

The Los Angeles fires: How the Democrats facilitated utility companies' criminal neglect

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The January 2025 wildfires in Los Angeles, particularly the devastating Eaton Fire, were not just natural disasters. They were predictable, preventable tragedies enabled by corporate greed and government complicity.

Emerging evidence suggests that Assembly Bill 1054, passed by the Democratic Party-dominated legislature and signed by California Governor Gavin Newsom in 2019, played a crucial role in this catastrophe. Instead of protecting residents, AB 1054 shielded investor-owned utilities like Southern California Edison (SCE) and Pacific Gas & Electric (PG&E) from accountability, transferring the financial burden of wildfires onto the public while utility executives and shareholders reaped massive profits.

Southern California Edison (SCE) claims to have spent billions on fire prevention—\$1.9 billion last year alone—yet the number of fires sparked by its equipment has skyrocketed. In 2024, SCE equipment was responsible for at least 178 fires, up from 107 in 2015. Since 2014, its infrastructure has ignited 841 vegetation fires. This escalation is happening despite Edison forcing its customers to pay an average of \$300 more per year for wildfire-related costs.

Loretta Lynch, former president of the Public Utilities Commission, summed up the grim reality: “We are spending tens of billions of dollars to not be one whit more safe.”

AB 1054 was presented as a solution to the state's growing wildfire crisis. In reality, it was a corporate bailout disguised as reform. The law created a \$21 billion wildfire fund, with half the money coming directly from ratepayers' pockets, while limiting utilities' financial liability for fires caused by their own negligence. Among its most egregious provisions:

- **Automatic “Prudent Operator” status:** Utilities

are automatically deemed to have acted responsibly if they obtain an annual safety certification from state regulators, making it nearly impossible to hold them accountable for fires their equipment ignites.

- **Cost recovery from ratepayers:** Even when utilities are found responsible for wildfires, they can pass the costs onto consumers through increased electricity rates, ensuring that investors remain shielded from financial harm.

- **Protection from bankruptcy:** By capping liability, AB 1054 prevented utilities like PG&E and SCE from suffering the full financial consequences of their failures, guaranteeing their continued dominance while leaving victims to fend for themselves.

- **Reduced regulatory scrutiny:** The law weakened oversight by eliminating public hearings on fire prevention spending, reducing transparency and accountability.

In short, AB 1054 allowed and, in fact, facilitated utilities to continue operating negligently, knowing that any resulting destruction would be subsidized by the very people whose homes and lives were at risk.

The catastrophic Eaton Fire in Altadena, which killed 17 people and destroyed 10,000 homes, is the direct consequence of this corrupt system. Investigators have linked its ignition to SCE's transmission equipment and numerous lawsuits have been filed against the company. Disturbingly, SCE had outstanding work orders for crucial vegetation management and equipment repairs in the very area where the fire started—problems that regulators were aware of but failed to act upon.

The state's Office of Energy Infrastructure Safety, which is responsible for ensuring utilities' wildfire prevention measures are effective, granted SCE a safety certificate on October 31, 2023, despite identifying

severe deficiencies in its fire mitigation efforts. This rubber-stamping practice, enabled by AB 1054, allowed SCE to maintain its automatic “prudent operator” status, shielding it from full liability.

Jessica Block, a scientist at UC San Diego and chair of the state’s Wildfire Safety Advisory Board, reviewed the latest fire data from major utilities and bluntly stated, according to the *Los Angeles Times*: “It didn’t look like a whole lot of progress was being made.”

SCE executives have attempted to deflect blame by claiming that 2024 was an unusually wet year, leading to rapid vegetation growth that later dried out, creating extreme fire risk. This explanation, however, conveniently ignores the fact that wildfires caused by SCE equipment have been steadily increasing for years, regardless of annual weather variations.

Capitalist-induced climate change has undeniably exacerbated wildfire risks, but that does not absolve utilities of responsibility for their reckless operations. SCE’s narrative that without its prevention efforts, there would have been even more fires is a blatant attempt to distract from the reality that its infrastructure is a major ignition source.

Newsom and California’s Democratic leadership sold AB 1054 as a responsible wildfire policy. In reality, it was a bipartisan handout to powerful utility corporations, ensuring their profitability at the expense of public safety.

At the time of its passage, critics of AB 1054 included victims of devastating wildfires, such as those affected by the 2018 Camp Fire and 2017 Thomas Fire. They criticized the law for capping utility liability and making it harder for victims to seek full compensation for their losses. Many attorneys representing those who suffered losses argued that the law protected utility profits rather than ensuring fair compensation for those affected. Their warnings have proven tragically accurate.

In a moment of rare candor, Assembly member Pilar Schiavo acknowledged the issue and attempted some damage control: “It feels like they’re giving dividends to their investors and raising rates on our constituents, and then we have to cover... what seems like some negligence on a semi-regular basis.” She asked: “How long are we going to let them just figure it out and maybe not figure it out, maybe cause some huge

disasters before they have some skin in the game too?”

The answer, under the current system, is indefinitely. As long as profit-driven utilities control California’s energy infrastructure and as long as Democratic or Republican politicians remain beholden to corporate interests, wildfires will continue to devastate communities while shareholders collect dividends.

The disaster of AB 1054 and the ongoing wildfire crisis are symptoms of a deeper disease: the prioritization of corporate profits over public well-being. The only real solution is to remove control of utilities from private hands and establish genuine democratic public ownership, ensuring that safety and environmental responsibility come first.

These findings make the case for the establishment of a publicly owned utility system that prioritizes investment in wildfire prevention and infrastructure improvements rather than distributing payouts to shareholders. It would also make significant investment in undergrounding power lines and transitioning to safer, renewable energy sources.

Importantly, climate change would be prioritized as an international and urgent necessity and strict safety standards would be established based on the best available science. Advanced fire monitoring systems utilizing AI and real-time data would be implemented to prevent disasters before they occur.

The current capitalist model, in which disaster is profitable and accountability is nonexistent, has failed. The working class must take up the fight for socialism, a system that values human lives over corporate balance sheets.

The Democrats’ AB 1054 was a gift to the utility giants and Californians are paying the price—in both dollars and lives. The people of this state must demand an end to this corrupt, privatized energy model before the next disaster strikes.



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