



**California Public Utilities Commission**  
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**PRESS RELEASE**

Docket #: R.22-07-005

## **CPUC Issues Guidance for Utility Dynamic Hourly Rates**

SAN FRANCISCO, Aug. 28, 2025 – The California Public Utilities Commission (CPUC) today issued guidance for utilities as they design dynamic hourly retail rates that align electricity prices more closely with grid conditions to promote efficient energy use - reducing costs and greenhouse gas emissions.

The guidance includes guidelines for how utilities should recover costs in their rate designs to ensure customers receive accurate price signals. By encouraging the shift of electricity use from periods of peak demand to times when cleaner and more affordable electricity is available, the rates are intended to improve grid reliability, lower emissions, and keep energy more affordable.

The requirement for dynamic hourly rates stems from the California Energy Commission's Load Management Standards, which call for large utility customers to have access to these optional rates by 2027. The CPUC's action ensures that the state's three largest investor-owned utilities are prepared to meet this milestone in a way that supports the transition to a cleaner, more flexible, and more reliable electrical grid.

This decision represents the first step in a two-part process. Step one provides the framework for how utilities must design their dynamic rates. Step two will occur within the utilities' individual rate cases, where the CPUC will review specific proposals and determine the rates to be implemented in alignment with the adopted guidance.

### **More Information**

- [Proposal Approved](#)
- [Docket Card](#) (R.22-07-005)

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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](http://www.cpuc.ca.gov) for more information.