



August 28, 2025

Senator Pro Tem
Mike McGuire
1021 O Street Ste 8518
Sacramento, CA 95814

Assembly Speaker
Robert Rivas
1021 O Street, Ste 8330
Sacramento, CA 95814

Re: Don't Let the Governor Sacrifice True Utility Affordability Reforms For Western Grid
Proposal and Wildfire Fund

Messrs. McGuire and Rivas,

Governor Newsom has stated repeatedly that a regional grid is a “proven model” and “our best shot at lowering energy costs,” recently doubling down in a press release. Yet, no one, not even the backers of the Pathways Western grid proposal, can show substantial reductions in utility rates. Meanwhile, Governor Newsom is now distancing himself from a series of real utility reforms that have the potential to actually lower rates but that are opposed by the utilities.

The claim that a utility-backed proposal like the Pathways Initiative would lower utility rates is far from a “proven model”. The Brattle study, meant to justify the plan, claims \$112 million in savings starting only in 2032, based on an incorrect calculation of the cost of the electricity. Other regional markets, PJM and NISO, have experienced such huge increases in the price of electricity that a bi-partisan group of 9 governors are in open revolt. The Western grid will not lower utility rates and is most likely to raise rates based on the single price auction structure that gives all sellers the highest price for electricity.

In recent days, the governor has doubled down on his twin priorities, a Western grid and a Wildfire Fund, both of which will cost consumers more money. Interestingly, the utilities have strangely muted their opposition recently to paying for the shareholder portion of the fund.

In contrast, there are bills that would certainly lower electricity costs. They include:

AB 1020, which prevents utilities from double dipping; AB 1167, which prevents utilities from mispending ratepayer funds; AB 825 ratepayer obligations for lower costs; SB 24, which prohibits for-profit investor-owned utilities from undermining local municipal ownership; SB 254, which creates low cost public financing for utility infrastructure; and SB 332 which explores the option of turning PG&E into a publicly utility.

Only these reforms have the potential to save utilities consumers' money. The Western grid, as envisioned by the backers, both imperils our clean energy laws and allows traders to operate free from our anti-price gouging laws.

Over the past ten years, PG&E rates have increased 104%, SoCalEdison rates have increased 83%, and San Diego Gas and Electric rates have increased 71%, according to a report from the California Public Advocates Office. Working families struggle to keep the lights on.

It is up to you to see clearly on behalf of consumers and reject the Western grid proposal without the safeguards placed in it by the senate, and to deliver to Governor Newsom's desk the package of real utility reforms.

Governor Newsom will not be around to bear the burdens placed on consumers and the state after the Western grid comes to fruition. It is an easy marriage of convenience for the Governor to side with the utilities in rejecting real reforms in exchange for their shareholder commitment to a wildfire fund and his renewed support for a Western grid. You and your members, however, will have to face the fallout from constituents of higher utility rates based on these decisions.

We urge you to stand up for utility ratepayers.

Sincerely,

Jamie Court
President
Consumer Watchdog

Bernadette Del Chiaro
Senior Vice President, California
Environmental Working Group

Malinda Dickenson
Legal & Executive Director
The Protect Our Communities Foundation