



*The Public*  
ADVOCATES  
OFFICE

# **Q2 2025 Electric Rates Report**

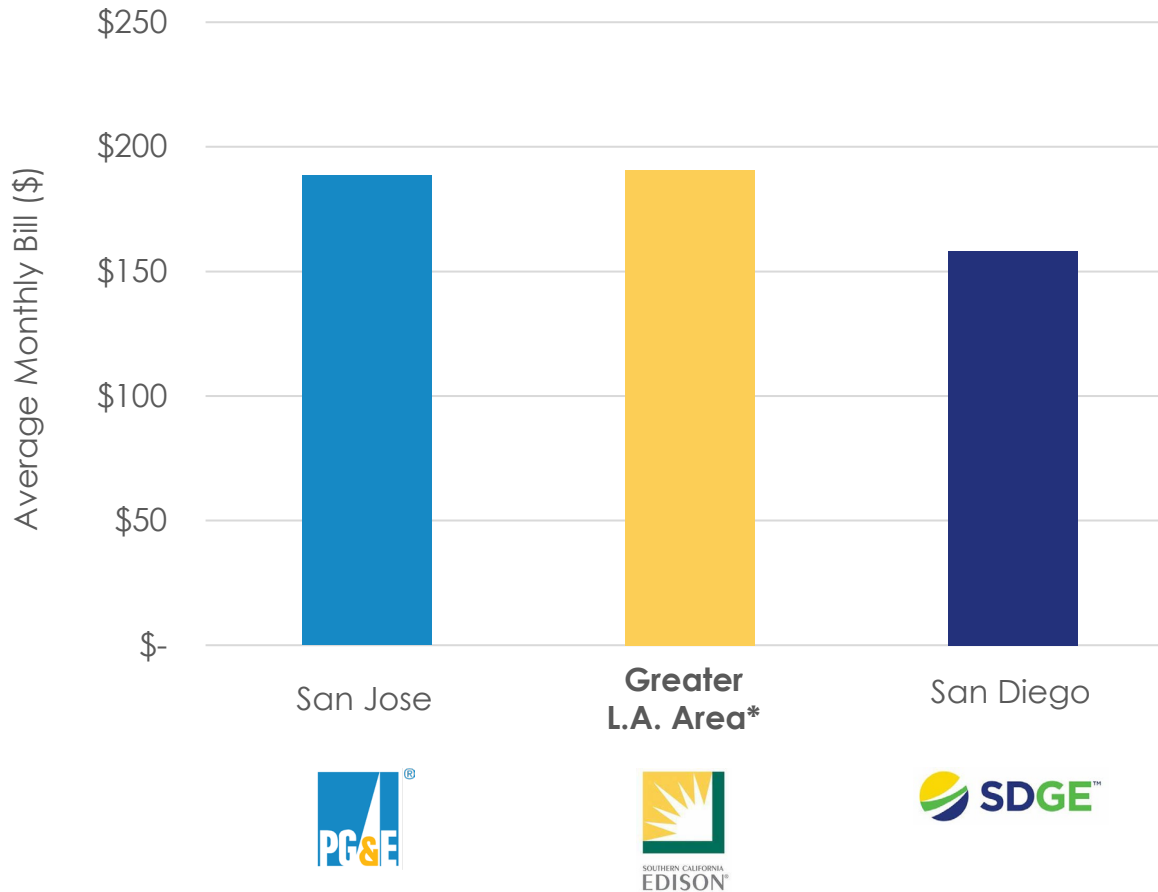
August 27, 2025

## 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 July 1, 2025.

# Increasing bills compound affordability challenges

Average June 1, 2025, 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
<b>PG&amp;E</b>	1,253,927	22%	\$579
<b>SCE</b>	734,534	16%	\$892
<b>SDG&amp;E</b>	399,824	29%	\$362
<b>Combined</b>	<b>2,388,285</b>	<b>20.5%</b>	<b>\$639</b>

# Residential average rates have significantly increased

	<b>Average Rate</b> (\$ per kWh)	<b>3-year Change</b> Jan 2022 to June 2025	<b>10-year Change</b> Jan 2015 to June 2025
<b>PG&amp;E</b>	\$0.386	↑ 41%	↑ 104%
<b>SCE</b>	\$0.312	↑ 24%	↑ 82%
<b>SDG&amp;E</b>	\$0.415	↑ 10%	↑ 79%

# Main electricity rate drivers

## 10-Year Change

Jan 2015 to June 2025

## Primary Statewide Drivers

**PG&E**

↑ 104%

**SCE**

↑ 82%

**SDG&E**

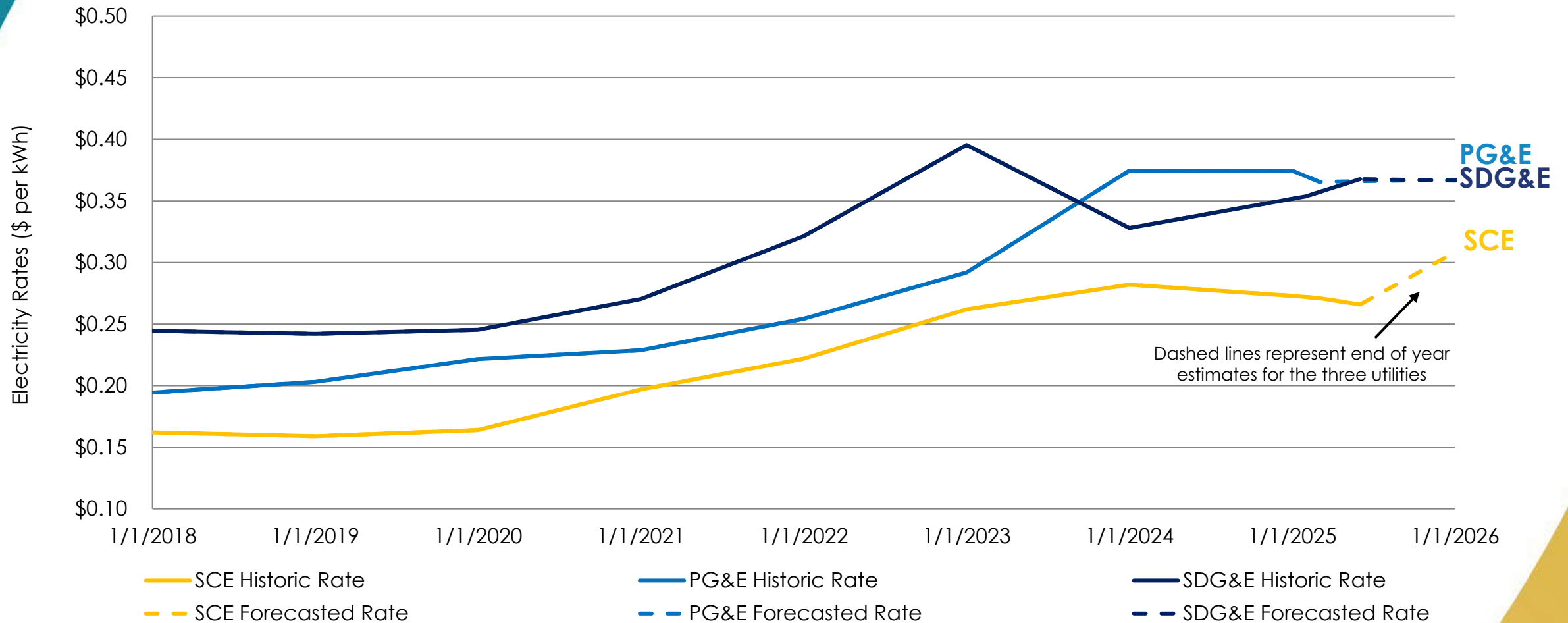
↑ 79%

1. Wildfire-related costs (i.e. mitigation, insurance, and liability)
2. Transmission & 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)

# Bundled System Average Rates (SAR)

System Average Rate (SAR) is the average amount paid per kilowatt-hour (\$/kWh) by customers who receive both electricity generation and delivery from their utility. It is calculated by dividing the utility's total electric revenues by the total electricity sold to bundled customers. Customer classes include residential, commercial, industrial, agricultural, street lighting, and public agencies.

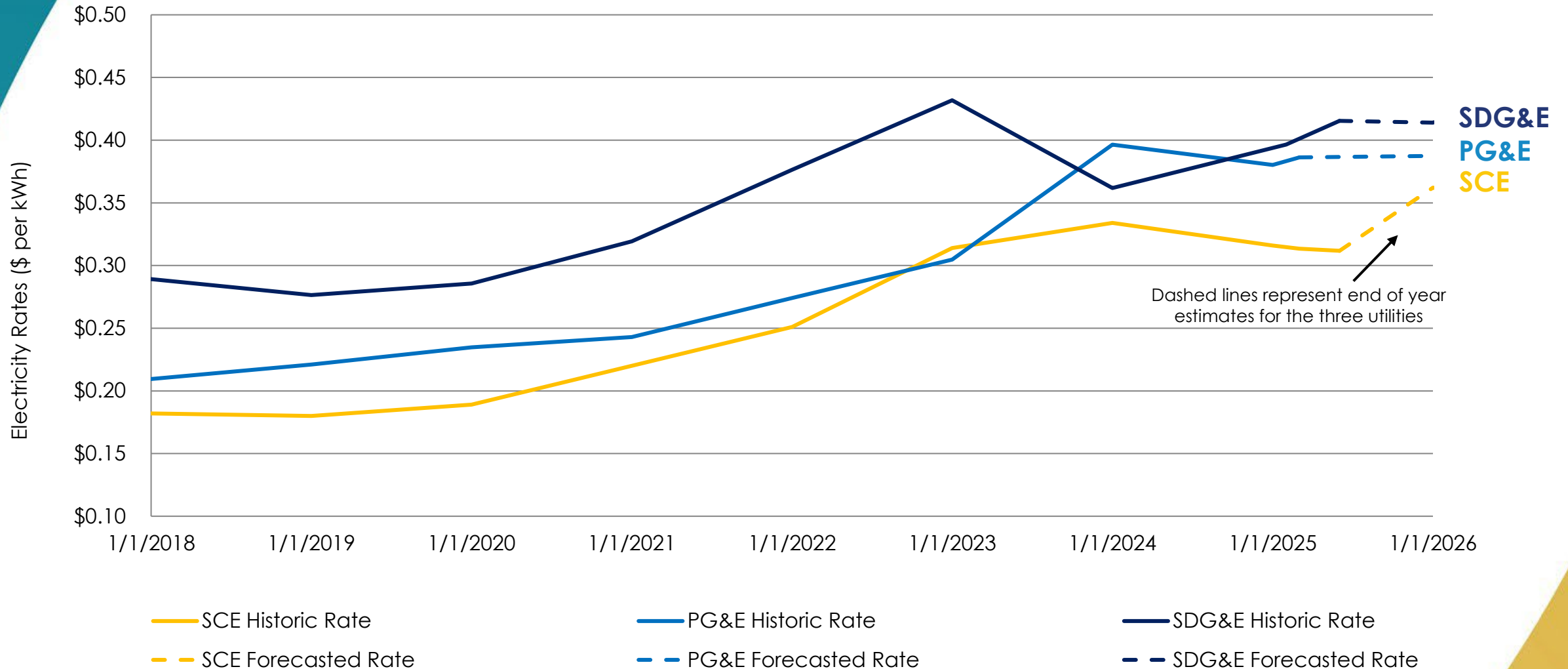


\*System Average Rate Formula: Bundled customer authorized and pending revenue requirement (\$)/Bundled authorized forecasted sales (kWh).

Forecasted rates only include known revenue change requests and will likely increase as future revenue change requests are filed. PG&E's SAR excludes its request for a \$2.38 Billion credit to ratepayers based on Decision 25-08-007 issued August 14, 2025 in A.24-06-013 denying the request.

Source: *Investor-Owned Utility Advice Letters (California Rates)* for historic rates and utility submitted Cost and Rate Trackers for forecasted rates.

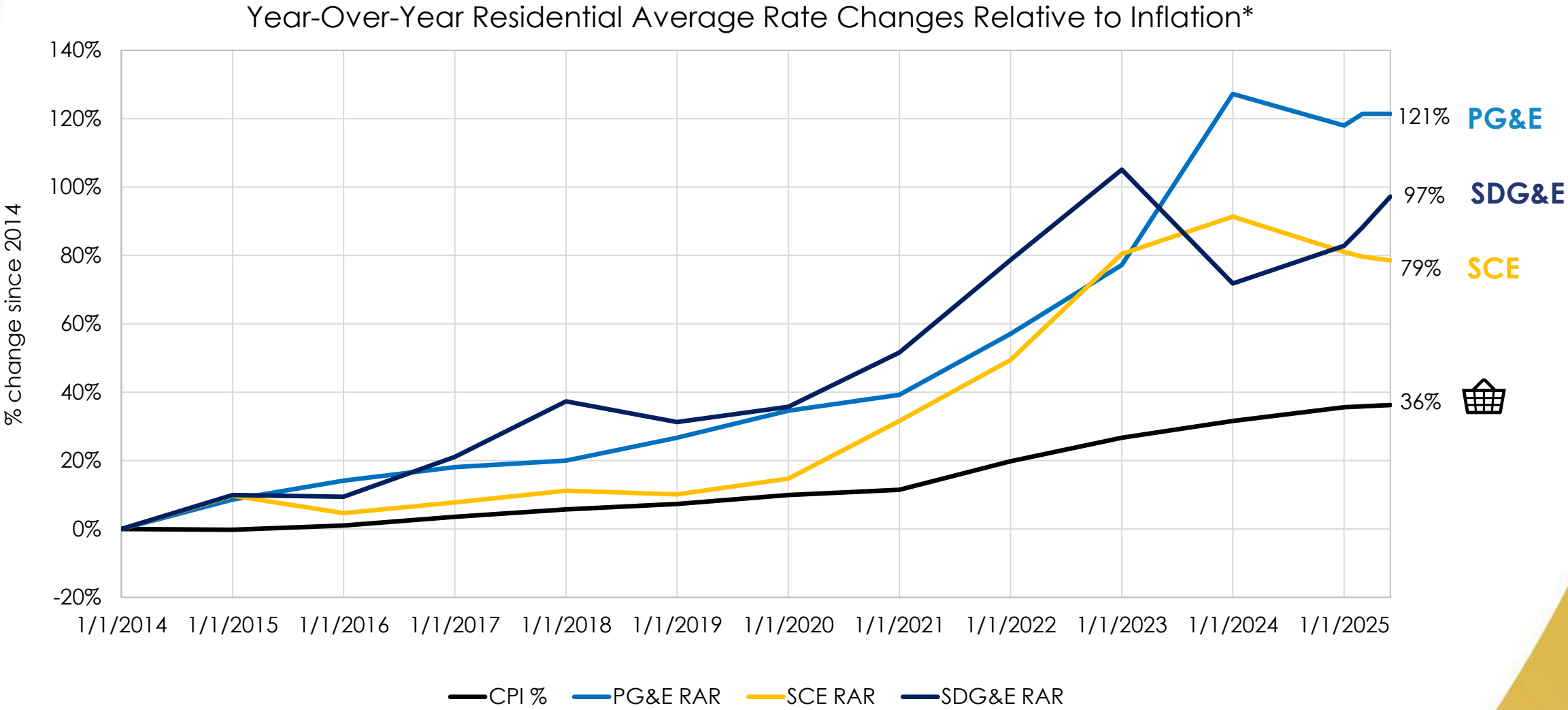
# Average Residential Electricity Rates (RAR)



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. PG&E's RAR excludes its request for a \$2.38 Billion credit to ratepayers based on Decision 25-08-007 issued August 14, 2025, in A.24-06-013 denying the request.

Source: Investor-Owned Utility Advice Letters (California Rates) for historic rates and utility submitted Cost and Rate Trackers for forecasted rates.

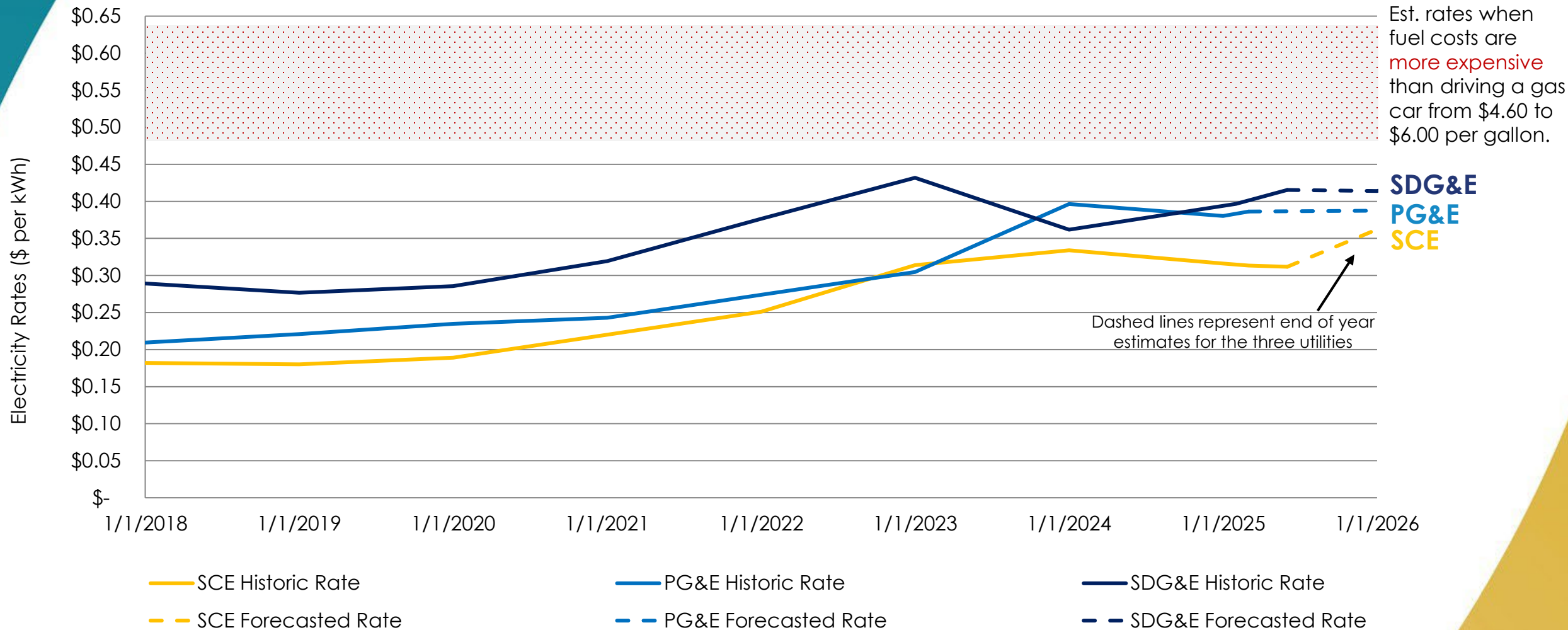
# Rates have increased substantially since 2014, surpassing inflation



\*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 July 2, 2025.

\*\*For details on primary drivers of rate changes in Q2 2025, see Appendix Slides 18 through 23.

# EV Fuel Price Parity w/ Bundled Residential Average Rate



Assumptions for this slide found in Appendix on Slide 18.

Avg residential rates represent average residential rate customers excluding California Climate Credit. Future estimates may be conservative as they only include pending applications. PG&E's RAR excludes its request for a \$2.38 Billion credit to ratepayers based on Decision 25-08-007 issued August 14, 2025, in A.24-06-013 denying the request.

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
<b>PG&amp;E</b>	\$2,398,830,000	15%	\$5,213,266,000	24%	\$4,103,465,000	21%
<b>SCE</b>	\$1,447,261,000	9%	\$2,026,051,000	11%	\$2,668,550,000	15%
<b>SDG&amp;E</b>	\$291,158,000	7%	\$514,503,000	13%	\$585,005,000	15%

The chart above is based on latest figures as of February 2025 and 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>

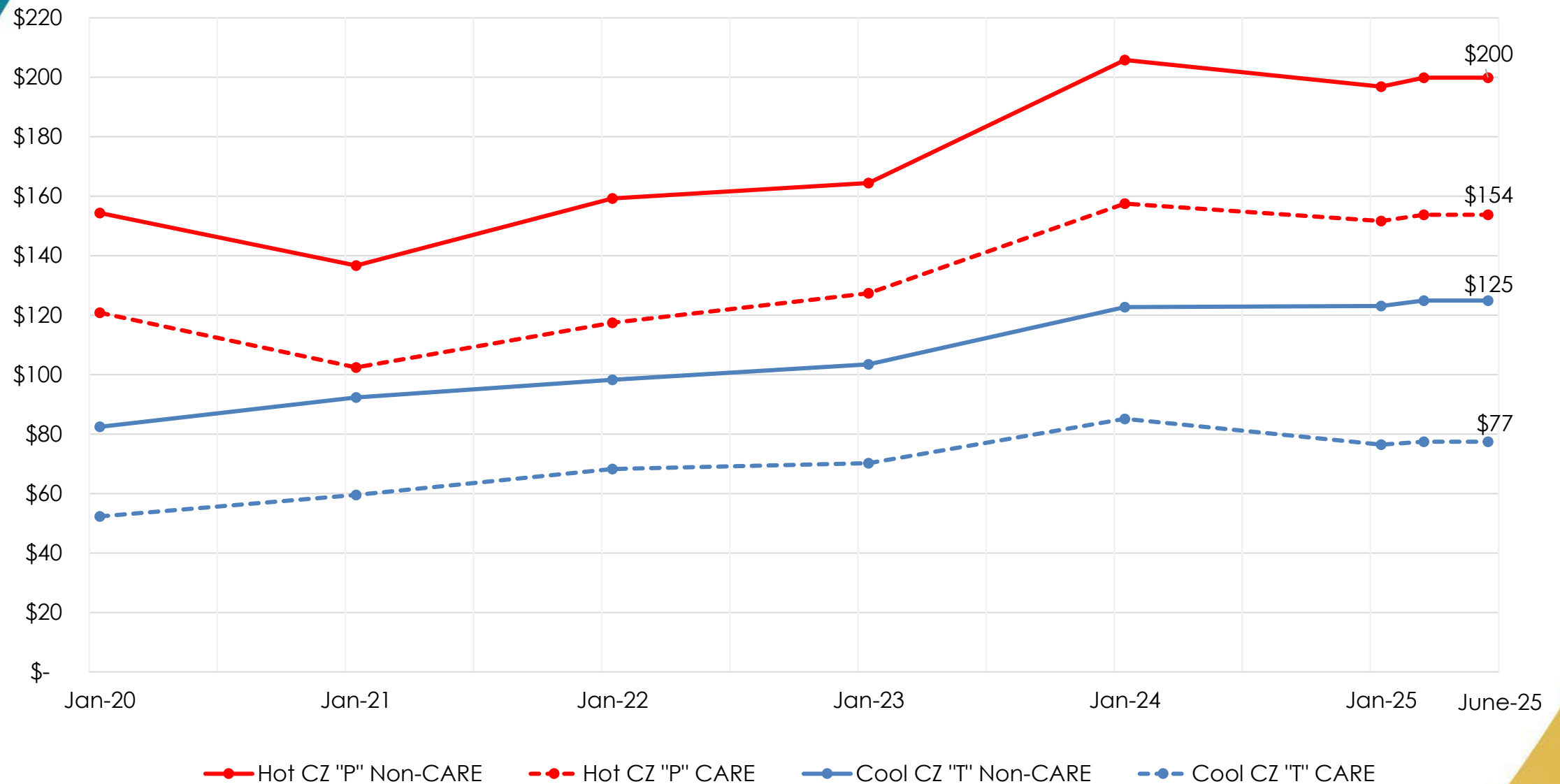
\*A revenue requirement is the total amount a utility is authorized to collect from customers to cover its costs – including operations, maintenance, taxes, depreciation, and a return on investment.

# Historic Trend of Average Electricity Bills for CARE\* and Non-CARE Customers

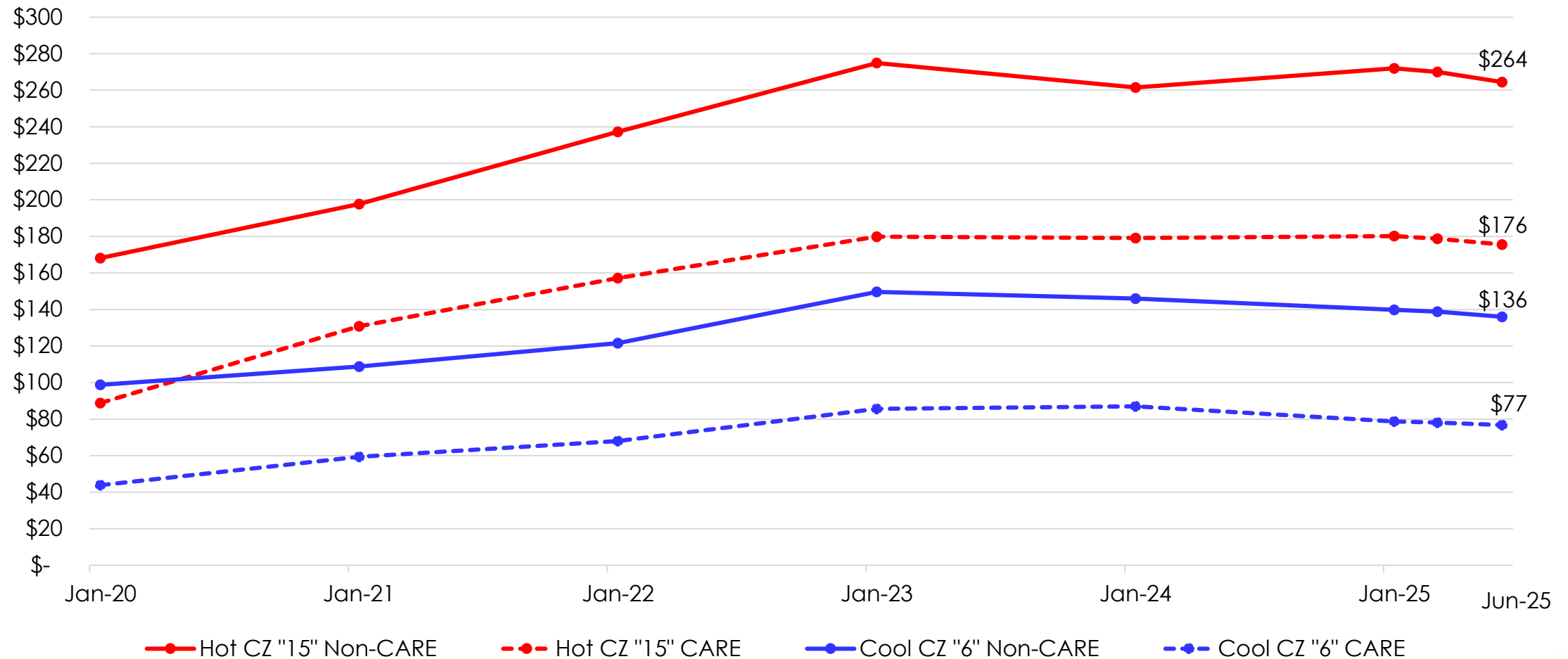
Using a Sample of Hot & Cool Climate Zones  
from each IOU's Service Territory

\*CARE customers are those households with incomes at or below 200% of the Federal Poverty Level and enrolled in the California Alternate Rates for Energy (CARE) program, which provides them a 30-35% discount on their energy bills.

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

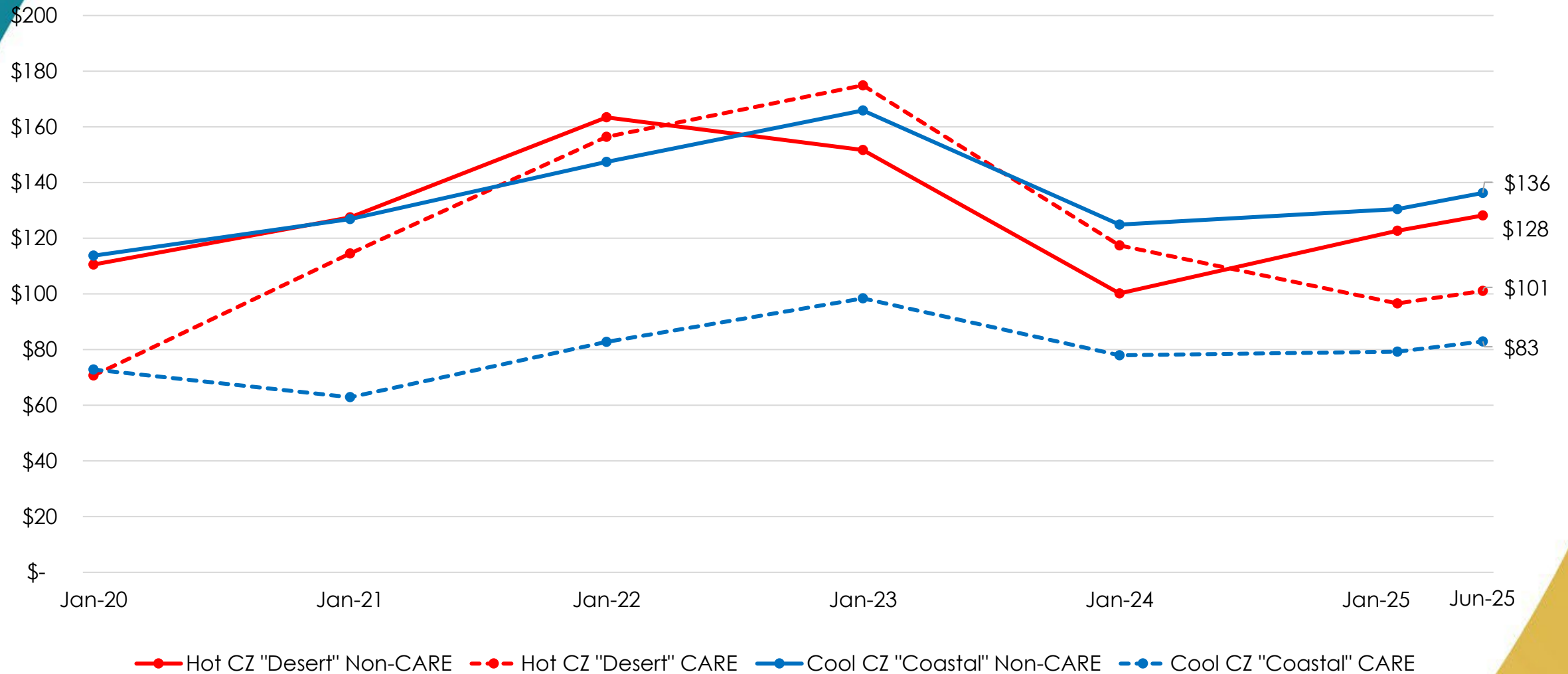


# SCE's Average Monthly Electricity Bills for CARE & Non-CARE Customers in Hot and Cool Climate Zones



SCE's 15 hot climate zone has relatively high average usage of around 790 kWh monthly usage across Non-CARE & CARE customers. For Comparison, 6 cool CZ customers average around 385 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 Non-CARE customers in its Coastal Climate Zone use more electricity on average in the Winter season than Non-CARE customers in SDG&E's Desert Climate Zone.



## 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](http://www.publicadvocates.cpuc.ca.gov)

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# Appendix

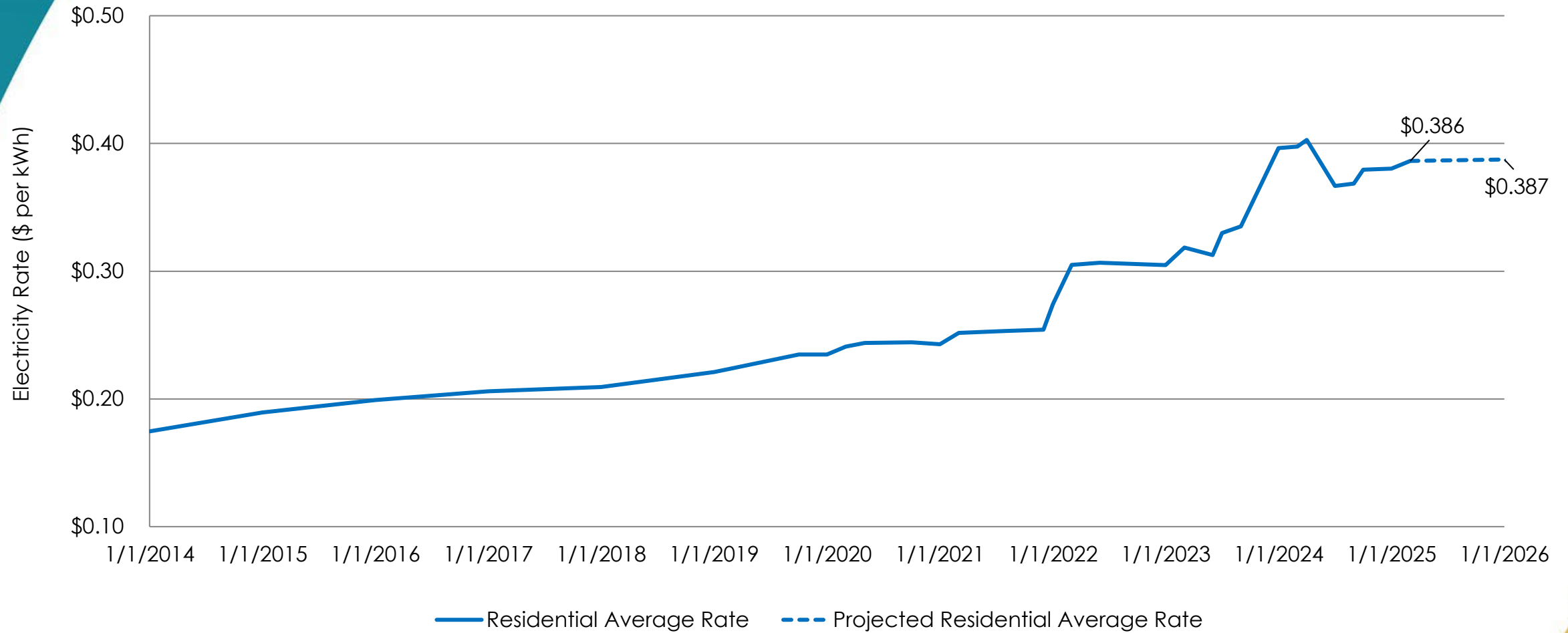
## Assumptions & Additional Utility Data

## Electric Vehicle (EV) Fuel Price Parity Assumptions (Slide 10)

- 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



PG&E's RAR excludes its request for a \$2.38 Billion credit to ratepayers based on Decision 25-08-007 issued August 14, 2025 in A.24-06-013 denying the request.

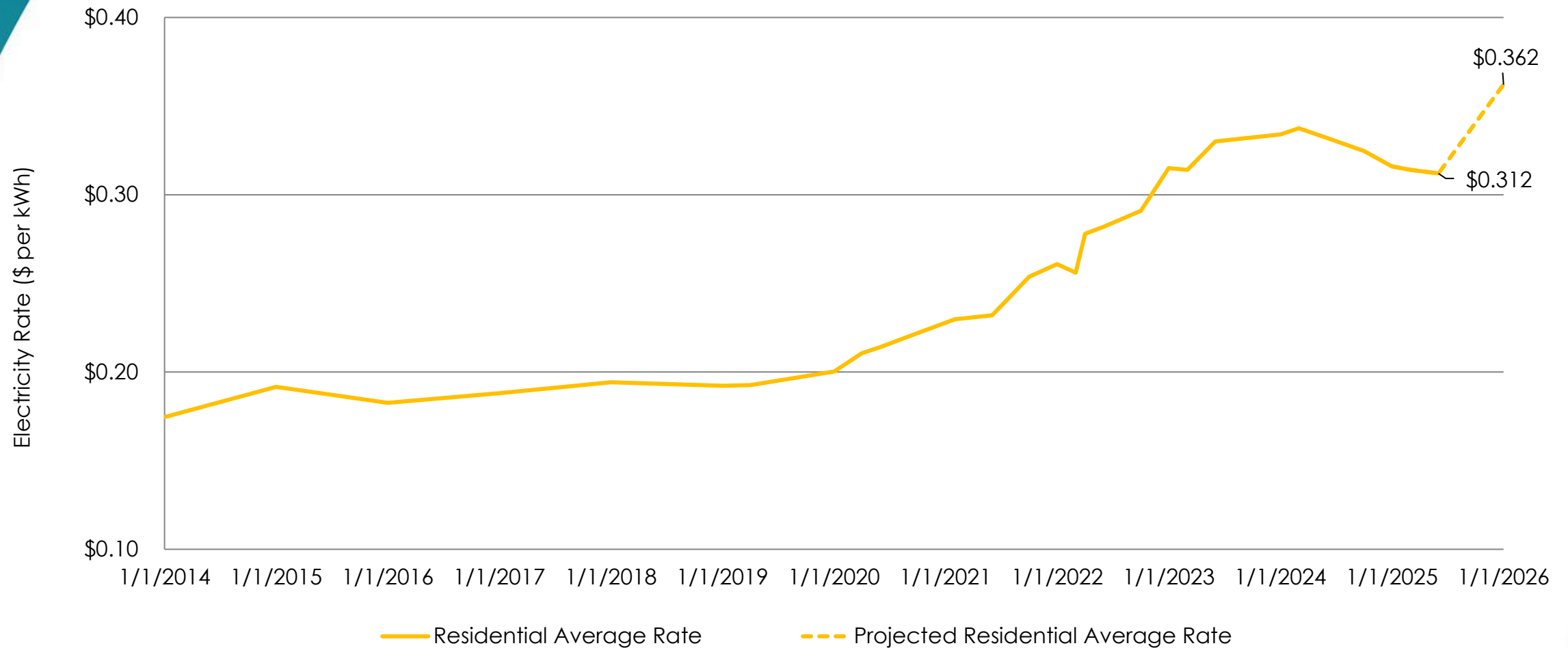
## PG&E Q2 2025 Saw No Changes to Revenue Requirement; Q1 2025 Changes Below

On February 26, 2025, PG&E submitted Advice Letter 7516-E, to update electric rates effective March 1, 2025. Noteworthy changes include:

- **2021 Wildfire Mitigation and Catastrophic Events (WMCE) Vegetation Management Balancing Account (VMBA)** – PG&E is implementing the approved total electric distribution revenue requirement of \$502.8 million in distribution rates over a 12-month period effective March 1, 2025.
- **End of Recovery of 2020 WMCE** – On February 2, 2023, the CPUC issued D.23-02-017, granting PG&E's request and authorizing recovery of \$1.038 billion in revenue amortized over 2 years. In this advice letter, PG&E is removing the 2020 WMCE annualized electric distribution revenue requirement as 2 years have concluded.

*March 1, 2025, Rate Change:* The authorized revenue requirement, sales forecast, and rate design changes resulted in a residential average rate (RAR) increase of approximately **1.6%** for bundled service customers relative to rates in effect on January 1, 2025.

## SCE Rate Change | Residential Average Rate



Expected rate increase from 6/1/2025 to 1/1/2026 is due primarily to implementing SCE's 2025 GRC, from A.23-05-010.

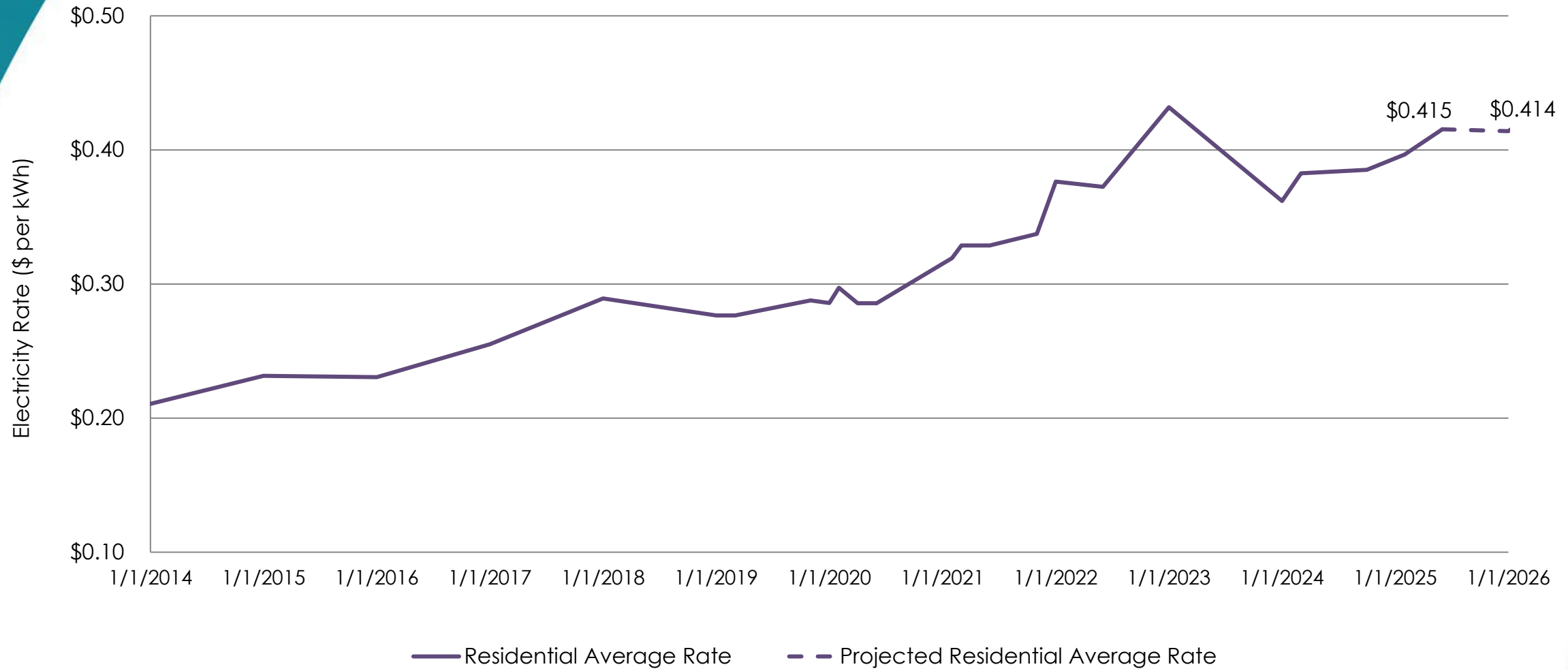
## SCE Q2 2025 Changes to Revenue Requirement

On May 28, 2025, SCE submitted Advice Letter 5555-E, to update electric rates effective June 1, 2025. Noteworthy changes include:

- **2021 Wildfire Mitigation/Vegetation Management** – On March 7, 2024, the Commission adopted D.24-03-008 which authorized SCE to recover through distribution rates the revenue requirements associated with the 2021 Wildfire Mitigation Plan Memo Accounts (WMPMA), the 2021 Fire Risk Mitigation Memo Account (FRMMA), and the 2021 Vegetation Management Balancing Account (VMBA). This implementation set a 12-month amortization period, ending on May 31, 2025. SCE is removing \$379.0 million from its June 1, 2025, revenue requirement.
- **2017 Thomas Fire CEMA** – On January 30, 2025, the Commission adopted D.25-01-042 to authorize partial cost recovery for the 2017 Thomas Fire and 2018 Montecito Debris Flow events. The costs shall be recovered in distribution rates over a 12-month amortization period. SCE will see an increase of \$34.7 million from its June 1, 2025, revenue requirement.

*June 1, 2025, Rate Change: The authorized revenue requirement resulted in a residential average rate (RAR) decrease of approximately **-0.6%** for bundled service customers relative to rates in effect on March 1, 2025.*

# SDG&E Rate Change | Residential Average Rate



# SDG&E Q2 2025 Changes to Revenue Requirement

On May 30, 2025, SDG&E submitted Advice Letter 4653-E to update electric rates effective June 1, 2025. Noteworthy changes include:

- **Implementation of Federal Energy Regulatory Commission (FERC) Transmission Owner 6 Formula 1**– Update to SDG&E's electric transmission rates per FERC Docket No. ER25-270-000 reflecting an increase in revenue requirements by \$225.8 million, annually, with a prorated amount of \$131.7 million from June 1, 2025 through December 31, 2025.

*June 1, 2025, Rate Change: The authorized revenue requirement, sales forecast, and rate design changes resulted in a residential average rate (RAR) increase of approximately **4.8%** for bundled service customers relative to rates in effect on February 1, 2025.*