



The Public
ADVOCATES
OFFICE

Q4 2024 Electric Rates Report

The Public Advocates Office at the California Public Utilities Commission

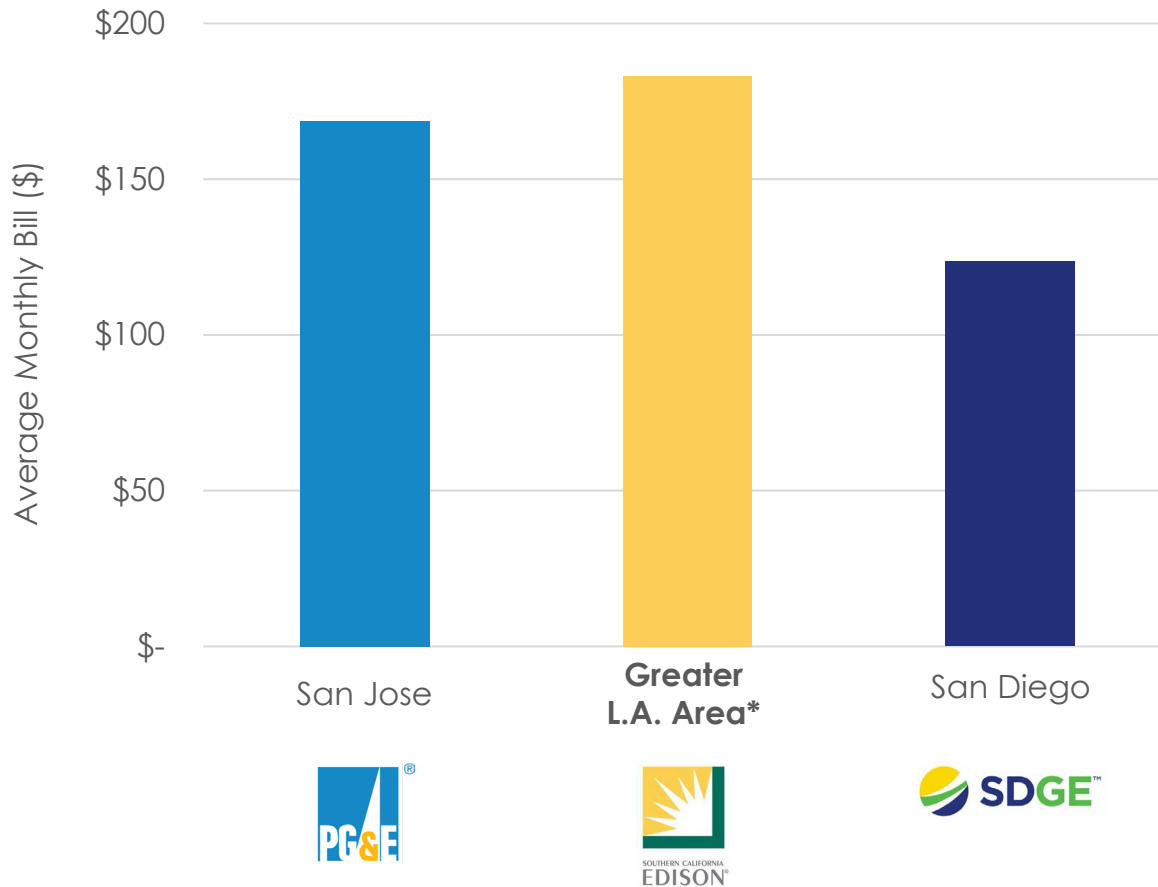
February 18, 2025

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 February 1, 2025.




Bills compound affordability challenges across the state

Average October 1, 2024, Electric Bill by City






- Over the last few years 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.

Nearly 1 in 5 households are behind on their energy bills

	# of Customers in Arrears	% of Customers in Arrears	Average Amount Owed
	1,103,149	20%	\$643
	846,717	18%	\$1,002
	319,214	23%	\$588
Combined	2,269,080	19.5%	\$769

Residential average rates have significantly increased

	Average Rate (\$ per kWh)	3-year Change Jan 2022 to Feb 2025	10-year Change Jan 2015 to Feb 2025
	\$0.380	↑ 41%	↑ 101%
	\$0.316	↑ 26%	↑ 85%
	\$0.397	↑ 5%	↑ 71%

Main electricity rate drivers

10-Year Change

Jan 2015 to February 2025

Primary Statewide Drivers



↑ 101%



SOUTHERN CALIFORNIA
EDISON

↑ 85%

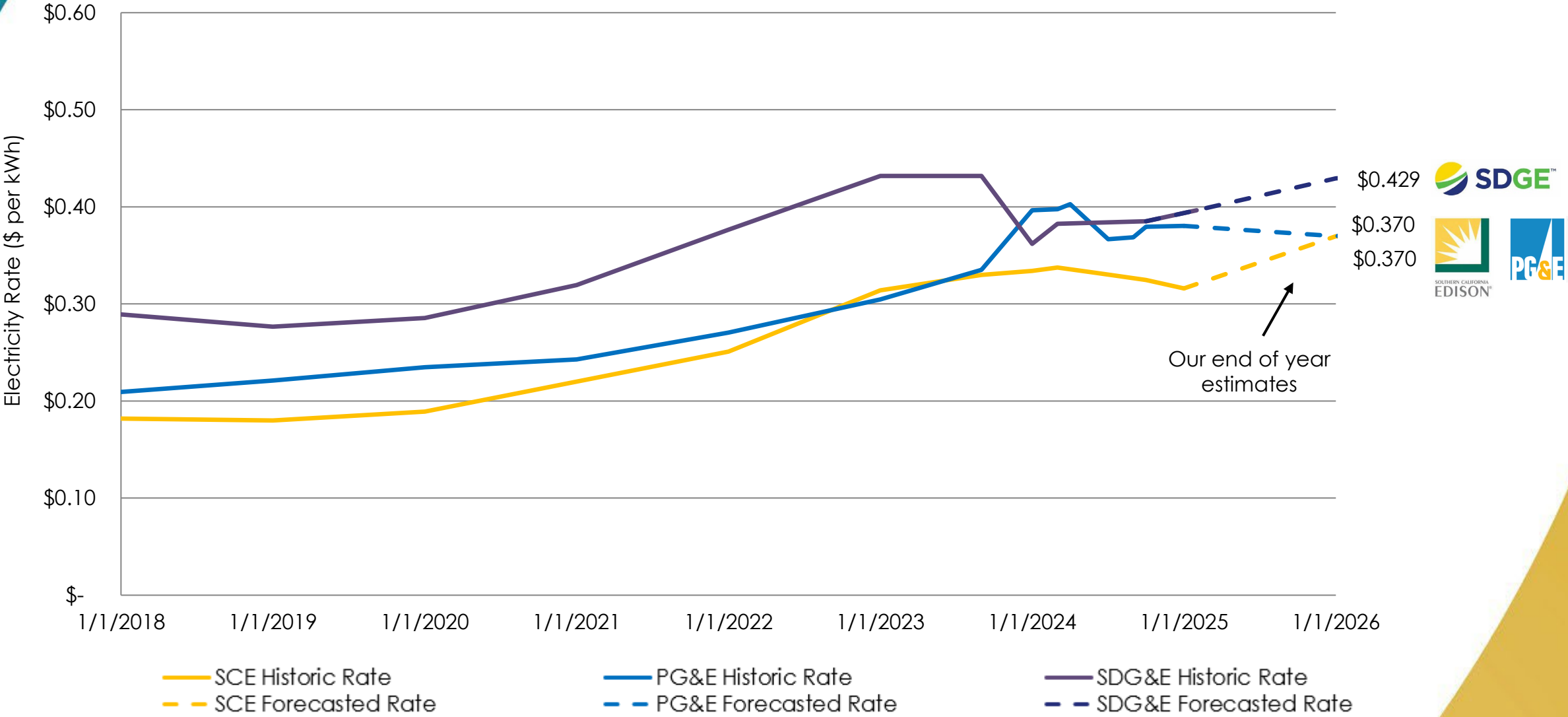


↑ 71%

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

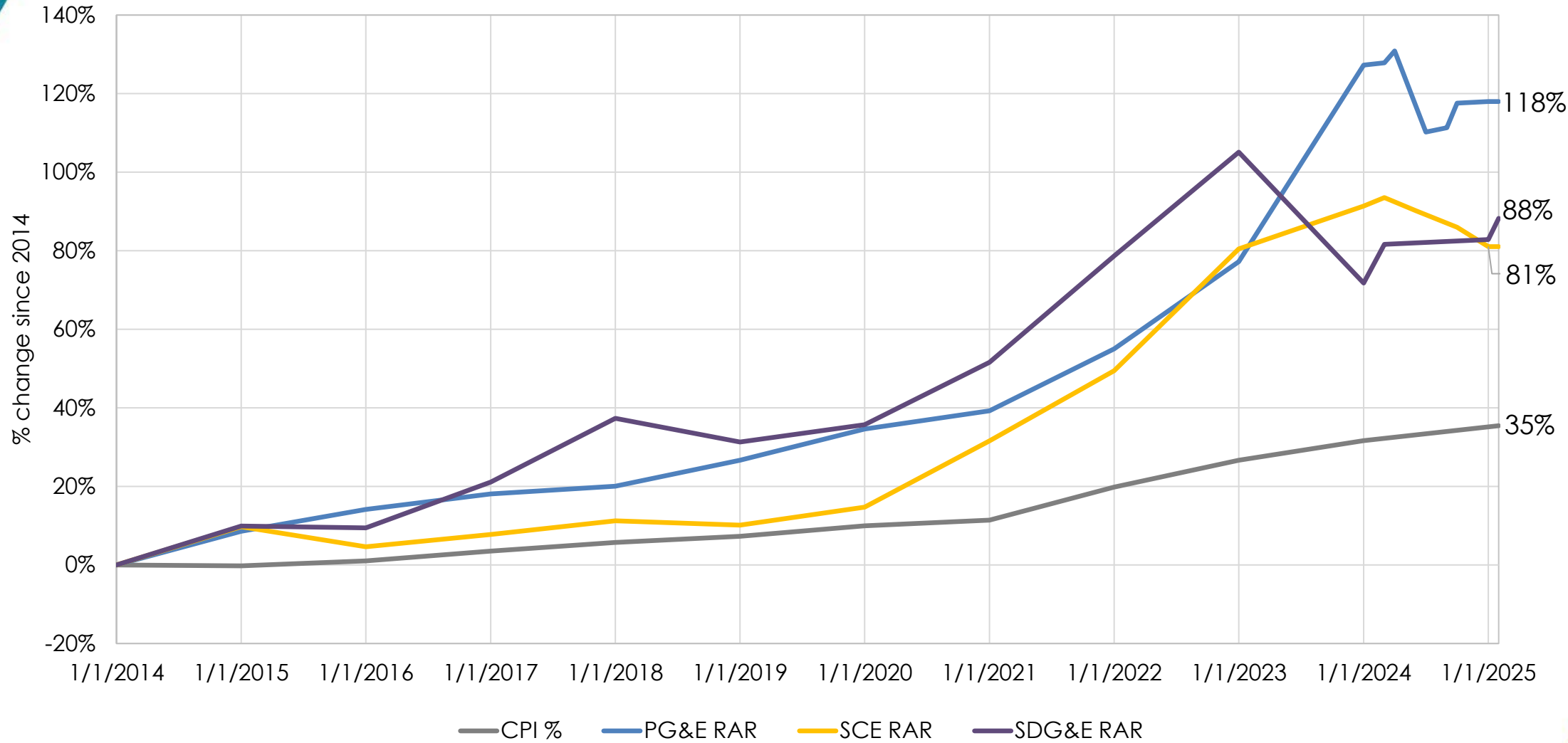
Source: California Public Utilities Commission SB 695 report: Report to the Governor and Legislature on Actions to Limit Utility Cost and Rate Increases... (2023)

Average Residential Electricity Rates (RAR)



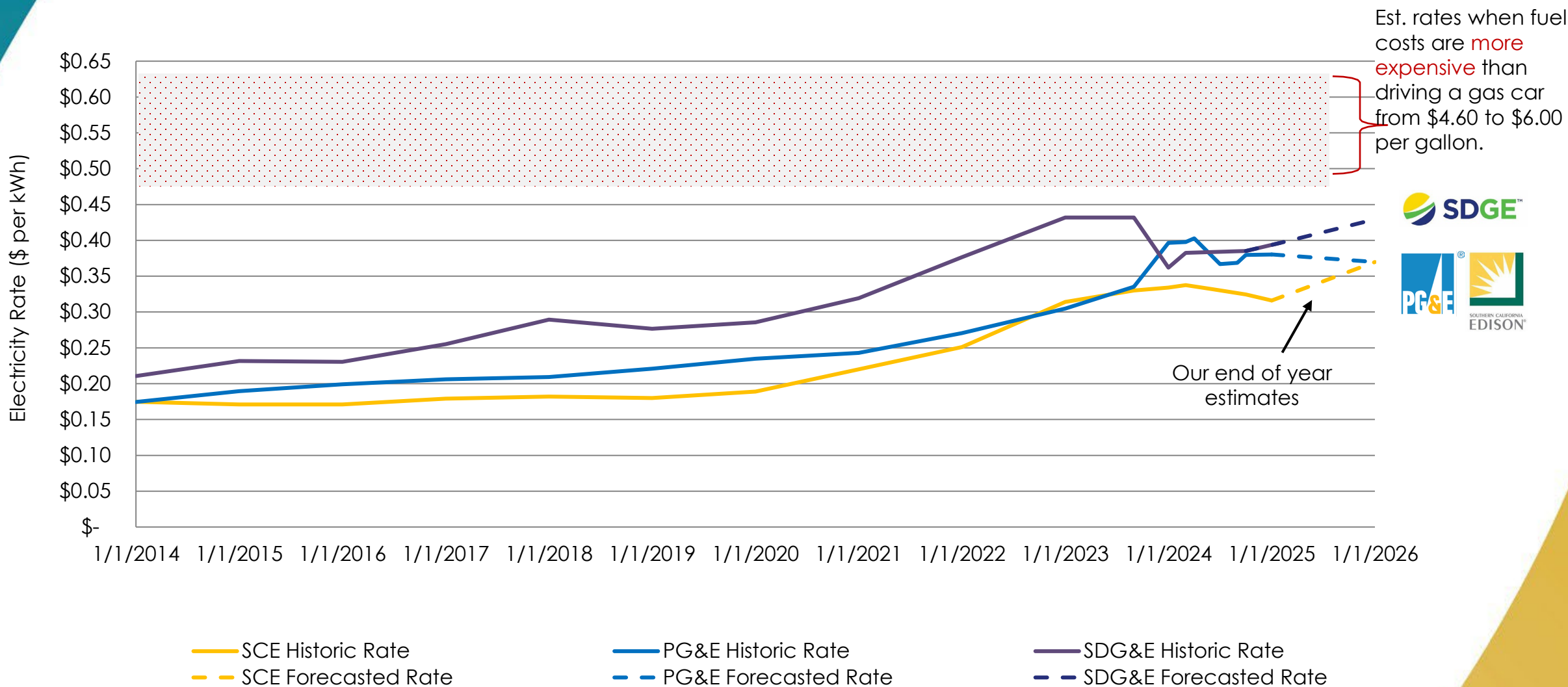
CA rates represent residential average rates excluding California Climate Credit. Forecasted rates only include known revenue change requests and will likely increase as future revenue change requests are filed. Source: Investor-Owned Utility Advice Letters (California Rates) for historic rates and utility submitted Cost and Rate Trackers for forecasted rates.

Rates have increased substantially since 2014, surpassing inflation



*Showing latest Bundled Residential Average Rates (RAR) and Consumer Price Index (CPI) for All Urban Consumers (CPI-U) found at <https://data.bls.gov/cgi-bin/dsrv?cu> as of January 1, 2025.
 **For details on primary drivers of rate changes in Q4 2024, see Appendix Slides 18 through 23.

EV Fuel Price Parity w/ Bundled Residential Average Rate



Assumptions for this slide found in Appendix on Slide 17.

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) for historic rates and utility submitted Cost and Rate Trackers for forecasted rates.

Wildfire-Related Revenue Requirement (RRQ) by Utility

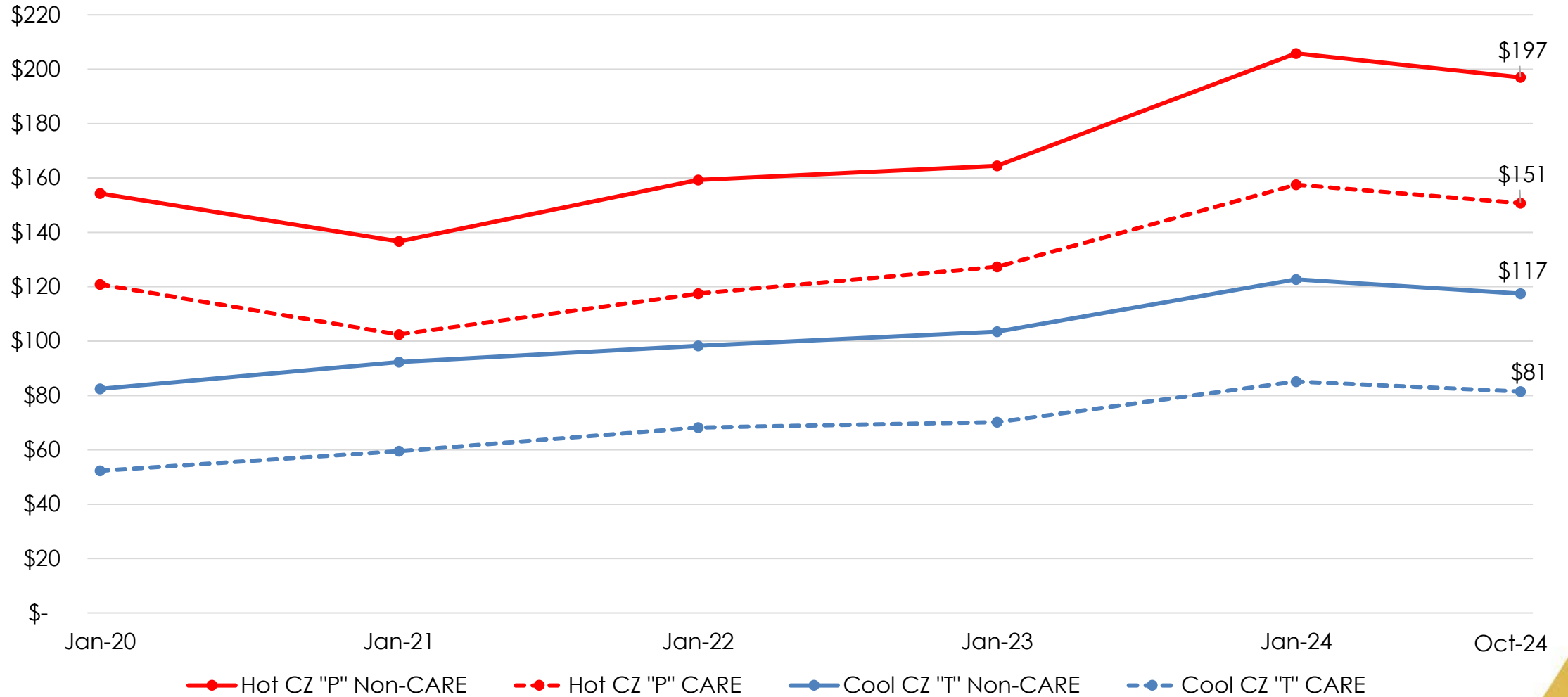
	Jan 2023	% of Total RRQ 2023	June 2024	% of Total RRQ 2024	Jan 2025	% of Total RRQ 2025
PG&E	\$2,398,830,000	15%	\$5,213,266,000	24%	\$4,103,465,000	21%
SCE	\$1,447,261,000	9%	\$2,026,051,000	11%	\$2,668,550,000	15%
SDG&E	\$291,158,000	7%	\$514,503,000	13%	\$585,005	15%

*Based on latest figures as of February 2025, includes wildfire-related insurance and the Wildfire Fund Charge. Some historical data for Jan 2023 or June 2024 may have been updated by the IOUs and reflected in any change from the figures presented in the Q3 2024 Report. For more context, please visit our website and related memo: <https://www.publicadvocates.cpuc.ca.gov/press-room/reports-and-analyses/wildfire-cost-increases-of-california-electric-iou>

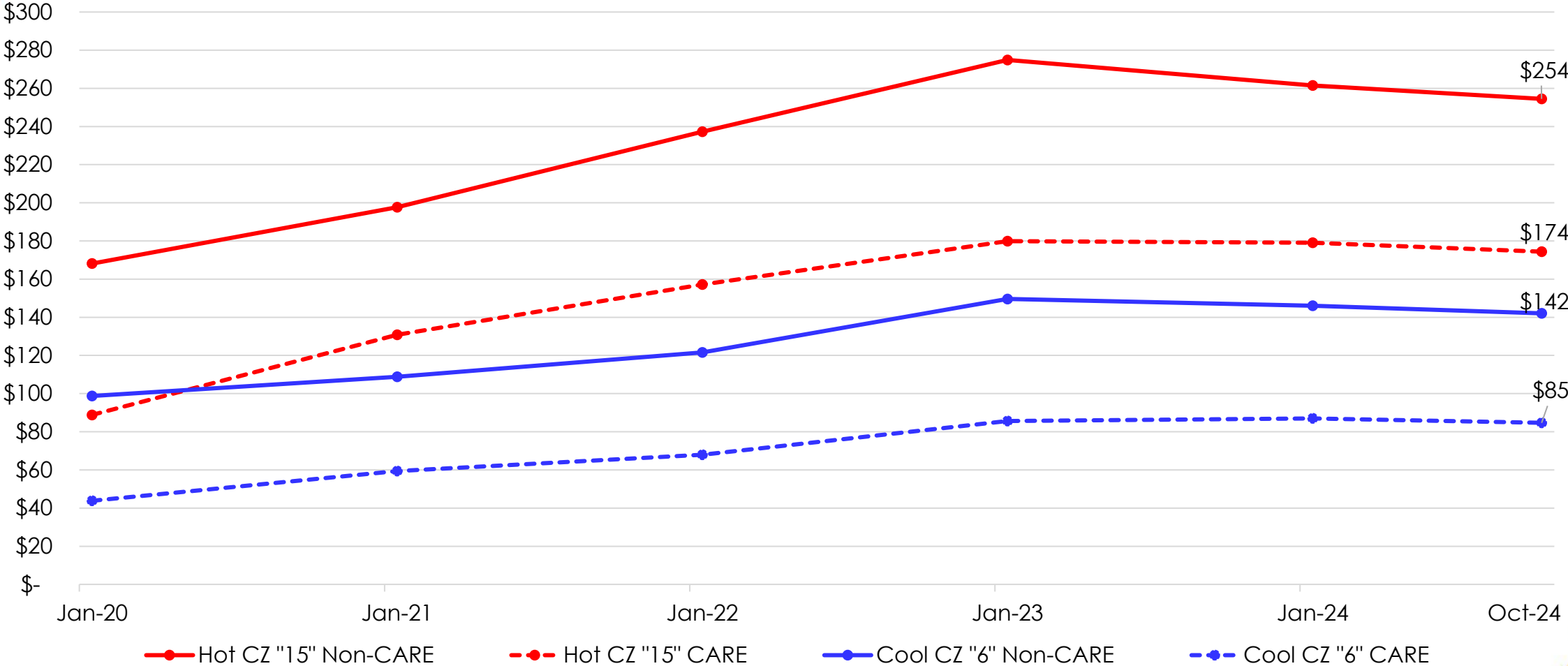
Historic Trend of Average Electricity Bills

Using a Sample of Hot & Cool Climate Zones
from each IOU's Service Territory

PG&E's Average Monthly Electricity Bills for CARE & Non-CARE Customers in Hot and Cool Climate Zones

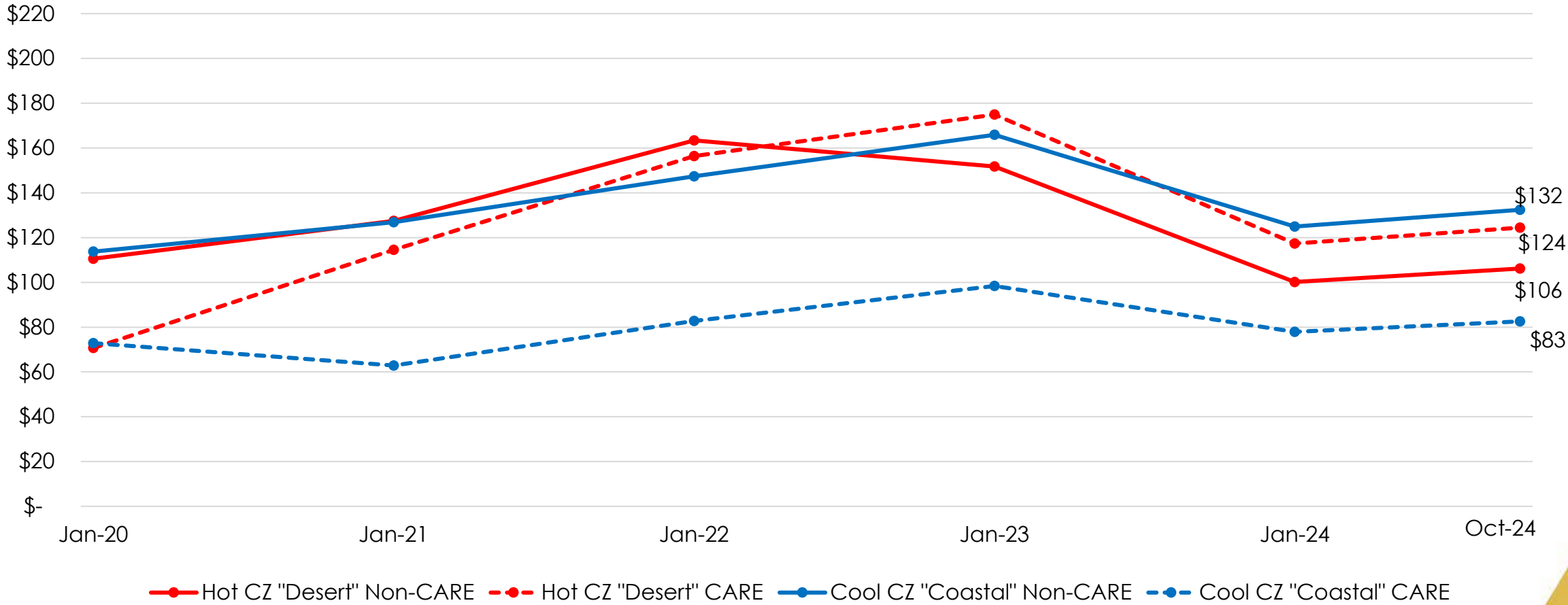


SCE's Average Monthly Electricity Bills for CARE & Non-CARE Customers in Hot and Cool Climate Zones



SCE's 15 hot climate zone has relatively high average usage of around 730 kWh monthly usage across Non-CARE & CARE customers. For Comparison, 6 cool CZ customers average around 400 kWh of monthly electricity usage.

SDG&E's Average Monthly Electricity Bills for CARE & Non-CARE Customers in Hot and Cool Climate Zones



SDG&E's CARE customers in its Desert Climate Zone use more electricity on average than both their Non-CARE counterparts and SDG&E's Coastal customers.

More information

We develop recommendations to ensure that energy, water, and communications services provided by investor-owned utilities are affordable, safe, and reliable.

Visit our website at www.publicadvocates.cpuc.ca.gov

Contact us

- Mary Flannelly, Policy & Communications Advisor
mary.flannelly@cpuc.ca.gov
- Tara Dias-Andress, Legislative Advisor
tara.andress@cpuc.ca.gov



Appendix

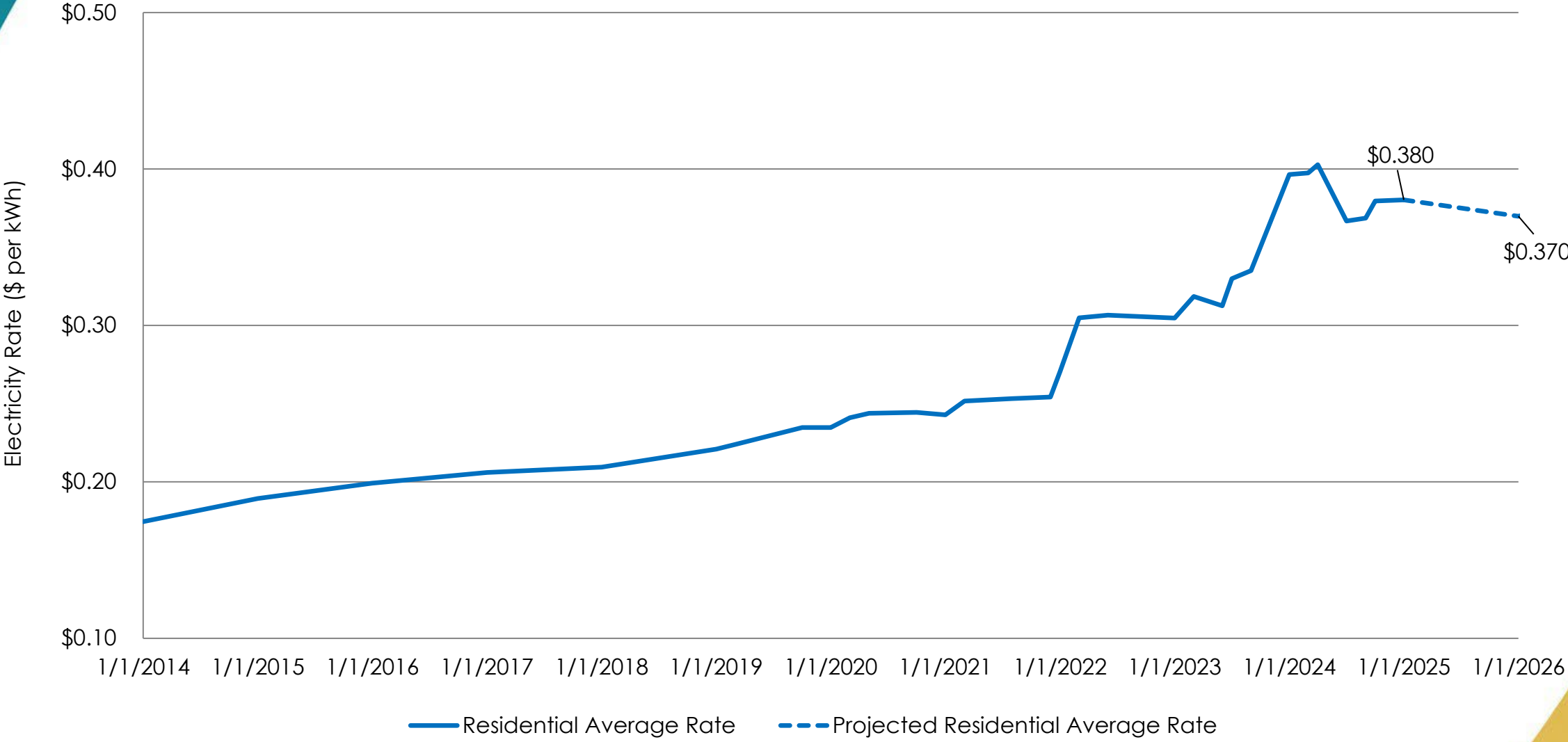
Assumptions & Additional Utility Data

Electric Vehicle (EV) Fuel Price Parity Assumptions (Slide 9)

- Internal Combustion Engine (ICE) MPG: 28
- EV MPGe: 100
- \$/Gallon Range: 4.60 – 6.00
- kWh/Gallon (EPA est.): 33.7

$((\text{EV MPGe} / \text{ICE MPG}) * \text{\$/Gallon}) \div \text{kWh/Gallon}$
= \$0.487 to \$0.636 \$/ kWh equivalent

PG&E Rate Change | Residential Average Rate



*Excluding Climate Credit (CCC reduces RAR by around 2-3 cents).

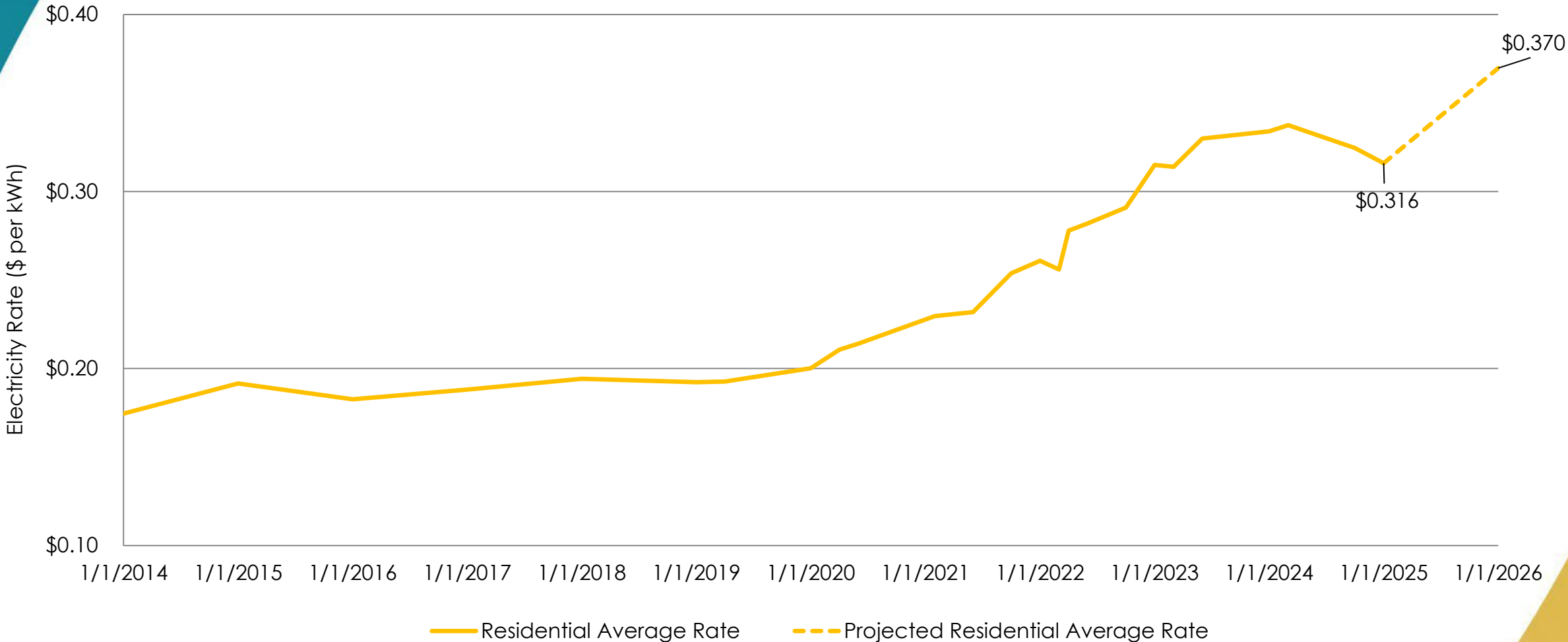
PG&E Q4 2024 Changes to Revenue Requirement

On December 30, 2024, PG&E submitted Advice Letter 7469-E, to update electric rates effective January 1, 2025. Noteworthy changes include:

- **Demand Response Expense Balancing Account Unspent Funds** – PG&E was approved to return unspent Demand Response funds totaling approximately \$274 million to customers starting January 1, 2025.
- **True Up 2023 Wildfire Mitigation Balancing Account (WMBA) Overcollection** – PG&E will return \$200 million in unspent Wildfire Mitigation funds (due to fewer Public Safety Power Shut-off events than forecasted) to customers in the calendar year 2025.

- *January 1, 2025, Rate Change:* The authorized revenue requirement, sales forecast, and rate design changes resulted in a residential average rate (RAR) increase of approximately **0.2%** for bundled service customers relative to rates in effect on October 1, 2024.

SCE Rate Change | Residential Average Rate



Expected rate increase from 1/1/2025 to 1/1/2026 is due primarily to implementing SCE's 2025 GRC, from A.23-05-010.

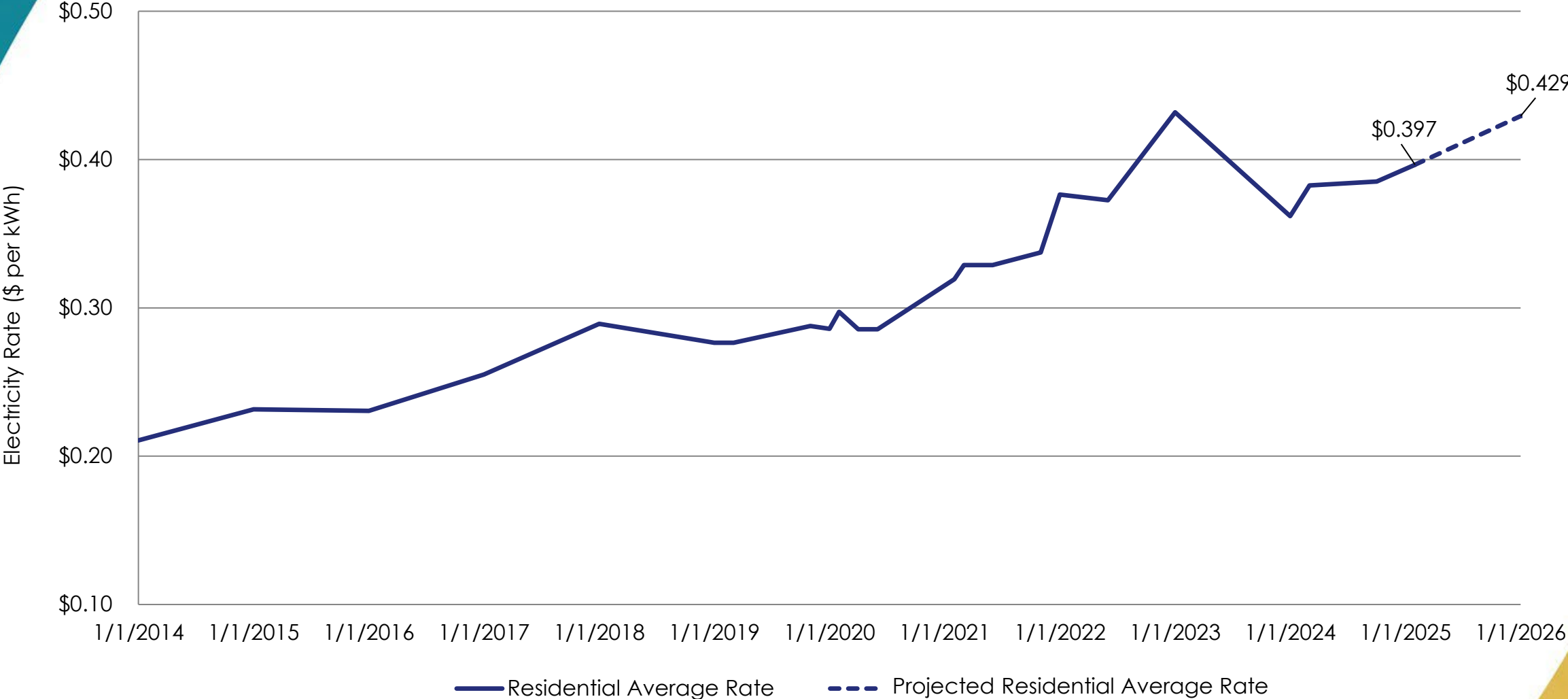
*Excluding Climate Credit (CCC reduces RAR by around 2-3 cents).

SCE Q4 2024 Changes to Revenue Requirement

On December 30, 2024, SCE submitted Advice Letter 5449-E, to update electric rates effective January 1, 2025. Noteworthy changes include:

- **Updated 2025 ERRA Forecast Application** - The 2025 ERRA Forecast revenue requirement included herein is \$4.456 billion. The implementation of the 2025 ERRA Forecast proceeding revenue requirement results in a decrease in 2025 rate levels of \$616.250 million compared to 2024 rate levels.
 - **2025 Cost of Capital** – SCE applied a Rate of Return (RoR) of 7.66 percent to reflect the revenue requirement impact associated with the 2025 Cost of Capital changes to the existing Authorized Base Revenue Requirement (ABRR), which is a decrease of \$104.366 million.
- *January 1, 2025, Rate Change: The authorized revenue requirement, sales forecast, and rate design changes resulted in a residential average rate (RAR) decrease of approximately 2.6% for bundled service customers relative to rates in effect on October 1, 2024.*

SDG&E Rate Change | Residential Average Rate



Expected rate increase from 1/1/2025 to 1/1/2026 is primarily due to implementing SDG&E's 2024 GRC, from D.24-12-074.

*Excluding Climate Credit (CCC reduces RAR by around 2-3 cents).

SDG&E Q4 2024 Changes to Revenue Requirement

On January 21, 2025, and January 29, 2025, SDG&E submitted Advice Letters 4588-E and 4588-E-A, to update electric rates effective February 1, 2025.

Noteworthy changes include:

- **2024 General Rate Case (GRC)** - Updates to SDG&E's electric revenue requirements from the approval of its 2024 GRC in Decision (D.) 24-12-074 will increase revenue requirements by \$295.0 million compared to October 1, 2024, revenue requirements.
- **Non-Fuel Generation Balancing Account (NGBA) Update** – Updates to SDG&E's NGBA will increase revenue requirements by \$156.6 million compared to October 1, 2024, revenue requirements.
- *February 1, 2025, Rate Change: The authorized revenue requirement, sales forecast, and rate design changes resulted in a residential average rate (RAR) increase of approximately 2.3% for bundled service customers relative to rates in effect on October 1, 2024.*