



Report Summary: Wildfire Recovery Fund Study

Overview

The 2023 Maui wildfires underscored the growing risks of catastrophic wildfires in Hawai'i and the significant social, environmental, and economic impacts that follow them. The Maui wildfires claimed 102 lives and severely affected countless more, making it one of the deadliest wildfires in U.S. history.

The Hawai'i State Legislature has taken several steps to address these impacts, including the passage of Act 258 relating to energy during the 2025 session. This legislation directed the Hawai'i Public Utilities Commission's (PUC) Office of Policy and Research (OPR) to study the establishment and implementation of a wildfire recovery fund.

This study examines whether a recovery fund can provide timely and meaningful compensation to victims following future wildfire events allegedly caused or exacerbated by a regulated electric utility, while also supporting the financial integrity of Hawai'i's regulated utilities upon which the public relies.

Without meaningful action, Hawai'i residents may leave the state because they cannot afford to recover and rebuild after future wildfires, and Hawai'i's largest electric utility could face severe financial stress, potentially impacting essential public services.

This study provides an in-depth analysis of how a fund could be structured, capitalized, and administered, and includes comparative research from other states and analysis of potential financial and credit rating impacts.



The PUC conducted an extensive stakeholder engagement process involving 80 individuals representing 35 different entities for this study.



The frequency and severity of wildfires in the U.S. are rising sharply, with over 7,100 fires reported in early 2025 — a 37% increase over the 10-year average.¹

1: Reinsurance News, "Moody's Reports 7,112 Wildfires in 2025, Highlighting Expanding Threat Across US," Reinsurance News, March 11, 2025. October 7, 2025, <https://www.reinsurancene.ws/moodys-reports-7112-wildfires-in-2025-highlighting-expanding-threat-across-us/>.



Key Finding



The PUC finds that a wildfire recovery fund is likely warranted in the future, but should not be established until other interconnected issues and decisions are resolved.



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Additional Findings



A wildfire recovery fund is highly intertwined with other factors, namely the determination of a liability cap for utilities.



There is widespread consensus among stakeholders interviewed for this study that proactive measures are needed to protect Hawai'i from future wildfires.



An actuarial study could provide the empirical foundation necessary to appropriately determine a fund's size and durability, right sized to Hawai'i's risk exposure.



The existence of a wildfire recovery fund may be viewed as credit positive for regulated utilities, but the details matter significantly.



Effective and independent administration of a fund can expedite compensation for wildfire victims.

Next Steps for Legislative Consideration

The PUC recommends two aspects for further legislative consideration to inform future policy decisions regarding the establishment of a potential wildfire recovery fund:

- The completion of the PUC's administrative rulemaking process on potential liability caps for electric utilities, as stipulated by Act 258.
- The commissioning of an actuarial study to determine an appropriate size and structure for a wildfire recovery fund.

To read the full Wildfire Recovery Fund Study, scan the QR code or visit www.puc.hawaii.gov/reports/legislature.

