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Climate Action Campaign Statement on Potential Wildfire Bailout of California Utilities

California fire investigators confirmed this week that Southern California Edison's equipment sparked last year's catastrophic Eaton Fire, tracing the blaze to an out-of-service transmission line left standing for 54 years.

Instead of taking full responsibility, utility executives are resorting to blatant pressure tactics. On its recent earnings call, PG&E warned state lawmakers that if legislation cutting their wildfire liability isn't passed before August 31, they will take action, saying they could divert funds into stock buybacks to boost shareholder value rather than funding state energy programs. Meanwhile, Edison warned of potential credit rating downgrades, threatening to pass the resulting higher borrowing costs directly onto ratepayers.

Edison's posturing came on the same Q2 investor call where they reported $669 million in second-quarter profits – a 40% jump over last year – and bragged to investors that California families, not shareholders, will foot the bill for the Eaton fire.

Ratepayers should not be forced to shoulder the costs for a wildfire caused by utility negligence, especially while utilities post massive profits and issue ultimatums to state leaders. California families have lost homes, loved ones, and entire communities in the face of devastating fires, all while enduring record-high electric bills.

At the same time, Eaton Fire survivors and Consumer Watchdog have exposed a deceptive, utility-funded PR campaign that appears to speak for LA wildfire survivors while actually fighting for a backroom bailout deal that would let utility companies walk away scot-free from the fires they cause. Real wildfire survivors are outraged by this scheme, and many Orange County residents are furious at having to pay out of pocket to shield utilities from the consequences of their negligence.

California leaders must reject utility threats and refuse to pass another corporate bailout. State officials must hold utilities fully accountable, protect wildfire survivors, and put California families over corporate profits.