

The Public ADVOCATES OFFICE

Q3 2026 Electric Rates Report

November 2026

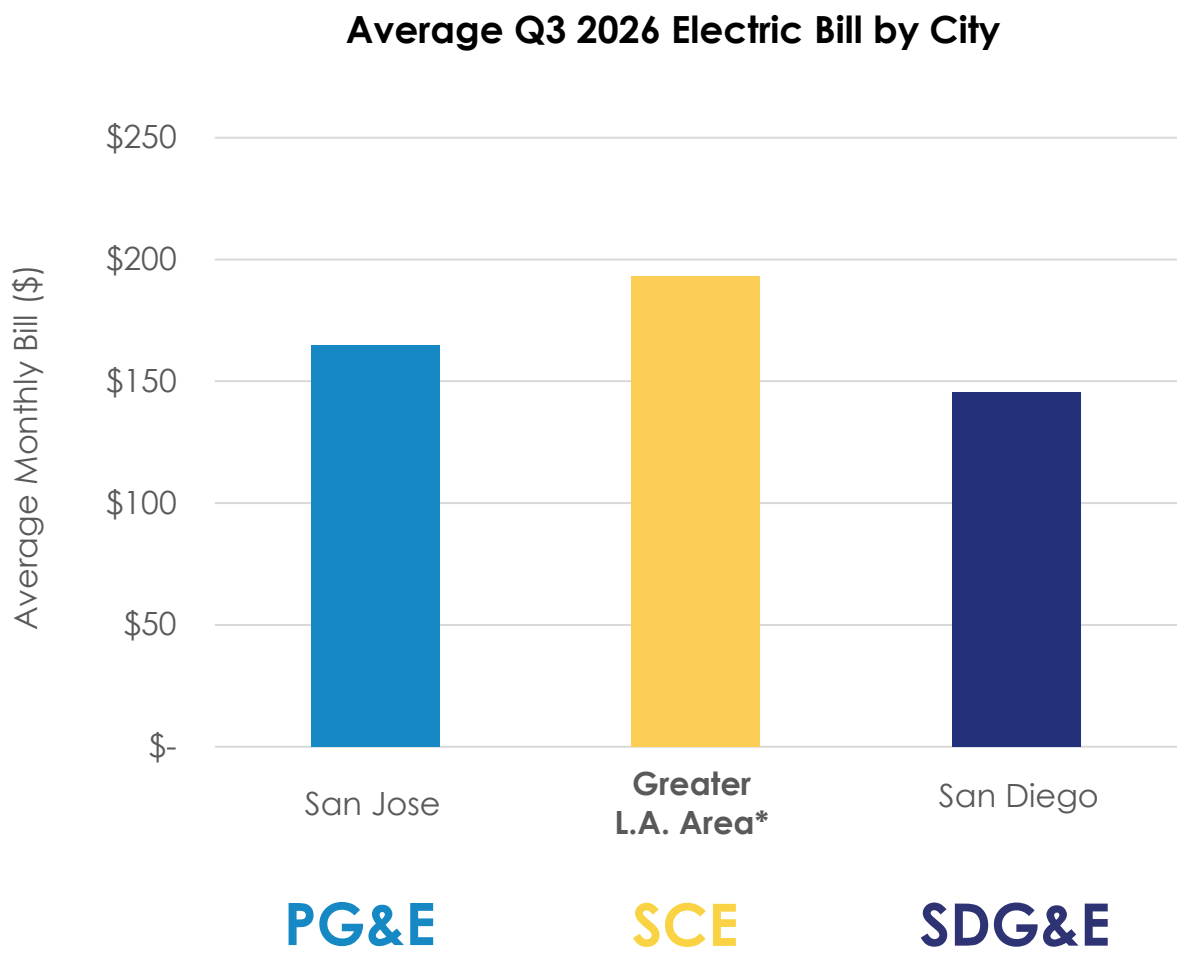
About

- 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 **September 2026**.

Increasing bills compound affordability challenges across the state



- Over the last few years, customers' bills have generally increased due to **higher electricity use** (e.g., air conditioning) and **higher costs that utilities are authorized to recover through electricity rates.**
- Low-income households are disproportionately impacted by 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 serves the City of Los Angeles.*

Almost 1 in 5 households are behind on their energy bills

	# of Customers in Arrears	% of Customers in Arrears	Average Amount Owed
PG&E	1,014,711	18%	$730
SCE	789,991	17%	$787
SDG&E	228,010	16%	$534
Combined	2,032,712	17.3%	$730

Source: September 2026 utility compliance filings in the CPUC's disconnection proceeding (R.18-07-005)
Note: PG&E data includes both electric and natural gas customers

Main electricity rate drivers

	10-Year Change Jan 2016 to September 2026
PG&E	↑ 69%
SCE	↑ 101%
SDG&E	↑ 98%

Primary Statewide Drivers

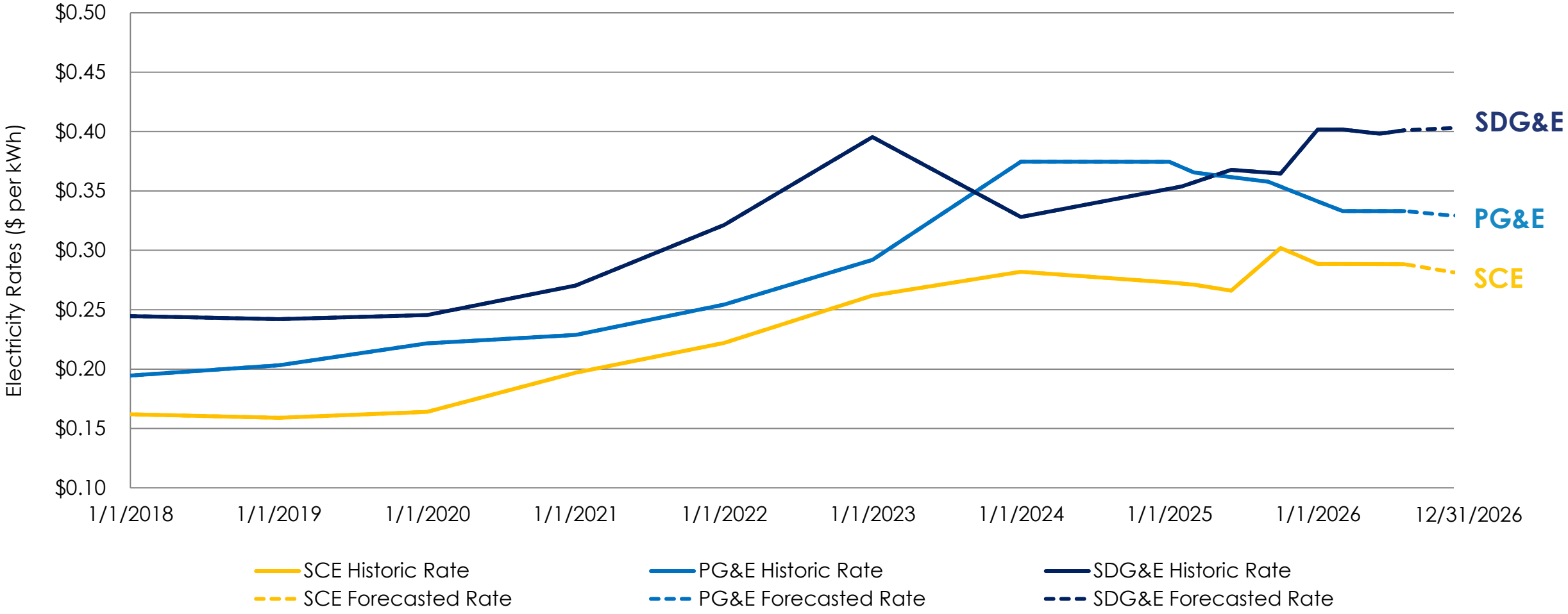
1. Wildfire mitigation and insurance
2. Transmission & distribution investments
3. Rooftop solar incentives ("net energy metering")

Source: California Public Utilities Commission SB 695 report: Report to the Governor and Legislature on Actions to Limit Utility Cost and Rate Increases... (2025)

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

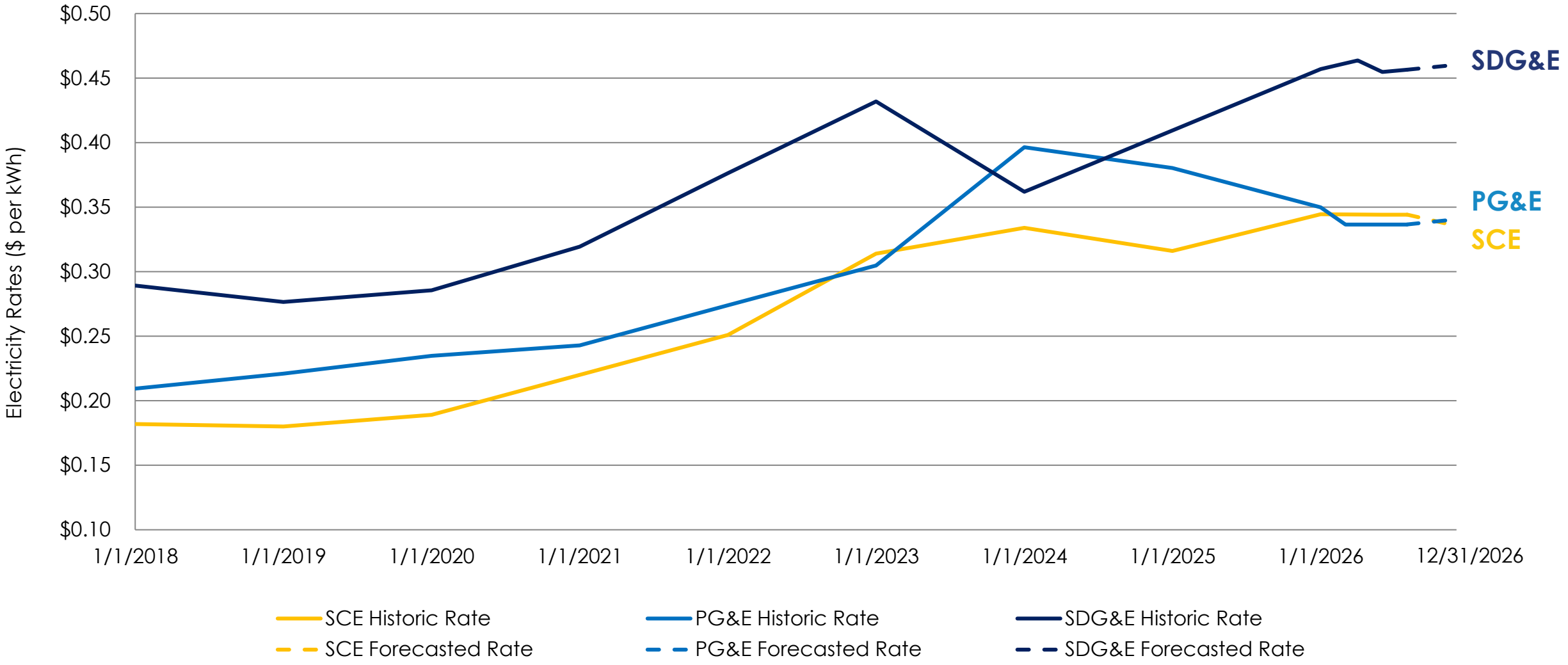
Bundled System Average Rates (SAR)

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.
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)



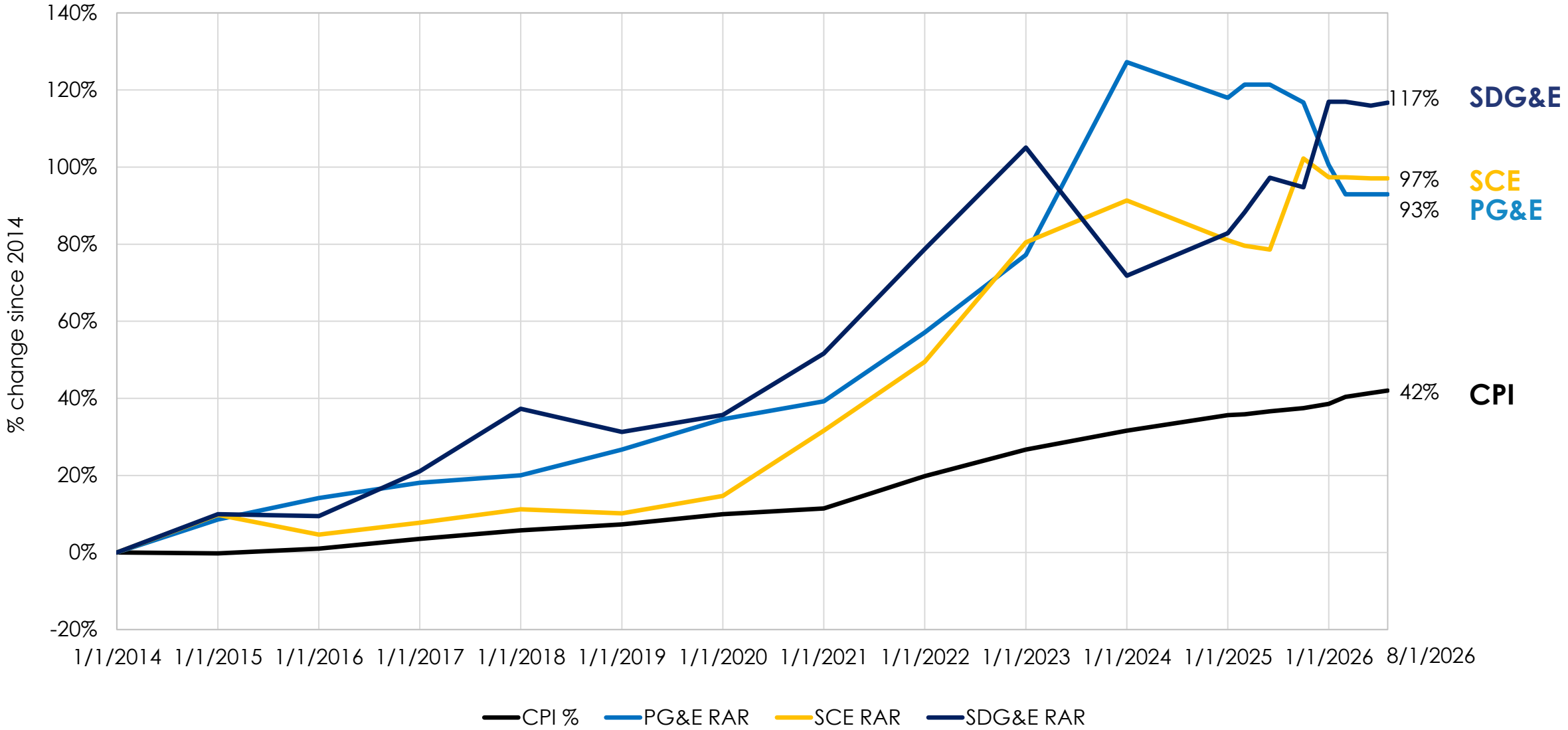
CA rates represent residential average rates excluding the California Climate Credit.
Forecasted rates only include known revenue change requests and will likely increase as the utilities propose revenue changes.
Source: *Investor-Owned Utility Advice Letters (California Rates) for historic rates and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

Residential average rates have significantly increased

	Average Rate ($ per kWh)	**3-year Change** June 2023 to Sept 2026*	**5-year Change** Jan 2021 to Sept 2026*	**10-year Change** Jan 2016 to Sept 2026*
PG&E*	$0.337	↑ 8%	↑ 39%	↑ 69%
SCE*	$0.344	↑ 4%	↑ 56%	↑ 101%
SDG&E	$0.456	↑ 6%	↑ 43%	↑ 98%

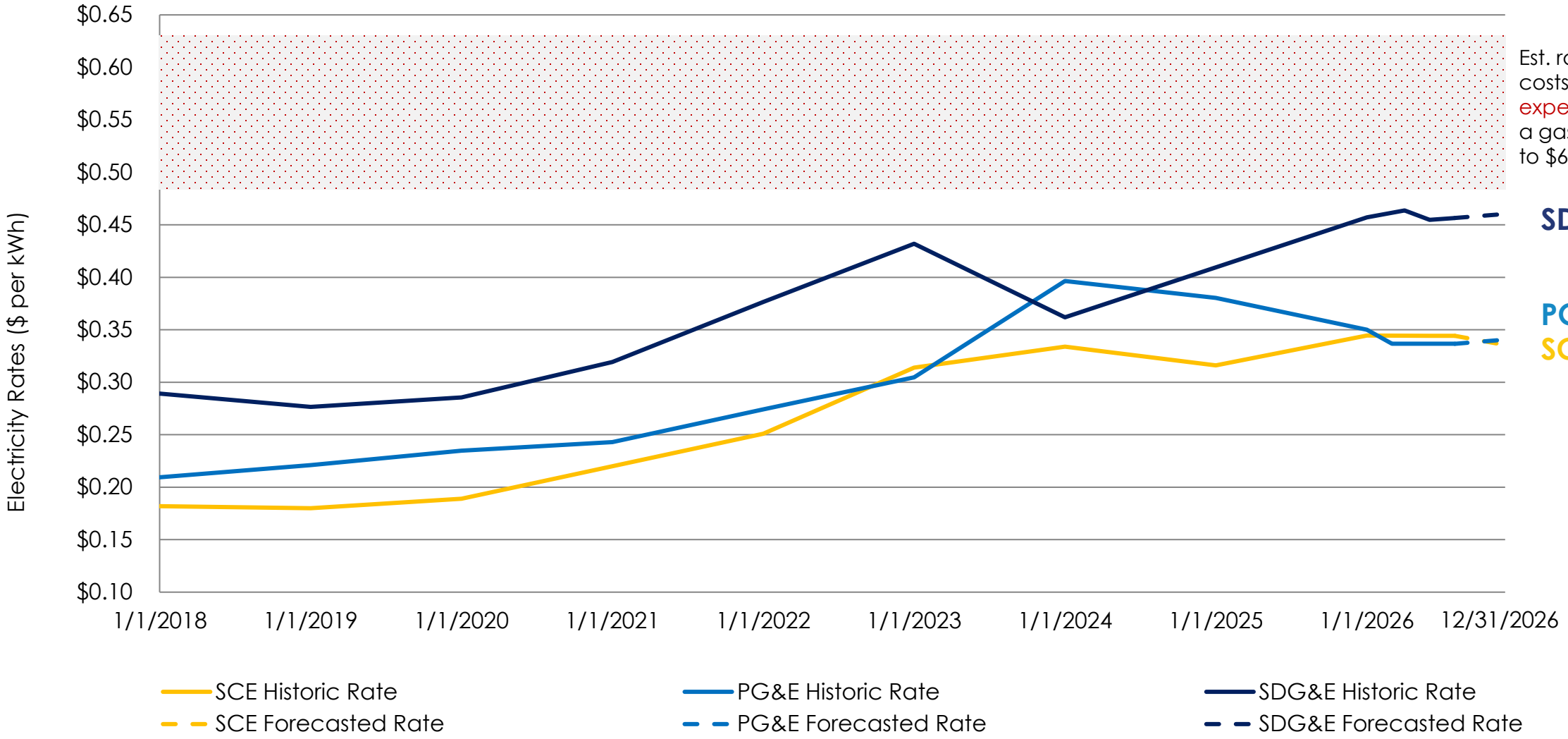
Utility rates represent residential average rates excluding the California Climate Credit.
Source: *Investor-Owned Utility Advice Letters*
**Rates unchanged since March 2026 for PG&E (same as Q1 and Q2 2026 reports) and since June 2026 for SCE (same as Q2 2026 report).*

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 September 1, 2026.
**For details on primary drivers of rate changes, see Appendix.

EV Fuel Price Parity w/ Bundled Residential Average Rate



Est. rates when fuel costs are more expensive than driving a gas car from $4.60 to $6.00 per gallon.

SDG&E

PG&E

SCE

Assumptions for this slide found in Appendix on Slide 18.
Avg residential rates represent average residential rate customers 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 Residential Average Rates) for historic rates.

Wildfire-Related Revenue Requirement* (RRQ) by Utility

	Jan 2023		June 2024		Oct 2025		Jan 2026		August 2026	
	Amount	% of RRQ	Amount	% of RRQ	Amount	% of RRQ	Amount	% of RRQ	Amount	% of RRQ
PG&E	$2.4B	15%	$5.3B	25%	$3.6B	19%	$4.0B	19%	**$3.4B**	**17%**
SCE	$1.5B	9%	$2.0B	11%	$2.6B	15%	$2.7B	14%	**$3.0B**	**15%**
SDG&E	$372M	9%	$596M	15%	$761M	18%	$676M	14%	**$741M**	**16%**

The chart above is based on latest figures as of August 2026 and includes wildfire-related insurance and the Wildfire Fund Charge. Some historical data may have been updated by the IOUs and reflected in any change from the figures presented in previous Electric Rates Reports. 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-ious

*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.

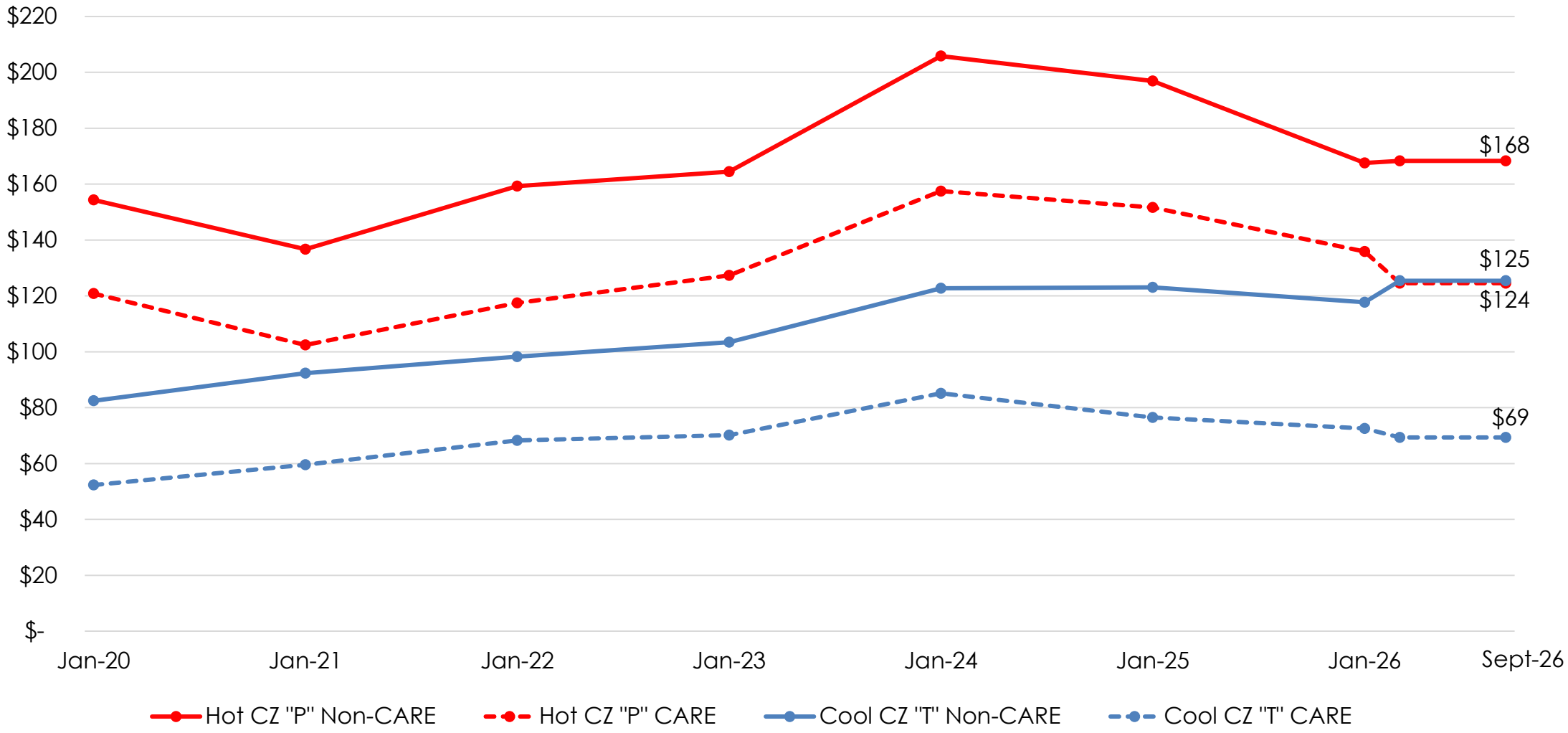
Historic Trend of Average Electricity Bills for CARE* and Non-CARE Customers

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

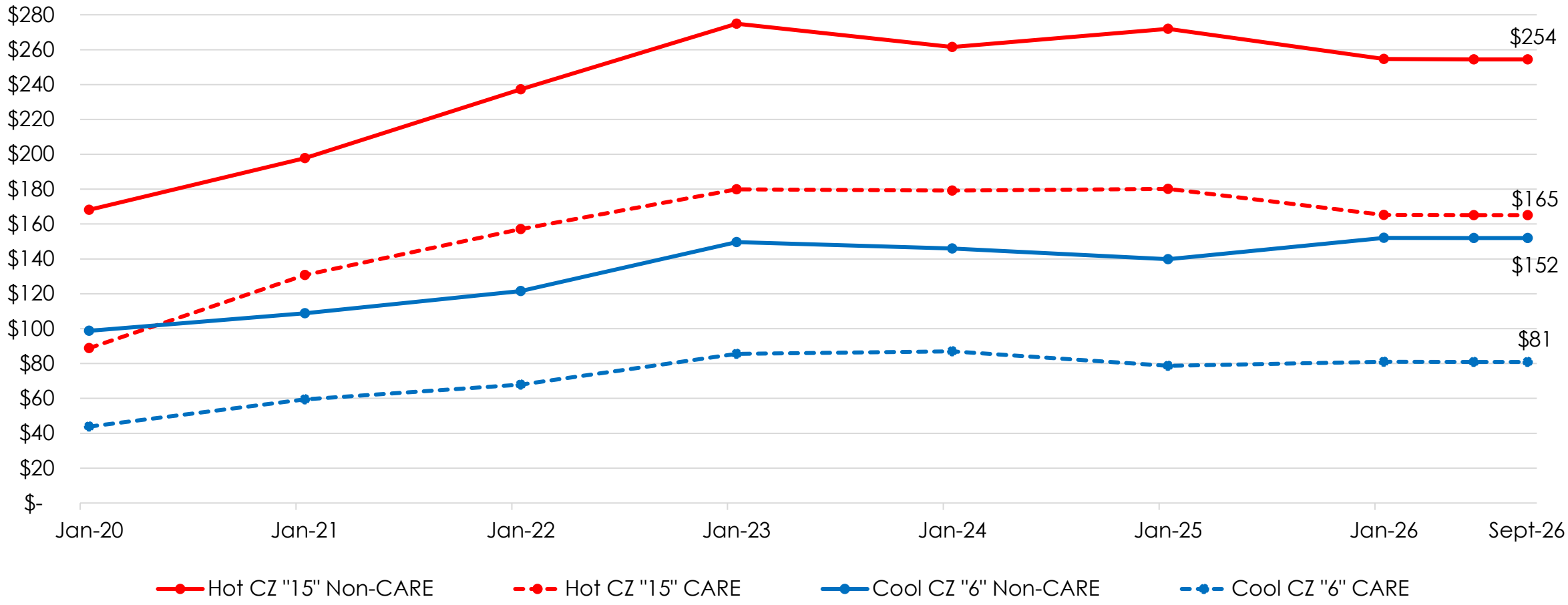
*CARE customers are those households with incomes at or below 200% of the Federal Poverty Level and enrolled in the California Alternate Rates for Energy (CARE) program, which provides them a 30-35% discount on their energy bills. With exemptions from certain costs and implementation of the Base Services Charge, CARE customers will see total discounts of approximately 40%.

The IOUs report estimated bills to the Public Advocates Office on a quarterly basis. These slides include the latest quarterly rate change from each IOU and resulting bill estimates as of September 1st, 2026.

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

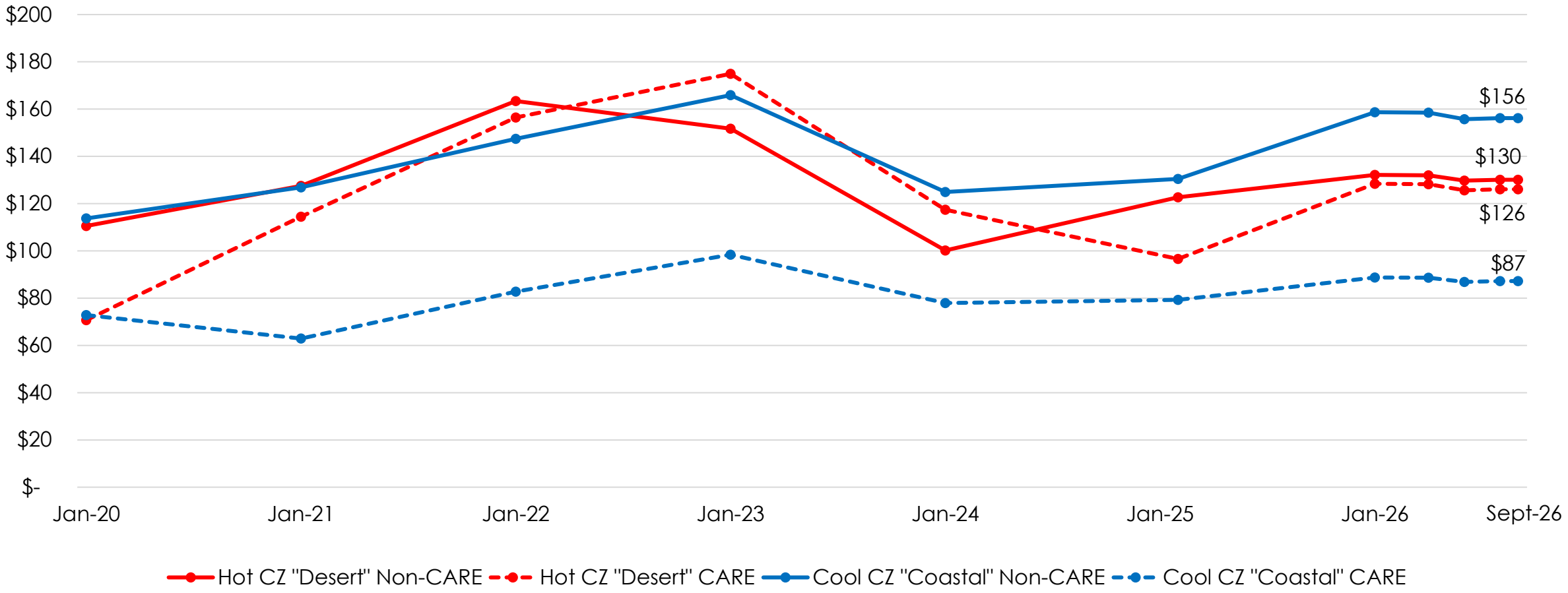


SCE's Average Monthly Electricity Bills for CARE & Non-CARE Customers in Hot and Cool Climate Zones



SCE's hot CZ "15" has relatively high average usage of around 700 kWh monthly usage across Non-CARE & CARE customers. For comparison, cool CZ "6" 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. September 2026 bills reflect updated usage data for 2025 showing changes from 2024 usage data used to estimate bills in 2025.

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

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Appendix

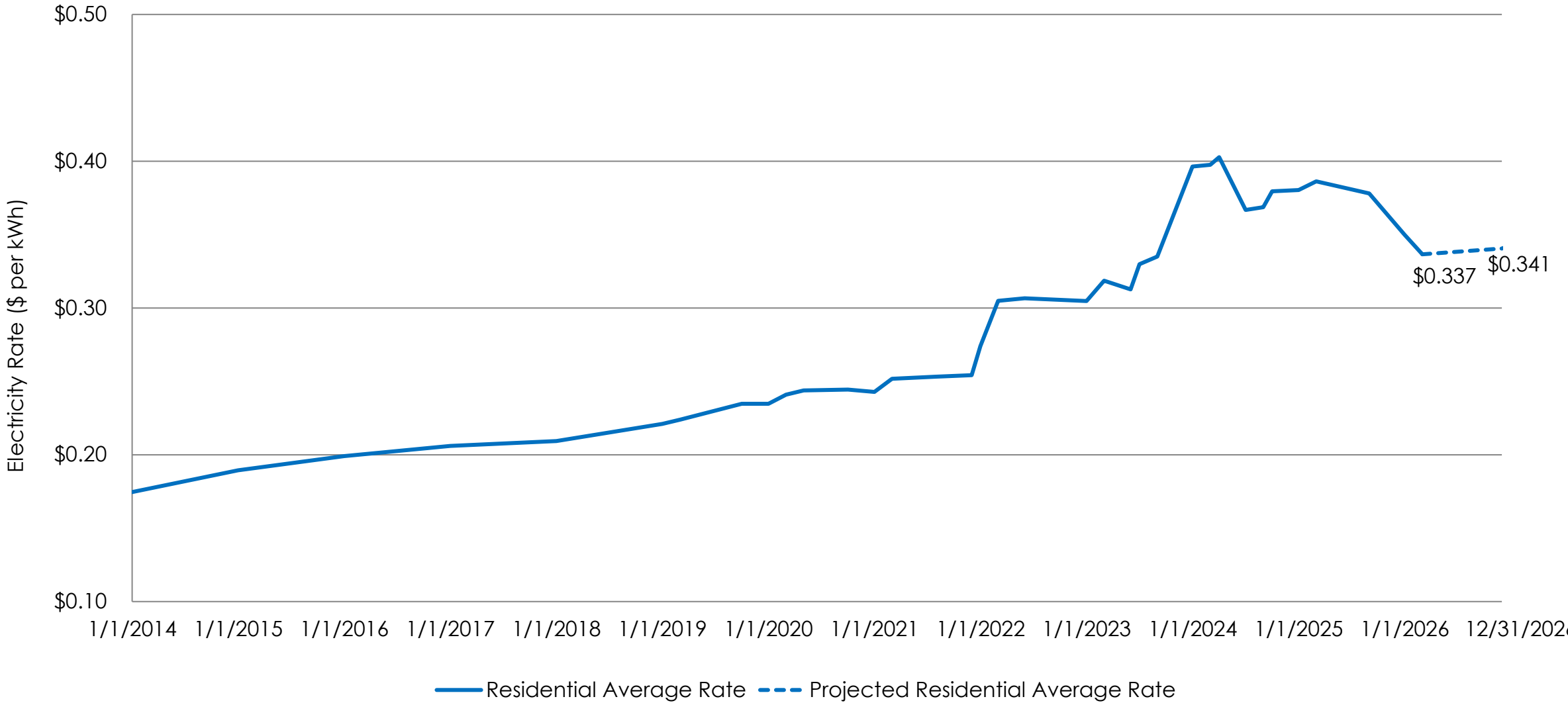
Assumptions & Additional Utility Data

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

((EV MPGe / ICE MPG) * $/Gallon) ÷ kWh/Gallon
= $0.487 to $0.636 $/ kWh equivalent

PG&E Rate Change | Residential Average Rate



*Excludes Climate Credit (CCC reduces RAR by around 2-3 cents).
Forecasted rates only include known revenue change requests and will likely increase as future revenue change requests are filed.

No Changes in Q3 or Q2 2026: PG&E Q1 2026 Changes to Revenue Requirement

On February 27, 2026 PG&E submitted Advice Letter 7846-E, to update electric rates effective March 1, 2026. Noteworthy changes include:

- **End of recovery for both 2021 Wildfire Mitigation and Catastrophic Events (WMCE) and 2023 WMCE Interim Rate Relief (IRR) –** Resulting in a 4.9% rate decrease for both CARE & Non-CARE customers.

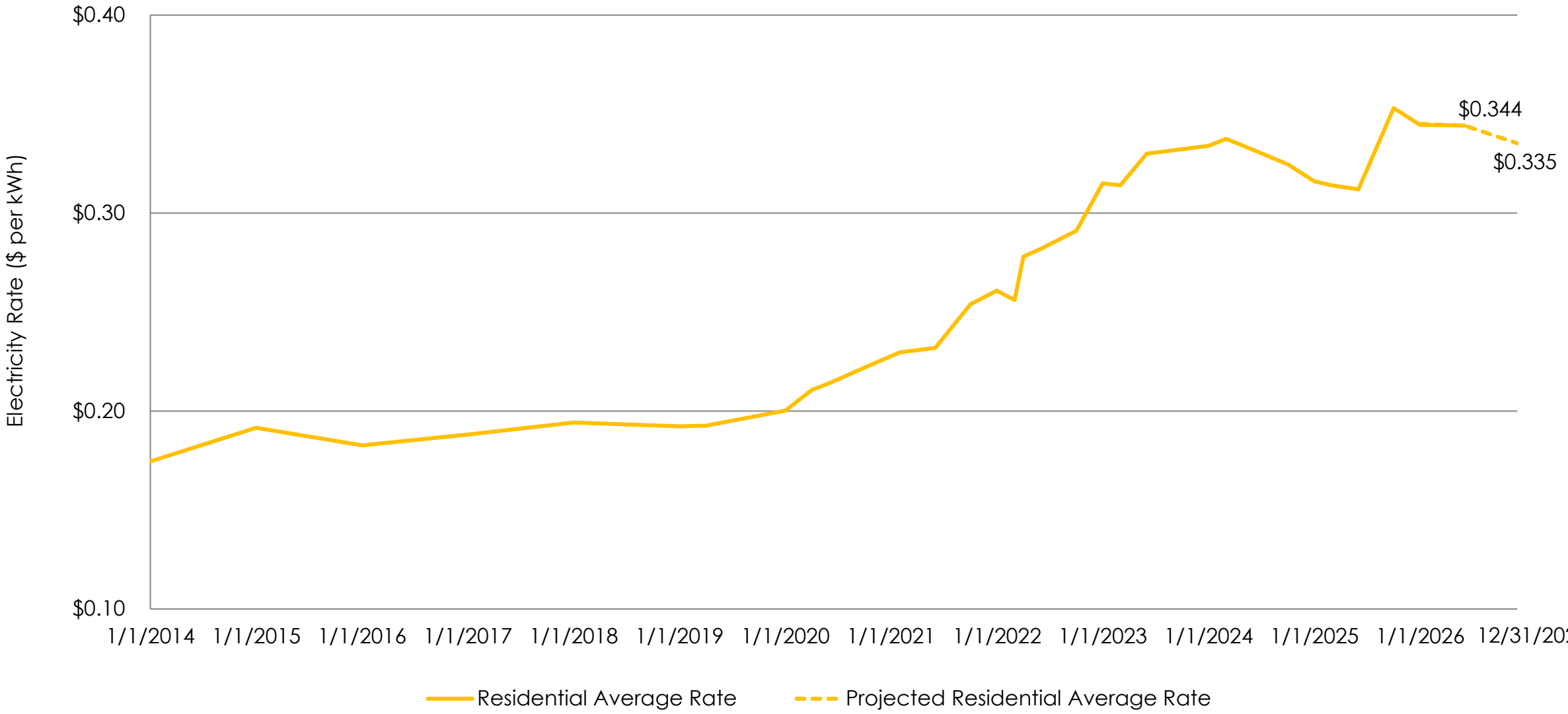
- **Implementing the Base Services Charge –** Resulting in a 6.8% rate decrease for CARE customers.

- **Implementing 2023 WMCE Non-IRR –** This advice letter includes the approved electric revenue requirement amount of $746.6 million in electric distribution plus additional revenue, fees and uncollectibles expense (RF&U).

March 1, 2026, Rate Change: The changes in AL 7846-E results in a residential average rate (RAR) *decrease* of approximately **3.7%** for bundled service customers relative to rates in effect on January 1, 2026.

For additional context about PG&E's pending requests to raise rates, please see https://www.publicadvocates.cpuc.ca.gov/press-room/reports-and-analyses/the-full-bill-impact-of-pges-expected-rate-requests.

SCE Rate Change | Residential Average Rate



*Excludes Climate Credit (CCC reduces RAR by around 2-3 cents).
Forecasted rates only include known revenue change requests and will likely increase as future revenue change requests are filed.

No Changes in Q3 2026:
SCE Q2 2026 Changes to Revenue Requirement

On May 27, 2026, SCE submitted Advice Letter (AL) 5829-E to update electric rates effective June 1, 2026. Noteworthy changes include:

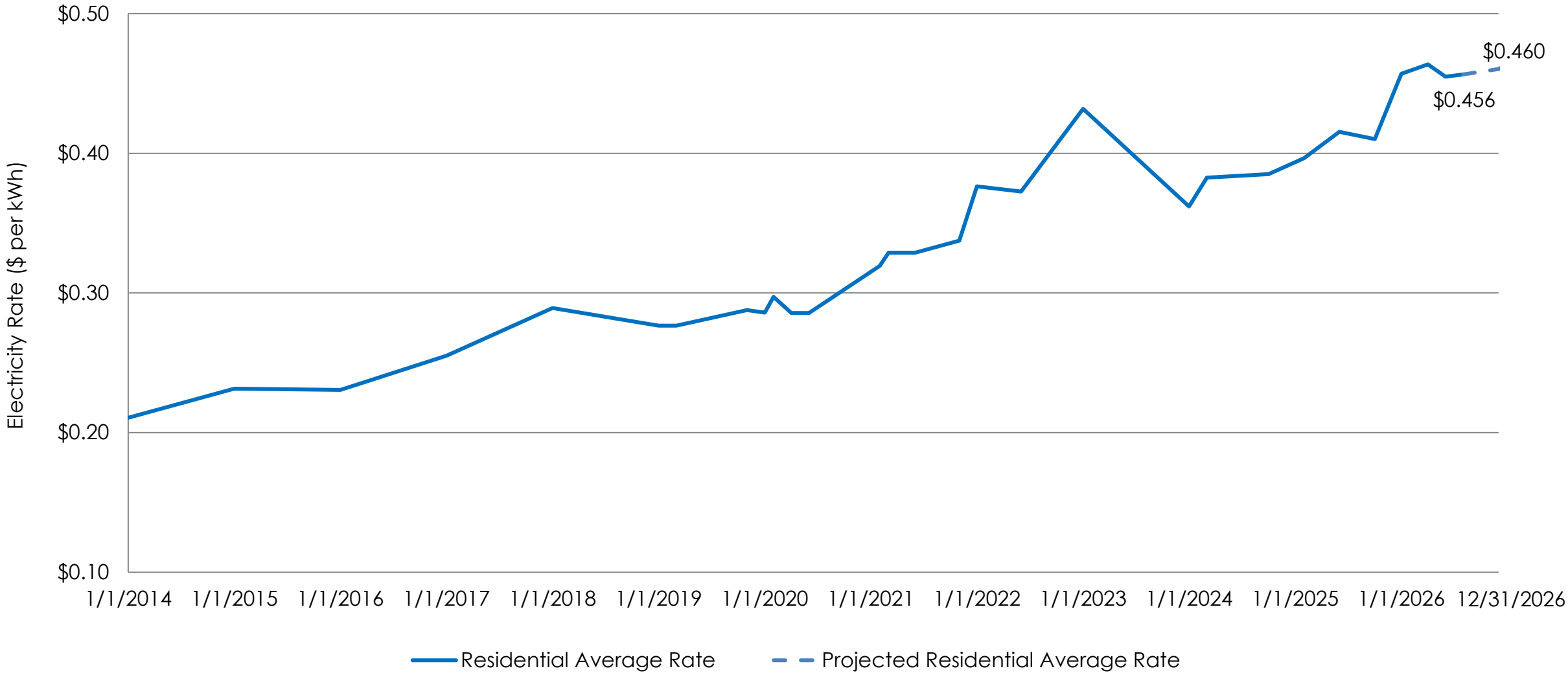
- **Wildfire Self-Insurance –** In accordance with D.23-05-013 and D.24-07-016, AL 5760-E updated SCE's 2026 wildfire self-insurance revenue requirement (RRQ) to $650 million, which is an increase of $380.69 million, with franchise fees and uncollectibles (FF&U), compared to December 14, 2025.

- **2026 Energy Efficiency (EE) Program and Portfolio True-Up –** AL 5670-E revised the EE Program Year 2026 budget to $243.133 million, which is a $240.326 million decrease compared to January 1 ,2026. The revisions aligns the budget with updated forecasts about program performance and market conditions.

- **2023 Energy Resource Recovery Account (ERRA) Review Proceeding –** D.26-04-006 authorized a 2023 ERRA Review RRQ decrease of $63.195 million, which AL 5808-E updates to a decrease of $73.437 million including interest, and FF&U.

June 1, 2026, Rate Change: The changes in AL 5829-E result in a residential average rate (RAR) *decrease* of approximately **0.1%** for bundled service customers relative to rates in effect on January 1, 2026. The total revenue requirement decreased by $26.371 million.

SDG&E Rate Change | Residential Average Rate



*Excludes Climate Credit (CCC reduces RAR by around 2-3 cents).
Forecasted rates only include known revenue change requests and will likely increase as future revenue change requests are filed.

SDG&E Q3 2026 Changes to Revenue Requirement

On July 31, 2026, SDG&E submitted Advice Letter (AL) 4868-E to update electric rates effective August 1, 2026. Noteworthy changes include:

- **Roll-off of General Rate Case Memorandum Account Revenue Requirement** – Decrease of $181.7 million in Distribution revenues and $6 million decrease in Generation revenues (approved in 2024 GRC decision, D.24-12-074).

- **Recovery of Wildfire Mitigation Plan Memorandum Account Revenue Requirement** – Inclusion of $138 million in Distribution rates (approved in Track 2 of 2024 GRC, D.26-01-021).

August 1, 2026, Rate Change: The changes in AL 4868-E result in a residential average rate (RAR) *increase* of approximately **0.37%** for bundled service customers relative to rates in effect on June 1, 2026.

*Federal Energy Regulatory Commission (FERC) granted SDG&E's Motion for Interim Rate Relief from SDG&E's Sixth Transmission Owner Formula (TO6) Offer of Settlement.