



Congress of the United States
House of Representatives
Washington, DC 20515

June 15, 2022

Jeffrey Martin
Chief Executive Officer
Sempra
488 8th Avenue
San Diego, CA 92101

Caroline Winn
Chief Executive Officer
San Diego Gas & Electric Company
8330 Century Park Court
San Diego, CA 92123

Dear Mr. Martin and Ms. Winn,

I write to express deep concerns about recent reports that San Diego Gas & Electric (SDG&E) plans to raise gas and electric bills by nearly 9% even as over one-quarter of all SDG&E residential customers have fallen behind on their utility bills in recent months. I encourage SDG&E to proactively deliver federal aid to those facing the highest energy burdens, and I call on the company to prioritize customers over executive compensation as it evaluates potential rate hikes that will impact its ratepayers and potentially increase reliance on federal energy support.

SDG&E residential customers have seen their energy bills spike significantly over recent months, including about 11% systemwide, due in part to elevated natural gas prices.¹ These constant rate hikes have forced over 26% of SDG&E's residential customers to fall behind on their energy bills.²

Nonetheless, SDG&E recently submitted a four-year spending plan to the California Public Utility Commission (CPUC) proposing to raise gas and electric bills by almost another 9%.³ I am gravely concerned about SDG&E's decision to propose such a significant rate hike at the same time as many of its customers are already behind on their bills. The proposed 18.1% increase in rates for natural gas represents a particular concern and makes clear how home electrification, along with investments in clean energy projects, will yield savings for families across our region.^{4,5}

¹ Anissa Durham, "SDG&E Customers Hit Hard by Rising Natural Gas Prices, Clean Energy Costs," *Times of San Diego*, March 10, 2022, <https://timesofsandiego.com/business/2022/03/10/sdge-customers-were-hit-hard-when-their-bills-spiked-but-can-it-happen-again/>.

² Rob Nikolewski, "26.7% of SDG&E residential customers have fallen behind on paying utility bills," *San Diego Union-Tribune*, April 26, 2022, <https://www.sandiegouniontribune.com/business/energy-green/story/2022-04-26/26-7-of-sdg-e-residential-customers-have-fallen-behind-on-paying-utility-bills>.

³ Rob Nikolewski, "SDG&E looks to increase electricity bills 5.6%, natural gas 18.1% starting in 2024", *San Diego Union-Tribune*, May 17, 2022, <https://www.sandiegouniontribune.com/business/energy-green/story/2022-05-17/sdg-e-looks-to-increase-electricity-bills-5-6-natural-gas-18-1-starting-in-2024>.

⁴ Ibid.

⁵ Sally Hardin and Trevor Higgins, "Clean Energy Will Cut Costs for Families Across the Country", *Center for American Progress*, February 25, 2022, <https://www.americanprogress.org/article/clean-energy-will-cut-costs-for-families-across-the-country/>

Even as SDG&E claims it must raise energy rates to make ends meet, the company continues to provide substantial financial compensation to its executives. In 2021, the latest year for which salary information is publicly available, even as our region faced the COVID-19 pandemic, the CEO of Sempra (SDG&E's parent company) made over \$24.6 million while, in 2020, SDG&E's highest employee earned \$10 million in compensation.^{6,7} As you consider potential rate hikes that may further increase the share of ratepayers seeking federal aid due to high energy burdens, I hope SDG&E will consider prioritizing its ratepayers over executive compensation.

Since the beginning of the COVID-19 pandemic, Congress has worked to provide significant federal resources to help vulnerable individuals defray the high costs of energy and prevent utility shut-offs. This fiscal year, funds from the American Rescue Plan Act (ARPA) are helping provide more than \$382 million in Low Income Home Energy Assistance Program (LIHEAP) funding to Californians, more than double California's typical annual funding. In addition, the Emergency Rental Assistance (ERA) program is providing over \$21.5 billion nationally which can be used to help defray the high cost of energy, and the Homeowner Assistance Fund is providing \$10 billion nationally to help homeowners keep up with expenses including utility bills. In addition, states like California are using billions in state and local funding provided by ARPA to supplement this funding and help low-income families avoid utility shut-offs.

It is critical that utilities like SDG&E proactively use the full extent of these historically significant resources to help their customers avoid shut-offs.

By expediting aid and proactively identifying and contacting eligible recipients of these federal programs, SDG&E should ensure that no customer falls through the cracks or faces a utility shut-off simply because they were unaware of the availability of federal support.

During these challenging times, I hope SDG&E would consider supporting your customers facing the greatest energy burdens by limiting price hikes and expediting the delivery of federal aid rather than providing high salaries to your executives. Further, I urge you to partner with the White House on coordinating resources to ensure that all customers in your service range are aware of, and have access to, the federal resources Congress has provided to support low-income families. I stand ready to facilitate such a partnership.

Thank you for your consideration.

Sincerely,



MIKE LEVIN
Member of Congress

⁶ Economic Research Institute, <https://www.eri.com/executive/salary/jeffrey-martin-9n1t#:~:text=Jeffrey%20Martin%20made%20%2424%2C675%2C982%20in,and%20other%20forms%20of%20compensation>.

⁷ David Gotfredson, "What these SDG&E leaders are earning" | A closer look at the compensation for Sempra & SDG&E executives", CBS8, February 8, 2022, <https://www.cbs8.com/article/money/amped/closer-look-at-compensation-sempra-sdge-executives/509-c086165c-bcd6-4b74-a12a-d29284064958#:~:text=CEO%20Jeffrey%20W.,in%20Sempra's%20public%20SEC%20filings>.