

A Touchstone Energy® Cooperative

Ripples



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JUNE 2025

Why the need for wildfire mitigation legislation?

COLUMN BY BRAD BAUMAN, SREC GM/CEO AND MARK LAMBRECHT, MECA

THE 2025 Montana Legislative Session has come to a close. Included in the actions of the Legislature was a bill introduced and passed on behalf of the Montana Electric Cooperatives' Association, North-Western Energy and MDU to help decrease the likelihood of utility-caused wildfires and prevent the California strict liability standard from taking root in Montana.

What was the bill and why is it needed?

House Bill 490 was a bill that required electric cooperatives, investor-owned and municipal utilities, and transmission system

operators to develop and implement wildfire mitigation plans. These plans must include specific components to reduce the risk of electricity infrastructure causing a fire and enhance public safety. Plans must identify areas of high wildfire risk; specify utility procedures for equipment operation, inspection, maintenance and repair; describe vegetation management measures; and stipulate coordination with state, federal, tribal and local agencies. There are also requirements for public comments on plan development and community outreach.



Bauman



Lambrecht



The bill was the first in the nation to declare strict liability does not apply to utility-involved wildfires. California has a strict liability standard in its state Constitution, meaning if a utility is involved in a wildfire, even if it didn't start the fire or wasn't negligent, it is automatically liable for damages. There is no investigation of the cause of ignition and no determination of facts. The only issue for the courts to decide is how much the utility pays. This standard required a California utility to pay billions in damages, lay off thousands of employees and declare bankruptcy.

Montana's electric cooperatives and utilities felt HB490 was necessary to prevent that standard from coming to

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REMINDER:

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\$1,000 Sun River Electric Cooperative winners

Choteau

Kyle Haas Karson Thomas

Conrad

Teagen Arnold Morgan Clark Madalyne Stokes Cole Waldusky

Dutton

Aidan Reeve

Kamber Bender Bryce Hooper Kamree Pearson Taylee Pearson Thomas Stott

Kyler Harris

Highwood

Zachary Johnston Wyatt Mortensen Chase Tinklenberg Ryder Zanto

Power

Bryce Bedord **Jared Boetticher** Jordyn Stengrimson

Brylee Wright



Kyle Haas

Cole Waldusky

Taylee Pearsor









Madalyne Stokes



Fairfield

Florence

(Augusta Residence)



Chase Tinklenberg

Jared Boetticher





















Bryce Hoope

Kamree Pearson



Wyatt Mortenser

SREC/LUCAS **FOWLER MEMORIAL** _INEMAN SCHOLARSHIP WINNERS

Zachary Johnstor



Jace Brierly, Conrad



Elijah Warden, Fairfield

Simms

Austin Naude Zoey Wright

BASIN ELECTRIC COOPERATIVE SCHOLARSHIP WINNER

THOMAS Stott, son of Jason and Lynn Stott, has been selected as the Basin Electric Power Cooperative scholarship winner.

Sun River Electric is a member of Basin Electric. Every year, Basin awards one \$1,000 scholarship to each of its member cooperatives to be awarded to a dependent of a consumer/member.

Thomas is a senior at Fairfield High School and after graduation he plans to attend Arizona State University to study computer systems engineering.

Congratulations Thomas!



FIRE MITIGATION

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our state. They were aware of efforts to bring strict liability to Oregon and Washington, and the fact Montana courts could have applied it if not prevented from doing so through legislation.

Montana's electric cooperatives and regulated utilities have an obligation to serve the state's homes, businesses, farms and ranches with safe, affordable and reliable electricity. The cooperatives and fellow utilities understand that fire ignitions can occur because of events that happen to the infrastructure of the utility. These events could be caused by acts of God (lightning, winds), trees falling from outside of our right of way, or by the performance of equipment of the utility. However, if they were automatically required to pay hundreds of millions, or billions,

of dollars in damages for wildfires they didn't start, those awards would be passed onto their members and customers, dramatically increasing the cost of electricity and potentially leading to utility bankruptcy.

This bill also clarifies how a utility may be found liable for a wildfire. A court may find a utility liable if there is evidence its facilities caused a wildfire and associated damages, or if it failed to comply with its wildfire mitigation plan. Damages are limited to the value of real and personal property, medical expenses and lost wages, but noneconomic damages require bodily injury or death, and claims for punitive damages require evidence the utility was grossly negligent. 366346

The bill included an important requirement from the insurance industry requiring they be allowed to subrogate, or seek reimbursement from, utilities found to be liable for wildfire damage. This requirement — and the

likelihood wildfire mitigation plans will reduce fire risk — should be expected to reduce insurance premiums for utilities and property owners over time.

Our members will have an opportunity to review the Sun River Electric plan in the upcoming months. A 45-day public comment period will be open for plan review, then a public meeting will be held, and within 60 days following the public meeting, the plan will be activated. The cooperative will notify the membership through the *Ripples*, bill message and a Facebook post on where to locate the SREC Wildfire Plan on our website, and the kickoff of the public comment period.

This legislation is a good outcome for our cooperative and will reduce the chances that our cooperative would have to face bankruptcy because of a court ruling. Please take the time to review our plan and offer comment or ask questions if you have any concern.

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