



# Electric Rate Trends

2009-2021

Assembly Utilities and Energy Committee  
Electricity Prices Matter Informational Hearing  
February 19, 2020

On peak 288 kW x \$4.33000 x 23,771 d  
 Mid peak 252 kW x \$0.81000 x 22,771 d  
 Energy - Summer  
 On peak 9,073 kWh x \$0.05232  
 Mid peak 11,910 kWh x \$0.01  
 Off peak 12,338 kWh x \$0.01  
 Energy - Winter  
 On peak 5,341 kWh x \$0.01  
 Mid peak 3,411 kWh x \$0.01  
 Off peak 3,411 kWh x \$0.01  
 Customer charge

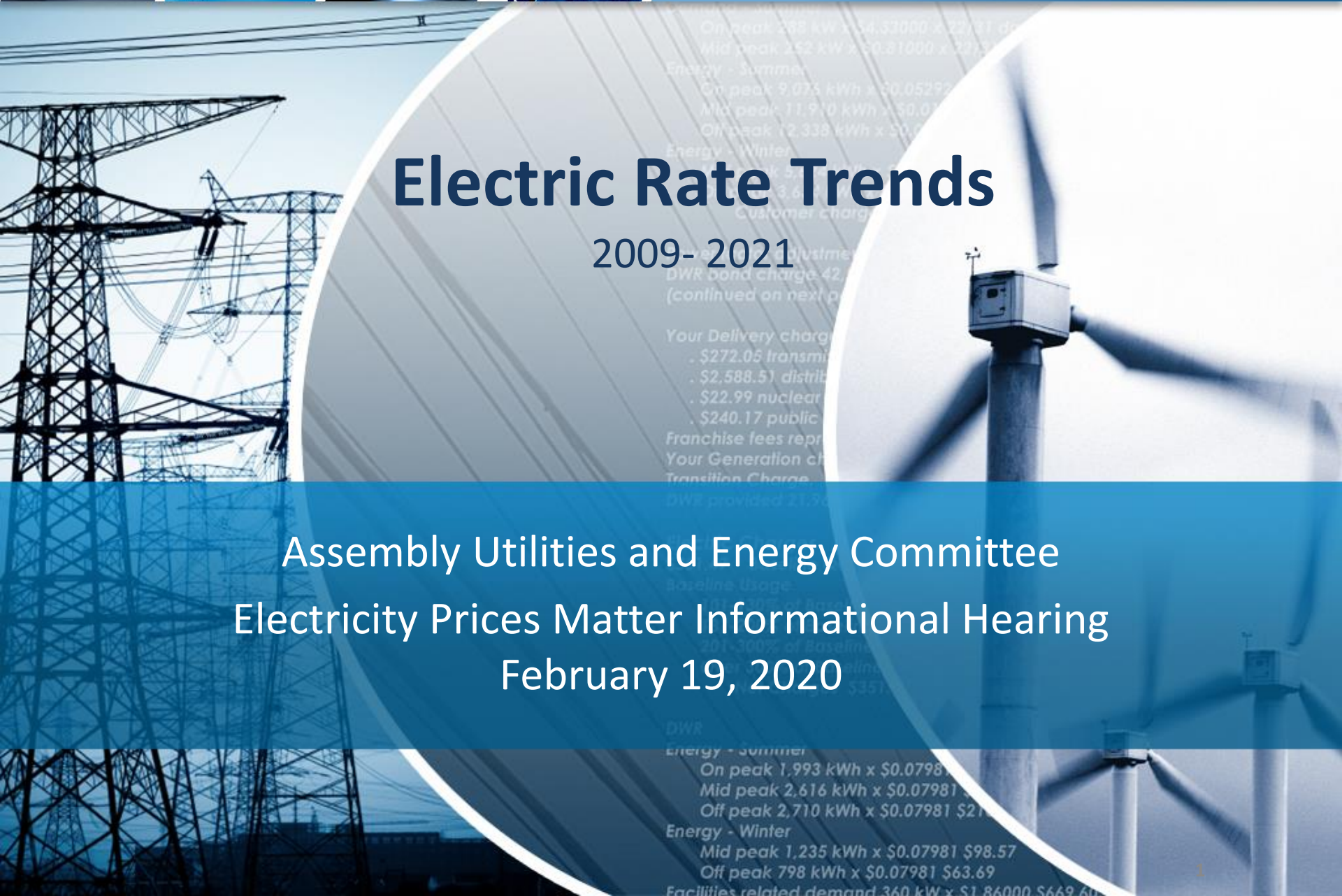
Customer adjustment  
 DWR bond charge 42  
 (continued on next slide)

Your Delivery charge  
 . \$272.05 transmi  
 . \$2,588.5) distrib  
 . \$22.99 nuclear  
 . \$240.17 public  
 Franchise fees repr  
 Your Generation ch  
 Transition Charge

DWR provided 21,300

baseline Usage  
 100% of Baseline  
 80%-100% of Baseline  
 100% of Baseline  
 100% of Baseline  
 \$351

DWR  
 Energy - Summer  
 On peak 1,993 kWh x \$0.07981  
 Mid peak 2,616 kWh x \$0.07981  
 Off peak 2,710 kWh x \$0.07981 \$21  
 Energy - Winter  
 Mid peak 1,235 kWh x \$0.07981 \$98.57  
 Off peak 798 kWh x \$0.07981 \$63.69  
 Facilities related demand 360 kW x \$1,86000 \$669,600



## Key Themes

- Electric rates for PG&E, SCE, and SDG&E residential customers are outpacing inflation.
- When reviewing rate trends, it's important to know what rate you're looking at.
- The preponderance of this increase is impacting low-usage residential customers.

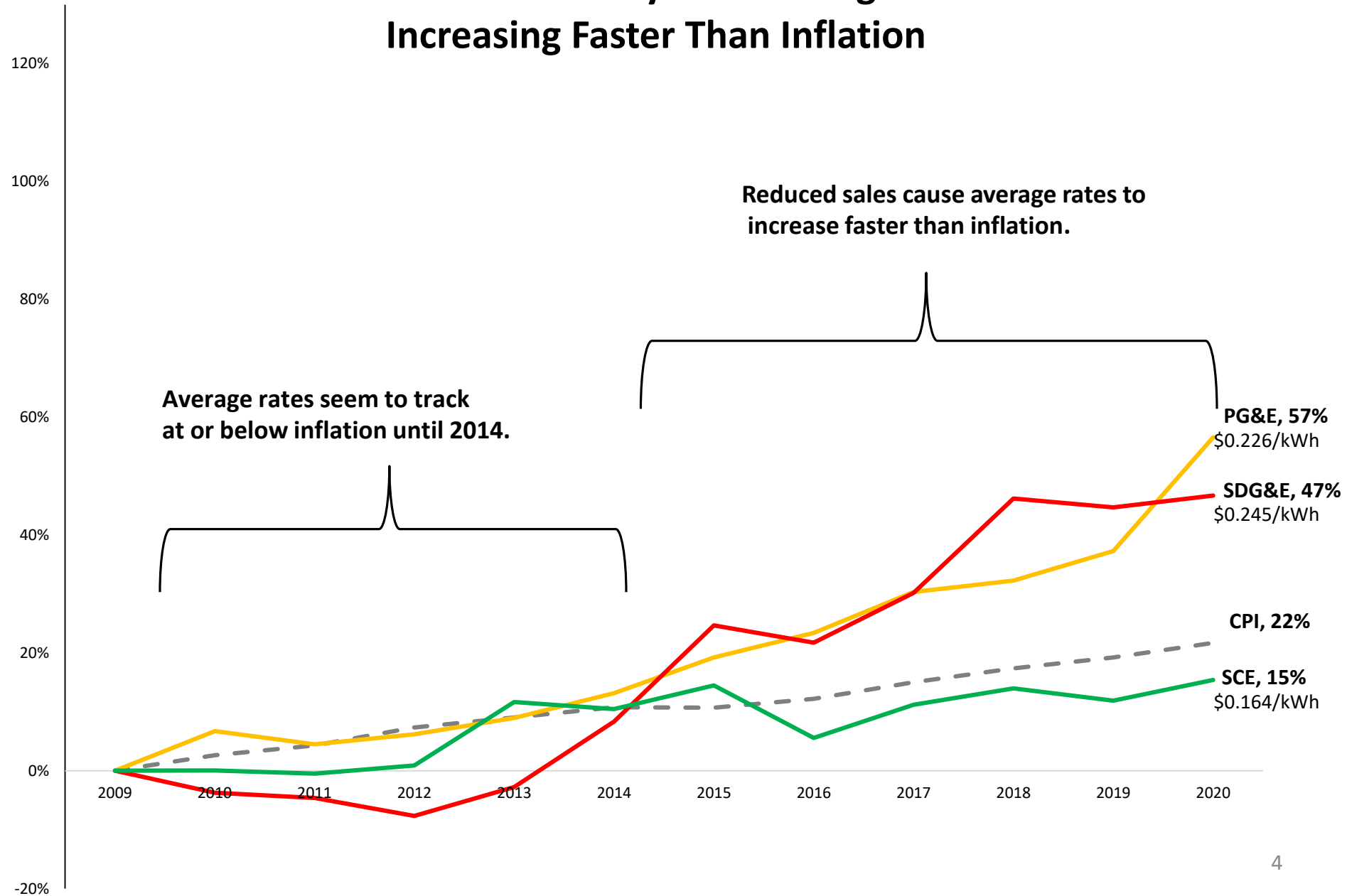


## Rate Increase Drivers: CPUC-Authorized Costs and Declining Sales

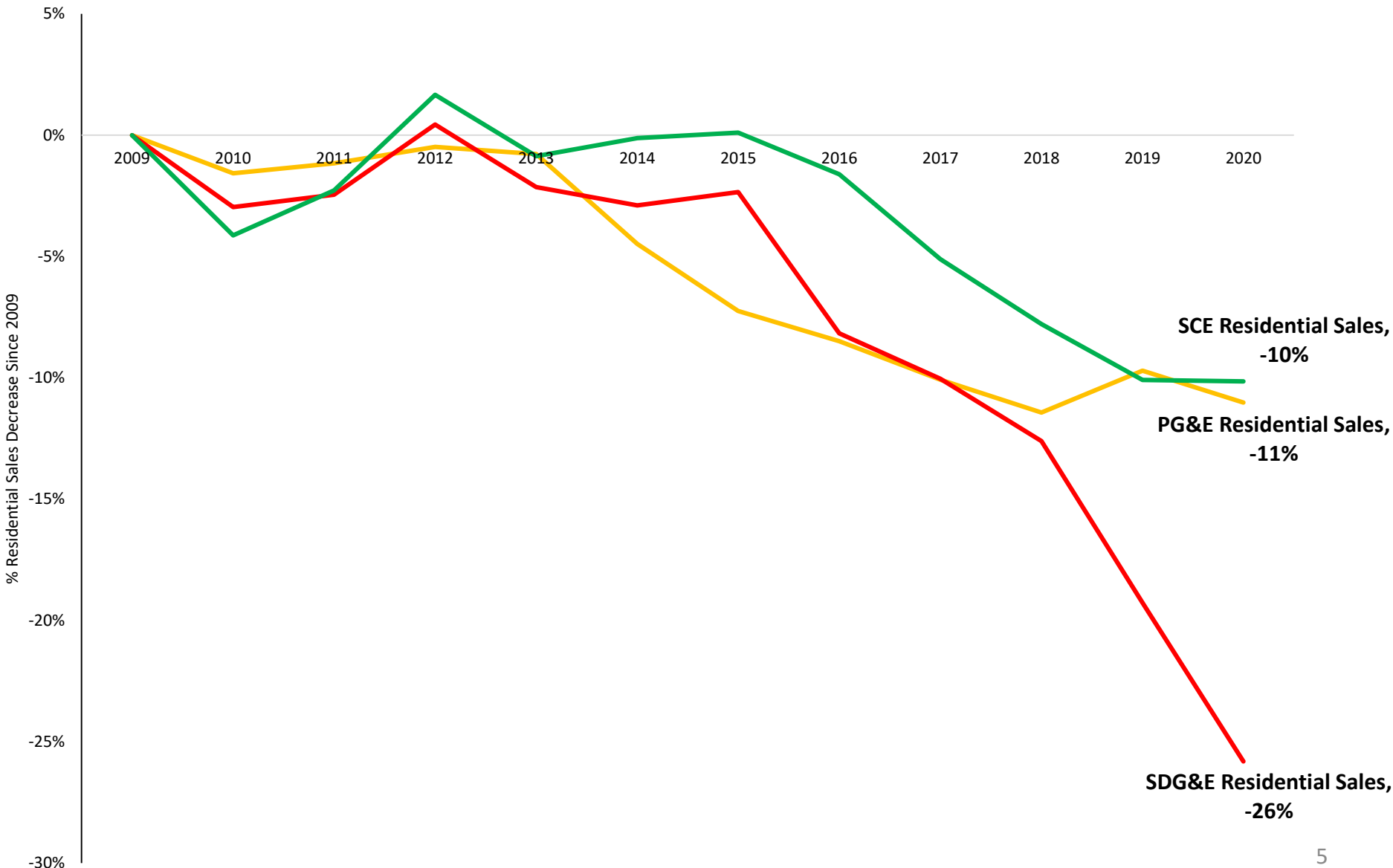
- The amount of money the CPUC has authorized the utilities to collect (revenue requirement) is increasing year over year.
- Residential sales are falling. Prior to 2009, sales increases generally offset increasing revenue requirements, resulting in less severe rate impacts.
- Successes in Energy Efficiency and Distributed Generation have led to stagnant or decreasing sales. These decreases are expected to continue.
- Low-usage customers have seen magnified rate increases because of legacy rate policies from the 2002 energy crisis.



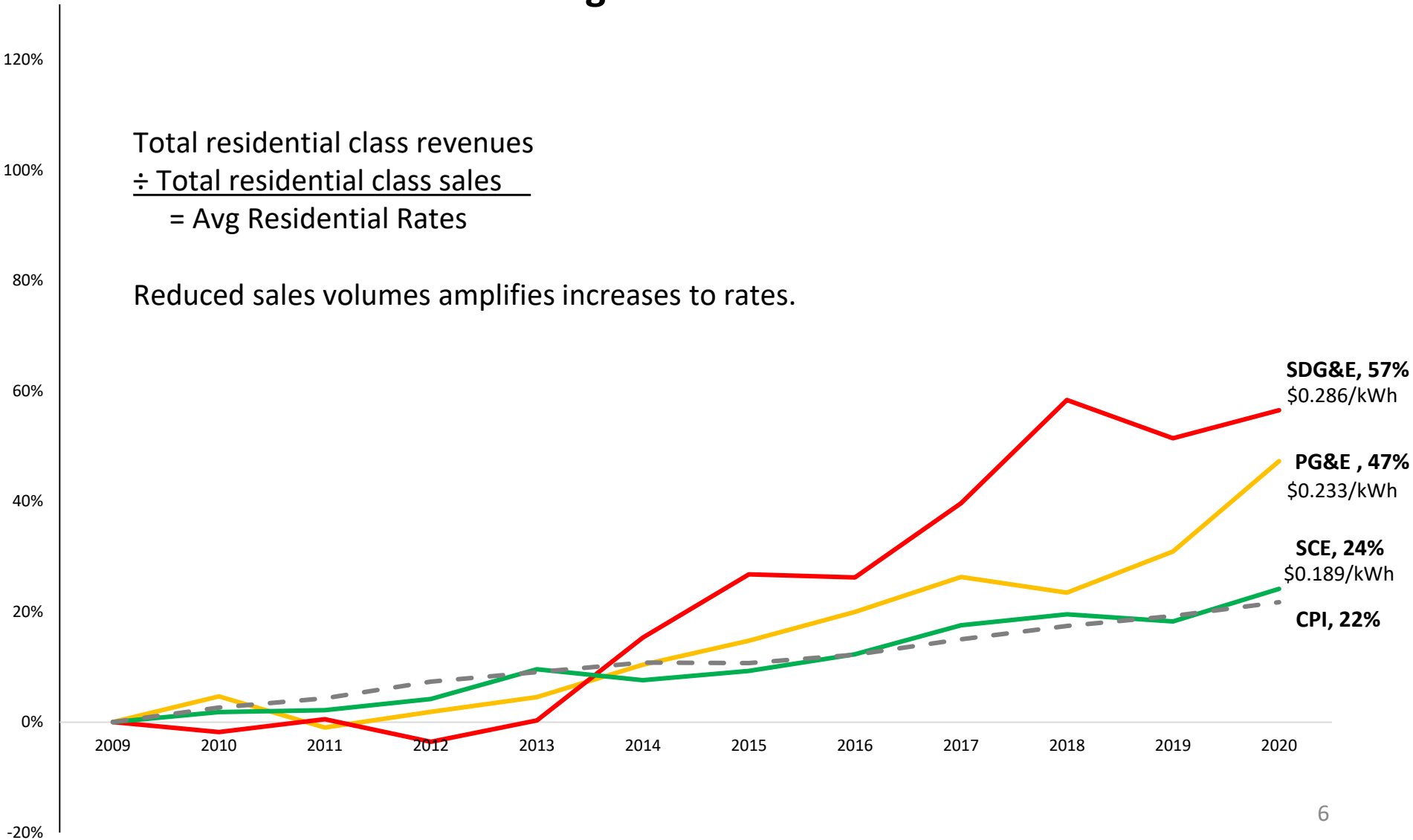
# PG&E and SDG&E System Average Rates Increasing Faster Than Inflation



# Residential Sales Volumes Are Going Down

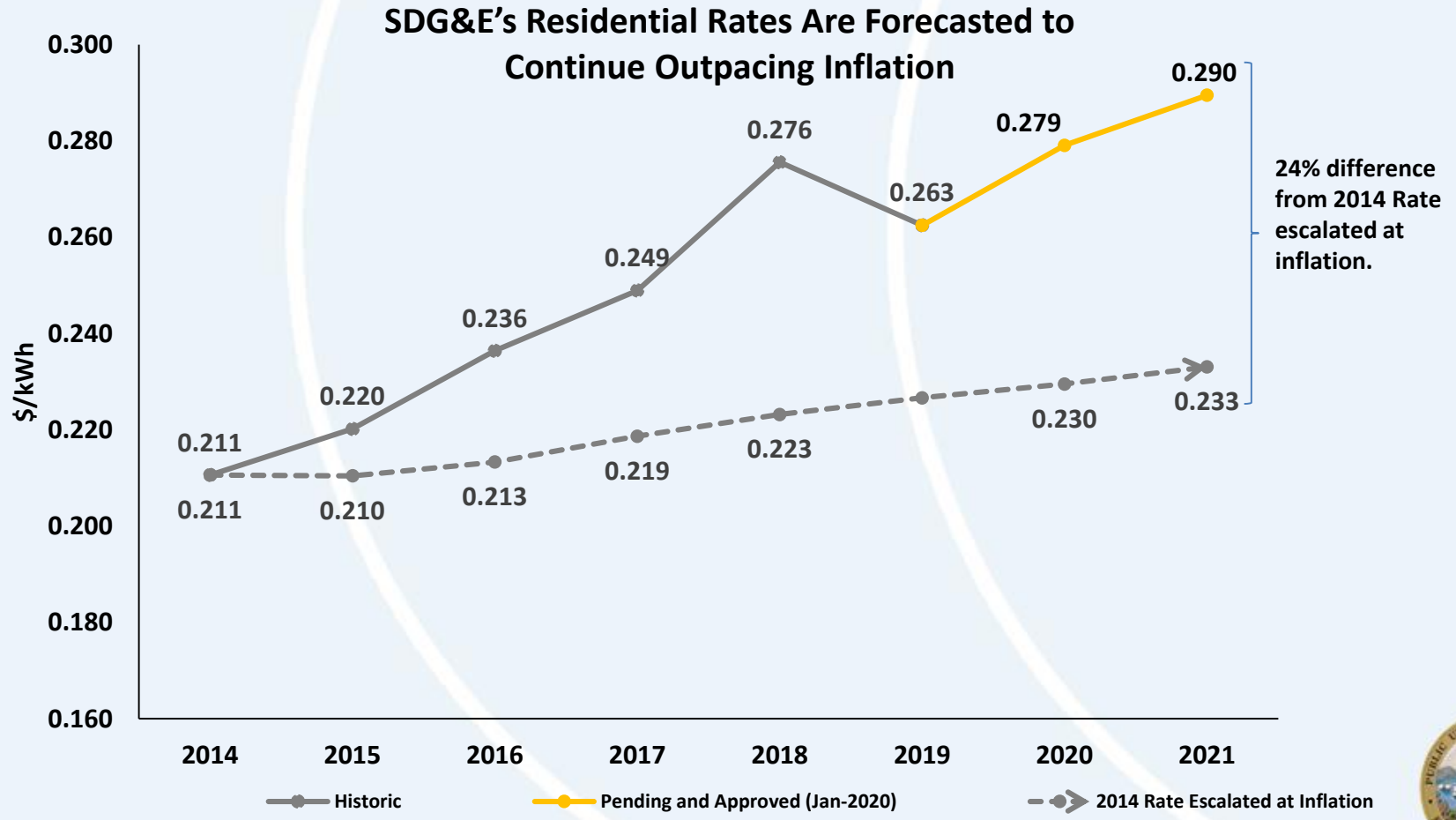


# PG&E and SDG&E Residential Rates Increasing Faster than Inflation





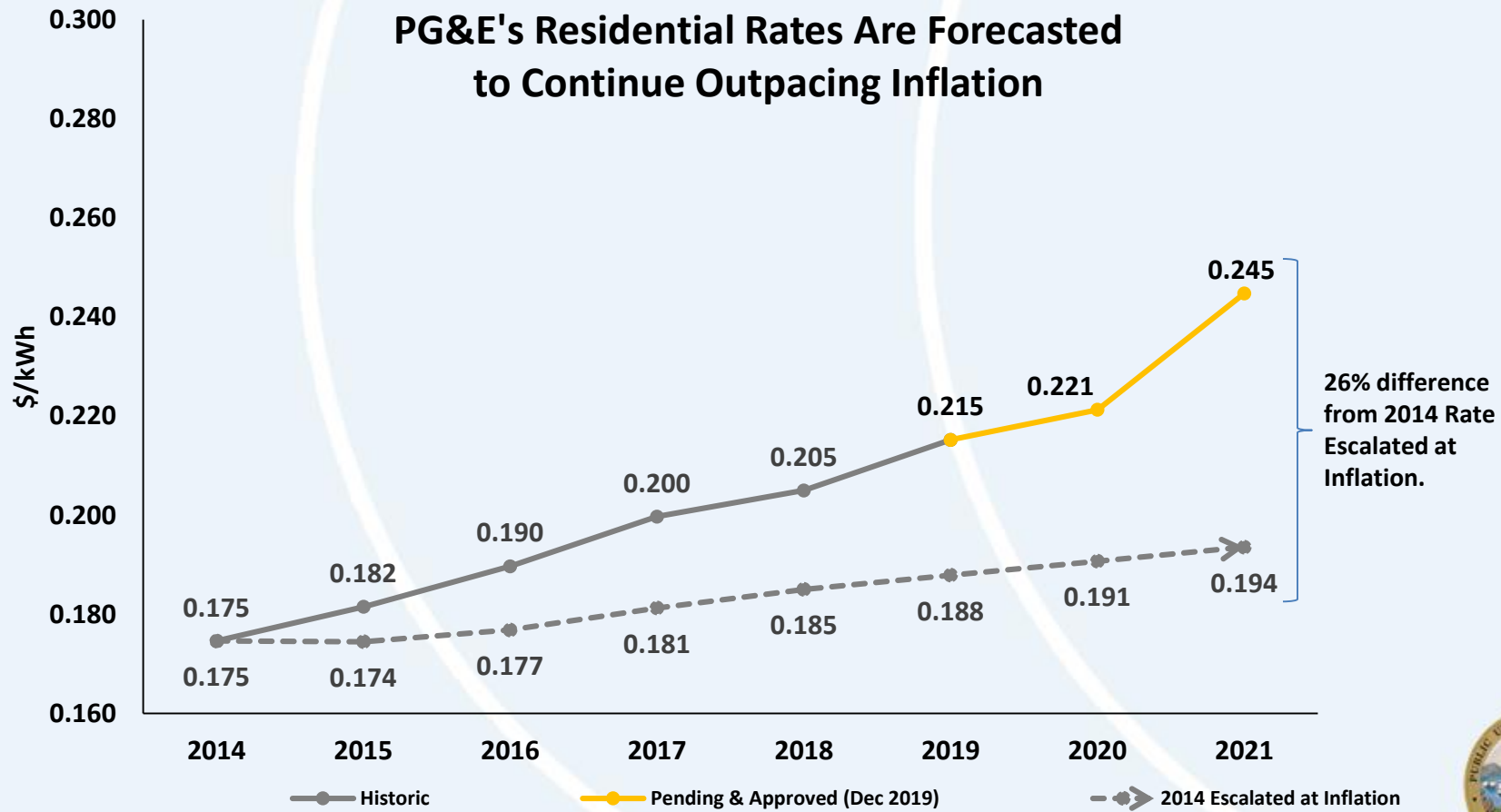
# Rates Forecast – Bad to Worse





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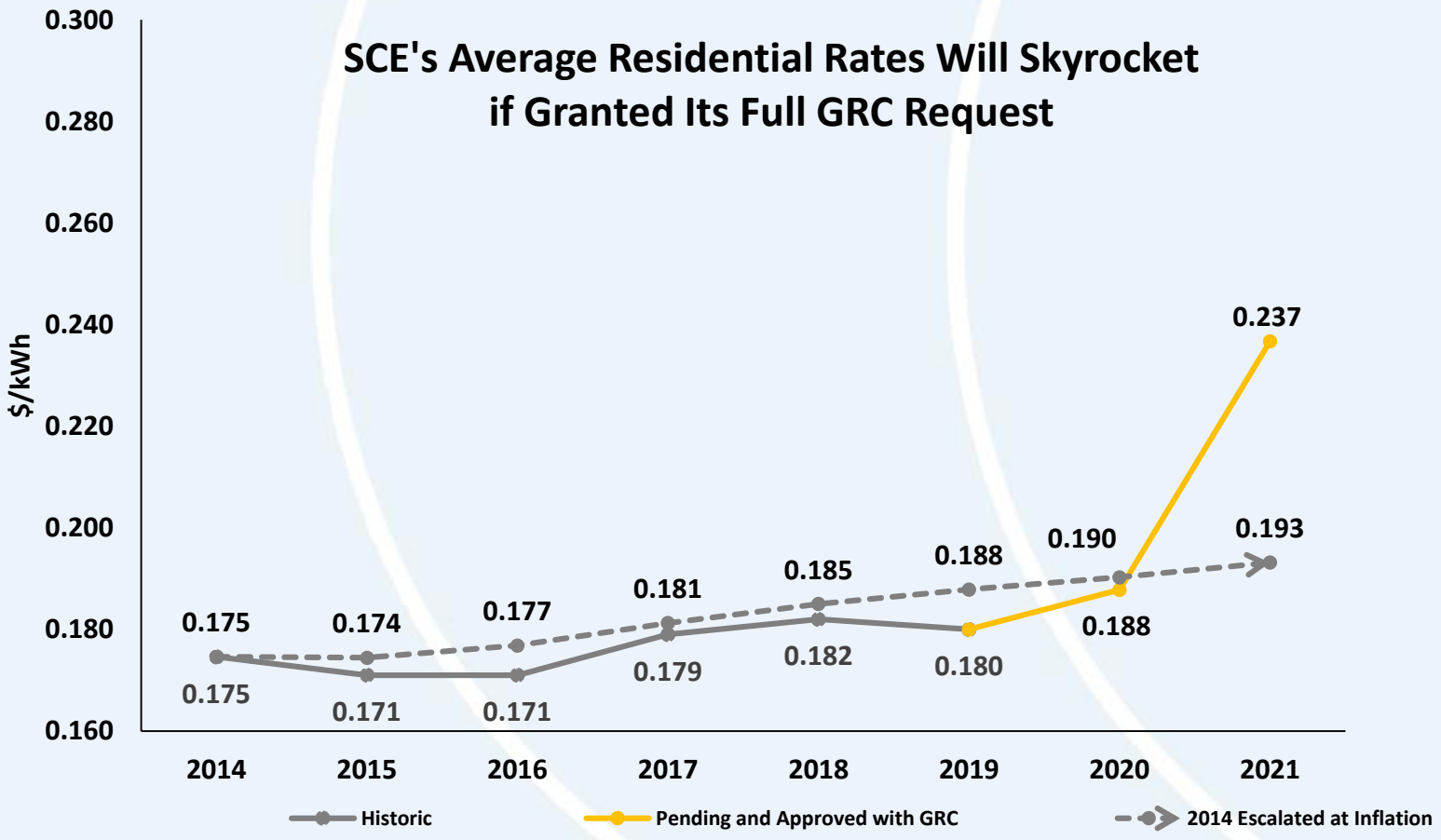
**PG&E's Residential Rates Are Forecasted to Continue Outpacing Inflation**





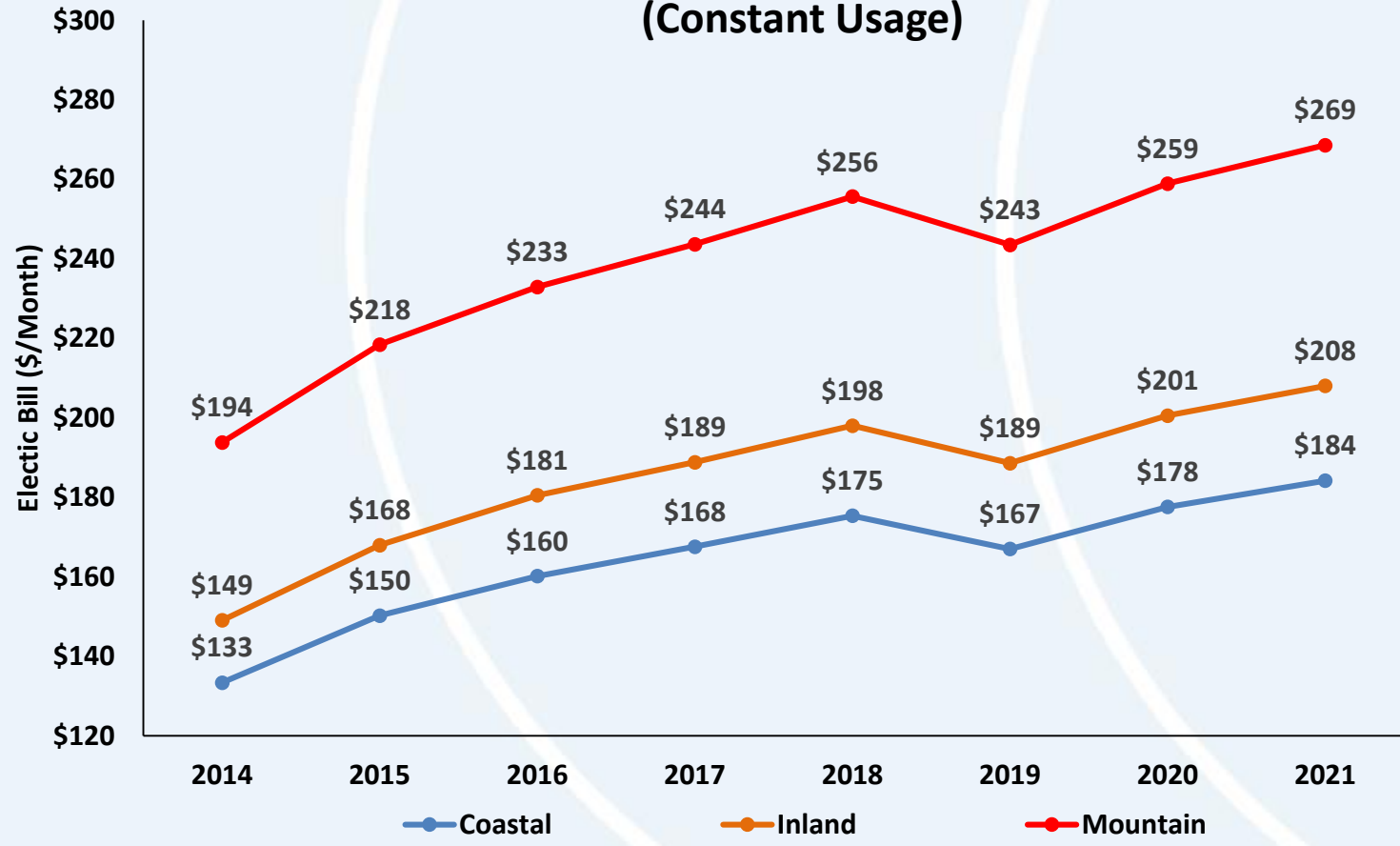
# Rates Forecast – Bad to Worse

**SCE's Average Residential Rates Will Skyrocket if Granted Its Full GRC Request**



# SDG&E Residential Bills

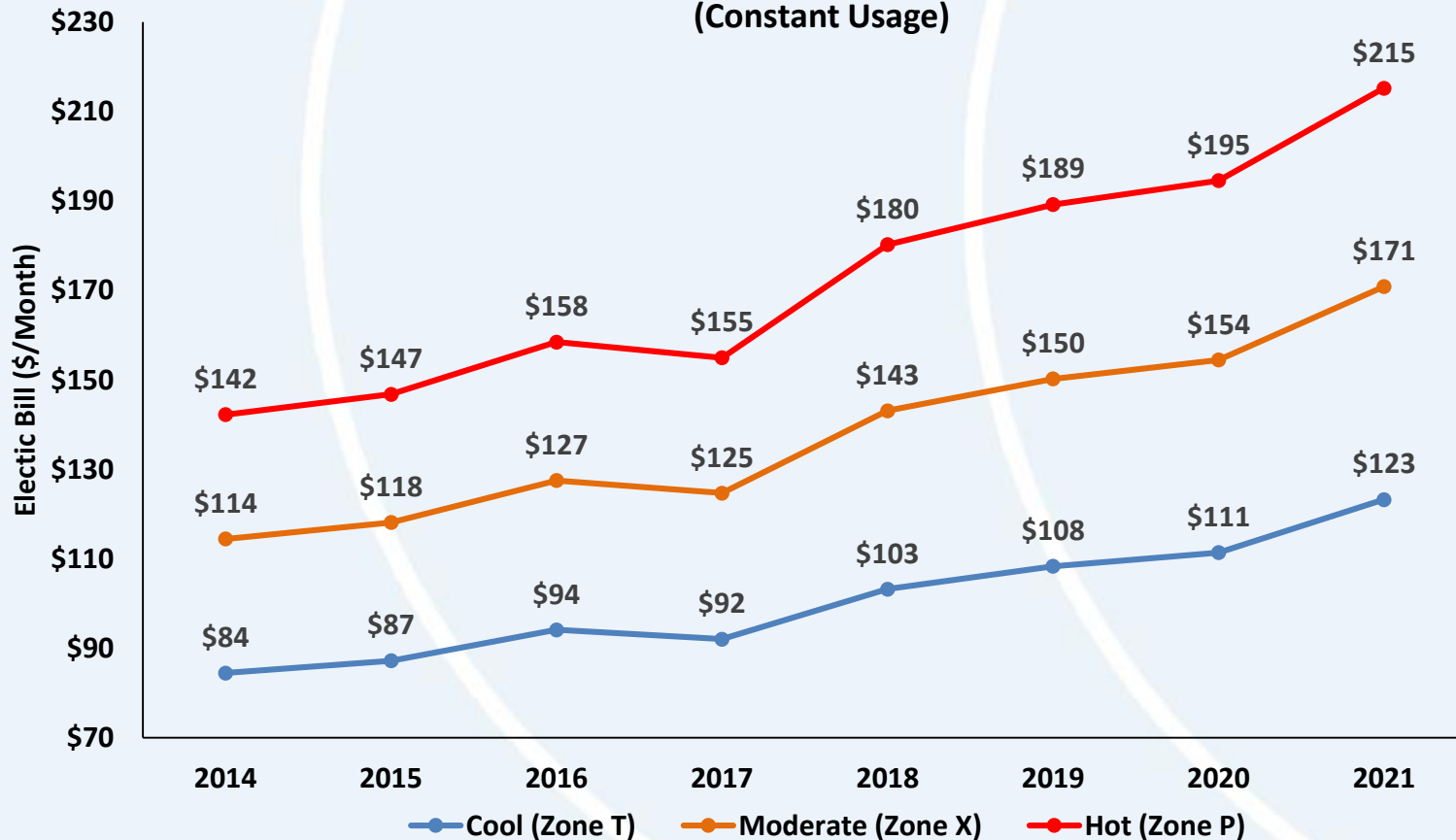
Not including Low-Income Average Bills  
(Constant Usage)





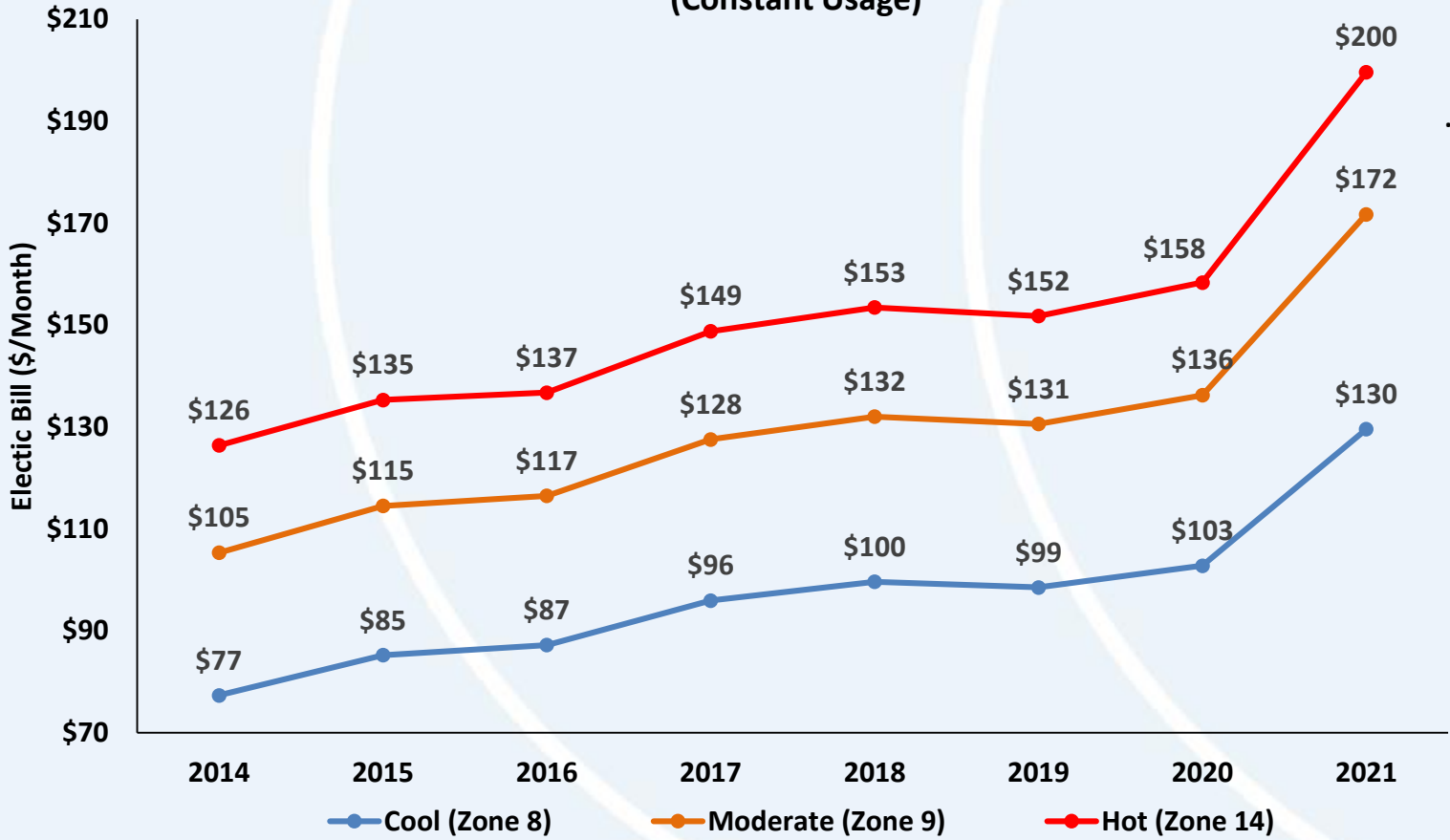
# PG&E Residential Bills

Not including Low-Income Average Monthly Bills  
(Constant Usage)



# SCE Residential Bills

Not Including Low-Income Average Monthly Bills  
(Constant Usage)



## Recommendation: Rate and Bill Forecasting Tool

- Public Advocates Office is working with CPUC staff and utilities to implement forecasting tool.
- Goal is to help decision makers prioritize decisions that will impact customers' bills.
- Tool will have utilities show existing rates and cumulative effects of pending requests on rates and customers' bills.





# Additional Information





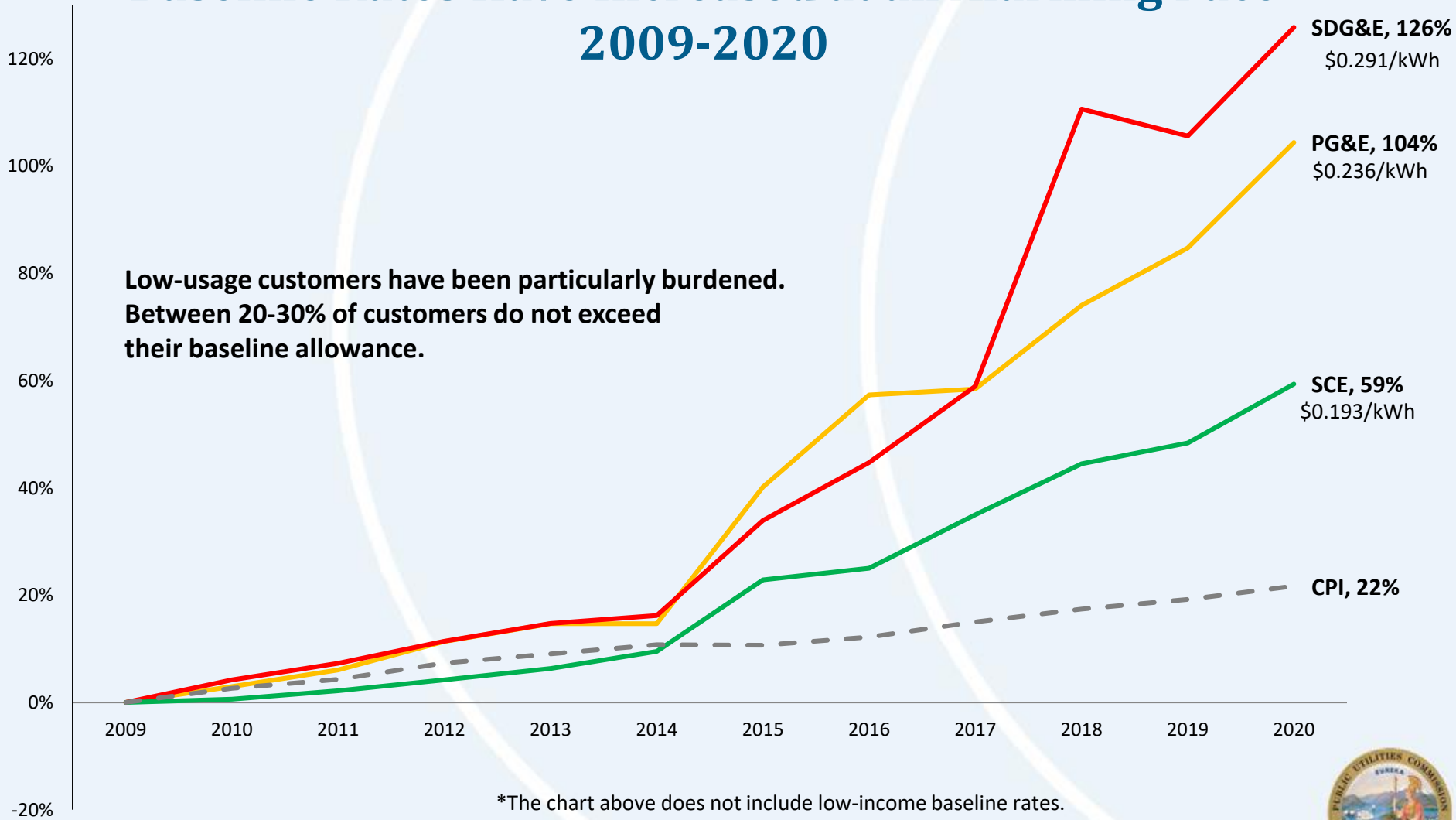
## Effects on Baseline Rates are Substantial

- The Baseline Allowance is intended “to supply a significant portion of the reasonable energy needs of the average residential customer.” (PU Code §739.2b)
- Baseline Allowance is billed at the lowest rate to ensure affordability for essential usage.
- Baseline rates have increased at a pace far beyond inflation.
- Impact of revenue increases and falling sales are multiplied on baseline rates after enactment of residential rate reform.





# Baseline Rates Have Increased at an Alarming Pace 2009-2020



\*The chart above does not include low-income baseline rates.



## Seemingly Minor Revenue Increases Can Amount to Large Rate Increases

### Revenue Impact on Rates (2009-2019)

	Revenue % Change	System Average Rate % Change	Residential Rate % Change	Baseline Residential Rate % Change
<b>SCE</b>	3.2%	12%	18%	48%
<b>PG&amp;E</b>	4.1%	37%	31%	85%
<b>SDG&amp;E</b>	29.4%	45%	51%	106%

- System Average Rate = Average of all rates charged to all customer classes
- Baseline Residential Rate = Basic amount of energy for residential customer



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