



Technical Advisory Council

Item 9: California Earthquake Authority, Wildfire Recovery Fund - Natural Catastrophe Resiliency Study SB254

March 6, 2026

Introduction

On September 19, 2025, California Governor Gavin Newsom signed [Senate Bill 254 \(SB 254\)](#) into law. Section 32 of this sweeping energy, natural catastrophe, and climate change legislation adds a new Section 719 to the Public Utilities Code, directing the California Earthquake Authority (CEA), in its capacity as Administrator of the California Wildfire Fund, to oversee the preparation and delivery to the Governor and the Legislature, of a Natural Catastrophe Resiliency Study (Study) that evaluates and sets forth options on new models or approaches to complement or replace the Wildfire Fund.

As expressed by the Legislature in SB 254, climate change is driving an increase in the frequency and severity of extreme weather events globally and in California, including heat waves, droughts, flooding, and catastrophic wildfires. These extreme weather events impose profound risks to public health, natural resources, infrastructure, and California's economy. (PUC § 917(a))

To address this emerging climate-fueled economic crisis, California must evaluate new models to equitably socialize risk that balance the state's goals of providing Californians with safe, affordable, and reliable energy, maintaining progress toward the state's climate goals, stabilizing the insurance markets to protect insurance access and affordability, mitigating the incidence of and harm from wildfires and other disasters, and providing swift and fair compensation to those harmed. (PUC § 917(p))

SB 254 requires the prompt preparation of a comprehensive assessment to analyze and develop long-term reforms that protect access to insurance, reduce litigation costs, provide fair and expeditious compensation to claimants, support wildfire and natural catastrophe mitigation, safety, and community resilience, and ensure large electricity corporations are accountable for safety and also have the financial health to attract low-cost capital on behalf of ratepayers. (PUC § 917(q))

The following topics provided by the Legislature for evaluation in the Study are illustrative, while neither comprehensive nor exhaustive:

- Accessibility and affordability of property insurance.
- Alternative structures to socialize risk of damage and catastrophes.

- Additional mitigation measures and technology solutions to reduce the risk of ignition of wildfires and limit the spread of damage from wildfires.
- Financing, insurance and other mechanisms to expedite recovery.
- Additional cost-reduction measures to benefit ratepayers.
- Options for enacting streamlined low-cost mechanisms to provide compensation for damages resulting from wildfires.
- Analysis of the benefits and potential negative impacts on homeowners related to recoveries in wildfire litigation.
- Options for reducing the economic damage resulting from wildfires and other catastrophic natural disasters. Options for new models to complement or replace the California Wildfire Fund.

California Governor Gavin Newsom issued [Executive Order \(N-34-25\)](#) on September 30, 2025, to launch the next phase of his “whole-of-government response” to the economic and insurance consequences of the climate crisis and to direct robust governmental participation in the SB 254 Study.

A brief presentation to address progress to date will be shared at the ICARP TAC meeting. CEA welcomes discussion regarding the options presented and the broader questions included in SB254.

Background Materials

See [Presentation](#) from **Introductory Informational Webinar #1**, held December 10, 2025, which outlines the origin, purpose, intent, and structure of the Natural Catastrophe Resiliency Study.

Key themes - Informational Webinar #2 – Friday, February 6, 2026, 12 – 1 PM (PT) - Webinar recording and presentation located [here](#).

Study Findings - Informational Webinar #3 – Friday, March 6, 2026, 12 – 1 PM (PT) - Register for the webinar: [Friday, March 6 at 12:00 pm \(Pacific Time\)](#)

Discussion Questions

Across the legislative topics identified for this Study (insurance, risk-sharing, mitigation, recovery, and compensation), where should the State focus its attention, and what gaps or concerns should be considered?