

Wildfires and Transmission

In recent years, wildfires in the United States have become more frequent and severe, with an annual average of 70,000 fires burning 7 million acres since 2000—more than double the acreage burned in the 1990s.¹ As costs associated with wildfires have climbed, the existing policy framework must be updated.

How Has Accountability for Wildfires Evolved?

Wildfires can have many causes such as sparks from lightning or unattended campfires. In some cases, a spark from a transmission line or other electricity infrastructure can also ignite a fire.² Where utilities operate irresponsibly, they should absolutely be held accountable for wildfire damages. But there are inherent risks in operating a utility, particularly in wildfire-prone regions where even the best mitigation practices cannot eliminate all threats. The system has evolved in a way that places unsustainable financial burdens on utilities, even when they've acted responsibly. Utilities now face unlimited liability, meaning they are often held responsible for all damages resulting from a wildfire.

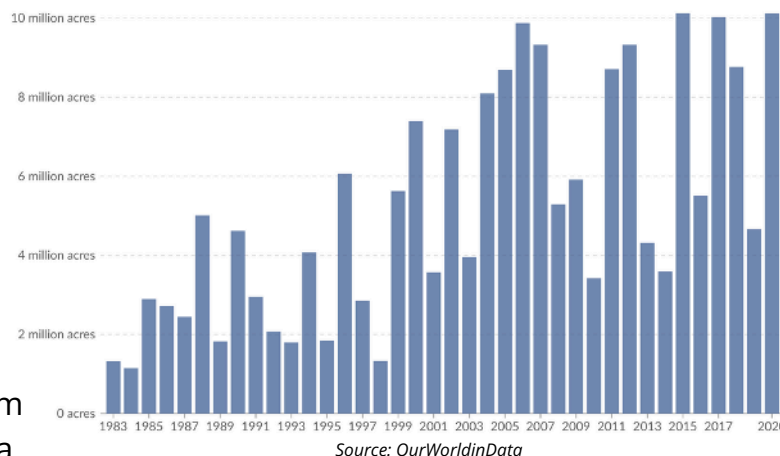
How Does This Impact Me?

Because utilities can be exposed to unlimited liability for wildfire damages, they have begun to be classified as “high-risk” clients and have undergone credit downgrades. As a result, utilities face rising insurance premiums, shrinking insurer options, and increasing borrowing costs, which make it more expensive to invest in new resources and upgrade transmission infrastructure. Importantly, these increasing costs are ultimately passed on to customers, driving up electricity bills for households and businesses.³

What Do We Need to Do?

Although some states are trying to address the issue, this can lead to a patchwork quilt of state-by-state policies that don't match the multi-state nature of the wholesale electric grid. Congress should set a floor to address marketplace uncertainty and create the conditions for marketplace participants to continue to enter into contracts for needed transmission build.

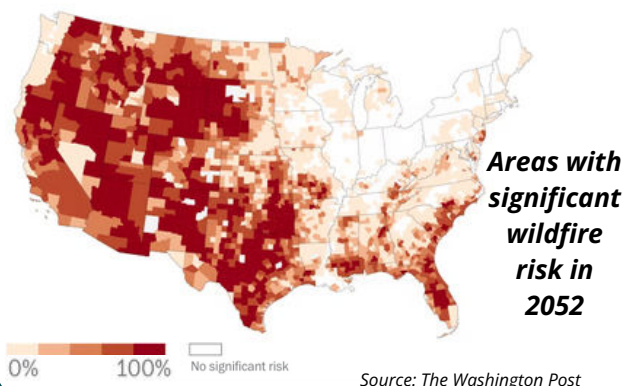
Wildfire Acres Burned in the United States



Isn't This Just a California Problem?

While California experiences some of the most destructive and costly wildfires, fires have also intensified in other states like Texas, North Carolina, and Florida.⁴

Previously only California required utilities to pay for all wildfire damages regardless of negligence, but this legal theory is beginning to spread.⁵





PacifiCorp Pauses RFP: Multi-Billion Dollar Liability “An Element” in Decision

After significant wildfires throughout Oregon in 2020, a jury found PacifiCorp was responsible for wildfire costs. As lawsuits multiplied, the utility faced more than \$45 billion in wildfire-related claims.⁶ The enormity of this legal and financial risk directly threatens PacifiCorp’s ability to invest in new resources.

In 2022, PacifiCorp paused its request for proposals (RFP) for almost 2,000 MW of new energy projects. Rick Link, PacifiCorp’s Senior Vice President of Resource Planning, Procurement, and Optimization, said the company’s potential liability from the 2020 wildfire lawsuits “was an element” in its decision to pause the RFP process.⁷

In 2025, the Oregon Department of Forestry concluded that PacifiCorp’s power lines did not contribute to the fires.⁸



Even if utilities lawfully mitigate wildfire risks, new challenges continue to emerge. For example, Southern California Edison is investigating whether an idle power line, also known as a “zombie line,” sparked the 2025 Eaton fire in Los Angeles that burned 14,000 acres.¹¹

Colorado Utility Credit Rating Slashed Due to Wildfire Risk

In December 2021, more than 1,000 homes burned near Boulder, Colorado in the Marshall Fire, leading to more than \$2 billion in damages. Even though the Public Service Company of Colorado (PSCo) has developed and implemented enhanced wildfire mitigation efforts, S&P noted in 2025 the ongoing threat of severe wildfires.⁹

As a consequence S&P downgraded PSCo’s credit rating with a negative outlook. A lower credit rating increases borrowing costs—costs that are often passed on to customers—and can ultimately impact needed investment.¹⁰



Projects Withdrawn in Hawaii

In August 2023, a Maui fire swept through the historic city of Lahaina, causing more than \$3 billion in damages and killing over 100 people. Many factors contributed to the fire, including a fallen power line owned by the local utility, Hawaiian Electric Company (HECO). After being sued, HECO settled the lawsuit for \$2 billion and saw its credit rating slashed to junk status. Its downgraded credit rating made contracting too risky for some energy generation developers.¹² In November 2024, Clearway Energy withdrew three hybrid solar and storage projects from HECO’s 2023 procurement due to the utility’s financial uncertainty.¹³

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3. Michael Wara, Michael D. Mastrandrea, and Eric Macomber, “Climate Change and Utility Wildfire Risk: A Proposal for a Federal Backstop.” (May 2024).

4. Insurance Information Institute, “Facts + Statistics: Wildfires.” (2024).

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6. S&P Global Commodity Insights, “Wildfire claims against PacifiCorp surge to \$4.6B on Oregon mass complaints.” (May 24, 2024).

7. Greg Mason, “PacifiCorp Suspends 2022 RFP, Citing Uncertain Federal Regulations.” (October 2023).

8. Oregon Department of Forestry, “ODF publishes 2020 Santiam Canyon Wildfire Event investigation report.” (March, 2025).

9. Leo Wolfson, “Rocky Mountain Power To Cancel Planned Retirements Of Its Wyoming Coal Plants.” (January 2025).

10. S&P Global Ratings, “Public Service Co. Of Colorado Lowered To ‘BBB+’ From ‘A-’ 13. Following Wildfire Review; Outlook Negative.” (February 2025).

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12. Stewart Yerton, “HECO’s Shaky Credit Prompts Proposal For Help From State.” (December 2024).

13. Matthew Biss, “Clearway withdraws solar-plus-storage from Hawaiian Electric procurement, citing utility’s ‘ongoing financial uncertainty’.” (November 2024).