



The Public
**ADVOCATES
OFFICE**

The Consumer Advocate at the
California Public Utilities Commission

Annual Presentation to the Senate Energy, Utilities and Communications Committee

August 2, 2022
Matt Baker, Director

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OUR MISSION

Obtain the lowest possible rates for utility services consistent with safety, reliability, and the state's climate goals.



Public Advocates Office 2021 Customer Savings

Total customer savings was over \$3.7 billion through reduced utility revenues and avoided rate increases.



WATER ENERGY COMMUNICATIONS

Policy Efforts

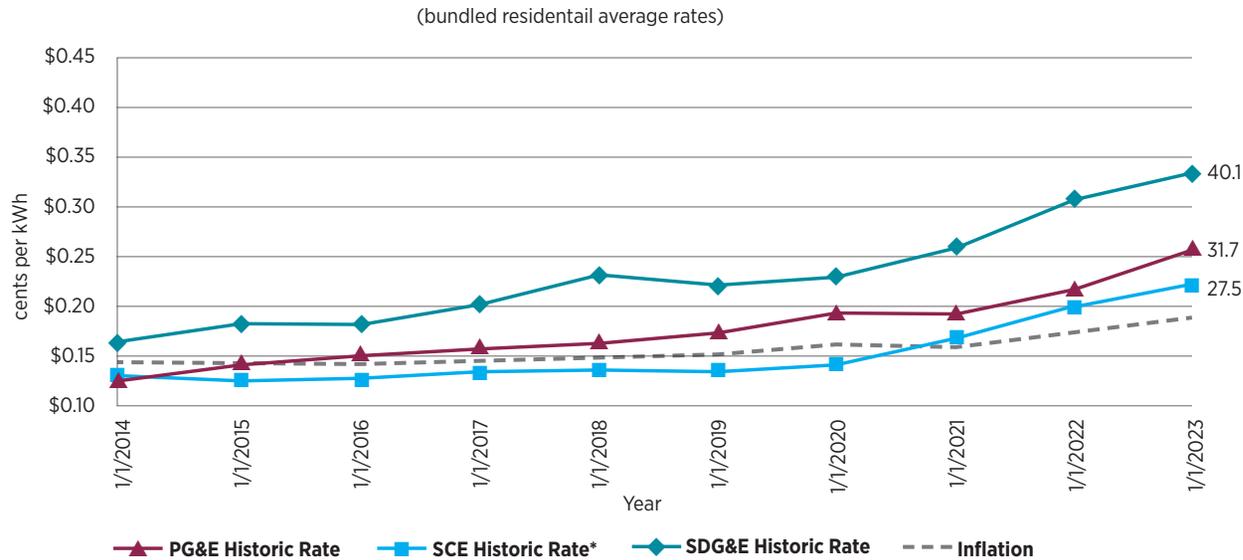
Achieve the Best Value for Consumers by Advocating For:

- Access & Affordability
- Safety & Reliability
- Climate Goals are Achieved



Access and Affordability

Electricity Rates Have Increased Substantially Since 2014, Surpassing Inflation



*Note SCE residential average rate reduced by California climate credit

Cost Drivers of Current and Estimated Electricity Rate Increases:

- Increasing capital investments, particularly investment in transmission and distribution infrastructure.
- Increasing program costs, such as Wildfire Mitigation and Transportation Electrification costs among others, are anticipated to drive rate increases. Wildfire Mitigation costs already are impacting rates.
- Successes in Energy Efficiency and Distributed Energy Resource programs have led to decreasing sales over which to allocate increasing costs.

Access and Affordability (cont'd)

Energy:

- Saved Southern California Edison customers over \$2.4 billion from 2021 to 2023 to account for the utility's overstated forecasts in various areas, including incentive compensation, insurance, customer service, and depreciation.
- Proposed policies that help customers avoid service disconnections, particularly for those who have experienced severe economic impact due to COVID-19 and face large bill arrearages.

Water:

- Saved Suburban Water System and California American Water customers \$60 million through our advocacy in their General Rate Cases.
- Recommended innovative ways to ensure affordability and maintain discounts for those customers most in need
- Advocated for a debt forgiveness program, including waiving late fees, for customers behind in paying their monthly bills during the pandemic.

Access and Affordability (cont'd)

Communications:

- Improved future broadband access and service quality for Frontier Communications customers by directly working with them to invest \$500 million more in their networks in their bankruptcy case.
- Successfully helped lower telephone service fees for those incarcerated so that they could communicate more often with their family, loved ones and their attorneys.
- Helped persuade the CPUC to help those most in need by requiring Verizon to provide essential LifeLine telephone service to eligible Californians.
- Provided the CPUC with solution-based approaches for addressing equity issues and income-based disparities in broadband deployment in its Broadband for All proceeding.



Safety and Reliability

Energy:

- Effectively demonstrated that the electric utilities failed to assess the harms suffered by customers during the utilities' Public Safety Power Shutoffs, such as lost wages, and replacing spoiled food and medicine, which in particular resulted in the CPUC directing PG&E to conduct analysis of the risk that de-energization poses to its customers as part of its 2023 General Rate Case application.
- Developed a methodology for a microgrid incentive program that would direct funding toward communities with a high proportion of customers who depend on power for life-saving medical needs, as well as those facing the highest climate risk with the least socioeconomic capability to adapt to climate change.
- Successfully urged the CPUC to address numerous deficiencies in the electric utilities' 2021 Wildfire Mitigation Plan Updates on issues related to mismanagement of contractors, inaccuracies in risk models, prioritization of tree trimming efforts, and failure to ensure that grid control devices are functional.

Water:

- Successfully worked with Suburban Water System to perform critical engineering design work to ensure its customers receive safe drinking water.
- Strategically worked with California American Water to examine the appropriate amount of back-up power necessary to deliver water during power outages.

Safety and Reliability (cont'd)

Communications:

- Successfully helped extend the 72-hour back-up power requirement to wireline companies which have networks in areas with the greatest wildfire risks.
- Urged the CPUC to build a robust record on ways to modernize minimum service quality standards for all essential communications services – including broadband access and wireless services.



Helping to Achieve Climate Goals

Energy:

- Successfully recommended a \$6 million cost savings for SDG&E's proposed \$44 million Electric Vehicle program, and supported a 50 percent target for program sites in underserved communities and multi-unit dwellings.
- Proposed recommendations to develop a framework to guide the evaluation of the infrastructure, policies and rules that may be needed or revised to modernize the electric grid for an increased number of distributed energy resources.
- Provided key evidence resulting in proposed CPUC decisions that 1) find Southern California Gas Company used ratepayer funds to actively pursue strategies to undermine improvements in energy efficiency codes and standards, 2) direct the utility to refund all unauthorized expended funds to ratepayers, and 3) direct SoCalGas to pay over \$10 million in fines.

Water:

- Successfully recommended new and innovative ways to promote water conservation through rate design.

We Are Here To Help

Support you with making the toughest decisions:

- Fact-based analyses
- New and innovative recommendations
- Solution-based approaches
- Creative strategies

Work with you to ensure our families and businesses are safe and healthy:

- Aggressively advocate for safe and reliable utility services that are affordable
- Act to preserve and strengthen financial assistance and other subsidy programs across industry areas to help those most in need
- Help advance California's laudable climate goals
- Address your constituent issues head-on



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