

1-1 By: King (Senate Sponsor - Schwertner) H.B. No. 145  
1-2 (In the Senate - Received from the House April 28, 2025;  
1-3 May 12, 2025, read first time and referred to Committee on Business  
1-4 & Commerce; May 23, 2025, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 8, Nays 0;  
1-6 May 23, 2025, sent to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Schwertner	X			
1-10	King	X			
1-11	Blanco	X			
1-12	Campbell	X			
1-13	Creighton			X	
1-14	Johnson	X			
1-15	Kolkhorst			X	
1-16	Menéndez	X			
1-17	Middleton			X	
1-18	Nichols	X			
1-19	Zaffirini	X			

1-20 COMMITTEE SUBSTITUTE FOR H.B. No. 145 By: Nichols

1-21 A BILL TO BE ENTITLED  
1-22 AN ACT

1-23 relating to risk mitigation planning and associated liability for  
1-24 providers of electric service; providing an administrative  
1-25 penalty.  
1-26 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
1-27 SECTION 1. Section 36.064, Utilities Code, is amended by  
1-28 amending Subsections (a) and (b) and adding Subsections (c-1) and  
1-29 (h) to read as follows:  
1-30 (a) An electric utility may self-insure all or part of:  
1-31 (1) the utility's potential liability or catastrophic  
1-32 property loss, including windstorm, fire, wildfire, and explosion  
1-33 losses, that could not have been reasonably anticipated and  
1-34 included under operating and maintenance expenses; and  
1-35 (2) potential damages the utility may be liable for  
1-36 resulting from personal injury or property damage caused by a  
1-37 wildfire.  
1-38 (b) The commission shall approve a self-insurance plan  
1-39 under this section if the commission finds ~~that~~:  
1-40 (1) the coverage is in the public interest;  
1-41 (2) one of the following:  
1-42 (A) the plan, considering all costs, is a lower  
1-43 cost alternative to purchasing commercial insurance;  
1-44 (B) commercial insurance alone is insufficient  
1-45 to cover potential liability, damages, or catastrophic property  
1-46 loss; or  
1-47 (C) the electric utility cannot obtain  
1-48 commercial insurance for a reasonable premium; and  
1-49 (3) ratepayers will receive the benefits of the  
1-50 savings.  
1-51 (c-1) In approving a self-insurance plan under this  
1-52 section, the commission shall prioritize the consideration of the  
1-53 presence and potential extent of wildfire losses, including:  
1-54 (1) historical data;  
1-55 (2) actuarial studies and analyses; and  
1-56 (3) the risk of the electric utility's exposure to  
1-57 losses from multiple types of disasters occurring within the  
1-58 utility's service territory.  
1-59 (h) Subsection (a)(2) does not authorize an electric  
1-60 utility to self-insure under this section for damages from a

wildfire event the utility caused intentionally, recklessly, or with gross negligence.

SECTION 2. Subchapter D, Chapter 38, Utilities Code, is amended by adding Sections 38.080 and 38.081 to read as follows:

Sec. 38.080. WILDFIRE MITIGATION PLAN. (a) In this section:

(1) "Division" means the Texas Division of Emergency Management.

(2) "First responder" has the meaning assigned by Section 418.251, Government Code.

(3) "Plan" means a wildfire mitigation plan described by Subsection (b).

(4) "Wildfire risk area" means an area determined by the division or an electric utility, municipally owned utility, or electric cooperative to be at an elevated risk for wildfire.

(b) An electric utility, municipally owned utility, or electric cooperative that owns a transmission or distribution facility in a wildfire risk area shall file with the commission a wildfire mitigation plan that includes the following:

(1) a description of each area to which the utility or cooperative provides transmission or distribution service that is in a wildfire risk area and the utility's or cooperative's process for periodically inspecting the utility's or cooperative's transmission and distribution facilities in those areas;

(2) a detailed plan for vegetation management in the wildfire risk area;

(3) a detailed operations plan for reducing the likelihood of wildfire ignition from the utility's or cooperative's facilities and for responding to a wildfire;

(4) a description of the procedures the utility or cooperative intends to use to restore the utility's or cooperative's system during and after a wildfire event, including contact information for the utility or cooperative that may be used for coordination with the division and first responders;

(5) the utility's or cooperative's community outreach and public awareness plan regarding wildfire risks and actual wildfires affecting the utility's or cooperative's service territory or system, including a specific communications plan for responding to a wildfire event;

(6) any infrastructure report, maintenance report, or transmission or distribution pole maintenance plan required by the commission;

(7) an analysis of the wildfire mitigation plan prepared by an independent expert in fire risk mitigation;

(8) a description of procedures for de-energizing power lines and disabling reclosers to mitigate potential wildfires or implement a public safety power shut-off plan;

(9) a description of the procedures and standards that the utility or cooperative will use to inspect and operate the utility's or cooperative's infrastructure to mitigate the risk of wildfires;

(10) a description of how the utility or cooperative will monitor compliance with the wildfire mitigation plan; and

(11) any other information the commission may require.

(c) The commission shall issue an order not later than the 180th day after a plan is filed with the commission that:

(1) approves the plan if the commission finds that approval is in the public interest; or

(2) modifies or rejects the plan as necessary to be consistent with the public interest.

(d) An electric utility, municipally owned utility, or electric cooperative that does not implement a plan approved under this section is subject to an administrative penalty as provided by Chapter 15.

(e) The commission may accept in place of the information required under Subsection (b) any information required under other law that is substantially similar to the information required under that subsection.

Sec. 38.081. EVIDENCE IN ACTIONS FOR DAMAGES CAUSED BY

WILDFIRE. (a) An electric utility, municipally owned utility, or electric cooperative that submits and obtains commission approval for a wildfire mitigation plan under Section 38.080 may use the plan as evidence in an action brought against the utility or cooperative for damages resulting from a wildfire ignited or propagated by the utility's or cooperative's facility.

(b) Subsection (a) does not apply to an electric utility, municipally owned utility, or electric cooperative that:

(1) does not file a wildfire mitigation plan under Section 38.080; or

(2) files a plan that is rejected by the commission.

(c) Notwithstanding any other provision of this section, this section does not affect an express contractual right of a person or entity involving a communications facility or the shared use of an electric facility or pole attachment.

SECTION 3. (a) The Public Utility Commission of Texas shall adopt any rules necessary to implement Section 36.064, Utilities Code, as amended by this Act, and Section 38.080, Utilities Code, as added by this Act, not later than the 180th day after the effective date of this Act.

(b) An electric utility, municipally owned utility, or electric cooperative shall file a wildfire mitigation plan, as authorized by Section 38.080, Utilities Code, as added by this Act, as soon as practicable after the date the Public Utility Commission of Texas adopts rules described by Subsection (a) of this section.

SECTION 4. Section 38.081, Utilities Code, as added by this Act, applies only to a cause of action that accrues on or after the effective date of this Act.

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2025.

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