



**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

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Application of Southern California Edison
Company (U 338-E) for Approval of Demand
Response Programs and Budgets for 2023-2027.

Application No. 22-05-____

**APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) FOR
APPROVAL OF DEMAND RESPONSE PROGRAMS AND BUDGETS FOR 2023-2027**

*Request for Expedited Schedule Pursuant to Commission Rule 2.9 as to 2023 Bridge Year
Request

ANNA VALDBERG
JAMES WHOOLEY

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY
2244 Walnut Grove Avenue
P.O. Box 800
Rosemead, CA 91770
Telephone: (626) 302-1991
E-mail: James.Whooley@sce.com

May 2, 2022

**APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) FOR
APPROVAL OF DEMAND RESPONSE PROGRAMS AND BUDGETS FOR
2023-2027**

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I.

INTRODUCTION

Southern California Edison Company (SCE) submits this application seeking approval of its proposed Demand Response (DR) programs and budgets for program years 2023 through 2027. Concurrently with the filing of this application, SCE is serving supporting testimony and witness qualifications in five exhibits, preliminarily identified as SCE-01 (addressing policy goals and summarizing portfolio and budgets), SCE-02 (supporting SCE's request for bridge year authorization for 2023 DR programs and budgets), SCE-03 (describing each of SCE's proposed DR programs for the 2023-2027 cycle), SCE-04 (setting forth SCE's incentives, cost-effectiveness calculations, enrollment and load impact projections, revenue requirements, and cost recovery for its proposed DR portfolio), and SCE-05 (setting forth qualifications of witnesses providing testimony in foregoing exhibits).¹ SCE submits this application in accordance with (*inter alia*) California Public Utilities Commission (Commission or CPUC) Decision (D.) 16-09-056 (adopting guidance for DR portfolios); D.17-12-003 (approving DR activities and budgets for 2018-2022); the September 30, 2021 letter from the Commission's

¹ The assigned Administrative Law Judge(s) may change the naming convention for SCE's exhibits when they are entered into the record of this proceeding.

Executive Director extending the application deadline to May 2, 2022; the Commission's decisions issued in Rulemaking (R.) 20-11-003 (the Emergency Reliability Rulemaking); and Articles 1-3 of the Commission's Rules of Practice and Procedure.

II.

SUMMARY OF APPLICATION

SCE seeks approval of its proposed 2023-2027 DR portfolio in two phases on a bifurcated schedule. The first phase involves SCE's request for "bridge year" authorization for 2023 DR programs and budgets, supported by the testimony in SCE-02. The Commission addressed 2023 DR programs in D.21-12-015,² the Phase 2 decision in R.20-11-003, as part of a package of measures intended to ensure adequate electric power during the summers of 2022 and 2023. Accordingly, the investor-owned utilities (the IOUs, namely SCE, Pacific Gas and Electric Company (PG&E), and San Diego Gas & Electric Company (SDG&E)) are seeking bridge funding for DR programs for 2023. In extending this application's deadline, the Commission's Executive Director anticipated this request, stating in relevant part: "Utilities note that the proposed extension of six months will leave ample time for the Commission to consider the Applications because the Utilities will request interim demand response program funding for 2023, also referred to as 'Bridge Funding,' on an accelerated schedule in the Applications."³ The second phase of this application pertains to 2024-2027 DR programs. Notwithstanding that SCE is pursuing these separate phases in its application, much of SCE's testimony addresses the entire 2023-2027 cycle, in order to capture SCE's overarching DR vision, program and policy proposals, and budgets.

SCE submits that its proposed DR portfolio will support California's environmental goals, provide reliable and cost-effective load relief, encourage broader participation, and leverage emerging technologies to make DR more automatic and accessible for customers. SCE

² Minor modifications to D.21-12-015 were ordered in D.21-12-069.

³ Letter from Executive Director Rachel Peterson to Tara Kaushik dated September 30, 2021. SCE's request for an expedited schedule of Phase 1 of this application is attached as Appendix D hereto.

seeks to preserve and build upon programs that have proven successful, while allowing the portfolio to continue to evolve with the needs of customers, the grid, and the environment.

Among the key features of this application are:

- Most of SCE’s DR programs are proposed to continue, subject to specified requested modifications intended to enhance effectiveness and efficiency.
- Proposed program changes and pilots are intended to move DR participants toward an automated, technology agnostic, “mass market” approach that seeks to encourage customer-side DR participation and embraces technological advances.
- The Emergency Load Reduction Program (ELRP) Pilot is proposed to remain in place for its prescribed term but modified over time to transition from Flex Alert paid media funding to more effective education and outreach campaigns, simplified dispatch methods and incentives, and abbreviated event durations.
- Third party-provided DR options would remain available, but the future of the Demand Response Auction Mechanism (DRAM) would be determined based on the outcome of the pending evaluation.
- SCE’s proposed portfolio would provide stable load reduction over the 2023-2027 cycle with a forecasted 819 megawatts (MW) capacity average peak, at an estimated cost of \$942 million, and a Total Resource Cost (TRC) for 2024–2027 of 1.09.

SCE’s testimony is provided in the following exhibits:

1. SCE-01 (Policy) – This exhibit provides an overview of SCE’s testimony, discusses the pertinent regulatory background, describes SCE’s vision for DR and portfolio objectives, summarizes SCE’s proposed portfolio, and offers policy and procedural recommendations to the Commission.
2. SCE-02 (2023 Bridge Year Authorization) – This exhibit presents SCE’s program and budget proposals for the 2023 bridge year, which are largely based on the

authorization granted for program year 2022 in D.17-12-003 and D.18-03-041 and the decisions issued in R.20-11-003.

3. SCE-03 (Proposed 2023-2027 DR Programs and Pilots) – This exhibit describes each of SCE’s proposed DR programs and pilots for the coming five-year cycle.
4. SCE-04 (Incentives, Cost-Effectiveness, Enrollment, Load Impact, Revenue Requirements, and Cost Recovery) – This exhibit describes the incentives SCE proposes to offer to DR program participants, the corresponding revenue requirements and proposed cost recovery mechanism, enrollment and load impact forecasts, and portfolio cost effectiveness
5. SCE-05 (Witness Qualifications).

III.

SUMMARY OF SCE'S PROPOSED DEMAND RESPONSE PORTFOLIO

A. Proposed Programs

This application seeks approval of the following proposed DR programs, organized according to the seven DR budget categories adopted in D.17-12-003:

1. Supply-Side DR Programs

- Agricultural and Pumping Interruptible (AP-I) Program.
- Base Interruptible Program (BIP).
- Capacity Bidding Program (CBP).
- Smart Energy Program (SEP).
- Summer Discount Plan (SDP) Program.

2. Load Modifying DR Programs

- Optional Binding Mandatory Curtailment (OBMC).
- Scheduled Load Reduction Program (SLRP).

3. Demand Response Auction Mechanism and Direct Participation Rule 24

- Demand Response Auction Mechanism (DRAM).
- Direct Participation Rule 24.

4. Emerging and Enabling Technology Programs

- Technology Incentive Program, which encompasses the Programmable Communicating Thermostat (PCT) Incentive Program, and the Automated Demand Response Technology Incentive Program (Auto-DR).
- Emerging Markets and Technology (EM&T) program.

5. Pilots

- Emergency Load Reduction Program (ELRP) Pilot (including the Power Saver Rewards Program).
- Mass Market Demand Response (MMDR) Pilot.
- Flexible Demand Response Pilot.

- Dynamic Rate (UNIDE) Pilot.
- Charge Ready Demand Response Pilot.

6. Marketing, Education, and Outreach

- Includes customer segmentation and targeting; marketing strategy; automated personalized communication; and digital customer experience enhancements.

7. Portfolio Support

- Evaluation, Measurement, and Verification (EM&V).
- DR Systems and Technology Support.

B. Anticipated Load Impact

The proposed portfolio is expected to provide stable load reduction over the 2023-2027 cycle with 819 MW capacity average peak, as detailed in Exhibit SCE-04.

C. Proposed Budgets

As discussed in SCE-02, SCE proposes a DR budget of \$151 million for the 2023 bridge year, based on the DR budget previously authorized for 2022, the funding authorized in D.21-03-056 and D.21-12-015, specified additional funding (such as for Rule 24 operations), and a nominal escalation factor to account for inflation. SCE's proposed budget for the 2024-2027 program years is summarized in the following table.

2024-2027 Portfolio Budget						
Category	2024	2025	2026	2027	Total (2024-2027)	Average (2024-2027)
Category 1: Supply-Side Demand Response Program	119.083	117.568	119.209	120.237	476.098	119.024
Category 2: Load Modifying Demand Response Programs	.006	.003	.003	.003	.016	.004
Category 3: Demand Response Auction Mechanism (DRAM) and Direct Participation Electric Rule 24	.938	.961	.990	.966	3.855	.964
Category 4: Emerging and Enabling Technology programs	11.320	9.121	9.250	9.287	38.978	9.744
Category 5: Pilots (1)	79.661	80.191	21.111	20.772	201.734	50.434
Category 6: Marketing, Education, and Outreach (ME&O)	3.956	4.043	4.716	4.835	17.550	4.387
Category 7: Portfolio Support (include EM&V, Systems Support, and Notifications)	14.364	12.275	12.684	13.051	52.374	13.093
Grand Total	229.328	224.162	167.963	169.151	790.605	197.651

D. Policy and Procedural Recommendations

As discussed in SCE-01, SCE makes certain policy and procedural recommendations, with the goal of facilitating the continued evolution of DR programming and streamlining administration and oversight. As to policy, SCE recommends: (i) eventually discontinuing the use of Flex Alerts as the trigger for ELRP events; (ii) allowing the ELRP to be revised for the 2026–2027 period as a short-term resource in the event of grid emergencies while developing transition plans to move participating customers to a capacity DR program; (iii) supporting a mass market approach to DR; (iv) updating the existing cost-effectiveness methodology based on a stakeholder process to ensure that the benefits of DR are appropriately captured and valued, and excluding the Emerging Markets & Technology program from portfolio cost effectiveness; (v) authorizing an independent assessment to evaluate whether the goals developed by the Commission for integrating DR into the California Independent System Operator (CAISO) market are being met; and (vi) determining the future (if any) of the DRAM program based on the results of a forthcoming third-party evaluation. As to procedure, SCE recommends: (i) authorizing the changes to the applicable fund-shifting rules proposed in SCE-01; (ii) conducting a mid-cycle review and clarifying the schedule for resolution of mid-cycle review advice letters; and (iii) modifying certain existing DR reporting requirements.

IV.

SCE'S APPLICATION SHOULD BE APPROVED

This application should be approved because: (A) SCE's proposed DR portfolio fulfills the Commission's stated goals and principles for DR programs, achieving meaningful demand reduction while supporting California's environmental goals and leveraging new technologies and broader participation, at a cost that is reasonable to ratepayers and that will cost-effectively contribute to beneficial long-term changes in energy use behaviors; and (B) SCE's application meets all applicable statutory and regulatory requirements.

A. SCE's Proposed 2023-2027 DR Portfolio Is Consistent With Commission Guidance

SCE's proposed 2023-2027 DR portfolio achieves the Commission's stated goal for DR programs, namely to "assist the State in meeting its environmental objectives, cost-effectively meet the needs of the grid, and enable customers to meet their energy needs at a reduced cost."⁴ SCE's proposed DR programs will assist California in meeting its environmental objectives by reducing load and supporting building and vehicle electrification and the adoption of emerging technologies, such as DR-capable equipment. In addition, SCE's proposed DR portfolio is cost-effective at the portfolio level (as discussed in SCE-04), meets the needs of an evolving grid, and provides opportunities for customers to reduce their costs while continuing to have their energy needs met through DR program participation. SCE projects that it will meet or exceed its stated DR goals with the funding requested, while providing benefits to consumers and contributing to the fulfillment of the State's clean energy goals.

SCE's proposed portfolio also adheres to the principles that the Commission has stated should guide DR programs.⁵ Among other attributes, SCE's DR portfolio is "flexible and reliable" and "support[s] renewable integration and emission reductions"⁶ by offering various

⁴ D.16-09-056, Ordering Paragraph (OP) 7.

⁵ See *id.*, OP 8 (adopting a "set of principles for all Commission-regulated demand response programs" and ordering that those principles "shall be adhered to by [PG&E], [SDG&E], and [SCE] and third-party providers").

⁶ See *id.*

participation options to commercial and residential customers, and by incentivizing the use of clean energy sources and storage. SCE's DR portfolio has "evolve[d] to complement the continuous changing needs of the grid"⁷ by anticipating the increased demands on the grid that will result from building and vehicle electrification. SCE's portfolio gives customers "the right to provide [DR] through a service provider of their choice"⁸ by facilitating customer participation both with SCE and third parties as demand response providers (DRPs). SCE has "eliminate[ed] barriers to data access"⁹ by implementing streamlined authorization processes for customers as well as ample marketing, education, and outreach (ME&O) efforts. SCE's DR processes also will be transparent, as its programs are fully described in this application and other public filings as well as on SCE's website and program materials.

B. SCE's Application Meets Applicable Statutory and Regulatory Requirements

SCE submits this application in compliance with all applicable provisions of the Commission's Rules of Practice and Procedure, including Article 1 (General Provisions), Article 2 (Applications Generally), and Article 3 (Particular Applications). Information required by particular rules is provided below.

1. Rule 2.1

In compliance with Commission Rule 2.1 (Contents), SCE states that the relief sought in this application is authorization of SCE's proposed DR programs and budgets for the years 2023-2027, as summarized in Section III above and as described in the concurrently-served exhibits SCE-01, SCE-02, SCE-03, and SCE-04. SCE seeks this relief pursuant to D.16-09-056, D.17-12-003, D.21-12-015, and all other Commission decisions addressing DR programming. SCE's application also is consistent with California Public Utilities Code Sections 451, 454, 454.3, 491, 701, 702, 728, and 729. This application has been verified by an SCE officer in compliance with Rules 2.1 and 1.11.

⁷ See *id.*

⁸ See *id.*

⁹ See *id.*

In compliance with Rule 2.1(a), SCE states that its exact legal name is Southern California Edison Company, a corporation organized and existing under the laws of the State of California. SCE's principal place of business is 2244 Walnut Grove Avenue, Rosemead, California, and its post office address and telephone number are:

Southern California Edison Company
Post Office Box 800
Rosemead, CA 91770
Telephone: (626) 302-1212

SCE is primarily engaged in the business of generating, purchasing, transmitting, distributing, and selling electric energy in portions of central and southern California as a public utility subject to the jurisdiction of the California Public Utilities Commission. SCE's properties, which are located primarily within the State of California, consist mainly of hydroelectric and thermal electric generating plants, together with transmission and distribution lines and other property necessary in connection with its business. SCE's attorneys in this matter are Anna Valdborg and James Whooley.

In compliance with Rule 2.1(b), SCE states that it consents to e-mail service and that correspondence or communications relating to this application may be addressed to the following recipients.

SCE Case Administration
Southern California Edison Company
8631 Rush Street
Rosemead, CA 91770
Telephone: (626) 302-0449
E-mail: case.admin@sce.com

James Whooley
Senior Attorney
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, CA 91770
Telephone: (626) 302-1991
E-mail: James.Whooley@sce.com

In compliance with Rule 2.1(c), SCE proposes to characterize this proceeding as “ratesetting,” because in this proceeding the Commission will “set[] or investigate[] rates for a specifically named utility (or utilities), or establish[] a mechanism that in turn sets the rates for a specifically named utility (or utilities).”¹⁰

The issues to be considered in this application concern the approval of SCE’s proposed 2023–2027 DR programs, pilots, goals, budgets, and ratemaking treatment, as set forth herein and in SCE-01, SCE-02, SCE-03, and SCE-04. Central to SCE’s mission is the goal of protecting public and employee safety. Although there are no safety issues directly implicated by SCE’s proposed 2023–2027 DR programs, the primary goal of DR is to help maintain balance in the California power grid through customers shifting or reducing their energy use. Approval of SCE’s proposed 2023–2027 DR portfolio is projected to reduce stress on the grid, thereby reducing the likelihood of outages and enhancing public safety.

a) Need for Hearings

SCE does not anticipate that hearings on the 2023 bridge year request will be necessary, because Phase 2 of R.20-11-003 was scoped to address (among other matters) how to “[r]educe peak and net peak demand in 2022 and 2023,” including as to existing supply-side DR programs,

¹⁰ Rule 1.3(g) (definition of “Ratesetting proceedings”); *see also* Cal. Pub. Util. Code § 1701.1(d)(3) (“Ratesetting cases, for purposes of this article, are cases in which rates are established for a specific company, including, but not limited to, general rate cases, performance-based ratemaking, and other ratesetting mechanisms.”).

new DR programs or pilots, electric vehicle participation in DR, and measures to minimize loss of DR enrollment.¹¹ The Commission received testimony, briefing, and comments on the scoped matters, and D.21-12-015 ordered, *inter alia*, that the IOUs make “[m]odifications to IOU Demand Response Programs” for 2022 and 2023.¹² However, the below proposed schedule for the 2023 bridge year request includes a window of time in which a hearing could be held, if deemed necessary.

The need for hearings for SCE’s request for 2024-2027 will depend on whether any party raises material issues of disputed fact relating to SCE’s application, or any other DR application filed in this proceeding, that are not resolved by way of workshops or otherwise. SCE’s proposed procedural schedule below includes time for evidentiary hearings, to the extent deemed necessary by the assigned Administrative Law Judge(s).

b) Proposed Schedule for Phase 1 (2023 Bridge Year) and Phase 2 (2024-2027)

SCE proposes the following bifurcated schedule for its request for bridge funding for 2023,¹³ and its request for authorization of DR programs and budgets for the period 2024-2027.

(1) Initial Steps – Phases 1 and 2 Combined

Activity	Proposed Schedule
Application filed	May 2, 2022
Protests to Application	June 1, 2022
Reply to Protests	June 13, 2022
Prehearing/Status Conference	June 17, 2022
Scoping Memo	June 22, 2022

¹¹ See Assigned Commissioner’s Amended Scoping Memo and Ruling for Phase 2, R.20-11-003 (filed August 10, 2021).

¹² See D.21-12-015, Attachment 1, p. 3.

¹³ See also Appendix D attached hereto.

(2) Remaining Phase 1 Schedule

Activity	Proposed Expedited Schedule
Intervenor Testimony	July 1, 2022
Rebuttal Testimony	July 20, 2022
Meet and Confer deadline (Rule 13.9) Parties inform the ALJ whether hearings are necessary and identify the specific disputed issues of material fact, witness lists and cross-examination estimates.	July 27, 2022
Evidentiary Hearing and Discovery Cutoff	Date to be determined if hearing deemed necessary.
Concurrent Opening Briefs	August 12, 2022
Concurrent Reply Briefs	August 24, 2022
Proposed Decision	September 23, 2022
Opening Comments	October 13, 2022
Reply Comments	October 18, 2022
Final Decision – Effective as of date of Commission vote	November 3, 2022

(3) Remaining Phase 2 Schedule

Activity	Proposed Schedule
Status Conference Following Completion of Phase 1	January 10, 2023
Workshop period	January 16 – March 25, 2023
Intervenor Testimony	February 10, 2023
Rebuttal Testimony	March 31, 2023
Meet and Confer deadline (Rule 13.9) Report on Rule 13.9 meet and confer due. Parties inform the ALJ whether hearings are	April 14, 2023

necessary and identify the specific disputed issues of material fact, witness lists and cross-examination estimates.	
Discovery Cutoff	April 21, 2023
Evidentiary hearings (if necessary)	TBD
Concurrent Opening Briefs	May 26, 2023
Concurrent Reply Briefs	June 23, 2023
Proposed Decision	August 28, 2023
Opening Comments on Proposed Decision	September 18, 2023
Reply Comments on Proposed Decision	September 25, 2023
Final Decision	October 2023

2. Rule 2.2

In compliance with Rule 2.2,¹⁴ a copy of SCE's Certificate of Restated Articles of Incorporation, effective on March 2, 2006, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 14, 2006, in connection with Application No. 06-03-020, and is by reference made a part hereof. SCE references the following additional documents:

A copy of SCE's Certificate of Determination of Preferences of the Series D Preference Stock filed with the California Secretary of State on March 7, 2011, and presently in effect, certified by the California Secretary of State, was filed with the Commission on April 1, 2011, in connection with Application No. 11-04-001, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series E Preference Stock filed with the California Secretary of State on January 12, 2012, and a copy of SCE's Certificate of Increase in Authorized Shares of the Series E Preference Stock filed with the California Secretary of State on January 31, 2012, and presently in effect, certified by the California Secretary of State, were filed with the Commission on March 5, 2012, in connection with Application No. 12-03-004, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series F Preference Stock filed with the California Secretary of State on May 14, 2012, and presently in effect, certified by the California Secretary of State, was filed with the Commission on June 29, 2012, in connection with Application No. 12-06-017, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series G Preference Stock filed with the California Secretary of State on January 24, 2013, and presently in effect, certified by the California Secretary of State, was filed with the Commission on January 31,

¹⁴ Rule 2.2 requires the applicant to submit a copy of its organizing documents and evidence of its qualification to transact business in California, or to refer to that documentation if previously filed with the Commission.

2013, in connection with Application No. 13-01-016, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series H Preference Stock filed with the California Secretary of State on February 28, 2014, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 24, 2014, in connection with Application No. 14-03-013, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series J Preference Stock filed with the California Secretary of State on August 19, 2015, and presently in effect, certified by the California Secretary of State was filed with the Commission on October 2, 2015, in connection with Application No. 15-10-001, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series K Preference Stock filed with the California Secretary of State on March 2, 2016, and presently in effect, certified by the California Secretary of State, was filed with the Commission on April 1, 2016, in connection with Application No. 16-04-001, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series L Preference Stock filed with the California Secretary of State on June 20, 2017, and presently in effect, certified by the California Secretary of State, was filed with the Commission on June 30, 2017, in connection with Application No. 17-06-030, and is incorporated herein by this reference.

Copies of SCE's latest Annual Report to Shareholders and Edison International's latest proxy statement sent to its stockholders has been filed with the Commission with a letter of transmittal dated March 18, 2022, pursuant to General Order Nos. 65-A and 104-A of the Commission.

3. Rule 3.2¹⁵

In compliance with Rule 3.2(a)(1), Appendix A to this Application contains copies of SCE's balance sheet and income statement for the period ending December 31, 2021, the most recent period available.

In compliance with Rule 3.2(a)(2), SCE states that the projected rate impact of its proposed 2023-2027 DR portfolio is reflected in the following table.

SCE: Customer Group Revenue and Rate Impacts 2023 – 2027 Demand Response Programs

Bundled Average Rates (¢/kWh)				
Customer Group	Current Rates	Proposed Increase	Proposed Rates	% Increase
Residential	25.6	0.11	25.7	0.4%
Lighting - Small and Medium Power	25.9	0.1	26.0	0.4%
Large Power	17.8	0.0	17.9	0.3%
Agricultural and Pumping	21.2	0.1	21.3	0.3%
Street and Area Lighting	27.2	0.1	27.3	0.2%
Standby	14.4	0.0	14.4	0.2%
Total	23.3	0.1	23.4	0.4%

Residential Bill Impact (\$/Month)				
Description	Current	Proposed Increase	Proposed	% Increase
Non-CARE Residential Bill	\$ 149.80	\$ 0.6	\$ 150.39	0.0
CARE Residential Bill	\$ 101.37	\$ 0.4	\$ 101.77	0.0

In compliance with Rule 3.2(a)(5), Appendix B hereto contains a copy of SCE's summary of earnings, updated on August 31, 2021, the most recent period available.

In compliance with Rule 3.2(a)(10), SCE affirms that any rate increase resulting from the program changes proposed in this application “reflects and passes through to customers only increased costs to [SCE] for the services or commodities furnished by it.”¹⁶

In compliance with Rule 3.2(b), a notice stating in general terms the proposed rate changes will be mailed to the designated officials of the State of California and to the cities and counties listed in Appendix C hereto. The State of California also is an SCE customer whose

¹⁵ Some of Rule 3.2's provisions are applicable to this application and some are not. SCE only addresses here those provisions that are applicable.

¹⁶ CPUC Rules of Practice and Procedure, Rule 3.2(a)(10).

rates would be affected by the proposed changes. Pursuant to Rule 3.2(c), notice will be published in a newspaper of general circulation in each county in SCE's service territory within which the rate changes would be effective, as listed in Appendix C. Finally, pursuant to Rule 3.2(d) and Cal. Pub. Util. Code § 454(a), notice will be furnished to customers affected by the rate changes proposed in this application by including such notice with the regular bills mailed to customers and by electronically linking to such notice for customers that receive their bills electronically.

C. Appendices and Exhibits to This Application

SCE's submissions in support of this application include the following, which are incorporated herein by reference:

1. Appendices to Application

- Appendix A: Balance Sheet and Income Statement
- Appendix B: Summary of Earnings
- Appendix C: List of Cities and Counties
- Appendix D. Request for Expedited Schedule Pursuant to Commission Rule 2.9 for Resolution of 2023 Bridge Year Request

2. Exhibits to Application: Testimony Exhibits 1-5

SCE-01	Southern California Edison Company's (U 338-E) Testimony In Support Of Its Application For Approval Of Its 2023–2027 Demand Response Programs: <u>Exhibit 1 – Policy</u>
SCE-02	Southern California Edison Company's (U 338-E) Testimony In Support Of Its Application For Approval Of Its 2023–2027 Demand Response Programs: <u>Exhibit 2 – SCE's 2023 Proposed Demand Response Programs Bridge Funding Request</u>
SCE-03	Southern California Edison Company's (U 338-E) Testimony In Support Of Its Application For Approval Of Its 2023–2027 Demand Response Programs: <u>Exhibit 3 – SCE's 2023 Proposed Demand Response Programs By Category</u>
SCE-04	Southern California Edison Company's (U 338-E) Testimony In Support Of Its Application For Approval Of Its 2023–2027 Demand Response Programs: <u>Exhibit 4 – Program Incentive Development / Cost-Effectiveness Analysis / Program Enrollment and Load Impact Forecasts / Revenue Requirement and Cost Recovery</u>
SCE-05	Southern California Edison Company's (U 338-E) Testimony In Support Of Its Application For Approval Of Its 2023–2027 Demand Response Programs: <u>Exhibit 5 – Witness Qualifications¹⁷</u>

D. Service List

The official service list has not yet been established in this proceeding. SCE is serving this application and supporting testimony on the service lists established by the Commission for R.13-09-011, A.17-01-012 *et al.*, R.20-11-003, R.21-10-002, and A.22-02-005.

¹⁷ SCE reserves the right to substitute and/or supplement witnesses during the course of this proceeding.

V.

SUMMARY OF REQUESTS AND CONCLUSION

SCE respectfully requests that the Commission approve this application as filed and grant the following relief:

1. Approve SCE's request for authorization of SCE's proposed 2023 DR portfolio and budgets, as described in SCE-02.
2. Approve SCE's request for authorization of SCE's proposed 2024-2027 DR portfolio and budgets, as described in SCE-03 and SCE-04.
3. Approve SCE's DR incentive and cost-effectiveness calculations.
4. Authorize the supply-side and load-modifying DR programs requested in SCE-03, including all proposed modifications to such programs.
5. Authorize the Rule 24 programs described in SCE-03.
6. Authorize the Emerging and Enabling Technologies programs proposed in SCE-03.
7. Authorize the pilot programs proposed in SCE-03.
8. Authorize the Marketing, Education, & Outreach activities proposed in SCE-03.
9. Authorize the portfolio support activities proposed in SCE-03.
10. Eventually cease the use of Flex Alerts as the trigger for Emergency Load Reduction Program events, as discussed in SCE-01.
11. Allow the ELRP to remain in effect through 2027, with the goal of allowing participants to transition to more permanent DR program opportunities.
12. Update the existing cost-effectiveness methodology based on a stakeholder process to ensure that the benefits of demand response are appropriately captured and valued, and exclude the Emerging Markets & Technology program from portfolio cost effectiveness, as discussed in SCE-01.
13. Authorize an independent assessment to evaluate whether the goals developed by the Commission for integrating demand response into the CAISO market are being met, and develop recommendations in this area, as discussed in SCE-01.

14. Determine the future of the Demand Response Auction Mechanism based on the results of a pending final evaluation as well as subsequent input from parties and stakeholders, as discussed in SCE-01.
15. Authorize the changes to the applicable fund-shifting rules proposed in SCE-01.
16. Conduct a mid-cycle review and clarify the schedule for resolution of mid-cycle review advice letters, as discussed in SCE-01.
17. Adjust certain existing DR reporting requirements, as discussed in SCE-01.
18. Provide timely final decisions that permit (i) implementation of SCE's proposed 2023 DR portfolio at the beginning of 2023, and (ii) implementation of SCE's proposed 2024-2027 DR portfolio at the beginning of 2024.
19. Grant any and all other relief requested in SCE-01, SCE-02, SCE-03, and SCE-04.
20. Grant any additional relief that the Commission considers necessary.

Respectfully submitted,

ANNA VALDBERG
JAMES WHOOLEY

/s/ James Whooley

By: James Whooley

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-1991
E-mail: James.Whooley@sce.com

May 2, 2022


VERIFICATION

I, Katie Sloan, declare and state:

I am Vice President of Customer Programs and Customer Services for Southern California Edison Company. Pursuant to Rule 2.1 and Rule 1.11 of the Rules of Practice and Procedure of the CPUC, I am authorized to make this Verification on its behalf. I am informed and believe that the matters stated in the foregoing pleading are true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on ^{4/29/2022} at Rosemead, California.

DocuSigned by:

6B59130BEEF840A...
Kathleen "Katie" Sloan Moody
Vice President of Customer Programs
and Services
Southern California Edison Company

Appendix A

Balance Sheet and Income Statement

SOUTHERN CALIFORNIA EDISON COMPANY

(h) A balance sheet as of the latest available date, together with an income statement covering the period from close of last year for which an annual report has been filed with the Commission to the date of the balance sheet attached to the application.

STATEMENT OF INCOME
TWELVE MONTHS ENDED DECEMBER 31, 2021

(In millions)

OPERATING REVENUE	<u>\$ 14,874</u>
OPERATING EXPENSES:	
Purchase power and fuel	5,540
Operation and maintenance	3,588
Wildfire-related claims, net of insurance recoveries	1,276
Wildfire Insurance Fund expense	215
Depreciation and amortization	2,216
Property and other taxes	462
Impairment and other expense	69
Other operating income	(2)
Total operating expenses	<u>13,364</u>
OPERATING INCOME	1,510
Interest expense	(791)
Other income	233
INCOME BEFORE TAXES	<u>952</u>
Income tax expense	17
NET INCOME	<u>935</u>
Less: Preferred and preference stock dividend requirements	<u>106</u>
NET INCOME AVAILABLE FOR COMMON STOCK	<u><u>\$ 829</u></u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
DECEMBER 31, 2021
ASSETS
(in millions)

UTILITY PLANT:

Utility plant, at original cost	\$ 57,714
Less- accumulated provision for depreciation and amortization	11,407
	<hr/> 46,307
Construction work in progress	4,067
Nuclear fuel, at amortized cost	123
	<hr/> 50,497

OTHER PROPERTY AND INVESTMENTS:

Nonutility property - less accumulated depreciation of \$88	196
Nuclear decommissioning trusts	4,870
Other investments	34
	<hr/> 5,100

CURRENT ASSETS:

Cash and cash equivalents	279
Receivables, less allowances of \$193 for uncollectible accounts	1,393
Accrued unbilled revenue	794
Inventory	420
Prepaid expenses	257
Regulatory assets	1,778
Wildfire insurance fund contributions	204
Other current assets	222
	<hr/> 5,347

DEFERRED CHARGES:

Receivables, less allowance of \$116 for uncollectible accounts	122
Regulatory assets (Includes \$325 related to VIEs)	7,660
Wildfire insurance fund contributions	2,359
Operating lease right-of-use assets	1,925
Long-term insurance receivables	75
Other long-term assets	1,453
	<hr/> 13,594

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
DECEMBER 31, 2021
CAPITALIZATION AND LIABILITIES
(in millions)

CAPITALIZATION:

Common stock	\$ 2,168
Additional paid-in capital	7,033
Accumulated other comprehensive loss	(32)
Retained earnings	8,721
Common shareholder's equity	<u>17,890</u>
Long-term debt (Includes \$314 related to VIEs)	21,733
Preference stock	1,945
Total capitalization	<u>41,568</u>

CURRENT LIABILITIES:

Short-term debt	2,354
Current portion of long-term debt	377
Accounts payable	1,999
Wildfire-related claims	131
Customer deposits	193
Regulatory liabilities	603
Current portion of operating lease liabilities	582
Other current liabilities	1,631
	<u>7,870</u>

DEFERRED CREDITS:

Deferred income taxes and credits	7,181
Pensions and benefits	111
Asset retirement obligations	2,772
Regulatory liabilities	8,981
Operating lease liabilities	1,343
Wildfire-related claims	1,733
Other deferred credits and other long-term liabilities	2,979
	<u>25,100</u>

<p>Appendix B</p> <p>Summary of Earnings</p>
--

Southern California Edison
2021 GRC Summary of Earnings
Final Decision (RO Model 6.1)

Thousands of Dollars

Southern California Edison Summary of Earnings 2021 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	6,874,110
2.	Expenses:	
3.	Operation & Maintenance	2,391,587
4.	Depreciation	1,902,940
5.	Taxes	595,277
6.	Revenue Credits	(162,794)
7.	Total Expenses	4,727,010
8.	Net Operating Revenue	2,147,100
9.	Rate Base	27,982,268
10.	Rate of Return	7.67%

Southern California Edison Summary of Earnings 2022 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	7,257,059
2.	Expenses:	
3.	Operation & Maintenance	2,445,365
4.	Depreciation	2,011,977
5.	Taxes	664,156
6.	Revenue Credits	(163,463)
7.	Total Expenses	4,958,036
8.	Net Operating Revenue	2,299,023
9.	Rate Base	29,956,578
10.	Rate of Return	7.67%

Southern California Edison Summary of Earnings 2023 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	7,694,731
2.	Expenses:	
3.	Operation & Maintenance	2,503,319
4.	Depreciation	2,133,629
5.	Taxes	760,267
6.	Revenue Credits	(164,174)
7.	Total Expenses	5,233,040
8.	Net Operating Revenue	2,461,691
9.	Rate Base	32,070,817
10.	Rate of Return	7.68%

Appendix C

List of Cities and Counties

INCORPORATED CITIES AND COUNTIES SERVED BY SCE

COUNTIES

Fresno	Kern	Madera	Riverside	Tuolumne
Imperial	Kings	Mono	San Bernardino	Tulare
Inyo	Los Angeles	Orange	Santa Barbara	Ventura

CITIES

Adelanto	Commerce	Hesperia	Lynwood	Porterville	Tehachapi
Agoura Hills	Compton	Hidden Hills	Malibu	Rancho Cucamonga	Temecula
Alhambra	Corona	Highland	Mammoth Lakes	Rancho Mirage	Temple City
Aliso Viejo	Costa Mesa	Huntington Beach	Manhattan Beach	Rancho Palos Verdes	Thousand Oaks
Apple Valley	Covina	Huntington Park	Maywood	Rancho Santa Margarita	Torrance
Arcadia	Cudahy	Indian Wells	McFarland	Redlands	Tulare
Artesia	Culver City	Industry	Menifee	Redondo Beach	Tustin
Avalon	Cypress	Inglewood	Mission Viejo	Rialto	Twentynine Palms
Baldwin Park	Delano	Irvine	Monrovia	Ridgecrest	Upland
Barstow	Desert Hot Springs	Irwindale	Montclair	Rolling Hills	Ventura
Beaumont	Diamond Bar	Jurupa Valley	Montebello	Rolling Hills Estates	Victorville
Bell	Downey	La Canada Flintridge	Monterey Park	Rosemead	Villa Park
Bell Gardens	Duarte	La Habra	Moorpark	San Bernardino	Visalia
Bellflower	Eastvale	La Habra Heights	Moreno Valley	San Dimas	Walnut
Beverly Hills	El Monte	La Mirada	Murrieta	San Fernando	West Covina
Bishop	El Segundo	La Palma	Newport Beach	San Gabriel	West Hollywood
Blythe	Exeter	La Puente	Norco	San Jacinto	Westlake Village
Bradbury	Farmersville	La Verne	Norwalk	San Marino	Westminster
Brea	Fillmore	Laguna Beach	Ojai	Santa Ana	Whittier
Buena Park	Fontana	Laguna Hills	Ontario	Santa Barbara	Wildomar
Calabasas	Fountain Valley	Laguna Niguel	Orange	Santa Clarita	Woodlake (Three Rivers)
California City	Fullerton	Laguna Woods	Oxnard	Santa Fe Springs	Ventura
Calimesa	Garden Grove	Lake Elsinore	Palm Desert	Santa Monica	Yorba Linda
Camarillo	Gardena	Lake Forest	Palm Springs	Santa Paula	Yucaipa
Canyon Lake	Glendora	Lakewood	Palmdale	Seal Beach	Yucca Valley
Carpinteria	Goleta	Lancaster	Palos Verdes Estates	Sierra Madre	
Carson	Grand Terrace	Lawndale	Paramount	Signal Hill	
Cathedral City	Hanford	Lindsay	Perris	Simi Valley	
Cerritos	Hawaiian Gardens	Loma Linda	Pico Rivera	South El Monte	
Chino	Hawthorne	Lomita	Placentia	South Gate	
Chino Hills	Hemet	Long Beach	Pomona	South Pasadena	
Claremont	Hermosa Beach	Los Alamitos	Port Hueneme	Stanton	

Appendix D

Request for Expedited Schedule for 2023 Bridge Year Request

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Application of Southern California Edison
Company (U 338-E) for Approval of Demand
Response Programs and Budgets for 2023-2027.

Application No. 22-05-__

**REQUEST FOR EXPEDITED SCHEDULE FOR RESOLUTION OF
2023 BRIDGE YEAR REQUEST**

Pursuant to Rule 2.9 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission), Southern California Edison Company (SCE) requests an expedited schedule for Phase 1 (2023 bridge funding) of its application seeking approval of SCE’s proposed demand response (DR) programs and budgets for program years 2023 through 2027 (the Application). The Application seeks approval of SCE’s 2023-2027 DR portfolio in two separate phases. The first phase involves SCE’s request for “bridge year” authorization for its 2023 DR programs and budgets, while the second phase pertains to 2024-2027 DR programs. SCE proposes to bifurcate the schedule in this proceeding to first address the 2023 bridge year request on an expedited basis, and then address the 2024-2027 request.

This request stems from the overlap between this DR proceeding and Rulemaking (R.) 20-11-003, in which, through Decision (D.) 21-12-015,¹ the Commission ruled on 2023 DR programs as part of a package of measures intended to ensure adequate electric power during the summers of 2022 and 2023.² The Commission received testimony, briefing, and comments on the scoped matters, and D.21-12-015 ordered, *inter alia*, that the IOUs make “[m]odifications to

¹ Minor modifications to D.21-12-015 were ordered in D.21-12-069.

² See Assigned Commissioner’s Amended Scoping Memo and Ruling for Phase 2, R.20-11-003 (filed August 10, 2021).

IOU Demand Response Programs” for 2022 and 2023.³ In part because of the timing of the issuance of D.21-12-015, the investor-owned utilities (the IOUs, namely SCE, Pacific Gas and Electric Company (PG&E), and San Diego Gas & Electric Company (SDG&E)) sought an extension of the Application’s original November 1, 2021 deadline. In granting that extension request, the Commission’s Executive Director stated in relevant part: “Utilities note that the proposed extension of six months will leave ample time for the Commission to consider the Applications because the Utilities will request interim demand response program funding for 2023, also referred to as ‘Bridge Funding,’ on an accelerated schedule in the Applications.”⁴

For these reasons, SCE requests that the Commission order the following expedited schedule for its 2023 DR bridge year request.

1) Initial Steps – Phases 1 and 2 Combined

Activity	Proposed Schedule
Application filed	May 2, 2022
Protests to Application	June 1, 2022
Reply to Protests	June 13, 2022
Prehearing/Status Conference	June 17, 2022
Scoping Memo	June 22, 2022

2) Remaining Phase 1 Schedule

Activity	Proposed Expedited Schedule
Intervenor Testimony	July 1, 2022
Rebuttal Testimony	July 20, 2022

³ See D.21-12-015, Attachment 1, p. 3.

⁴ Letter from Executive Director Rachel Peterson to Tara Kaushik dated September 30, 2021.

Activity	Proposed Expedited Schedule
Meet and Confer deadline (Rule 13.9) Parties inform the ALJ whether hearings are necessary and identify the specific disputed issues of material fact, witness lists and cross-examination estimates.	July 27, 2022
Evidentiary Hearing and Discovery Cutoff	Date to be determined if hearing deemed necessary.
Concurrent Opening Briefs	August 12, 2022
Concurrent Reply Briefs	August 24, 2022
Proposed Decision	September 23, 2022
Opening Comments	October 13, 2022
Reply Comments	October 18, 2022
Final Decision – Effective as of date of Commission vote	November 3, 2022

Respectfully submitted,

ANNA VALDBERG
JAMES WHOOLEY

/s/ James Whooley

By: James Whooley

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-1991
E-mail: James.Whooley@sce.com

May 2, 2022