

DOCKETED

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The Public
ADVOCATES
OFFICE

DERs, FTM Resources, and Affordability

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About

- The Public Advocates Office is an independent consumer advocate established by the Legislature to represent the interests of utility ratepayers.
- Our mission is to advocate for the lowest possible rates that are consistent with safe and reliable service and California's policy goals.
- We represent utility customers' interests primarily by participating in proceedings before the California Public Utilities Commission and engaging in other policymaking forums.

Electricity rates are increasing unsustainably

10-Year Change

Jan 2016 to June 2026

Primary Statewide Drivers

PG&E ↑ 69%

SCE ↑ 96%

SDG&E ↑ 97%

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1. Wildfire mitigation and insurance
 2. Transmission & distribution investments
 3. Rooftop solar incentives ("net energy metering")

Source: California Public Utilities Commission SB 695 report: Report to the Governor and Legislature on Actions to Limit Utility Cost and Rate Increases... (2025)

Customers are unable to pay their energy bills

	% of Customers in Arrears	Average Amount Owed
PG&E	24%	\$572
SCE	17%	\$733
SDG&E	18%	\$501
Combined	20.6%	\$619

How to value DERs

Using the CPUC's Avoided Cost Calculator:

- Avoided distribution grid costs
- Avoided transmission costs
- Avoided energy and capacity costs

If resources do not avoid these costs to the utility, then compensation using the Avoided Cost Calculator is not appropriate.

FTM resources

- Typically procured through competitive solicitations
- Ensure lowest cost procurement and optimal siting to meet grid needs
- Must meet Resource Adequacy requirements for deliverability and fulfill capacity needs

Carving out exemptions from these requirements for particular FTM resources risks increasing costs paid by ratepayers and could harm reliability.

More information

Visit our website at www.publicadvocates.cpuc.ca.gov

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