COUNTY OF SAN DIEGO

BOARD OF SUPERVISORS

1600 PACIFIC HIGHWAY, ROOM 335, SAN DIEGO, CALIFORNIA 92101-2470

AGENDA ITEM

DATE: **September 9, 2025**

TO: Board of Supervisors

SUBJECT
SUPPORT FOR THE STATE'S UTILITY AFFORDABILITY AND ACCOUNTABILITY LEGISLATIVE PACKAGE (DISTRICTS: ALL)

OVERVIEW
The 2025 Utility Affordability and Accountability Legislative Package (Package) consists of bills in the California State Senate and Assembly that aim to lower utility costs, ensure fair electricity pricing and advance equitable and affordable energy for residents across the state. The Package includes the following bills: AB 825, AB 1167, SB 24, SB 254, SB 330, and SB 500. The bills collectively address issues that impact utility affordability such as capping rates to align with the Consumer Price Index (CPI), increased transparency for energy data, and relief programs for residents who experienced family deaths or are victims of wildfires and natural disasters. Today's request is to direct the Chief Administrative Officer to take action that reflects the County's support for the 2025 Utility Affordability and Accountability Legislative Package.

RECOMMENDATION(S)
VICE CHAIR MONICA MONTGOMERY STEPPE AND CHAIR PRO TEM PALOMA AGUIRRE

1. Direct the Chief Administrative Officer to express the County's support for the 2025 Utility Affordability and Accountability Legislative Package consisting of: AB 825, AB 1167, SB 24, SB 254, SB 330, and SB 500 consistent with Board Policy M-2.

EQUITY IMPACT STATEMENT
The 2025 Utility Affordability and Accountability Legislative Package (Package) advances equity by addressing the cost of living and relieving the hardships of housing cost-burdened San Diegans. Housing Cost-Burden is defined under the United States Department of Housing and Urban Development as households that spend more than 30 percent of their income on rent or mortgages.[1] 38 percent of homeowners and 58 percent of renters in San Diego County spend more than 30 percent of their income on housing, according to the University of San Diego's Non-Profit

Institute.[2] Supporting the Package offers equitable economic opportunities to preserve the household income of all San Diegans by lowering utility bills and requiring more transparency from investor-owned utilities (IOUs).

SUSTAINABILITY IMPACT STATEMENT

The 2025 Utility Affordability and Accountability Legislative Package (Package) addresses economic sustainability by capping residential rate increases in alignment with the Consumer Price Index (CPI) and providing low-cost financing options for electric infrastructure. The bills included in the Package promote environmental sustainability through lowering transmission costs by incentivizing microgrids and ensuring increased wildfire prevention and mitigation responsibilities for investor-owned utilities (IOUs).

FISCAL IMPACT

There is no fiscal impact associated with this action. There will be no change in net General Fund cost and no additional staff years

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

Across California, utility rates continue to increase the cost of living for millions of residents. Since 2013, bundled residential average rates have increased at an average annual rate greater than the assumed rate of inflation up to 12 percent for PG&E, and 7 percent for SCE and SDG&E.[3] San Diego had the highest price for electricity in the country in November 2024, averaging 42 cents per kilowatt-hour.[4] According to a 2023 California State Audit, San Diego Gas & Electric (SDG&E) had the highest electricity rate of the large investor-owned utilities (IOUs) in California, and, as of March 2023, more than 25 percent of SDG&E customers were more than 30 days behind on paying their utility bills.[5]

Support for the bills included in the 2025 Utility Affordability and Accountability Legislative Package is consistent with previous actions by the County Board of Supervisors (Board) to ensure investor-owned utilities are held accountable and to protect California ratepayers by opposing income-graduated fixed energy charges[6].

The 2025 Utility Affordability and Accountability Legislative Package is comprised of the following State bills[7]:

- AB 825 (Petrie-Norris) Energy: electricity: would restructure ratepayer obligations to lower costs, shift responsibility for wildfire mitigation funding away from ratepayers, and increase transparency standards for investor-owned utilities (IOUs).

- AB 1167 (Berman and Addis) Electrical corporations and gas corporations: rate recovery: political activities and promotional advertising: would prohibit utilities from misusing ratepayer dollars. This bill would keep the cost of utility lobbying, promotional advertising, and other activities and other non-energy related expenses out of monthly energy bills. The bill would also ensure greater accountability and transparency.

- SB 24 (McNerney) Public utilities: review of accounts: electrical and gas corporations: rates: political influence activities and promotional advertising: would prohibit for-profit Investor-Owned Utilities (IOUs) from undermining the Local Establishment of Municipal Utility Districts. This bill would protect ratepayers from abuse and would prohibit IOUs from using customer dollars to interfere with or undermine local municipalities from establishing their own utility districts.

- SB 254 (Becker) Electricity: wildfire mitigation: rate assistance: Policy-Oriented and Wildfire Electric Reimbursement (POWER) Program: would protect ratepayers from rising utility costs. This bill would restructure how utility costs are funded by shifting wildfire expenses off ratepayers and creating a low-cost public financing option for electric infrastructure. The bill would boost accountability for investor-owned utilities and would require new limits on how much rates can rise, ensuring long-term affordability and stronger oversight.

- SB 330 (Padilla) Electrical transmission infrastructure: financing: would promote alternative financing for transmission to lower costs and would authorize the Governor to establish pilot programs to explore more affordable ways to build out the additional electrical transmission infrastructure needed to meet California's climate goals.

- SB 500 (Stern) Energy: usage data: would enhance the alignment of electrical corporations' operations with public policy goals by authorizing the California Public Utilities Commission to evaluate and implement performance metrics and financial incentives that promote cost-effective, safe, and reliable electric service, while minimizing costs for ratepayers.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today’s proposed action to support a package of State bills addressing utility affordability and accountability supports the Sustainability Strategic Initiative in the County of San Diego’s 2025-2030 Strategic Plan by supporting policies that reduce poverty and provide economic and environmental sustainability for all residents in the San Diego region.

Respectfully submitted,

MONICA MONTGOMERY STEPPE
Supervisor, Fourth District

PALOMA AGUIRRE
Supervisor, First District

ATTACHMENT(S)
N/A

[1] United States Department of Housing and Urban Development (n.d). *HUD's Comprehensive Housing Affordability Strategy Data Background*. Office of Policy Development and Research. Retrieved August 22, 2025, from https://www.huduser.gov/portal/datasets/cp/CHAS/bg_chas.html

[2] University of San Diego (n.d.). *Equinox Institute Quality of Life Dashboard: Housing - How Are We Doing?* University of San Diego Non-Profit Institute. Retrieved August 22, 2025, from https://www.sandiego.edu/soles/centers-and-institutes/nonprofit-institute/signature-programs/dashboard/housing.php

[3] California Public Utilities Commission. (2024). *Senate Bill 695 Report to the Governor and Legislature on Actions to Limit Utility Cost and Rate Increases Pursuant to Public Utilities Code Section 913.1*. Sieren Smith, B et. al. Retrieved August 22, 2025, from https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/office-of-governmental-affairs-division/reports/2024/2024-sb-695-report.pdf

[4] Nikolewksi, R (2024, December 17). New Rate Proposal Calls for a Smaller Increase for SDG&E Customers with Natural Gas. *San Diego Union Tribune.* Retrieved August 22, 2025, from https://www.sandiegouniontribune.com/2025/07/21/will-it-help-san-diego-city-council-backs-legislation-in-sacramento-targeting-high-utility-bills/

[5] California Public Utilities Commission. *Auditor Report 2022-115: Electricity and Natural Gas Rates*. California Public Utilities Commission Auditor. Retrieved August 22, 2025, from https://information.auditor.ca.gov/reports/2022-115/index.html

[6] Item 29 at the December 5, 2023, Board of Supervisors Meeting, Retrieved August 22,2025 from https://file.sandiegocounty.gov/COB/COBPublicView?FileId=28076057

[7] The bills included in the legislative package are active and being considered at the time of docketing this item and are subject to change.