



**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 Large
Power Dynamic Pricing Rate.

A.24-06-xxx

APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)
FOR APPROVAL OF LARGE POWER DYNAMIC PRICING RATE

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June 26, 2024

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APPROVAL OF LARGE POWER DYNAMIC PRICING RATE**

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I.

INTRODUCTION

Pursuant to Articles 1-2 of the Rules of Practice and Procedure (Rules) of the California Public Utilities Commission (Commission or CPUC), Southern California Edison Company (SCE) submits this application seeking the Commission's authorization to implement the Large Power Dynamic Pricing Rate (the Proposed Rate) described herein and in the concurrently served supporting testimony.

The Proposed Rate would be available as an option to high-demand non-residential customers eligible for service on SCE's *Schedule TOU-8* rate, served at 50 kilovolts (kV) or above, with a program cap of 500 megawatts (MW). The Proposed Rate would combine three load rate components: (i) a subscription component for a defined amount of electricity use, billed based on the tariff that otherwise would apply to the customer (Otherwise Applicable Tariff), (ii) a dynamic component based on CAISO day-ahead hourly market prices and load forecasts (net- and peak-load), billed based on dynamic usage, and (iii) a component covering standard non-bypassable charges billed on total usage. The Proposed Rate for any given customer would be governed by a general tariff for this rate combined with a contract specific to that customer,

allowing for individualized adjustment of the subscription and dynamic components of the rate based on the customer's usage expectations. As discussed herein, if the Commission approves this application, SCE proposes that the Commission direct SCE to subsequently file a Tier 2 Advice Letter to obtain the Energy Division's approval of a new tariff for this Proposed Rate, along with a generic contract that would be individually tailored to each customer that elects to take service on the Proposed Rate.

The Proposed Rate would be beneficial in several respects. First, it would support the achievement of goals set by the Commission's Demand Flexibility Rulemaking or "DFOIR" (R.22-07-005) and the California Energy Commission's (CEC) Load Management Standards (LMS), by initiating a rate with a dynamic component designed to incentivize large customers to calibrate usage decisions based on real-time supply pricing and grid conditions. The Proposed Rate would be a precursor to the marginal cost-based rate design that SCE will submit to the Commission for approval by January 1, 2025, as required by the LMS. Second, it would support the achievement of overarching State goals relating to grid efficiency, decarbonization, load management, reliability, and affordability, by better aligning demand and usage with supply. Third, it would incentivize adoption of technologies that automate and maximize efficient usage. Fourth, it would allow large customers to enter into multi-year contracts for this specialized rate allowing for more alignment of the cost of electricity as an input relative to business operations than is available under standard time-of-use (TOU) rates.

The Proposed Rate would be designed to complement existing retail supply-side demand response (DR) programs available to large power customers, such as the Base Interruptible Program (BIP), while avoiding any duplication of incentives. The contract component of the

Proposed Rate would allow for customer-specific safeguards to be built into the rate to guard against unexpected price swings.

Concurrently with the filing of this application, SCE is serving supporting testimony and witness qualifications in an exhibit preliminarily identified as SCE-01.¹ SCE submits that this testimony, along with facts established in other Commission and CEC proceedings of which the Commission may take official notice, provides ample support for the Commission to grant the Proposed Rate as a means of advancing grid management, efficiency, decarbonization, and climate goals.

¹ SCE will provide its workpapers to parties on the relevant service lists at a later date.

II.

BACKGROUND

A. Rulemaking (R.) 22-07-005

R.22-07-005 is intended to establish demand flexibility policies that will enhance system reliability, promote affordability and equity, enable success in meeting future system load while achieving clean energy goals, encourage building and transportation electrification, reduce costs through more efficient pricing, and allow for customer participation in demand flexibility measures.² Phase 1, Track B of the proceeding³ is intended to expedite the adoption of demand flexibility rates for the large investor-owned electric utilities (IOUs), promote customer and provider access to dynamic prices, and provide guidance based on “a shared vision for demand flexibility rates.”⁴

Track B has included two working groups addressing demand flexibility issues. Working Group 1 addressed scoped Issue 3 (guidance for demand flexibility design), with the goal of proposing demand flexibility guidelines for rate design applications to be filed by large IOUs and facilitating compliance with the LMS. Working Group 2 addressed scoped Issue 4 (systems and processes for access to prices and price signal response), with the goal of developing mechanisms for price access and response, and supporting adoption of demand flexibility rates, LMS compliance, and alignment with the Commission’s rate design and demand flexibility design principles⁵ (which the Commission updated in D.23-04-040 as part of the DFOIR

² See R.22-07-005, Assigned Commissioner’s Phase 1 Scoping Memo and Ruling, filed 11/2/22 (R.22-07-005 Scoping Memo), at 1.

³ Phase 1, Track A was scoped to establish an income-graduated fixed charge for residential rates per Assembly Bill (AB) 205 (2022) and resulted in Decision (D.) 24-05-028.

⁴ R.22-07-005, Scoping Memo at 2.

⁵ *Id.* at 6.

proceeding).⁶ Issues and proposals relating to the work of these working groups were presented in a working group report submitted to the Commission on October 11, 2023, in response to which the IOUs and other parties submitted comments.⁷

On April 24, 2024, the Administrative Law Judge in R.22-07-005 issued a Ruling seeking comment on a number of questions, including (*inter alia*) as to rate design for marginal generation and distribution costs, and how the Commission should facilitate IOU compliance with LMS requirements.⁸ This Ruling notes that “[t]he assigned Administrative Law Judge anticipates mailing a Proposed Decision addressing the issues in Working Group (WG) 1 and Issue 5 in Q3 or Q4 of this year. Working Group 2 proposals issues will be addressed separately in this proceeding.”⁹

B. Load Management Standards

California Public Resources Code (PRC) § 25403.5 provides that the CEC “shall . . . adopt standards by regulation for a program of electrical load management for each utility service area.” California Code of Regulations (CCR) 20 §§ 1621-1623 were promulgated pursuant to the mandate of PRC § 25403.5 and set forth the LMS.¹⁰ Section 1621 articulates the goal that the LMS will “establish cost-effective programs and rate structures which will

⁶ See D.23-04-040.

⁷ See Track B Working Group Report and Notice of Availability, R.22-07-005, filed 10/11/23.

⁸ See Administrative Law Judge’s Ruling on Track B Working Group 1 Proposals and Issue 5, R.22-07-005, filed 4/24/24.

⁹ *Id.*, Attachment A, at 1.

¹⁰ There also have been two CEC proceedings addressing the LMS regulations: (i) 21-OIR-03, in which the CEC sought input on the LMS regulations and CEC staff recommended regulatory requirements for utilities to (*inter alia*) “[d]evelop retail electricity rates that change at least hourly to reflect locational marginal costs and submit those rates to the utility’s governing body for approval;” and (ii) 23-LMS-01, which provides a forum for guidance to and submissions by entities (including SCE) that are obligated to comply with the LMS.

encourage the use of electrical energy at off-peak hours,” and among other provisions, provides that each IOU must submit for the CEC’s review and approval an LMS compliance plan by October 1, 2023, and thereafter submit annual reports on their LMS compliance. Section 1623 mandates several technical compliance actions. Among these is that each IOU must upload its time-dependent rates to the CEC’s Market Informed Demand Automation Server (MIDAS) database, to which the CEC intends to provide public access through an Application Programming Interface (API) that enables customers to receive automated notifications regarding marginal pricing signals based on Rate Identification Numbers (RINs).¹¹ Section 1623 also requires the IOUs to add RINs to customer billing statements and online accounts using machine-readable digital code, work with other load serving entities and CEC staff to develop a single statewide standard tool for authorized rate data access by third parties, and conduct a public information program to inform and educate affected customers about the need for and benefits of marginal cost-based rates and related automation.¹²

In addition, and of particular relevance to this application, Section 1623 requires that “[w]ithin twenty-one (21) months of April 1, 2023, each Large IOU shall apply to its rate-approving body for approval of at least one marginal cost-based rate, in accordance with 1623(a)(1), for each customer class.”¹³ In order to comply with this requirement, SCE will submit to the Commission for approval by January 1, 2025 a proposed marginal cost-based rate for each customer class. The Proposed Rate described in this application would be a precursor to the marginal cost-based rate model SCE will submit to the Commission in compliance with this requirement.

¹¹ See 20 CCR § 1623(b).

¹² 20 CCR § 1623(d)(3).

¹³ 20 CCR § 1623(a)(2).

C. **State Electrification And Decarbonization Goals**

Regulatory and legislative actions in California demonstrate the State’s commitment to reducing greenhouse gas (GHG) emissions and achieving carbon neutrality. Assembly Bill (AB) 1279 (“The California Climate Crisis Act”) established an 85% GHG emissions reduction target as part of the statewide carbon neutrality goal. To support the 2022 Scoping Plan related to AB 1279,¹⁴ and meet these new goals, significant changes in how the State sources and uses energy across all sectors of the economy are underway. In its 2023 “Countdown to 2045” whitepaper,¹⁵ SCE expanded on the analysis it presented in its 2019 “Pathway 2045” whitepaper,¹⁶ regarding the technologies, policies, and transformation of the economy needed to meet the State’s goals. Strategic and targeted policies will be needed to support these efforts, including innovative rate designs that integrate these goals with established rate design principles. Forward-looking rate designs, such as the Proposed Rate, can provide new opportunities for, and thereby accelerate the deployment of, new technologies to promote grid resiliency, affordability, and carbon neutrality goals.

¹⁴ As directed by AB 1279, the 2022 Scoping Plan for Achieving Carbon Neutrality lays out a path to achieve targets for carbon neutrality and reduce anthropogenic greenhouse gas emissions by 85 percent below 1990 levels no later than 2045.

¹⁵ Countdown to 2045, Edison International, *available at* <https://www.edison.com/our-perspective/countdown-to-2045>.

¹⁶ Carbon Neutrality by 2045, *available at* <https://www.edison.com/clean-energy/pathway-20455>.

III.

SCE'S APPLICATION SHOULD BE APPROVED

This application should be approved because: (A) SCE's Proposed Rate would support Commission and CEC rate innovation efforts, and contribute to public policy goals for rate design, decarbonization, efficiency, dynamic pricing, technological advancement, reliability, and affordability; and (B) SCE's application meets all applicable statutory and regulatory requirements.

D. The Proposed Rate Is Consistent With State, Commission, And CEC Goals For Innovative, Dynamic Rates

The Proposed Rate would support the achievement of goals set by R.22-07-005 and the LMS, by initiating a rate with a dynamic component designed to incentivize large customers to calibrate usage decisions based on real-time supply pricing and grid conditions. The Proposed Rate would be a precursor to the marginal cost-based rate design that SCE will submit to the Commission for approval by January 1, 2025, as required by the LMS. It would support overarching State goals relating to grid efficiency, decarbonization, load management, reliability, and affordability by better aligning demand and usage with available supply. It also would incentivize adoption of technologies that automate and maximize efficient usage.

The Proposed Rate would allow large customers to enter into multi-year contracts for this specialized rate, allowing for more alignment of the cost of electricity as an input relative to business operations than is available under standard time of use (TOU) rates. At the same time, the Proposed Rate's billing attributes would be reflective of a given customer, in a manner intended to accurately reflect grid conditions and SCE's cost of providing service to the

customer, particularly insofar as the dynamic component of the rate is aligned with the costs of electricity service that are dynamic and variable based on hourly time of use.

The Proposed Rate also would be consistent with the Electric Rate Design Principles that rates should be “based on marginal cost,” “based on cost causation,” “should encourage economically efficient (i) use of energy, (ii) reduction of greenhouse gas emissions, and (iii) electrification,” “should encourage customer behaviors that improve electric system reliability in an economically efficient manner,” and “should encourage customer behaviors that optimize the use of existing grid infrastructure to reduce long-term electric system costs.”¹⁷ It also would be consistent with the Demand Flexibility Design Principles that “[d]ynamic prices should, to the extent feasible, accurately incorporate the marginal costs of energy, generation capacity, distribution capacity, and transmission capacity based on grid conditions,” and “[c]ustomers . . . should have access to tools and mechanisms that enable them to plan and schedule their energy use while managing the monthly variability of their bills.”¹⁸

E. SCE’s Application Meets Applicable Statutory and Regulatory Requirements

SCE submits this application in compliance with all applicable provisions of the Commission’s Rules. Information required by particular rules is provided below.

¹⁷ See D.23-04-040 at 36 (Electric Rate Design Principles (b) – (h)).

¹⁸ See *id.* (Demand Flexibility Design Principles (b), (e)).

1. Rule 2.1¹⁹ - Authorization Sought, Authority For Request, And Verification

a) Authorization Sought

SCE seeks the Commission’s authorization to implement the Proposed Rate with the following steps. First, the Commission would issue a final decision authorizing the Proposed Rate based on the parameters described in SCE-01, namely a “Large Power Dynamic Pricing Rate” comprised of (i) a subscription component for a defined amount of electricity use, billed based on the Otherwise Applicable Tariff, (ii) a dynamic component based on CAISO day-ahead hourly market prices and load forecasts (net- and peak-load), billed based on dynamic usage, and (iii) a component covering standard non-bypassable charges billed on total usage. The Proposed Rate for any given customer would be governed by a general tariff for this rate combined with a contract specific to that customer, allowing for individualized adjustment of the subscription and dynamic components of the rate based on the customer’s usage expectations.

Second, the Commission would direct SCE to file a Tier 2 Advice Letter, within 60 days after the final decision is issued, submitting a new tariff for this Proposed Rate, along with a generic contract that would be individually tailored to each customer that elects to take service on the Proposed Rate. The generic contract would include a range of service options from which a participant could choose. The Advice Letter will also contain information regarding implementation timing and potentially a request for incremental funding, if necessary.

Third, upon Energy Division approval of the Advice Letter, SCE would begin to offer the Proposed Rate to qualifying customers within the timeline provided in the Advice Letter.

¹⁹ See Rule 2.1 (Contents) (requiring (*inter alia*) that “[a]ll applications shall state clearly and concisely the authorization or relief sought; shall cite by appropriate reference the statutory provision or other authority under which Commission authorization or relief is sought; [and] shall be verified by at least one applicant (see Rule 1.11)”).

b) Authority for Request

The authority that permits SCE to submit this application, and that allows the Commission to grant this application, includes, but is not limited to: Article XII of the California Constitution; Public Utilities Code Sections 451, 454, 491, 701, 702, and 729; Articles 1 and 2 of the Commission's Rules of Practice and Procedure; and decisions of California courts and this Commission affirming the Commission's authority to authorize utility rates, including specific rates for particular types of customers.²⁰ This application also is consistent with, and aligned with the efficiency and climate goals articulated by: Health and Safety Code Section 38562.2; Public Utilities Code Sections 454.51-.55; R.22-07-005; and the CEC's LMS pursuant to Public Resources Code Section 25403.5, CCR 20 §§ 1621-1623, and CEC proceeding 23-LMS-01.

c) Verification

In compliance with Rule 2.1, this Application has been verified by an SCE officer in the attached verification declaration.

2. Rules 2.1(a)-(b) – Applicant's Legal Name, Place Of Business, Organizational Details, And Contact Information

SCE's legal name is Southern California Edison Company. SCE is a corporation organized and operating in and under the laws of the State of California. SCE is primarily engaged in the business of generating, purchasing, transmitting, distributing, and selling electric energy for light, heat, and power in portions of central and southern California, as a public utility

²⁰ See, e.g., D.14-03-007; Resolution E-4573 (approving SCE/Port of Long Beach Services and Operating Contract); Resolution E-5266 (approving contract rate applicable to March Air Reserve Base).

subject to California law and regulation, and the jurisdiction of the Commission. SCE's properties, which are substantially within the State of California, primarily consist of hydroelectric and thermal electric generating plants, together with transmission and distribution lines and other property necessary in its business.

SCE's principal place of business is 2244 Walnut Grove Avenue, Rosemead, CA 91770. SCE's post office address is Post Office Box 800, Rosemead, CA 91770, and its telephone number is (626) 302-1212. SCE's attorneys in this matter are James Whooley and Anna Valdborg. SCE consents to e-mail service in regard to this application. Correspondence or communications regarding this application should be addressed to:

SCE Case Administration
Southern California Edison Company
8631 Rush Street
Rosemead, CA 91770
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3. Rule 2.1(c) – Proposed Category For Proceeding, Need For Hearing, Issues To Be Considered, And Proposed Schedule

a) Categorization

SCE proposes that the proceeding addressing this application be categorized as "Ratesetting," pursuant to Commission Rule 1.3(c) and (g), and (if the Commission deems applicable) Rule 7.1(e)(2).

b) Need For Hearings

SCE does not anticipate hearings being necessary to resolve this application, as the issues presented raise no disputed facts that would require evidentiary hearings, and the factual and

legal issues in question can be resolved through the presentation of written testimony and other documentary evidence, as well as briefing from SCE and any other party.

c) Issues To Be Considered

The issues²¹ to be considered are:

- Whether the Proposed Rate is just and reasonable and otherwise compliant with Public Utilities Code Section 451.
- Whether the Proposed Rate is consistent with the goals and milestones of (i) the CEC's Load Management Standards (Public Resources Code Section 25403.5, CCR 20 §§ 1621-1623, and CEC proceeding 23-LMS-01) and (ii) Commission Rulemaking 22-07-005.
- Whether the Commission should approve this application as a means of promoting the use of dynamic rates in rate design to encourage efficiency, affordability, and optimal use of grid supply.
- If the Commission grants the application, what follow-up measures should the Commission order, including as to SCE's subsequent submission of a proposed tariff and generic contract (which SCE proposes to submit by Advice Letter), and any reporting and evaluation requirements?

d) Proposed Schedule

SCE proposes the following schedule for Commission resolution of this application.

²¹ Rule 2.1(c) states in relevant part that an application shall state "the issues to be considered including relevant safety considerations." SCE is not aware of any particular safety considerations that arise in relation to the Proposed Rate.

<u>Date</u>	<u>Event</u>
Application filed	June 26, 2024
Protests to Application	July 29, 2024
Reply to Protests	August 6, 2024
Prehearing/Status Conference	August 13, 2024
Scoping Memo	August 20, 2024
Intervenor Testimony	August 27, 2024
Rebuttal Testimony	September 10, 2024
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.	September 17, 2024
Evidentiary Hearing and Discovery Cutoff	To be determined if hearing deemed necessary
Concurrent Opening Briefs	September 30, 2024
Concurrent Reply Briefs	October 14, 2024
Proposed Decision	November 11, 2024
Opening Comments	December 2, 2024
Reply Comments	December 9, 2024
Final Decision – Effective as of date of Commission vote	December 23, 2024

4. Rule 2.2 – Articles of Incorporation

In compliance with Rule 2.2, a copy of SCE’s Certificate of Amended and Restated Articles of Incorporation, effective on August 28, 2023, and presently in effect, certified by the California Secretary of State, was filed with the Commission on December 15, 2023, in connection with Application 23-12-011, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series M Preference Stock filed with the California Secretary of State on November 17, 2023, and presently in effect, certified by the California Secretary of State, was filed with the Commission on December 15, 2023, in connection with Application 23-12-011, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series N Preference Stock filed with the California Secretary of State on May 8, 2024, and presently in effect, certified by the California Secretary of State, was filed with the Commission on May 15, 2024, in connection with Application 24-05-007, and is incorporated herein by this reference.

Copies of SCE's latest Annual Report to Shareholders and Edison International's latest proxy statement was sent to its stockholders and has been sent to the Commission with an Energy Division Central Files Document Coversheet dated March 18, 2024, pursuant to General Order Nos. 65-A and 104-A of the Commission.

5. Authority to Increase Rates -Rule 3.2²²

Rule 3.2 requires that applicant submits certain data in applications for authority to increase rates or to implement changes that would result in increased rates. This Application seeks changes that would not result in increased rates. Accordingly, Rule 3.2 is not applicable. While Rule 3.2 does not apply to this Application, SCE is providing certain material covered by Rule 3.2 for informational purposes.

²² Because this application does not request authority to increase rates or to implement changes that would result in increased rates, the notice requirements of Rule 3.2(b), (c), and (d) of the Commission's Rules of Practice and Procedure are not applicable.

a) Balance Sheet and Income Statement – Rule 3.2(a)(1)

In compliance with Rule 3.2(a)(1), Appendix A to this Application contains copies of SCE's balance sheet as of March 31, 2024, and income statement for the period ended March 31, 2024, the most recent period available.

b) Present and Proposed Rates – Rule 3.2(a)(2) And Rule 3.2(a)(3)

Because the Proposed Rate would be designed to capture the full cost of service to a participating customer and avoid any cost shifts to other customer groups, SCE believes the Proposed Rate would have a *de minimis* effect (if any) on average rates for other customer groups, nor is SCE seeking incremental funding at this time for the Proposed Rate implementation. Accordingly, SCE is not providing a rate impact table as part of this application. SCE would seek to cover administrative and operational costs associated with implementing the Proposed Rate through approved funding for LMS compliance or through the Advice Letter process if necessary.

SCE's current rates and charges for electric service are in its electric tariffs and schedules on file with the Commission. These tariffs and schedules are filed with and made effective by the Commission in its decisions, orders, resolutions, and approvals of advice letter filings pursuant to Commission General Order 96-B.

c) Summary of Earnings – Rule 3.2(a)(5)

In compliance with Rule 3.2(a)(5), Appendix B hereto contains a copy of SCE's summary of earnings, updated on March 31, 2024, the most recent period available.

d) Statement Pursuant to Rule 3.2(a)(10)

Rule 3.2(a)(10) requires that the “application of electrical ... corporations shall separately state whether or not the increase reflects and passes through to customers only increased costs to the corporation for the services or commodities furnished by it.” This application does not seek to pass through to SCE’s customers any costs in connection with this proposal.

6. Notice – California Public Utilities Code Section 454

Notice pursuant to California Public Utilities Code Section 454 was not provided because the Commission in Rule 3.2(d) implemented this requirement only for applications that increase rates.

7. Service

The official service list has not yet been established in this proceeding. SCE is serving this application and supporting testimony on the Commission’s Public Advocates Office, the CEC, and the service list for R.22-07-005.

IV.

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 Large Power Dynamic Pricing Rate as described in this application brief and in SCE-01.
2. Direct SCE to submit a Tier 2 Advice Letter to the Commission’s Energy Division with a proposed tariff and generic contract for the Large Power Dynamic Pricing

Rate. The Advice Letter should also contain information regarding implementation timing and potentially a request for incremental funding, if necessary.

3. Authorize SCE to begin offering the Large Power Dynamic Pricing Rate to eligible customers, within the timeline provided in the Advice Letter, following Energy Division's approval of the above-referenced Tier 2 Advice Letter, and subject to any additional reporting and evaluation requirements the Commission and/or Energy Division may prescribe.
4. Grant any and all other relief requested in this application brief and in SCE-01.
5. Grant any additional relief that the Commission considers necessary.

Respectfully submitted,

ANNA VALDBERG
JAMES WHOOLEY

/s/ James Whooley

By: James Whooley

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June 26, 2024

VERIFICATION

I, Michael Backstrom, declare and state:

I am Vice President of Regulatory Affairs for Southern California Edison Company (SCE). I am authorized to verify this application on SCE's behalf, pursuant to Rules 1.11 and 2.1 of the Rules of Practice and Procedure of the California Public Utilities Commission. On information and belief, I affirm that the contents of this application 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 June 26, 2024, at Rosemead, California.

/s/ Michael Backstrom

Michael Backstrom
Vice President, Regulatory Affairs
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
THREE E MONTHS ENDED MARCH 31, 2024

(In millions)

OPERATING REVENUE	<u>\$ 4,064</u>
OPERATING EXPENSES:	
Purchase power and fuel	1,008
Operation and maintenance	1,291
Wildfire-related claims, net of insurance recoveries	614
Wildfire insurance fund expense	36
Depreciation and amortization	701
Property and other taxes	<u>153</u>
Total operating expenses	<u>3,803</u>
OPERATING INCOME	261
Interest expense	(374)
Other income, net	<u>135</u>
INCOME BEFORE TAXES	22
Income tax benefit	<u>(84)</u>
NET INCOME	106
Less: Preference stock dividend requirements	<u>41</u>
NET INCOME AVAILABLE FOR COMMON STOCK	<u><u>\$ 65</u></u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
MARCH 31, 2024
ASSETS
(in millions)

UTILITY PLANT:

Utility plant, at original cost	\$ 63,852
Less- accumulated provision for depreciation and amortization	<u>13,226</u>
	50,626
Construction work in progress	5,736
Nuclear fuel - at amortized cost	<u>121</u>
	<u>56,483</u>

OTHER PROPERTY AND INVESTMENTS:

Nonutility property - less accumulated depreciation of \$102	199
Nuclear decommissioning trusts	4,288
Other investments	<u>46</u>
	<u>4,533</u>

CURRENT ASSETS:

Cash and equivalents	850
Receivables, less allowances of \$341 for uncollectible accounts	1,876
Accrued unbilled revenue	777
Inventory	519
Prepaid expenses	243
Regulatory assets	2,989
Wildfire insurance fund contributions	138
Other current assets	<u>319</u>
	<u>7,711</u>

DEFERRED CHARGES:

Regulatory assets (Includes \$1,547 related to VIEs)	8,806
Wildfire insurance fund contributions	1,982
Operating lease right-of-use assets	1,199
Long-term insurance receivables	146
Long-term insurance receivables due from affiliate	365
Other long-term assets	<u>2,109</u>
	<u>14,607</u>
	<u>\$ 83,334</u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
MARCH 31, 2024
CAPITALIZATION AND LIABILITIES
(in millions)

CAPITALIZATION:

Common stock	2,168
Additional paid-in capital	8,433
Accumulated other comprehensive loss	(11)
Retained earnings	8,012
Common shareholder's equity	<u>18,602</u>
Long-term debt (Includes \$1,516 related to VIEs)	28,555
Preferred stock	<u>2,495</u>
Total capitalization	<u>49,652</u>

CURRENT LIABILITIES:

Short-term debt	511
Current portion of long-term debt	1,597
Accounts payable	1,899
Wildfire-related claims	160
Accrued interest	361
Regulatory liabilities	988
Current portion of operating lease liabilities	118
Other current liabilities	<u>1,431</u>
	<u>7,065</u>

DEFERRED CREDITS:

Deferred income taxes and credits	8,152
Pensions and benefits	105
Asset retirement obligations	2,667
Regulatory liabilities	9,814
Operating lease liabilities	1,081
Wildfire-related claims	1,657
Other deferred credits and other long-term liabilities	<u>3,141</u>
	<u>26,617</u>

\$ 83,334

Appendix B Summary of Earnings
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Southern California Edison
2021 GRC Summary of Earnings
PTYR 2022 (RO Model 6.2)

Thousands of Dollars

Southern California Edison Summary of Earnings 2022 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	7,259,220
2.	Expenses:	
3.	Operation & Maintenance	2,448,763
4.	Depreciation	2,011,669
5.	Taxes	663,739
6.	Revenue Credits	(163,462)
7.	Total Expenses	4,960,710
8.	Net Operating Revenue	2,298,511
9.	Rate Base	29,949,906
10.	Rate of Return	7.67%

Southern California Edison
2021 GRC Summary of Earnings
PTYR 2023 (RO Model 6.3)

Thousands of Dollars

Southern California Edison Summary of Earnings 2023 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	7,792,631
2.	Expenses:	
3.	Operation & Maintenance	2,603,404
4.	Depreciation	2,132,791
5.	Taxes	760,326
6.	Revenue Credits	(164,176)
7.	Total Expenses	5,332,345
8.	Net Operating Revenue	2,460,286
9.	Rate Base	32,052,516
10.	Rate of Return	7.68%

Southern California Edison
2021 GRC Summary of Earnings
2024 PTYR Application (RO Model 7.0)

Thousands of Dollars

Southern California Edison Summary of Earnings 2024 GRC Application Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	8,638,835
2.	Expenses:	
3.	Operation & Maintenance	3,007,132
4.	Depreciation	2,304,660
5.	Taxes	848,780
6.	Revenue Credits	(165,996)
7.	Total Expenses	5,994,575
8.	Net Operating Revenue	2,644,260
9.	Rate Base	34,444,200
10.	Rate of Return	7.68%