



California Public Utilities Commission
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PRESS RELEASE

Docket #: R.22-07-005

CPUC Approves A New Billing Structure That Will Cut Residential Electricity Prices And Accelerate Electrification

“Flat Rate” decision accelerates California’s clean energy transition

SAN FRANCISCO, May 9, 2024 – The California Public Utilities Commission (CPUC) today approved a proposal to reduce the price of residential electricity through a new billing structure mandated by the state Legislature in [Assembly Bill 205](#). This billing adjustment introduces a flat rate bill component and reduces the electricity usage rate. It lowers overall electricity bills on average for lower-income households and those living in regions most impacted by extreme weather events, while accelerating California’s clean energy transition by making electrification more affordable for all.

Read More: [Fact Sheet on “Flat Rate” Decision](#)

“This new billing structure puts us further on the path toward a decarbonized future, while enhancing affordability for low-income customers and those most impacted from climate change-driven heat events,” said CPUC President Alice Reynolds. “This billing adjustment makes it cheaper across the board for customers to charge an electric vehicle or run an electric heat pump, which will spur greater uptake of these technologies that are essential to transitioning us away from fossil fuels.”

Under the new billing structure:

- The usage rate for electricity will be reduced by 5 to 7 cents per kilowatt-hour for all residential customers.
- This change makes it more affordable for everyone to electrify homes and vehicles, regardless of income or location, because the price of charging an electric vehicle or running a heat pump is cheaper.

- A portion of the fixed infrastructure costs—such as maintaining power lines and equipment—will be moved from the usage rate to a separate line item called the “Flat Rate” on customer bills.
- The flat rate will be \$24.15 per month, with low-income customers and customers living in deed-restricted affordable housing eligible for discounted flat rates of \$6 or \$12.

Customers enrolled in the [California Alternate Rates for Energy](#) (CARE) low-income assistance program will benefit from a discounted flat rate of \$6 per month. Customers enrolled in the [Family Electric Rate Assistance Program](#) (FERA), as well as those residing in deed-restricted affordable housing with incomes at or below 80 percent of the area median income, will qualify for a discounted flat rate of \$12 per month.

The new billing structure does not introduce any additional fees or generate extra profits for utilities. Instead, it redistributes existing costs among customers. This approach aligns with billing practices employed across the nation and by most other utilities in California.

In the coming months, the CPUC will collaborate with investor-owned utilities on a customer communications plan to educate customers about the new billing structure. The new billing structure will be implemented starting in late 2025 and early 2026.

The proposal voted on is available [here](#).

More information is available on the [Docket Card](#) and CPUC [webpage](#) for the proceeding.

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About the California Public Utilities Commission

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians access to safe and reliable utility infrastructure and services. Visit www.cpuc.ca.gov for more information.