CITY OF LOS ANGELES

TIMOTHY J. O'CONNOR
EXECUTIVE DIRECTOR/RATEPAYER ADVOCATE
(213) 978-0220
tim.oconnor@lacity.org

CALIFORNIA

KAREN BASS
MAYOR

OFFICE OF PUBLIC ACCOUNTABILITY
200 N. SPRING STREET, SUITE 1736
LOS ANGELES, CA 90012

Date: November 13, 2026

To: The Honorable Members of the Energy and Environment Committee
c/o Office of the City Clerk
City Hall, Room 340

Subject: Office of Public Accountability Comments on Items 9 (26-1576), 10 (26-1572), 11 (26-1555) and 12 (26-1504)

The Office of Public Accountability (OPA)/Ratepayer Advocate appreciates the opportunity to provide the following comments on Items 9 (26-1576), 10 (26-1572), 11 (26-1555) and 12 (26-1504).

Established under Section 23.144 of the Los Angeles City Charter, the OPA is the City's independent ratepayer advocate, promoting transparency, accountability and affordability of the Los Angeles Department of Water and Power (LADWP) rates and services. In furtherance of this mission, OPA offers the following comments on the motions before the Committee, which address interconnected issues related to utility affordability, transparency, and accountability. OPA welcomes the opportunity to support the Committee's efforts on these motions and, if adopted, inform their implementation.

OPA would be pleased to offer additional insights into other actions for consideration by the Council in addition to those raised herein. Should you have any questions, please contact me by email at tim.oconnor@lacity.org or by phone at 213-978-0220.

Sincerely,

Timothy O'Connor
Executive Director/Ratepayer Advocate
Office of Public Accountability

Cc: Randall Winston, Deputy Mayor for Energy and Sustainability

Item 9: Council File 26-1576- Expanding the Low-Income Financial Assistance Programs / City's Utility Services Bill / Effective Assistance Program

OPA supports the motion's attention to the growing affordability challenges facing LADWP customers and supports the intent to expand financial assistance for low-income households. OPA recommends the feasibility study address the following in addition to the items included in the present motion:

1) Evaluate whether existing eligibility criteria and benefit levels adequately address household financial hardship. This should include consideration of alternative income eligibility thresholds, such as use of the Federal Poverty Level (FPL) and Area Median Income (AMI), and the corresponding amount of financial assistance provided at each threshold. The study should also consider tiered benefits that provide greater support to households with the lowest incomes. Importantly, the analysis should be guided by clearly defined affordability metrics and objectives, such as household energy burden and water affordability as a percentage of household discretionary income or the number of minimum-wage work hours required to pay a typical utility bill. Establishing these benchmarks would allow the City to evaluate alternative program designs based on their effectiveness in reducing financial hardship, rather than simply measuring the number of customers enrolled.

2) Evaluate opportunities to expand assistance to underserved households and improve access to existing programs. This includes low-income residents of master-metered housing units and providers of affordable, transitional, and supportive housing, while assessing the legal, financial, and administrative considerations associated with expanding eligibility. The study should also identify opportunities to simplify enrollment, including coordinating eligibility verification and enrollment across assistance programs and City departments to reduce administrative burdens and improve participation among eligible households.

3) Identify potential new funding sources to support the long-term sustainability and expansion of financial assistance programs**.** The analysis should consider applicable legal and regulatory constraints and provide options that estimate funding requirements, potential customer participation, and anticipated improvements in affordability outcomes.

4) Include coordination with LA Sanitation and Environment (LASAN) in addition to LADWP, the Office of Finance, and the City Attorney. Because LADWP bills include sewer and solid waste charges, affordability should be evaluated across all utility charges rather than individual services alone. LASAN links its discounts to LADWP assistance eligibility, presenting opportunities to streamline enrollment and benefits. The study should further examine how unpaid sewer and solid waste charges interact with collections and disconnection protections to support a consistent, customer-centered affordability framework.

Item 10: Council File 26-157-: LA 100 Plan Projected Ratepayer Impacts / Public Outrage / Rising Electric Bills / Implementation Timelines / Customer Impact

OPA supports efforts to improve transparency regarding the long-term costs, benefits and ratepayer impacts of LADWP's power system plan, including its decarbonization strategy. As OPA emphasized in its September 2026 comments to LADWP's LA100 Advisory Group, affordability should be treated as a design constraint in achieving LA100's goals, with an emphasis on least-cost, least-risk pathways.

While long-term cost projections are essential to understanding the anticipated costs of implementing LA100 and their implications for ratepayers, they are not a substitute for concrete, near-term investment planning. OPA has previously recommended that LADWP strengthen its evaluation of alternative scenarios, integrate generation, transmission, and distribution planning, and develop a five-year investment roadmap to improve transparency and cost management.

OPA recommends the study go beyond reporting long-term LA100 cost projections to identify specific steps LADWP is taking to manage costs and financial risks throughout implementation. This should include a five-year integrated investment roadmap that coordinates generation, transmission, distribution, and other infrastructure investments. This roadmap should provide greater transparency into near-term expenditures and distinguish between investments needed to maintain and modernize the existing power system and those associated with LA100 implementation.

The study should also evaluate plausible ranges of long-term costs and ratepayer impacts under different scenarios, including the potential financial and reliability consequences of deferring necessary infrastructure investments.

Finally, the analysis should examine how LADWP plans to maximize the value of existing and planned investments in Advanced Metering Infrastructure (AMI), demand response, energy storage, managed electric vehicle charging, and other distributed energy resources. These investments should be evaluated as part of integrated system planning to identify opportunities to reduce or defer additional infrastructure costs while maintaining reliability.

Item 11: Council File 26-1555- Advanced Metering Infrastructure (AMI) / Monthly Billing for Residential Customers / Pilot Program

OPA supports the motion to evaluate a transition to monthly billing for LADWP ratepayers. Monthly billing could improve bill predictability, transparency, and customers' ability to manage their utility expenses. As OPA emphasized in its October 2026 comments to the LADWP Board of Commissioners, the value of AMI extends beyond automated meter reading and billing improvements. AMI represents a foundational investment in modernizing LADWP's power system and customer service, with opportunities to provide more timely usage information, proactive alerts and tools to help customers better manage their electricity costs.

OPA has been actively engaged with LADWP on its AMI deployment and has emphasized the importance of a roadmap that connects planned investments and capabilities to measurable customer benefits. Informed by this work, OPA recommends the study also consider how monthly billing would align with LADWP's AMI deployment and benefits realization roadmap, including the technical and operational requirements, implementation timelines, and performance measures necessary to deliver these benefits. It should also examine whether customers experience changes in recorded consumption and corresponding bills following AMI installation, particularly where significant increases occur.

OPA further recommends the study evaluate not only the feasibility and customer benefits of monthly billing, but also how AMI can support future rate design updates and demand management programs that help customers manage electricity costs and reduce overall system costs. Capabilities such as time-of-use rates, demand response, managed electric vehicle charging, and distributed energy resource integration could help LADWP manage electricity demand and potentially avoid or defer more costly generation, transmission, and distribution investments. The success of AMI should be measured not simply by the number of meters installed or improvements in billing frequency, but by meaningful customer benefits, measurable cost savings, and long-term value for ratepayers.

Item 12: Council File 26-1504- Increase in Water and Electricity Rates / Align Rate Structure / Programs to Assist Reducing Water and Electricity Usage

OPA supports a comprehensive review of rising utility bills and the factors contributing to higher costs for LADWP customers. As OPA emphasized in its October 2026 comments to the LADWP Board of Commissioners, addressing utility affordability requires a comprehensive approach that includes rate modernization, improved customer information and assistance programs, and greater transparency and accountability in utility planning and expenditures.

Informed by the Office's own evaluation of cost drivers, OPA recommends that the study also address the following:

1) Evaluate the factors contributing to recent bill increases. The analysis should distinguish the effects of changes in consumption, seasonal rates, tiered pricing, and automatic cost adjustments on customers' bills. Understanding how these factors contribute to higher bills, particularly during the summer months, can help identify opportunities for rate reform and more effective customer protections.

2) Evaluate the relationship between utility investments, costs, and customer rates. The study should examine how LADWP's strategic plans, budgets, capital investments, and operating costs contribute to customer rates and bills. Greater visibility into these relationships would help the Council and ratepayers better understand cost drivers and identify opportunities to improve cost management without compromising reliability.

3) Identify opportunities to improve customer information, billing practices, and access to assistance programs. The study should examine what changes may result in clearer billing information, more timely consumption information, proactive notifications of unusual consumption or potentially high bills, and improved access to available assistance and energy management programs. These measures could help customers anticipate costs, address billing concerns, and manage their utility expenses before financial hardship becomes more severe.