



California Public Utilities Commission
505 Van Ness Ave., San Francisco

FOR IMMEDIATE RELEASE

MEDIA ADVISORY

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CPUC TO HOLD JOINT HEARING WITH CEC, CAISO, AND LEGISLATIVE LEADERS ON ELECTRIC COSTS AND RATES

SAN FRANCISCO, February 16, 2021 - The California Public Utilities Commission (CPUC) will hold an En Banc on Electric Costs and Rates to consider the causes and impacts of rising electric rates. Utility bills are forecasted to continue to increase over the next 10 years and that growth could potentially undermine affordability for Californians if not intentionally managed. The En Banc will allow key decision-makers across California government to hear from experts on utility rates, clean energy programs, and wildfire mitigation and discuss ways to ensure California can modernize its energy system while maintaining affordable bills.

CPUC staff have authored a white paper on California utility costs and rate trends for the next 10 years as California moves forward on meeting critical safety, climate, electrification, and building decarbonization goals. This paper, titled “Utility Costs and Affordability of the Grid of the Future,” has been released ahead of the En Banc and will be a central discussion point at the hearing.

WHAT: CPUC Electric Rates and Costs En Banc

WHEN: Wednesday, February 24, 2021, 9:30 a.m. - 4:45 p.m.

WHERE: Remote access via webcast or conference line. Participation information and a draft agenda are below.

BACKGROUND:

The need to improve the safety and reliability of the electric system while meeting California’s climate and electrification goals and various statutory mandates requires careful management of rate and bill impacts to ensure that electric services remain affordable. As California continues transitioning to a more robust distributed energy resources marketplace with greater deployment of



electric vehicles, it is essential to take steps to minimize growth in the amount of revenue utilities require to operate, and to protect lower-income ratepayers from cost shifts and bill impacts. The CPUC is exploring the affordability of the grid of the future and contemplating potential solutions that will be necessary to ease this transition, particularly for California’s most vulnerable customers. More information is available at: <https://www.cpuc.ca.gov/General.aspx?id=6442467418>.

The “Utility Costs and Affordability of the Grid of the Future” white paper issued today presents the following analysis:

- Forecasts possible electric bill increases and overall energy bills over the next 10 years based on different scenarios.
- Reviews historical trends in costs, rates, and bills with a focus on longer-term, capital-related costs and impacts on bills from clean energy programs, as well as statutory mandates that have historically resulted in additional ratepayer costs.
- Evaluates cost and rate projections in two focus areas: transportation electrification and wildfire mitigation costs, as well as affordability concerns around income changes and distributional equity in low- to moderate-income households.

The white paper is available at: <https://www.cpuc.ca.gov/General.aspx?id=6442467418>.

PARTICIPATION INFORMATION FOR FEBRUARY 24 EN BANC:

- Live webcast with English and Spanish captions available at:
www.adminmonitor.com/ca/cpuc
 - Participants have audio and video but will not be able to make verbal comment.
 - After clicking on the name of the hearing, click the green button below the video for captions. Then select captions by clicking on the white icon next to the word “live” at the bottom of the video.
- Phone: Participants can hear the live event and make comments at the end of the En Banc.
 - Call-in number: 800-857-1917, passcode: 5180519#
 - Participants will be placed on mute in “listen-only” mode until the public comment portion of the meeting. Once the public comment portion of the meeting begins at 4:15 p.m., participants may dial *1 (star one) when they wish to speak to be placed in a queue by the operator.



- Members of the public may submit written comments on the Electric Costs and Rates En Banc to the CPUC at any time by emailing CostsEnBanc@cpuc.ca.gov.
- Confirmed participants in the En Banc include: CPUC President Marybel Batjer and Commissioners Martha Guzman Aceves, Clifford Rechtschaffen, Genevieve Shiroma, and Darcie Houck; California Energy Commissioners David Hochschild, Karen Douglas, Andrew McAllister, Patty Monahan, and Siva Gunda, and Executive Director Drew Bohan; California Independent System Operator Board Members Elliot Mainzer, Ashutosh Bhagwat, Angelina Galiteva, Mary Leslie, Severen Borenstein, and Jan Schori; and Assembly Utilities and Energy Committee Chair Chris Holden and Senate Energy, Utilities and Communications Committee Chair Ben Hueso.

The agenda, white paper, and more information about the En Banc are available at <https://www.cpuc.ca.gov/General.aspx?id=6442467418>.

The En Banc will be recorded and posted to the CPUC's website.

While a quorum of Commissioners and/or their staff may attend, no official action will be taken on this matter.

If specialized accommodations are needed to attend, such as non-English or sign language interpreters, please contact the CPUC's Public Advisor's Office at public.advisor@cpuc.ca.gov or toll free at 866-849-8390 no later than February 17, 2021.

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians' access to safe and reliable utility infrastructure and services. For more information on the CPUC, please visit www.cpuc.ca.gov.

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DRAFT AGENDA

CPUC Electric Costs and Rates En Banc February 24, 2021, 9:30 a.m. - 4:45 p.m.

The California Public Utilities Commission (CPUC) will hold an Electric Costs and Rates En Banc on February 24, 2021. The En Banc will assemble a diverse panel of experts from academia, industry, environmental justice, and consumer advocacy to consider issues related to a CPUC-authored white paper on California utility cost and rate trends for the next 10 years, and how such costs may impact California's critical climate, electrification, and building decarbonization goals while maintaining affordable service for California's investor-owned utility customers. A non-exhaustive list of sample topics is included with each panel below.

Time	Topic
9:30-10 a.m.	Welcome and Introductions <ul style="list-style-type: none">• CPUC President Marybel Batjer, Commissioner Genevieve Shiroma, and Deputy Executive Director Edward Randolph• Special Legislative Guests – Assemblymember Chris Holden and Senator Ben Hueso• California Energy Commission Chair David Hochschild• California Independent System Operator (CAISO) CEO Elliot Mainzer
10-10:45 a.m.	Staff Presentation on Energy Division White Paper: A Glimpse into Future Electric Costs and Rates <ul style="list-style-type: none">• Highlights of white paper with explanation of drivers of current electric rate trends and scenarios of future cost and rate forecasts.• Explanation of staff consultant (E3) cost model inputs and assumptions, as well as scenarios demonstrating cost, rate, and bill trends and what they mean for energy affordability.
10:45 a.m. - Noon	Panel One: Can We Afford the Future? <ul style="list-style-type: none">• Will increasing electric rates send price signals that jeopardize transportation and building electrification? How sensitive are prospective electric vehicle and appliance buyers to electric prices?• Will increasing electric rates threaten affordability, especially for those customers who are unable to shift their use away from peak periods or reduce their exposure to electricity prices with behind-the-meter solar and storage?• Do current cost and rate trends raise distributional equity issues across generations, socio-economic classes, customer classes, climate zones, and/or utility service territories?

Moderator: Dorothy Duda, Market Structure, Costs, & Natural Gas Branch Manager, Energy Division, CPUC

Panelists:

- Mike Campbell, Electricity Pricing and Customer Programs Branch Manager, Public Advocates Office, CPUC
- Mad Stano, Senior Legal Counsel, Greenlining Institute
- Michael Colvin, Director of Regulatory and Legislative Affairs, Environmental Defense Fund



- David Rapson, UC Davis Professor of Economics and Director of Energy Economics Program
- David Wells Roland-Holst, UC Berkeley Professor of Economics

Noon - 1 p.m.

Lunch

1 - 2:15 p.m.

Panel Two: What Strategies for Cost Control or Reduction Do We Need to Explore?

- What are the most promising opportunities for utility cost reductions, and what steps need to be taken to achieve them?
- What factors are driving the rise in Federal Energy Regulatory Commission (FERC)-jurisdictional transmission costs, and what strategies can we employ to reverse the rise?
- What lessons have California utilities garnered regarding spending efficiency as they climb the learning curve of wildfire-related spending?
- Are there changes to the CPUC and/or FERC’s decision-making processes that could encourage the approval of lower utility revenue requirements over time?
- Are there benefits to the California economy from increasing investments in renewable generation resources, wildfire mitigation, and transportation electrification?

Moderator: Leuwam Tesfai, Chief of Staff to CPUC Commissioner Shiroma

Panelists:

- Robert Kenney, Vice President of Regulatory and External Affairs, Pacific Gas and Electric Company
- Carla Peterman, Senior Vice President of Strategy and Regulatory Affairs, Southern California Edison
- Scott Crider, Chief Customer Officer, San Diego Gas & Electric
- Jennifer Dowdell, Senior Policy Expert, The Utility Reform Network
- Betony Jones, Advisor, NextGen Policy and CEO, Inclusive Economics
- Rick Umoff, Senior Director and Counsel, Solar Energy Industries Association (SEIA)

2:15 - 2:30 p.m.

Break

2:30 - 3:45 p.m.

Panel Three: Do We Need a Paradigm Shift in How California Funds Climate Change Initiatives?

- How does funding public policy programs through electric rates impact our ability to achieve state climate goals, provide affordable electric service, and distribute program costs equitably across low, medium, and high income customers?
- Should California consider funding public policy programs like wildfire mitigation and transportation electrification through sources other than electric rates?
- What are the barriers to paying for public policy programs through non-ratepayer funded sources?
- How can we design rates to mitigate the impact of rising costs?

Moderator: Edward Randolph, Deputy Executive Director for Energy and Climate Policy, CPUC



Panelists:

- Severin Borenstein, UC Berkeley Professor of Business Administration and Public Policy, Faculty Director of the Energy Institute at Haas, and member of the CAISO Board of Governors
- Michael Wara, Director, Climate and Energy Policy Program, Woods Institute for the Environment, Stanford University
- Mark Toney, Executive Director, The Utility Reform Network
- Mark LeBel, Associate, Regulatory Assistance Project
- Anthony Kinslow II, CEO, Gemini Energy Solutions and Stanford University Lecturer

3:45 - 4:15 p.m.

Closing Remarks

4:15 - 4:45 p.m.

Public Comment

