PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Agenda ID# 24173
ENERGY DIVISION **RESOLUTION E-5388**
May 14, 2026

R E S O L U T I O N

Resolution E-5388. Southern California Edison Request for Deviation from Schedule EDR-A, Economic Development Rate – Attraction to Extend Customer Start Date

PROPOSED OUTCOME:

- Approves Southern California Edison Company's (SCE) request to deviate from Special Condition 4 of Schedule EDR-A (Economic Development Rate – Attraction) for Pacific Steel Group (Pacific Steel).
- Approves Southern California Edison's (SCE) request to extend the start date for the discount rate under Schedule EDR-A to up to 60 months from the date of execution of the Agreement and Affidavit. This constitutes a 24-month extension to the 36-month window for compliance currently provided in Special Condition 4 of EDR-A.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this resolution.

ESTIMATED COST:

- There are no costs associated with this resolution.

By Advice Letter 5365-E, Filed on August 30, 2024.

SUMMARY

This resolution approves Southern California Edison's (SCE) Advice Letter 5365-E, a request to deviate from Special Condition 4 of Schedule EDR-A (Economic Development Rate – Attraction) for Pacific Steel Group (Pacific Steel), as well as the request to extend the start date for the discount rate under Schedule EDR-A up to 60 months from the date of execution of the Agreement and Affidavit. This constitutes a 24-month extension to the 36-month window for compliance currently provided in Special Condition 4 of EDR-A. The resolution therefore extends the timeline for starting Pacific Steel's EDR-A should its request ultimately be approved but does not unilaterally approve Pacific Steel's admission into SCE's EDR-A program at this time.

BACKGROUND

Since 1996, the California Public Utilities Commission (Commission) has been authorized to oversee SCE's Economic Development Rate (EDR) program, which facilitates the important policy goal of retaining, attracting, and expanding load in California. The Commission's approval of SCE's EDR program effectuates California Public Utilities (PU) Code Section 740.4, which provides that the Commission authorize public utilities to engage in programs to encourage economic development. As a result, in addition to Schedule EDR-A, the Commission has approved two other economic development tariffs: Schedules EDR-R, Economic Development Rate – Retention, and Schedule EDR-E, Economic Development Rate – Expansion.

On August 30, 2024, SCE filed Advice Letter (AL) 5365-E, requesting deviation from Special Condition 4 of Schedule EDR-A for an extension of time to the customer's start date. Pacific Steel provided a Letter of Intent to SCE indicating its intent to apply for program eligibility under Schedule EDR-A, which provides a 12 percent discount off a qualified customer's otherwise applicable tariff. Pacific Steel is contemplating the construction of a steel recycling mill in Mojave, California, and plans to invest approximately $630 million in the project, which the company anticipates will create 400 full time jobs and generate over 1,600 additional jobs and economic benefits for the state.

Pacific Steel seeks to participate in SCE's EDR program and qualify for the economic rate discount because of the challenges it faces in locating its operations in California. According to Pacific Steel, electricity is the second highest cost of production behind the cost of raw material scrap metal. Customers that are approved by SCE for the EDR program must execute an EDR Agreement with SCE and also pass an eligibility review with the California Governor's Office of Business and Economic Development.

Special Condition 4 of Schedule EDR-A requires that Pacific Steel's start date of the discount period commence within 24 months from the date of the EDR Agreement, or 36 months if SCE must build infrastructure to serve the customer:

> *Start Date*: The start date of the discount period shall commence within 24 months from the date of execution of the Agreement and Affidavit, or 36 months to the extent SCE must build infrastructure to serve the EDR-A Customer and shall be designated by the Customer within the EDR-A Agreement.[1]

For large load projects like Pacific Steel's, SCE may require more than 36 months to build power infrastructure, especially in grid constrained areas, due to the significant amount of time needed to design, permit, procure, and construct. Based on SCE's Method of Service study for Pacific Steel, SCE anticipates that a 50 MW substation would need to be constructed to serve Pacific Steel, which will take three to five years to complete. As a result, Pacific Steel would not be able to meet the 36-month deadline in Special Condition 4 of Schedule EDR-A without the Commission's approval of a deviation as requested in this advice letter.

SCE therefore seeks a start date of the discount rate based on the actual energization date by SCE and not on the required 36 months from the date of execution of the EDR-A Agreement.

NOTICE

Notice for AL 5365-E were made by publication in the Commission's Daily Calendar. Southern California Edison states that a copy of the AL was mailed and distributed in accordance with Section 4 of General Order 96-B.

PROTESTS

AL 5365-E was not protested.

[1] SCE Schedule EDR-A "Special Condition 4" at 3.

DISCUSSION

The Commission has reviewed SCE's requests listed in AL 5365-E for the purposes of allowing Pacific Steel to apply to the EDR-A program. In its AL, SCE made two requests to the Commission.

First, SCE requests the Commission's approval to deviate from Special Condition 4 of Schedule EDR-A, which notes that the start date of the discount period shall commence within 24 months from the date of execution of the Agreement and Affidavit, or 36 months to the extent SCE must build infrastructure to serve the EDR-A Customer. In AL 5365-E, SCE states that it has performed a "Method of Service study" and anticipates that a 50MW substation will need to be constructed to serve Pacific Steel, which will take three to five years to complete. We find this request to be reasonable given the anticipated construction timeline and therefore allow a specific deviation from Special Condition 4 for up to 60 months from the date of execution of an Agreement and Affidavit in the case that Pacific Steel is able to execute an EDR Agreement with SCE and also pass an eligibility review with the Governor's Office of Business and Economic Development. This would constitute a 24-month extension to the 36 months currently provided in Special Condition 4 of EDR-A.

The Commission also finds that the approval of relief requested by SCE in AL 5365-E does not unilaterally approve Pacific Steel's admission into SCE's EDR-A program. The Commission finds that Pacific Steel has only provided SCE with a letter of intent to apply to the EDR-A program and is yet to submit a formal application. As noted in AL 5365-E, Pacific Steel's application must be approved by SCE for the EDR program, after which the company will also need to pass an eligibility review with the California Governor's Office of Business and Economic Development, and execute an EDR Agreement with SCE. Only after the aforementioned stages of approval are executed would Pacific Steel receive the benefit of deviating from Special Condition 4 of Schedule EDR-A. The Commission's approval for deviation from Special Condition 4 has no bearing on the outcome of Pacific Steel's intent to seek approval of and EDR in the aforementioned stages.

COMMENTS

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU Code 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

FINDINGS

1. On August 30, 2024, Southern California Edison (SCE) filed Advice Letter (AL) 5365-E, requesting deviation from Special Condition 4 of Schedule EDR-A for an extension of time to extend the customer start date.
2. SCE's "Method of Service study" concludes that a 50 megawatt (MW) substation will need to be constructed to serve Pacific Steel, which will take three to five years to complete.
3. In light of this extended substation construction timeline, it is reasonable for SCE to deviate from Special Condition 4 of Schedule EDR-A such that it may delay the start date for the discount rate under Schedule EDR-A for up to 60 months from the date of execution of the Agreement and Affidavit.
4. Approval of the relief requested by SCE in AL 5365-E does not result in the unilateral approval of Pacific Steel's admission into SCE's EDR-A program.

THEREFORE IT IS ORDERED THAT:

1. The request of Southern California Edison (SCE) to deviate from Special Condition 4 of Schedule EDR-A to delay the start date for the discount rate for up to 60 months from the date of execution of an Agreement and Affidavit with Pacific Steel is approved. This constitutes a 24-month extension to the 36-month compliance window currently provided in Special Condition 4 of EDR-A.

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 May 14, 2026; the following Commissioners voting favorably thereon:

Commissioner Signature blocks to be added
upon adoption of the resolution

Dated May 14, 2026, at San Francisco, California