



## PRESS RELEASE

### FOR IMMEDIATE RELEASE

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### **The CPUC's approval of a flat rate will help reduce electricity rates and advance California's clean energy goals**

**SAN FRANCISCO, May 9, 2024** – The California Public Utilities Commission (CPUC) approved a flat rate (or fixed charge) for California investor-owned utility customers today. The decision will not increase utility revenue or profits and is a critical step forward to ensure electric rates are more equitable for all customers.

“We commend the Commission for moving expeditiously on the flat rate decision,” said Linda Serizawa, Interim Director of the Public Advocates Office. “Today’s decision will reduce the price of electricity for all customers and reduce bills overall for low-income households. While more must be done to lower rates, the flat rate is an important step in tackling challenges to affordable electric service and providing an opportunity for all customers to benefit from electrification.”

When the change goes into effect, all customers will pay less for using electricity, and most customers will be charged a flat \$24.15 rate per month with discounts for lower income households. (Customers enrolled in income support programs would be billed \$6 and those living in certain affordable housing developments would pay \$12.) This modernized rate design would not result in increased utility revenues, so the new flat rate will also result in cutting the usage rate by 5 to 7 cents per kilowatt-hour.

This flat rate will help to incentivize the transition to electric appliances, vehicles, and heating systems, and help those most impacted by extreme heat in the summer months, with most customers seeing a decrease in their overall energy bills.

For more background on why we support this decision, please [read our commentary here](#).

Additionally, we have conducted our own analysis pertaining to the oft-cited Flagstaff Research study on flat rate impacts and have found evidence which debunks those findings. You can [read more about our analysis here](#).

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### **Additional information regarding our support of a flat rate is below (from our [March 2024 Press Release](#)).**

The decision comes at a time when Californians are experiencing historic electric rate increases that will be exacerbated if the CPUC does not implement equitable rate reform that will help to stabilize bills. Failure to implement a flat rate would only serve to perpetuate current inequities in the way customer bills are calculated.

The current electric rate structure penalizes households that have less control over their electricity use, such as those that live in a hotter region or have more residents under one roof. Without a flat rate, these households would continue to pay more than their fair share of costs that do not vary by usage, such as utility customer service, energy efficiency programs, and activities related to providing basic service. It also means that electrifying the transportation and building sectors will become more difficult, as households currently have a disincentive to shift their energy use from fossil fuels to electricity due to high rates.

A flat rate will help to rebalance how certain costs are collected to ensure that lower-income customers do not pay more than their fair share for safely operating and maintaining the electric grid. It will also serve to reduce rates at all hours of the day, reduce punitive bill swings following heat waves, lower bills for low-income customers, and reduce costs associated with air conditioning, electric heating, and electric vehicle charging.

The [decision] will reduce electricity rates by approximately 5 to 7 cents per kilowatt-hour depending on the utility. The flat rate, which [will] be \$24.15 per month for non-low-income customers, is benchmarked with flat rates set by the Sacramento Municipal Utility District, one of the largest public electric utilities in the United States.

Please [visit our website](#) for more information.

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