

**Sponsors: Northern California Power Agency; Northwest Public Power Association; Sacramento Municipal Utility District; Chelan County PUD; Trinity Public Utilities District; Roseville Electric Utility; Colorado Association of Municipal Utilities; Alaska Power Association; California Association of Municipal Utilities; California Municipal Utilities Association**

**In Support of Increased Federal Efforts to Address the Growing Threats of Wildfires**

Wildfires are growing in intensity and frequency across the United States, destroying forests, grasslands, and communities. According to a Joint Economic Committee analysis done in 2023, wildfires cost the United States between \$394 billion to \$893 billion each year, and costs are expected to continue to rise. In addition to the risks wildfires pose to communities, public health and safety, and the economy, they also pose a strong risk to electric grid reliability and to the financial stability of electric utilities. Public power utilities across the country, particularly in the West, have been impacted by the devastation caused by wildfires and we expect more will be impacted as wildfires occur in areas historically deemed a low risk by the Federal Emergency Management Agency.

Electric utilities continue to encounter numerous federal hurdles and delays when undertaking wildfire mitigation, grid hardening, and wildfire recovery actions to protect their systems and the communities they serve. For example, for electric utilities with electric infrastructure on federal lands, their ability to mitigate for wildfires and respond quickly in emergencies is jeopardized by delayed agency approvals for routine vegetation management and hazard tree removal operations. They also encounter delays in approvals to create right-of-way access roads needed to bring equipment for vegetation management or to help harden infrastructure, such as replacing wooden poles with metal poles or undergrounding lines. Agency approval to remove even a single hazard tree in advance of fire season can take months or even years.

Further, wildfires and their associated liabilities can significantly impact electric utilities, resulting in financial distress or potential bankruptcy. Electric utilities are often sued for damages following wildfires even when their infrastructure or equipment is not the cause of such wildfires. For small public power utilities, which have far less resources than larger electric utilities, the scale of claims and damages, including non-economic damages, that can be awarded against them in civil proceedings, regardless of cause, could bankrupt them. Further exacerbating this financial risk for some public power utilities is the inability to obtain sufficient insurance. In some parts of the country, insurers will no longer provide coverage to utilities for damages from wildfires.

Congress is increasingly concerned about the growing threats from wildfires and multiple bills have been introduced to help mitigate and suppress wildfires, including ones to improve forest management and further facilitate vegetation management near powerlines on federal lands. In addition, Congress funds a

variety of programs related to wildfire mitigation, suppression, and research. APPA is supportive of these efforts and believes Congress should do more to address the growing threats to communities, natural resources, utilities, and businesses from wildfires.

**NOW, THEREFORE BE IT RESOLVED:** That the American Public Power Association (APPA) urges Congress to increase appropriations for wildfire mitigation, suppression, and research at various federal agencies, including the Department of Energy, Department of the Interior, Department of Agriculture, and Department of Commerce, as well as the Federal Emergency Management Agency. This would include increased funding for:

- Hazardous fuels treatments, prescribed fire applications, and other fuel reduction work and vegetation management on public lands.
- Land management agencies, including their regional offices, for necessary staffing to facilitate timelier issuance and implementation of permits for forest management (including healthy forest practices) and utility corridor vegetation management activities.
- Sufficient wildland firefighter staffing and pay, as well as for firefighting capacity and suppression resources.
- Wildfire research that will improve near-term and long-term situational awareness (including mapping tools, weather stations, thermal imaging cameras, and satellites) by the National Oceanic and Atmospheric Administration to develop more granular and highly predictive weather models to better inform operations or risk conditions and threats.
- The development of technologies to fight or mitigate wildfires.

**BE IT FURTHER RESOLVED:** That APPA believes Congress should adopt policies that help electric utilities mitigate for wildfire and respond quickly in emergencies by expediting agency approvals for routine vegetation management and hazard tree removal, creating right-of-way access roads for necessary equipment, and enabling grid hardening efforts, such as replacing wooden poles with metal poles or undergrounding lines. Such policies would include:

- Amending the National Environmental Policy Act (NEPA), and National Historic Preservation Act (NHPA) to categorically exclude vegetation management, right-of-way access road, post-fire recovery efforts, and grid hardening projects from NEPA and NHPA reviews.

- Directing land-management agencies to further clarify emergency hazard tree removal approval processes and have those policies consistent across regions and agencies.
- Amending existing expedited authorities under the Federal Land Policy and Management Act of 1976 (FLPMA) with respect to rights-of-ways to allow the clearing of hazard trees within 150 feet of an electric power line instead of the current limit of 10 feet.
- Amending the FLPMA to allow for the automatic approval of vegetation management plans submitted by electric utilities after approximately four months without amendment and creating a process for modified plans that are not reviewed with 120 days of submission.
- Amending the FLPMA to promote additional consultations with private landholders about hazard trees on their land.
- Directing land-management agencies to expedite implementation of master service agreements with utilities that hold multiple operating and maintenance electric corridor permits
- Directing land-management agencies to incorporate policies that power restoration is a priority post wildfire.
- Direct federal agencies to incorporate mechanisms for joint disaster command communication and community messaging with electric utilities during wildfire events.

**BE IT FURTHER RESOLVED:** That APPA believes Congress should reasonably limit electric utility liability for wildfires on federal lands to ensure the reliability, affordability, and resilience of the grid by directing the U.S. Forest Service to reduce its recent increases to the strict liability cap for special use permit holders and directing the Bureau of Land Management (BLM) to reduce its increase to the strict liability cap for grant holders.

**BE IT FURTHER RESOLVED:** That APPA supports Congress creating a voluntary federal insurance backstop solution to stabilize the insurance market and ensure continued electric reliability across high-risk wildfire areas. Such a solution would need to be designed in a manner to bolster the existing insurance market for wildfire liabilities and not displace it; and

92 **BE IT FURTHER RESOLVED:** That if Congress were to consider legislation to provide additional  
93 liability protections to electric utilities from wildfires, APPA believes such legislation must be drafted in  
94 a manner that does not override existing state protections for public power utilities.

**Adopted at the Legislative & Resolutions Committee Meeting**

**February 25, 2025**

**Sunsets in March 2033**