

# Q4 2023 Electric Rates Report

Public Advocates Office at the CA Public Utilities Commission  
January 19, 2024

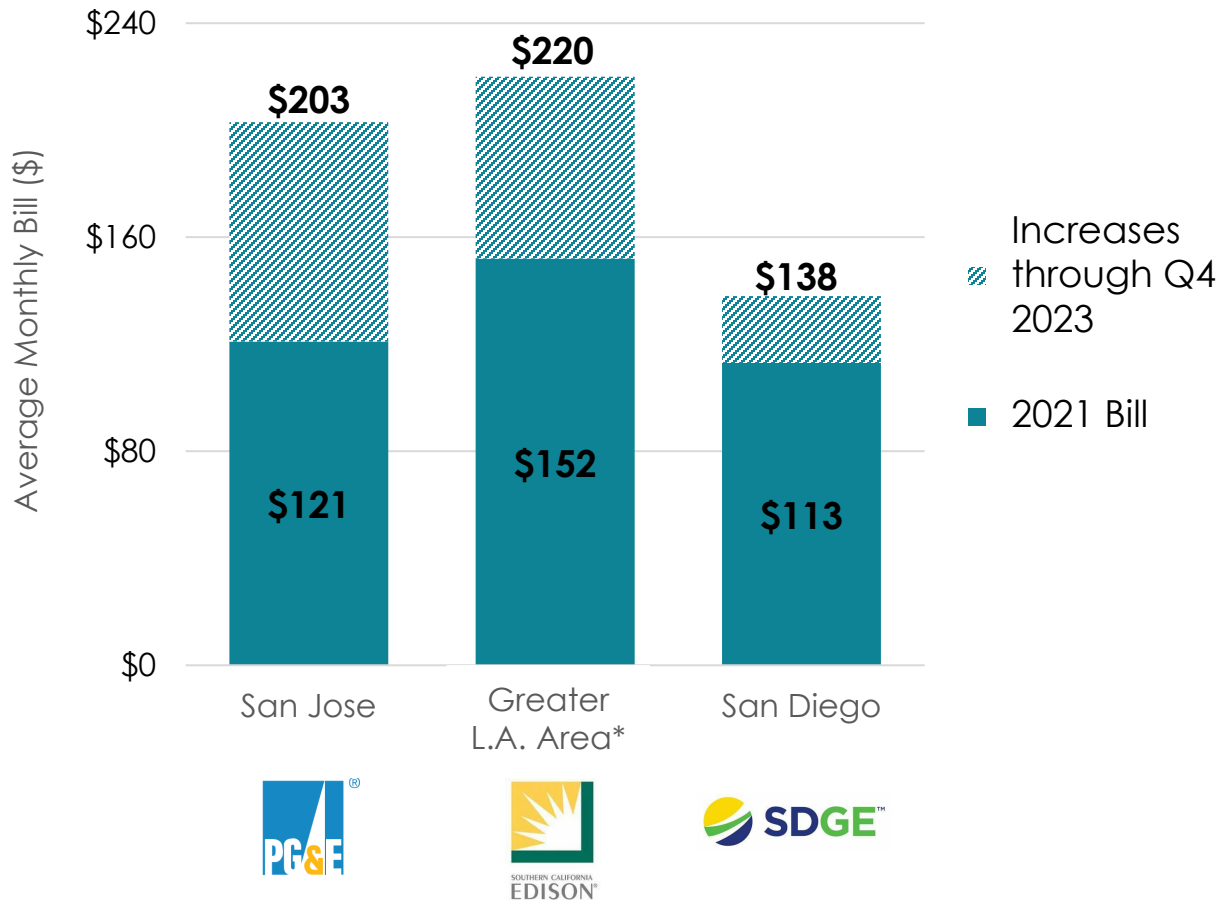


# About

- The Public Advocates Office represents utility customers' interests primarily by participating in proceedings before the California Public Utilities Commission and engaging in other policymaking forums.
- The California electric utilities recover their operational and investment costs through the rates they charge their customers. These rates regularly change due to many factors. We track the rates and develop recommendations to minimize costs to ratepayers.
- This report summarizes residential electric rate changes across Pacific Gas and Electric (PG&E), San Diego Gas & Electric (SDG&E), and Southern California Edison (SCE) service territories through January 1, 2024.




# Customer bills significantly increased across the state

Average Customer Monthly Bill Changes by Utility






- Electric bills are generally rising due to **higher electricity use** (e.g., air conditioning) and **higher overall electricity** prices ("rates").
- Low-income households are most disproportionately impacted from higher rates and bills.
- SDG&E rates fell 16% from Jan 2023 due to many factors such as one-time refunds from overcollections. However, rates are expected to rebound by end of 2024.

# Rate increases strain the **2+ million** households already behind on their bills

	# of Customers in Arrears	% of Customers in Arrears	Average Amount Owed
	1,215,433	22%	\$550
	876,121	19%	\$986
	355,551	26%	\$737
<b>Combined</b>	<b>2,447,105</b>	<b>21%</b>	<b>\$733</b>

# Residential average rates have significantly increased

	<b>Rate</b> (\$ per kWh)	<b>3-year Change</b> Jan 2021 to Jan 2024	<b>10-year Change</b> Jan 2021 to Jan 2024
	\$0.396	↑ 63%	↑ 127%
	\$0.334	↑ 52%	↑ 91%
	\$0.362	↑ 13%*	↑ 72%

\*SDG&E rates fell 16% from Jan 2023 due to many factors such as one-time refunds from overcollections. Rates expected to rebound by end of 2024. Utility rates represent residential average rates excluding the California Climate Credit. Source: *Investor-Owned Utility Advice Letters*

# Main electricity rate drivers

## 10-Year Change

Jan 2014 to Jan 2024

## Primary Statewide Drivers



↑ 127%



↑ 91%

SOUTHERN CALIFORNIA EDISON

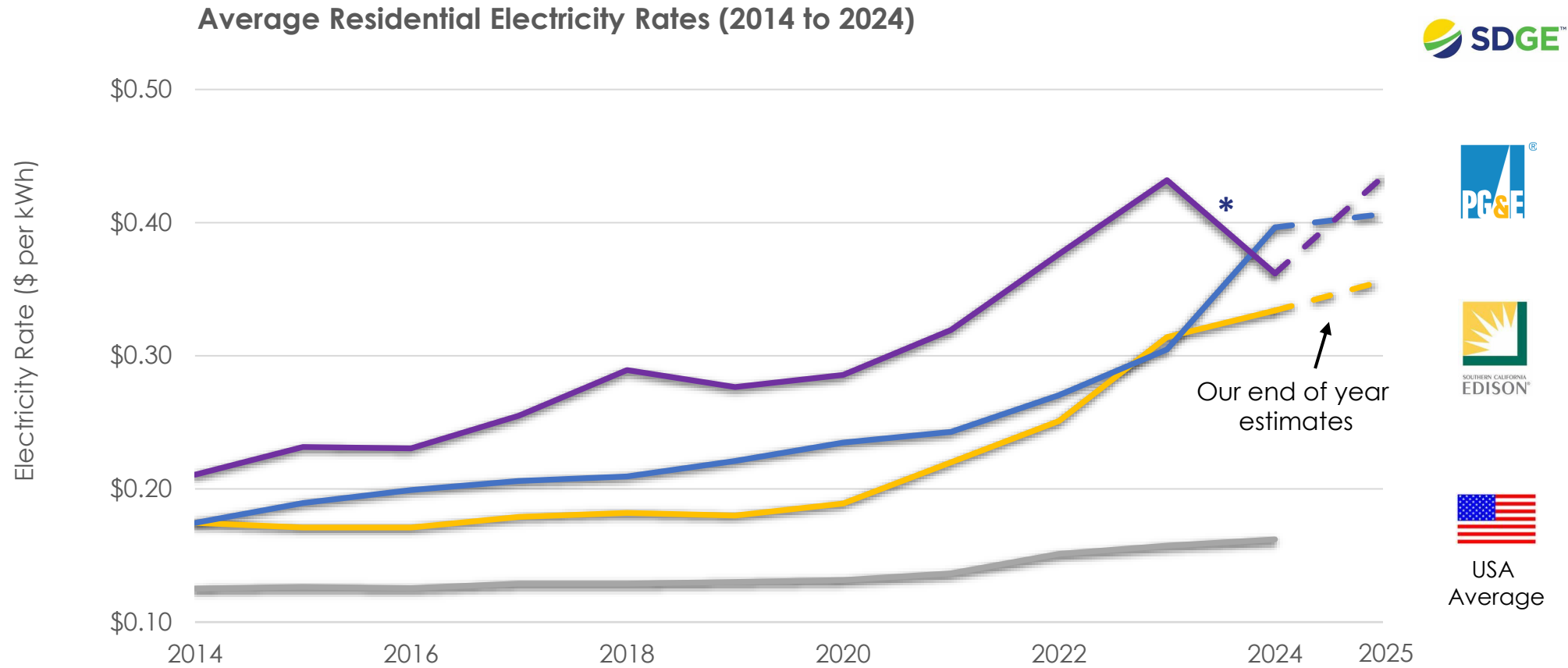


↑ 72%

- 1. Wildfire mitigation
- 2. Transmission and distribution investments
- 3. Rooftop solar incentives (“net energy metering”)

Source: California Public Utilities Commission SB 695 report: Report to the Governor and Legislature on Actions to Limit Utility Cost and Rate Increases... (2023)

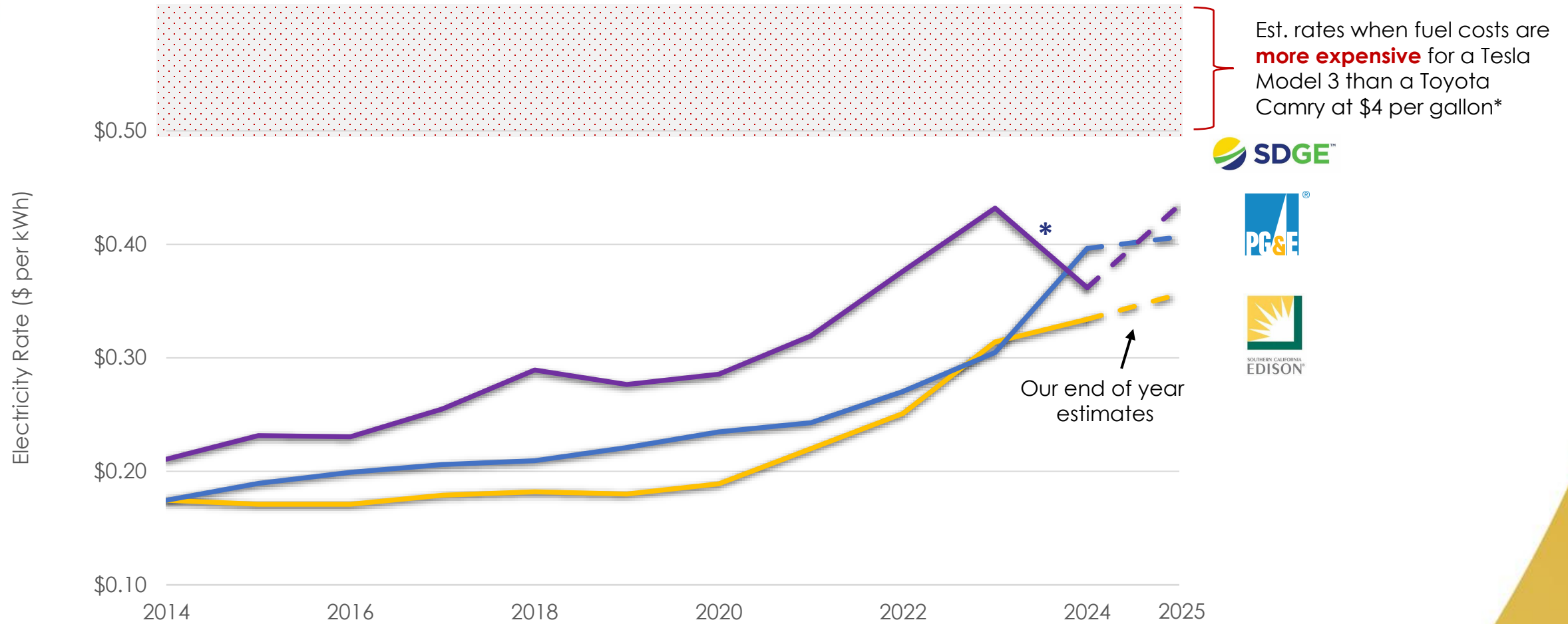
# Residential electricity rates have nearly doubled in California over the last decade



\*SDG&E rates fell 16% from Jan 2023 due to many factors such as one-time refunds from overcollections. Rates expected to rebound by end of 2024.

2024 USA Average Values Based on Q3 2023 data, the latest for which there was available information at the time of publication.  
 CA rates represent residential average rates excluding California Climate Credit. Future estimates may be conservative as they only include pending applications.  
 Source: Investor-Owned Utility Advice Letters (California Rates) & Energy Information Administration (USA Average)

# High rates make fossil fuel alternatives less affordable



\*SDG&E rates fell 16% from Jan 2023 due to many factors such as one-time refunds from overcollections. Rates expected to rebound by end of 2024.

Avg residential rates represent average residential rate customers excluding California Climate Credit. Future estimates may be conservative as they only include pending applications. Source: Investor-Owned Utility Advice Letters (California Residential Average Rates)



# Select Upcoming CPUC Electric Industry Decisions

- **Updating and Amending General Order 131-D (R.23-05-018).** Last year, the CPUC streamlined the permitting process for qualifying transmission projects pursuant to state legislation (SB 529, 2022). The CPUC will make further changes to the process and we are developing recommendations to minimize permitting times and costs. CPUC staff proposal expected by Q1 2024.
- **Sempra General Rate Case (A. 22-05-015).** The parent company of SDG&E is requesting a total of nearly \$3.6 billion from its electric and natural gas ratepayers each year, on average, through 2026. We recommended the CPUC reduce their requested increases by 57% in 2024. Decision expected Q2 2024.
- **Demand Flexibility Proceeding (R.22-07-005).** The state government directed the CPUC to establish a “fixed charge” for residential ratepayers (AB 205, 2022). In response, the Public Advocates Office developed a detailed proposal that would decrease bills for low-income customers and create stronger incentives for all households to electrify. Decision required by July 2024.
- **Southern California Edison General Rate Case (A.23-05-010).** SCE is requesting a \$1.9 billion (23%) increase in 2025 over its current 2024 requested base rates. SCE requests an additional \$619 million in 2026, \$664 million in 2027, and \$705 million in 2028. Proposed Decision expected Q4 2024.

## **More information**

We develop recommendations that advance the state's climate goals in the most affordable ways for ratepayers.

Visit our website at [www.publicadvocates.cpuc.gov](http://www.publicadvocates.cpuc.gov)

## **Contact us**

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