

1 [City Position Regarding Liability for Utility Wildfire Costs]

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3 **Resolution establishing the City's position regarding liability for utility wildfire costs**
4 **and urging California legislators and regulators to protect California consumers by**
5 **ensuring that investor-owned utilities are held responsible for the consequences of**
6 **their actions.**

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8 WHEREAS, The increasing danger posed by wildfires throughout California requires
9 comprehensive changes, including improvements to vegetation and forest management
10 practices, utility infrastructure and operations, emergency response systems, and disaster
11 planning; and

12 WHEREAS, Successfully confronting the challenge of wildfires requires the
13 engagement of all sectors, including public entities, utilities, insurers, developers and others;
14 and

15 WHEREAS, Limiting the liability of one sector for wildfire costs is not a reasonable
16 response and will not better prepare California to address wildfire disasters; and

17 WHEREAS, In 2018, Pacific Gas & Electric Company (PG&E) and other utilities made
18 legislative proposals to amend the strict liability and inverse condemnation provisions of state
19 law to shift responsibility for wildfire damages away from utilities and on to public entities,
20 homeowners, and utility ratepayers, at great detriment to the general public; and

21 WHEREAS, Senate Bill 901 (2018) adopted Public Utilities Code, Section 451.2(b),
22 limiting the amount of damages PG&E would pay for wildfires in 2017 and requiring PG&E's
23 customers to pay the remainder of those costs, all in an effort to protect PG&E's financial
24 health; and

1 WHEREAS, PG&E has filed for bankruptcy and seeks a bailout from its ratepayers who
2 already enrich it by paying some of the highest electric rates in the nation; and

3 WHEREAS, PG&E's ratepayers bailed out the utility after its 2001 bankruptcy filing,
4 when the California Public Utilities Commission (CPUC) required customers to pay about \$7
5 billion in rate increases to cover PG&E's debts, as confirmed in Green Tech Media
6 (<https://www.greentechmedia.com/articles/read/pge-questions-coming-bankruptcy>); and

7 WHEREAS, For decades, PG&E's shareholders and management have continued to
8 profit, despite the utility's infamous history of safety and reliability problems, including the
9 shocking statistic that just in the last ten years, PG&E's shareholder equity increased from
10 \$9.1 billion at the end of 2007 to \$ 19.7 billion at the end of 2017 (PG&E Annual Reports
11 2007-2017); and

12 WHEREAS, PG&E is currently developing new wildfire safety measures it will present
13 to the CPUC, which are expected to cost ratepayers billions of dollars over the next few years;
14 now, therefore, be it

15 RESOLVED, That legislators and regulators should not charge ratepayers the costs of
16 wildfire damage caused by PG&E; and, be it

17 FURTHER RESOLVED, That Public Utilities Code, Section 451.2(b), should be
18 repealed because PG&E's bankruptcy makes it irrelevant; and, be it

19 FURTHER RESOLVED, That San Francisco opposes updates to utility liability
20 provisions that unfairly shift costs to public entities, homeowners, and ratepayers; and, be it

21 FURTHER RESOLVED, That updates to liability provisions should benefit all parties,
22 incentivize utilities to prioritize safety over profit, and better prepare the state to address the
23 impacts of climate change; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San
2 Francisco do hereby direct the Clerk of the Board to send copies of this official city position to
3 members of the CPUC and the State Legislature upon passage of this resolution.
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