



Satellite image of Winter Storm Fern over the continental U.S. | **January 2026**

Photo: NOAA's GOES-19 Satellite



LPPC PRIORITIES FOR FEMA REFORM

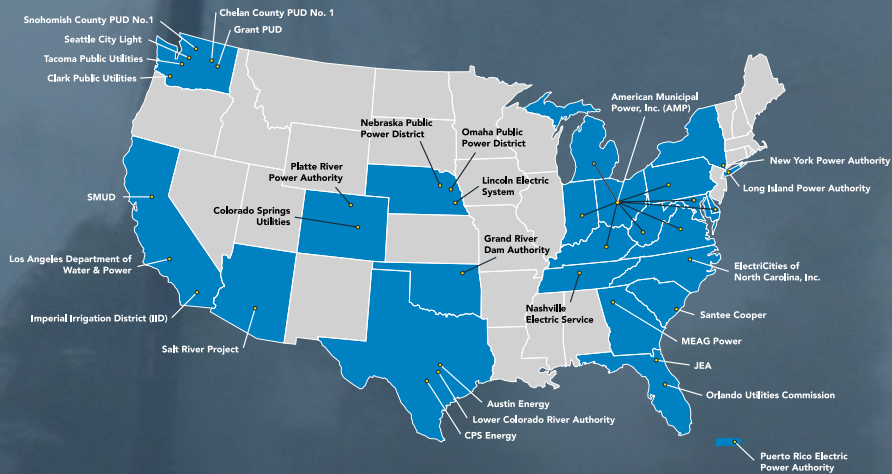
Supporting Mutual Aid, Expediting Disaster Recovery, & Enhancing Resiliency

June 2026

Background on LPPC

LPPC represents 29 of the nation's largest public power utilities, operating across 23 states and territories. Our members are state- and locally-owned, not-for-profit electric utilities, governed by local boards accountable to the public and operated for customers rather than shareholders.

Together, LPPC members serve more than 30 million Americans, own approximately 80 gigawatts of generation, and operate more than 45,000 circuit-miles of high-voltage transmission.



LPPC supports FEMA reform. Our members have experienced firsthand the delays, inconsistency, and administrative burden that the FEMA Council's 2026 Final Report identifies, and we share the goal of a faster, clearer, and more accountable disaster recovery system. We offer these comments to help ensure that reform improves recovery for the electric infrastructure that communities depend on.

This fact sheet compares the two leading FEMA reform proposals, the Council's Final Report and H.R. 4669 the *Fixing Emergency Management for Americans Act*, against the principles LPPC uses to evaluate reform. LPPC has endorsed H.R. 4669, which shares several of the Final Report's goals, including faster, more predictable funding and reduced administrative burden.

Why FEMA Reform is Urgently Needed

According to the National Centers for Environmental Information, 2025 ranked as the third-highest year on record for billion-dollar weather disasters, with 23 separate events causing about \$116 billion in damage. **Since 2000, the U.S. has sustained 341 billion-dollar disasters, with recovery costs exceeding \$2.5 trillion.** Figure 1 shows how both the frequency and the cost of these disasters have risen over time.

Public power utilities are essential infrastructure providers and frontline responders. When disaster strikes, our crews are among the first to restore service to preserve public health and safety, often working under emergency conditions and drawing on mutual aid from utilities across the country. LPPC members depend on timely federal assistance through FEMA’s Public Assistance and Hazard Mitigation programs under the Stafford Act. But our members have experienced firsthand how a slow or inconsistent FEMA recovery process raises costs for customers and weakens system resilience.

In 2025, public power utilities, municipalities, and electric cooperatives borrowed **hundreds of millions of dollars** to cover electric infrastructure restoration costs because FEMA reimbursement was delayed, resulting in additional costs to ratepayers.

Real World Implications:

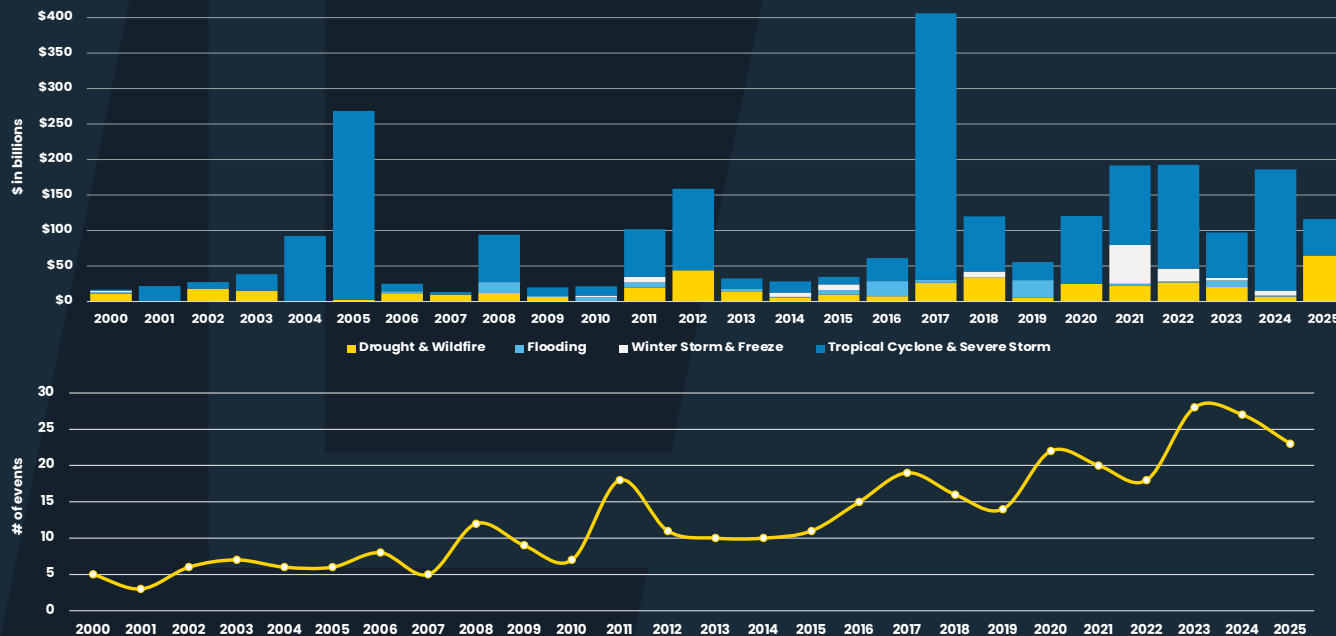
Tri-County Electric Cooperative, a rural electric cooperative in northern Florida, faced about **\$127 million in storm damage across three hurricanes** (roughly \$35 million from Hurricane Idalia and \$92 million from Hurricanes Debby and Helene).

As of April 2025, Tri-County had only received \$17.8 million in FEMA reimbursements and **nothing on the \$92 million Debby and Helene claim**, leaving the not-for-profit co-op to carry the cost while awaiting federal reimbursement, an additional burden on its members.

Source: Tri-County Electric Cooperative, 'After the Storm,' tcec.com (as of April 2025).*

*Tri-County is a rural electric coop & not an LPPC member

Figure 1: **Cost & Number of U.S. Billion Dollar Disasters (2000-2025)**¹



Source: NOAA NCEI / Climate Central

Public Power & Federal Disaster Recovery

Figure 2: **LPPC FEMA Benchmarking Findings** ^{2,3}

91%

of LPPC member utilities have received FEMA Public Assistance funding since 2010

87%

view FEMA reform as a policy priority

13 of 13

members lack usable T&D insurance (exclusion or no coverage)

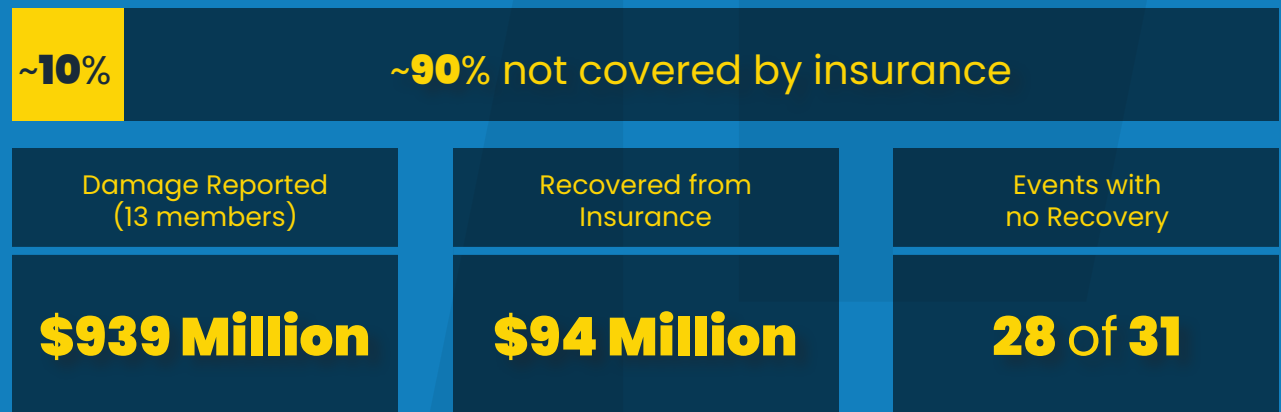
Public power utilities own and operate generation, transmission, and distribution infrastructure exposed to every category of natural hazard. After a major disaster, restoration is not confined to discrete, insurable buildings. It means rebuilding dispersed field infrastructure, overhead lines, poles, substations, and related facilities, under emergency conditions and on compressed timelines driven by public health and safety. That kind of damage largely cannot be insured: not one of the 13 responding members in LPPC’s survey carries commercial insurance covering transmission and distribution damage (Figure 2). Because these utilities are not-for-profit, costs that FEMA does not cover fall on the communities they serve.

FEMA’s Public Assistance program supports this work on a cost basis tied to eligible, documented work, and is central to public power recovery. In LPPC’s benchmarking survey, 91 percent of responding members reported receiving Public Assistance funding after a disaster (Figure 2). Because the cost of restoring a damaged system varies widely and is hard to predict in advance, a documented-cost basis matters: a pre-set formula can leave real losses uncovered.

LPPC supports faster, simpler funding, but not at the expense of recovering actual restoration costs. Two proposed changes raise that risk: converting Public Assistance to an up-front parametric formula, which can pay less than real damage, and cutting the federal cost share from a 75 percent baseline to a 50 percent floor. These are separate issues, and the cost-share reduction is a certain cut regardless of how any formula is designed.

Figure 3: **LPPC Member Storm Damage & Insurance Recovery (2010–2026)** ³

Across storm damage reported by 13 LPPC members since 2010, private insurance covered ~10%.



LPPC's Seven Principles for FEMA Reform

1

Preserve FEMA as a reliable federal backstop for catastrophic events. States, territories, tribes, local governments, and utilities all have critical roles in disaster response and recovery. FEMA should remain a reliable federal backstop when a disaster exceeds their combined capacity.

2

Accelerate recovery without reducing adequate or predictable cost recovery. Reform should speed funding and decisions while preserving a clear and predictable path to recover documented eligible costs. If a reform substitutes a formula or index for documented-cost recovery, a documented-cost path should remain available as a backstop, so that the gap between a formula payment and actual restoration cost does not fall on a disaster-struck community. If recovery funding is provided as a capped or formula-based pool that a state allocates, allocation should follow documented need rather than where a cost happens to fall in state budgeting or other priorities, and subgrantees should retain clear rights to document eligible costs, seek supplemental recovery, and appeal adverse state allocation decisions.

3

Require insurance where reasonable, but do not treat insurance as a substitute for FEMA. Applicants should maintain insurance where it is commercially available, adequate, and reasonable. Reform should recognize that most restoration costs are not practically insurable, including overhead wires, mutual aid, emergency labor, debris, road clearing, erosion, and system-wide field restoration, and that a utility's disaster exposure is not limited to insured buildings or discrete facilities.

4

Integrate mitigation and resilient rebuilding into recovery. Utilities should be able to incorporate mitigation and rebuild to current utility standards during recovery, rather than being routed into slower, separate grant tracks.

5

Match oversight to risk. Documentation, review, and audit requirements should be proportionate to the dollar value and risk of the work. Applying the same administrative burden to small, low-risk costs as to major projects consumes time and money in compliance, produces somewhat arbitrary results, and leads utilities to forgo legitimate claims. Closeout should be timely and final. Long closeouts, followed by Inspector General review years later, force utilities to defend costs after FEMA staff have turned over and the utility's own institutional memory has faded.

6

Build adequate staffing and utility-specific expertise. A better legal framework will not work if FEMA and state agencies lack the staff and expertise to administer it. Because electric utilities are first responders that provide an essential public service and are party to nearly every disaster recovery, the personnel who review disaster claims should include electric-utility expertise, whether claims are administered by FEMA or by states.

7

Encourage prudent pre-positioning and mutual aid. Reimbursement rules should encourage pre-event staging, pre-positioning, and mutual aid when forecasted events present credible risk, and should not discourage utilities from taking reasonable protective action before impact. The eligibility of prudent pre-positioning costs is currently unsettled for utilities: it has been recognized only through case-by-case arbitration, as in a recent decision involving an electric cooperative, rather than being clear and uniform by rule. It should be made clearly eligible by statute.

Arnett, Oklahoma

In May 2025, four tornadoes struck near Arnett, Oklahoma, the strongest rated EF3, part of a Great Plains outbreak that caused roughly **\$2.6 billion in damage across five states.**

FEMA REFORM ADVOCACY

Comparing the Two Reform Proposals to LPPC Principles on FEMA Reform

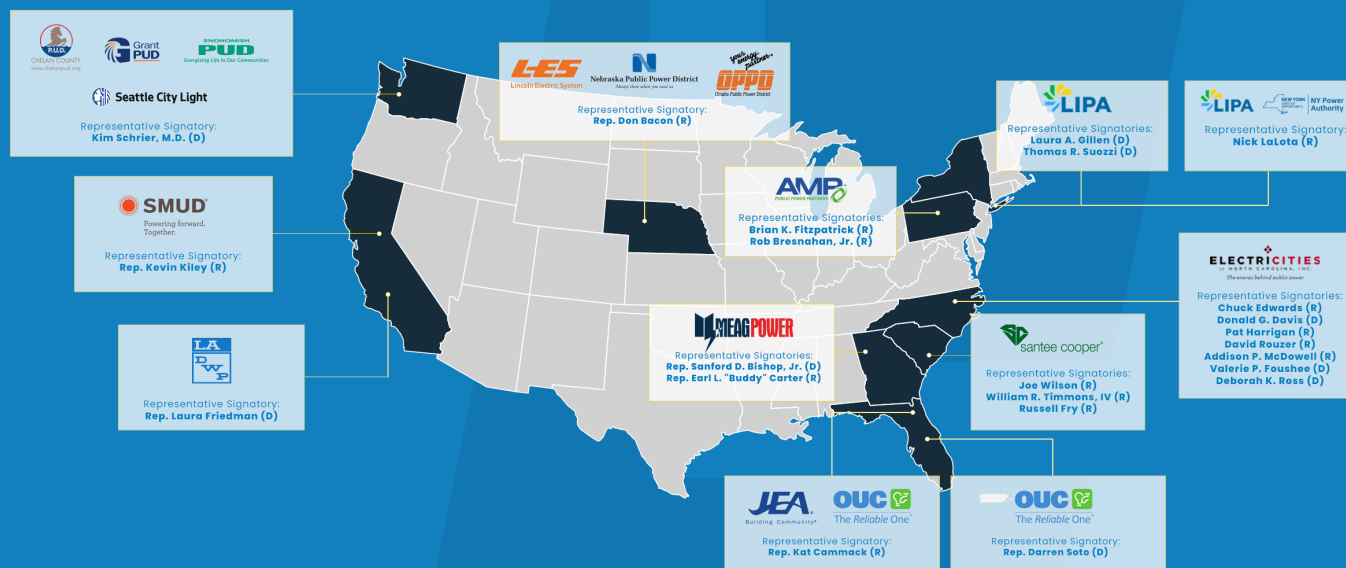
LPPC applies the seven principles to the two reform proposals now before it: the **FEMA Review Council’s Final Report** and **H.R. 4669, the Fixing Emergency Management for Americans Act of 2025**.

One difference shapes the entire comparison. H.R. 4669 is legislative text, so its design can be assessed directly. The Final Report is a conceptual document that leaves central elements, including the RAPID parametric formula, state allocation rules, and subgrantee rights, to be designed later. **H.R. 4669 speeds funding while preserving the documented-cost link and a 75 percent baseline.**

The Final Report contains ideas LPPC supports, particularly on process streamlining, but its central recovery and mitigation changes cannot be fully evaluated until the formula and allocation rules are defined, and its **cost-share floor is a definite reduction**. Neither proposal yet fully addresses pre-positioning eligibility or utility-specific staffing. The table on page 5 summarizes our assessment.

Figure 4: House Signatories from Districts Served by LPPC Members

On February 2, a bipartisan group of 50 House members sent a letter urging House leadership to bring H.R. 4669 to the floor. Many of these signatories represent communities served by LPPC member utilities.



LPPC Principle	FEMA Review Council Final Report	H.R. 4669
<p>1. FEMA as a reliable federal backstop</p>	<p>At Risk: Retains a federal role but shifts recovery to state-administered funding with federal oversight. Whether FEMA remains a reliable backstop depends on several undefined or contingent elements: the parametric formula’s adequacy in any given event, the annual state minimum expenditure threshold (which makes federal triggering depend on calendar timing), and the cost share level set within the proposed 50 to 75 percent range. State capacity to backstop a federal shortfall is unreliable, and private insurance cannot substitute, because key restoration cost categories are not practically insurable.</p>	<p>Consistent: Preserves FEMA as the recovery mechanism and keeps federal assistance tied to damaged facilities and eligible work. Retains a 75 percent cost share baseline (reducible to 65 percent, increasable to 85 percent for resilience), so the federal backstop level is not reduced. Consistent with the principle.</p>
<p>2. Accelerate recovery without reducing adequate or predictable cost recovery</p>	<p>Partly: Accelerates recovery by replacing documented-cost reimbursement with an up-front parametric formula payment. This method severs the link between actual restoration cost and federal payment, sacrificing predictability for speed; the parametric formula’s design is undefined, so whether resulting payments will match actual losses in any given event cannot yet be assessed.</p>	<p>Consistent: Speeds funding for permanent restoration work through professional cost estimates and statutory review deadlines, while preserving cost-based recovery. The bill also makes mandatory FEMA’s Public Assistance reimbursement of interest a recipient incurs on loans taken to cover the cash flow gap pending PA payment, currently treated as optionally eligible, a meaningful reduction in the cost of the multi-year PA receivable that public power utilities routinely carry. Consistent with the principle.</p>
<p>3. Require insurance where reasonable, not as a substitute for FEMA</p>	<p>Concern: Relies on insurance requirements and private risk transfer. Federal law already requires insurance, and most public power restoration costs are not practically insurable, so reliance on insurance to manage local cost is a concern.</p>	<p>Consistent: Preserves FEMA Public Assistance as the recovery mechanism and does not treat private insurance as a substitute. Maintains the existing federal insurance requirement under Section 311 of the Stafford Act. Includes a study of insurance utilization. Consistent with the principle.</p>

LPPC Principle	FEMA Review Council Final Report	H.R. 4669
<p>4. Integrate mitigation and resilient rebuilding into recovery</p>	<p>Partly: Does not address resilient rebuilding to current utility standards within the base permanent-repair project; whether that is reached would turn on state choices under a delegated model or remain governed by federal eligibility rules. Separately, replaces HMGP with the R3P program.</p>	<p>Partly: Allows mitigation in rebuilding, but ties it to building codes and consensus standards; utility infrastructure built to engineering-based utility standards is still routed into separate, slower mitigation grants. Partly consistent; LPPC seeks an improvement.</p>
<p>5. Match oversight to risk</p>	<p>Directionally consistent: Builds RAPID accountability on certified audits and a final closeout audit, and calls for removing duplicative environmental review, audits, and inspections. It also recommends, more generally, that FEMA simplify and standardize grant applications and documentation. It does not, however, make the documentation burden proportionate within a project. Broadly consistent with the principle.</p>	<p>Directionally consistent: Includes finality protections, a backlog task force, and a Public Assistance dashboard and other transparency measures. Strengthens closeouts but does not make the documentation burden proportionate within a project. Directionally consistent with the principle.</p>
<p>6. Build adequate staffing and utility-specific expertise</p>	<p>Concern: Does not clearly resolve staffing, and shifting administration to states may relocate the staffing and expertise gap rather than close it. Recommends a leaner workforce.</p>	<p>Concern: Does not fully resolve staffing or utility expertise; relies on implementation, studies, transparency measures, and process changes. Neither proposal yet establishes a dedicated utility-focused FEMA function.</p>
<p>7. Encourage prudent pre-positioning and mutual aid</p>	<p>Concern: Under a parametric model, prudently incurred costs for pre-positioning, staging, transportation, or mutual aid for “near-miss” events that do not reach the trigger would go unfunded.</p>	<p>Directionally consistent: Does not address the eligibility of prudent pre-positioning, staging, transportation, or mutual aid costs. LPPC has asked that H.R. 4669 make prudent pre-positioning costs for utilities eligible in response to a forecasted event, even when a storm shifts and the resources are not used, the same treatment FEMA already gives to pre-positioning for evacuation and sheltering.</p>

LPPC's Recommendations to Congress

LPPC supports faster, simpler, more predictable disaster recovery. We urge Congress to advance the model in H.R. 4669 and to strengthen it for public power, and we offer the following considerations to ensure reform works for the electric infrastructure communities depend on.

TIER 1

Pass H.R. 4669, and strengthen it for public power.

H.R. 4669 preserves documented-cost recovery, maintains a 75 percent cost-share baseline, and speeds funding. LPPC has endorsed it and recommends four targeted improvements so it works for electric utilities:

Make prudent pre-positioning and mutual aid clearly eligible. Pre-event staging, transportation, and pre-positioning should be reimbursable when a forecasted event presents credible risk, even if the storm shifts and the resources are not used. Eligibility today rests on case-by-case arbitration; it should be clear by statute.

Recognize utility standards alongside building codes. Utilities should be able to rebuild damaged grid infrastructure to current utility standards, not only to local building codes or consensus standards that do not fit electric systems.

Build utility-specific expertise within FEMA. Whoever reviews disaster claims should be adequate in number and include electric-utility expertise, so determinations are consistent and compliance costs fall for FEMA and utilities alike.

Match oversight and documentation to the risk and value of the work. Both proposals strengthen closeout but leave the documentation burden disproportionate within a project. Review, audit, and documentation requirements should be proportionate to the dollar value and risk of the work, so small, low-risk costs do not carry the same burden as major projects.

TIER 2

Considerations as reform builds on the Council's recommendations.

LPPC supports many of the Council's objectives, including faster funding, state procurement flexibility, reduced duplicative reviews, and audit-based closeout. As those recommendations are developed, we offer the following to preserve adequate and predictable recovery:

Preserve a documented-cost backstop. Pairing any parametric or formula payment with a documented-cost path keeps the gap between a formula payment and actual restoration cost from falling on a disaster-struck community.

Maintain the federal cost share at the 75 percent baseline. Preserving the current baseline, and the catastrophic-event upside, avoids locking in a 50 percent floor.

Continue to treat insurance as a complement, not a substitute, for FEMA. Insurance should be required where commercially available and reasonable, recognizing that most electric-system restoration is not insurable.

The Stakes, In Members' Own Experience



Pre-Positioning & Mutual Aid

It's a significant commitment in time and resources to send crews to other regions. We send crews to Texas, Louisiana, and parts of Florida for hurricane season. When you see the numerous ways storms can track, they always move. We've had circumstances where we thought we were sending a team to Florida, but they end up going to South Georgia.

We want to make sure that we are ready, prepared, and willing to send our crews when they're needed, without concerns that if you pre-position and the storm moves, there's no federal reimbursement.

**- Dan Sullivan, President & CEO
Grand River Dam Authority**



Private Insurance & Cost Recovery

A utility can get private insurance for a building or to restore a physical asset. Private insurance doesn't cover when you have to call in emergency restoration services from all across the country and go to 10,000 locations on the grid and restore individual damage to the system. It doesn't cover things like mutual aid and pre-planning, damage to poles, wires, and transformers.

We're providing essential public utility service, and we need to restore service very quickly to many locations often under emergency conditions.

**- Tom Falcone, President
Large Public Power Council**

Recovery Delays

An LPPC member's insurance duplication-of-benefits matter has remained unresolved for more than fourteen years and is expected to close only at final FEMA closeout, long after the staff who managed it have turned over.

Insufficient Insurance Recovery

In one major storm, FEMA-eligible restoration cost approximately \$705 million; property insurance, limited to substations, recovered roughly \$80 million, about 11 percent.

Pre-Planning Costs Unrecovered

One LPPC member incurred roughly \$18 million pre-positioning off-system crews ahead of a forecasted severe storm and, after a four-year FEMA claim process, recovered only about \$5 million, because crews staged in areas the storm ultimately spared were treated as unused.

Storm-Shifting & Cost Recovery

Another member incurred nearly \$50 million preparing for a forecasted direct-hit hurricane that shifted offshore within a day of landfall; because little damage resulted, no disaster was declared, and the utility recovered those costs from its ratepayers.

For More Information:

For more information, including LPPC's full comments to the President's FEMA Review Council (Dockets DHS-2026-0067 and DHS-2025-0712), visit lppc.org/fema-reform.

LPPC Member Utilities



CHELAN COUNTY
www.chelanpud.org



Sources:

¹ U.S. Billion-Dollar Weather and Climate Disasters Dataset | Climate Central & NOAA's National Centers for Environmental Information, July 2025

LPPC member statistics are drawn from two surveys:

² LPPC Member FEMA Benchmarking Study | December 2025, 24 respondents

³ LPPC Member FEMA Insurance Proceeds Survey | May 2026, 13 respondents