

# Utah SB224 Summary



Creates a fund for supplemental wildfire coverage; caps damages for wildfire claims; directs the commission to allow cost recovery for acquiring, operating and maintaining dispatchable resources

## Wildfire Amendments

- Utah Fire Fund
  - Allows a utility to create a Utah Fire Fund to supplement other forms of insurance to pay third party claims for Utah fires
  - A Utah Fire Fund is not intended to replace other forms of commercial, self insurance or commission created mechanisms
  - The commission must approve a Utah Fire Fund where it is in the public interest and supports the financial health of the utility
  - The Utah Fire Fund consists of a commission approved surcharge and other investment income. No shareholder contributions
  - A utility must pay \$10m deductible payments for claims arising out of fire events that occurred in a calendar year to access the fund
  - The commission may cease the collection of the surcharge when a Utah Fire Fund reaches \$1b in assets or after 10 years
  - The prudence of using the Utah Fire Fund to pay claims cannot be challenged
  - The prudence of the amount of a Utah Fire Fund disbursement can be challenged, but the burden of proof is on the moving party
  - The commission can order replenishment of imprudent disbursement amounts, up to 10% of a utility's Utah distribution rate base
- Limitations of Liability
  - Third party claims against a utility must be brought within two years and state government claims within six years of a fire
  - Clarifies economic losses are the lesser of replacement cost or the difference between pre-post fire fair market value
  - Damages for parties with a physical injury and a non-economic claim are capped at \$450k; damages for parties with no physical injury and a noneconomic claim are capped at \$100k. Caps do not apply to wrongful death claims

## Dispatchable Resource Amendments

- Modifies existing statute to clarify that securing dispatchable resources are a Utah energy policy priority, and that the reasonable costs of all actions necessary to acquire, fuel, operate and maintain dispatchable resources are recoverable