

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

Agenda ID# 23775
RESOLUTION E-5419
October 30, 2025

R E D A C T E D
R E S O L U T I O N

Resolution E-5419 Southern California Edison requests approval of Diablo Canyon Replacement Bridge Swap Contracts.

PROPOSED OUTCOME:

- Approves two Diablo Canyon Replacement (“DCR”) bridge swap contracts and counts purchase contract toward SCE’s Mid-Term Reliability (“MTR”) procurement requirements pursuant to Decisions 21-06-035 and 24-09-006.

SAFETY CONSIDERATIONS:

- No impacts to safety are anticipated as a result of this Advice Letter. The DCR Bridge Swap Contracts do not affect the underlying provisions regarding safety in the long-term contracts that are the source of the products subject to the transaction.

ESTIMATED COST:

- Contract costs are confidential at this time.

By Advice Letter 5487-E, Filed on February 27, 2025.

SUMMARY

This Resolution approves two swap contracts for bundled portfolio content category 1 (“PCC-1”) renewable energy credits (“RECs”) and energy. SCE is seeking approval to count its purchase contract for June 1, 2025, through May 31, 2026, executed as part of the swap as a bridge toward the energy portion of SCE’s Diablo Canyon Replacement (“DCR”) procurement requirement under Ordering Paragraph (“OP”) 6 of D.21-06-035 (full summary of contract terms found in Confidential Appendix B).

On January 21, 2025, SCE and Clean Power Alliance of Southern California (“CPA”)

entered into two offsetting swap contracts (the “DCR Bridge Swap Contracts”) for PCC-1 RECs, which are RECs that are bundled with RPS-eligible energy. Under one contract (the “SCE DCR Bridge Buy Contract”), SCE is purchasing PCC-1 RECs (i.e., bundled RECs and energy) from four RPS- and MTR-eligible solar PV facilities that appear to meet the DCR energy requirements under OP 6 of D.21-06-035 and OP 1 of D.24-09-006. Under the other contract (the “SCE DCR Bridge Sell Contract”), SCE is selling PCC-1 RECs, including solar and disadvantaged community (“DAC”) RECs, from various RPS-eligible generating facilities in SCE’s portfolio. The contracts for which SCE seeks approval in Advice Letter (“AL”) 5487-E are summarized in the table below:

Contract	Contract Type	Delivery Period	Contract Volume
SCE DCR Bridge Buy Contract	DCR-eligible PCC-1 RECs	6/1/2025- 5/31/2026	1,702,214 MWh
SCE DCR Bridge Sell Contract	Solar PCC-1 RECs	6/1/2025- 5/31/2026	1,571,214 MWh
	Other Solar RECs	6/1/2025- 12/31/2026	153,245 MWh
	DAC RECs	6/1/2025- 12/31/2027	131,000 MWh

Under the SCE DCR Bridge Buy Contract, SCE is purchasing bundled PCC-1 RECs and energy from CPA sourced from several of CPA’s long-term contracts. In particular, SCE will purchase 1,702,214 MWh of bundled PCC-1 RECs and energy over a delivery period of June 1, 2025, through May 31, 2026. These bundled PCC-1 RECs and energy will be sourced from the solar PV resources listed in the table below, which have zero on-site emissions or otherwise qualify under the RPS and are incremental to the D.21-06-035 Baseline List.

Facility Name	Resource	Location	Online Date
Resurgence Solar II, LLC	Resurgence II Solar +Storage	Boron, CA	9/14/2023
Estrella Solar, LLC	Estrella Solar+Storage	Lancaster, CA	12/28/2023
20SD 8me LLC	Rexford Solar + Storage	Tulare County, CA	pending
Desert Quartzsite, LLC	Desert Quartzite Solar+Storage	Blythe, CA	12/20/2024

As part of the swap, SCE also executed the SCE DCR Bridge Sell Contract with CPA, a PCC-1 REC agreement to sell and deliver a total of 1,855,459 MWh of California RPS-eligible electric energy and associated RECs: 1,571,214 MWh to be delivered from

RPS-eligible projects between June 1, 2025 and May 31, 2026 (“Solar RECs”), 153,245 MWh to be delivered from RPS-eligible projects between June 1, 2025, and December 31, 2026 (“Other Solar RECs”), and 131,000 MWh to be delivered from RPS-eligible DAC projects between June 1, 2025, and December 31, 2027 (“DAC RECs”).

BACKGROUND

A. Overview of Integrated Resource Planning (“IRP”) / Mid-Term Reliability Requirements

Decision (“D.”) 21-06-035 requires load serving entities (“LSEs”) to procure at least their share of 11,500 MW of September net qualifying capacity (“NQC”), with at least 2,000 MW online by August 1, 2023; an additional 6,000 MW online by June 1, 2024; an additional 1,500 MW online by June 1, 2025; and an additional 2,000 MW of long lead time (“LLT”) resources online by June 1, 2026, for MTR purposes. Of the 11,500 MW NQC required, 2,000 MW must be from resources with LLT. At least 1,000 MW of this LLT requirement must be obtained from clean firm, zero-emitting resources, such as geothermal, and 1,000 MW of Long Duration Energy Storage (“LDES”). D.21-06-035 also requires at least 2,500 MW from firm zero-emitting generation paired with storage, or demand response resources by 2025 to replace Diablo Canyon Nuclear Power Plant procurement.

D.23-02-040, adopted on February 28, 2023, orders supplemental MTR procurement of 2,000 MW NQC for 2026 and 2,000 MW NQC for 2027, and revised the online date for LLT resources from June 1, 2026, to June 1, 2028. With the mutually agreed-upon reallocations and the additional MTR procurement ordered in D.23-02-040, SCE’s annual share of the MTR procurement requirements are as follows:

Table 1: SCE Annual MTR Procurement Requirements (MW NQC)							
	2023	2024	2025	2026	2027	2028	Total
MTR Capacity	705	2,114	529	684	684		3,836
DCR capacity and Energy	880 total						880
Long-Duration Storage (8+ hours)						353	353
Firm Zero-Emitting Generation Paired with Storage, or Demand Response Resources						352	352

Total Need	705	2,114	529	684	684	705	5,420
-------------------	------------	--------------	------------	------------	------------	------------	--------------

On February 15, 2024, the CPUC adopted D.24-02-047, modifying the procurement deadlines outlined in the two MTR Decisions. Specifically, D.24-02-047 allows for an extension of the D.23-02-040 2028 deadline to procure LLT resources, when certain conditions are met by an LSE.¹ Under this decision, LSEs that require an extension to bring online the required LLT resources beyond the June, 2028 deadline must procure generic capacity to cover the shortfall, and still bring online LLT resources by no later than June 1, 2031.

On September 12, 2024, the Commission adopted D.24-09-006, which allowed certain bridge resources for alternative compliance with the DCR requirement in D.21-06-035.

On September 18, 2025, the Commission adopted D.25-09-007, which removed the option for LSEs to use bridge contracts as a method for compliance with the procurement requirements of D.21-06-035 and D.23-02-040, with the exception of contracts that were entered into prior to the adoption of D.25-09-007.

B. Overview of the Renewable Portfolio Standard (RPS) Program Requirements

The California RPS program was established by Senate Bill (“SB”) 1078, and has been subsequently modified by SB 107, SB 1036, SB 2 (“1X”), SB 350 and SB 100.² The RPS program is codified in Public Utilities Code Sections 399.11 through 399.33.³

The RPS program administered by the CPUC requires each retail seller to procure eligible renewable energy resources so that the amount of electricity generated from eligible renewable resources equals 60 percent of retail sales by December 31, 2030.⁴ Additional background information about the CPUC’s RPS Program is available at <http://www.cpuc.ca.gov/PUC/energy/Renewables/overview.htm>.

¹ See D.24-02-047 OP 16.

² SB 1078 (Sher, Chapter 516, Statutes of 2002); SB 107 (Simitian, Chapter 464, Statutes of 2006); SB 1036 (Perata, Chapter 685, Statutes of 2007); SB 2 (1X) (Simitian, Chapter 1, Statutes of 2011, First Extraordinary Session); SB 350 (de León, Chapter 547, Statutes of 2015); SB 100 (de Leon, Chapter 312, Statutes of 2018).

³ All further statutory references are to the Public Utilities Code unless otherwise specified.

⁴ D.11-12-020 established a methodology to calculate procurement requirement quantities for the three different compliance periods covered in SB 2 (1X) (2011-2013, 2014-2016, and 2017-2020). D.16-12-040 established additional procurement requirement quantities for the three compliance periods established by SB 350: 2021-2024, 2025-2027, 2028-2030.

C. Solicitations of the MTR Contracts

On July 30, 2021, SCE launched Phase 1 of its Mid-Term Reliability Request for Offers (“MTRRFO”) for incremental resources that could come online in the 2023-2024 timeframe. As a result of this MTRRFO, SCE submitted advice letters for the approval of these contracts, most of which have been approved by the Commission to date.⁵

On October 20, 2022, SCE launched Phase 2 of its MTRRFO for incremental resources that can come online in the 2025-2026 timeframe. Consistent with D.21-06-035, SCE’s MTRRFO sought incremental zero-emitting resources or resources that otherwise meet RPS eligibility requirements that provide Resource Adequacy (“RA”) benefits or otherwise contribute to SCE’s MTR procurement requirements.

On February 23, 2023, SCE launched Phase 3 of its MTRRFO for supplemental incremental and LLT resources to come online in 2026 and 2027, in accordance with D.21-06-035 and D.23-02-040. Much like Phase 2 of SCE’s MTRRFO, Phase 3 solicited resources eligible to meet its DCR requirement, including RA-only and RA with Financial Settlement contracts for energy storage projects, and RPS-eligible contracts, including RPS contracts for firm zero-emitting resources.

NOTICE

Notice of AL 5487-E was made by publication in the Commission’s Daily Calendar. Southern California Edison Company states that a copy of AL 5487-E was mailed and distributed to the R.20-05-003, R.24-01-017, and GO 96-B service lists in accordance with Section 4 of General Order 96-B.

PROTESTS

Advice Letter 5487-E was not protested.

DISCUSSION

The Commission has reviewed AL 5487-E and finds SCE’s request for approval of the contracts presented to be reasonable, as discussed below.

⁵ See SCE AL 4739-E (approved by Resolution E-5205); SCE AL 4800-E (approved by Resolution E-5225); SCE AL 4850-E (approved by Resolution E-5234); SCE AL 4885-E (approved by Resolution E-5251); SCE AL 4920-E (approved by Resolution E-5253); SCE AL 4990-E (approved by Resolution E-5271); SCE AL 5127-E (approved by Resolution E-5307); SCE AL 5194-E (approved by Resolution E-5316); SCE AL 5257-E (approved by Resolution E-5334).

SCE requests in AL 5487-E that the Commission issue a resolution that contains the following:

1. Approval of the DCR Bridge Swap Contracts in their entirety;
2. A finding that the SCE DCR Bridge Buy Contract shall count toward the energy portion of SCE's DCR procurement requirement for June 1, 2025 through May 31, 2026;
3. A finding that the DCR Bridge Swap Contracts are consistent with D.21-06-035 and D.24-06-009;
4. A finding that any procurement pursuant to the SCE DCR Bridge Buy Contract is procurement from eligible renewable energy resources for purposes of determining SCE's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California RPS (Public Utilities Code Section 399.11 et seq.) or other applicable law;
5. A finding that the DCR Bridge Swap Contracts are consistent with SCE's 2024 RPS Procurement Plan;
6. A finding that the deliveries from the SCE DCR Bridge Buy Contract shall be categorized as procurement under the portfolio content category in Public Utilities Code Section 399.16(b)(1)(A), subject to the Commission's after-the-fact verification that all applicable criteria have been met;
7. A finding that the DCR Bridge Swap Contracts and SCE's entry into them are reasonable and prudent for all purposes, and that any payments to be made by SCE pursuant to the DCR Bridge Swap Contracts, are recoverable in full by SCE

through the PABA, subject only to SCE's prudent administration of the DCR Bridge Swap Contracts;

8. A finding that all procurement and administrative costs, as provided by Public Utilities Code Section 399.13(g), associated with the DCR Bridge Swap Contracts shall be recoverable in rates;
9. Authorization for SCE to allocate the benefits and costs of the SCE DCR Bridge Buy Contract to all applicable customers as described herein via the PABA; and
10. Authorization for SCE to allocate the benefits and costs of the SCE DCR Bridge Sell Contract pro rata to all vintages in the PABA based on REC production for the flow month.

The Energy Division evaluated the DCR Bridge Swap Contracts based on the following criteria:

- Consistency with D.21-06-035 and D.23-02-040;
- Consistency with SCE's 2024 Renewables Portfolio Standard Procurement Plan;
- Cost Reasonableness;
- Consistency with RPS standard terms and conditions ("STC");
- RPS Eligibility and CPUC Approval;
- Consistency with Portfolio Content Categories Requirements; and
- Cost Recovery.

Consistency with D.21-06-035, D.23-02-040, and D.25-09-007

D.21-06-035 and D.23-02-040 require SCE to procure at least 5,420 MWs of incremental September marginal ELCC NQC. Of this total requirement, 880 MW must come from DCR resources. The zero-emitting capacity procured to meet the DCR procurement requirement must be: (a) from a generation resource, a generation resource paired with storage (physically or contractually), or a demand response resource; (b) available every day from 5 p.m. to 10 p.m. (the beginning of hour ending 1800 through the end of hour ending 2200), Pacific Time, at a minimum; and (c) able to deliver at least 5 megawatt-hours ("MWh") of energy during each of these daily periods for every MW of incremental capacity claimed.⁶

⁶ See D.21-06-035 OP 6.

In D.24-09-006, adopted on September 12, 2024, the Commission allowed LSEs with obligations to provide DCR resources in compliance with OP 6 of D.21-06-035 to use certain bridge resources for alternative compliance with their DCR procurement requirements for a period of not more than three years beyond the compliance deadline of June 1, 2025.⁷ The bridge resources must have zero on-site greenhouse gas (“GHG”) emissions, be otherwise eligible under the Renewables Portfolio Standard (“RPS”), or be from a California Air Resources Board-approved Asset Controlling Supplier.⁸ The bridge resources must not be on the D.21-06-035 Baseline List unless they have a planned retirement date or expiring contract after 2019 and prior to June 1, 2025.⁹

In D.25-09-007, adopted on September 18, 2025, the Commission removed entirely the option for bridge contracts to be used as alternative compliance with the procurement requirements in D.21-06-035, D.23-02-040, and D.24-02-047.¹⁰ As a result, D.24-09-006 was also vacated in its entirety as of the adoption of the decision.¹¹ However, bridge contracts entered into prior to the adoption of the decision for deadlines that predate the decision may still be used to show compliance with the Diablo Canyon replacement resource requirements, using the approach laid out in D.24-09-006.¹²

The SCE DCR Bridge Buy Contract is acting as bridge until the online dates of new resources contracted under long-term contracts to meet the energy portion of SCE’s DCR procurement requirement. The SCE DCR Bridge Buy Contract also appears to meet the DCR bridge eligibility requirements and is for a delivery period of less than three years. Because the contract was entered into and began delivery prior to the adoption of D.25-09-007, it is still eligible to be used for compliance with the Diablo Canyon replacement procurement requirement. As such, the SCE DCR Bridge Contract appears to count toward the energy portion of SCE’s DCR procurement requirement for June 1, 2025, through May 31, 2026 (full summary of MTR compliance found in Confidential Attachment A).

However, this AL process cannot make a determination on consistency with IRP requirements on resource amounts, technology duration, and contract terms. Staff reiterate that eligibility and counting rules associated with IRP compliance will not be addressed as part of the disposition of this Advice Letter request, and that final

⁷ See D.24-09-006 OP 1.

⁸ See D.24-09-006 OP 1.

⁹ See D.24-09-006 OP 1-2, 5.

¹⁰ See D.25-09-007 OP 2.

¹¹ See D.25-09-007 OP 12.

¹² See D.25-09-007 OP 12.

verification of specific resource eligibility for specific procurement categories is done via the IRP compliance process.

Consistency with SCE's 2024 Renewables Portfolio Standard Procurement Plan

Pursuant to statute, SCE's RPS Procurement Plan ("RPS Plan") includes an assessment of RPS supply and demand to determine the optimal mix of renewable generation resources; description of existing RPS portfolio; description of potential RPS compliance delays; status update of projects within its RPS portfolio; an assessment of the project failure and delay risk within its RPS portfolio; and bid solicitation protocol setting forth the need for renewable generation of various operational characteristics.¹³

California's RPS statute also requires that the Commission review the results of a renewable energy resource solicitation submitted for approval by a utility.¹⁴ The Commission reviews the results to verify that the utility conducted its solicitation according to its

Commission-approved procurement plan.

D.24-12-035 accepted, with modifications, SCE's Draft 2024 RPS Procurement Plan.¹⁵ In accordance with the decision, SCE submitted a final version of its 2024 RPS Procurement Plan on January 23, 2025. SCE's approved 2024 RPS Procurement Plan showed a need for additional RPS-eligible energy in RPS Compliance Period 2028-2030 and beyond and recognized that MTR procurement would contribute to meeting that RPS procurement need.¹⁶

Although the DCR Bridge Swap Contracts do not add to SCE's RPS position because SCE is selling more bundled PCC-1 RECs and energy than it is purchasing, the DCR Bridge Swap Contracts do not put SCE's RPS compliance position at risk in the fifth compliance period and beyond. Additionally, Decision 24-12-035 allows SCE to buy and sell short-term RECs through bilateral transactions if they are either needed to meet RPS needs or are necessary to comply with IRP procurement orders.¹⁷ SCE is therefore consistent with its 2024 RPS Procurement Plan because the respective swap contracts are necessary to comply with IRP procurement orders.

¹³ Pub. Util. Code § 399.13(a)(5).

¹⁴ Pub. Util. Code § 399.13(d).

¹⁵ See D.24-12-035 at OP 1.

¹⁶ See SCE's 2024 RPS Procurement Plan at 8.

¹⁷ See D. 24-12-035 OP 16.

Cost Reasonableness

The DCR Bridge Buy Contract is valued for its ability to help SCE meet its DCR energy requirement in June 2025 through May 2026.

Staff have reviewed the contract terms and agree that SCE selected the most appropriate offer available in accordance with the MTR Decisions, and furthermore that the DCR Bridge Buy Contract is a reasonably priced bridge resource addition to SCE's portfolio.

Compliance with RPS Standard Terms and Conditions

The CPUC adopted a set of standard terms and conditions required in RPS contracts, five of which are considered "non-modifiable." The STCs were compiled in D.08-04-009 and subsequently amended in D.08-08-028, D.10-03-021, as modified by D.11-01-025, and D.13-11-024.

The DCR Bridge Swap Contracts include all CPUC-adopted RPS "non-modifiable" standard terms and conditions, as set forth in D.08-04-009, D.08-08-028, and D.10-03-021, as modified by D.11-01-025 and D.13-11-024.

RPS Eligibility and CPUC Approval

Pursuant to Section 399.13, the California Energy Commission ("CEC") certifies eligible renewable energy resources. Generation from a resource that is not CEC-certified cannot be used to meet RPS requirements. To ensure that only CEC-certified energy is procured under a Commission-approved RPS contract, the Commission has required standard and non-modifiable "eligibility" language in all RPS contracts. That language requires a seller to warrant that the project qualifies and is certified by the CEC as an "eligible renewable energy resource," that the project's output delivered to the buyer qualifies under the requirements of the RPS, and that the seller uses commercially reasonable efforts to maintain eligibility should there be a change in law affecting eligibility.

The Commission requires a standard and non-modifiable clause in all RPS-eligible contracts that requires CPUC approval to include an explicit finding that "any procurement pursuant to this Agreement is procurement from an eligible renewable energy resource for purposes of determining Buyer's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard (Public Utilities Code Sections 399.11 et seq.), D.11-12-020 and D.11-12-052, or other applicable law."

Notwithstanding this language, given that the Commission has no jurisdiction to determine whether a project is an “eligible renewable energy resource” for RPS purposes, this finding and the effectiveness of the non-modifiable “eligibility” language is contingent on the CEC’s certification of the projects that generate the energy and associated RECs for the MTR DCR Bridge Swap Contracts as “eligible renewable energy resources.” The contract language that each project is procurement from an “eligible renewable energy resource” must be a true statement at the time of the first delivery of energy, not at the signing of the contract or at the issuance of this Resolution.

While we include the required findings here, this finding has never been intended, and shall not be read now, to allow the generation from a non-RPS-eligible resource to count towards an RPS compliance obligation absent CEC certification. Nor shall such finding absolve the seller of its obligation to obtain CEC certification, or the utility of its obligation to pursue remedies for breach of contract. Such contract enforcement activities shall be reviewed pursuant to the Commission’s authority to review the utilities’ administration of such contracts.

Consistency with Portfolio Content Categories Requirements

In D.11-12-052, the Commission defined and implemented portfolio content categories (“PCC”) for the RPS program and required the investor-owned utilities to provide information to the Director of Energy Division regarding the proposed contract’s PCC classification in each advice letter seeking Commission-approval of an RPS-eligible contract. The purpose of the information is to ensure the MTR contracts’ RPS eligibility and allow the Commission to evaluate the claimed portfolio content category of the proposed contracts and the risks and value to ratepayers if the proposed contracts ultimately result in renewable energy credits in another, less preferred, portfolio content category.

In SCE AL 5487-E, SCE states it expects that the energy and associated RECs from the DCR Bridge Swap Contracts would qualify as PCC 1 RECs for RPS compliance. SCE states that for the DCR Bridge Swap Contracts, the projects have their first point of interconnection to the transmission or distribution system within a California balancing authority. Furthermore, SCE states that the energy and RECs sold through the DCR Bridge Swap Contracts will not be unbundled or transferred to another owner.

Consistent with D.11-12-052, SCE provided information in AL 5487-E regarding the expected PCC classification of the renewable energy credits procured pursuant to the DCR Bridge Swap Contracts.

In this Resolution, the Commission makes no determination regarding the contracts' PCC classification. The RPS contract evaluation process is separate from the RPS compliance and portfolio content category classification process, which requires consideration of several factors based on various showings in a compliance filing. Thus, making a PCC classification determination in this Resolution regarding the procurement considered herein is not appropriate. SCE should incorporate the procurement resulting from the approved DCR Bridge Swap Contracts and all applicable supporting documentation to demonstrate PCC classification in the appropriate compliance showings consistent with all applicable RPS program rules.

Cost Recovery

In accordance with D.21-06-035, SCE proposes to allocate the costs associated with the SCE DCR Bridge Buy Contract to applicable customers, which includes bundled service customers and departing load customers with 2021 vintage cost responsibility, using the Portfolio Allocation Balancing Account (PABA) in accordance with SCE's AL 4589 E. Pursuant to AL 4589-E, costs and benefits associated with procurement complying with D.21-06-035 will be recovered from applicable customers through the 2021 vintage sub-account of the PABA and include incremental administrative costs.

Staff find that the cost associated with the SCE DCR Bridge Buy Contract are PCIA-eligible pursuant to D.21-06-035 and Energy Division's approval of AL 4589-E. Thus, any payments to be made by SCE pursuant to the DCR Bridge Buy Contract are recoverable by SCE through the PABA, subject to SCE's prudent administration of the Contract.

SCE proposes to record the revenues associated with the SCE DCR Bridge Sell Contract pro rata to all vintages in the PABA based on REC flow month.

Confidential Information

The Commission, through the implementation of Pub. Util. Code § 454.5(g), has determined in D.06-06-066, as modified by D.07-05-032 and D.21-11-029, that certain material submitted to the Commission as confidential should be kept confidential to ensure that market sensitive data does not influence the behavior of bidders in future RPS solicitations. D.06-06-066, as modified, adopted a time limit on the confidentiality of specific terms in RPS contracts. Such information, such as price, may be kept confidential until 30 days after the commercial operation date/energy delivery start date or eighteen months from the date of Commission approval, whichever comes first or

one year after contract termination, except contracts between IOUs and their affiliates, which are public.

The confidential appendices marked "[REDACTED]" in the public copy of this resolution, as well as the confidential portions of the advice letter, should remain confidential at this time.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this Resolution must be served on all parties and subject to at least 30 days public review. Any comments are due within 20 days of the date of its mailing and publication on the Commission's website and in accordance with any instructions accompanying the notice. Section 311(g)(2) provides that this 30-day review period and 20-day comment period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day review and 20-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments and will be placed on the Commission's agenda no earlier than 30 days from today.

FINDINGS AND CONCLUSIONS

1. By AL 5487-E, filed on February 27, 2025, SCE has submitted for approval two swap contracts for bundled portfolio content category 1 ("PCC-1") renewable energy credits ("RECs") and energy. The purchase contract will be used as a bridge toward the energy portion of SCE's Diablo Canyon Replacement ("DCR") procurement requirement under Ordering Paragraph ("OP") 6 of D.21-06-035.
2. The DCR Bridge Buy Contract delivers 1,702,214 MWh of DCR-eligible PCC-1 RECs and energy from June 1, 2025, to May 31, 2026.
3. The DCR Bridge Sell Contract delivers a total of 1,855,459 MWh of California RPS-eligible electric energy and associated RECs: 1,571,214 MWh to be delivered from RPS-eligible projects between June 1, 2025 and May 31, 2026 ("Solar RECs"), 153,245 MWh to be delivered from RPS-eligible projects between June 1, 2025 and December 31, 2026 ("Other Solar RECs"), and 131,000 MWh to be delivered from RPS-eligible DAC projects between June 1, 2025 and December 31, 2027 ("DAC RECs").

4. The DCR Bridge Swap Contracts are consistent with D.21-06-035, D.24-06-009, and D.25-09-007.
5. The DCR Bridge Swap Contracts are consistent with SCE's 2024 Final Renewables Portfolio Standard Procurement Plan.
6. The contract costs presented in SCE AL 5487-E are reasonable.
7. The DCR Bridge Swap Contracts include all CPUC-adopted RPS "non-modifiable" standard terms and conditions, as set forth in D.08-04-009, D.08-08-028, and D.10-03-021, as modified by D.11-01-025 and D.13-11-024.
8. Procurement pursuant to the DCR Bridge Swap Contracts must be procurement from an eligible renewable energy resource certified by the California Energy Commission for purposes of determining SCE's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard (Sections 399.11, et seq.), D. 11-12-020 and D.11-12-052.
9. The above finding has never been intended, and shall not be read now, to allow the generation from a non-Renewables Portfolio Standard-eligible resource to count towards a Renewables Portfolio Standard compliance obligation absent California Energy Commission certification. Nor shall such finding absolve the seller of its obligation to obtain California Energy Commission certification, or the utility of its obligation to pursue remedies for breach of contract.
10. Consistent with D.11-12-052, SCE provided information in AL 5487-E regarding the expected Portfolio Content Category classification of the RECs procured pursuant to the DCR Bridge Swap Contracts.
11. The CPUC makes no determination regarding the proposed Contracts' Portfolio Content Classification because the RPS contract evaluation process is a separate process from the Portfolio Content Category classification review and determination.
12. SCE's request to allocate the costs, including procurement and administrative costs, of the DCR Bridge Buy Contract to all applicable customers using the 2021 vintage Portfolio Allocation Balancing Account subaccount is reasonable.
13. SCE's proposed cost recovery of the DCR Bridge Buy Contract is reasonable and consistent with D.21-06-035.

14. SCE's request to allocate the benefits and costs of the SCE DCR Bridge Sell Contract pro rata to all vintages in the Portfolio Allocation Balancing Account based on REC production for the flow month is reasonable.

15. The confidential portions of Advice Letter 5487-E should remain confidential at this time.

THEREFORE IT IS ORDERED THAT:

1. Southern California Edison's request in SCE AL 5487-E for approval of the DCR Bridge Swap Contracts and related costs, is approved.
2. Southern California Edison's request in SCE AL 5487-E to allocate the benefits and costs of the DCR Bridge Buy Contract to all applicable customers using the 2021 vintage sub-account of SCE's Portfolio Allocation Balancing Account, including incremental administrative costs, is approved.
3. Southern California Edison's request in SCE AL 5487-E to allocate the benefits and costs of the DCR Bridge Sell Contract pro rata to all vintages in SCE's Portfolio Allocation Balancing Account, based on REC production for the flow month, is approved.

This Resolution is effective today.

The foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on October 30, 2025; the following Commissioners voting favorably thereon:

Dated October 30, 2025, at Sacramento, California

Confidential Appendix A

MTR Compliance Information

Confidential Appendix B

Summary of Contract Terms