



California Public Utilities Commission  
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**PRESS RELEASE**

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## **CPUC RELEASES ANNUAL REPORT HIGHLIGHTING IMPACTS ON AFFORDABILITY OF COMBINED ESSENTIAL UTILITY SERVICES**

SAN FRANCISCO, Oct. 14, 2022 – The California Public Utilities Commission (CPUC) has issued its [Annual Affordability Report](#) showing trends and historical results in the affordability of electricity, natural gas, water, and communications services for the year 2020. The report also includes forecasted electric affordability results through 2025.

The CPUC recognizes that consumers need safe, reliable, and affordable utility services. Accordingly, the report complements the CPUC’s efforts to address areas of affordability concerns by requiring utilities to provide tools to examine the overall affordability of proposed rate increases across critical industries and proceedings. The CPUC has taken numerous measures to help protect consumers throughout the COVID-19 pandemic and the state’s recovery. These include temporarily halting service disconnections, expanding access to bill subsidy programs, requiring utilities to offer payment plans for customer debt, Arrearage Management Programs, and the [Percentage of Income Payment Plan pilot programs](#).

“This report identifies the areas where Californians faced the highest difficulty in paying their utility bills. The information provided in this report will serve as a foundation to inform our work and address concerns over increasing costs and affordability of utility services,” said Commissioner Darcie L. Houck.

“This report highlights our continued focus on ensuring affordability for utility customers. It shows that bills are becoming less affordable for the poorest Californians,” said Commissioner Clifford Rechtschaffen. “We are working to make bills more affordable through rate design, reducing utility costs, and helping customers manage their energy needs.”

The metrics used to evaluate affordability trends in the report include critical considerations such as income, poverty levels, housing costs, and the California Communities Environmental Health Screening (CalEnviroScreen). The 2020 report covers changes in affordability relative to the [2019 analysis](#), and assesses electricity affordability based on the electric rate forecast from the [2022 Senate Bill 695 Report](#).

The 2020 report provides insight into how assistance programs can be directed with more precision to mitigate affordability concerns for low-income and vulnerable customers in the targeted geographic areas identified going forward. Specifically, the report looks at the impact of the California Alternate Rates for Energy ([CARE](#)) and Family Electric Rate Assistance ([FERA](#)) programs on electricity and natural gas affordability, as well as the [Customer Assistance Program](#) on water affordability.

Interactive maps, an updated Affordability Ratio calculator, and supporting work papers are available on the CPUC's [website](#).

The report's key findings for 2020 are as follows:

- The 2020 report shows similar results as the 2019 analysis in terms of the level of electric and natural gas affordability when viewed at a high-level across the state.
- Affordability concerns continue in low-income parts of major metropolitan areas, as well as in the Central Valley, which are areas to target through specific program interventions.
- Some communities experienced large changes in estimated income levels that affected the affordability of essential services that may be a result of: 1) COVID economic impacts and/or increased assistance program payments; or 2) measurement errors that the Census Bureau experienced in 2020.
- The Affordability Ratio forecasts demonstrate a decline in electricity affordability over the forecast period (2022-2025), especially in hotter climate zones, as expected growth in income levels may not offset increases in electric bills.
- The report demonstrates that CARE and FERA programs improve affordability in vulnerable communities. An assessment of CARE enrollment rates at a geographically granular scale suggests there may be an opportunity for improved outreach in areas where eligible customers are not enrolled, particularly for the FERA program. Investor-owned utilities should improve their eligibility algorithms and outreach strategies to reach more eligible customers.

The Annual Affordability Report is a requirement of the CPUC's Affordability Proceeding ([Rulemaking 18-07-006](#)), which was opened in 2018 to develop common understandings, methods, and processes for assessing the affordability impacts of individual CPUC proceedings and utility rate requests.

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](http://www.cpuc.ca.gov).

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