

DOCKETED

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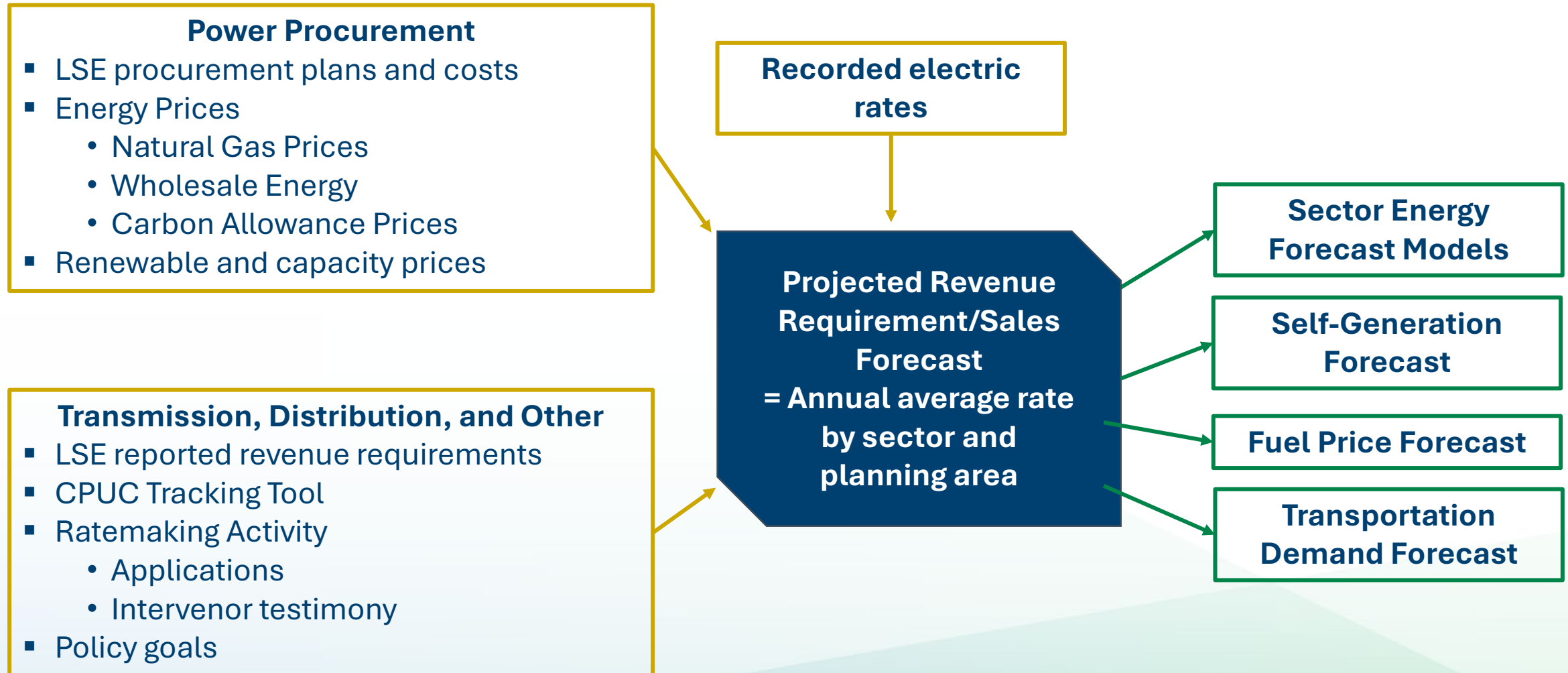


Retail Electricity Rate Forecast

Lynn Marshall
Energy Assessments Division
August 26, 2025



Electricity Rate Forecast Overview





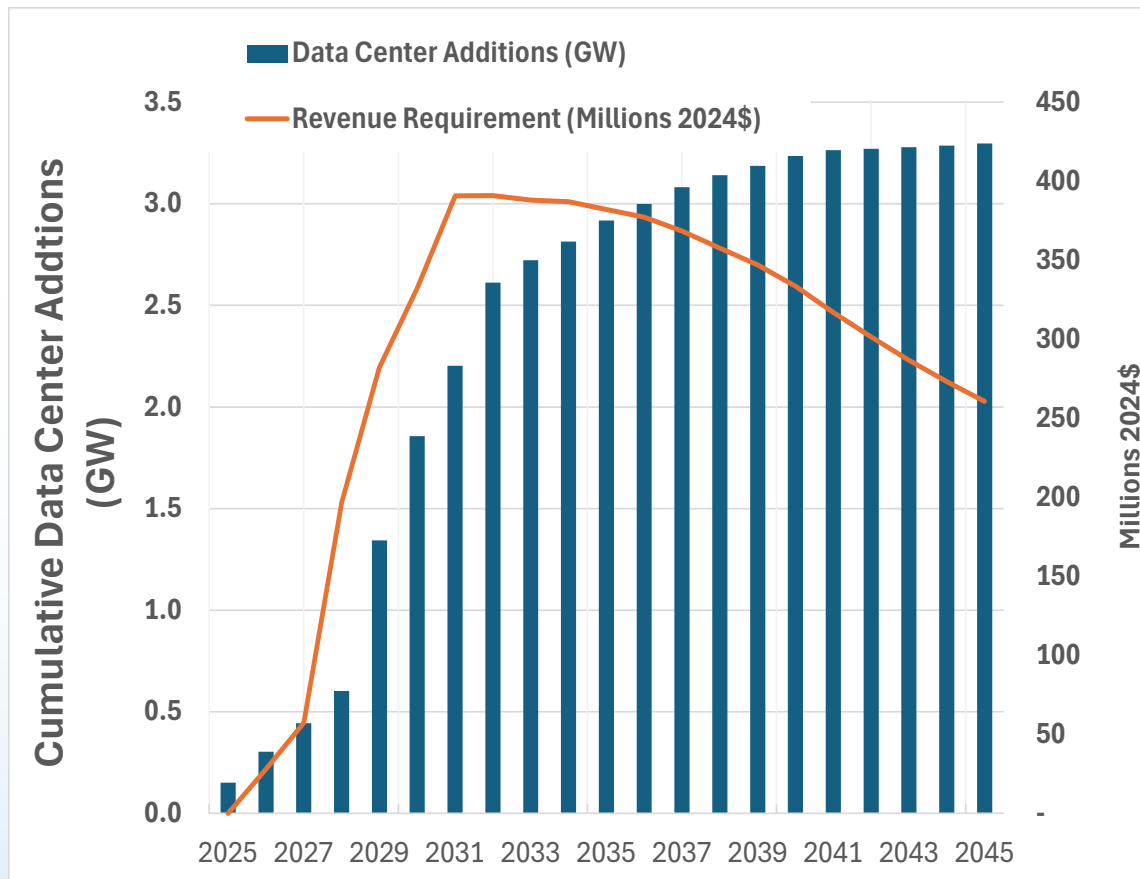
Updates for 2025 IEPR

- Electricity sales projections from the California Energy Demand (CED) 2024 Planning Scenario
- Utility submitted revenue requirement projections (Form 8.1a), rate data (Form 2), and supply forms (S-1)
 - Additional detail from the June 2025 CPUC Energy Division Utility Cost & Rate Tracking Tool data
- Wholesale electricity price projects from the production cost modeling for the CPUC 2024 Avoided Cost Calculator
- Transmission revenue escalates at 4.5% or uses the utility-submitted forecast, plus incremental costs to support data center growth
- After current or proposed GRC period, GRC distribution escalates at 6% nominal annually through 2030, then 5%
- Incremental distribution system upgrade costs to support electrification are approximated using Public Advocate Office Distribution Grid Electrification Model results, October 2024



Data Center Grid Investments

Data Center Revenue Requirements CED 2024 PG&E Planning Scenario

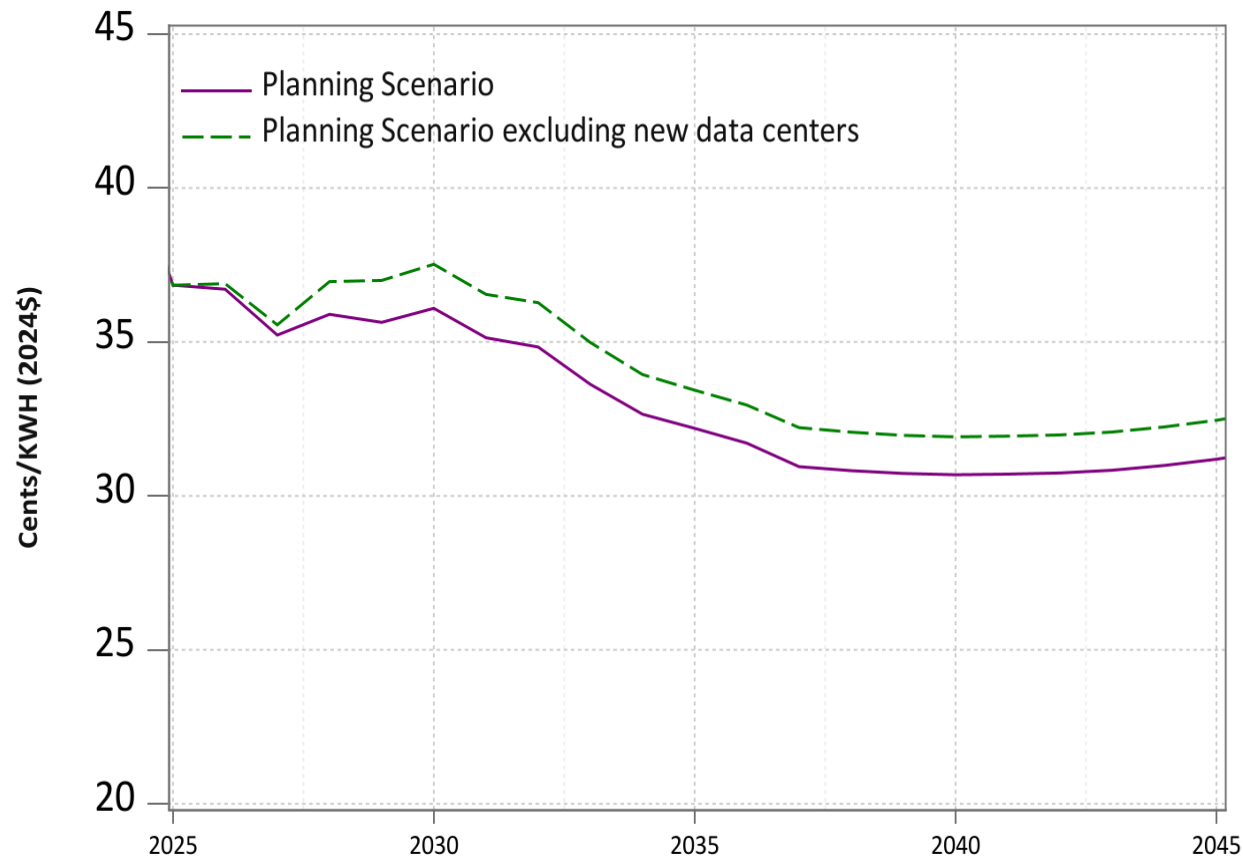


- PG&E has estimated the capital costs associated with data centers range from \$500 million to \$1.6 billion per GW.
- For this forecast, staff assumed \$1.5 billion per GW then applied a revenue requirement multiplier from PG&E 2027 General Rate Case workpapers, to calculate annual, cumulative revenue requirement impact.



Data Center Rate Impact

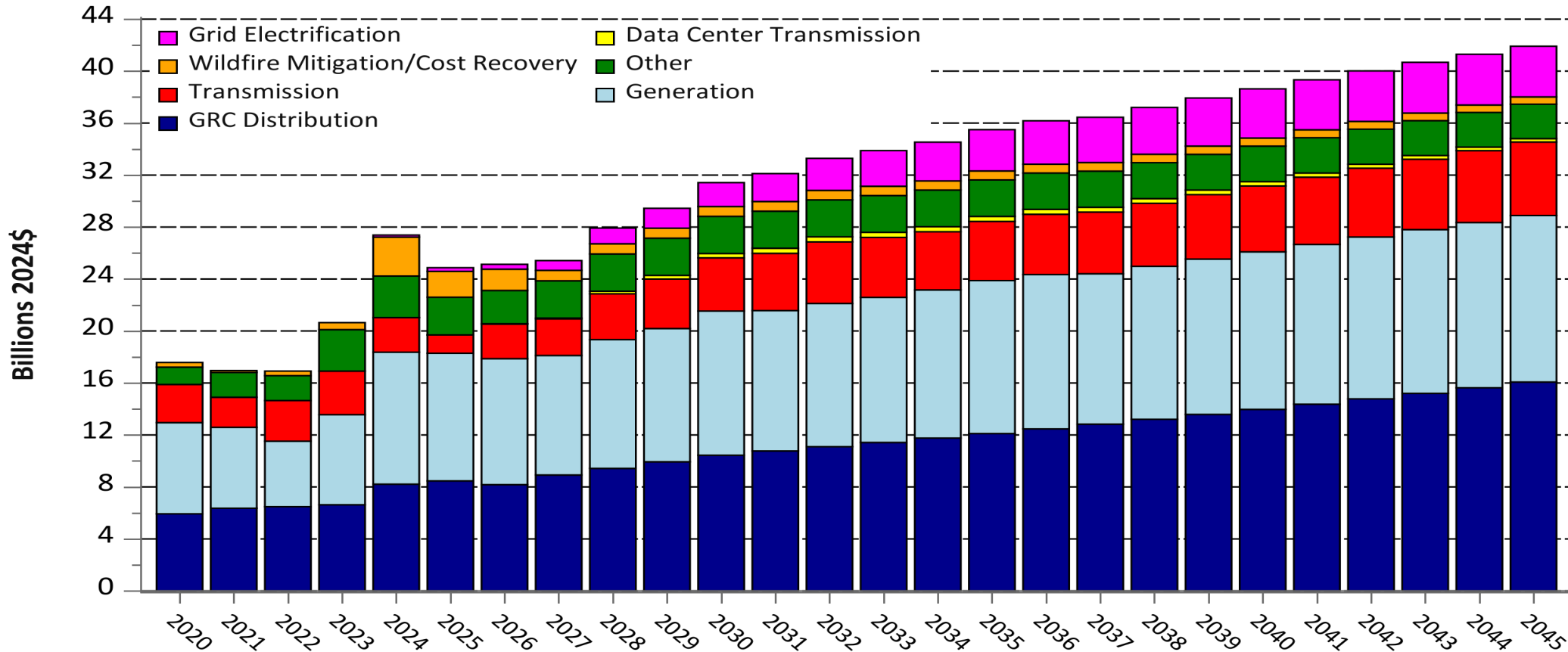
PG&E System Average Rate, CED 2024 Planning Scenario



- The net effect of data centers under these assumptions is an average 1.25 cents per kWh decrease in the system average rate.
- Actual sector level impacts will depend on interconnection rules and rate design for large transmission-level customers, currently being addressed in CPUC Rule 30 proceeding (A.24-11-007)



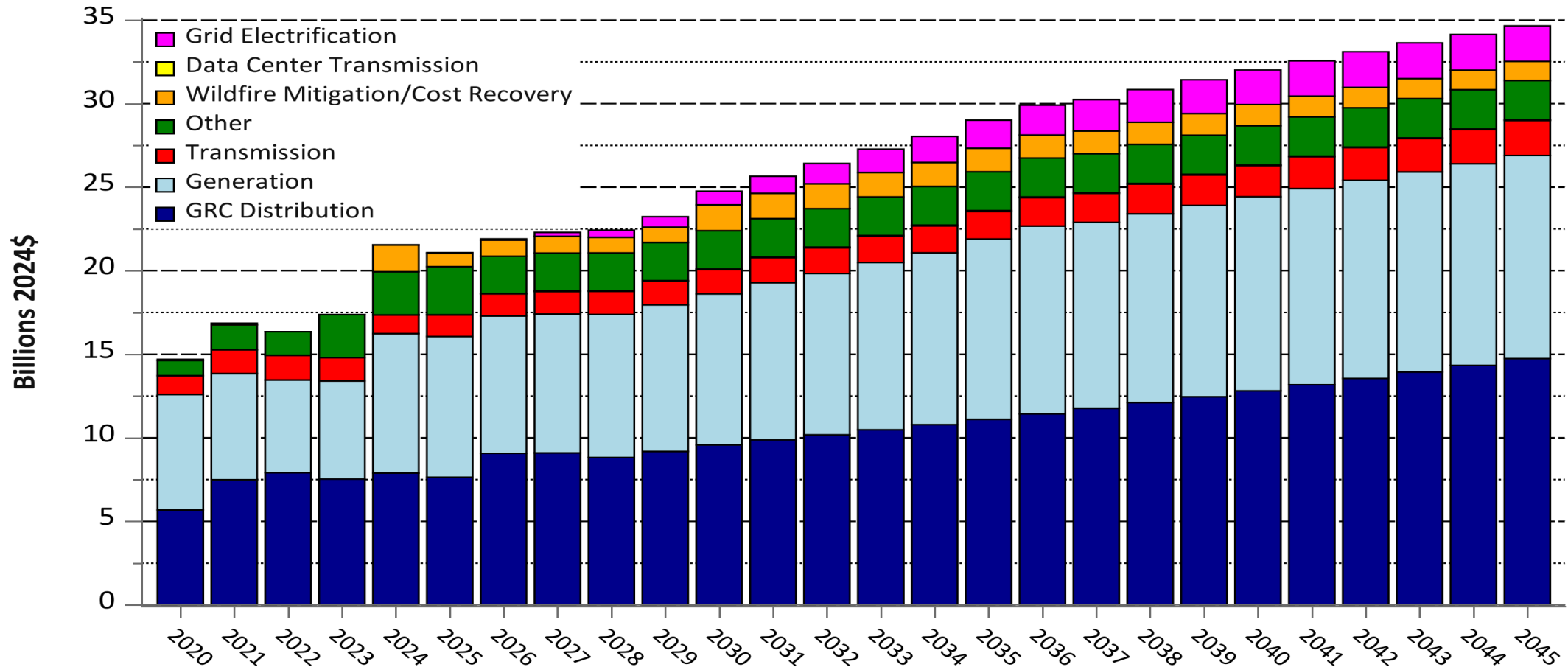
PG&E CPUC-Jurisdictional Revenue Requirements



- **GRC Distribution** increases in 2024 and 2025 includes amortization of 2023 GRC balances
- **Wildfire Mitigation** declines and levels off as past spending is amortized or securitized (continued investment is reflected in GRC)
- **Grid Electrification** is incremental distribution-level investment to support load growth
- **Other** includes public good charge programs and other distribution costs



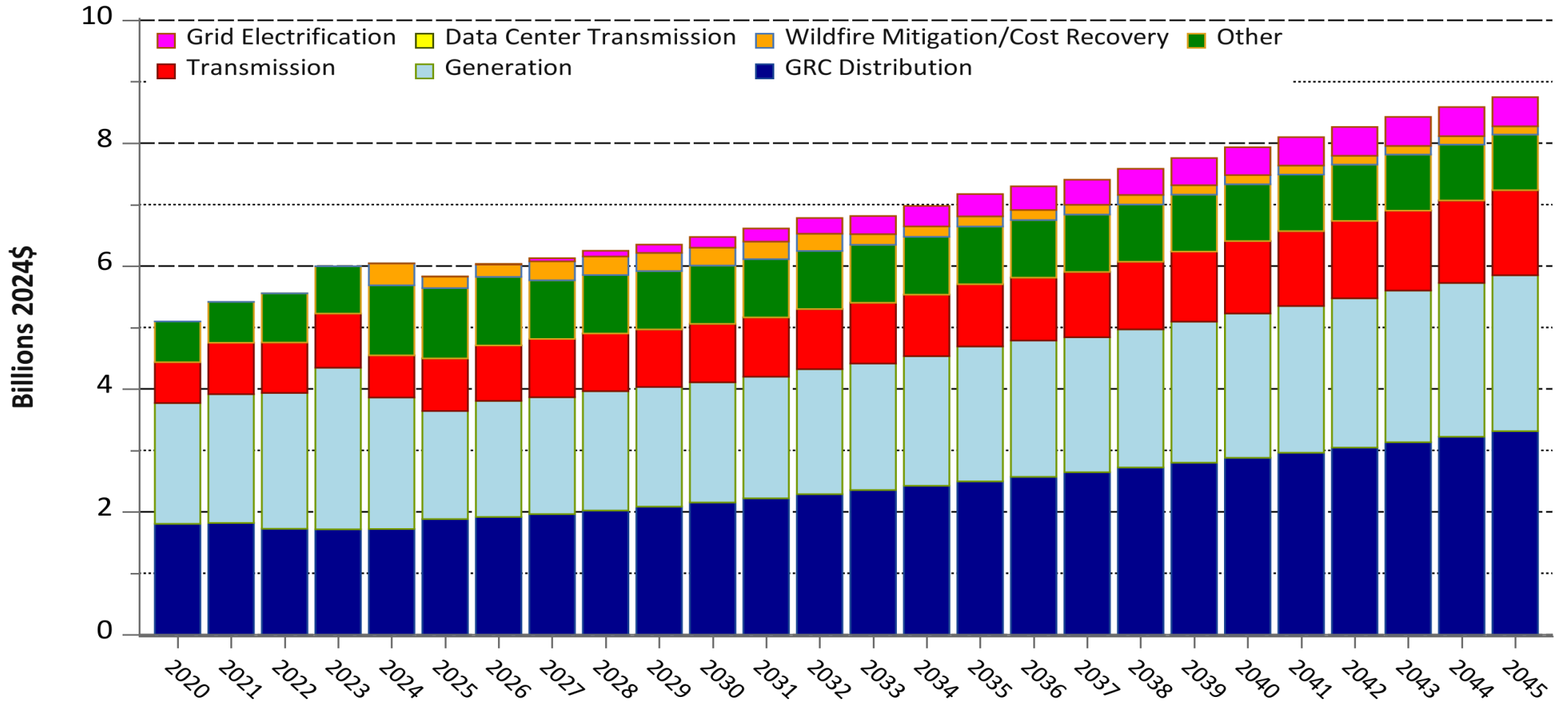
SCE CPUC-Jurisdictional Revenue Requirements



- **GRC Distribution** increases 2021-2024 reflects major investment in wildfire mitigation in previous GRC; proposed decision on 2025 GRC takes effect in 2026.
- **Wildfire Mitigation** includes an additional \$825 million in annual securitization costs beginning in 2027, as a proxy for Eaton fire or other wildfire events.



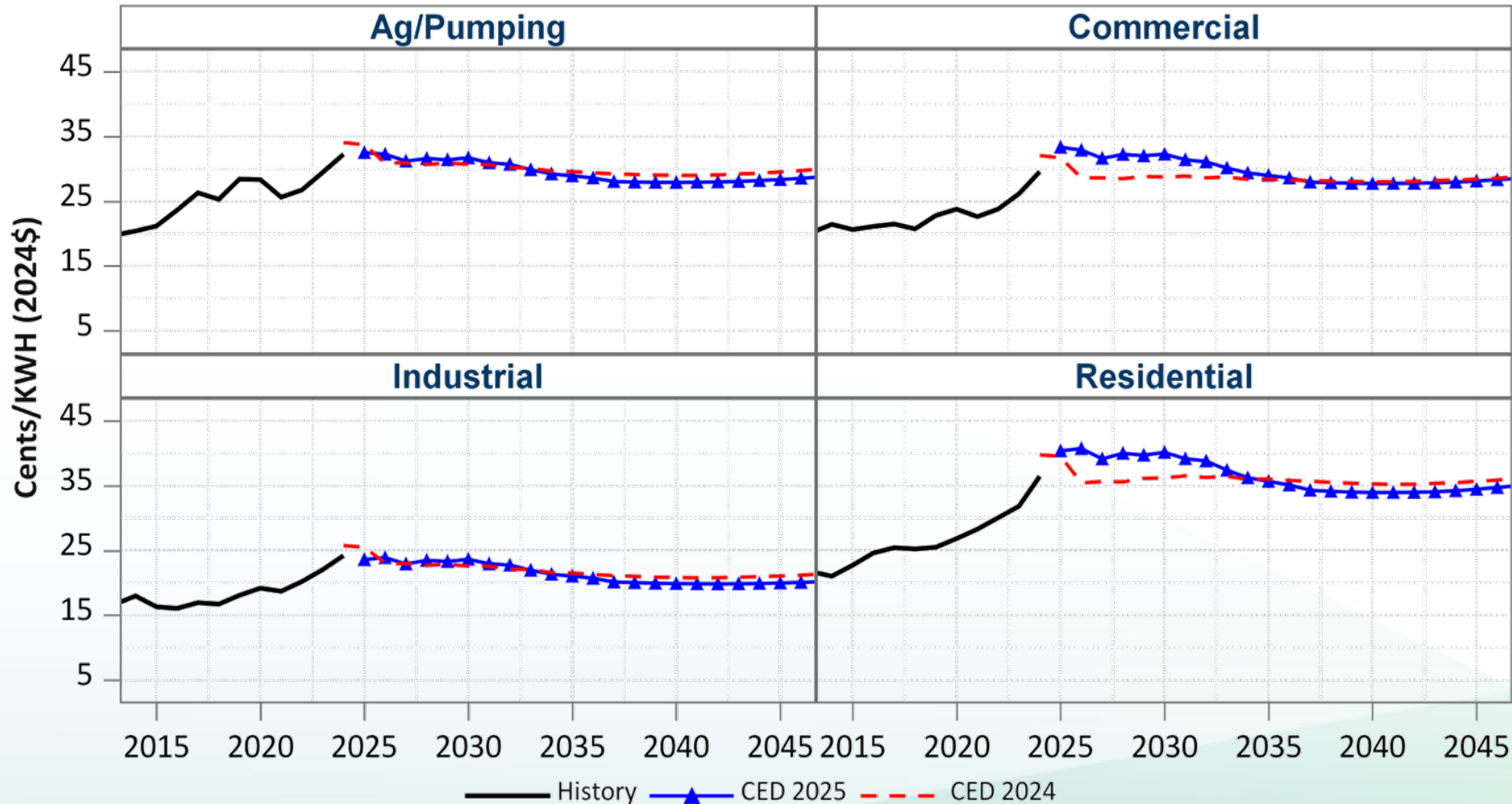
SDG&E CPUC-Jurisdictional Revenue Requirements



GRC Distribution increased 17% in 2025.



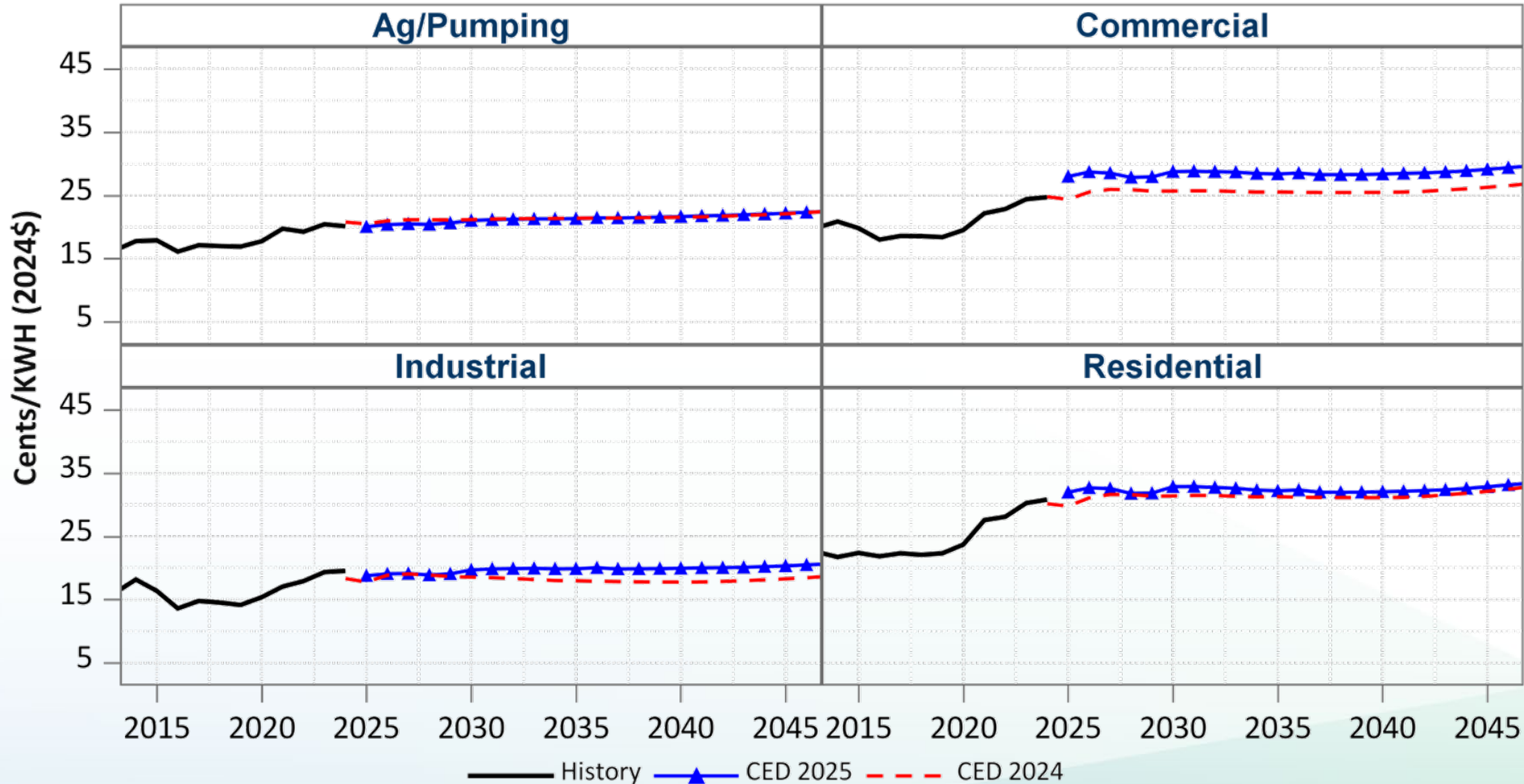
PG&E Planning Area Rates



- Through 2030s, rapid growth in electricity sales offsets growth in revenue requirements.
- After 2040, growth in demand slows and real rates begin to rise.



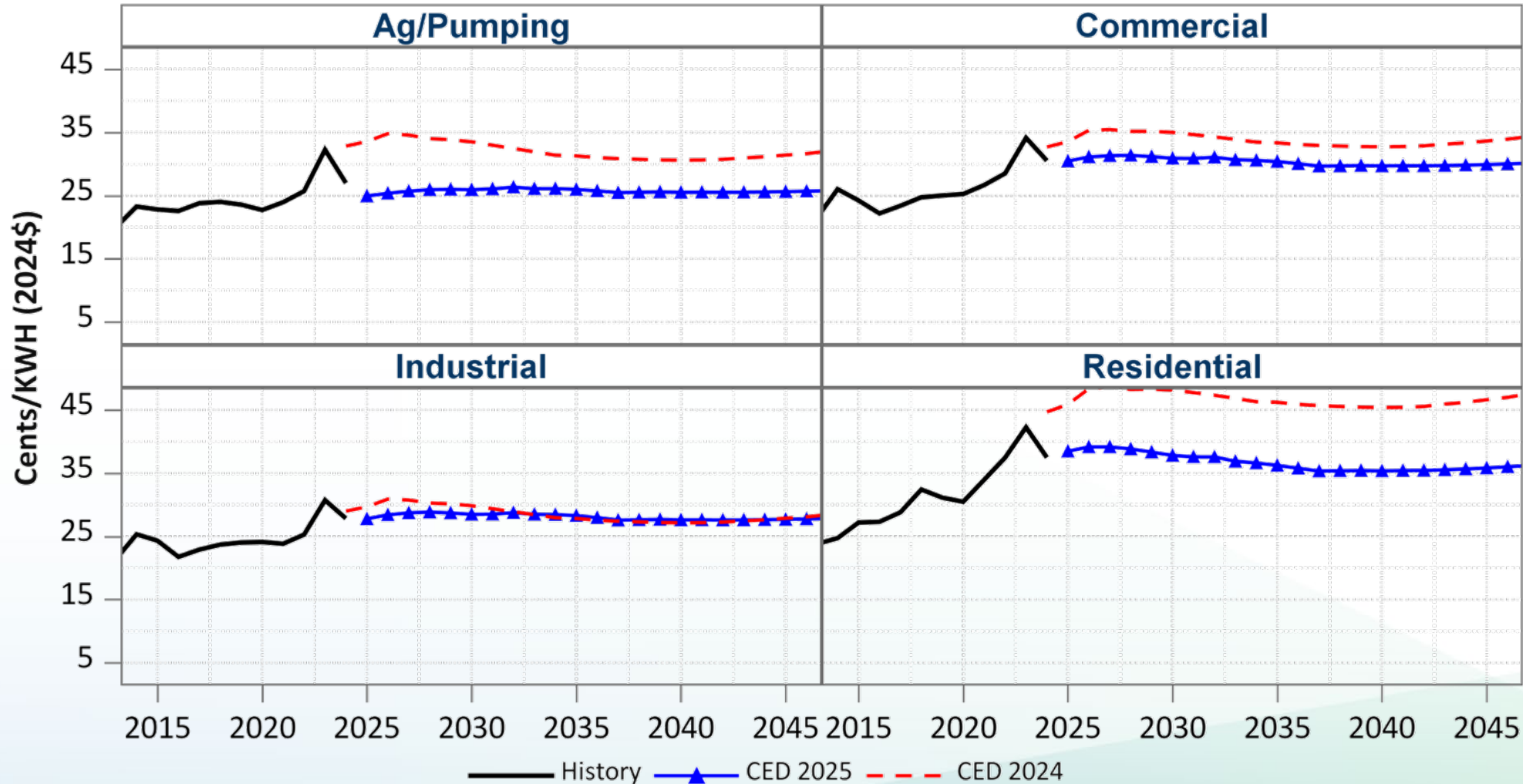
SCE Planning Area Rates



Pending 2025 GRC decision is close to previous forecast assumptions.



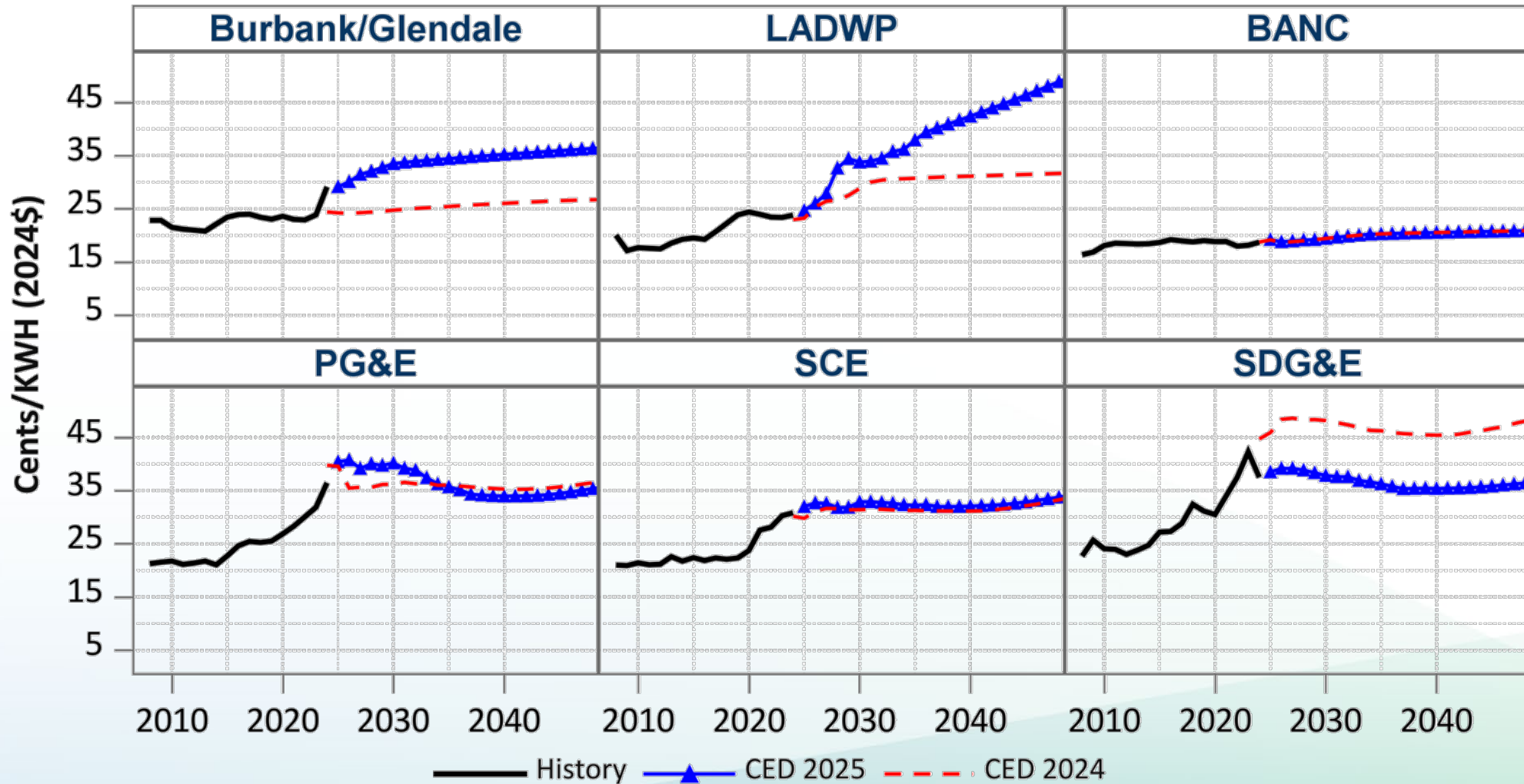
SDG&E Planning Area Rates



Transmission costs
are lower than
previously forecast



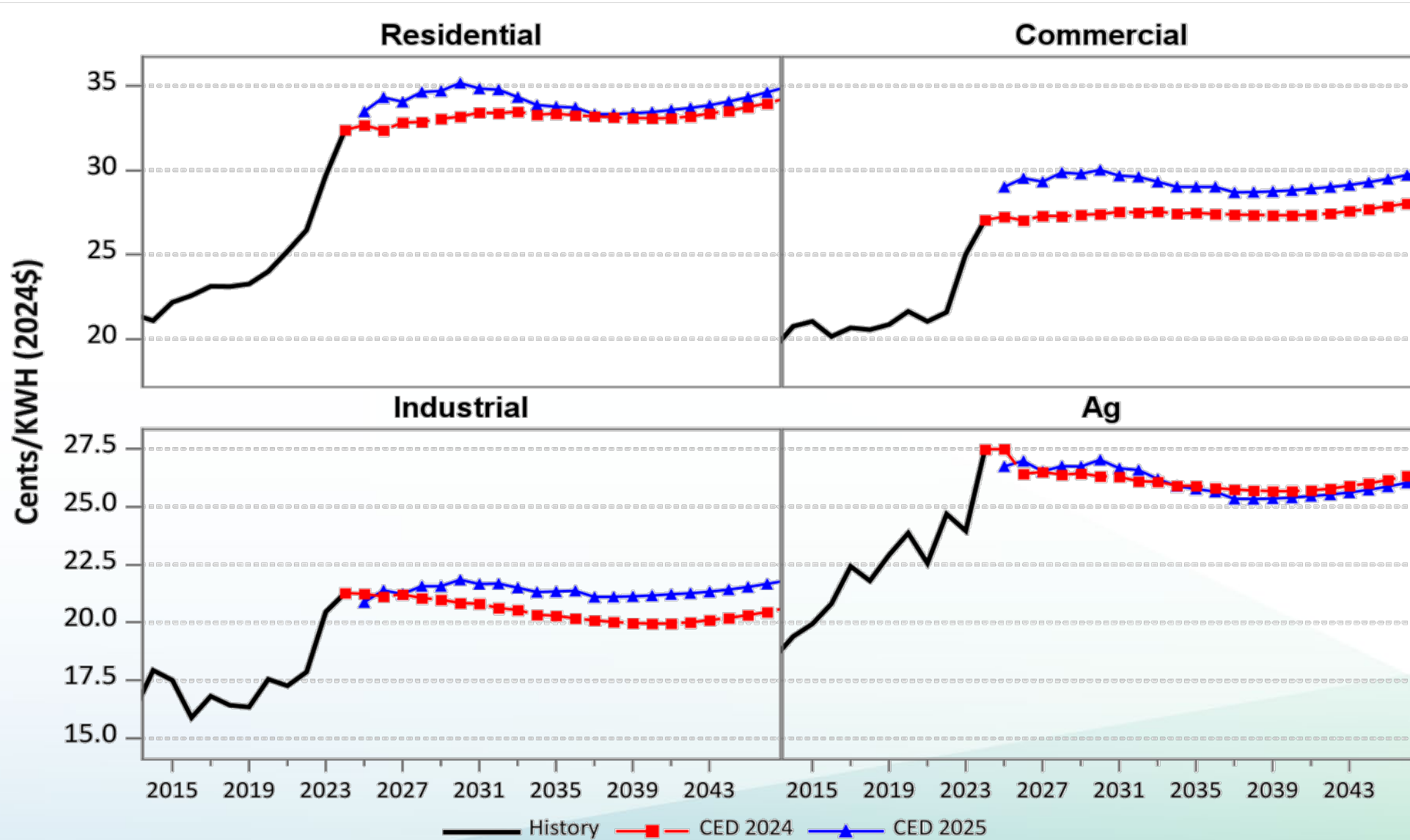
Residential Rates by Planning Area



LADWP outlook is for significant rate increases to support system investment and implement LA100 plans, but hasn't taken formal rate action yet.



Statewide Average Rates



Statewide average rates are used by transportation demand models.



Conclusion

Revenue requirements and rate forecast documentation will be docketed in 25-IEPR-03 as CED 2025 Electricity Rate Forecast.

Key Uncertainties

- Wildfire risk mitigation and other climate change adaptation and recovery costs could continue to grow
- Data center impacts will be refined as better cost data becomes available
- The increased transmission requirements needed to meet SB 100 goals are not explicitly accounted for



Thank You!