RATE REALITIES

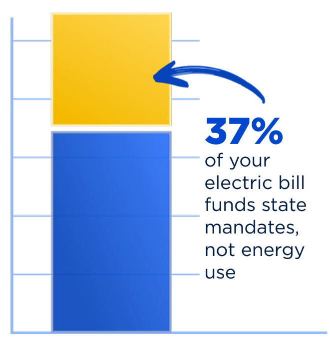
California Lawmakers Must Face Rate Realities

Lawmakers serious about affordability must cut costly mandates and stop passing legislation that drives up utility infrastructure costs and customer electric bills.

Legislators can substantially lower electric bills by cutting costly mandates and public purpose programs that increase customer electric bills by hundreds of dollars per year but that are unrelated to the cost of providing service. What's more, lawmakers must stop passing legislation that drives up costs for investing in utility infrastructure - ultimately increasing customer electric bills.

As legislators attempt to address energy affordability, it's time to face up to the rate realities:

State mandates and public purpose programs add 37% to the average residential customer's electric bill.



- According to a recent analysis, state laws and mandates add 37% to the average electric bill for customers of investor-owned utilities including Southern California Edison, Pacific Gas &Electric and San Diego Gas & Electric.
- According to a separate analysis from the California Public Advocate's Office at the CPUC, **customers without rooftop solar are paying more than $8.5 billion every year on their electric bills to subsidize customers who have rooftop solar systems. That adds 20% or almost $440 per year** to every non-solar customer's electric bill—primarily low-income families, seniors and renters.
- In addition to the solar cost shift, bill discounts for low-income customers, paying for energy efficiency programs, subsidies to upgrade school air conditioning and plumbing, wildfire prevention efforts, to name a few—**all add hundreds to customer electric bills.**
- While many of these programs are important, **it is unfair to ask electricity customers to subsidize the cost for all**—particularly when they are unrelated to the cost of electric service and many of these programs benefit all Californians.
- Lawmakers can immediately reduce electric bills for millions of customers by eliminating many of these costly mandates on utility bills, scaling them back, or finding alternative ways to pay for them.

Harmful legislation increases electricity rates by billions and threatens electric system reliability.

- The California legislature continues to propose costly and risky proposals such as government controlled financing and operation of the electric system, restricting investments in system reliability and other harmful proposals.
- Misguided legislation contributes to lower utility credit ratings and higher borrowing costs to make critical infrastructure upgrades—**directly increasing customer electric bills by billions**.
- These harmful proposals also **threaten needed investments in electric system reliability, safety, wildfire prevention and clean energy**.

Investor-Owned Utilities have committed tens of billions of dollars to address affordability and strengthen wildfire mitigation.

- Last year, California's IOUs committed $9 billion of shareholder funds to strengthen the state Wildfire Fund and $6 billion in wildfire mitigation investments without earning a return on investment.
- This is on top of the $10.5 billion utility shareholders contributed to the Wildfire Fund in 2019 and $5 billion in wildfire mitigation investments without a return.
- Additional requirements will substantially drive up borrowing costs, cripple capital investments, and increase customer electric bills.

It's Time to Face the Rate Realities!