



July 7, 2019

1100 K Street
Suite 101
Sacramento
California
95814

Telephone
916.327.7500

Facsimile
916.441.5507

The Honorable Ben Hueso, Chair
Senate Energy, Utilities and Communications Committee
California State Capitol
Sacramento, CA 95814

**RE: AB 1054 (Holden) – Wildfire & Public Utilities
As Amended 7/5/19 – SUPPORT
Set for hearing on July 8, 2019 – Senate Energy, Utilities and Communications
Committee**

Dear Senator Hueso:

The California State Association of Counties (CSAC) is pleased to support AB 1054 (Holden), the comprehensive wildfire measure that protects the rights of fire victims, creates additional safety and oversight measures for utilities and ensures utilities are held accountable for the safety of their systems. We applaud the Legislature and the Administration's commitment to this issue and sense of urgency to put forth a package that will better prepare California as we enter into another wildfire season.

AB 1054 addresses critical outstanding issues specific to safety, including the creation of a Wildfire Advisory Board to establish safety expertise and oversight of utilities, and to ensure for compliance with wildfire mitigation plans. The bill requires utilities to receive a safety certification and links executive compensation to safety performance measures; and requires IOUs to create an aggregate \$5 billion safety and wildfire mitigation investment over a period of five years, without profit on such expenditures. These measures build on SB 901 (Chapters 626, 2018) and take the next step to enforcing wildfire plans and linking them to utility cost recovery. The best prevention is safety and this bill includes significant requirements and investments by utilities without guaranteed profits for shareholders.

AB 1054 also addresses a critical issue of rate payer protections and cost recovery. We strongly support the framework in this measure that keeps our legal liability structure intact, and focuses on safety as means for cost recovery. The bill clarifies the CPUC administrative standard that allows for cost recovery from rate payers only if the utility's conduct was reasonable and in accordance with safety standards. The bill also establishes a wildfire fund to address liability from utility-ignited wildfires and requires meaningful engagement from Investor-Owned Utilities with rate payer protections.

As our climate continues to change, AB 1054 will help us become more prepared and resilient to the threat of wildfire, and provide greater stability and certainty for the energy market in California. It is for these reasons that we urge your support of this measure. Should you have

any questions regarding our positions, please contact me at 916-327-7500, ext. 504, or cmartinson@counties.org.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Cara Martinson', with a long horizontal flourish extending to the right.

Cara Martinson
Senior Legislative Representative

Cc: Members and staff, Senate Energy Committee
Members of the California State Senate
Members of the California State Assembly
The Honorable Gavin Newsom