



**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 its
Energy Efficiency 2028-2031 Portfolio Plan
and 2032-2035 Business Plan.

Application 26-03-____

**APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) FOR
APPROVAL OF ITS ENERGY EFFICIENCY 2028-2031 PORTFOLIO PLAN AND 2032-
2035 BUSINESS PLAN**

ELENA KILBERG

ELLEN A. BERMAN

Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, CA 91770
Telephone: (562) 491-2236
Email: Elena.Kilberg@sce.com

EB Energy Law, Inc.
50 W. Hillcrest Drive Suite 218
Thousand Oaks, CA 91360
Telephone: (310) 663-7478
Email: ellen@ebenergylaw.com

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

Dated: **March 16, 2026**

**APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) FOR APPROVAL
OF ITS ENERGY EFFICIENCY 2028-2031 PORTFOLIO PLAN AND 2032-2035 BUSINESS
PLAN**

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I.

INTRODUCTION

Pursuant to Article 2 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission or CPUC), California Public Utilities Code Section (Cal. Pub. Util. Code §) 850 *et seq.*, Decision (D.) 21-05-031, and D.23-06-055, Southern California Edison Company (SCE) respectfully submits this application (Application) requesting that the Commission approve SCE’s Energy Efficiency (EE) 2028-2031 Portfolio Plan (Portfolio Plan) and 2032-2035 Business Plan (Business Plan). D.21-05-031 established the current framework for EE portfolio oversight and requires all Portfolio Administrators (PAs) to file both a four-year portfolio application and an eight-year business plan. Consistent with that decision, this filing presents SCE’s proposed Business Plan for the 2028–2035 period, outlining long-term strategic objectives, market transformation approaches, and anticipated portfolio evolution, together with the detailed four-year Portfolio Plan for the 2028–2031 cycle, which includes program-level design, budgets, savings forecasts, and cost-effectiveness analyses. This Application follows the guidance adopted in D.21-05-031 and subsequent Commission decisions, and is intended to support a transparent, data-driven, and strategically aligned EE portfolio for the State of California.

In this Application, SCE proposes a four-year EE Portfolio Plan budget of \$997 million, which reflects a 40 percent reduction of SCE’s 2024-2027 approved budgets.¹ For the same period, SCE also forecasts achieving approximately \$874 million in Total System Benefits (TSB), 135 percent of Commission EE goals for SCE, and an estimated 224 million metric ton reduction of greenhouse gas (GHG) emissions. SCE also forecasts achieving a cost-effective portfolio, with an improved Total Resource Cost (TRC) ratio of 1.20 in the Resource Acquisition segment of SCE’s portfolio.

As explained in this Application and in supporting testimony, the Commission should approve SCE’s Application because it is consistent with the Commission’s regulatory guidance and helps achieve California’s EE goals in a cost-effective manner to deliver more affordable, accountable, and effective EE outcomes for SCE’s customers. SCE’s Portfolio Plan is structured around three foundational pillars that guide portfolio design and implementation: (1) Drive Affordability, (2) Modernize EE Governance, and (3) Support Decarbonization. These pillars reflect a deliberate effort to balance near-term cost reductions with longer-term system and customer benefits emphasizing streamlined administration, more flexible delivery structures, and strategic integration of EE and decarbonization objectives.

SCE’s Application is also significantly informed by the Governor’s Executive Order (EO) N-5-24, which directs state agencies to prioritize affordability and reduce ratepayer impacts, as well as the State Audit Report² addressing California’s EE programs, which highlighted the need for stronger fiscal discipline, improved accountability, and better alignment between program costs and delivered benefits. Consistent with the mandate to focus on affordability, SCE’s proposed Portfolio Plan prioritizes cost-effective program delivery and

¹ This reduction reflects the revenue requirement for SCE’s EE portfolio and does not include the revenue requirement associated with the proposed portfolio budgets of the Regional Energy Networks (RENs) operating in SCE’s service area, which total \$443 million for SCE’s portion of the RENs’ revenue requirement.

² California State Auditor Report 2023-127, dated March 2025, “The California Public Utilities Commission: Without Improving Its Oversight, the Benefits of Energy Efficiency Programs May Not Be Worth Their Cost to Ratepayers”, p. 1 (hereinafter, State Audit Report), *available at* <https://www.auditor.ca.gov/wp-content/uploads/2025/03/2023-127-Report.pdf>.

proposes significant policy reforms that will help attain tighter alignment between funding levels and achievable outcomes and streamlined administrative structures, while continuing to advance California’s long-term clean energy and decarbonization objectives.

II.

BACKGROUND

In D.21-05-031, the Commission adopted a new framework for EE portfolios, replacing the ten-year rolling portfolio process established in in Rulemaking (R.) 13-11-005 with a new, four-year portfolio process designed to help ensure the continued success of EE programs.³ In that decision, the Commission adopted the new TSB metric to help combine energy and peak demand savings goals with GHG benefits that will be tracked going forward.⁴ The decision also further divided EE portfolios into three segments – resource acquisition, market support, and equity – to help overcome regulatory barriers and promote the development of EE programs throughout the marketplace.⁵ D.21-05-031 also required PAs to file new eight-year business plans to provide higher-level guidance beyond the four-year term of the portfolio plan.

III.

SUMMARY OF SCE’S REQUEST

In this Application and supporting testimony, SCE seeks approval of its Portfolio and Business Plans. Specifically, SCE requests approval of its four-year EE Portfolio Plan, with a budget of \$997 million for the 2028-2031 EE portfolio cycle,⁶ reflecting a 40 percent reduction relative to SCE’s approved EE budget for the 2024-2027 portfolio cycle, from approximately

³ D. 21-05-031, pp. 81-82.

⁴ *Id.*, Ordering Paragraph (OP) 1, p. 80.

⁵ *Id.*, OP 4, p. 84.

⁶ Pursuant to CPUC requirements, SCE’s total requested EE portfolio budget of \$997 million includes \$13.1 million in funds allocated to the CPUC for Evaluation, Measurement and Verification (EM&V) of RENS’ EE portfolios (and not attributable to SCE’s EE portfolio). SCE has included the RENS’ EM&V costs in its overall budget because SCE pays these funds directly to the CPUC on the RENS’ behalf as a fiscal agent, but these funds are attributable to the RENS’ portfolios and are not part of SCE’s own budget. If the \$13.1 million CPUC EM&V budget were added to the RENS’ portfolio budgets, their proposed collective budgets would increase from approximately \$440 million to approximately \$453 million.

\$1.67 billion to \$997 million. SCE forecasts delivery of approximately \$874 million in TSB over the 2028–2031 period, 135 percent of Commission goals, while reducing greenhouse gas emissions by an estimated 224 million metric tons. SCE also forecasts a cost-effective portfolio with an improved TRC ratio of 1.20 in the Resource Acquisition segment of the portfolio, demonstrating that lower costs and strong performance can coexist when the EE portfolio is appropriately sized and grounded in realistic delivery expectations. SCE’s total revenue requirement request also includes the EE budgets of the RENs operating in SCE’s service area, as shown below.

Table 1⁷
Revenue Requirement Summary

	2028-31 Portfolio Plan (\$000)	% Total of Rev. Req.
SCE Proposed Budget	\$ 997	
Less Unspent Funds	\$ (238)	
Net SCE Revenue Requirement	\$ 760	63%
<hr/>		
RENs Proposed Budget	\$ 441	
Less Unspent Funds	\$ -	
Net REN Revenue Requirement	\$ 441	37%
Total Revenue Requirement	\$ 1,200	100%

To further support the success of its proposed Portfolio Plan, SCE also seeks approval of several important policy recommendations, as outlined in Exhibit SCE-01, Chapter XI. If adopted, these reforms will enable SCE to better manage costs, reduce unnecessary administrative barriers, deliver more cost-effective EE and advance the State’s clean energy objectives. SCE’s key policy recommendations are summarized below as follows:

⁷ See fn.6 above explaining why the RENs’ EM&V cost is included in SCE’s proposed portfolio budget.

- **Applying consistent cost effectiveness and other portfolio requirements across all PAs** to ensure uniform oversight and prudent and equitable use of ratepayer funds, as directed in EO N-5-24.⁸
- **Reducing the 60% third party portfolio requirement to 20%**, or alternatively, broadening the definition of “third-party program” to allow PAs to select the most effective and affordable third-party delivery model for each program and market segment.
- **Eliminating the 20% statewide program requirement** to give each IOU more control over its portfolio without having to meet artificial quotas dependent on other IOUs.
- **Streamlining the solicitation process and modifying solicitation triggers for Tier 2 Advice Letter submittals** to reduce solicitation time and cost, allowing for faster program rollout/deployment.
- **Modifying net-to-gross (NTG) methodologies and updating technical guidance** to better reflect current EE market dynamics and a predominantly third party driven portfolio framework, while providing certainty and ease of implementation for third-party implementers.

SCE’s Application presents a forward-looking framework designed to deliver more affordable, accountable, and effective EE outcomes for customers.

IV.

SCE’S APPLICATION IS REASONABLE AND SHOULD BE APPROVED

A. SCE’s Application Supports Ambitious EE and Decarbonization Goals Set by the Commission and the State of California

SCE’s Portfolio and Business Plans are designed to enable SCE to meet the Commission’s TSB goals while driving toward the State’s larger decarbonization and GHG

⁸ EO N-5-24, available at <https://www.gov.ca.gov/wp-content/uploads/2024/10/energy-EO-10-30-24.pdf>.

reduction goals. SCE's Portfolio and Business Plans align with state regulatory directives and goals, as reflected in: (1) the Commission's 2021 Potential and Goals Study adopted in D.21-09-037, which adopt goals to "aggressively pursue all potentially achievable cost-effective energy savings opportunities, particularly from fuel substation measures that have gone untapped;"⁹ and (2) the California Energy Commission (CEC) 2021 Integrated Energy Policy Report, which tracks progress toward goal of doubling EE set by Senate Bill (SB) 350.¹⁰ SCE's Portfolio and Business Plans are also designed to achieve SCE's clean energy goals as described in SCE's "Pathway 2045" whitepaper, a policy paper issued in November 2019 articulating SCE's vision for achieving carbon neutrality in California by 2045,¹¹ and SCE's September 2021 "Mind the Gap" policy paper, which addresses policy changes and actions needed to ensure that California meets its goal of reducing GHG emissions 40% by 2030.¹² A brief overview of SCE's Portfolio and Business Plans, and the strategies to meet the Commission's EE goals, is presented below.

1. The Commission Should Approve SCE's 2028-2031 EE Portfolio Plan

SCE's 2028-2031 EE Portfolio Plan, outlined in the testimony attached as Exhibit SCE-01 and the program cards attached as Exhibit SCE-02, contains SCE's near-term plan for its EE portfolio, outlining strategies that reflect how SCE will design, manage, and evolve its EE portfolio while advancing policy changes to further increase affordability, performance, and to achieve California's decarbonization objectives. Consistent with the Energy Division's guidance, each strategy describes SCE's planned approach over the full eight-year period covered by the Application, with more detail for the initial four-year period. The Portfolio Plan also contains detailed justification for the budget requests for each program, supporting SCE's EE budget

⁹ See D.21-09-037 p. 16.

¹⁰ See CEC Final 2021 Integrated Energy Policy Report (Final 2021 IEPR), *available at* <https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/2021-integrated-energy-policy-report>.

¹¹ See SCE Pathway 2045, Nov. 2019, *available at* <https://www.edison.com/content/dam/eix/documents/our-perspective/201911-pathway-to-2045-white-paper.pdf>.

¹² See Edison International, Mind the Gap – Policies for California's countdown to 2030, Sept. 2021, *available at* <https://www.edison.com/home/our-perspective/mind-the-gap.html>.

request for 2028-2031.¹³ Further, SCE's portfolio strategies are designed to evolve over the eight-year application period, and some are contingent on the Commission's adoption of the policy and rule changes outlined in Exhibit SCE-01, Chapter XI, as further described herein.

The Commission should approve SCE's Portfolio Plan because it complies with all of the requirements of governing Commission decisions while affirmatively advancing affordability, savings and decarbonization goals set by the Commission and the State of California.

2. The Commission Should Approve SCE's 2032-2035 EE Business Plan

SCE's 2032-2035 EE Business Plan, also described in SCE's testimony attached hereto in Exhibit SCE-01, outlines SCE's long-term plan for EE over the coming eight years and its desired outcomes for its entire EE portfolio, including a description of strategies for building decarbonization, market intervention, energy efficiency adoption, innovation, and program management. The Business Plan contains all of the information required by relevant Commission EE decisions and the most current Business Plan template provided by Energy Division staff. SCE's Business Plan also builds upon the Commission's EE decisions to help ensure that GHG and savings goals will be met in the future, while at the same time broadening the overall reach of EE programs.¹⁴

Seven strategies detailed in the Business Plan will help SCE achieve these goals: (1) accelerating fuel substitution interventions; (2) continuing to solicit for third-party programs to encourage broad market participation and reduce risk to ratepayers; (3) utilizing the new segmentation criteria laid out in D. 21-05-031 to support new areas of the EE market; (4) increasing coordination with other PAs across SCE's service area; (5) continuing to leverage traditional delivery approaches by sector; (6) focusing on increasing innovation to help broaden the reach of EE programs and expand the EE market; and (7) aligning SCE's EE portfolio with the Commission's Environmental and Social Justice Action Plan, including through the equity

¹³ Exhibit SCE-01, Chapter X. Note, this amount does not include the RENS' requested budget amounts, which are included in Section B, Revenue Requirement and Cost Recovery, below.

¹⁴ See Exhibit SCE-01, Chapter III, Section A.

segment of the EE portfolio. As discussed in more detail in Exhibit SCE-01, Chapter III, these strategies, along with the continued development and performance of the overall EE portfolio, will help ensure that SCE's EE portfolio will meet the Commission's and State's requirements and goals. The Commission should approve SCE's Business Plan as it also represents a key step toward achieving environmental and social justice, and other goals both within and outside of the EE context.

In managing the portfolio over the eight-year Application cycle, SCE will apply the three cross-cutting portfolio pillars described in Exhibit SCE-01, Executive Summary: advancing affordability for ratepayers, modernizing portfolio administration, and supporting California's decarbonization objectives. These pillars will continue to inform how SCE prioritizes resources, evaluates performance, and adapts strategies over time. As part of the Business Plan, SCE recommends numerous policy changes to strengthen these foundational portfolio pillars and ensure the success of SCE's EE portfolio.

3. The Commission Should Adopt SCE's Policy Recommendations

In its testimony,¹⁵ SCE proposes several important policy changes that, if adopted by the Commission, would enable SCE to better manage costs, reduce unnecessary administrative complexity, deliver more cost-effective EE, and advance the State's clean energy objectives. As such, SCE requests that the Commission order each of the following policy recommendations in its final decision approving SCE's Application.

- **Prioritize Affordability by Applying the Same Cost-Effectiveness and Other Regulatory Requirements to All PAs that Use Ratepayer Funds for EE Portfolios**

1. *The Commission should apply the same cost effectiveness standards (currently a TRC ratio of 1.0 or above for Resource Acquisition programs) and other EE regulatory requirements to all PAs, as a condition of using ratepayer funds to administer EE programs.*

Absent consistent requirements across PAs, the Commission risks perpetuating a patchwork EE

¹⁵ See generally, Exhibit SCE-01, Chapter XI.

management structure in which ever-expanding portions of the ratepayer-funded EE portfolio budgets are insulated from the cost-effectiveness and oversight standards that apply to IOU PAs, even as the non-IOU portfolios continue to grow in scale and scope. The Commission should establish minimum cost-effectiveness standards for all PAs administering Resource Acquisition EE programs utilizing ratepayer funds. Doing so, would realign the EE regulatory framework with the Commission’s longstanding principles of fairness, accountability, and prudent use of ratepayer funds. *See Exhibit SCE-01, Chapter XI.A.*

- **Restore PA Control Over Composition of EE Portfolios by Revamping the Third-Party Framework and Eliminating 20% Statewide Requirement**

2. *The Commission should reduce the requirement that third-party implementers propose, design, implement, and deliver EE programs from 60 percent to 20 percent.* This change would allow IOU PAs – who remain accountable to the Commission for portfolio compliance and performance and thus assume most of the risk – to determine the appropriate mix of programs for most of their EE portfolio based on customer needs, third parties’ capabilities and expertise, technical and policy changes, and market conditions. This proposal would still preserve the third-party model developed by the Commission and stakeholders for at least 20 percent of the portfolio. *See Exhibit SCE-01, Chapter XI.B.1.*

3. *In the alternative, the Commission should broaden the definition of a “third-party program” from current “third-party proposed, designed and implemented” to “third-party delivered,” meaning “a program that is executed in whole or in part by a third party pursuant to a contract with an EE portfolio administrator.”* Adopting this definition would preserve the option for SCE to contract with third parties that have the capabilities to propose, design, and implement programs, but would also allow for *other types of third-party arrangements* and require only that third parties “deliver” the EE measures to be considered a “third-party program.” *See Exhibit SCE-01, Chapter XI.B.2.*

4. *The Commission should eliminate the Statewide program percentage requirement.* The IOUs’ portfolios should be outcome-driven, not designed around ensuring that

the IOUs meet a rigid quota that may not reflect current market conditions. Moreover, the ability of any one IOU to meet this goal is heavily dependent on the actions of the other IOUs, as well as the success of statewide programs that are largely outside the IOU's control (because the statewide program may be administered by another PA). Rather than mandating an arbitrary budget allocation that may not align with ratepayer benefit, the Commission could require the PAs to administer statewide programs on a case-by-case basis based on unique characteristics of a customer segment. *See Exhibit SCE-01, Chapter XI.C.*

- **Streamline EE Solicitation Process and Associated Oversight / Administrative Requirements**

5. *The Commission should order that solicitations for contracts valued below \$25 million undergo a more streamlined PRG review appropriate to their scale, with reduced frequency of PRG engagement and a different reporting format/cadence. This tiered approach in which the level and depth of review is commensurate with the program's dollar value and portfolio risk would better align oversight with risk and materiality, as well as reduce solicitation costs and duration to allow EE programs to launch more quickly. See Exhibit SCE-01, Chapter XI.D.1.*

- The Commission should establish a PRG Working Group to update the EE PRG Guidelines with the goal of simplifying the solicitation process, shortening procurement timelines, and clarifying roles and responsibilities.*
- The Commission should modify cadence of independent evaluator (IE) reports from semi-annual to annual to better align IE reporting with current oversight needs and the reduced volume of solicitations.*

6. *The Commission should increase contract value threshold requiring Tier 2 Advice Letter (AL) submittal from \$5 million to \$25 million and remove the Tier 2 AL trigger based on length of contract term. Adopting a single trigger requiring an AL submittal if a contract is valued at \$25 million or more is reasonable because it would more appropriately align the level of Commission oversight with ratepayer risk, reduce inevitable delays associated with a formal*

regulatory approval process, and reduce the overall cost of third-party solicitations for all stakeholders. See Exhibit SCE-01, Chapter XI.D.2.

- **Modernize EE Governance by Eliminating Outdated Technical Requirements**

7. *The Commission should update its rules related to net-to-gross (NTG) ratios and program influence by assigning new EE programs (at the program level) and custom projects a default NTG ratio of 1.0, to be modified as needed if free ridership is demonstrated.* The current practice of assigning legacy discounted NTG values to new programs results in immediate and inappropriate discounting of savings and should be discontinued. See Exhibit SCE-01, Chapter XI.E.1.

8. *The Commission should consolidate multiple existing EE delivery types into two standard categories: Customer-Based Delivery and Sales-Based Delivery.* A two-category structure would streamline EE administration and reporting, while more accurately reflecting how programs operate in practice. See Exhibit SCE-01, Chapter XI.E.2.

9. *The Commission should eliminate the Incremental Measure Cost (IMC) cap for downstream measure packages.* The IMC concept was originally developed about two decades ago (i.e., before the Commission adopted a third-party, pay-for-performance framework) to prevent the IOUs from overspending on customer incentives. However, subsequent application of the IMC policy as a rigid cap on incentives in a third party-dominated EE market has constrained third-party program design, led to incongruous results and market dysfunction without achieving the stated intent of the policy. See Exhibit SCE-01, Chapter XI.E.3.

10. *The Commission should align the savings claims date with payment approval date, rather than installation date.* Doing so would more directly align savings attribution with verified third-party performance and eliminate administrative complexity. See Exhibit SCE-01, Chapter XI.E.4.

- Revenue Requirement and Cost Recovery**

In this Application, SCE requests the Commission's approval of a total EE revenue requirement of approximately \$1.20 billion to fund the 2028-2031 EE portfolios administered by

SCE and all other PAs operating independently in SCE’s service area.¹⁶ The \$1.20 billion revenue requirement is comprised of the following: EE Programs revenue requirement of \$1.137 billion, total EE Financing Programs revenue requirement of \$11 million, and Statewide EE Programs revenue requirement of \$52 million, excluding Franchise Fees and Uncollectibles (FF&U) expense.¹⁷ Approximately \$760 million of the total requested revenue requirement supports SCE’s EE portfolio programs, while approximately \$440 million of the revenue requirement would fund the EE budget requests of the four RENs within SCE’s service area. SCE does not take a position at this time on the appropriate funding levels for the RENs. Once this Application is approved, SCE will submit a Tier 1 Advice Letter to implement the annual authorized revenue requirements.

Table 2 below compares SCE’s current bundled average rate (i.e., rates in effect as of January 1, 2026) by customer group to proposed bundled average rates if SCE’s peak revenue requirement¹⁸ of \$335 million for EE Programs, EE Financing Programs, and Statewide EE Programs over the 2028-2031 cycle (excluding FF&U) is approved. This represents a projected revenue requirement decrease of \$148 million relative to the \$483 million currently in rates.¹⁹ This will result in a system average rate (SAR) decrease of approximately 0.6 percent for bundled service customers relative to current rates.

¹⁶ SCE is required to collect from ratepayers and pass through to the RENs in SCE’s service area Commission-authorized budgets for the RENs’ EE portfolios. *See* D.23-06-055, Conclusion of Law 13 (“The IOU role as a fiscal agent for the CCAs and RENs operating within its territory should be limited to collecting and disbursing funds under the direction of the Commission and should not include a compliance and monitoring function.”).

¹⁷ A gross-up for FF&U will be added to the revenue requirement when put into customer rate levels.

¹⁸ The peak revenue requirement is the highest revenue requirement of the \$1.20 billion total revenue requirement for 2028-2031 portfolio cycle shown in Table 17 of Exhibit SCE-01.

¹⁹ This analysis does not account for SCE’s pending MCAL filing (Advice 5670-E). If Advice 5670-E is approved without modification, SCE’s authorized 2026 and 2027 EE budget revenue requirements would decrease by approximately \$465 million in total. However, any subsequent rate increase resulting from the MCAL’s implementation would not be on account of SCE’s 2028-2031 EE portfolio budget request set forth in this Application, which, as noted, represents a 40% reduction from the prior application cycle. Rather, any such rate increase would stem from the requirement that SCE, in its capacity as fiscal agent, collect revenues to fund increased EE budgets of the RENs operating within SCE’s service area.

Table 2
EE Portfolio and Business Plan Bundled Rate and Bill Impacts

Bundled Average Rates (¢/kWh)				
Customer Group	Current Rates (1/1/26)	Proposed Decrease	Proposed Rates	% Change
Residential	34.5	(0.2)	34.2	-0.6%
Lighting - Small and Medium Power	30.5	(0.2)	30.3	-0.6%
Large Power	20.3	(0.1)	20.2	-0.6%
Agricultural and Pumping	24.3	(0.2)	24.1	-0.8%
Street and Area Lighting	36.4	(0.2)	36.2	-0.7%
Standby	15.1	(0.1)	15.0	-0.8%
Total	28.9	(0.2)	28.7	-0.6%

Residential Bill Impact (\$/Month)				
Description	Current (1/1/26)	Proposed Decrease	Proposed	% Change
Non-CARE residential bill	\$187.56	(\$1.18)	\$186.38	-0.6%
CARE residential bill	\$112.40	(\$0.77)	\$111.63	-0.7%

Based on an incremental estimated average annual revenue requirement decrease of \$148.1 million; assumes average usage of 500 kWh per month in baseline region 9, and excludes climate dividend (i.e., GHG credits).

A typical California Alternate Rates for Energy (CARE) residential customer could see a bill decrease of \$0.77 per month in the peak year or 0.7%. Similarly, a typical non-CARE residential customer could see a bill decrease of \$1.18 per month in the peak year or 0.6%. The actual impact will vary based on usage, baseline territory, and other factors.

The proposed rates are illustrative and will be updated consistent with the Commission’s decision(s) in this proceeding to reflect SCE’s then-current authorized revenues when such rates are implemented. 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.

SCE will utilize its existing Procurement Energy Efficiency Balancing Account (PEEBA), Energy Efficiency Financing Balancing Account (EEFPBA) and Statewide Energy Efficiency Balancing Account (SWEEBA) to ensure that SCE recovers no more than the actual EE portfolio costs up to the amounts authorized in this proceeding. A detailed discussion of SCE’s portfolio funding and cost recovery proposals is included in Exhibit SCE-01, Chapter X. Accordingly, SCE requests that the Commission approve SCE’s total EE revenue requirement for the 2028-2031 portfolio cycle and direct SCE to include in its rates any Commission-authorized REN budgets for programs administered by the RENs within SCE’s service area.

C. Organization of Portfolio Plan and Business Plan Testimony and Exhibits

SCE's testimony submitted to support this Application follows the direction provided in the Energy Division template and is organized as follows:

Exhibit SCE-01: Energy Efficiency 2028-2031 Portfolio Plan and 2032-2035 Business Plan

- Chapter I: Executive Summary
- Chapter II: Portfolio Summary
- Chapter III: Portfolio Strategies
- Chapter IV: Forecast Methodology and Zero Based Budgeting
- Chapter V: Portfolio Management
- Chapter VI: Segmentation and Sector Strategy
- Chapter VII: Portfolio Coordination
- Chapter VIII: Stakeholder Engagement
- Chapter IX: Evaluation, Measurement & Verification
- Chapter X: Cost and Recovery
- Chapter XI: EE Policy Recommendations

Exhibit SCE-02: Program Cards

Exhibit SCE-03: CEDARS Filing Links and Receipts

Exhibit SCE-04: CPUC Standard Workpapers and SCE Workpapers

Exhibit SCE-05: Appendices including: Joint PA Statewide Assessment Framework, Witness Qualifications, and List of Acronyms and Abbreviations.

V.

STATUTORY AND PROCEDURAL REQUIREMENTS

A. Rule 2.1 (a) - (c)

SCE files this Application pursuant to Public Utilities Code Sections 451, 454, 728, 729, 740.4, and 795, the Commission's Rules of Practice and Procedure, D.23-06-055, D.21-09-037, D.21-05-031, D.18-05-041, D.16-08-019, D.18-01-004, D.19-08-009, and the other orders, and resolutions of the Commission.

1. Rule 2.1 (a) – Legal Name

Rule 2.1(a) of the Commission’s Rules of Practice and Procedure requires all applications to state the exact legal name of each applicant and the location of principal place of business, and if an applicant is a corporation, trust, association, or other organized group, the State under the laws of which such applicant was created or organized.

The full legal name of the applicant herein is Southern California Edison Company. SCE is a corporation organized and existing under the laws of the State of California, and 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 subject to the jurisdiction of the 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 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, California 91770
Telephone: (626) 302-1212

2. Rule 2.1 (b) – Correspondence

Rule 2.1(b) of the Commission’s Rules of Practice and Procedure requires all applications to state the name, title, address, telephone number, facsimile transmission number, and e-mail address of the person to whom correspondence or communications regarding the application are to be addressed.

SCE’s attorney in this matter is Elena Kilberg. Correspondence or communications regarding this application should be addressed to:

Elena Kilberg
Senior Attorney
Southern California Edison Company
2244 Walnut Grove Avenue
P. O. Box 800
Rosemead, CA 91770
Telephone: (562) 491-2236
Email: elena.kilberg@sce.com

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

3. Rule 2.1 (c)

a) Proposed Category of Proceeding

SCE proposes that this Application be categorized as a ratesetting proceeding pursuant to Commission Rule of Practice and Procedure 1.3(g) and 7.1(e)(2).

b) Need for Hearings

The need for hearings in this proceeding, and the issues to be considered in such hearings, will depend in large part on the degree in which other parties contest SCE's requests. The need for hearings will ultimately be determined by the assigned Administrative Law Judge(s). SCE proposes a sample schedule if hearings are needed.

c) Issues to be Considered, Including Relevant Safety Considerations

The primary issues to be considered in this proceeding are: whether SCE's EE Business and Portfolio Plans are reasonable and consistent with Commission guidance, and whether the Commission should adopt SCE's policy proposals in support of these Plans, as described above and in more detail in SCE's supporting testimony served concurrently with this Application.

d) Proposed Schedule

SCE proposes the schedule below. SCE recommends aligning the schedules across all PA applications to help conserve the resources of the Commission, the PAs, and any other interested parties by allowing for common issues to be handled across proceedings. To allow the Commission to issue a timely final decision in this proceeding, SCE requests the Commission process the Application according to the following schedule:

<u>Event</u>	<u>Date</u>
Application Filed	March 16, 2026
Protests/Responses due (30 days after Notice of Application appears in the Commission Daily Calendar)	April 15, 2026
Reply to Protests (SCE files replies to protests and responses within 10 days of the last day for filing protests and responses)	April 27, 2026
Prehearing Conference, Prehearing Conference Statements, and Scoping Memo	May 18, 2026
Workshops (if needed)	July 20, 2026
Testimony of Interested Parties	August 20, 2026
Rebuttal Testimony Due	October 21, 2026
Evidentiary Hearings (if needed) & Discovery Cutoff	November 2, 2026
Concurrent Opening Briefs	January 25, 2027
Concurrent Reply Briefs (3 weeks after opening briefs)	February 4, 2027
Proposed Decision	May 2027
Final Decision	June 2027

B. Rule 2.2 – Articles of Incorporation

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 No. A.23-12-011, and is incorporated herein by this reference pursuant to Rule 2.2 of the Commission’s Rules of Practice and Procedure.

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 No. A.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 No. A.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 April 15, 2025, pursuant to General Order Nos. 65-A and 104-A of the Commission.

C. Rule 3.2 – Authority to Increase Rates

Rule 3.2 applies to “[a]pplications for authority to increase rates or to implement changes that would result in increased rates” and requires that applicants seeking a rate increase submit certain supporting documents and data. Rule 3.2 is not applicable here because, as of the time of filing this Application, SCE is not projecting a rate increase attributable to its EE budget proposals and is not seeking authority to increase rates. For details related to SCE's revenue requirement and rate impacts, please see Section IV.B above. SCE is nevertheless providing certain material covered by Rule 3.2 for informational purposes only.

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

Appendix A to this Application contains copies of SCE's balance sheet as of December 31, 2025, and SCE's income statement for the period ending December 31, 2025, the most recent period available.

2. Summary of Earnings – Rule 3.2(a)(5)

Appendix B hereto contains a copy of SCE's summary of earnings, updated on December 31, 2025, the most recent period available.

3. 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 a rate increase or to pass through increased costs to SCE’s customers, as the revenue requirement (and associated rates) are projected to decrease.

4. Notice – Rule 3.2(b), (c), and (d)

No notice is required because Rule 3.2 is not applicable.

D. Index of Appendices to Application

SCE’s submissions in support of this Application include the following, which are incorporated herein by reference. The Appendices to Application are:

Appendix A Balance Sheet and Income Statement

Appendix B Summary of Earnings

E. 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, as well as the service lists established by the Commission for R.25-04-010 and A.22-02-005, *et al.*

VI.

CONCLUSION

SCE respectfully requests that the Commission expeditiously approve this Application as filed.

Respectfully submitted,

ELENA KILBERG
ELLEN A. BERMAN

/s/ Elena Kilberg

By: Elena Kilberg

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

Dated: March 16, 2026

VERIFICATION

I, Larry Chung, declare and state:

I am Vice President of Customer Solutions 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 March 16, 2026 at Irwindale, California.

/s/ Larry Chung
Larry Chung
Vice President, Customer Solutions
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
TWELEVE MONTHS ENDED DECEMBER 31, 2025

(In millions)

OPERATING REVENUE	<u>\$ 19,276</u>
OPERATING EXPENSES:	
Purchase power and fuel	4,933
Operation and maintenance	4,999
Wildfire-related claims, net of (recoveries)	(2,009)
Wildfire fund expense	144
Depreciation and amortization	3,233
Property and other taxes	662
Asset impairment	<u>106</u>
Total operating expenses	<u>12,068</u>
OPERATING INCOME	7,208
Interest expense	(1,207)
Other income, net	<u>447</u>
INCOME BEFORE TAXES	6,448
Income tax expense	<u>1,415</u>
NET INCOME	5,033
Less: Preference stock dividend requirements	<u>144</u>
NET INCOME AVAILABLE FOR COMMON STOCK	<u><u>\$ 4,889</u></u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
DECEMBER 31, 2025
ASSETS
(in millions)

UTILITY PLANT:

Utility plant, at original cost	\$ 71,341
Less- accumulated provision for depreciation and amortization	<u>15,060</u>
	56,281
Construction work in progress	6,720
Nuclear fuel - at amortized cost	<u>130</u>
	<u>63,131</u>

OTHER PROPERTY AND INVESTMENTS:

Nonutility property - less accumulated depreciation of \$113	188
Nuclear decommissioning trusts	4,535
Other investments	<u>40</u>
	<u>4,763</u>

CURRENT ASSETS:

Cash and equivalents	98
Receivables, less allowances of \$353 for uncollectible accounts	1,455
Accrued unbilled revenue	1,236
Inventory	535
Prepaid expenses	118
Regulatory assets	3,290
Wildfire fund contributions	138
Other current assets	<u>743</u>
	<u>7,613</u>

DEFERRED CHARGES:

Receivables, less allowance of \$49 for uncollectible accounts	38
Regulatory assets (Includes \$3,092 related to VIEs)	12,960
Wildfire fund contributions	1,740
Operating lease right-of-use assets	1,155
Long-term insurance receivables	145
Long-term insurance receivables due from affiliate	226
Other long-term assets	<u>2,074</u>
	<u>18,338</u>
	<u>\$ 93,845</u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
DECEMBER 31, 2025
CAPITALIZATION AND LIABILITIES
(in millions)

CAPITALIZATION:

Common stock	2,168
Additional paid-in capital	8,970
Accumulated other comprehensive loss	(12)
Retained earnings	11,090
Common shareholder's equity	<u>22,216</u>
Long-term debt (Includes \$3,022 related to VIEs)	31,255
Preferred stock	1,714
Total capitalization	<u>55,185</u>

CURRENT LIABILITIES:

Short-term debt	1,036
Current portion of long-term debt	1,928
Accounts payable	2,353
Wildfire-related claims	585
Accrued interest	432
Regulatory liabilities	1,158
Current portion of operating lease liabilities	118
Other current liabilities	1,599
	<u>9,209</u>

DEFERRED CREDITS:

Deferred income taxes and credits	10,712
Pensions and benefits	87
Asset retirement obligations	2,583
Regulatory liabilities	10,627
Operating lease liabilities	1,037
Wildfire-related claims	721
Other deferred credits and other long-term liabilities	3,684
	<u>29,451</u>

\$ 93,845

Appendix B

Summary of Earnings

Southern California Edison
 2025 GRC Summary of Earnings
 AL 5642-E

Thousands of Dollars

Southern California Edison Summary of Earnings 2025 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	9,659,974
2.	Expenses:	
3.	Operation & Maintenance	3,012,408
4.	Depreciation	2,729,030
5.	Taxes	1,104,264
6.	Revenue Credits	(155,885)
7.	Total Expenses	<u>6,689,817</u>
8.	Net Operating Revenue	2,970,157
9.	Rate Base	38,840,289
10.	Rate of Return	7.65%

Southern California Edison
 2025 GRC Summary of Earnings
 AL 5725-E

Thousands of Dollars

Southern California Edison Summary of Earnings 2026 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	10,135,883
2.	Expenses:	
3.	Operation & Maintenance	3,075,529
4.	Depreciation	2,888,791
5.	Taxes	1,183,217
6.	Revenue Credits	(160,808)
7.	Total Expenses	<u>6,986,727</u>
8.	Net Operating Revenue	3,149,155
9.	Rate Base	41,574,812
10.	Rate of Return	7.57%