

From Prevention to Power Shutdowns: How Utilities Are Responding to Wildfires

Summary of Comments - February 19, 2025

On February 19, 2025, OurEnergyPolicy hosted a discussion on mitigation strategies utilities are employing to reduce the risk of wildfire ignition and damage, while balancing customer needs and safety. Find the recording [here](#).

SPEAKERS



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Summary of Key Points

- Wildfire risk has increased in modern times due to changes in weather, climate, land use, and land management.
- Wildfires are no longer a “western issue.”
- Only about 10% of wildfires are caused by utility equipment.
- There is insufficient availability of wildfire insurance for both utilities and communities impacted by wildfires.
- Most investments that mitigate wildfires, like grid hardening, also have broader system benefits.
- Wildfires are a societal problem, so preventing them will also require efforts outside the scope of utility actions and capabilities.

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Mitigating Wildfires

- We can reduce wildfire risks if we commit to proactive long-term investments,
 - “Under-grounding” lines reduces wildfire risk from electric assets by 99%.
- However, commissions and state regulators tend to be more willing to authorize mitigation investments only after wildfires occur.
 - Education and outreach are required to get proactive investments approved.
- Expediting permitting so that utilities can conduct routine vegetation management around electric utilities can help remove potential fuel for wildfires more easily.
- While microgrids are a valuable tool in the utility industry, they do not replace the broader grid.
- AI and machine learning technologies provide new opportunities to further develop predictive models for wildfire risk and for inspecting equipment.
- PG&E and other utilities use a probabilistic risk model which incorporates historical fire data, weather conditions, and more to predict fire risk in its service areas.
- Wildfires are becoming a greater threat outside the West coast region of the U.S.
- For utilities facing wildfires as a new risk: Learn from fellow utilities.
 - After fires in its service area in 2017, PG&E reached out to utilities with more mature wildfire mitigation programs and adopted their mitigation strategies.

Balancing Liability

- Due to a deficit in insurance coverage and insufficient aid, wildfire-impacted communities often pursue utilities as the “insurers of last resort”.
 - However, only about 10% of wildfires are connected to utility equipment.
- Being the “insurers of last resort” for communities impacted by wildfires makes it more difficult for utilities to raise enough capital to make the long-term investments they strive for to mitigate wildfire threats.
 - It is also an unsustainable strategy for assisting wildfire-impacted communities.
- There is a government program to support flood-prone communities unable to procure insurance. It may be time for a government program that supports wildfire-prone communities.