August 11, 2026

Dear Governor Newsom, Speaker Rivas, Pro Tem Limón and members of the California Legislature:

We, the undersigned organizations, ask the Governor and legislature to improve how California manages wildfire risk, protects survivors, and pays for wildfire damages. We urge that these proposed reforms be transparent and that a public draft be presented as soon as possible for full deliberation. To ensure that the urgently needed liability reform measures provide meaningful rate relief and do not further de-stabilize the insurance market, numbers on the projected cost shift must be made available.

As climate change increases the likelihood of catastrophic wildfires, it's clear that California's status quo no longer works. Current investments in risk reduction do not keep pace with the scale of need, liability structures drive up costs for ratepayers, and insurance rates and availability pressures strain high wildfire risk areas.

Wildfire policy should prioritize lowering risk, not just reallocating costs

While California invested in developing a coordinated strategy through the Wildfire and Forest Resilience Task Force, the state needs to elevate community wildfire resilience, accelerate implementation, and significantly scale and sustain funding.

Any reforms that do not reduce the overall risk will not reduce the loss of life and property caused by catastrophic wildfires. Greater and sustained investment in prevention is essential to reducing the burden on electricity ratepayers and overall risk. We urge the state to significantly increase investment in risk reduction from diverse sources from those that benefit from preventing harm and those that contribute to these catastrophic wildfires, including the fossil fuel industry, utility corporations, insurance corporations, municipal utilities, all property owners, and others.[1]

Lasting wildfire reform requires more than reallocating losses after disasters - it should reduce the likelihood and severity of those losses before they occur. Since 2019, the state has invested an average of $590 million annually for wildfire mitigation, with a continuous $200 million from the Cap-and-Invest program. However, last year the state moved wildfire prevention to the lowest priority tier. Current projections show roughly $38 million available for wildfire and forest programs. The current state of wildfire mitigation funding does not meet the moment, requiring swift and significant investment to lower risk and economic damages before fires can even occur.

It is imperative that this fiscal year provides no less than $2 billion annually for landscape and community prevention to begin to build towards the $4-7 billion needed annually.

Any Reforms on Utility Liability Must Reduce Electric Rates and Ensure Utility Accountability

While utilities have spent more than any other entity in the state on wildfire mitigation, the overall spending on wildfire risk, prevention, and damages has spiked electricity bills. These rising costs fall disproportionately on low-income households who depend on air conditioning and discourage the adoption of clean vehicles, appliances, and industrial equipment. Any reforms to utility liability

[1] The California Earthquake Authority SB 254 report identified estimates that California would need to spend at least $4 to $7 billion annually on prevention to achieve the state's goal of treating 1 million to 2.3 million acres per year (estimated at $2-$5 billion), combined with a comparable rough estimate for community mitigation efforts.

must deliver tangible, immediate savings for ratepayers– including a direct reduction in return on equity proportional to changes in risk, and more prudent review of overall spend– particularly at a time when the utilities are bringing in record profits.

Achieving better equity outcomes requires establishing a revised framework for allocating and financing catastrophic wildfire losses that reduces reliance on raising electricity rates while preserving utility accountability, including stricter executive compensation structures.

We appreciate your effort to undertake these much needed reforms and we stand ready to engage in a public and transparent deliberation.

Sincerely,

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