August 14, 2026

The Honorable Gavin Newsom
Governor, State of California
State Capitol, Suite 1173
Sacramento, CA 95814

The Honorable Robert A. Rivas
Speaker, California State Assembly
State Capitol, Room 219
Sacramento, CA 95814

The Honorable Monique Limón
President pro Tempore, California State Senate
State Capitol, Room 205
Sacramento, CA 95814

RE: Wildfire Fund Reform Proposal — Support for Timely Action, Request for Fair and Equitable Cost Allocation

Dear Governor Newsom, Speaker Rivas, and President pro Tempore Limón:

On behalf of the undersigned joint ratepayers representing industrial, commercial, food processing and agricultural customers, we write regarding the Administration's ongoing efforts to develop wildfire fund reform legislation for consideration before the end of this legislative session.

We recognize the need to act now to address California's wildfire and insurance crisis. We share the state's interest in a stable, well-funded Wildfire Fund that protects utility liquidity, supports continued investment in wildfire mitigation, and provides certainty for all ratepayers who ultimately bear these

costs. We appreciate the Administration's continued engagement with the Legislature on this issue and stand ready to work constructively as the details of the proposal are finalized.

Critically, we urge the Administration and the Legislature to fairly assign the costs of this new prospective ratepayer funding commitment. **We respectfully request that the wildfire costs adopted as part of this proposal be assigned fairly to all ratepayers on an Equal Percent Total Revenues (EPTR) basis, which is:**

- **Simple, transparent, and administratively straightforward**, resulting in each customer class bearing approximately the same proportional percentage bill increase.
- **Better aligned with the nature of the proposal's wildfire liability and claims costs**, allocating costs in proportion to each class's existing responsibility for supporting the systemwide grid rather than simply on energy consumption. This approach is also consistent with the use of proportional revenue allocation for other wildfire related utility costs, promoting greater consistency in how wildfire costs are assigned across customer classes.
- **Consistent with California's electrification and decarbonization objectives,** by avoiding additional non-energy costs being embedded in the marginal price of electricity and thereby discouraging adoption of beneficial electrification technologies.

By contrast, an equal-cents-per-kWh allocation would disproportionately burden customers with high electricity usage, including high-load-factor industrial, commercial, agricultural customers and customers that have invested in electrification and other beneficial decarbonization technologies, even though there is no cost-causation relationship between incremental kWh consumption and wildfire liability. This impact is particularly acute for energy-intensive, trade-exposed (EITE) manufacturers, which already face substantially higher electricity costs than out-of-state competitors and have limited ability to pass those costs through to customers. The undersigned organizations already pay significant wildfire-related charges on a volumetric basis, for example, CLECA members pay more than $1 million per year on average through the existing Wildfire Fund Nonbypassable Charge. Extending that approach to new Wildfire Fund costs would further increase the cost of marginal electricity consumption, discourage beneficial electrification, and weaken the competitiveness of California industry, putting existing jobs at risk and making the state less attractive for new investment and broader economic development. For EITE manufacturers, these added costs also heighten the risk of emissions leakage by shifting production and future investment to jurisdictions with lower electricity costs and more carbon-intensive energy supplies. Such an outcome would increase global emissions, directly undermining the State's broader climate and decarbonization objectives.

Finally, any shareholder-funded credit to customers must be provided to all customer classes. The affordability crisis affects all customer classes. Given the significant burden the industrial, agricultural and commercial classes have shouldered in contributing to the Wildfire Fund based on its current volumetric collection, these customers should not be left out.

We appreciate the opportunity to share our views as this proposal is developed and looks forward to working with the Administration and the Legislature to ensure that any final legislation reflects both the urgency of the wildfire crisis and the need for fair, equitable cost allocation across all California ratepayers.

Thank you for your consideration.

Sincerely,



Nora Sheriff
California Large Energy Consumers Association



Katie Little
California Food Producers



Michael Boccadoro
Agriculture Energy Consumers Association



Elizabeth Esquival
California Manufacturers & Technology Association



Tricia Geringer
Agriculture Council of California

cc:
Senator Benjamin Allen, Chair, Senate Committee on Energy, Utilities and Communications
Senator Rosilicie Ochoa Bogh, Vice Chair, Senate Committee on Energy, Utilities and Communications
Assembly Member Cottie Petrie-Norris, Chair, Assembly Committee on Utilities and Energy
Assembly Member Joe Patterson, Vice Chair, Assembly Committee on Utilities and Energy