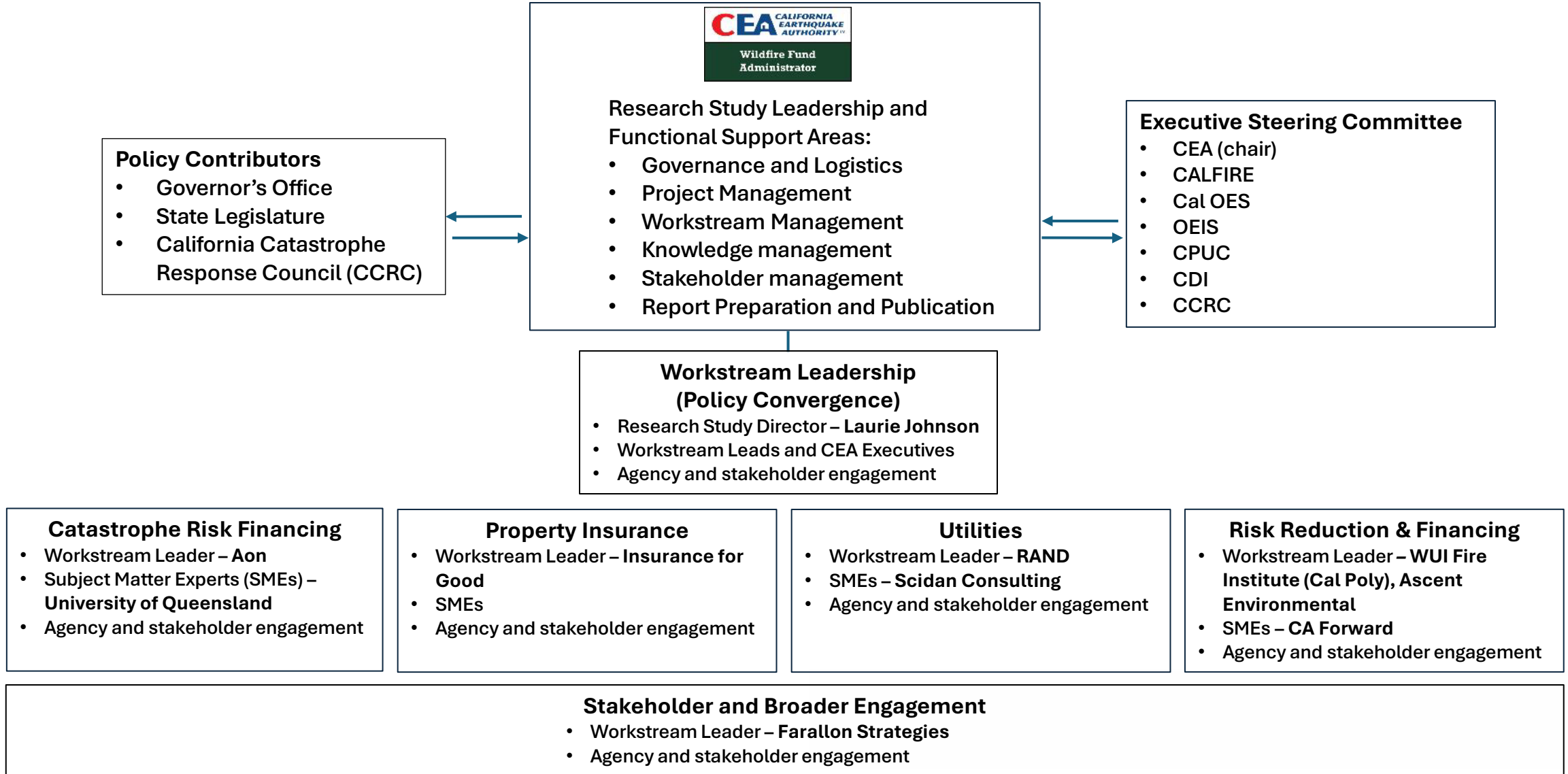
- Accelerate Recovery
- Responsibly and Equitably Allocate the Burdens from Natural Catastrophes
(Including catastrophic wildfires, earthquakes, and other natural disasters)
(across stakeholders, including insurers, communities, homeowners, landowners, governments, electrical corporations, and local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



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

Organizing the Scope into “Workstreams”





Project Schedule

	November				December			January					February				March				April (& onward)		
weeks	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
Phase 1: Project Scoping and Design Develop project and knowledge management infrastructure Identify and contract workstream leaders and SMEs Identify key stakeholders and refine stakeholder outreach plan Finalize work plan and logistical support needs		◆							◆														
Phase 2: Data Solicitation, Collection, Research, and Analysis State agencies provide initial input on relevant reports, projects, agencies, stakeholders and scope of agency contributions Identify potential big themes/potential policy recommendations Develop expanded working draft outline for workstreams Submit and tag all data into central library						◆			◆														
Phase 3: Workstream Research, Synthesis, Analysis and Drafting Hold initial meetings with lead state agencies and key stakeholders Synthesize input from open call, agencies, and workstream research Targeted agency and stakeholder input Complete draft synthesis and options for workstreams Workstream Leader Face-to-Face Meeting #1 (Jan 21-22)												◆											
Phase 4: Workstream Convergence, Analysis of Key Recommendations and Report Drafting Informational Webinar #2 (Feb 6, 12-1 pm) Convergence of workstream efforts Analysis and convergence of policy recommendations Targeted agency and stakeholder input Initiate preparation of draft report Workstream Leader Face to Face Meeting #2 (Feb 25-26)																						◆	
Phase 5: Finalize Report and Coordinate Briefings Draft final draft report Informational Webinar #3 (Mar 6, 12 - 1 pm) Other community outreach and engagement Final rounds of agency and stakeholder input Report finalization and production Coordination of policy briefings																						◆	
Executive Steering Committee Meetings*	X	X					X			X		X			X			X		X			
CEA Governing Board and California Catastrophe Response Council meetings, February 5, 2026														X									
◆: Task Milestone or Completion *Dates of Exec Steering Comm Mtgs: Oct 28, Nov 18, Dec 16, Jan 6, Jan 27, Feb 17, Mar 10,																							
				Thanksgiving - Nov 27				Holidays - Dec 22															30 Mar - Report due April 1
	3-Nov				1-Dec					5-Jan				2-Feb									2-Mar

Stakeholder Engagement

Open Call for Study Contributions: <https://www.cawildfirefund.com/sb-254-natural-catastrophe-resilience-study>

- Dec 12, 2025 – Call for submissions closed. **83 total** from ~ 69 unique individuals/organizations.

Interested Parties – 290 (online form, submissions and other people we have added) as of 1/26/26

- Periodic emails and study updates to be provided

Workstream stakeholder engagement: Each workstream taking different approaches and tracking engagement to ensure that all SB 254 mandated stakeholder groups are included.

Catastrophe Risk Financing	Property Insurance	Utilities	Risk Reduction and Financing
Individual/small group interviews: <ul style="list-style-type: none"> • California wildfire exposure and policy • California Wildfire Fund(CWF) administration and mechanisms • Wildfire liability coverage, exposure and market dynamics • Barriers/desire to join future CWF • Liability reforms • Potential impacts on homeowners insurance market • Perspectives on alternative or new catastrophe risk financing models • Community recovery • Other finance and insurance mechanisms 	SME Group Sessions: <ul style="list-style-type: none"> • Reinsurance/Backstop • Residual/surplus markets • Insurance & risk reduction • Affordability and low/mod income coverage 	Individual interviews: <ul style="list-style-type: none"> • CA electric utilities (IOUs, POUs) • Water and natural gas utilities • Re/Insurers • Legal – Attorneys, judicial officers • Community representatives • Consumer and investor representatives • Rating agencies • Academics/SMEs 	SME Group Sessions: <ul style="list-style-type: none"> • CA Forward Wildfire Expert Working Group • Local Fire Agencies • Insurance • Research and Technical • Funding and Financing

Open Call Submissions – All Posted to the CWF Website

- ACP California
- AEI Consultants for ASTM Task Group
- Affordable Energy Campaign
- Allotrope Cellulosic Development Company (ACDC)
- APCIA-PADIC-RAA
- Blue forest
- BofA Securities
- California Alliance for Community Energy (CACE)
- California Conservation Corps Foundation
- California Farm Bureau
- CalMutuals JPRIMA
- CAOC Comments
- California Resilience Authority
- Climate & Community Institute
- CMUA Abstract
- Coalition for Sustainable Flood Insurance (CSFI)
- Consumer Watchdog
- CSAC-RCRC-CalCities
- CWA-ACWA
- Darwin Fund
- Eaton Fire Residents United (EFRU)
- Eaton Survivor – Homeowner
- Eaton Fire Survivors Network (EFSN)-Chen
- Eaton Fire Survivor’s Network (EFSN)-Wessels
- Environmental Defense Fund (EDF)
- Filsinger Energy Partners
- FireAside
- Firescape
- Frontline Wildfire
- Golden State Power Cooperative
- Gridworks
- Guidehouse
- Independent Institute
- IND Technology
- Insurance Institute for Business & Home Safety (IBHS)
- IOU Combined Abstracts – PG&E, SCE, and SDG&E/Sempra.
- LADWP
- Liberty Utilities (CalPeco Electric)
- Marcy Szarama
- Mariposa Resource Conservation District
- Matador Fire
- McKinsey & Company
- Megafire
- Millman
- MJLee - Volunteer
- The Nature Conservancy- TNC
- Natural Resources Defense Council (NRDC) – Societal Ramifications
- Natural Resources Defense Council (NRDC)-FAIR Plan
- NextEra Energy Transmission
- Paradise Irrigation District
- PIFC-NAMIC
- Putting California's Assets to Work
- Reclaim our Power! Utility Justice Campaign
- ROCKWOOL
- Rural Landowner (former)
- SCIRP - Southern California Ignition Reduction Program
- Sierra Business Council
- Town of Los Gatos
- TURN
- University of California, Berkeley, Goldman School of Public Policy
- UCLA Luskin Center for Innovation
- Utility Wildfire Survivor Coalition
- Vibrant Planet

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

Informational Webinar #1 – Wednesday, December 10, 2025

- Theme: SB 254 Origin and Purpose, and Intent and Structure of the SB 254 Study
- Attendees: ~135 ; Registrants: ~180
- Webinar video and slides are posted on the website

Informational Webinar #2 – Friday, February 6, 2026, 12 – 1 pm

- Theme: Key Themes Emerging from the Study
- Registrants: 169 (as of 1/29/26)
- Opportunity for input provided in conjunction with the webinar.

Informational Webinar #3 – Friday, March 6, 2026, 12 - 1 pm

- Theme: Study Findings
- Registrants: 136 (as of 1/29/26)
- Opportunity for input provided in conjunction with the webinar.

Other Upcoming Outreach Activities

- CALFIRE Wildfire Mitigation Advisory Council, Feb 17
- ICARP (Integrated Climate Adaptation and Resilience Program) Technical Advisory Council, Mar 6

The screenshot shows the website for the California Wildfire Fund. The main heading is "SB254 – NATURAL CATASTROPHE RESILIENCY STUDY". Below this, there is a section titled "Stakeholder Contributions Received" with a paragraph of text and a link to "Submissions - Stakeholder Contributions". A video player is embedded, showing a thumbnail for the "SB 254 Natural Catastrophe Resiliency Study Informational Webinar" on Wednesday, December 10, 2025, from 12:00 - 1:00 p.m. (Pacific Time). Below the video is an "Additional Resources" section with a sign-up form. The form asks for first name, last name, email, and confirmation email, and includes a "SUBMIT" button.

Project Timeline - Details

Late Dec - January: Workstream Research, Analysis and Synthesis (Phases 2 & 3)

- Workstream stakeholder engagement and state agency meetings
- Workstreams synthesize input from open call, agencies, stakeholder engagement, and workstream research
- Jan 21-22: Consultant team in-person working session #1:
 - Insights for workstream research and identifying “big themes”
 - Understanding modeling framework and beginning options development
 - Detailed project planning
- Jan 30: Governor’s request that all agency input be provided
- Feb 6: Workstream synthesis documents due

February – March: Workstream Convergence, Options Analysis and Final Report (Phases 4 & 5)

- Workstreams converge focused on modeling, options development and packaging, and writing final report
- Feb 25 -26: Consultant team in-person working session #2:
 - Review analytics results and agree on framework of options and core messages
 - Plan for the final month
- Mar 6: Workstream final reports
- Final report development and report delivery, on or before April 1, 2026

Item 7

Public Comment

Public comment on matters within the California Catastrophe Response Council's subject matter jurisdiction that do not appear on this Agenda.

To participate in Public Comment press *9 or click the "Raise Hand" button on the Zoom app, and the moderator will unmute you.



- * Please note that while the Council may hear general public comments on matters within its subject matter jurisdiction, Council members may not otherwise deliberate, including providing substantive comments in response to, any matter not specified on this Agenda.

Item 8

Adjournment

Thank you for attending this meeting of the California Catastrophe Response Council.

General Information

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