

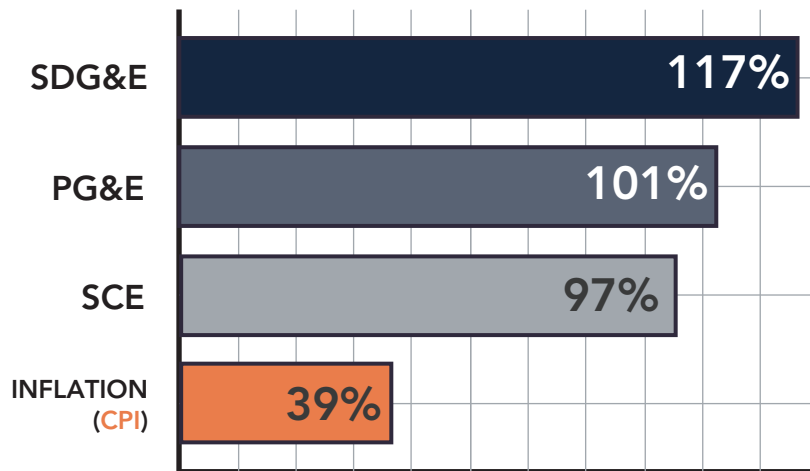
# Energy Affordability Crisis in California: Data Brief

## THE SCALE OF THE CRISIS:

### Energy rates are rising faster than inflation

Since 2014, California IOU electricity rates have doubled

Percentage increase since 2014 vs CPI



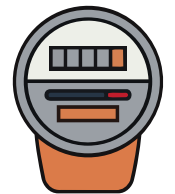
### Million of customers are in debt

Across the major IOUs, millions of families are unable to cope up with an average past due debt of **\$647** per household.

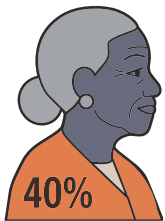


### 1.9 million households had overdue electricity bills

As many as **50,000 households** had service disconnected as a result.



## WHO IS IMPACTED MOST?

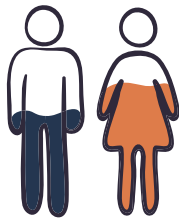


40%

### Energy burden is Racial

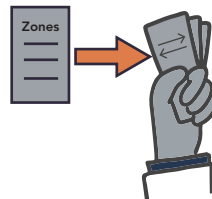
Nearly **1 in 3** Black women in California are energy burdened. **40%** of all senior black women are severely energy burdened.

If your energy cost (electricity, gas) exceeds 6% of your income, you are considered energy burdened.



### Energy Burden is Gendered

**61%** of adults earning below \$50K household income are energy burdened, majority of them being **women**.



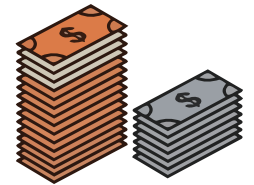
### Hot Climate Zones

Households in hot climate zones (like Central Valley) on average use **68% more** energy than coastal. Some bills climb **above \$500** in summer months.



### Low Income Communities

Low-income communities pay **240% more** as percentage of income compared to others. The system has made energy unaffordable.



### Private vs Public Utilities

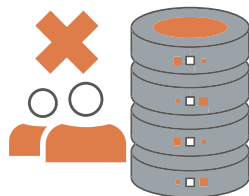
Rates for for-profit utilities are more than **50%** higher than public utility rates. You **pay more for your location** without having control.

## WHAT ARE THE DRIVERS?



### Wildfire mitigation and insurance

This accounts for **17% to 27%** of IOU revenue requirements. **1 out of every 6** dollars families pay goes to these costs.



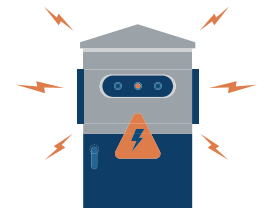
### Lack of Oversight

Roughly **50%** of the IOUs' transmission capital expenditures **since 2013** have been "self-approved" projects.



### Expensive Gas Power Plants

About **90%** of the time, **1/3rd** (97 peaker gas plants) of the California's power plants are not running (but paid for), as they only exist to serve rare peak demand.



### Constant Rate Hikes

PG&E alone requested **\$11.3B** in revenue increases through 2030 in May 2025. California's three major utilities seek billions, with rates already up **9-13%** per year from 2020-2025.

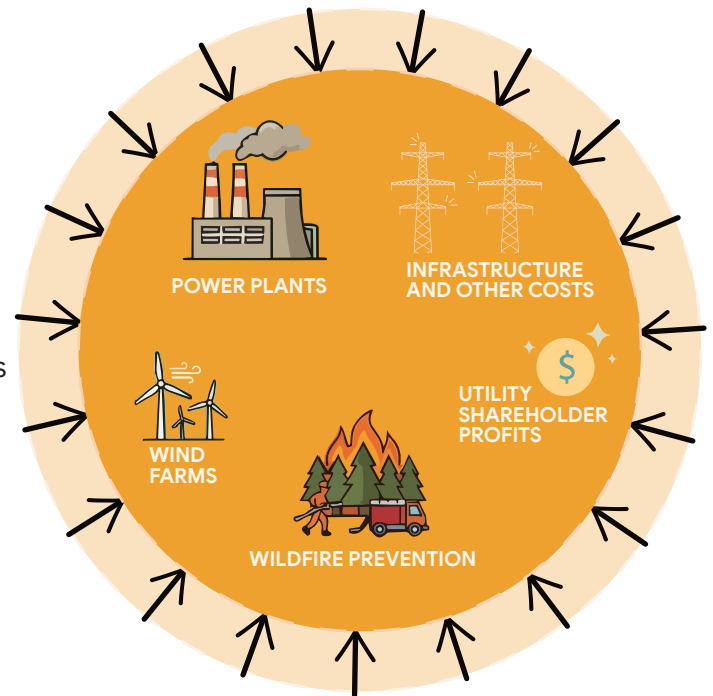
# Affordability: SHRINKING THE COSTS

Understanding how electricity costs are built and shared is the first step toward energy justice for all Californians. Energy affordability means more than just a lower bill, it's about reducing total system costs and ensuring every community pays a fair share. Let's simplify:

## How Much Does Electricity Cost?

We need to look at the total system cost to understand the price of providing electricity to all of California. What makes up these costs?

- **Energy Sources:** Building and running power plants and wind farms.
- **Infrastructure:** The cost of the physical electric lines and the grid.
- **Safety Measures:** Funding for critical wildfire prevention.
- **Utility Profits:** Payments made to the shareholders of for-profit utility companies.



**The GOAL:** We want to shrink the cost components to lower the total financial burden for everyone.

## HOW DO WE DIVIDE THESE COSTS?

All costs must be covered by the people who receive electricity, but different types of customers can be asked to pay different amounts based on their specific situation.

**Customer Classes:** Electricity users are grouped into categories like Residential, Commercial, and Industrial.

**Equity in Pricing:** Within these groups, we decide who pays more and who pays less to create a system that works for everyone.

### The GOAL:

- **Low-Income First:** Our aim is to reduce the share for low-income customers so it is affordable relative to earnings.
- **Income Relative:** Making sure that with reduced costs, the burden is relative to income (bigger chunk of the cost goes to those who can pay more).

