



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

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Application of Southern California Edison
Company (U 338-E) to Establish Marginal
Costs, Allocate Revenues, and Design Rates.

Application 24-03-019

**MOTION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) AND
SETTLING PARTIES FOR ADOPTION OF THE VEHICLE TO GRID RATE
PROPOSAL SETTLEMENT AGREEMENT**

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RATE PROPOSAL SETTLEMENT AGREEMENT**

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I.

INTRODUCTION

Pursuant to Rule 12.1 *et seq.* of the California Public Utilities Commission’s (Commission’s) Rules of Practice and Procedure, Southern California Edison Company (SCE), on behalf of itself, CALSTART, Inc., Small Business Utility Advocates (SBUA), Solar Energy Industries Association (SEIA), and Vehicle-Grid Integration Council (VGIC) (jointly the Settling Parties),¹ files this motion requesting that the Commission find reasonable and adopt the “Vehicle to Grid Rate Proposal Settlement Agreement” (Settlement Agreement), which is appended to this motion as Attachment A.

The Settling Parties have executed a Settlement Agreement resolving all issues that have been raised with respect to SCE’s Vehicle-to-Grid Resource Proposal (VGRP) in this proceeding. In accordance with the terms of the Settlement Agreement, and as soon as practicable following a Commission decision adopting the Agreement – but no earlier than the second quarter of 2026 – SCE will implement the VGRP Program consistent with the provisions of the Settlement Agreement.

¹ In accordance with Rule 1.8(d), each Settling Party has authorized SCE’s counsel to sign and file this motion on its behalf.

Section II, below, provides the procedural and regulatory background related to this proceeding. Section III describes, in general, the positions advocated by the parties in this proceeding and the terms of the Settlement Agreement. Section IV demonstrates that the Settlement Agreement is reasonable in light of the whole record, consistent with law, and in the public interest, and that it should be adopted without modification. Section V proposes a procedural timeline for disposing of this motion and implementing rates.

II.

PROCEDURAL AND REGULATORY BACKGROUND

This proceeding, Application (A.) 24-03-019, was initiated by the filing of SCE's application on March 29, 2024, and the concurrent service of its prepared direct testimony regarding marginal costs, revenue allocation and other aspects of rate design. On August 26, 2024, SCE filed an Amended Application and served amended testimony regarding certain revenue allocation proposals. On June 3, 2024, a prehearing conference was held, and on November 1, 2024, the Assigned Commissioner and Assigned Administrative Law Judge issued a Scoping Memo and Ruling identifying the Vehicle-to-Grid Export Resource Proposal (VGRP) as a scoped issue. Cal Advocates served its initial testimony on November 22, 2024 and served amended testimony on December 27, 2024. On January 8, 2025, Cal Advocates, SEIA, and VGIC served testimony addressing, among other matters, SCE's VGRP proposals.

SCE provided notice to all parties of its intent to conduct a settlement conference related to all issues raised in the proceeding, and an initial settlement conference was held on January 3, 2025. Continuing discussions related to the potential settlement of issues in this proceeding occurred among the interested parties after the settlement conference. Pursuant to Commission Rule of Practice and Procedure 12.1(b), an all-party settlement conference on the Settlement Agreement was held on September 4, 2025.

III.

SUMMARY OF POSITIONS AND SETTLEMENT

In its Opening Testimony, SCE introduced its Vehicle-to-Grid Resource Proposal (VGRP), a new retail program designed to unlock the untapped potential of electric vehicles (EVs) as bidirectional energy resources. Unlike conventional grid assets, VGRP enables Electric Vehicle Resources (EVRs) to export energy back to the grid, transforming mobile transportation assets into flexible, distributed energy resources. VGRP will be offered for two types of EVR arrangements:

1. **Standalone Systems:** Bidirectional EVR systems operating independently of other distributed energy resources.
2. **Paired Systems:** Configurations that integrate an EVR with existing Net Energy Metering (NEM), Net Energy Metering Successor Tariff (NEM-ST), or Net Billing Tariff (NBT)-eligible renewable systems.

This flexible architecture allows VGRP to serve both residential and non-residential customers, offering tailored rate options including Time-of-Use (TOU) and dynamic pricing structures. The proposed VGRP rate for electric vehicle customers with bidirectional EV charging systems can be added as a *rider option* to an electrification rate, TOU rate, or a dynamic pricing rate. At a glance, the key features and requirements include:

Table 1: Key Features and Requirements of VGRP Rider Option

Features / Requirements	VGRP Rate Option 1	VGRP Rate Option 2	
	Standalone EVR	Paired EVR w/ NBT	Paired EVR w/ NEM/NEM-ST
Applicability	<ul style="list-style-type: none"> Applies when the EVR is a <u>standalone system with export capacity rated at 1 kW or greater.</u> 	<ul style="list-style-type: none"> Applies when the EVR is part of <u>paired systems</u> under existing NEM, NEM-ST, or NBT configurations with <u>export capacity rated at 1 kW or greater.</u> EVRs with <u>export capacities of 10 kW or less</u> will be treated like stationary storage resources with similar capacities, without the need for additional metering requirements. EVRs with <u>export capacities over 10 kW</u> will be treated like stationary storage resources with similar capacities. 	
Eligibility	<ul style="list-style-type: none"> All customers, both bundled and unbundled, are eligible. Non-residential customers must take service under an applicable electrification rate, TOU rate, or dynamic pricing rate. Residential customers enrolled in NEM-ST or VGRP Rate Option 2 must take service on TOU-D, TOU-D-PRIME, an alternative electrification rate plan, or a dynamic pricing rate. 		

Features / Requirements	VGRP Rate Option 1	VGRP Rate Option 2	
	Standalone EVR	Paired EVR w/ NBT	Paired EVR w/ NEM/NEM-ST
Participation Cap	<ul style="list-style-type: none"> Initial program participation cap is set at 100,000 residential customers, with no cap for non-residential customers. SCE will file a Tier 2 Advice Letter to increase the cap when participation reaches 80% of the cap level. 		
Market Transition Measures	<ul style="list-style-type: none"> Not eligible 	<ul style="list-style-type: none"> Existing NBT customers may retain Lock-in Period or ACC Plus Adder, if previously eligible. Will not be extended beyond the existing eligibility windows 	
EEC Application	<ul style="list-style-type: none"> EEC applied to energy charges only; cannot offset non-energy charges. Unbundled customers get delivery EECs only. 		<ul style="list-style-type: none"> EEC applied to EVR as described in NEM-MT. Unbundled customers get delivery EECs only.
Metering & Control Requirements	<ul style="list-style-type: none"> No additional metering requirements 	<u>EVR Capacity > 10 kW</u> <ul style="list-style-type: none"> Requires installation of one of the following: <ol style="list-style-type: none"> Non-export relay to limit discharge from the stationary storage system. Power Control System (PCS) to either: a) Limit discharge from the stationary storage system, or b) Prevent the use of imported energy from the grid to charge the stationary storage system. Integrated (i.e., Direct Current (DC) coupled) NBT arrangements do not require additional equipment to limit stationary storage unit discharge. 	<ul style="list-style-type: none"> Requires an EVR Net Generation Output Meter (NGOM) or an approved EV submeter compliant with a Commission-adopted EV submetering protocol to measure the bidirectional flow of energy.
Annual True Up	<ul style="list-style-type: none"> Annual true-up process of Schedule NBT applies at end of customer's Relevant Period. 		<ul style="list-style-type: none"> Annual true-up mechanism applies to the NEM/NEM-ST portion. NEM/NEM-ST Portion: Compensated at retail export rates per Schedules NEM and NEM-ST. EVR Portion: Compensated using ACC Energy Export Credits (average hourly weekday/weekend values) under Schedule NBT
Relevant Period	<ul style="list-style-type: none"> 12-month Relevant Period applies to customers receiving service under the VGRP For existing NEM, NEM-ST, and NBT customers, the VGRP Relevant Period will be aligned with the customer's existing Relevant Period. 		
Export Credit Stacking Under Net Energy Metering – Multiple Tariffs (NEM-MT) Arrangement	<ul style="list-style-type: none"> Not applicable 		<ul style="list-style-type: none"> For customers who operate multiple types of generating facilities – some eligible for NEM and others not – behind a single meter, credits are applied in the following order: <ol style="list-style-type: none"> EVR EEC (Energy Export Credits) under VGRP. BG-NEM and/or FC-NEM generation rate component credits. Remaining BG-NEM/FC-NEM credits to other generation charges. NEM-ST energy credits to remaining energy charges

Features / Requirements	VGRP Rate Option 1	VGRP Rate Option 2	
	Standalone EVR	Paired EVR w/ NBT	Paired EVR w/ NEM/NEM-ST
			5. NEM energy credits to remaining energy charges
Storage Sizing Limit	<ul style="list-style-type: none"> 150% storage capacity sizing limit for NBT paired storage systems does not apply to EVR in a paired storage configuration. 		
EVR Interconnection Fee	<ul style="list-style-type: none"> Initially set at \$108 per application, which includes an incremental \$6 per application to cover review costs of new equipment. The \$6 component will be removed from the interconnection fee when SCE files its Tier 2 Advice Letter establishing the participant cap. 		

A. VGRP Rate Design

The following outlines the Settling Parties' litigation positions on the key issues resolved by this Settlement Agreement.

SEIA and VGIC generally supported SCE's proposal for a VGRP Program. However, both parties raised concerns regarding the proposed compensation structure for exports under the VGRP. Both parties argued that the compensation rate should align with the Avoided Cost Calculator (ACC) values used in the NBT. As detailed in the Settlement Agreement, the Settling Parties ultimately agreed on export compensation that reflects the average hourly weekday and weekend ACC Energy Export Credits, consistent with Schedule NBT for bidirectional EV Resources (EVRs) under VGRP Rate Option 1 and Rate Option 2 when paired in a NEM or NBT arrangement. EEC pricing for unbundled customers will only reflect the delivery EEC components similar to billing of unbundled NBT customers.

SEIA and VGIC also highlighted issues with the Net Generation Output Meter (NGOM) requirement and the annual credit forfeiture. The Settling Parties agreed that for Rate Option 2 EVRs, in an NBT arrangement, with capacities greater than 10 kW, NBT metering requirements will be defined in D.14-05-033. For Rate Option 2 EVRs, in a NEM and NEM-ST arrangement, an EVR Net Generation Output Meter or approved EV submeter is required where submetering protocols established by the Commission will apply to VGRP.

SEIA and VGIC emphasized that compensation should be available to unbundled customers as well. Additionally, VGIC supports the establishment of a stable and predictable export price by time of day, applicable to both residential and non-residential customers. They

advocate for the cost-based, long-term nature of the proposal and the eligibility of customers with and without NEM/NBT technologies.

The Settling Parties agreed VGRP will be made available to all (i.e., bundled and unbundled) residential and non-residential customers as a rider to: Electrification rates, TOU rates, or Dynamic pricing rates. The initial program participation cap is set at 100,000 residential customers, with no cap for non-residential customers. SCE will file a Tier 2 Advice Letter to increase the cap when participation reaches 80 percent of the cap level.

Cal Advocates opposed SCE's VGRP proposal partly because SCE did not provide a preliminary budget estimate, and argued that introducing a new rider option, rather than extending the current Expanded Pilot to EV customers, would incur significant costs. However, SCE later confirmed that, based on the scope of the VGRP program, SCE does not anticipate any incremental costs for billing system enhancements or for Marketing, Education, and Outreach (ME&O), administrative or operational activities related to the VGRP rate proposal.

Additionally, Cal Advocates asserted that SCE's proposal to base compensation for exports on ACC values is less effective since ACC values are forecasts and do not reflect real-time grid needs. Cal Advocates contends that offering marginal cost-based export credit within the Expanded Pilot would provide customers with a more accurate price signal.² This Settlement Agreement adopts ACC pricing for export compensation because the Commission recognizes it as a reasonable proxy for marginal cost. Moreover, ACC pricing aligns with the approach used for NBT exports and offers a simplified structure that reduces implementation costs compared to SCE's original proposal.

IV.

REQUEST FOR ADOPTION OF THE SETTLEMENT AGREEMENT

The Settlement Agreement is submitted pursuant to Rule 12.1 *et seq.* of the Commission's Rules of Practice and Procedure. The Settlement Agreement is consistent with

² See Cal Advocates' Opening Prepared Testimony on Rate Designs in SCE's 2025 GRC Phase 2, Chapter 9 at pp. 9-10, 12.

Commission decisions on settlements, which express the strong public policy favoring settlement of disputes if they are fair and reasonable in light of the whole record.³ This policy supports many worthwhile goals, including reducing the expense of litigation, conserving scarce Commission resources, and allowing parties to reduce the risk that litigation will produce unacceptable results.⁴ As long as a settlement taken as a whole is reasonable in light of the record, consistent with the law, and in the public interest, it should be adopted without change.

The Settlement Agreement complies with Commission guidelines and relevant precedent for settlements. The general criteria for Commission approval of settlements are stated in Rule 12.1(d) as follows:

The Commission will not approve stipulations or settlements, whether contested or uncontested, unless the stipulation or settlement is reasonable in light of the whole record, consistent with law, and in the public interest.⁵

The Settlement Agreement meets the criteria for a settlement pursuant to Rule 12.1(d), as discussed below.

A. The Settlement Agreement is Reasonable In Light Of the Record

The Settlement Agreement represents a reasonable compromise of the Settling Parties' positions. The prepared testimony of the Settling Parties, together with this motion and the attached Settlement Agreement (which includes the comparison exhibits), contains sufficient information for the Commission to judge the reasonableness of the settlement. Without divulging the content of confidential settlement negotiations, concessions by Settling Parties on some issues were offset by concessions by other Settling Parties on other issues, as is the case with almost every settlement. The Settlement Agreement accordingly represents a series of tradeoffs and must be viewed as a "package." No single provision should be viewed in isolation, although every individual provision is reasonable, lawful, and in the public interest. In summary,

³ See, e.g., D.88-12-083 (30 CPUC 2d 189, 221-223) and D.91-05-029 (40 CPUC 2d, 301, 326).

⁴ D.92-12-019, 46 CPUC 2d 538, 553.

⁵ See also, *Re San Diego Gas & Electric Company*, (D.90-08-068), 37 CPUC 2d 360.

the Settlement Agreement is a reasonable compromise of the Settling Parties' respective positions, as summarized in Section III and discussed in the following sections.

B. The Settlement Agreement is Consistent with Law

The Settling Parties believe that the terms of the Settlement Agreement comply with all applicable statutes and prior Commission decisions, and reasonable interpretations thereof. In agreeing to the terms of the Settlement Agreement, the Settling Parties have explicitly considered the relevant statutes and Commission decisions and believe that the Commission can approve the Settlement Agreement without violating applicable statutes or prior Commission decisions.

C. The Settlement Agreement Is In the Public Interest

This Settlement Agreement is “supported by parties that fairly represent the affected interests” at stake in this proceeding.⁶ As the Commission has found, “[w]hile it is true that we employ a ‘heightened’ focus on the individual elements of a settlement when all interest groups are not accommodated, the focus itself is on whether the settling parties brought to the table representatives of all groups affected by the settlement. This is not necessarily the same as accommodating the litigation positions of all parties.”⁷ The Settlement Agreement is a reasonable compromise of the Settling Parties' respective positions, as summarized in Section III. The Settlement Agreement is in the public interest and in the interest of SCE's customers. The Agreement fairly resolves issues and provides more certainty to customers regarding their present and future costs, which is in the public interest.

The Settlement Agreement, if adopted by the Commission, avoids the cost of further litigation, and frees up Commission resources for other proceedings. Given that the Commission's workload is extensive, the impact on Commission resources is doubly important. The Settlement Agreement frees up the time and resources of other parties as well, so that they may focus on other proceedings and on the other tracks of this large proceeding. The prepared direct testimony contains sufficient information for the Commission to judge the reasonableness

⁶ See D.07-11-018, *Order Denying Rehearing of Decision 07-03-044*.

⁷ *Id.* (citing *Re Southern California Edison Company*, 1996, 64 Cal.P.U.C.2d 241, 267).

of the Settlement Agreement and for it to discharge any future regulatory obligation with respect to this matter.

Each portion of the Settlement Agreement is dependent upon the other portions of the Settlement Agreement. Changes to one portion of the Settlement Agreement would alter the balance of interests and the mutually agreed upon compromises and outcomes that are contained in the Settlement Agreement. As such, the Settling Parties request that the Settlement Agreement be adopted as a whole by the Commission, as it is reasonable in light of the whole record, consistent with law, and in the public interest.

V.

CONCLUSION

WHEREFORE, the Settling Parties respectfully request that the Assigned Commissioner, Assigned ALJ, and the Commission:

1. Approve the attached Settlement Agreement as reasonable in light of the record, consistent with law, and in the public interest; and

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2. Authorize SCE to implement changes in rates and tariffs via a Tier 1 Advice Letter in accordance with the terms of the Settlement Agreement.

Respectfully submitted on behalf of the Settling Parties,

WILLIAM K. BRIGGS
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Dated: September 5, 2025

Attachment A

Vehicle to Grid Rate Proposal Settlement Agreement

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
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Application of Southern California Edison
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Application 24-03-019

VEHICLE TO GRID RATE PROPOSAL
SETTLEMENT AGREEMENT

Dated: **September 5, 2025**

Vehicle to Grid Rate Proposal Settlement Agreement

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Application 24-03-019

VEHICLE TO GRID RATE PROPOSAL
SETTLEMENT AGREEMENT

This Vehicle-to-Grid Resource Proposal Settlement Agreement (VGRP Agreement or Settlement Agreement) is entered into by and among the undersigned Parties hereto, with reference to the following:

1. PARTIES

The Parties to this Agreement are Southern California Edison Company (SCE), CALSTART, Inc., Small Business Utility Advocates (SBUA), Solar Energy Industries Association (SEIA), and Vehicle-Grid Integration Council (VGIC), referred to hereinafter collectively as Settling Parties or individually as a Party.

- A. SCE is an investor-owned public utility (IOU) and is subject to the jurisdiction of the California Public Utilities Commission (Commission or CPUC) with respect to providing electric service to its CPUC-jurisdictional retail customers.
- B. CALSTART, Inc. headquartered in California, is a globally renowned 501(c)3 non-profit organization dedicated to the advancement of zero emission vehicle and infrastructure technology. With a global consortium of over 200 technology, government, industry, and community partners, CALSTART has worked for 30+ years to accelerate the commercialization and deployment of advanced technologies and solutions.
- C. SBUA is a nonprofit organization that represents, protects, and promotes the interests of the small business utility customers.

- D. SEIA is the national trade association of the solar and storage industry. Through outreach and education, SEIA and its over 1,200 member companies work to make solar energy a mainstream and significant energy source by expanding markets, removing market barriers, strengthening the industry, and educating the public on the benefits of solar energy and storage.
- E. Vehicle Grid Integration Council is a 501(c)6 membership-based advocacy group committed to advancing the role of electric vehicles and vehicle-grid integration through policy development, education, outreach, and research.

2. **DEFINITIONS**

When used in initial capitalization in this Settlement Agreement, whether in singular or plural, the following terms shall have the meanings set forth below or, if not set forth below, then as they are defined elsewhere in this Settlement Agreement:

- A. “AL” means an Advice Letter Filing, sometimes referred to as an Advice Letter filing, at the CPUC.
- B. “Commission” or “CPUC” means the California Public Utilities Commission.
- C. “DER” means Distributed Energy Resource.
- D. “EEC” means Energy Export Credits. EECs are hourly-based monetary credits applied to the amount of electricity a customer exports to the grid. These credits are calculated using the Avoided Cost Calculator (ACC), which determines the value of electricity based on time-of-day, weekday/weekend, and seasonal factors. EECs can only be applied to energy charges and cannot offset non-energy charges such as fixed fees or non-bypassable charges.
- E. “EV” means electric vehicle.
- F. “EVR” means bidirectional EV Resource. It is an integrated system of hardware and software located in or around the electric vehicle supply equipment (EVSE) and the electric vehicle (EV), designed to enable communication and control of energy flow into and out of the vehicle’s battery. This system supports the operation of external electrical loads or systems, including interaction with the electric grid.

- G. “GRC Phase 2” means the regulatory proceeding in which the Commission adopts marginal costs, revenue allocation, and rate designs that will ultimately be applied to SCE’s authorized revenue requirements. The proceeding relates to, but is separate from, Phase 1 of the general rate case (GRC) proceeding, which is SCE’s quadrennial request to increase its Commission-authorized revenues.
- H. “Paired storage” means BTM electric storage technology including, but not limited to, electric battery systems, that are combined behind the same meter or billed on the same service account as other DERs, usually solar.
- I. “Standalone storage” means BTM electric storage technology including, but not limited to, electric battery systems that are not combined behind the same meter or billed on the same service account as other DERs.
- J. “ZEV” means Zero-Emissions Vehicle.

3. RECITALS

- A. On March 29, 2024, SCE served its initial prepared testimony regarding marginal costs, revenue allocation and rate design in Phase 2 of its 2025 General Rate Case (GRC), Application (A.)24-03-019. On August 26, 2024, SCE filed an Amended Application and served amended testimony regarding certain revenue allocation proposals.
- C. Protests and responses to SCE’s Application were filed on May 8, 2024.
- D. On November 1, 2024, the Assigned Commissioner and Assigned Administrative Law Judge issued a Scoping Memo and Ruling following a June 3, 2024 prehearing conference.
- E. The Public Advocates Office served its initial testimony on November 22, 2024. Intervenor, including the Settling Parties to this Agreement, served their initial prepared testimony on January 8, 2025.
- F. Cal Advocates, SEIA, and VGIC submitted prepared testimony regarding SCE’s VGRP proposal

- G. SCE provided notice to all parties of its intent to conduct a settlement conference related to all issues raised in the proceeding, and an initial settlement conference was held on January 3, 2025. Continuing settlement discussions occurred among the parties after that date.
- I. Appendix A to this Agreement provides a comparison of the Settling Parties' positions, where applicable, related to VGRP rate design issues that have been resolved by this Agreement. In the event of a conflict between the terms of this Agreement and Appendix A, the terms of this Agreement shall control.
- J. The Settling Parties have evaluated the impacts of the various proposals in this proceeding and desire to resolve all issues related to rate design regarding VGRP Rate Group customers as set forth in this Agreement beginning with the implementation of a CPUC decision approving this Agreement, and, in consideration of the mutual obligations, covenants and conditions contained herein, have reached agreement as indicated in Paragraphs 4 and thereafter of this Agreement.

4. OVERVIEW

This Settlement Agreement sets forth the terms and conditions that the Parties jointly agreed to for a VGRP Program and associated service requirements by which SCE, subject to approval from the California Public Utilities Commission (CPUC or Commission), would provide electricity service on the VGRP rate option to participating electric vehicle customers with bidirectional EV charging systems. VGRP will be offered to residential and non-residential customers as a rider to an electrification rate, a default or optional Time-of-Use (TOU) rate, or a dynamic pricing rate. The Parties acknowledge that the Commission could order changes to the Joint Settlement Agreement. The Settling Parties will confer regarding whether they agree to any adjustments to the VGRP Program that may be directed through the Commission's Final Decision.

Service under the VGRP Program will be available in two configurations: (1) as a standalone bidirectional EV charging arrangement, and (2) as a configuration that pairs bidirectional EV charging resources with an existing Net Energy Metering or Net Energy Metering Successor Tariff (NEM/NEM-

ST) or Net Billing Tariff (NBT) eligible renewable system. The EV Export compensation for both configurations will be the average hourly weekday and weekend Avoided Cost Calculator (ACC) values applied to NBT exports, also referred to as Energy Export Credit (EEC). Billing will be on a net-billed basis, with EECs receiving the same true up treatment as NBT. Non-NBT participants in the VGRP Program will not be eligible for market transition measures currently applicable to NBT participants. Existing NBT participants whose service qualifies for market transition measures will continue to receive those benefits upon enrolling in the VGRP Program. For NEM and NEM-ST customers, the NEM/NEM-ST portion of the export load will receive retail export compensation consistent with Schedule NEM and NEM-ST and the EV exports will receive EEC export credits consistent with the NBT participants.

5. AGREEMENT

In consideration of the mutual obligations, covenants and conditions contained herein, the Settling Parties agree to the terms of this Settlement Agreement. Nothing in this Agreement shall be deemed to constitute an admission by any Settling Party that its position on any issue lacks merit, or a claim by a Settling Party that its position has greater or lesser merit than the position taken by any other Settling Party. This Agreement is subject to the express limitation on precedent as provided in Commission Rule 12.5 and as described in Paragraph 12. Unless specifically stated otherwise herein, this Agreement and its terms are intended to remain in effect until a decision is implemented in Phase 2 of SCE's next GRC.

A. Applicability

A bidirectional EV Resource (EVR) is defined as a combination of hardware and software in or around the electric vehicle supply equipment (EVSE) and electric vehicle (EV) for the purposes of communication with and programming flow of energy into and out of the vehicle battery in support of electrical loads or systems offboard the EV, including the electric grid. The EVR represents a unique distributed energy resource where the resource attributes are not currently fully captured within SCE tariffs.

B. Eligibility

Non-residential customers participating in the VGRP Program must take service under an applicable electrification rate, a default or optional TOU rate, or a dynamic pricing rate. **Residential** customers enrolled in a NEM-ST or NBT Rate Option 2 arrangement must take service on TOU-D, TOU-D-PRIME, an alternative electrification rate plan, or a dynamic pricing rate.

C. Participation Cap

The initial program participation cap shall be 100,000 residential customers. No cap shall apply to non-residential customers. SCE shall file a Tier 2 Advice Letter (AL) to increase the cap when the participation reaches 80 percent of the cap level. In the AL, SCE may propose new program caps prior to the cap's expiration at the end of the 2025 GRC Phase 2 attrition years. When the cap of 100,000 residential customers is reached, SCE may not continue to accept customers into the program until the AL is resolved with a determination that authorizes reopening of the program. The Settling Parties are free to take any position on the AL they wish.

D. Rate Options

The VGRP rate option provides an export compensation rate specifically applicable to customers with bidirectional EVR. Standalone and paired EVRs will be eligible for Energy Export Credits and subject to a true-up mechanism, both consistent with Schedule NBT. When paired with a renewable resource in a VGRP arrangement, an EVR will be treated similar to stationary storage devices except where specified in future versions of Schedules VGRP, NEM, NEM-ST, and NBT.

The VGRP Program will offer two rate options:

- **Rate Option 1:** Applies when the EVR – export capacity rated at *1 kW or greater* – is the sole resource connected to a residence or a business establishment.
- **Rate Option 2:** Applies when the EVR – export capacity rated at *1 kW or greater* – is connected to a new or existing standalone solar or paired storage system.
 - Bidirectional EV charging systems with capacities *less than or equal to 10 kW* will be treated essentially the same as a stationary storage resource

with capacities less than or equal to 10 kW, without the need for additional metering requirements.

- Bidirectional EV charging systems with capacities *greater than 10 kW* will be treated essentially the same as a stationary storage resource with capacities greater than 10 kW.
- Limited exceptions to Schedules NEM, NEM-ST, NBT and the NEM Integrity Rules will be made to account for restrictions on overall capacity and other attributes, given that the EVR is specifically sized to meet its primary function as a transportation resource.

E. Export Compensation

For Rate Option 1 and Rate Option 2 EVR paired in a NBT arrangement:

1. Export compensation shall reflect the average hourly weekday and weekend ACC Energy Export Credits consistent with Schedule NBT.
 - a. Existing NBT participants who are eligible for the “Lock-in Period” pricing or the ACC Plus Adder may retain these market transition measures when enrolling in the VGRP Program – but only under Rate Option 2. The terms of the market transition measures will remain unchanged upon enrollment in the VGRP Program. The market transition measures will not be extended beyond the existing eligibility windows. Customers participating in VGRP Rate Option 1 will not be eligible for the market transition measures.
 - b. EECs are applied to energy charges and cannot be used to offset non-energy charges.
 - c. **Rate Option 2 EVRs with capacities greater than 10 kW:**
Arrangements that include a NBT paired storage system with an EVR will be required to install either a non-export relay or a Power Control System

(PCS). This PCS equipment should: a) limit discharge from the stationary storage system only when energy exports are detected at the primary meter, or b) prevent the use of imported energy from the grid to charge the stationary storage system. The solar and EVR discharges will continue to register as exports, provided the discharge exceeds the onsite load requirements. Integrated (i.e., Direct Current (DC) coupled) NBT arrangements will not require additional equipment to limit stationary storage system discharge.

- d. The Annual True Up process of Schedule NBT will apply at the end of the customer's Relevant Period.
- e. The 150 percent storage capacity sizing limit applicable to NBT paired storage systems will not apply to the bidirectional EV charging system in a paired storage configuration.
- f. **Rate Option 2** customers are eligible for Net Surplus Compensation but only for net surplus NBT exports, not for EVR exports.

- 2. EEC pricing for unbundled customers will only reflect the delivery EEC components similar to billing of unbundled NBT customers.

For Rate Option 2 EVR paired in a NEM or NEM-ST arrangement:

- 3. Export compensation for the NEM eligible portion of Channel 2 load shall reflect the retail export compensation as described in Schedules NEM and NEM-ST.
 - a. The annual true up mechanism as described in Schedule NEM and NEM-ST will continue to apply for the NEM/NEM-ST portion of Channel 2 load.
 - b. Export compensation for the EVR resource portion of Channel 2 load shall reflect the average hourly weekday and weekend ACC Energy Export

Credits consistent with Schedule NBT, with the same terms described above in Section E.1 apply to the EVR Channel 2 exports.

4. In accordance with the requirements of NEM-MT, energy credits will be applied in the following order:
 - a. **First**, apply EVR EEC as specified in Schedule VGRP.
 - b. **Second**, apply BG-NEM and/or FC-NEM generation rate component credits (if any) to the generation rate component charges on any aggregated account served by the Generating Facility.
 - c. **Third**, apply any remaining BG-NEM and/or FC-NEM credits from step 2 to the remaining generation rate component charges on the account served by the Generating Facility.
 - d. **Fourth**, apply NEM-ST energy credits (covering both generation and delivery service rate components) to any remaining energy charges on the accounts served by the Generating Facility.
 - e. **Fifth**, apply NEM energy credits (covering both generation and delivery service rate components) to any remaining energy charges on the accounts served by the Generating Facility.

F. Relevant Period

A 12-month Relevant Period will apply to customers receiving service under the VGRP.

For existing NEM, NEM-ST, and NBT customers, the VGRP Relevant Period will be aligned with the customer's existing Relevant Period.

G. Metering Requirements

For Rate Option 2 EVRs with capacities greater than 10 kW, **NBT** metering requirements are consistent with the requirements defined in D.14-05-033 as follows:

- Install either a non-export relay or a PCS to: a) limit discharge from the stationary storage system only when energy exports are detected at the

primary meter, or b) prevent the use of imported energy from the grid to charge the stationary storage system.

For Rate Option 2, under **NEM and NEM-ST**, the following metering requirements apply:

- An EVR Net Generation Output Meter, or approved EV submeter compliant with a Commission-adopted EV submetering protocol, to measure the EVR bidirectional flow of energy.

H. Interconnection Rules

Rule 21, which governs how DERs interconnect with SCE's electric grid, may require updates to accommodate the implementation of the VGRP Program. These details may be finalized through the Advice Letter process.

EVRs do not qualify for California Energy Commission (CEC) eligible renewables status as these systems function as energy storage and dispatch systems, not as generating resources. CEC-eligible renewables are defined under the Renewables Portfolio Standard (RPS) as technologies that generate electricity from renewable sources such as solar, wind, geothermal, and small hydro. EVR systems are not eligible for Rule 21 exemptions that apply to NEM resources.

The EVR interconnection fee will initially be established at \$108 per application. The fee includes an incremental \$6 per application to cover review costs of new equipment. The \$6 component will be removed from the interconnection fee when SCE files its Tier 2 Advice Letter establishing the participant cap.

Costs associated with EVR interconnections will be tracked and reported in SCE's Net Energy Metering and Net Billing Tariff Annual Reporting Advice Letter. The EVR interconnection fee may be subsequently reviewed and modified through the Advice Letter process consistent with NEM and NBT interconnection fee updates.

I. Equipment

Equipment must meet applicable standards. Inverter functions may be housed within the car, within the charger, split across the car and charger, or in a separate device. All equipment would be

needed to minimally meet UL 1741 SB or the equivalent standard for an AC bidirectional EV charging system (e.g., UL 1741 SC), if applicable.

J. Submetering

Submetering protocols established by the Commission will be applicable to VGRP. To the extent submetering protocols established by the Commission addresses and resolves issues regarding NEM/NEM-ST Multi-Tariff arrangements, those changes will also apply to VGRP.

K. Billing System Implementation

SCE will file a Tier 2 VGRP Implementation Advice Letter at least 60 days prior to making the program available. The implementation advice letter will include proposed changes to the relevant Tariffs and Rules. Should any technical or programmatic issues arise during this process, SCE will meet and confer with the Settling Parties to resolve the issues.

6. IMPLEMENTATION OF SETTLEMENT AGREEMENT

It is the intent of the Settling Parties that SCE should be authorized to implement the rates resulting from this Settlement Agreement as soon as practicable following the issuance of a final Commission decision approving this Settlement Agreement, but no earlier than the second quarter of 2026.

7. INCORPORATION OF COMPLETE AGREEMENT

This Agreement is to be treated as a complete package and not as a collection of separate agreements on discrete issues. To accommodate the interests related to diverse issues, the Settling Parties acknowledge that changes, concessions, or compromises by a Settling Party or Settling Parties in one section of this Agreement resulted in changes, concessions, or compromises by the Settling Parties in other sections. Consequently, the Settling Parties agree to oppose any modification of this Agreement not agreed to by all Settling Parties. If the Commission does not approve this Agreement without modification, the terms and conditions reflected in this Agreement shall no longer apply to the Settling Parties.

8. RECORD EVIDENCE

The Settling Parties request that all of their related prepared testimony be admitted as part of the evidentiary record for this proceeding.

9. SIGNATURE DATE

This Settlement Agreement shall become binding as of the last signature date of the Settling Parties.

10. REGULATORY APPROVAL

The Settling Parties, by signing this Agreement, acknowledge that they support Commission approval of this Agreement and subsequent implementation of all the provisions of the Agreement for the duration of rates implemented pursuant to a Commission order adopting this Agreement in this proceeding, *i.e.*, Phase 2 of SCE's Test Year 2025 GRC. The Settling Parties shall use their best efforts to obtain Commission approval of the Agreement. The Settling Parties shall jointly request that the Commission approve the Agreement without change, and find the Agreement to be reasonable, consistent with law and in the public interest.

Should any Proposed Decision or Alternate Proposed Decision seek a modification to this Settlement Agreement and should any Settling Party be unwilling to accept such modification, that Settling Party shall so notify the other Settling Parties within five business days of issuance of such Proposed Decision or Alternate Proposed Decision. The Settling Parties shall thereafter promptly discuss the proposed modification and negotiate in good faith to achieve a resolution acceptable to the Settling Parties and shall promptly seek Commission approval of the resolution so achieved. Failure to resolve such proposed modification to the satisfaction of the Settling Parties, or to obtain Commission approval of such resolution promptly thereafter, shall entitle any Settling Party to terminate its participation from this Agreement through prompt notice to the other Settling Parties.

11. COMPROMISE OF DISPUTED CLAIMS

This Settlement Agreement represents a compromise of disputed claims between the Settling Parties. The Settling Parties have reached this Settlement Agreement after taking into account the

possibility that each Party may or may not prevail on any given issue. The Settling Parties assert that this Settlement Agreement is reasonable, consistent with law and in the public interest.

12. NON-PRECEDENTIAL

Consistent with Rule 12.5 of the Commission's Rules of Practice and Procedure, this Settlement Agreement is not precedential in any other pending or future proceeding before this Commission, except as expressly provided in this Settlement Agreement.

The Settling Parties expressly recognize that each Party may advocate a position that is inconsistent with this Agreement in Phase 2 of SCE's 2025 GRC, or earlier if invited to do so by the Commission in, for example, a relevant Rulemaking proceeding.

13. PREVIOUS COMMUNICATIONS

The Settlement Agreement contains the entire agreement and understanding between the Settling Parties as to the subject matter of this Settlement Agreement. In the event there is any conflict between the terms and scope of this Settlement Agreement and the terms and scope of the accompanying joint motion in support of the Settlement Agreement, the Settlement Agreement shall govern.

14. NON-WAIVER

None of the provisions of this Settlement Agreement shall be considered waived by any Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Settlement Agreement or take advantage of any of their rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

15. EFFECT OF SUBJECT HEADINGS

Subject headings in this Settlement Agreement are inserted for convenience only, and shall not be construed as interpretations of the text.

16. GOVERNING LAW

This Settlement Agreement shall be interpreted, governed and construed under the laws of the State of California, including Commission decisions, orders and rulings, as if executed and to be performed wholly within the State of California.

17. NUMBER OF ORIGINALS

This Settlement Agreement is executed in counterparts, each of which shall be deemed an original. The undersigned represent that they are authorized to sign on behalf of the Party represented.

Dated: September 5, 2025

SOUTHERN CALIFORNIA EDISON COMPANY

/s/ Daniel Hopper

By: Daniel Hopper

Title: Managing Director, Regulatory Policy

Dated: September 5, 2025

CALSTART INC

/s/ Marc Gottschalk

By: Marc Gottschalk

Title: Chief Legal Counsel

Dated: September __, 2025

SMALL BUSINESS UTILITY ADVOCATES

By: Britt K. Marra

Title: Executive Director

Dated: September 5, 2025

SOLAR ENERGY INDUSTRIES ASSOCIATION


/s/ Jeanne B. Armstrong

By: Jeanne B. Armstrong

Title: Senior Regulatory Counsel

Dated: September 2, 2025

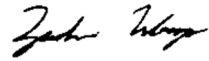
SMALL BUSINESS UTILITY ADVOCATES



By: Britt K. Marra
Title: Executive Director

Dated: September 5, 2025

VEHICLE GRID INTEGRATION COUNCIL



By: Zach Woogen
Title: Executive Director

Appendix A

Comparison of Party Positions and Settlement

Comparison of Positions
VGRP Rate Design Issues

Issue	SCE	Cal Advocates	SEIA	VGIC	2025 GRC Settled Position
VGRP Proposal	<ul style="list-style-type: none">Propose to offer a TOU based export compensation retail rate based on SCE’s current TOU periods and utilizing generation established ACC components.	<ul style="list-style-type: none">Rejects SCE's VGRP proposal. CPUC should require SCE to expand the list of eligible rates in the Expanded Pilot to include those that SCE proposed for participation in its VGRP. Approving a new export credit rate rider would be premature given that SCE has not provided a budget estimate.	<ul style="list-style-type: none">Proposal makes no sense in that that proposed compensation for exports is much less than what customers would receive from simultaneous exports from their home solar and stationary storage systems. The compensation rate should be based on the same ACC values as NBT. Also concerned with V2G-NGOM requirement and annual credit forfeiture. It should be available to unbundled customers as well.	<ul style="list-style-type: none">Supports the establishment of a stable/predictable export price by time of day, the availability to residential and non-residential customers, the cost based. Long term nature, and the eligibility of customers with and without NEM/NBT technologies.Disagrees with SCE's proposed compensation structure and argues SCE doesn’t provide good reason for including/excluding ACC components - recommends using all components. Price signal should mirror NBT.Disagrees with the need to install a V2G-NGOM since it adds costs and delays. Propose caveats to NEM customers participating in the program.Disagrees with Cal Advocates’ recommendation to reject SCE’s proposal and rejects their reasoning.	<ul style="list-style-type: none">VGRP provides an export compensation rate option for customers with bidirectional EV charging systems.Available to all residential and non-residential customers as a rider to:<ul style="list-style-type: none">Electrification ratesTOU ratesDynamic pricing ratesTwo rate options will be offered:<ul style="list-style-type: none">Standalone bidirectional EV chargingPaired with a NEM, NEM-ST, or NBT-eligible renewable systemEEC is based on ACC values, applied similarly to NBT exports.EEC pricing for unbundled customers will only reflect the delivery EEC components similar to billing of unbundled NBT customers.Billing is net-billed, with EECs treated like those under NBT.Existing NBT customers retain market transition benefits when enrolling in VGRP. New VGRP participants are not eligible for market transition measures.For NEM/NEM-ST customers:<ul style="list-style-type: none">Renewable exports receive retail compensation (per Schedule NEM/NEM-ST)EVR exports receive ACC Energy Export Credits using (per NBT rules)Metering & Control Requirements<ul style="list-style-type: none">Standalone EVR: No additional metering requirementsPaired EVR with NBT arrangement (with Capacity > 10 kW): Requires installation of a non-export relay or Power Control System. Integrated (i.e., Direct Current (DC) coupled) NBT arrangements do not require

Issue	SCE	Cal Advocates	SEIA	VGIC	2025 GRC Settled Position
					<p>additional equipment to limit stationary storage unit discharge.</p> <ul style="list-style-type: none"> Paired EVR with NEM/NEM-ST arrangement: Requires installation of an EVR Net Generation Output Meter (NGOM) or an approved EV submeter compliant with a Commission-adopted EV submetering protocol to measure the bidirectional flow of energy.