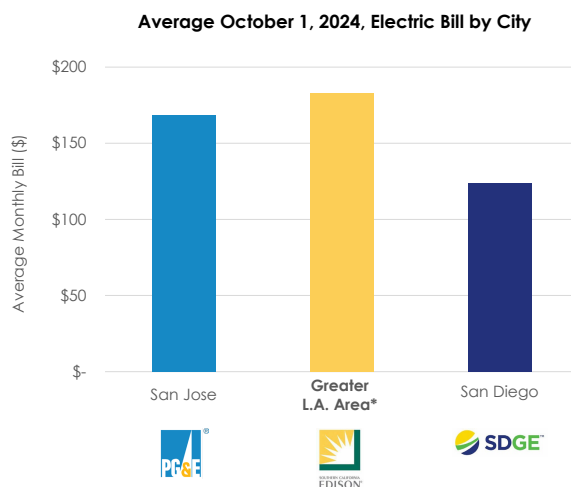




Q3 2024 Electric Rates Report

The Public Advocates Office at the California Public Utilities Commission
December 5, 2024

Bills compound affordability challenges across the state



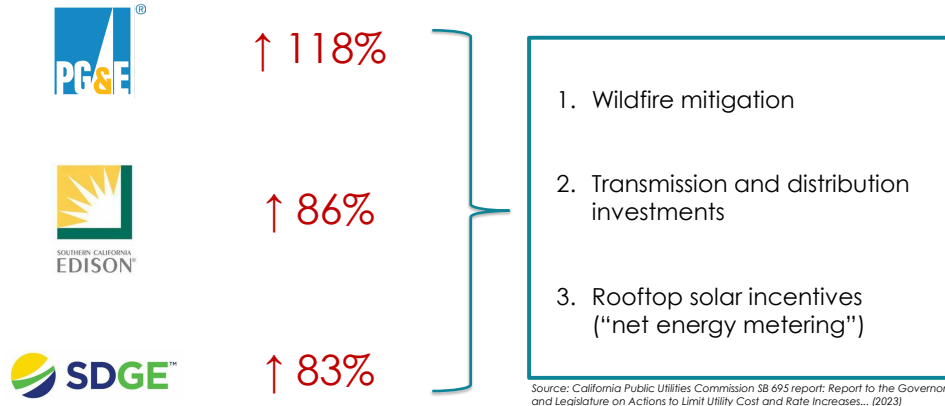
- Over the last few years electric bills are generally rising due to **higher electricity use** (e.g., air conditioning) and **higher overall electricity prices ("rates")**.
- Low-income households are most disproportionately impacted from higher rates and bills.

Source: Public Advocates Office analysis of utility data and household consumption for unsubsidized (Non-CARE) customers
*Los Angeles Department of Water and Power services the City of Los Angeles.

Main electricity rate drivers

10-Year Change
Jan 2014 to October 2024

Primary Statewide Drivers



Source: Investor-Owned Utility Advice Letters (California Residential Average Rates)

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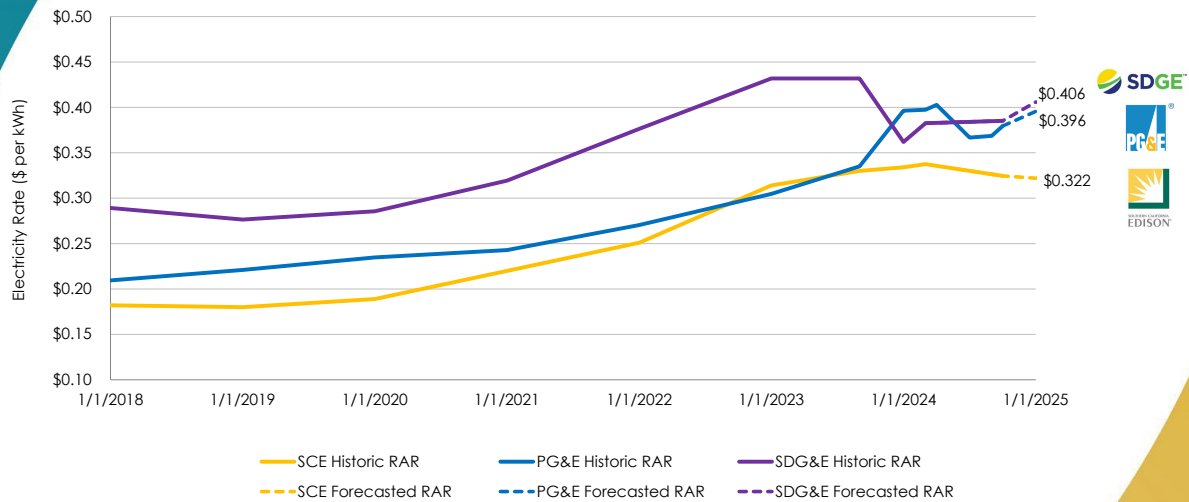
Residential average rates have significantly increased

	Average Rate (\$ per kWh)	3-year Change Jan 2021 to Oct 2024	10-year Change Jan 2014 to Oct 2024
PG&E	\$0.380	↑ 56%	↑ 118%
Southern California Edison	\$0.325	↑ 48%	↑ 86%
SDGE	\$0.385	↑ 21%	↑ 83%

Utility rates represent residential average rates excluding the California Climate Credit.
Source: Investor-Owned Utility Advice Letters

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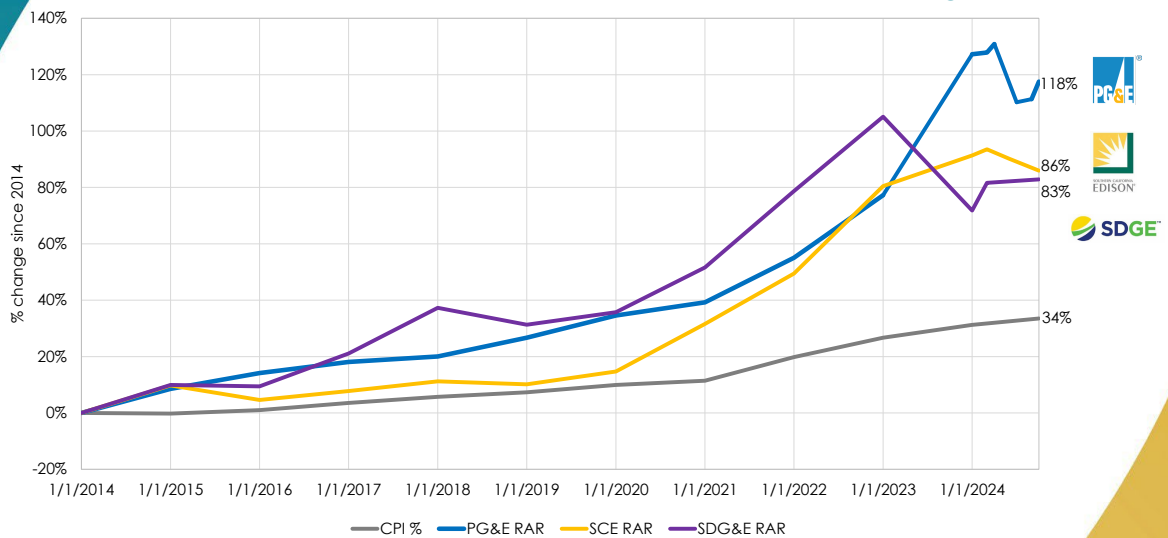
Average Residential Electricity Rates (RAR)



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)

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Rates have increased substantially since 2014, surpassing inflation



*Showing latest Bundled Residential Average Rates (RAR) as of October 1, 2024.
**For details on primary drivers of rate changes in Q3 2024, see Appendix Slides 18 through 23.

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PG&E Q3 2024 Changes to Revenue Requirement

On September 1, 2024, PG&E submitted Advice Letter 7366-E, to update electric rates effective September 1, 2024. The largest revenue changes include:

- Assembly Bill (AB) 1054 Finance Order #3 – Finalizing charges for issuance of the third series of Wildfire Hardening Recovery Bonds
- As a result of the changes submitted in this AL, PG&E's total authorized revenue requirement in rates will increase by approximately \$175 million, or by 1%.

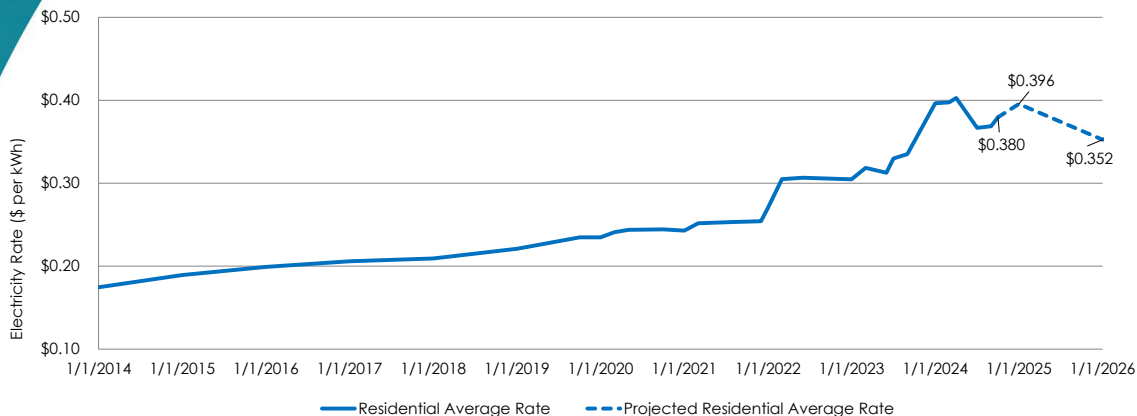
On September 30, 2024, PG&E submitted Advice Letter 7382-E, to update electric rates effective October 1, 2024. The largest revenue changes include:

- 2023 Wildfire Mitigation and Catastrophic Events (WMCE) Interim Rate Relief - PG&E is implementing the authorized revenue requirement of \$943.9 million from D.24-09-003, plus interest, in electric distribution rates to be recovered over a 17-month period from October 1, 2024, through February 28, 2026.

October 1, 2024 Rate Change: The authorized revenue requirement changes resulted in a residential average rate (RAR) increase of approximately **3%** for bundled service customers relative to rates in effect on September 1, 2024.

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PG&E Rate Change | Residential Average Rate



PG&E is implementing their latest sales forecast for 2025 - a decrease from previous sales totals leading to increasing rates. Interim rate relief for PG&E's pending 2023 WMCE (Wildfire-related Distribution) revenue requirement of \$1.6 billion, from A.23-12-001, reduces PG&E's previous forecasted rate for 1/1/2025 as cost recovery is spread across 2025 and 2026 as well. We may see a decrease from 1/1/2025 to 1/1/2026 primarily due to fluctuations in wildfire-related distribution revenue requirements mostly from PG&E's pending application to issue recovery bonds, known as wildfire rate relief bonds (A.24-06-013), which will provide credit to customers of approximately \$2.4 billion, starting in April 2025 and coming off rates in March 2026.

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

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SCE Q3 2024 Changes to Revenue Requirement



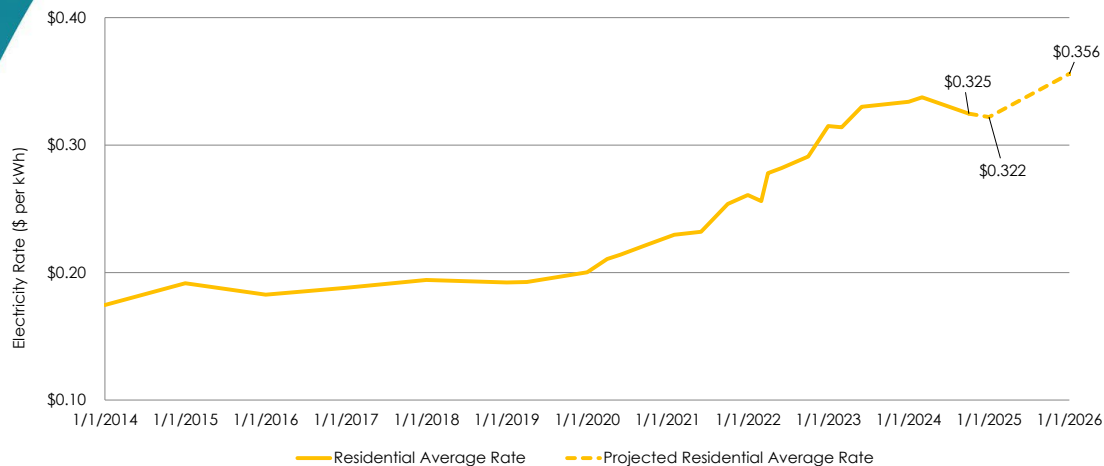
From Advice Letter 5379-E, effective October 1, 2024:

SCE's authorized revenue requirements is decreasing from Q2 levels by \$248.010 million effective October 1, 2024. Primary changes to the revenue requirement include:

1. **Generation Overcollection, Refund to Ratepayers** - Overcollection in SCE's ERR Trigger leading to an authorized refund of \$742 million to bundled service customers from Decision 24-08-015.
 2. **Implements 55% of SCE's Wildfire Cost Request** - The CPUC is granting SCE interim rate relief of \$210 million - 55% of the requested \$383.5 million - for 2022 Wildfire Mitigation and Vegetation Management costs. This is consistent with the cited decision (D.24-07-012).
- *Quarterly Rate Change*: The authorized revenue requirement changes will result in an overall residential average rate (RAR) decrease from Q2 to October 1 of approximately **2.2%** for bundled service customers relative to rates in effect on June 1, 2024.

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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).

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SDG&E Q3 2024 Changes to Revenue Requirement

From Advice Letter 4507-E, rates effective October 1, 2024:

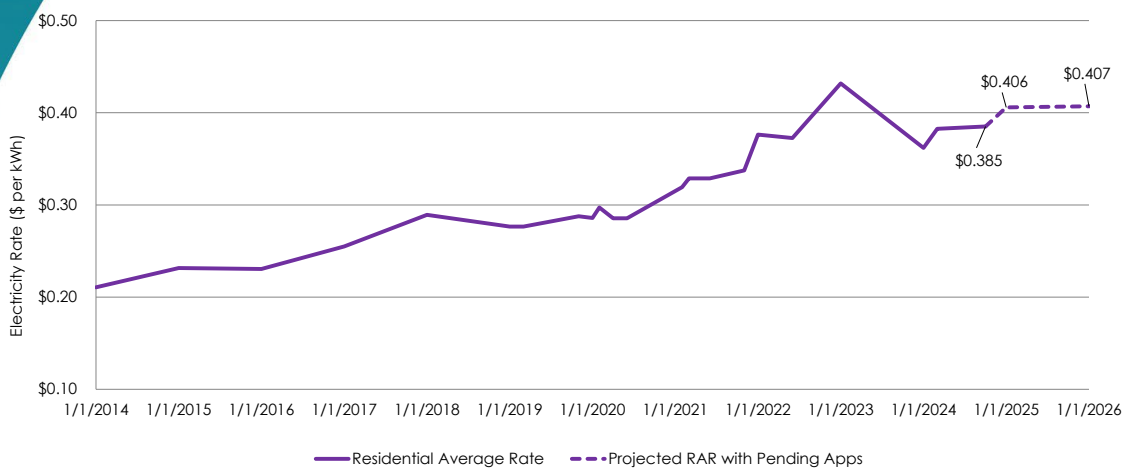
This AL will increase revenue requirements due to 2014 to 2022 costs recorded for Catastrophic Emergency Memorandum Account (CEMA) events, including the COVID-19 pandemic, as well as the costs collected on behalf of San Diego Regional Energy Network (SDREN), who will provide energy efficiency programs to customers. The changes include:

- Updates to electric distribution rates to recover \$29.3 million over a one-year period beginning October 1, 2024.
- Updates to the PPP electric rate, specifically the Energy Efficiency (EE) subcomponent, to collect the authorized budget for SDREN for program year 2024, in the amount of \$9.5 million over 12 months in electric revenue requirement beginning October 1, 2024. The total SDREN budget of nearly \$120 million is expected to come into rates in the next 3 years.

Quarterly Rate Change: The authorized revenue requirement changes result in a residential average rate (RAR) increase of approximately **0.66%** for bundled service customers relative to rates in effect on March 1, 2024.

23

SDG&E Rate Change | Residential Average Rate



Expected rate increase from 10/1/2024 to 1/1/2025 is due primarily to implementing SDG&E's 2024 GRC, from A.22-05-016.

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

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