

Application No.: A.23-05-010
Exhibit No.: SCE-07 Vol. 04
Witnesses: J. Rumble
R. Thomas



(U 338-E)

2025 General Rate Case

Affordability and Post Test-Year Ratemaking

Before the

Public Utilities Commission of the State of California

Rosemead, California
May 12, 2023

SCE-07 Vol. 4: Affordability and Post Test-Year Ratemaking

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I.

INTRODUCTION

A. **Content and Organization of Volume**

This exhibit has two chapters. The first chapter discusses affordability. The second chapter provides SCE's proposal for post Test-Year ratemaking (PTYR).

II.

AFFORDABILITY

When SCE puts forward any request to increase customer rates, including in the GRC, a key factor we assess is affordability and the associated impact of our requests on customer rates and bills. While there is no absolute definition of affordability or threshold at which point a rate is deemed unaffordable, the Commission recently defined affordability in the Affordability Rulemaking proceeding (R.18-07-006) as “the degree to which a representative household is able to pay for an essential utility service, given its socioeconomic status.”¹

As SCE President and Chief Executive Officer Steven Powell discusses in Exhibit SCE-01, SCE recognizes that its Test Year 2025 revenue requirement will necessarily represent a rate increase due to the work we must undertake in this GRC cycle to provide safe electric service that is reliable, resilient, and ready for customers’ needs today and the clean energy transition directed by California policy. However, when placed in the proper context, SCE believes that this increase in rates and bills will not unduly impact customers’ ability to pay for essential electricity service, while also keeping SCE and the State on track for the necessary decarbonization and electrification efforts to achieve long-term benefits, including a lower energy share of wallet for customers and improved public health.

Section A of this chapter discusses the metrics and analyses that SCE used to assess the affordability of its electric service, while Section B discusses SCE’s ongoing efforts in this GRC and elsewhere to improve affordability and equity.

A. Multiple Metrics and Analyses Support the Affordability of SCE’s Request

This section discusses the various metrics and analyses that SCE used to assess the affordability of its electric service. First, SCE conducted share of wallet analyses to demonstrate that although electric bills for SCE’s customers will increase in the near-term, increased electrification will ultimately reduce the average SCE customer’s overall energy spend, with significant savings expected by the early 2030s. Next, SCE looked at electric bills in isolation and found that even with the rate increase SCE is seeking

¹ D.20-07-032, p. 2; Conclusion of Law 6. For electric service, the Commission has found the baseline usage amount to be a valid proxy for essential levels of service. Cal. Pub. Util. Code § 739(a) defines “baseline quantity” as “a quantity of electricity or gas allocated by the commission for residential customers based on from 50 to 60 percent of average residential consumption of these commodities, except that, for residential gas customers and for all-electric residential customers, the baseline quantity shall be established at from 60 to 70 percent of average residential consumption during the winter heating season.” Section (b) of this statute provides that the baseline quantity designated by the Commission must be a quantity “which is necessary to supply a significant portion of the reasonable energy needs of the average residential customer.”

1 in this GRC, the anticipated change in electric energy burden for SCE’s customers from 2023 to 2028 is
2 low, especially for customers consuming only essential amounts of electricity. Third, SCE compared its
3 current rates to its peer California investor-owned utilities (IOUs) and found that SCE continues to have
4 the lowest system average rate. Finally, SCE looked at the Commission-adopted Affordability Ratio and
5 Hours at Minimum Wage metrics, which will only increase modestly over this GRC cycle. In isolation,
6 none of these metrics or analyses can determine what is “affordable” for all customers. But when they
7 are considered collectively, these metrics demonstrate that SCE’s requests in this GRC will not unduly
8 impact our customers’ ability to pay for essential electricity service.

9 **1. Share of Wallet Analyses Shows that Although Electric Bills Increase in the Near**
10 **Term, Electrification Will Improve Total Energy Affordability Over Time**

11 As discussed in Mr. Powell’s and Mr. Takayesu’s respective policy testimony exhibits
12 (SCE-01, Vol. 1 and SCE-02, Vol. 1, Pt. 1), the transition from gasoline and natural gas to electric fuel
13 sources for transportation and buildings is essential to meeting the State’s decarbonization and
14 greenhouse gas (GHG) reduction goals.² Last year, three landmark regulatory and legislative events
15 transpired that made that anticipated load growth from transportation electrification and building
16 electrification more likely.³ First, in August 2022, President Biden signed the Inflation Reduction Act,⁴
17 which includes key tax credits for new and used electric vehicles (EVs) and heat pumps. Second, in
18 August 2022 the California Air Resources Board (CARB) adopted final regulations that prohibit the sale
19 of any new gasoline-powered vehicles in California starting in 2035 (with significant restrictions on
20 such sales much sooner).⁵ Third, in November 2022, CARB issued its 2022 Scoping Plan for Achieving
21 Carbon Neutrality, which, among other things, established a target for Building Electrification such that
22 there will be 3 million all-electric and electric-ready homes by 2030 (and 7 million by 2035),

² See Exhibit SCE-01, Vol. 01, pp. 2-3; Ex. SCE-02, Vol. 01, Pt. 1, p. 1.

³ Additionally, in April 2023, CARB adopted Advanced Clean Fleets regulation providing a phased in process for transitioning drayage trucks, state and local government fleets, and Federal and high-priority fleets to zero emission vehicles.

⁴ See “BY THE NUMBERS: The Inflation Reduction Act” The White House, August 15, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/15/by-the-numbers-the-inflation-reduction-act/>.

⁵ See California Air Resources Board, “Advanced Clean Cars II Regulations: All New Passenger Vehicles Sold in California to be Zero Emissions by 2035,” available at <https://ww2.arb.ca.gov/our-work/programs/advanced-clean-cars-program/advanced-clean-cars-ii>.

1 contributing to 6 million heat pumps installed statewide by 2030.⁶ Together, these legislative and
2 regulatory advancements are expected to materially increase the demand for EVs and heat pumps in
3 California. For example, with the recent adoption of the Advanced Clean Cars II (ACC II) rule, zero
4 emissions vehicle (ZEVs) sales in California will grow from about 19%⁷ today to 68% by 2030,⁸ leading
5 to about 6 million ZEVs by 2030.⁹ Altogether, CARB’s 2022 Scoping Plan estimates that total
6 California electric demand will increase by about 25% by 2030 due to the increased transportation and
7 building electrification.¹⁰

8 During this GRC cycle, SCE is focused on advancing its core commitment to our
9 customers to provide safe electric service that is reliable, resilient, and ready for customers’ needs today
10 and the clean energy transition directed by California policy. SCE will enhance reliability to meet
11 customers’ growing demand for, and reliance upon, electricity to not only light their homes and
12 businesses, but power their cars, help them work or study remotely, and stay connected. SCE will
13 improve the grid’s resiliency against wildfires, other extreme climate events, and physical and cyber
14 security threats. And SCE will make the grid ready to support distributed energy resources (DERs),
15 electric vehicles, and load growth to foster widespread electrification and decarbonization in concert
16 with California’s goals, ameliorating the future effects of climate change.

17 SCE is mindful of the fact that making these investments increases electric bills, and SCE
18 strives to minimize that impact wherever possible by undertaking cost control measures and choosing
19 reasonable solutions at a reasonable pace and cost. However, the costs of these investments must be
20 viewed in the broader context of the clean energy transition. That transition cannot happen without such
21 strategic near-term investments. And while electric bills will increase in the near-term to enable this

⁶ California Air Resources Board, 2022 Climate Change Scoping Plan, p. 76 (November 16, 2022), *available at* <https://ww2.arb.ca.gov/sites/default/files/2022-11/2022-sp.pdf>.

⁷ See <https://www.energy.ca.gov/data-reports/energy-almanac/zero-emission-vehicle-and-infrastructure-statistics/new-zev-sales>.

⁸ California Air Resources Board, “Advanced Clean Cars II Regulations: All New Passenger Vehicles Sold in California to be Zero Emissions by 2035,” *available at* <https://ww2.arb.ca.gov/our-work/programs/advanced-clean-cars-program/advanced-clean-cars-ii>.

⁹ California Air Resources Board’s 2022 Scoping Plan Update, “AB 32 GHG Inventory Sectors Modeling Data Spreadsheet,” LDV Stocks tab, *available at* <https://ww2.arb.ca.gov/our-work/programs/ab-32-climate-change-scoping-plan/2022-scoping-plan-documents>.

¹⁰ California Air Resources Board’s 2022 Scoping Plan Update, “AB 32 GHG Inventory Sectors Modeling Data Spreadsheet,” Loads tab, *available at* <https://ww2.arb.ca.gov/our-work/programs/ab-32-climate-change-scoping-plan/2022-scoping-plan-documents>.

1 transition, over the long run, increased electrification can both create downward pressure on electric
2 rates (by spreading costs over a larger load) and reduce customers' overall energy costs (due to reduced
3 gasoline and natural gas consumption and energy efficiency gains).

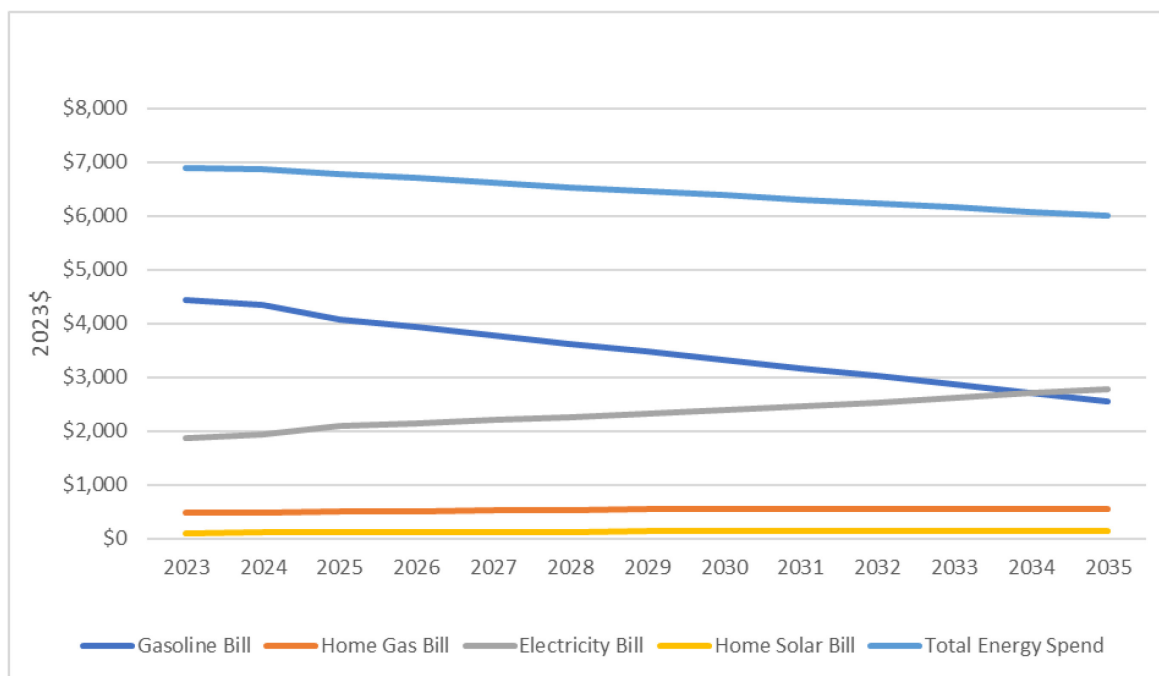
4 To illustrate this, SCE conducted a share of wallet analysis to forecast: (a) what
5 percentage of an average SCE household's annual energy spending will go towards natural gas,
6 gasoline, and electricity over time as electrification increases; and (b) and how the overall level of
7 spending on energy will change.¹¹ Figure II-1 shows the total energy cost for an average SCE customer
8 household¹² based on this analysis. As Figure II-1 shows, the near-term increase in electricity bills to
9 enable widespread electrification will be accompanied by decreases in gasoline bills due to the switch
10 from gasoline vehicles to EVs. And, based on SCE's analysis, by the early 2030s, the average SCE
11 household (across all SCE customers, including adopters and non-adopters) can expect to see a
12 significant decrease (>10%) in total energy bills despite an increase in electricity bills.¹³

¹¹ To calculate the total annual energy spending, SCE developed a gasoline price forecast for California by leveraging data from public sources such as the Energy Information Agency and the California Energy Commission (CEC). SCE leveraged the residential retail rate forecast from the CEC's Integrated Energy Policy Report for natural gas prices. For electricity costs, SCE leveraged average residential bills for 2023 to 2028 based on SCE's requests in this GRC as well as Track 4 of the 2021 GRC. After 2028, electric bills were estimated using a 10-year compound annual growth rate (CAGR) for the delivery portion of SCE's revenue requirement and approximately 14 cents per kWh for any incremental energy beyond 2028. SCE also developed consumption information for natural gas and gasoline. For natural gas consumption, SCE used natural gas consumption by end-use appliance from the CEC Residential Appliance Saturation Study. Gasoline consumption was determined by using CARB's Emission Factor (EMFAC) data on vehicle efficiency and annual miles driven. With this information, SCE was able to estimate annual bills and total annual energy spend for an average SCE customer household.

¹² The analysis was based on SCE average household energy costs over time to include the effects of electrification technologies and changes in energy consumption. The average household reflects a system wide aggregate that includes a mix of technology adoptions within a wallet share. As a simplistic example, consider a system with just three households, one with solar adoption and two without. The system wide average household energy cost for solar under this example would be 1/3 of the adopter's cost for solar (i.e., \$0 plus \$0 plus adopter's cost divided by three total households).

¹³ A few years ago, when SCE conducted a similar analysis for its November 2019 Pathway 2045 white paper, SCE found that decarbonization and electrification could result in the overall energy bills for an average household decreasing by one third by 2045, Southern California Edison, *Update to the Clean Power and Electrification Pathway*, PATHWAY 2045, (November 2019) available at https://download.newsroom.edison.com/create_memory_file/?f_id=5dc0be0b2cfac24b300fe4ca&content_verified=True.

Figure II-1
Annual Energy Share of Wallet¹⁴
(for the Average SCE Household)



These savings are possible because the average SCE household drives about 21,600 miles per year across the household's vehicles and spends approximately \$4,400 on transportation energy today.¹⁵ That is over 60% of the total cost for that household's energy bills. With lower relative electricity costs compared to gasoline and the efficiency advantages of an electric motor compared to an internal combustion engine,¹⁶ SCE households switching from gasoline vehicles to EVs can see significant overall energy savings even as the electric portion of their energy costs increases.

Another way to look at this share of wallet data is in terms of how total energy bills compare to household income (also known as energy burden). In the next section, SCE examines the electric-only energy burden in isolation for SCE customers. Here, however, SCE uses median California household income data from the Federal Reserve Bank of St. Louis's FRED database and the annual

¹⁴ Refer to WP SCE-07, Vol. 04, pp. 1–10, Total Energy Cost and Energy Burden Analyses.

¹⁵ The average vehicle miles traveled per year for California is about 11,900 miles per vehicle. The average California household has 1.95 vehicles.

¹⁶ Princeton University, Net Zero America, p. 40, available at <https://netzeroamerica.princeton.edu/the-report> (accessed March 16, 2023).

energy spend data from above to estimate how the overall energy share of wallet/energy burden for the average SCE customer will change over time due to electrification. Based on SCE’s analysis, due to the benefits of electrification and the rising median income in California, the median SCE household can expect to see a reduction in the percentage of its income that it spends on energy bills. This is illustrated in Table II-1 below.

Table II-1
Current and Projected Share of Wallet/Energy Burden for Median SCE
Customer¹⁷
(2023-2035)

	2023	2025	2030	2035
Median Household Income (2023\$)	\$94,141	\$97,537	\$106,571	\$116,443
Annual Energy (2023\$)	\$6,887	\$6,774	\$6,391	\$5,993
%	7.3%	6.9%	6.0%	5.1%

2. For SCE Customers Consuming “Essential” Amounts of Electricity, the Anticipated Change in Electric-Only Energy Burden from 2023 to 2028 Is Small

While the above section looks at total energy burden through 2035, SCE also examined the energy burden for its customers based on the electricity bill alone through this GRC period (i.e., “electric energy burden” or the percentage of a household’s annual income that is spent on electricity).¹⁸ Although not adopted as an official affordability metric in the Affordability proceeding,¹⁹ electric energy burden has been used many times by the Commission for evaluating affordability.²⁰ Critically, electric energy burden differs from the Affordability Ratio (discussed in Section A.4 below) in that costs

¹⁷ Refer to WP SCE-07, Vol. 04, pp. 1–10, Total Energy Cost and Energy Burden Analyses.

¹⁸ D.14-06-029, p. 46.

¹⁹ While the Commission declined to adopt electric energy burden as an official affordability metric in the Affordability Rulemaking, the Commission acknowledged that energy burden and other metrics “may be useful in particular contexts even though they are not adopted for use in this proceeding.” D.20-07-032, p. 19.

²⁰ See, e.g., Order Instituting Rulemaking to Develop Methods to Assess the Affordability Impacts of Utility Rate Requests and Commission Proceedings, p. 4; D.15-07-001, p. 265 (“The bill impact and energy burden analyses provided by the IOUs support our finding that the rates approved for 2015, and the direction of rates during the Roadmap period, are affordable.”); D.08-11-031, p. 205, Finding of Fact 12 (“households that spend a large portion of income on such bills have a high energy burden”).

1 for housing are not subtracted from household income for the calculation. Subtracting housing costs
2 from the household's income in the denominator can obscure the impact of utility bills (and changes in
3 utility bills) on affordability given that housing (especially in California) constitutes a much larger
4 percentage of a household's essential expenditures than utility expenses. Additionally, the subtraction of
5 housing costs in the denominator makes the Affordability Ratio vulnerable to fluctuations in housing
6 market costs that result from exogenous economic factors that are beyond the utility's control. Thus,
7 electric energy burden can complement the Affordability Ratio by providing a view of the impact of
8 utility bills on a household's overall income without any housing adjustment and without risking an
9 incomplete picture of the impact of other household expenses on the affordability of utility bills.

10 In order to enable a more granular analysis for the electric energy burden than was
11 possible for the total energy burden analysis above, we used household income levels for SCE customers
12 derived from proprietary Acxiom databases for this analysis. This allows SCE to produce electric energy
13 burdens by usage level and by CARE status since SCE can match-merge the Acxiom data to SCE's
14 billing files. However, using Acxiom income data results in more conservative income assumptions than
15 used in the total energy burden analysis in Section 1 above. This is because the Acxiom data is derived
16 from census data which caps income at \$125,000, leading to SCE's electric energy burden analysis in
17 this section using lower, more conservative income levels than shown in the total energy burden analysis
18 above, which, as a result, overstates the electric energy burden.

19 Table II-2 below summarizes the expected change in electric energy burden for the non-
20 CARE and CARE populations using the Acxiom income data and a conservative assumption that
21 household income will remain static from 2023-2028. As this table shows, even with the revenue
22 requirement and resulting rate increase SCE is seeking in this GRC, and even using conservative income
23 assumptions, by 2028, on average, the electric energy burden will increase by just 1% for the average
24 SCE CARE and non-CARE customer.

Table II-2
Average Electric Energy Burden of SCE's CARE and Non-CARE Customers
Using Acxiom Income Data and Current Rates versus 2028 Rates Under SCE's GRC
Request²¹

	2023 Rates						2028 Rates					
	Pct of Population	Avg Monthly Bill	Avg Usage (kWh)	Avg Rate (Cents/kWh)	Avg Income	Avg Electric Burden	Pct of Population	Avg Monthly Bill	Avg Usage (kWh)	Avg Rate (Cents/kWh)	Avg Income	Avg Electric Burden
CARE	26.4%	\$122	529	23	\$50,865	5.0%	26.4%	\$141	529	27	\$50,865	5.7%
Non-CARE	73.6%	\$197	559	35	\$72,250	5.0%	73.6%	\$227	559	41	\$72,250	5.8%
Total	100.0%	\$178	551	32	\$66,612	5.0%	100.0%	\$204	551	37	\$66,612	5.8%

Moreover, if SCE were to account for expected income increases between 2023 and 2028 in this analysis, the electric energy burden change between 2023 and 2028 would be much smaller. For example, according to U.S. Census data, median household income in California increased by an average of 4% annually from 2012-2021.²² If SCE were to assume a similar 4% annual increase in income between 2023 and 2028 for the analysis shown in Table II-3, the electric energy burden change for the average customer between 2023 and 2028 would be close to zero.

In addition to stratifying customer groups by income status, we also analyzed the forecast change in electric energy burden by usage bands to evaluate the affordability impact on essential usage. A closer examination of the data for our low-usage customers reveals that even with the previously mentioned conservative assumption of no increase in income from 2023 to 2028, the change in electric energy burden from today to 2028 for this group consuming electric power within the baseline usage amount remains modest regardless of CARE status. In fact, it is only projected to be less than half of one percent over the coming four-year period. In Table II-3 below, the green-highlighted usage bins represent essential usage, and the yellow-highlighted bottom row shows the associated average electric energy burdens for customers consuming within those low-usage bands.

²¹ This table is based on a sample set. First, SCE computed its electric energy burdens by calculating the individual customer's electric energy burden first (*i.e.*, each customer's bill is divided by the customer's income). Then SCE averaged across the customers.

²² U.S. Census Bureau, Real Median Household Income in California, retrieved from the Federal Reserve Bank of St. Louis, available at <https://fred.stlouisfed.org/series/MEHOINUSCAA672N> (accessed Mar. 28, 2023).

Table II-3
Electric Energy Burdens for Low-Usage SCE Customers in 2023 Versus 2028

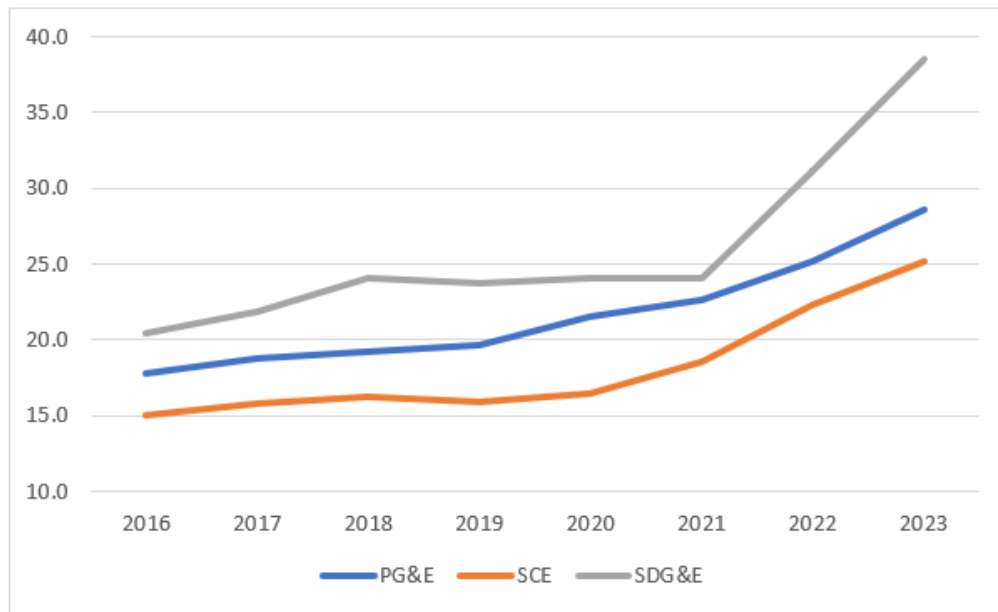
Usage Group	2023 Rates CARE						2028 Rates CARE					
	Pct of Population	Avg Monthly Bill	Avg Usage (kWh)	Avg Rate (Cents/kWh)	Avg Income	Avg Electric Burden	Pct of Population	Avg Monthly Bill	Avg Usage (kWh)	Avg Rate (Cents/kWh)	Avg Income	Avg Electric Burden
b. 0 - 99	0.4%	\$16	70	24	\$47,146	0.7%	0.4%	\$19	70	27	\$47,146	0.8%
c. 100 - 199	2.4%	\$34	157	22	\$45,226	1.7%	2.4%	\$39	157	25	\$45,226	1.9%
d. 200 - 299	3.8%	\$54	251	21	\$46,659	2.5%	3.8%	\$62	251	25	\$46,659	2.9%
e. 300 - 399	3.9%	\$76	349	22	\$49,130	3.4%	3.9%	\$87	349	25	\$49,130	3.9%
f. 400 - 499	3.8%	\$100	448	22	\$48,906	4.4%	3.8%	\$115	448	26	\$48,906	5.0%
g. 500 - 599	3.1%	\$125	549	23	\$52,320	5.2%	3.1%	\$143	549	26	\$52,320	6.0%
h. 600 - 699	2.5%	\$150	647	23	\$52,433	6.3%	2.5%	\$173	647	27	\$52,433	7.2%
i. 700 - 799	1.9%	\$176	748	24	\$54,148	6.8%	1.9%	\$203	748	27	\$54,148	7.8%
j. 800 - 899	1.4%	\$203	847	24	\$55,169	7.8%	1.4%	\$233	847	27	\$55,169	8.9%
k. 900 - 999	1.0%	\$228	947	24	\$58,336	8.8%	1.0%	\$262	947	28	\$58,336	10.1%
l. 1000 - 1099	0.8%	\$253	1,045	24	\$57,543	9.7%	0.8%	\$290	1,045	28	\$57,543	11.1%
m. 1100 - 1199	0.5%	\$281	1,150	24	\$60,597	9.6%	0.5%	\$323	1,150	28	\$60,597	11.0%
n. 1200 - 1499	0.6%	\$324	1,311	25	\$59,493	11.7%	0.6%	\$372	1,311	28	\$59,493	13.4%
o. 1500 - 1999	0.2%	\$413	1,648	25	\$57,129	14.2%	0.2%	\$474	1,648	29	\$57,129	16.3%
p. 2000+	0.0%	\$634	2,381	27	\$66,471	17.5%	0.0%	\$728	2,381	31	\$66,471	20.1%
Grand Total	26.4%	\$122	529	23	\$50,865	5.0%	26.4%	\$141	529	27	\$50,865	5.7%
0-399 kWh	25.4%	\$56	260	22	\$47,265	2.6%	25.4%	\$64	260	25	\$47,265	3.0%

Usage Group	2023 Rates Non-CARE						2028 Rates Non-CARE					
	Pct of Population	Avg Monthly Bill	Avg Usage (kWh)	Avg Rate (Cents/kWh)	Avg Income	Avg Electric Burden	Pct of Population	Avg Monthly Bill	Avg Usage (kWh)	Avg Rate (Cents/kWh)	Avg Income	Avg Electric Burden
b. 0 - 99	2.3%	\$23	60	37	\$67,109	0.7%	2.3%	\$25	60	42	\$67,109	0.8%
c. 100 - 199	7.3%	\$49	155	32	\$65,032	1.6%	7.3%	\$57	155	36	\$65,032	1.8%
d. 200 - 299	10.5%	\$80	251	32	\$67,645	2.4%	10.5%	\$91	251	36	\$67,645	2.8%
e. 300 - 399	10.9%	\$113	350	32	\$69,230	3.3%	10.9%	\$129	350	37	\$69,230	3.7%
f. 400 - 499	9.8%	\$148	449	33	\$70,964	4.3%	9.8%	\$170	449	38	\$70,964	4.9%
g. 500 - 599	8.1%	\$186	548	34	\$73,129	5.1%	8.1%	\$214	548	39	\$73,129	5.8%
h. 600 - 699	6.4%	\$224	648	35	\$74,609	5.8%	6.4%	\$258	648	40	\$74,609	6.6%
i. 700 - 799	4.8%	\$264	748	35	\$76,553	6.5%	4.8%	\$303	748	40	\$76,553	7.5%
j. 800 - 899	3.6%	\$302	848	36	\$76,774	7.7%	3.6%	\$347	848	41	\$76,774	8.9%
k. 900 - 999	2.4%	\$342	947	36	\$79,804	8.1%	2.4%	\$393	947	41	\$79,804	9.3%
l. 1000 - 1099	1.8%	\$381	1,046	36	\$77,793	9.7%	1.8%	\$438	1,046	42	\$77,793	11.1%
m. 1100 - 1199	1.3%	\$425	1,150	37	\$81,779	9.8%	1.3%	\$487	1,150	42	\$81,779	11.3%
n. 1200 - 1499	2.4%	\$496	1,327	37	\$83,550	11.0%	2.4%	\$570	1,327	43	\$83,550	12.7%
o. 1500 - 1999	1.3%	\$660	1,699	39	\$86,661	13.7%	1.3%	\$758	1,699	45	\$86,661	15.8%
p. 2000+	0.8%	\$1,441	3,297	44	\$87,403	29.5%	0.8%	\$1,655	3,297	50	\$87,403	33.8%
Grand Total	73.6%	\$197	559	35	\$72,250	5.0%	73.6%	\$227	559	41	\$72,250	5.8%
0-399 kWh	74.6%	\$80	250	32	\$67,548	2.4%	74.6%	\$92	250	37	\$67,548	2.7%

3. SCE's Rates Continue to Compare Favorably to PG&E and SDG&E

Another measure of affordability is how SCE's rates compare to those of its peer utilities, PG&E and SDG&E. The bundled (i.e., the subset of customers that receive both generation and energy delivery services from SCE) system average rate (SAR) is a utility's authorized revenue requirement divided by bundled kilowatt hours of sales. Figure II-2 shows that SCE has successfully kept its bundled SAR lower than PG&E's and SDG&E's bundled SARs through January 1, 2023.

Figure II-2
IOU System Average Rates (¢/kWh)²³



4. Increases in the Hours at Minimum Wage and Affordability Ratio Are Modest

Finally, SCE also looked at the Affordability Ratio (AR) and the Hours at Minimum Wage (HM) metrics, which were adopted by the Commission in the Affordability proceeding for assessing the relative affordability impacts of individual Commission proceedings and utility rate requests. These metrics focus on the changes in cost over time for essential electricity usage. As mentioned above, the baseline amounts of electricity, which are generally 60% of the average household usage in a given climate zone, currently serve as a proxy for the essential usage portion of the bill.²⁴ The cost of essential electricity usage is thus calculated by multiplying the utility's baseline rate per kilowatt-hour by the number of baseline kilowatt-hours.

The AR is the ratio of essential utility service bills to non-disposable household income (i.e., household income after removing costs for housing and other essential utility services). As discussed above, the removal of costs for housing and other essential utility services differentiates this metric from the electric energy burden metric. The AR50 displays the AR for a representative

²³ Bundled system average rates (including GHG climate credit) as of January 1 of each year, as shown in each IOU's respective consolidated rate change advice letters.

²⁴ D.20-07-032, p. 96, Conclusion of Law 17.

1 hypothetical household in the middle (50th percentile), resource-wise, compared to others in a
2 community, while the AR20 displays the AR for a representative hypothetical household at the lower-
3 end (20th percentile), resource-wise, compared to others in a community. AR50 and AR20 are both
4 calculated using the Commission's Affordability Ratio Calculator.²⁵ The HM metric seeks to describe
5 the hours of work necessary for a household earning minimum wage to pay for essential utility service
6 charges.

7 In compliance with D.22-08-023, which requires utilities seeking an estimated revenue
8 increase greater than one percent to include certain essential usage bill, AR, and HM information as part
9 of their application,²⁶ SCE has included the following metrics calculations and analyses in both
10 Appendix D to SCE's Application and in Appendix A to this testimony:

- 11 • For revenues in effect at the time of the filing:
 - 12 ○ The AR20 by climate zone, AR50 by climate zone, and HM associated with those
 - 13 existing revenues
 - 14 ○ Essential usage bills by climate zone, underlying the affordability metrics
 - 15 associated with those existing revenues
 - 16 ○ Average usage bills by climate zone associated with those existing revenues
 - 17 ○ For climate zones with Areas of Affordability Concern (AAC)- as defined in the
 - 18 most recent annual Affordability Report,²⁷ AR20 by climate zones subdivided by
 - 19 Public Use Microdata Area
- 20 • For the proposed revenues:
 - 21 ○ Changes in the AR20 by climate zone, AR50 by climate zone, and HM associated
 - 22 with the proposed new revenue requested, annually for each year in which new
 - 23 revenues are proposed

²⁵ The Affordability Ratio Calculator used for all calculations in this testimony is the 2020 Affordability Ratio Calculator, available at <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/affordability/2020-annual-affordability-report>.

²⁶ D.22-08-023, Ordering Paragraphs 5-6.

²⁷ AACs are census tracts that lie in geographic areas where AR20 values are greater than the affordability demarcation for a particular essential service. The affordability demarcations are defined as the point of inflection in each industry's AR20 distribution of values, based on the observed data in the most recently available Affordability Report from the Commission. The Commission's 2020 Affordability Report, the most recent report when SCE prepared this testimony, uses 15% as the demarcation for electric service. Cal. Pub. Util. Comm., 2020 Annual Affordability Report, Oct. 2022, p. 12.

- Essential usage bills by climate zone, underlying the affordability metrics associated with proposed revenues
- Average usage bills by climate zone associated with proposed revenues
- For climate zones with Areas of Affordability Concern (AAC) as defined in the most recent annual Affordability Report, AR20 by climate zones subdivided by Public Use Microdata Area

For both AR and HM metrics, SCE started with calculating monthly essential usage bills for CARE and Non-CARE customers for 2023 by climate zone. To do this, SCE used the basic and all-electric usage amounts and multiplied them by the rates effective March 1, 2023. SCE then input this information into the Energy Division's Affordability Ratio Calculator to create a weighted monthly essential usage bill by climate zone. For years 2025-2028, SCE used the same methodology.²⁸ However, the rates for these years are based on illustrative rates created by adding the incremental proposed revenue requirement from SCE's GRC application to current rates. Table II-4 and Table II-5 below show the monthly essential usage bills calculated for Non-CARE and CARE customers, respectively, for 2023-2028 based on this methodology.

²⁸ SCE did not update any assumptions from the Affordability Ratio Calculator for CARE customers, other than reflecting the CARE discount for the bills.

Table II-4
Monthly Essential Usage Bills – Non-CARE²⁹

Climate Zone	2023	2025				2026			2027			2028			Total Change over 2023	
	Bill (\$)	Bill (\$)	Change (\$)	%	Bill (\$)	Change (\$)	%	Bill (\$)	Change (\$)	%	Bill (\$)	Change (\$)	%	Change (\$)	%	
10 hot (Sec 745)	\$ 139.6	\$ 154.2	\$ 14.66	10.5%	\$ 157.0	\$ 2.80	1.8%	\$ 158.6	\$ 1.53	1.0%	\$ 160.2	\$ 1.60	1.0%	\$ 20.59	15%	
13 hot	\$ 153.4	\$ 169.6	\$ 16.13	10.5%	\$ 172.7	\$ 3.08	1.8%	\$ 174.3	\$ 1.68	1.0%	\$ 176.1	\$ 1.76	1.0%	\$ 22.65	15%	
14 hot	\$ 141.3	\$ 156.2	\$ 14.85	10.5%	\$ 159.0	\$ 2.84	1.8%	\$ 160.6	\$ 1.54	1.0%	\$ 162.2	\$ 1.62	1.0%	\$ 20.85	15%	
15 hot	\$ 201.4	\$ 222.6	\$ 21.21	10.5%	\$ 226.7	\$ 4.05	1.8%	\$ 228.9	\$ 2.21	1.0%	\$ 231.2	\$ 2.31	1.0%	\$ 29.77	15%	
16 cool	\$ 137.2	\$ 151.6	\$ 14.41	10.5%	\$ 154.3	\$ 2.75	1.8%	\$ 155.8	\$ 1.50	1.0%	\$ 157.4	\$ 1.57	1.0%	\$ 20.23	15%	
5 warm	\$ 189.3	\$ 209.2	\$ 19.92	10.5%	\$ 213.0	\$ 3.81	1.8%	\$ 215.1	\$ 2.07	1.0%	\$ 217.2	\$ 2.17	1.0%	\$ 27.97	15%	
6 cool	\$ 106.5	\$ 117.7	\$ 11.16	10.5%	\$ 119.8	\$ 2.13	1.8%	\$ 121.0	\$ 1.16	1.0%	\$ 122.2	\$ 1.22	1.0%	\$ 15.68	15%	
8 cool	\$ 106.6	\$ 117.8	\$ 11.18	10.5%	\$ 119.9	\$ 2.14	1.8%	\$ 121.1	\$ 1.16	1.0%	\$ 122.3	\$ 1.22	1.0%	\$ 15.69	15%	
9 warm	\$ 129.7	\$ 143.3	\$ 13.62	10.5%	\$ 145.9	\$ 2.60	1.8%	\$ 147.3	\$ 1.42	1.0%	\$ 148.8	\$ 1.48	1.0%	\$ 19.12	15%	
Average	\$ 128.0	\$ 141.5	\$ 13.44	10.5%	\$ 144.0	\$ 2.57	1.8%	\$ 145.4	\$ 1.40	1.0%	\$ 146.9	\$ 1.46	1.0%	\$ 18.88	15%	

Table II-5
Monthly Essential Usage Bills - CARE³⁰

Climate Zone	2023	2025				2026			2027			2028			Total Change over 2023	
	Bill (\$)	Bill (\$)	Change (\$)	%	Bill (\$)	Change (\$)	%	Bill (\$)	Change (\$)	%	Bill (\$)	Change (\$)	%	Change (\$)	%	
10 hot (Sec 745)	\$ 94.7	\$ 104.6	\$ 9.94	10.5%	\$ 106.5	\$ 1.90	1.8%	\$ 107.6	\$ 1.03	1.0%	\$ 108.6	\$ 1.08	1.0%	\$ 13.95	15%	
13 hot	\$ 104.1	\$ 115.0	\$ 10.93	10.5%	\$ 117.1	\$ 2.09	1.8%	\$ 118.3	\$ 1.14	1.0%	\$ 119.4	\$ 1.19	1.0%	\$ 15.35	15%	
14 hot	\$ 95.9	\$ 105.9	\$ 10.06	10.5%	\$ 107.9	\$ 1.92	1.8%	\$ 108.9	\$ 1.05	1.0%	\$ 110.0	\$ 1.10	1.0%	\$ 14.13	15%	
15 hot	\$ 136.6	\$ 151.0	\$ 14.37	10.5%	\$ 153.7	\$ 2.75	1.8%	\$ 155.2	\$ 1.50	1.0%	\$ 156.8	\$ 1.56	1.0%	\$ 20.18	15%	
16 cool	\$ 93.0	\$ 102.8	\$ 9.76	10.5%	\$ 104.7	\$ 1.87	1.8%	\$ 105.7	\$ 1.02	1.0%	\$ 106.8	\$ 1.06	1.0%	\$ 13.71	15%	
5 warm	\$ 128.4	\$ 141.9	\$ 13.50	10.5%	\$ 144.4	\$ 2.58	1.8%	\$ 145.8	\$ 1.40	1.0%	\$ 147.3	\$ 1.47	1.0%	\$ 18.95	15%	
6 cool	\$ 72.3	\$ 79.8	\$ 7.57	10.5%	\$ 81.3	\$ 1.45	1.8%	\$ 82.1	\$ 0.79	1.0%	\$ 82.9	\$ 0.82	1.0%	\$ 10.62	15%	
8 cool	\$ 72.3	\$ 79.9	\$ 7.57	10.5%	\$ 81.4	\$ 1.45	1.8%	\$ 82.2	\$ 0.79	1.0%	\$ 83.0	\$ 0.82	1.0%	\$ 10.64	15%	
9 warm	\$ 88.0	\$ 97.2	\$ 9.23	10.5%	\$ 99.0	\$ 1.76	1.8%	\$ 100.0	\$ 0.96	1.0%	\$ 101.0	\$ 1.00	1.0%	\$ 12.96	15%	
Average	\$ 86.9	\$ 96.0	\$ 9.11	10.5%	\$ 97.7	\$ 1.74	1.8%	\$ 98.7	\$ 0.95	1.0%	\$ 99.7	\$ 0.99	1.0%	\$ 12.79	15%	

This monthly essential usage bills information was then used in the Commission's Affordability Ratio Calculator tool to determine the AR20 and AR50 metrics. As shown in Table II-6 and Table II-7, the AR20 for CARE and Non-CARE customers is relatively unchanged over the course of the GRC Cycle, increasing by just 0.4% on average from 2023-2028 for CARE customers and 0.6% for non-CARE customers.

²⁹ See Appendix A, Monthly Essential Usage Bills – Non-Care.

³⁰ See Appendix A, Monthly Essential Usage Bills – Care.

Table II-6
AR20 By Climate Zone – Non-Care³¹

	2023	2025		2026		2027		2028		Total
Climate Zone	AR-20	AR-20	Incremental Change (%)	AR-20	Incremental Change (%)	AR-20	Incremental Change (%)	AR-20	Incremental Change (%)	Change Over 2023 (%)
	(A)	(B)	(B) - (A)	(C)	(C) - (B)	(D)	(D) - (C)	(E)	(E) - (D)	(E) - (A)
10 hot (Sec 745)	7.5%	7.9%	0.4%	7.7%	-0.2%	7.5%	-0.2%	7.6%	0.1%	0.1%
13 hot	8.4%	9.0%	0.6%	8.9%	-0.1%	8.7%	-0.2%	8.8%	0.1%	0.4%
14 hot	11.8%	12.5%	0.7%	12.3%	-0.2%	12.0%	-0.3%	12.1%	0.1%	0.3%
15 hot	13.1%	13.8%	0.6%	13.5%	-0.3%	13.1%	-0.4%	13.3%	0.1%	0.1%
16 cool	8.3%	8.8%	0.5%	8.6%	-0.1%	8.5%	-0.2%	8.5%	0.1%	0.3%
5 warm	10.9%	11.9%	0.9%	11.8%	-0.1%	11.6%	-0.2%	11.7%	0.1%	0.8%
6 cool	7.5%	8.2%	0.6%	8.1%	-0.1%	8.0%	-0.1%	8.1%	0.1%	0.5%
8 cool	8.6%	9.4%	0.8%	9.3%	-0.1%	9.2%	-0.1%	9.3%	0.1%	0.7%
9 warm	9.1%	10.3%	1.1%	10.3%	0.0%	10.2%	-0.1%	10.3%	0.1%	1.2%
Average	8.7%	9.4%	0.7%	9.3%	-0.1%	9.2%	-0.2%	9.3%	0.1%	0.6%

Table II-7
AR20 By Climate Zone – CARE³²

	2023	2025		2026		2027		2028		Total
Climate Zone	AR-20	AR-20	Incremental Change (%)	AR-20	Incremental Change (%)	AR-20	Incremental Change (%)	AR-20	Incremental Change (%)	Change Over 2023 (%)
	(A)	(B)	(B) - (A)	(C)	(C) - (B)	(D)	(D) - (C)	(E)	(E) - (D)	(E) - (A)
10 hot (Sec 745)	5.1%	5.4%	0.3%	5.3%	-0.1%	5.1%	-0.1%	5.2%	0.1%	0.1%
13 hot	5.7%	6.1%	0.4%	6.0%	-0.1%	5.9%	-0.1%	6.0%	0.1%	0.3%
14 hot	8.0%	8.5%	0.5%	8.3%	-0.1%	8.1%	-0.2%	8.2%	0.1%	0.2%
15 hot	8.9%	9.3%	0.4%	9.2%	-0.2%	8.9%	-0.3%	9.0%	0.1%	0.1%
16 cool	5.6%	6.0%	0.3%	5.9%	-0.1%	5.7%	-0.1%	5.8%	0.1%	0.2%
5 warm	7.4%	8.1%	0.6%	8.0%	-0.1%	7.9%	-0.1%	7.9%	0.1%	0.5%
6 cool	5.1%	5.6%	0.4%	5.5%	0.0%	5.4%	-0.1%	5.5%	0.1%	0.4%
8 cool	5.8%	6.3%	0.5%	6.3%	0.0%	6.2%	-0.1%	6.3%	0.1%	0.5%
9 warm	6.2%	7.0%	0.8%	7.0%	0.0%	7.0%	0.0%	7.0%	0.1%	0.8%
Average	5.9%	6.4%	0.5%	6.3%	-0.1%	6.2%	-0.1%	6.3%	0.1%	0.4%

The AR50 is even more unchanged than the AR20, showing a 0% increase from 2023-2028 for both CARE and non-CARE customers, as shown in Table II-8 and Table II-9.

³¹ See Appendix A, AR20 Metric– Non-Care.

³² See Appendix A, AR20 Metric – Care.

Table II-8
AR50 By Climate Zone – Non-CARE³³

	2023	2025		2026		2027		2028		Total
Climate Zone	AR-50	AR-50	Incremental Change (%)	AR-50	Incremental Change (%)	AR-50	Incremental Change (%)	AR-50	Incremental Change (%)	Change Over 2023 (%)
	(A)	(B)	(B) - (A)	(C)	(C) - (B)	(D)	(D) - (C)	(E)	(E) - (D)	(E) - (A)
10 hot (Sec 745)	2.5%	2.6%	0.1%	2.5%	-0.1%	2.5%	-0.1%	2.5%	0.0%	0.0%
13 hot	3.3%	3.5%	0.2%	3.4%	0.0%	3.4%	-0.1%	3.4%	0.0%	0.1%
14 hot	3.4%	3.6%	0.2%	3.5%	-0.1%	3.4%	-0.1%	3.5%	0.0%	0.0%
15 hot	3.7%	3.9%	0.2%	3.8%	-0.1%	3.7%	-0.1%	3.7%	0.0%	0.0%
16 cool	2.8%	2.9%	0.1%	2.9%	0.0%	2.8%	-0.1%	2.8%	0.0%	0.1%
5 warm	2.9%	3.1%	0.2%	3.1%	0.0%	3.0%	-0.1%	3.1%	0.0%	0.1%
6 cool	1.7%	1.8%	0.1%	1.8%	0.0%	1.7%	0.0%	1.7%	0.0%	0.0%
8 cool	1.9%	1.9%	0.1%	1.9%	0.0%	1.9%	0.0%	1.9%	0.0%	0.0%
9 warm	2.2%	2.3%	0.1%	2.2%	0.0%	2.2%	0.0%	2.3%	0.2%	0.2%
Average	2.3%	2.4%	0.1%	2.4%	0.0%	2.3%	-0.1%	2.3%	0.0%	0.0%

Table II-9
AR50 By Climate Zone – CARE³⁴

	2023	2025		2026		2027		2028		Total
Climate Zone	AR-50	AR-50	Incremental Change (%)	AR-50	Incremental Change (%)	AR-50	Incremental Change (%)	AR-50	Incremental Change (%)	Change Over 2023 (%)
	(A)	(B)	(B) - (A)	(C)	(C) - (B)	(D)	(D) - (C)	(E)	(E) - (D)	(E) - (A)
10 hot (Sec 745)	1.7%	1.7%	0.1%	1.7%	0.0%	1.7%	0.0%	1.7%	0.0%	0.0%
13 hot	2.2%	2.3%	0.1%	2.3%	0.0%	2.3%	0.0%	2.3%	0.0%	0.1%
14 hot	2.3%	2.4%	0.1%	2.4%	0.0%	2.3%	-0.1%	2.3%	0.0%	0.0%
15 hot	2.5%	2.6%	0.1%	2.6%	-0.1%	2.5%	-0.1%	2.5%	0.0%	0.0%
16 cool	1.9%	2.0%	0.1%	1.9%	0.0%	1.9%	0.0%	1.9%	0.0%	0.0%
5 warm	2.0%	2.1%	0.1%	2.1%	0.0%	2.1%	0.0%	2.1%	0.0%	0.1%
6 cool	1.2%	1.2%	0.1%	1.2%	0.0%	1.2%	0.0%	1.2%	0.0%	0.0%
8 cool	1.3%	1.3%	0.1%	1.3%	0.0%	1.3%	0.0%	1.3%	0.0%	0.0%
9 warm	1.5%	1.5%	0.1%	1.5%	0.0%	1.5%	0.0%	1.6%	0.1%	0.1%
Average	1.6%	1.6%	0.1%	1.6%	0.0%	1.6%	0.0%	1.6%	0.0%	0.0%

Finally, to determine the HM, the monthly essential usage bills for 2023 and 2025-2028 presented in Table II-4 and Table II-5 above were divided by the current state minimum wage of \$15.50 per hour. As shown in Table II-10 and Table II-11 below, the average HM metric increased a total of 1.2 hours and 0.8 hours from 2023-2028 for Non-CARE and CARE customers, respectively. Should the minimum wage increase during this period in California, the hours at minimum wage would decrease.

³³ See Appendix A, AR50 Metric – Non-Care.

³⁴ See Appendix A, AR50 Metric – Care.

Table II-10
Hours-At-Minimum Wage – Non-CARE³⁵

Climate Zone	2023	2025		2026		2027		2028		Total Change over 2023
	Hours	Hours	Change (hours)	Hours	Change (hours)	Hours	Change (hours)	Hours	Change (hours)	Change (hours)
10 hot (Sec 745)	9.0	10.0	0.9	10.1	0.2	10.2	0.1	10.3	0.1	1.3
13 hot	9.9	10.9	1.0	11.1	0.2	11.2	0.1	11.4	0.1	1.5
14 hot	9.1	10.1	1.0	10.3	0.2	10.4	0.1	10.5	0.1	1.3
15 hot	13.0	14.4	1.4	14.6	0.3	14.8	0.1	14.9	0.1	1.9
16 cool	8.8	9.8	0.9	10.0	0.2	10.1	0.1	10.2	0.1	1.3
5 warm	12.2	13.5	1.3	13.7	0.2	13.9	0.1	14.0	0.1	1.8
6 cool	6.9	7.6	0.7	7.7	0.1	7.8	0.1	7.9	0.1	1.0
8 cool	6.9	7.6	0.7	7.7	0.1	7.8	0.1	7.9	0.1	1.0
9 warm	8.4	9.2	0.9	9.4	0.2	9.5	0.1	9.6	0.1	1.2
Average	8.3	9.1	0.9	9.3	0.2	9.4	0.1	9.5	0.1	1.2

Table II-11
Hours-At-Minimum Wage – CARE³⁶

Climate Zone	2023	2025		2026		2027		2028		Total Change over 2023
	Hours	Hours	Change (hours)	Hours	Change (hours)	Hours	Change (hours)	Hours	Change (hours)	Change (hours)
10 hot (Sec 745)	6.1	6.8	0.6	6.9	0.1	6.9	0.1	7.0	0.1	0.9
13 hot	6.7	7.4	0.7	7.6	0.1	7.6	0.1	7.7	0.1	1.0
14 hot	6.2	6.8	0.6	7.0	0.1	7.0	0.1	7.1	0.1	0.9
15 hot	8.8	9.7	0.9	9.9	0.2	10.0	0.1	10.1	0.1	1.3
16 cool	6.0	6.6	0.6	6.8	0.1	6.8	0.1	6.9	0.1	0.9
5 warm	8.3	9.2	0.9	9.3	0.2	9.4	0.1	9.5	0.1	1.2
6 cool	4.7	5.2	0.5	5.2	0.1	5.3	0.1	5.3	0.1	0.7
8 cool	4.7	5.2	0.5	5.2	0.1	5.3	0.1	5.4	0.1	0.7
9 warm	5.7	6.3	0.6	6.4	0.1	6.4	0.1	6.5	0.1	0.8
Average	5.6	6.2	0.6	6.3	0.1	6.4	0.1	6.4	0.1	0.8

B. SCE is Committed to Improving Absolute and Relative Affordability

Next, this section discusses SCE’s ongoing efforts in this GRC and other contexts to improve affordability and equity. First, SCE discusses its support for moving certain public purpose program

³⁵ See Appendix A, Hours-At-Minimum Wage – Non-Care.

³⁶ See Appendix A, Hours-At-Minimum Wage – Care.

costs off of the customer bill, which would result in a meaningful rate reduction for non-participating customers. Second, SCE details its efforts to improve relative affordability through more equitable rate design, including through the introduction of income-graduated fixed charges. Finally, SCE concludes by discussing its work and programs to reduce electrification barriers for underserved communities so that these customers are included in the affordability benefits of electrification and are not left behind during the State's clean energy transformation.

1. SCE Supports Moving Certain Public Purpose Program Costs, like CARE, FERA, and Energy Efficiency, Off the Customer Bill to Improve Affordability

SCE supports using state or federal funding for extraordinary costs or costs not directly linked to cost-of-service ratemaking principles and is assessing components of customers' electric bills appropriate for potentially accessing state general funds to offset costs. When considering which costs currently funded through utility bills are more appropriately funded using state funds, SCE emphasizes the following criteria. First, any proposals to utilize non-customer funding must not impede or impact a utility's ability to provide safe and reliable electric service. Second, it is necessary to consider whether accessing state general funds will improve, or at the very least not inhibit, achievement of California's climate and clean air objectives, given that achieving those goals through mass electrification will result in lower total energy costs for customers as shown above. Third, the operational complexity of accessing the state's general fund to offset customer costs for certain programs should be considered to ensure that any adjustments to existing programs and costs do not create new risks or points of failure, or amplify levels of administrative burden, any of which could ultimately result in less efficient and more costly services.

Against this backdrop, SCE is supportive of continuing to seek opportunities to utilize non-customer funding for certain public purpose programs and other activities that are not specifically related to a utility's cost of service but are paid today through electric rates. For example, the program costs and subsidies associated with SCE's income-qualified CARE and FERA programs would be appropriate to durably fund with state funds, given that they provide valuable assistance for income-constrained customers, reflecting a beneficial public good beyond the utilities' operations and services. As of year-end 2022, over 25.2% of SCE residential accounts are currently receiving discounted rates under the CARE program and the total assistance provided in 2022 was \$666 million. As for FERA, as of year-end 2022, over 12% of SCE residential accounts are currently receiving discounted rates under the program with the total assistance provided in 2022 totaling \$11.5 million. Fully funding CARE /

1 FERA subsidy costs with state funds would result in a meaningful rate reduction for non-participating
2 customers, improving the affordability of electric bills. The benefit could be even more significant if the
3 state chooses to not only durably fund the costs through the general fund or other source, but also were
4 to expand the eligibility criteria or the size of the subsidy as well. For similar reasons, it would be
5 appropriate to fund Energy Efficiency programs with state funds rather than customer funding.

6 **2. SCE is Pursuing More Equitable Rate Design to Improve Relative Affordability**

7 SCE also explores ways to leverage rate design to improve relative affordability by
8 making rates more equitable. As one example, in the Demand Flexibility OIR (R.22-07-005), SCE
9 submitted a rate design proposal in April 2023 that is consistent with Assembly Bill 205 and would
10 introduce income-graduated fixed charges to the residential class of customers.³⁷ Currently, residential
11 rates do not include a meaningful monthly fixed charge for recovery of fixed costs like utility
12 infrastructure (e.g., final line transformers, service drops, and customer service) and public policy
13 programs (e.g., costs to support low income programs, energy efficiency, and deployment of DER
14 technologies) that do not vary with changes in usage or demand. Instead, these fixed costs are currently
15 recovered through volumetric charges. This results in higher volumetric rates than they would be
16 otherwise, which is inefficient from a pricing perspective. These inflated volumetric rates impede the
17 adoption of GHG-reducing technologies. Changing the residential rate structure so that fixed costs are
18 instead recovered through a fixed charge paid by all customers would mitigate this inefficiency by
19 lowering volumetric rates for all residential customers. However, having all customers pay the same
20 fixed charge would result in a regressive rate structure placing more pressure on low-income customers.
21 Thus, the California legislature added income gradation to the fixed charge requirements of AB 205 to
22 reduce the fixed charge of lower-income customers, improving affordability and reducing the electricity
23 burden for lower-income customers. When coupled with programs that provide greater access to
24 electrification technologies, income-graduated fixed charges may have a compounding effect that
25 reduces energy burdens for low-income customers by extending the benefits of lower volumetric rates
26 and low-income electricity discounts to vehicle fueling and home heating. Based on its proposal, SCE
27 anticipates that the income-graduated fixed charge rate structures emerging from R.22-07-005 can have

³⁷ See R.22-07-005, Joint IOU-01.

1 a significant impact in reducing bills for customers in the lowest two income brackets by 21% and 16%
2 respectively on average.³⁸

3 **3. SCE is Working Diligently to Reduce Barriers to Electrification**

4 Finally, as electrification measures continue to gain ground, offering affordability and
5 environmental benefits to early adopters, SCE is managing and participating in programs that reduce
6 barriers to adoption of building and transportation electrification technologies for underserved
7 communities. This includes each of the following:

- 8 • SCE's Energy Savings Assistance (ESA) program, which supports approximately 1.3
9 million income-qualified energy customers, has successfully provided low-income
10 customers with weatherization and no-cost direct install energy efficiency measures
11 (e.g., dish washers, heat pump HVACs, room ACs, and evaporative coolers), which
12 can lower energy usage and improve the health, comfort, and safety of these
13 customers.³⁹ Taking this a few steps further, SCE's ESA Building Electrification
14 Pilot offers qualified low-income customers who are currently using natural gas or
15 propane to support some of their energy needs with retrofits (e.g., direct installs of
16 heat pump water heaters, heat pump dryers, and induction cooktops) to reduce their
17 overall energy operating costs and GHG production.⁴⁰ And SCE's ESA Pilot
18 Plus/Pilot Deep reaches all past or new ESA customers with characteristics that are
19 ripe for maximizing energy savings (e.g., reside in hot climate zones), and offers
20 direct installs of heat pump water heaters, heat pump HVACs, efficient appliances,
21 windows/doors, and other efficiency measures.⁴¹
- 22 • Through the Self-Generation Incentive Program (SGIP), SCE provides financial
23 incentives for the installation of energy storage systems in low-income or
24 Disadvantaged Communities (DACs) and customers in high fire-prone areas. Like the
25 expansion of ESA, SGIP will also do more (starting this year) by adding incentives to

³⁸ See R.22-07-005, SCE-01.

³⁹ See Southern California Edison Company's (U338-E) Low Income Annual Report for Program Year 2020, p. 1.

⁴⁰ See D.21-06-015, p. 382.

⁴¹ D.21-06-015, p. 128.

1 encourage customers to adopt heat pump water heating equipment in both existing
2 residential and commercial buildings.⁴²

- 3 • The San Joaquin Valley (SJV) Pilot, which is available to SCE residential customers
4 in the DACs of California City, Ducor, and West Goshen, has successfully completed
5 several electrification projects involving the direct installation of heat pump water
6 heaters, space heating, advanced weatherization measures, electric or induction
7 cooktops, and high efficiency electric clothes dryers.⁴³
- 8 • Lastly, SCE participates in the California Clean Fuel Reward program which focuses
9 on providing rebates for eligible EVs to Californians who resides in disadvantaged
10 communities.⁴⁴ Between December 2020 and March 1, 2023, SCE has issued 131,185
11 awards for a total of \$142 million, which represents 34.18% of the electric utility
12 share of total rewards. SCE will continue to work on the California initiative of
13 decarbonization under the Low Carbon Fuel Standard (LCFS) and plans to contribute
14 an additional \$225 million in incentives to customers between March 2023 and
15 December 2026.

⁴² See D.21-01-011.

⁴³ See D.18-12-015; Southern California Edison Company's (U338-E) Quarterly Progress Report on San Joaquin Valley Pilot Projects, *available at* <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M498/K810/498810227.PDF>.

⁴⁴ Cal. Code of Regs. tit. 17, § 95483(c)(1)(A)(6)(a) of the LCFS Regulation determines that special equity considerations should be given to underserved Californians through LCFS programs and defines these Californians as "disadvantaged communities and/or low-income communities and/or rural areas...", available at <https://ww2.arb.ca.gov/our-work/programs/low-carbon-fuel-standard/lcfs-regulation>.

III.

POST TEST-YEAR RATEMAKING

This chapter presents SCE’s proposal for a PTYR mechanism to provide additional funds to cover the costs of doing business in calendar years 2026, 2027 and 2028, including capital investment to meet growing electricity demand, replace aging utility infrastructure, and perform wildfire risk mitigation activities. SCE’s proposed PTYR mechanism would adjust the revenue requirements for 2026, 2027 and 2028 (“attrition years”) to provide SCE with sufficient funds during the attrition year period to provide service to customers in a safe, reliable, and affordable manner, while providing shareholders with a reasonable opportunity to earn the authorized rate of return.

The proposal is based on the PTYR mechanisms approved in SCE’s last four GRCs,⁴⁵ with some modifications. For O&M, SCE proposes to continue using the escalation methodology that the Commission adopted in SCE’s last four GRCs. For capital, SCE proposes to escalate capital additions, as with previous PTYR mechanisms, and to make an adjustment to fully reflect Test-Year capital expenditures authorized by the Commission. SCE also proposes to use a budget-based forecast for wildfire mitigation capital, consistent with the PTYR mechanism adopted in the 2021 GRC, as well as for four discrete projects with uneven forecast capital additions that would otherwise not be accurately reflected in attrition year revenue requirements.⁴⁶ SCE proposes continuing the currently authorized Z-factor mechanism, with a slight modification to include the Test-Year, and continuing the use of an annual PTYR advice letter to set the authorized revenue requirement for each attrition year. These features are discussed in more detail in the following sections.

Table III-12 below provides, for comparison purposes, a summary of the PTYR mechanisms authorized since the 2003 GRC case.

⁴⁵ D.12-11-051; D.15-11-021; D.19-05-020; D.21-08-036.

⁴⁶ SCE has included budget-based forecasts in various volumes of testimony for other capital projects but seeks a PTYR adjusted attrition mechanism to reflect the delay between when capital is expended, and when it closes to plant, in lieu of a budget-based approach for those projects.

Table III-12
Summary of PTYR Mechanisms Authorized in 2003 - 2021 GRCs

Applicable Period	GRC Decision	O&M Escalation	Capital-Related Costs	Z-Factor
2004-2005 (2003 test year)	D.04-07-022	SCE- and industry specific indices; union increases incorporated if known by GRC decision	Budgeted capital additions	Criteria specified in D.94-06-011; \$10M deductible with certain exceptions
2007-2008 (2006 test year)	D.06-05-016	SCE- and industry specific indices; union increases incorporated if known by GRC decision	Test-year capital additions escalated at specified capital escalation rates	Unchanged
2010-2011 (2009 test year)	D.09-03-025	No specific O&M mechanism; GRC revenue requirement escalated at specified rate	No specific capital mechanism; GRC revenue requirement escalated at specified rate	Unchanged
2013-2014 (2012 test year)	D.12-11-051	SCE- and industry specific indices; union increases incorporated if known by update testimony	Test-year capital additions escalated at specified capital escalation rates	Unchanged
2016-2017 (2015 test year)	D.15-11-021	SCE- and industry specific indices; union increases incorporated if known by update testimony	Test-year capital additions escalated at specified capital escalation rates	Unchanged
2019-2020 (2018 test year)	D.19-05-020	SCE- and industry specific indices; union increases incorporated if known by update testimony	Test-year capital additions escalated at specified capital escalation rates	Unchanged
2022-2023 (2021 test year)	D.21-08-036	SCE- and industry specific indices; union increases incorporated if known by update testimony	Budget-based capital additions for wildfire mitigation and new service connections; 0% escalation for all other capital additions	Unchanged

1 **A. Background**

2 **1. Purpose of PTYR Mechanism**

3 The GRC application provides detailed forecasts of the applicant's capital investment
4 expenses and its operating and maintenance (O&M) expenses for the Test-Year as well as forecasts for
5 subsequent attrition years. Annual cost increases can be triggered by input price inflation and by plant
6 additions needed to maintain the utility's system and provide adequate service. Cost-of-service
7 ratemaking principles require some means to recognize these cost increases in the authorized revenue
8 requirement. Without such recognition of cost increases, SCE will not have a reasonable opportunity to
9 earn its authorized rate of return after the Test-Year, as evidenced by the forecast utility cost escalation
10 rates presented in Chapter VIII of Exhibit SCE-07, Volume 1. Therefore, SCE must have an explicit
11 ratemaking mechanism to permit it to recover increased costs in the attrition year period.

12 **2. Rate Case Plan**

13 The general rate case cycle for large energy utilities moved from a three to four-year
14 cycle in 2020 as part of a proceeding to revisit the Rate Case Plan.⁴⁷ As the 2020 Rate Case Plan
15 Decision explains, "The Commission's decision is based on its extensive review of the Test-Year
16 forecasts. The attrition year revenue requirements are typically determined by (1) escalating the Test-
17 Year O&M expenses, and (2) authorizing capital expenditures at a level determined by either (i)
18 applying additional escalation factors, or (ii) further review of the applicant utility's actual capital
19 budgets for those years."⁴⁸ When application of simple escalation factors will not provide the utility
20 adequate funding for necessary investments in the attrition years, the Commission has adopted a budget-
21 based forecast in lieu of using escalation factors, for example, SCE's wildfire mitigation capital in the
22 2021 GRC.⁴⁹ The 2020 Rate Case Plan Decision did not fundamentally change this attrition approach
23 but the shift to a four-year GRC cycle has increased the importance of an adequate PTYR mechanism.⁵⁰

⁴⁷ The Rate Case Plan was last revised on a large scale in D.89-01-040. Minor changes to the Rate Case Plan were subsequently adopted in D.92-08-033, D.93-07-030, D.07-07-004 and D.14-12-025. The latest description and schedule of the Rate Case Plan for the energy utilities is reflected in Appendix A of D.20-01-002 with Appendix B providing the schedule for the transition from the three-year GRC cycle to the four-year GRC cycle. These decisions are collectively referred to herein as the "Rate Case Plan."

⁴⁸ D.20-01-002, p. 8.

⁴⁹ D.21-08-036, pp. 546-547.

⁵⁰ D.20-01-002, p. 37 ("We do not find that adding a third attrition year will fundamentally change how we approach this task in future GRCs.").

1 **3. Revenue Requirement Increases in Attrition Years to Reflect Operational Cost**
2 **Changes and Inflation**

3 After the Test-Year, SCE’s earned rate of return is directly affected by operational and
4 financial cost changes in the attrition years. The PTYR mechanism proposed in this exhibit addresses the
5 first of these cost changes – operational cost changes due to price increases in the goods and services we
6 employ in our operations and the level of capital assets, i.e., rate base, required to operate our business
7 and maintain safe and reliable electric service for our customers. The authorized rate of return, i.e., the
8 costs of long-term debt, preferred equity, and common equity, are not addressed by the PTYR
9 mechanism but instead are covered in SCE’s cost of capital applications.

10 Following the onset of the COVID-19 pandemic in 2020, inflation emerged at levels not
11 seen since the early 1980s. While the pandemic has abated, high inflation continues to increase the cost
12 of doing business and results in increasing costs for the inputs SCE uses to provide service to our
13 customers.⁵¹ SCE will incur higher costs for capital equipment to replace worn-out equipment, to build
14 new facilities to serve both new and existing customers, and for wildfire risk mitigation. In the past,
15 productivity has acted as a partial offset to increased costs; but generally, and especially in times of high
16 inflation, productivity improvements cannot cancel out the need for revenue requirement increases in
17 attrition years. This is especially true in California due to decoupling, given that revenue increases from
18 output or usage (kWh sales, kW demand) increases are returned to customers. Steep inflation is even
19 more impactful in a four-year GRC cycle, where utilities may not file GRC applications with updated
20 capital and O&M forecasts mid-cycle. In addition, our revenue requirements continue to rise because of
21 the costs associated with serving new customers and costs associated with providing new or improved
22 services for existing customers. These factors make it necessary that the PTYR mechanism provide SCE
23 a fair opportunity to recover costs unable to be offset through productivity.

24 **B. Features of Our Proposed Mechanism**

25 SCE proposes a PTYR mechanism with the following features:

⁵¹ Economy-wide inflation in the U.S. was 1.4% in 2020, 7% in 2021, and 6.5% in 2022 as reported by the Bureau of Labor Standards in its Consumer Price Index for All-Urban Consumers (CPI-U). U.S. Labor of Statistics, Consumer Price Index, Southwest Information Office, Calendar Year Historical, 2018-2022, https://www.bls.gov/regions/southwest/data/consumerpriceindexcyhistorical_southwest_table.htm.

- Using S&P Global Market Intelligence utility cost escalation factors for determining attrition year O&M escalation, consistent with prior GRCs⁵²
- Calculating attrition year capital related revenue requirement using:
 - A formula to apply S&P Global Market Intelligence utility capital escalation factors to all capital additions associated with capital expenditures authorized in the Test-Year (with exceptions for capital projects identified below)
 - A budget-based forecast for wildfire mitigation capital, consistent with the 2021 GRC
 - Budget-based forecasts for the following long-lead time projects with uneven forecast capital additions during the GRC cycle and which would therefore not be accurately captured with an escalation-based capital attrition mechanism:
 - Three sub-transmission projects - Cal City DSP, Gorman-Kern River 66kV, and Del Valle DSP
 - Edison Training Academy
- Continuing the currently authorized Z-factor mechanism, with a slight modification to include the Test-Year
- Continuing the use of an annual PTYR advice letter to set the authorized revenue requirement for each attrition year.

1. **O&M Escalation**

Chapter VIII, Section 2, of Exhibit SCE-07, Volume 1 describes SCE's methodology for determining escalation rates for labor and non-labor O&M expense. SCE proposes to use the same methodology to determine O&M escalation rates to calculate the O&M expense adjustments for 2026, 2027 and 2028.⁵³

⁵² S&P Global Market Intelligence acquired IHS Markit in March 2022. IHS Markit was previously known as IHS Global Insight.

⁵³ Table III-4 in Exhibit SCE-07, Vol. 01, p. 8 presents SCE's proposed CPUC-jurisdictional GRC revenue requirement for 2025 through 2028. In this table, PTYR O&M escalation is captured in line 18. However, the O&M escalation resulted from SCE's proposed PTYR mechanism is the first difference of the amounts shown, not the total, since the amount shown for 2025 is the cumulative O&M escalation from 2022 to 2025. This is because most of the O&M expense amounts are "constant dollar" amounts expressed in 2022 dollars.

1 a) **Latest S&P Global Market Intelligence Escalation Rates Will Be Used**

2 SCE's annual revenue change advice letter will be submitted by December 1 of
3 2025, 2026 and 2027 for the following year. The advice letter will reflect the latest S&P Global Market
4 Intelligence escalation rates available in November of the year in which these filings are made.

5 b) **Escalation Rates In Attrition Year Advice Letters Will Be Based On Latest**
6 **Projections; Previous Forecast Rates Will Not Be Adjusted**

7 In its Q4 2025 advice letter submittal, SCE will compute the authorized level of
8 O&M expense for 2026 by applying the latest available 2026 escalation factors (as of November 1,
9 2025) to the authorized level of O&M expense for 2025.

10 A similar approach applies to the O&M escalation adjustment for 2027 and 2028.
11 In the advice letter submittals for those years, SCE will compute the respective authorized level of O&M
12 expense by applying compound escalation factors from 2025 to the authorized level of O&M expense
13 for 2025. These escalation factors will be the latest available (as of November of the prior year), and will
14 reflect actual inflation in the projections for subsequent attrition years.⁵⁴ This procedure will help ensure
15 that the 2027 and 2028 O&M escalation adjustments capture the latest information for escalation from
16 the Test-Year forward. However, there will be no true-up to the previous year's authorized level of
17 O&M expense resulting from the incorporation of actual escalation.

18 c) **Other Differences from Escalation Rates Calculated Through the Test-Year**

19 The labor O&M escalation rates for 2023, 2024, and 2025 incorporate IBEW
20 collective bargaining agreement wage increases, as discussed in Chapter VIII, Section 2 of Exhibit SCE-
21 07, Volume 1A. For the annual advice letters, known wage increases for represented employees granted
22 before the Commission adopts a decision in this GRC will be incorporated in the labor escalation rates
23 used in the 2026, 2027, and 2028 PTYR advice letters.

24 d) **Projected Labor and Non-Labor Escalation Rates for 2026, 2027, and 2028**

25 SCE's projected labor and non-labor O&M escalation rates for 2026, 2027, and
26 2028, based on the information available at this time, are presented in Chapter VIII, Section 1 of Exhibit
27 SCE-07, Volume 01.

⁵⁴ In this instance, actual escalation will be through the second or third quarter of 2026, depending on S&P Global Market Intelligence's forecasting procedure.

1 It is important that the escalation rates embedded in SCE's PTYR mechanism be
2 industry-specific or company-specific.⁵⁵ Using a general inflation index such as the Consumer Price
3 Index (CPI), Producer Price Index (PPI), or Gross Domestic Product Chain-Weighted Price Index
4 (GDPPI) is not appropriate. The CPI tracks prices paid by consumers and but does not include large
5 categories of SCE's costs. In addition, it excludes health care costs paid by employers.⁵⁶ The PPI covers
6 a broad swath of the U.S. economy and is too broad to be applicable to SCE.⁵⁷ The GDPPI covers the
7 entire U.S. economy. Thus, it is far too broad to serve as an accurate measure of SCE's input price
8 inflation. The indices SCE has proposed avoid these flaws. The Commission has adopted S&P Global
9 Market Intelligence escalation rate forecasts as the preferred indices (instead of CPI) to use in escalating
10 attrition year revenue requirement in multiple recent GRC decisions, because those indices more
11 accurately reflect how utilities incur costs.⁵⁸

12 **e) Benefit Program Escalation Rates**

13 In Exhibit SCE-06, Volume 04, Section 3, SCE discusses benefit program costs
14 for the Test-Year and benefit cost escalation in selected areas for 2026, 2027, and 2028. For medical
15 costs, escalation is projected to be five and one-half percent in 2026, 2027, and 2028. These projected
16 escalation rates should be applied directly to medical program costs and PBOP (Post Retirement
17 Benefits Other Than Pensions) costs without any updating when the PTYR advice letters are submitted.
18 It is reasonable to apply these escalation rates to PBOP costs, since PBOP costs are dominated by
19 medical costs.

20 For other benefit categories, SCE will use the escalation rates shown in the table
21 below.

⁵⁵ This matter is discussed in more detail in the cost escalation testimony presented in Chapter VIII of Exhibit SCE-07, Vol. 01.

⁵⁶ D.04-07-022, p. 278.

⁵⁷ In some GRCs in the 1980s, the Commission adopted non-labor escalation indexes that incorporated PPI *sub-indexes*, but never the entire PPI.

⁵⁸ D.19-09-051 at p. 708 ("We find that Global Insight escalation rates are specific to the utility industry and more accurately reflects SDG&E's and SoCalGas' inflationary cost increases."); D.21-05-003 at p. 15 (continuing to apply IHS Market Index for 2022 and 2023); D.21-08-036 at p. 547 ("With respect to O&M expenses, consistent with our determination in nearly every SCE GRC since 2003, we approve use of the utility-specific indices proposed by SCE because they more accurately reflect how utilities incur costs. Both Cal Advocates and TURN offer proposals which are based on CPI-U or CPI-U plus a premium. As we have previously explained, the CPI reflects consumer retail price changes and does not reflect how utilities incur costs.").

Table III-13
Benefit Escalation Rates⁵⁹

Line No.	Category	2026	2027	2028	Comments
1.	Medical Programs - 926	5.50%	5.50%	5.50%	Medical cost escalation rate
2.	Dental Programs - 926	4.50%	4.50%	4.50%	Dental escalation rate
3.	Vision Service Plan - 926	3.00%	3.00%	3.00%	VSP escalation rate
4.	Disability Programs - 926	2.85%	2.81%	2.78%	Labor escalation rate
5.	Group Life Insurance - 926	0.02%	0.02%	0.02%	Group life insurance trend rate
6.	Misc. Benefit Programs - 926	1.87%	1.97%	2.00%	A&G non-labor escalation rate
7.	Executive Benefits - 926	2.85%	2.81%	2.78%	Labor escalation rate
8.	401(k)	2.85%	2.81%	2.78%	Labor escalation rate

2. Capital-Related Cost Increases

SCE regularly invests in long-lived capital assets to support and expand its system and to support other objectives, including wildfire risk mitigation and meeting California’s climate goals. The calculations that translate this investment into a revenue requirement are discussed in Exhibit SCE-07, Volume 02, and SCE does not repeat that discussion here. The principal items in the revenue requirement that are associated with capital are depreciation expense (which recovers the cost of capital assets over their service lives), return (which is the cost of financing the remaining unrecovered cost of capital assets until they are fully depreciated), and taxes (income taxes, levied on the common and preferred equity return that is part of the financing cost mentioned above, and property taxes, which are related to the value of the asset).⁶⁰

Because planned capital projects vary from year to year, the best method for establishing the authorized revenue requirement related to capital spending in the attrition years is to use a budget-based forecast to set capital additions in the PTYR mechanism. However, SCE acknowledges that, with certain exceptions, such as wildfire mitigation capital additions and new service connections in the 2021

⁵⁹ Refer to WP SCE-07, Vol. 04, pp. 11-12, Cross References for Benefit Escalation Rates.

⁶⁰ Table II-4 in Exhibit SCE-07, Vol. 01, p. 8 presents SCE’s proposed CPUC-jurisdictional GRC revenue requirement for 2025 through 2028. In this table, depreciation expense appears at line 19, return appears at line 26 (labeled “Net Operating Revenue”), and income and property taxes appear at lines 21 and 23. The amounts shown are based on SCE’s entire rate base, including capital additions placed in service over many historical years.

1 GRC,⁶¹ the Commission has been disinclined to authorize a budget-based methodology for attrition year
2 capital additions in prior GRCs and favors a formulaic approach.

3 The Commission typically escalates SCE's Test-Year capital additions using forecast
4 capital escalation rates to derive authorized capital additions for each attrition year.⁶² This can result in
5 insufficient revenue in the attrition years due to the different methodologies the Commission uses to
6 approve Test-Year vs. attrition year revenues. In the Test Year, the Commission authorizes a portfolio of
7 capital *expenditures*, while attrition year escalation is based on Test-Year capital *additions*, which are
8 only partially attributable to the Test-Year authorized capital expenditures. More than 40% of capital
9 additions in the Test Year are in fact related to expenditures authorized in prior GRCs as shown below in
10 Figure III-3, and a significant portion of Test-Year authorized capital expenditures close to plant in the
11 attrition years, as shown below in Figure III-4. To address this lag between when authorized
12 expenditures are made and when they close to plant as capital additions, SCE proposes a PTYR
13 mechanism in this GRC that is based upon a) escalating capital additions from Test-Year authorized
14 capital expenditures through use of a formula and b) utilizing a budget-based forecast for wildfire
15 mitigation and certain long-lead time projects that have uneven capital additions through the GRC
16 period.

17 a) **Escalation of Capital Additions from Test-Year Authorized Capital**
18 **Expenditures**

19 SCE proposes a capital PTYR mechanism that escalates Test-Year capital
20 additions to set the revenue requirement for the attrition year period, as is standard Commission practice.
21 Additionally, SCE proposes an adjustment to escalate attrition year capital additions directly tied to the
22 capital expenditures that the Commission will authorize for the 2025 Test-Year. The purpose of this
23 adjustment is to ensure the capital-related costs for projects not fully reflected in the Test-Year 2025
24 revenue requirement are accurately reflected in the revenue requirements for the attrition years. Without
25 this capital adjustment, the attrition year revenue requirements would not necessarily reflect SCE's
26 authorized costs due to the time lag between when capital is expended and when the capital project
27 closes to plant.

⁶¹ D.21-08-036, p. 547.

⁶² See D.20-09-004 at 2.

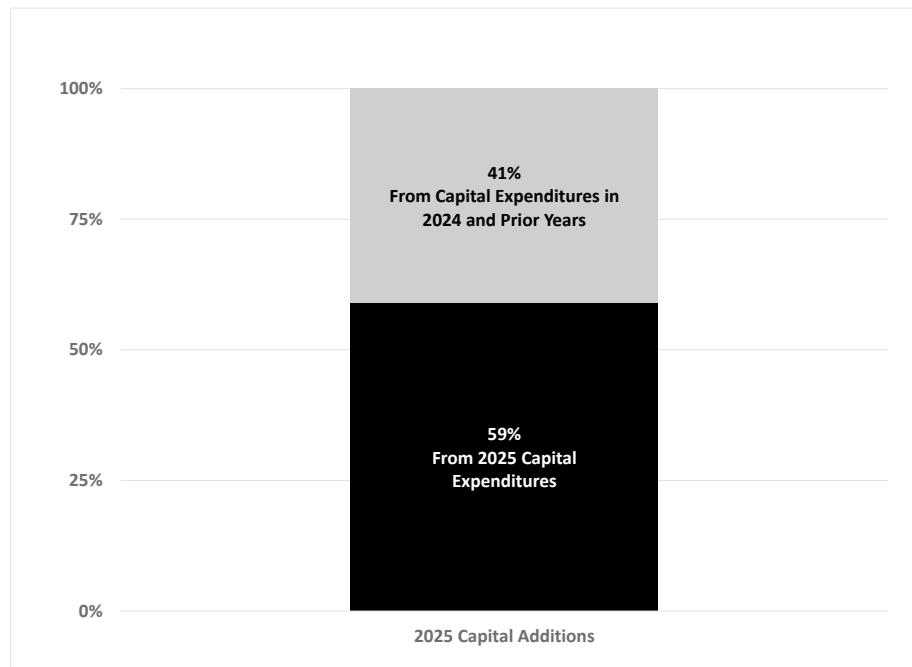
(1) **Timing Difference Between Capital Expenditures and Capital Additions**

The Commission typically authorizes Test-Year capital expenditures on a program or project basis following an evaluation of the specific merits and cost forecast of each program or project.⁶³ But authorized capital expenditures close to plant over multiple years, with the great majority of those expenditures closing to plant within 2 years, i.e., Test-Year 2025 capital expenditures will mostly close to plant in 2025 and 2026, but some capital expenditures will close to plant more than two years after having been spent. With the exception of SCE's 2021 GRC,⁶⁴ the Commission has typically authorized SCE to escalate its Test-Year capital additions based on a formula. If the Test-Year capital additions solely corresponded to the Test-Year capital expenditures, then the escalation of Test-Year capital additions would provide the funding needed to support the approved programs. However, because of the lag of when the authorized capital expenditures close to plant, those Test-Year capital additions are comprised of capital expenditures from the Test-Year and from prior years. Specifically, the capital additions for 2025 are comprised of capital expenditures from 2022, 2023, 2024, and 2025 closing to plant in 2025. Figure III-3 below illustrates the composition of the 2025 capital additions.

⁶³ See Table III-12 above describing SCE's past PTYR outcomes.

⁶⁴ In SCE's 2021 GRC Decision the Commission authorized budget-based treatment for wildfire mitigation capital and new service connections while authorizing a 0% escalation rate for 2022 and 2023 for all other capital spending. This zero-escalation was meant "to help mitigate the impacts of large wildfire capital additions in the attrition years, and given the uncertainty in SCE's actual spending in these years and the economic uncertainty facing ratepayers due to the COVID-19 pandemic," D. 21-08-036, pp. 549-550.

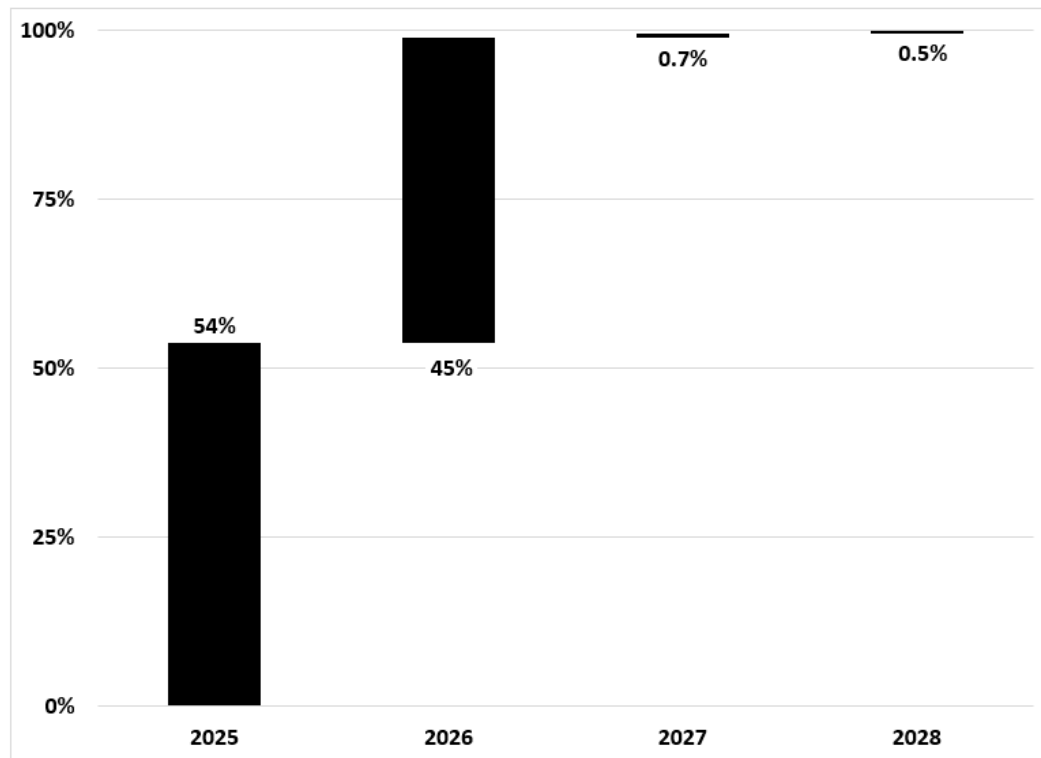
Figure III-3
Percentage Composition of 2025 Capital Additions⁶⁵



The composite nature of capital additions is further illustrated in Figure III-4, below, which shows the annual profile of capital additions directly associated with the requested capital expenditures for 2025, excluding wildfire mitigation capital expenditures and those projects further described below. The figure reveals that only 54% of capital expenditures close to plant in 2025, with another 45% lagging one-year and closing to plant in 2026 and the remainder lagging two or more years and closing in 2027 and beyond.

⁶⁵ Refer to WP SCE-07, Vol. 04, pp. 13-14, Percentage Composition of 2025 Capital Additions.

Figure III-4
Annual Percentage of 2025 Capital Expenditures Closing to Plant⁶⁶



Under the previous attrition mechanisms, only 54% of authorized Test-Year expenditures would be escalated in the attrition years; the remaining 46% of authorized Test-Year expenditures close to plant in subsequent years, and therefore, would not be reflected in the attrition mechanism while expenditures from previous GRCs would be escalated by the mechanism. This asynchrony between Test-Year capital additions and Test-Year capital expenditures can result in the unintended outcome of the Commission authorizing insufficient revenue requirement for programs that it has approved. This is certainly the case when the Test Year capital additions associated with prior year authorized capital expenditures are less than the capital additions associated with Test Year authorized capital expenditures that close to plant in subsequent years. SCE does not believe that this is the Commission's intent. The capital PTYR mechanism should be designed to account for the fact that nearly half of capital expenditures will close to plant after the year of spend. SCE's mechanism does this. Given that the Commission authorizes Test-Year capital expenditures as well as a timeframe for

⁶⁶ Refer to WP SCE-07, Vol. 04, pp. 15-16, Annual Percentage of Capital Expenditures Closing to Plant.

those expenditures to close to plant, SCE’s proposed PTYR mechanism (1) accounts for the total capital additions associated with authorized Test Year capital expenditures, and (2) applies escalation to account for the same lagged closing to plant for attrition year as seen with Test-Year authorized capital expenditures. With this adjustment, the mechanism will accurately reflect that capital additions are always composites of current and prior year capital expenditures closing to plant.

(2) SCE’s Proposed Adjustment to Mitigate Lag Impact

In effect, SCE’s proposed PTYR mechanism will look like the typical capital PTYR mechanism, except that instead of 2026 capital additions equaling 2025 capital additions escalated at the forecast escalation rates from S&P Global Market Intelligence, 2026 capital additions will be comprised of escalated Test-Year capital additions associated with authorized Test-Year capital expenditures and 2026 capital additions associated with Test-Year and prior authorized capital expenditures. Thus, to calculate the capital additions in the attrition years, the mechanism relies on the profile of capital additions associated with proposed Test Year 2025 capital expenditures, shown in Table III-14 below, excluding capital associated with wildfire mitigation and identified long-lead time projects.

***Table III-14
2025 Capital Expenditures Closing to Plant by Year of Close
(\$ millions)***

	2025	2026 (1-Year Lag)	2027 (2-Year Lag)	2028 (3-year Lag)
Capital additions from 2025 expenditures	2,353	1,969	29	20

This profile of capital additions is then escalated using the S&P Global Market Intelligence forecast escalation rates to calculate the capital additions for each subsequent attrition year, resulting in the attrition years being a similar composite of capital additions of current and previous years’ associated capital additions.

As shown in Table III-15 below, 2026 capital additions would be authorized as the sum of \$2,361 million (\$2,353 million escalated by the forecast blended capital escalation rate), \$1,969 million from 2025 capital expenditures, and \$40 million for those capital expenditures from 2024 or prior that close to plant in 2026.

Table III-15
Composition of 2026 Capital Additions
(\$ millions)

	Cap Additions Closing in Year of Spend (Escalated)	1-Year Lagged Capital Additions (2025)	2 or More Years Lagged Capital Additions (2024 and Before)	Total
2026 Capital additions	2,361	1,969	40	4,370

To set the 2027 and 2028 attrition year capital additions, the mechanism repeats the formula used to set 2026 capital additions, with each of those attrition years comprised of capital additions that reflect the proportion of 2025 capital expenditures closing to plant. Below, Table III-16 shows the composition of the 2027 and 2028 attrition year capital additions.

Table III-16
Composition of 2027 and 2028 Capital Additions
(\$ millions)

	Cap Additions Closing in Year of Spend (Escalated)	1-Year Lagged Capital Additions (Escalated)	2 Years Lagged Capital Additions (Escalated)	2 Years Lagged Capital Additions	3 or more Years Lagged Capital Expenditures (2024 and Before)	Total
2027 Capital additions	2,372	1,976	-	29	194	4,571
2028 Capital additions	2,399	1,986	29	20	101	4,534

In sum, SCE’s proposed mechanism captures the Commission’s policy that a capital attrition mechanism should formulaically escalate capital additions from authorized Test-Year capital expenditures while addressing the insufficient escalation resulting from the previous mechanisms’ approach of escalating capital additions derived from capital expenditures incurred prior to the Test-Year.

The Commission has recognized the need for a PTYR capital mechanism that addresses the inherent lag between capital expenditures and capital additions. For example, in SDG&E and SoCalGas’s Test-Year 2019 GRC final decision (D.19-09-051), the Commission authorized a separate PTYR mechanism for the Pipeline Safety Enhancement Plan (PSEP), based on capital additions forecasted beyond Test-Year 2019. The Decision concluded “We find the adjustment

1 necessary in order to fully reflect the capital costs we are authorizing but will not be fully reflected in
2 the [Test Year].”⁶⁷

3 Similarly, in SCE’s 2012 GRC final decision (D.12-11-051), the
4 Commission found reasonable and adopted an attrition year adjustment for costs not fully reflected in
5 the 2012 Test-Year. The Commission concluded that because “the operational requirements of [SCE’s
6 Customer Service Business Unit or] CSBU will be significantly different in 2013,” the overall CSBU
7 forecast for 2013 will be escalated in 2014 pursuant to the adopted PTYR.⁶⁸

8 **b) Attrition Year Capital Exceptions Warranting Budget-Based Forecast**

9 SCE proposes that the capital related costs for those capital projects and programs
10 with uneven spend through the GRC cycle, identified above, be included as a part of the PTYR
11 mechanism, so that SCE is authorized adequate revenue to execute these projects that support safety and
12 reliability. The adjustment is necessary because the capital additions profile of these projects does not
13 follow an even pattern through the GRC cycle and the escalation-based mechanism proposed by SCE
14 would fail to capture the unevenness.

15 **(1) Wildfire Mitigation Capital Expenditures**

16 SCE proposes a budget-based capital PTYR mechanism for wildfire
17 mitigation spending. The Commission permitted budget-based treatment for wildfire mitigation
18 spending in SCE’s 2021 GRC, pointing to the fact that “these issues [wildfire mitigation spend] were
19 vigorously litigated [in the 2021 GRC] and there is a robust record on these issues.”⁶⁹ As in the 2021
20 GRC, in SCE-06, Volume 06 in this GRC, SCE presents thorough testimony on the cost basis for each
21 year in the GRC cycle. This provides further basis for use of a budget-based attrition mechanism for
22 wildfire mitigation costs. Table III-17 provides the capital additions related to the wildfire mitigation
23 capital expenditures, breaking out the capital additions associated with covered conductor and targeted
24 undergrounding, and further detailed discussion of this spend can be found in SCE-06, Volume 06. The
25 revenue requirement associated with these capital additions is included in SCE-07, Volume 01.

⁶⁷ D.19-09-051, pp. 215-216.

⁶⁸ D.12-11.051, p. 357; D.12-11-051 at 876, Conclusion of Law 524 (“A PTYR is reasonable and adopted which includes the following: . . . Separately adopted 2013 CSBU O&M and capital expenditures escalated in 2014.”).

⁶⁹ D.21-08-036, p. 548.

Table III-17
Budgeted Wildfire Capital Additions, 2025-2028
(\$ millions)

Proposed Capital Additions			
	2026	2027	2028
Covered Conductor (WCCP)	\$325	\$90	\$35
Undergrounding (TUG)	\$584	\$907	\$890
Other Wildfire Mitigation	\$200	\$202	\$196
Total	\$1,109	\$1,199	\$1,122

(2) **Long Lead Time Projects with Uneven Forecast Capital Additions**

SCE's PTYR revenue requirement also includes capital costs for discrete projects that have uneven capital additions through the rate case cycle. In SDG&E and SoCal Gas's Test-Year 2019 final decision (D.19-09-051), the Commission authorized separate budget-based PTYR treatment for their Pipeline Safety Enhancement Plan, reasoning that the treatment be "necessary in order to fully reflect the capital costs we are authorizing but will not be fully reflected in the [Test-Year]." ⁷⁰ Table III-18 identifies and describes these discrete projects, including testimony references. The revenue requirement associated with these capital additions is included in SCE-07, Volume 1.

Table III-18
Attrition Year Project Capital Exceptions
(\$ millions)

Proposed Capital Additions				
Project	2026	2027	2028	Testimony Reference
T&D Training Center	\$0	\$0	\$303	SCE-06, Vol. 07
Del Valle Substation	\$0	\$106	\$33	SCE-02, Vol. 07
Gorman-Kern River	\$1	\$119	\$59	SCE-02, Vol. 04
Kraemer-Edwards	\$0	\$0	\$265	SCE-02, Vol. 07

3. Treatment of Major Exogenous Cost Changes

In SCE's current PTYR mechanism, SCE may seek to recover costs associated with exogenous events ("Z-Factors") that result in a major cost impact for SCE. The existing Z-Factor mechanism allows either SCE or the Public Advocates Office at the Commission (Cal Advocates) to submit a Letter of Notification to the Executive Director to identify any Z-Factor event. There are no

⁷⁰ D.19-09-051. pp. 215-216.

1 current Z-factors. SCE is at risk for events that do not have a financial impact of more than \$10 million.
2 In addition, there is a \$10 million “deductible amount” applied on a one-time basis to the first year’s
3 revenue requirement associated with any approved Z-Factors. Costs associated with two named
4 contingencies, new municipal utility formation and Cal. Pub. Util. Code § 463 projects, are treated as Z-
5 Factors but without the \$10 million threshold or the \$10 million deductible.⁷¹

6 The existing Z-Factor mechanism should be continued, with a modification to also apply
7 the mechanism in the Test-Year rather than only attrition years. The Z-Factor and proposed modification
8 are discussed in testimony in SCE-07, Volume 1, Chapter V.B.1.d. Although the Z-factor mechanism
9 has not been activated frequently, the Z-Factor mechanism has provided reasonable assurance that a
10 clear process is in place to deal with unanticipated major variations in SCE’s costs.

11 **4. Annual PTYR Mechanism Advice Letter**

12 SCE will submit an annual PTYR mechanism advice letter by December 1, 2025 for
13 2026 PTY, by December 1, 2026 for 2027 PTY, and by December 1, 2027 for 2028 PTY, consistent
14 with current procedure. This advice letter will specify the revenue requirement adjustment for O&M
15 escalation and changes in capital-related costs.

16 **C. Conclusion**

17 SCE’s proposed PTYR mechanism is a reasonable approach to help ensure not only that SCE’s
18 utility operations are adequately funded to safely and reliably serve customers during the attrition year
19 period but also that SCE’s continuing investments in wildfire risk mitigation are adequately funded
20 during the attrition year period. It also reflects SCE’s intent to ask only for what is needed and to
21 maintain our commitment to customer affordability. SCE respectfully requests that the Commission
22 adopt SCE’s PTYR request as proposed.

⁷¹ The Z-factor mechanism was established in SCE’s 2003 Test-Year General Rate Case. *See* D.04-07-022, pp. 278-279; Finding of Fact 231, p. 346. Continuation was authorized in SCE’s 2006, 2009, 2012, 2015, and 2018 Test-Year General Rate Cases. *See* D.06-05-016, p. 308, Ordering Paragraph 7, p. 382; D.09-03-025, p. 306, Conclusion of Law 213, p. 390, Ordering Paragraph 5, p. 393; D.12-11-051, p. 609; D.15-11-021, pp. 390, 392, Finding of Fact 487, p. 527, Conclusion of Law 125, p. 546, Ordering Paragraph 19.c, p. 557; D.19-05-020, p. 285, Finding of Fact 223, p. 394, Conclusion of Law 186, p. 428, Ordering Paragraph 4.c, p. 437.

Appendix A
Affordability Metrics

Monthly Essential Usage Bills - Non-CARE

Climate Zone	2023	2025			2026			2027			2028			Total Change over 2023	
	Bill (\$)	Bill (\$)	Change (\$)	%	Bill (\$)	Change (\$)	%	Bill (\$)	Change (\$)	%	Bill (\$)	Change (\$)	%	Change (\$)	%
10 hot (Sec 745)	\$ 139.6	\$ 154.2	\$ 14.66	10.5%	\$ 157.0	\$ 2.80	1.8%	\$ 158.6	\$ 1.53	1.0%	\$ 160.2	\$ 1.60	1.0%	\$ 20.59	15%
13 hot	\$ 153.4	\$ 169.6	\$ 16.13	10.5%	\$ 172.7	\$ 3.08	1.8%	\$ 174.3	\$ 1.68	1.0%	\$ 176.1	\$ 1.76	1.0%	\$ 22.65	15%
14 hot	\$ 141.3	\$ 156.2	\$ 14.85	10.5%	\$ 159.0	\$ 2.84	1.8%	\$ 160.6	\$ 1.54	1.0%	\$ 162.2	\$ 1.62	1.0%	\$ 20.85	15%
15 hot	\$ 201.4	\$ 222.6	\$ 21.21	10.5%	\$ 226.7	\$ 4.05	1.8%	\$ 228.9	\$ 2.21	1.0%	\$ 231.2	\$ 2.31	1.0%	\$ 29.77	15%
16 cool	\$ 137.2	\$ 151.6	\$ 14.41	10.5%	\$ 154.3	\$ 2.75	1.8%	\$ 155.8	\$ 1.50	1.0%	\$ 157.4	\$ 1.57	1.0%	\$ 20.23	15%
5 warm	\$ 189.3	\$ 209.2	\$ 19.92	10.5%	\$ 213.0	\$ 3.81	1.8%	\$ 215.1	\$ 2.07	1.0%	\$ 217.2	\$ 2.17	1.0%	\$ 27.97	15%
6 cool	\$ 106.5	\$ 117.7	\$ 11.16	10.5%	\$ 119.8	\$ 2.13	1.8%	\$ 121.0	\$ 1.16	1.0%	\$ 122.2	\$ 1.22	1.0%	\$ 15.68	15%
8 cool	\$ 106.6	\$ 117.8	\$ 11.18	10.5%	\$ 119.9	\$ 2.14	1.8%	\$ 121.1	\$ 1.16	1.0%	\$ 122.3	\$ 1.22	1.0%	\$ 15.69	15%
9 warm	\$ 129.7	\$ 143.3	\$ 13.62	10.5%	\$ 145.9	\$ 2.60	1.8%	\$ 147.3	\$ 1.42	1.0%	\$ 148.8	\$ 1.48	1.0%	\$ 19.12	15%
Average	\$ 128.0	\$ 141.5	\$ 13.44	10.5%	\$ 144.0	\$ 2.57	1.8%	\$ 145.4	\$ 1.40	1.0%	\$ 146.9	\$ 1.46	1.0%	\$ 18.88	15%

Monthly Essential Usage Bills - CARE

Climate Zone	2023	2025			2026			2027			2028			Total Change over 2023	
	Bill (\$)	Bill (\$)	Change (\$)	%	Bill (\$)	Change (\$)	%	Bill (\$)	Change (\$)	%	Bill (\$)	Change (\$)	%	Change (\$)	%
10 hot (Sec 745)	\$ 94.7	\$ 104.6	\$ 9.94	10.5%	\$ 106.5	\$ 1.90	1.8%	\$ 107.6	\$ 1.03	1.0%	\$ 108.6	\$ 1.08	1.0%	\$ 13.95	15%
13 hot	\$ 104.1	\$ 115.0	\$ 10.93	10.5%	\$ 117.1	\$ 2.09	1.8%	\$ 118.3	\$ 1.14	1.0%	\$ 119.4	\$ 1.19	1.0%	\$ 15.35	15%
14 hot	\$ 95.9	\$ 105.9	\$ 10.06	10.5%	\$ 107.9	\$ 1.92	1.8%	\$ 108.9	\$ 1.05	1.0%	\$ 110.0	\$ 1.10	1.0%	\$ 14.13	15%
15 hot	\$ 136.6	\$ 151.0	\$ 14.37	10.5%	\$ 153.7	\$ 2.75	1.8%	\$ 155.2	\$ 1.50	1.0%	\$ 156.8	\$ 1.56	1.0%	\$ 20.18	15%
16 cool	\$ 93.0	\$ 102.8	\$ 9.76	10.5%	\$ 104.7	\$ 1.87	1.8%	\$ 105.7	\$ 1.02	1.0%	\$ 106.8	\$ 1.06	1.0%	\$ 13.71	15%
5 warm	\$ 128.4	\$ 141.9	\$ 13.50	10.5%	\$ 144.4	\$ 2.58	1.8%	\$ 145.8	\$ 1.40	1.0%	\$ 147.3	\$ 1.47	1.0%	\$ 18.95	15%
6 cool	\$ 72.3	\$ 79.8	\$ 7.57	10.5%	\$ 81.3	\$ 1.45	1.8%	\$ 82.1	\$ 0.79	1.0%	\$ 82.9	\$ 0.82	1.0%	\$ 10.62	15%
8 cool	\$ 72.3	\$ 79.9	\$ 7.57	10.5%	\$ 81.4	\$ 1.45	1.8%	\$ 82.2	\$ 0.79	1.0%	\$ 83.0	\$ 0.82	1.0%	\$ 10.64	15%
9 warm	\$ 88.0	\$ 97.2	\$ 9.23	10.5%	\$ 99.0	\$ 1.76	1.8%	\$ 100.0	\$ 0.96	1.0%	\$ 101.0	\$ 1.00	1.0%	\$ 12.96	15%
Average	\$ 86.9	\$ 96.0	\$ 9.11	10.5%	\$ 97.7	\$ 1.74	1.8%	\$ 98.7	\$ 0.95	1.0%	\$ 99.7	\$ 0.99	1.0%	\$ 12.79	15%

AR-20 Metric - Non-CARE

Climate Zone	2023	2025		2026		2027		2028		Total Change Over 2023 (%)
	AR-20	AR-20	Incremental Change (%)	AR-20	Incremental Change (%)	AR-20	Incremental Change (%)	AR-20	Incremental Change (%)	
	(A)	(B)	(B) - (A)	(C)	(C) - (B)	(D)	(D) - (C)	(E)	(E) - (D)	(E) - (A)
10 hot (Sec 745)	7.5%	7.9%	0.4%	7.7%	-0.2%	7.5%	-0.2%	7.6%	0.1%	0.1%
13 hot	8.4%	9.0%	0.6%	8.9%	-0.1%	8.7%	-0.2%	8.8%	0.1%	0.4%
14 hot	11.8%	12.5%	0.7%	12.3%	-0.2%	12.0%	-0.3%	12.1%	0.1%	0.3%
15 hot	13.1%	13.8%	0.6%	13.5%	-0.3%	13.1%	-0.4%	13.3%	0.1%	0.1%
16 cool	8.3%	8.8%	0.5%	8.6%	-0.1%	8.5%	-0.2%	8.5%	0.1%	0.3%
5 warm	10.9%	11.9%	0.9%	11.8%	-0.1%	11.6%	-0.2%	11.7%	0.1%	0.8%
6 cool	7.5%	8.2%	0.6%	8.1%	-0.1%	8.0%	-0.1%	8.1%	0.1%	0.5%
8 cool	8.6%	9.4%	0.8%	9.3%	-0.1%	9.2%	-0.1%	9.3%	0.1%	0.7%
9 warm	9.1%	10.3%	1.1%	10.3%	0.0%	10.2%	-0.1%	10.3%	0.1%	1.2%
Average	8.7%	9.4%	0.7%	9.3%	-0.1%	9.2%	-0.2%	9.3%	0.1%	0.6%

AR-20 Metric - CARE

Climate Zone	2023	2025		2026		2027		2028		Total Change Over 2023 (%)
	AR-20	AR-20	Incremental Change (%)	AR-20	Incremental Change (%)	AR-20	Incremental Change (%)	AR-20	Incremental Change (%)	
	(A)	(B)	(B) - (A)	(C)	(C) - (B)	(D)	(D) - (C)	(E)	(E) - (D)	(E) - (A)
10 hot (Sec 745)	5.1%	5.4%	0.3%	5.3%	-0.1%	5.1%	-0.1%	5.2%	0.1%	0.1%
13 hot	5.7%	6.1%	0.4%	6.0%	-0.1%	5.9%	-0.1%	6.0%	0.1%	0.3%
14 hot	8.0%	8.5%	0.5%	8.3%	-0.1%	8.1%	-0.2%	8.2%	0.1%	0.2%
15 hot	8.9%	9.3%	0.4%	9.2%	-0.2%	8.9%	-0.3%	9.0%	0.1%	0.1%
16 cool	5.6%	6.0%	0.3%	5.9%	-0.1%	5.7%	-0.1%	5.8%	0.1%	0.2%
5 warm	7.4%	8.1%	0.6%	8.0%	-0.1%	7.9%	-0.1%	7.9%	0.1%	0.5%
6 cool	5.1%	5.6%	0.4%	5.5%	0.0%	5.4%	-0.1%	5.5%	0.1%	0.4%
8 cool	5.8%	6.3%	0.5%	6.3%	0.0%	6.2%	-0.1%	6.3%	0.1%	0.5%
9 warm	6.2%	7.0%	0.8%	7.0%	0.0%	7.0%	0.0%	7.0%	0.1%	0.8%
Average	5.9%	6.4%	0.5%	6.3%	-0.1%	6.2%	-0.1%	6.3%	0.1%	0.4%

AR-50 Metric - Non-CARE

	2023	2025		2026		2027		2028		Total
Climate Zone	AR-50	AR-50	Incremental Change (%)	AR-50	Incremental Change (%)	AR-50	Incremental Change (%)	AR-50	Incremental Change (%)	Change Over 2023 (%)
	(A)	(B)	(B) - (A)	(C)	(C) - (B)	(D)	(D) - (C)	(E)	(E) - (D)	(E) - (A)
10 hot (Sec 745)	2.5%	2.6%	0.1%	2.5%	-0.1%	2.5%	-0.1%	2.5%	0.0%	0.0%
13 hot	3.3%	3.5%	0.2%	3.4%	0.0%	3.4%	-0.1%	3.4%	0.0%	0.1%
14 hot	3.4%	3.6%	0.2%	3.5%	-0.1%	3.4%	-0.1%	3.5%	0.0%	0.0%
15 hot	3.7%	3.9%	0.2%	3.8%	-0.1%	3.7%	-0.1%	3.7%	0.0%	0.0%
16 cool	2.8%	2.9%	0.1%	2.9%	0.0%	2.8%	-0.1%	2.8%	0.0%	0.1%
5 warm	2.9%	3.1%	0.2%	3.1%	0.0%	3.0%	-0.1%	3.1%	0.0%	0.1%
6 cool	1.7%	1.8%	0.1%	1.8%	0.0%	1.7%	0.0%	1.7%	0.0%	0.0%
8 cool	1.9%	1.9%	0.1%	1.9%	0.0%	1.9%	0.0%	1.9%	0.0%	0.0%
9 warm	2.2%	2.3%	0.1%	2.2%	0.0%	2.2%	0.0%	2.3%	0.2%	0.2%
Average	2.3%	2.4%	0.1%	2.4%	0.0%	2.3%	-0.1%	2.3%	0.0%	0.0%

AR-50 Metric - CARE

	2023	2025		2026		2027		2028		Total
Climate Zone	AR-50	AR-50	Incremental Change (%)	AR-50	Incremental Change (%)	AR-50	Incremental Change (%)	AR-50	Incremental Change (%)	Change Over 2023 (%)
	(A)	(B)	(B) - (A)	(C)	(C) - (B)	(D)	(D) - (C)	(E)	(E) - (D)	(E) - (A)
10 hot (Sec 745)	1.7%	1.7%	0.1%	1.7%	0.0%	1.7%	0.0%	1.7%	0.0%	0.0%
13 hot	2.2%	2.3%	0.1%	2.3%	0.0%	2.3%	0.0%	2.3%	0.0%	0.1%
14 hot	2.3%	2.4%	0.1%	2.4%	0.0%	2.3%	-0.1%	2.3%	0.0%	0.0%
15 hot	2.5%	2.6%	0.1%	2.6%	-0.1%	2.5%	-0.1%	2.5%	0.0%	0.0%
16 cool	1.9%	2.0%	0.1%	1.9%	0.0%	1.9%	0.0%	1.9%	0.0%	0.0%
5 warm	2.0%	2.1%	0.1%	2.1%	0.0%	2.1%	0.0%	2.1%	0.0%	0.1%
6 cool	1.2%	1.2%	0.1%	1.2%	0.0%	1.2%	0.0%	1.2%	0.0%	0.0%
8 cool	1.3%	1.3%	0.1%	1.3%	0.0%	1.3%	0.0%	1.3%	0.0%	0.0%
9 warm	1.5%	1.5%	0.1%	1.5%	0.0%	1.5%	0.0%	1.6%	0.1%	0.1%
Average	1.6%	1.6%	0.1%	1.6%	0.0%	1.6%	0.0%	1.6%	0.0%	0.0%

Hours-At-Minimum Wage - Non-CARE

Climate Zone	2023	2025		2026		2027		2028		Total Change over 2023
	Hours	Hours	Change (hours)	Hours	Change (hours)	Hours	Change (hours)	Hours	Change (hours)	Change (hours)
10 hot (Sec 745)	9.0	10.0	0.9	10.1	0.2	10.2	0.1	10.3	0.1	1.3
13 hot	9.9	10.9	1.0	11.1	0.2	11.2	0.1	11.4	0.1	1.5
14 hot	9.1	10.1	1.0	10.3	0.2	10.4	0.1	10.5	0.1	1.3
15 hot	13.0	14.4	1.4	14.6	0.3	14.8	0.1	14.9	0.1	1.9
16 cool	8.8	9.8	0.9	10.0	0.2	10.1	0.1	10.2	0.1	1.3
5 warm	12.2	13.5	1.3	13.7	0.2	13.9	0.1	14.0	0.1	1.8
6 cool	6.9	7.6	0.7	7.7	0.1	7.8	0.1	7.9	0.1	1.0
8 cool	6.9	7.6	0.7	7.7	0.1	7.8	0.1	7.9	0.1	1.0
9 warm	8.4	9.2	0.9	9.4	0.2	9.5	0.1	9.6	0.1	1.2
Average	8.3	9.1	0.9	9.3	0.2	9.4	0.1	9.5	0.1	1.2

Hours-At-Minimum Wage - CARE

Climate Zone	2023	2025		2026		2027		2028		Total Change over 2023
	Hours	Hours	Change (hours)	Hours	Change (hours)	Hours	Change (hours)	Hours	Change (hours)	Change (hours)
10 hot (Sec 745)	6.1	6.8	0.6	6.9	0.1	6.9	0.1	7.0	0.1	0.9
13 hot	6.7	7.4	0.7	7.6	0.1	7.6	0.1	7.7	0.1	1.0
14 hot	6.2	6.8	0.6	7.0	0.1	7.0	0.1	7.1	0.1	0.9
15 hot	8.8	9.7	0.9	9.9	0.2	10.0	0.1	10.1	0.1	1.3
16 cool	6.0	6.6	0.6	6.8	0.1	6.8	0.1	6.9	0.1	0.9
5 warm	8.3	9.2	0.9	9.3	0.2	9.4	0.1	9.5	0.1	1.2
6 cool	4.7	5.2	0.5	5.2	0.1	5.3	0.1	5.3	0.1	0.7
8 cool	4.7	5.2	0.5	5.2	0.1	5.3	0.1	5.4	0.1	0.7
9 warm	5.7	6.3	0.6	6.4	0.1	6.4	0.1	6.5	0.1	0.8
Average	5.6	6.2	0.6	6.3	0.1	6.4	0.1	6.4	0.1	0.8

AR-20 Metric - Areas of Affordability Concern by PUMA - Non-CARE

PUMA #	County/City	Climate Zone	Estimated # of Housing Units	2023	2025	2026	2027	2028	Total Impact
03719	Los Angeles County (Central)--Glendale City PUMA	SCE 9	17	25.0%	28.2%	28.3%	28.0%	28.3%	3.3%
03766	Los Angeles County (South)--Long Beach City (Southwest & Port) PUMA	SCE 6	39,619	20.3%	22.4%	22.3%	22.0%	22.3%	2.0%
03731	Los Angeles County (Central)--West Hollywood & Beverly Hills Cities PUMA	SCE 9	64,887	42.3%	55.0%	56.8%	58.3%	58.9%	16.7%
05904	Orange County (Central)--Irvine City (Central) PUMA	SCE 6	13,038	20.3%	23.8%	24.0%	24.1%	24.3%	4.0%
05904	Orange County (Central)--Irvine City (Central) PUMA	SCE 8	109,702	20.4%	24.0%	24.2%	24.3%	24.5%	4.1%

AR-20 Metric - Areas of Affordability Concern by PUMA - CARE

PUMA #	County/City	Climate Zone	Estimated # of Housing Units	2023	2025	2026	2027	2028	Total Impact
03719	Los Angeles County (Central)--Glendale City PUMA	SCE 9	17	17.0%	19.2%	19.2%	19.0%	19.2%	2.3%
03766	Los Angeles County (South)--Long Beach City (Southwest & Port) PUMA	SCE 6	39,619	13.8%	15.2%	15.1%	15.0%	15.1%	1.3%
03731	Los Angeles County (Central)--West Hollywood & Beverly Hills Cities PUMA	SCE 9	64,887	28.7%	37.3%	38.5%	39.6%	40.0%	11.3%
05904	Orange County (Central)--Irvine City (Central) PUMA	SCE 6	13,038	13.8%	16.2%	16.3%	16.3%	16.5%	2.7%
05904	Orange County (Central)--Irvine City (Central) PUMA	SCE 8	109,702	13.8%	16.3%	16.4%	16.5%	16.6%	2.8%

Non-CARE: Affordability Ratio 20/50 and Hours-at-Minimum Wage

Non-CARE

Affordability Metrics - Affordability Ratio 20 (AR 20) and Affordability Rate 50 (AR 50) Impacts																			
		Current - March 1, 2023							Proposed - 2025							Change			
		Average Usage		Essential Usage					Average Usage		Essential Usage					Essential Usage			
Climate Zone	Estimated # of Housing Units ₁	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill	Average Bill	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill	Average Bill	Average Bill	Average Bill	Average Bill	Average Bill
						Electric Service AR 20	Electric Service AR 50						Electric Service AR 20	Electric Service AR 50		\$ Change	% Change	Electric Service AR 20	Electric Service AR 50
10 hot (Sec 745)	1,347,156	\$ 229.92	\$ 184.46	\$ 138.06	\$ 154.45	\$ 139.58	7.52%	2.47%	\$ 254.14	\$ 203.87	\$ 152.57	\$ 170.69	\$ 154.24	7.90%	2.58%	\$ 14.66	10.5%	0.4%	0.1%
13 hot	166,335	\$ 240.63	\$ 258.74	\$ 147.83	\$ 222.23	\$ 153.45	8.38%	3.25%	\$ 265.99	\$ 286.01	\$ 163.37	\$ 245.63	\$ 169.58	8.96%	3.46%	\$ 16.13	10.5%	0.6%	0.2%
14 hot	466,812	\$ 226.26	\$ 235.36	\$ 136.49	\$ 192.28	\$ 141.33	11.78%	3.41%	\$ 250.10	\$ 260.15	\$ 150.82	\$ 212.52	\$ 156.18	12.46%	3.56%	\$ 14.85	10.5%	0.7%	0.2%
15 hot	235,147	\$ 273.70	\$ 220.99	\$ 203.94	\$ 186.29	\$ 201.42	13.12%	3.73%	\$ 302.55	\$ 244.27	\$ 225.41	\$ 205.90	\$ 222.63	13.76%	3.89%	\$ 21.21	10.5%	0.6%	0.2%
16 cool	150,603	\$ 171.74	\$ 178.20	\$ 125.45	\$ 189.76	\$ 137.15	8.28%	2.76%	\$ 189.81	\$ 196.95	\$ 138.62	\$ 209.73	\$ 151.56	8.77%	2.90%	\$ 14.41	10.5%	0.5%	0.1%
5 warm	7,859	\$ 130.27	\$ 129.00	\$ 170.53	\$ 224.12	\$ 189.26	10.94%	2.93%	\$ 143.95	\$ 142.54	\$ 188.47	\$ 247.72	\$ 209.18	11.87%	3.13%	\$ 19.92	10.5%	0.9%	0.2%
6 cool	943,130	\$ 148.97	\$ 117.93	\$ 106.22	\$ 107.80	\$ 106.49	7.54%	1.70%	\$ 164.63	\$ 130.30	\$ 117.36	\$ 119.10	\$ 117.65	8.18%	1.78%	\$ 11.16	10.5%	0.6%	0.1%
8 cool	1,246,054	\$ 175.88	\$ 134.30	\$ 106.22	\$ 109.69	\$ 106.60	8.57%	1.85%	\$ 194.38	\$ 148.41	\$ 117.36	\$ 121.19	\$ 117.78	9.35%	1.94%	\$ 11.18	10.5%	0.8%	0.1%
9 warm	1,160,081	\$ 204.96	\$ 156.08	\$ 129.87	\$ 127.97	\$ 129.70	9.14%	2.16%	\$ 226.54	\$ 172.49	\$ 143.50	\$ 141.41	\$ 143.32	10.28%	2.26%	\$ 13.62	10.5%	1.1%	0.1%

₁Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

Non-CARE

Affordability Metrics - Affordability Ratio 20 (AR 20) and Affordability Rate 50 (AR 50) Impacts																			
		Current - March 1, 2023							Proposed - 2026							Change			
		Average Usage		Essential Usage					Average Usage		Essential Usage					Essential Usage			
		Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill	Average Bill	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill	Average Bill	Average Bill	Average Bill	Average Bill	Average Bill
Climate Zone	Estimated # of Housing Units ₁					Electric Service AR 20	Electric Service AR 50						Electric Service AR 20	Electric Service AR 50		\$ Change	% Change	Electric Service AR 20	Electric Service AR 50
10 hot (Sec 745)	1,347,156	\$ 229.92	\$ 184.46	\$ 138.06	\$ 154.45	\$ 139.58	7.52%	2.47%	\$ 258.77	\$ 207.58	\$ 155.34	\$ 173.79	\$ 157.04	7.74%	2.53%	\$ 17.47	12.5%	0.2%	0.1%
13 hot	166,335	\$ 240.63	\$ 258.74	\$ 147.83	\$ 222.23	\$ 153.45	8.38%	3.25%	\$ 270.83	\$ 291.23	\$ 166.34	\$ 250.11	\$ 172.66	8.87%	3.42%	\$ 19.22	12.5%	0.5%	0.2%
14 hot	466,812	\$ 226.26	\$ 235.36	\$ 136.49	\$ 192.28	\$ 141.33	11.78%	3.41%	\$ 254.65	\$ 264.89	\$ 153.56	\$ 216.39	\$ 159.02	12.27%	3.50%	\$ 17.69	12.5%	0.5%	0.1%
15 hot	235,147	\$ 273.70	\$ 220.99	\$ 203.94	\$ 186.29	\$ 201.42	13.12%	3.73%	\$ 308.06	\$ 248.71	\$ 229.52	\$ 209.64	\$ 226.68	13.50%	3.81%	\$ 25.26	12.5%	0.4%	0.1%
16 cool	150,603	\$ 171.74	\$ 178.20	\$ 125.45	\$ 189.76	\$ 137.15	8.28%	2.76%	\$ 193.26	\$ 200.54	\$ 141.14	\$ 213.55	\$ 154.31	8.65%	2.86%	\$ 17.16	12.5%	0.4%	0.1%
5 warm	7,859	\$ 130.27	\$ 129.00	\$ 170.53	\$ 224.12	\$ 189.26	10.94%	2.93%	\$ 146.56	\$ 145.13	\$ 191.90	\$ 252.24	\$ 212.99	11.77%	3.10%	\$ 23.73	12.5%	0.8%	0.2%
6 cool	943,130	\$ 148.97	\$ 117.93	\$ 106.22	\$ 107.80	\$ 106.49	7.54%	1.70%	\$ 167.62	\$ 132.67	\$ 119.49	\$ 121.26	\$ 119.79	8.12%	1.76%	\$ 13.30	12.5%	0.6%	0.1%
8 cool	1,246,054	\$ 175.88	\$ 134.30	\$ 106.22	\$ 109.69	\$ 106.60	8.57%	1.85%	\$ 197.92	\$ 151.10	\$ 119.49	\$ 123.39	\$ 119.92	9.30%	1.91%	\$ 13.31	12.5%	0.7%	0.1%
9 warm	1,160,081	\$ 204.96	\$ 156.08	\$ 129.87	\$ 127.97	\$ 129.70	9.14%	2.16%	\$ 230.67	\$ 175.63	\$ 146.11	\$ 143.98	\$ 145.93	10.30%	2.23%	\$ 16.22	12.5%	1.2%	0.1%

₁Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

Non-CARE

Affordability Metrics - Affordability Ratio 20 (AR 20) and Affordability Rate 50 (AR 50) Impacts																			
		Current - March 1, 2023							Proposed - 2027							Change			
		Average Usage		Essential Usage					Average Usage		Essential Usage					Essential Usage			
		Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill	Average Bill	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill	Average Bill	Average Bill	Average Bill	Average Bill	Average Bill
Climate Zone	Estimated # of Housing Units ₁					Electric Service AR 20	Electric Service AR 50									\$ Change	% Change	Electric Service AR 20	Electric Service AR 50
10 hot (Sec 745)	1,347,156	\$ 229.92	\$ 184.46	\$ 138.06	\$ 154.45	\$ 139.58	7.52%	2.47%	\$ 261.29	\$ 209.60	\$ 156.85	\$ 175.48	\$ 158.57	7.53%	2.45%	\$ 18.99	13.6%	0.0%	0.0%
13 hot	166,335	\$ 240.63	\$ 258.74	\$ 147.83	\$ 222.23	\$ 153.45	8.38%	3.25%	\$ 273.47	\$ 294.06	\$ 167.96	\$ 252.54	\$ 174.34	8.70%	3.36%	\$ 20.89	13.6%	0.3%	0.1%
14 hot	466,812	\$ 226.26	\$ 235.36	\$ 136.49	\$ 192.28	\$ 141.33	11.78%	3.41%	\$ 257.13	\$ 267.47	\$ 155.05	\$ 218.49	\$ 160.56	11.98%	3.42%	\$ 19.23	13.6%	0.2%	0.0%
15 hot	235,147	\$ 273.70	\$ 220.99	\$ 203.94	\$ 186.29	\$ 201.42	13.12%	3.73%	\$ 311.06	\$ 251.14	\$ 231.75	\$ 211.68	\$ 228.89	13.13%	3.70%	\$ 27.47	13.6%	0.0%	0.0%
16 cool	150,603	\$ 171.74	\$ 178.20	\$ 125.45	\$ 189.76	\$ 137.15	8.28%	2.76%	\$ 195.14	\$ 202.49	\$ 142.51	\$ 215.63	\$ 155.81	8.45%	2.80%	\$ 18.66	13.6%	0.2%	0.0%
5 warm	7,859	\$ 130.27	\$ 129.00	\$ 170.53	\$ 224.12	\$ 189.26	10.94%	2.93%	\$ 147.99	\$ 146.54	\$ 193.76	\$ 254.69	\$ 215.06	11.58%	3.05%	\$ 25.80	13.6%	0.6%	0.1%
6 cool	943,130	\$ 148.97	\$ 117.93	\$ 106.22	\$ 107.80	\$ 106.49	7.54%	1.70%	\$ 169.25	\$ 133.95	\$ 120.65	\$ 122.44	\$ 120.95	7.99%	1.73%	\$ 14.46	13.6%	0.4%	0.0%
8 cool	1,246,054	\$ 175.88	\$ 134.30	\$ 106.22	\$ 109.69	\$ 106.60	8.57%	1.85%	\$ 199.84	\$ 152.57	\$ 120.65	\$ 124.59	\$ 121.08	9.17%	1.87%	\$ 14.48	13.6%	0.6%	0.0%
9 warm	1,160,081	\$ 204.96	\$ 156.08	\$ 129.87	\$ 127.97	\$ 129.70	9.14%	2.16%	\$ 232.91	\$ 177.33	\$ 147.53	\$ 145.38	\$ 147.34	10.24%	2.18%	\$ 17.64	13.6%	1.1%	0.0%

₁ Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

Non-CARE

Affordability Metrics - Affordability Ratio 20 (AR 20) and Affordability Rate 50 (AR 50) Impacts																			
		Current - March 1, 2023								Proposed - 2028						Change			
		Average Usage		Essential Usage				Average Usage		Essential Usage				Essential Usage					
Climate Zone	Estimated # of Housing Units ₁	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Bill Electric Service AR 20	Bill Electric Service AR 50	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Bill Electric Service AR 20	Bill Electric Service AR 50	Average Bill \$ Change	Average Bill % Change	Average Bill Electric Service	Average Bill Electric Service
10 hot (Sec 745)	1,347,156	\$ 229.92	\$ 184.46	\$ 138.06	\$ 154.45	\$ 139.58	7.52%	2.47%	\$ 263.93	\$ 211.71	\$ 158.43	\$ 177.25	\$ 160.17	7.61%	2.48%	\$ 20.59	14.8%	0.1%	0.0%
13 hot	166,335	\$ 240.63	\$ 258.74	\$ 147.83	\$ 222.23	\$ 153.45	8.38%	3.25%	\$ 276.23	\$ 297.03	\$ 169.65	\$ 255.09	\$ 176.10	8.79%	3.40%	\$ 22.65	14.8%	0.4%	0.1%
14 hot	466,812	\$ 226.26	\$ 235.36	\$ 136.49	\$ 192.28	\$ 141.33	11.78%	3.41%	\$ 259.73	\$ 270.17	\$ 156.62	\$ 220.70	\$ 162.18	12.10%	3.45%	\$ 20.85	14.8%	0.3%	0.0%
15 hot	235,147	\$ 273.70	\$ 220.99	\$ 203.94	\$ 186.29	\$ 201.42	13.12%	3.73%	\$ 314.20	\$ 253.67	\$ 234.09	\$ 213.82	\$ 231.20	13.26%	3.74%	\$ 29.77	14.8%	0.1%	0.0%
16 cool	150,603	\$ 171.74	\$ 178.20	\$ 125.45	\$ 189.76	\$ 137.15	8.28%	2.76%	\$ 197.11	\$ 204.53	\$ 143.94	\$ 217.80	\$ 157.38	8.54%	2.82%	\$ 20.23	14.7%	0.3%	0.1%
5 warm	7,859	\$ 130.27	\$ 129.00	\$ 170.53	\$ 224.12	\$ 189.26	10.94%	2.93%	\$ 149.48	\$ 148.01	\$ 195.72	\$ 257.26	\$ 217.23	11.70%	3.08%	\$ 27.97	14.8%	0.8%	0.1%
6 cool	943,130	\$ 148.97	\$ 117.93	\$ 106.22	\$ 107.80	\$ 106.49	7.54%	1.70%	\$ 170.95	\$ 135.30	\$ 121.86	\$ 123.67	\$ 122.17	8.07%	1.74%	\$ 15.68	14.7%	0.5%	0.0%
8 cool	1,246,054	\$ 175.88	\$ 134.30	\$ 106.22	\$ 109.69	\$ 106.60	8.57%	1.85%	\$ 201.86	\$ 154.11	\$ 121.86	\$ 125.84	\$ 122.29	9.26%	1.89%	\$ 15.69	14.7%	0.7%	0.0%
9 warm	1,160,081	\$ 204.96	\$ 156.08	\$ 129.87	\$ 127.97	\$ 129.70	9.14%	2.16%	\$ 235.26	\$ 179.12	\$ 149.01	\$ 146.84	\$ 148.83	10.35%	2.20%	\$ 19.12	14.7%	1.2%	0.0%

₁ Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

Non-CARE

Affordability Metrics - Hours-at-Minimum Wage (HM) Impacts											
		Current - March 1, 2023									
		Average Usage		Essential Usage							
Climate Zone	Estimated # of Housing Units ¹	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill State (\$15.50/hr.) ²	Average Bill Los Angeles City (\$16.04/hr.) ²	Average Bill Los Angeles Co. Malibu City Santa Monica City (\$15.96/hr.) ²	Average Bill West Hollywood (\$17.50/hr.) ²	Average Bill Pasadena City (\$16.11/hr.) ²
10 hot (Sec 745)	1,347,156	\$ 229.92	\$ 184.46	\$ 138.06	\$ 154.45	\$ 139.58	9.0	-	8.7	-	-
13 hot	166,335	\$ 240.63	\$ 258.74	\$ 147.83	\$ 222.23	\$ 153.45	9.9	-	-	-	-
14 hot	466,812	\$ 226.26	\$ 235.36	\$ 136.49	\$ 192.28	\$ 141.33	9.1	-	8.9	-	-
15 hot	235,147	\$ 273.70	\$ 220.99	\$ 203.94	\$ 186.29	\$ 201.42	13.0	-	-	-	-
16 cool	150,603	\$ 171.74	\$ 178.20	\$ 125.45	\$ 189.76	\$ 137.15	8.8	8.6	8.6	-	8.5
5 warm	7,859	\$ 130.27	\$ 129.00	\$ 170.53	\$ 224.12	\$ 189.26	12.2	-	-	-	-
6 cool	943,130	\$ 148.97	\$ 117.93	\$ 106.22	\$ 107.80	\$ 106.49	6.9	6.6	6.7	-	-
8 cool	1,246,054	\$ 175.88	\$ 134.30	\$ 106.22	\$ 109.69	\$ 106.60	6.9	6.6	6.7	-	-
9 warm	1,160,081	\$ 204.96	\$ 156.08	\$ 129.87	\$ 127.97	\$ 129.70	8.4	8.1	8.1	7.4	8.1

¹Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

²Minimum Wage values are based on values in effect on January 1, 2023

		Proposed - 2025									
		Average Usage		Essential Usage							
Climate Zone	Estimated # of Housing Units ¹	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill State (\$15.50/hr.) ²	Average Bill Los Angeles City (\$16.04/hr.) ²	Average Bill Los Angeles Co. Malibu City Santa Monica City (\$15.96/hr.) ²	Average Bill West Hollywood (\$17.50/hr.) ²	Average Bill Pasadena City (\$16.11/hr.) ²
10 hot (Sec 745)	1,347,156	\$ 254.14	\$ 203.87	\$ 152.57	\$ 170.69	\$ 154.24	10.0	-	9.7	-	-
13 hot	166,335	\$ 265.99	\$ 286.01	\$ 163.37	\$ 245.63	\$ 169.58	10.9	-	-	-	-
14 hot	466,812	\$ 250.10	\$ 260.15	\$ 150.82	\$ 212.52	\$ 156.18	10.1	-	9.8	-	-
15 hot	235,147	\$ 302.55	\$ 244.27	\$ 225.41	\$ 205.90	\$ 222.63	14.4	-	-	-	-
16 cool	150,603	\$ 189.81	\$ 196.95	\$ 138.62	\$ 209.73	\$ 151.56	9.8	9.4	9.4	-	9.4
5 warm	7,859	\$ 143.95	\$ 142.54	\$ 188.47	\$ 247.72	\$ 209.18	13.5	-	-	-	-
6 cool	943,130	\$ 164.63	\$ 130.30	\$ 117.36	\$ 119.10	\$ 117.65	7.6	7.3	7.4	-	-
8 cool	1,246,054	\$ 194.38	\$ 148.41	\$ 117.36	\$ 121.19	\$ 117.78	7.6	7.3	7.4	-	-
9 warm	1,160,081	\$ 226.54	\$ 172.49	\$ 143.50	\$ 141.41	\$ 143.32	9.2	8.9	9.0	8.2	8.9

Non-CARE

Affordability Metrics - Hours-at-Minimum Wage (HM) Impacts											
		Proposed 2025 Change									
		Essential Usage									
Climate Zone	Estimated # of Housing Units ¹	Average Bill State Hour Change	Average Bill State % Change	Average Bill Los Angeles City Hour Change	Average Bill Los Angeles City % Change	Average Bill Los Angeles Co. Malibu City Santa Monica City Hour Change	Average Bill Los Angeles Co. Malibu City Santa Monica City % Change	Average Bill West Hollywood Hour Change	Average Bill West Hollywood % Change	Average Bill Pasadena City Hour Change	Average Bill Pasadena City % Change
10 hot (Sec 745)	1,347,156	0.95	10.5%	-	-	0.92	10.5%	-	-	-	-
13 hot	166,335	1.04	10.5%	-	-	-	-	-	-	-	-
14 hot	466,812	0.96	10.5%	-	-	0.93	10.5%	-	-	-	-
15 hot	235,147	1.37	10.5%	-	-	-	-	-	-	-	-
16 cool	150,603	0.93	10.5%	0.90	10.5%	0.90	10.5%	-	-	0.89	10.5%
5 warm	7,859	1.29	10.5%	-	-	-	-	-	-	-	-
6 cool	943,130	0.72	10.5%	0.70	10.5%	0.70	10.5%	-	-	-	-
8 cool	1,246,054	0.72	10.5%	0.70	10.5%	0.70	10.5%	-	-	-	-
9 warm	1,160,081	0.88	10.5%	0.85	10.5%	0.85	10.5%	0.78	10.5%	0.85	10.5%

Non-CARE

Affordability Metrics - Hours-at-Minimum Wage (HM) Impacts											
		Current - March 1, 2023									
		Average Usage		Essential Usage							
Climate Zone	Estimated # of Housing Units ¹	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill State (\$15.50/hr.) ²	Average Bill Los Angeles City (\$16.04/hr.) ²	Average Bill Los Angeles Co. Malibu City Santa Monica City (\$15.96/hr.) ²	Average Bill West Hollywood (\$17.50/hr.) ²	Average Bill Pasadena City (\$16.11/hr.) ²
10 hot (Sec 745)	1,347,156	\$ 229.92	\$ 184.46	\$ 138.06	\$ 154.45	\$ 139.58	9.0	-	8.7	-	-
13 hot	166,335	\$ 240.63	\$ 258.74	\$ 147.83	\$ 222.23	\$ 153.45	9.9	-	-	-	-
14 hot	466,812	\$ 226.26	\$ 235.36	\$ 136.49	\$ 192.28	\$ 141.33	9.1	-	8.9	-	-
15 hot	235,147	\$ 273.70	\$ 220.99	\$ 203.94	\$ 186.29	\$ 201.42	13.0	-	-	-	-
16 cool	150,603	\$ 171.74	\$ 178.20	\$ 125.45	\$ 189.76	\$ 137.15	8.8	8.6	8.6	-	8.5
5 warm	7,859	\$ 130.27	\$ 129.00	\$ 170.53	\$ 224.12	\$ 189.26	12.2	-	-	-	-
6 cool	943,130	\$ 148.97	\$ 117.93	\$ 106.22	\$ 107.80	\$ 106.49	6.9	6.6	6.7	-	-
8 cool	1,246,054	\$ 175.88	\$ 134.30	\$ 106.22	\$ 109.69	\$ 106.60	6.9	6.6	6.7	-	-
9 warm	1,160,081	\$ 204.96	\$ 156.08	\$ 129.87	\$ 127.97	\$ 129.70	8.4	8.1	8.1	7.4	8.1

¹Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

²Minimum Wage values are based on values in effect on January 1, 2023

		Proposed - 2026									
		Average Usage		Essential Usage							
Climate Zone	Estimated # of Housing Units ¹	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill State (\$15.50/hr.) ²	Average Bill Los Angeles City (\$16.04/hr.) ²	Average Bill Los Angeles Co. Malibu City Santa Monica City (\$15.96/hr.) ²	Average Bill West Hollywood (\$17.50/hr.) ²	Average Bill Pasadena City (\$16.11/hr.) ²
10 hot (Sec 745)	1,347,156	\$ 258.77	\$ 207.58	\$ 155.34	\$ 173.79	\$ 157.04	10.1	-	9.8	-	-
13 hot	166,335	\$ 270.83	\$ 291.23	\$ 166.34	\$ 250.11	\$ 172.66	11.1	-	-	-	-
14 hot	466,812	\$ 254.65	\$ 264.89	\$ 153.56	\$ 216.39	\$ 159.02	10.3	-	10.0	-	-
15 hot	235,147	\$ 308.06	\$ 248.71	\$ 229.52	\$ 209.64	\$ 226.68	14.6	-	-	-	-
16 cool	150,603	\$ 193.26	\$ 200.54	\$ 141.14	\$ 213.55	\$ 154.31	10.0	9.6	9.6	-	9.6
5 warm	7,859	\$ 146.56	\$ 145.13	\$ 191.90	\$ 252.24	\$ 212.99	13.7	-	-	-	-
6 cool	943,130	\$ 167.62	\$ 132.67	\$ 119.49	\$ 121.26	\$ 119.79	7.7	7.5	7.5	-	-
8 cool	1,246,054	\$ 197.92	\$ 151.10	\$ 119.49	\$ 123.39	\$ 119.92	7.7	7.5	7.5	-	-
9 warm	1,160,081	\$ 230.67	\$ 175.63	\$ 146.11	\$ 143.98	\$ 145.93	9.4	9.1	9.1	8.3	9.1

Non-CARE

Affordability Metrics - Hours-at-Minimum Wage (HM) Impacts											
		Proposed 2026 Change									
		Essential Usage									
Climate Zone	Estimated # of Housing Units ¹	Average Bill State Hour Change	Average Bill State % Change	Average Bill Los Angeles City Hour Change	Average Bill Los Angeles City % Change	Average Bill Los Angeles Co. Malibu City Santa Monica City Hour Change	Average Bill Los Angeles Co. Malibu City Santa Monica City % Change	Average Bill West Hollywood Hour Change	Average Bill West Hollywood % Change	Average Bill Pasadena City Hour Change	Average Bill Pasadena City % Change
10 hot (Sec 745)	1,347,156	1.13	12.5%	-	-	1.09	12.5%	-	-	-	-
13 hot	166,335	1.24	12.5%	-	-	-	-	-	-	-	-
14 hot	466,812	1.14	12.5%	-	-	1.11	12.5%	-	-	-	-
15 hot	235,147	1.63	12.5%	-	-	-	-	-	-	-	-
16 cool	150,603	1.11	12.5%	1.07	12.5%	1.07	12.5%	-	-	1.07	12.5%
5 warm	7,859	1.53	12.5%	-	-	-	-	-	-	-	-
6 cool	943,130	0.86	12.5%	0.83	12.5%	0.83	12.5%	-	-	-	-
8 cool	1,246,054	0.86	12.5%	0.83	12.5%	0.83	12.5%	-	-	-	-
9 warm	1,160,081	1.05	12.5%	1.01	12.5%	1.02	12.5%	0.93	12.5%	1.01	12.5%

Non-CARE

Affordability Metrics - Hours-at-Minimum Wage (HM) Impacts											
		Current - March 1, 2023									
		Average Usage		Essential Usage							
Climate Zone	Estimated # of Housing Units ¹	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill State (\$15.50/hr.) ²	Average Bill Los Angeles City (\$16.04/hr.) ²	Average Bill Los Angeles Co. Malibu City Santa Monica City (\$15.96/hr.) ²	Average Bill West Hollywood (\$17.50/hr.) ²	Average Bill Pasadena City (\$16.11/hr.) ²
10 hot (Sec 745)	1,347,156	\$ 229.92	\$ 184.46	\$ 138.06	\$ 154.45	\$ 139.58	9.0	-	8.7	-	-
13 hot	166,335	\$ 240.63	\$ 258.74	\$ 147.83	\$ 222.23	\$ 153.45	9.9	-	-	-	-
14 hot	466,812	\$ 226.26	\$ 235.36	\$ 136.49	\$ 192.28	\$ 141.33	9.1	-	8.9	-	-
15 hot	235,147	\$ 273.70	\$ 220.99	\$ 203.94	\$ 186.29	\$ 201.42	13.0	-	-	-	-
16 cool	150,603	\$ 171.74	\$ 178.20	\$ 125.45	\$ 189.76	\$ 137.15	8.8	8.6	8.6	-	8.5
5 warm	7,859	\$ 130.27	\$ 129.00	\$ 170.53	\$ 224.12	\$ 189.26	12.2	-	-	-	-
6 cool	943,130	\$ 148.97	\$ 117.93	\$ 106.22	\$ 107.80	\$ 106.49	6.9	6.6	6.7	-	-
8 cool	1,246,054	\$ 175.88	\$ 134.30	\$ 106.22	\$ 109.69	\$ 106.60	6.9	6.6	6.7	-	-
9 warm	1,160,081	\$ 204.96	\$ 156.08	\$ 129.87	\$ 127.97	\$ 129.70	8.4	8.1	8.1	7.4	8.1

¹Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

²Minimum Wage values are based on values in effect on January 1, 2023

		Proposed - 2027									
		Average Usage		Essential Usage							
Climate Zone	Estimated # of Housing Units ¹	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill State (\$15.50/hr.) ²	Average Bill Los Angeles City (\$16.04/hr.) ²	Average Bill Los Angeles Co. Malibu City Santa Monica City (\$15.96/hr.) ²	Average Bill West Hollywood (\$17.50/hr.) ²	Average Bill Pasadena City (\$16.11/hr.) ²
10 hot (Sec 745)	1,347,156	\$ 261.29	\$ 209.60	\$ 156.85	\$ 175.48	\$ 158.57	10.2	-	9.9	-	-
13 hot	166,335	\$ 273.47	\$ 294.06	\$ 167.96	\$ 252.54	\$ 174.34	11.2	-	-	-	-
14 hot	466,812	\$ 257.13	\$ 267.47	\$ 155.05	\$ 218.49	\$ 160.56	10.4	-	10.1	-	-
15 hot	235,147	\$ 311.06	\$ 251.14	\$ 231.75	\$ 211.68	\$ 228.89	14.8	-	-	-	-
16 cool	150,603	\$ 195.14	\$ 202.49	\$ 142.51	\$ 215.63	\$ 155.81	10.1	9.7	9.7	-	9.7
5 warm	7,859	\$ 147.99	\$ 146.54	\$ 193.76	\$ 254.69	\$ 215.06	13.9	-	-	-	-
6 cool	943,130	\$ 169.25	\$ 133.95	\$ 120.65	\$ 122.44	\$ 120.95	7.8	7.5	7.6	-	-
8 cool	1,246,054	\$ 199.84	\$ 152.57	\$ 120.65	\$ 124.59	\$ 121.08	7.8	7.5	7.6	-	-
9 warm	1,160,081	\$ 232.91	\$ 177.33	\$ 147.53	\$ 145.38	\$ 147.34	9.5	9.2	9.2	8.4	9.1

Non-CARE

Affordability Metrics - Hours-at-Minimum Wage (HM) Impacts											
		Proposed 2027 Change									
		Essential Usage									
Climate Zone	Estimated # of Housing Units ¹	Average Bill State Hour Change	Average Bill State % Change	Average Bill Los Angeles City Hour Change	Average Bill Los Angeles City % Change	Average Bill Los Angeles Co. Malibu City Santa Monica City Hour Change	Average Bill Los Angeles Co. Malibu City Santa Monica City % Change	Average Bill West Hollywood Hour Change	Average Bill West Hollywood % Change	Average Bill Pasadena City Hour Change	Average Bill Pasadena City % Change
10 hot (Sec 745)	1,347,156	1.23	13.6%	-	-	1.19	13.6%	-	-	-	-
13 hot	166,335	1.35	13.6%	-	-	-	-	-	-	-	-
14 hot	466,812	1.24	13.6%	-	-	1.21	13.6%	-	-	-	-
15 hot	235,147	1.77	13.6%	-	-	-	-	-	-	-	-
16 cool	150,603	1.20	13.6%	1.16	13.6%	1.16	13.6%	-	-	1.16	13.6%
5 warm	7,859	1.66	13.6%	-	-	-	-	-	-	-	-
6 cool	943,130	0.93	13.6%	0.90	13.6%	0.91	13.6%	-	-	-	-
8 cool	1,246,054	0.93	13.6%	0.90	13.6%	0.91	13.6%	-	-	-	-
9 warm	1,160,081	1.14	13.6%	1.10	13.6%	1.11	13.6%	1.01	13.6%	1.09	13.6%

Non-CARE

Affordability Metrics - Hours-at-Minimum Wage (HM) Impacts											
		Current - March 1, 2023									
		Average Usage		Essential Usage							
Climate Zone	Estimated # of Housing Units ¹	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill State (\$15.50/hr.) ²	Average Bill Los Angeles City (\$16.04/hr.) ²	Average Bill Los Angeles Co. Malibu City Santa Monica City (\$15.96/hr.) ²	Average Bill West Hollywood (\$17.50/hr.) ²	Average Bill Pasadena City (\$16.11/hr.) ²
10 hot (Sec 745)	1,347,156	\$ 229.92	\$ 184.46	\$ 138.06	\$ 154.45	\$ 139.58	9.0	-	8.7	-	-
13 hot	166,335	\$ 240.63	\$ 258.74	\$ 147.83	\$ 222.23	\$ 153.45	9.9	-	-	-	-
14 hot	466,812	\$ 226.26	\$ 235.36	\$ 136.49	\$ 192.28	\$ 141.33	9.1	-	8.9	-	-
15 hot	235,147	\$ 273.70	\$ 220.99	\$ 203.94	\$ 186.29	\$ 201.42	13.0	-	-	-	-
16 cool	150,603	\$ 171.74	\$ 178.20	\$ 125.45	\$ 189.76	\$ 137.15	8.8	8.6	8.6	-	8.5
5 warm	7,859	\$ 130.27	\$ 129.00	\$ 170.53	\$ 224.12	\$ 189.26	12.2	-	-	-	-
6 cool	943,130	\$ 148.97	\$ 117.93	\$ 106.22	\$ 107.80	\$ 106.49	6.9	6.6	6.7	-	-
8 cool	1,246,054	\$ 175.88	\$ 134.30	\$ 106.22	\$ 109.69	\$ 106.60	6.9	6.6	6.7	-	-
9 warm	1,160,081	\$ 204.96	\$ 156.08	\$ 129.87	\$ 127.97	\$ 129.70	8.4	8.1	8.1	7.4	8.1

¹Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

²Minimum Wage values are based on values in effect on January 1, 2023

		Proposed - 2028									
		Average Usage		Essential Usage							
Climate Zone	Estimated # of Housing Units ¹	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill State (\$15.50/hr.) ²	Average Bill Los Angeles City (\$16.04/hr.) ²	Average Bill Los Angeles Co. Malibu City Santa Monica City (\$15.96/hr.) ²	Average Bill West Hollywood (\$17.50/hr.) ²	Average Bill Pasadena City (\$16.11/hr.) ²
10 hot (Sec 745)	1,347,156	\$ 263.93	\$ 211.71	\$ 158.43	\$ 177.25	\$ 160.17	10.3	-	10.0	-	-
13 hot	166,335	\$ 276.23	\$ 297.03	\$ 169.65	\$ 255.09	\$ 176.10	11.4	-	-	-	-
14 hot	466,812	\$ 259.73	\$ 270.17	\$ 156.62	\$ 220.70	\$ 162.18	10.5	-	10.2	-	-
15 hot	235,147	\$ 314.20	\$ 253.67	\$ 234.09	\$ 213.82	\$ 231.20	14.9	-	-	-	-
16 cool	150,603	\$ 197.11	\$ 204.53	\$ 143.94	\$ 217.80	\$ 157.38	10.2	9.8	9.8	-	9.8
5 warm	7,859	\$ 149.48	\$ 148.01	\$ 195.72	\$ 257.26	\$ 217.23	14.0	-	-	-	-
6 cool	943,130	\$ 170.95	\$ 135.30	\$ 121.86	\$ 123.67	\$ 122.17	7.9	7.6	7.7	-	-
8 cool	1,246,054	\$ 201.86	\$ 154.11	\$ 121.86	\$ 125.84	\$ 122.29	7.9	7.6	7.7	-	-
9 warm	1,160,081	\$ 235.26	\$ 179.12	\$ 149.01	\$ 146.84	\$ 148.83	9.6	9.3	9.3	8.5	9.2

Non-CARE

Affordability Metrics - Hours-at-Minimum Wage (HM) Impacts											
		Proposed 2028 Change									
		Essential Usage									
Climate Zone	Estimated # of Housing Units ¹	Average Bill State Hour Change	Average Bill State % Change	Average Bill Los Angeles City Hour Change	Average Bill Los Angeles City % Change	Average Bill Los Angeles Co. Malibu City Santa Monica City Hour Change	Average Bill Los Angeles Co. Malibu City Santa Monica City % Change	Average Bill West Hollywood Hour Change	Average Bill West Hollywood % Change	Average Bill Pasadena City Hour Change	Average Bill Pasadena City % Change
10 hot (Sec 745)	1,347,156	1.33	14.8%	-	-	1.29	14.8%	-	-	-	-
13 hot	166,335	1.46	14.8%	-	-	-	-	-	-	-	-
14 hot	466,812	1.35	14.8%	-	-	1.31	14.8%	-	-	-	-
15 hot	235,147	1.92	14.8%	-	-	-	-	-	-	-	-
16 cool	150,603	1.31	14.7%	1.26	14.7%	1.26	14.7%	-	-	1.26	14.7%
5 warm	7,859	1.80	14.8%	-	-	-	-	-	-	-	-
6 cool	943,130	1.01	14.7%	0.98	14.7%	0.98	14.7%	-	-	-	-
8 cool	1,246,054	1.01	14.7%	0.98	14.7%	0.98	14.7%	-	-	-	-
9 warm	1,160,081	1.23	14.7%	1.19	14.7%	1.20	14.7%	1.09	14.7%	1.19	14.7%

Non-CARE

Affordability Metrics - Areas of Affordability Concern						
PUMA	County/City	Electric Climate Zone	Estimated # of Housing Units ¹	Current - March 1, 2023 Electric Service AR 20	Proposed - 2025 Electric Service AR 20	Incremental Change Electric Service AR 20
03719	Los Angeles County (Central)--Glendale City PUMA	SCE 9	17	25.00%	28.24%	3.24%
03766	Los Angeles County (South)--Long Beach City (Southwest & Port) PUMA	SCE 6	39,619	20.29%	22.41%	2.12%
03731	Los Angeles County (Central)--West Hollywood & Beverly Hills Cities PUMA	SCE 9	64,887	42.26%	55.02%	12.76%
05904	Orange County (Central)--Irvine City (Central) PUMA	SCE 6	13,038	20.27%	23.82%	3.55%
05904	Orange County (Central)--Irvine City (Central) PUMA	SCE 8	109,702	20.40%	24.01%	3.61%

¹Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

Non-CARE

Affordability Metrics - Areas of Affordability Concern						
PUMA	County/City	Electric Climate Zone	Estimated # of Housing Units ¹	Current - March 1, 2023 Electric Service AR 20	Proposed - 2026 Electric Service AR 20	Incremental Change Electric Service AR 20
03719	Los Angeles County (Central)--Glendale City PUMA	SCE 9	17	25.00%	28.26%	3.25%
03766	Los Angeles County (South)--Long Beach City (Southwest & Port) PUMA	SCE 6	39,619	20.29%	22.32%	2.02%
03731	Los Angeles County (Central)--West Hollywood & Beverly Hills Cities PUMA	SCE 9	64,887	42.26%	56.80%	14.54%
05904	Orange County (Central)--Irvine City (Central) PUMA	SCE 6	13,038	20.27%	24.03%	3.76%
05904	Orange County (Central)--Irvine City (Central) PUMA	SCE 8	109,702	20.40%	24.23%	3.83%

¹Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

Non-CARE

Affordability Metrics - Areas of Affordability Concern						
PUMA	County/City	Electric Climate Zone	Estimated # of Housing Units ¹	Current - March 1, 2023 Electric Service AR 20	Proposed - 2027 Electric Service AR 20	Incremental Change Electric Service AR 20
03719	Los Angeles County (Central)--Glendale City PUMA	SCE 9	17	25.00%	28.04%	3.04%
03766	Los Angeles County (South)--Long Beach City (Southwest & Port) PUMA	SCE 6	39,619	20.29%	22.05%	1.75%
03731	Los Angeles County (Central)--West Hollywood & Beverly Hills Cities PUMA	SCE 9	64,887	42.26%	58.35%	16.08%
05904	Orange County (Central)--Irvine City (Central) PUMA	SCE 6	13,038	20.27%	24.06%	3.79%
05904	Orange County (Central)--Irvine City (Central) PUMA	SCE 8	109,702	20.40%	24.26%	3.86%

¹Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

Non-CARE

Affordability Metrics - Areas of Affordability Concern						
PUMA	County/City	Electric Climate Zone	Estimated # of Housing Units ¹	Current - March 1, 2023 Electric Service AR 20	Proposed - 2028 Electric Service AR 20	Incremental Change Electric Service AR 20
03719	Los Angeles County (Central)--Glendale City PUMA	SCE 9	17	25.00%	28.32%	3.32%
03766	Los Angeles County (South)--Long Beach City (Southwest & Port) PUMA	SCE 6	39,619	20.29%	22.27%	1.98%
03731	Los Angeles County (Central)--West Hollywood & Beverly Hills Cities PUMA	SCE 9	64,887	42.26%	58.93%	16.67%
05904	Orange County (Central)--Irvine City (Central) PUMA	SCE 6	13,038	20.27%	24.31%	4.03%
05904	Orange County (Central)--Irvine City (Central) PUMA	SCE 8	109,702	20.40%	24.51%	4.11%

¹Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

CARE: Affordability Ratio 20/50 and Hours-at-Minimum Wage

CARE

Affordability Metrics - Affordability Ratio 20 (AR 20) and Affordability Rate 50 (AR 50) Impacts																			
		Current - March 1, 2023							Proposed - 2025							Change			
		Average Usage		Essential Usage					Average Usage		Essential Usage					Essential Usage			
Climate Zone	Estimated # of Housing Units ₁	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Electric Service AR 20	Bill Electric Service AR 50	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Bill Electric Service AR 20	Bill Electric Service AR 50	Average Bill \$ Change	Average Bill % Change	Average Bill Electric Service	Average Bill Electric Service
10 hot (Sec 745)	1,347,156	\$ 151.12	\$ 110.59	\$ 93.66	\$ 104.77	\$ 94.69	5.10%	1.67%	\$ 167.03	\$ 122.21	\$ 103.49	\$ 115.78	\$ 104.63	5.36%	1.75%	\$ 9.94	10.5%	0.3%	0.1%
13 hot	166,335	\$ 153.46	\$ 153.97	\$ 100.29	\$ 150.70	\$ 104.09	5.68%	2.21%	\$ 169.62	\$ 170.18	\$ 110.82	\$ 166.57	\$ 115.02	6.08%	2.34%	\$ 10.93	10.5%	0.4%	0.1%
14 hot	466,812	\$ 149.30	\$ 155.68	\$ 92.59	\$ 130.41	\$ 95.88	7.99%	2.31%	\$ 165.02	\$ 172.06	\$ 102.31	\$ 144.13	\$ 105.94	8.45%	2.42%	\$ 10.06	10.5%	0.5%	0.1%
15 hot	235,147	\$ 179.12	\$ 155.12	\$ 138.31	\$ 126.35	\$ 136.60	8.90%	2.53%	\$ 197.99	\$ 171.45	\$ 152.87	\$ 139.64	\$ 150.98	9.33%	2.64%	\$ 14.37	10.5%	0.4%	0.1%
16 cool	150,603	\$ 138.09	\$ 136.16	\$ 85.12	\$ 128.70	\$ 93.05	5.61%	1.87%	\$ 152.62	\$ 150.49	\$ 94.04	\$ 142.24	\$ 102.81	5.95%	1.97%	\$ 9.76	10.5%	0.3%	0.1%
5 warm	7,859	\$ 84.96	\$ 115.54	\$ 115.67	\$ 151.99	\$ 128.36	7.42%	1.99%	\$ 93.87	\$ 127.69	\$ 127.83	\$ 167.99	\$ 141.86	8.05%	2.12%	\$ 13.50	10.5%	0.6%	0.1%
6 cool	943,130	\$ 85.23	\$ 83.68	\$ 72.09	\$ 73.15	\$ 72.27	5.12%	1.15%	\$ 94.17	\$ 92.45	\$ 79.63	\$ 80.81	\$ 79.83	5.55%	1.21%	\$ 7.57	10.5%	0.4%	0.1%
8 cool	1,246,054	\$ 99.71	\$ 87.87	\$ 72.09	\$ 74.44	\$ 72.34	5.81%	1.26%	\$ 110.17	\$ 97.09	\$ 79.63	\$ 82.23	\$ 79.92	6.35%	1.32%	\$ 7.57	10.5%	0.5%	0.1%
9 warm	1,160,081	\$ 119.28	\$ 91.34	\$ 88.11	\$ 86.83	\$ 88.00	6.20%	1.46%	\$ 131.82	\$ 100.92	\$ 97.35	\$ 95.93	\$ 97.23	6.97%	1.53%	\$ 9.23	10.5%	0.8%	0.1%

₁Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

CARE

Affordability Metrics - Affordability Ratio 20 (AR 20) and Affordability Rate 50 (AR 50) Impacts																			
		Current - March 1, 2023							Proposed - 2026							Change			
		Average Usage		Essential Usage					Average Usage		Essential Usage					Essential Usage			
Climate Zone	Estimated # of Housing Units ₁	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Electric Service AR 20	Bill Electric Service AR 50	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Electric Service AR 20	Bill Electric Service AR 50	Average Bill	Average Bill	Average Bill	Average Bill
10 hot (Sec 745)	1,347,156	\$ 151.12	\$ 110.59	\$ 93.66	\$ 104.77	\$ 94.69	5.10%	1.67%	\$ 170.07	\$ 124.43	\$ 105.37	\$ 117.88	\$ 106.53	5.25%	1.71%	\$ 11.84	12.5%	0.2%	0.0%
13 hot	166,335	\$ 153.46	\$ 153.97	\$ 100.29	\$ 150.70	\$ 104.09	5.68%	2.21%	\$ 172.71	\$ 173.28	\$ 112.83	\$ 169.60	\$ 117.11	6.01%	2.32%	\$ 13.02	12.5%	0.3%	0.1%
14 hot	466,812	\$ 149.30	\$ 155.68	\$ 92.59	\$ 130.41	\$ 95.88	7.99%	2.31%	\$ 168.02	\$ 175.20	\$ 104.17	\$ 146.75	\$ 107.86	8.32%	2.38%	\$ 11.99	12.5%	0.3%	0.1%
15 hot	235,147	\$ 179.12	\$ 155.12	\$ 138.31	\$ 126.35	\$ 136.60	8.90%	2.53%	\$ 201.60	\$ 174.57	\$ 155.65	\$ 142.18	\$ 153.72	9.15%	2.58%	\$ 17.12	12.5%	0.3%	0.1%
16 cool	150,603	\$ 138.09	\$ 136.16	\$ 85.12	\$ 128.70	\$ 93.05	5.61%	1.87%	\$ 155.40	\$ 153.22	\$ 95.75	\$ 144.82	\$ 104.68	5.87%	1.94%	\$ 11.63	12.5%	0.3%	0.1%
5 warm	7,859	\$ 84.96	\$ 115.54	\$ 115.67	\$ 151.99	\$ 128.36	7.42%	1.99%	\$ 95.57	\$ 130.01	\$ 130.15	\$ 171.04	\$ 144.44	7.98%	2.10%	\$ 16.08	12.5%	0.6%	0.1%
6 cool	943,130	\$ 85.23	\$ 83.68	\$ 72.09	\$ 73.15	\$ 72.27	5.12%	1.15%	\$ 95.88	\$ 94.13	\$ 81.08	\$ 82.28	\$ 81.28	5.51%	1.20%	\$ 9.01	12.5%	0.4%	0.0%
8 cool	1,246,054	\$ 99.71	\$ 87.87	\$ 72.09	\$ 74.44	\$ 72.34	5.81%	1.26%	\$ 112.18	\$ 98.85	\$ 81.08	\$ 83.72	\$ 81.36	6.31%	1.30%	\$ 9.02	12.5%	0.5%	0.0%
9 warm	1,160,081	\$ 119.28	\$ 91.34	\$ 88.11	\$ 86.83	\$ 88.00	6.20%	1.46%	\$ 134.22	\$ 102.76	\$ 99.12	\$ 97.67	\$ 98.99	6.99%	1.51%	\$ 11.00	12.5%	0.8%	0.0%

₁Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

CARE

Affordability Metrics - Affordability Ratio 20 (AR 20) and Affordability Rate 50 (AR 50) Impacts																			
		Current - March 1, 2023								Proposed - 2027						Change			
		Average Usage		Essential Usage				Average Usage		Essential Usage				Essential Usage					
		Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Bill Electric Service AR 20	Bill Electric Service AR 50	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Bill Electric Service AR 20	Bill Electric Service AR 50	Average Bill \$ Change	Average Bill % Change	Average Bill Electric Service	Average Bill Electric Service	
Climate Zone	Estimated # of Housing Units,																		
10 hot (Sec 745)	1,347,156	\$ 151.12	\$ 110.59	\$ 93.66	\$ 104.77	\$ 94.69	5.10%	1.67%	\$ 171.73	\$ 125.64	\$ 106.39	\$ 119.03	\$ 107.56	5.11%	1.66%	\$ 12.87	13.6%	0.0%	0.0%
13 hot	166,335	\$ 153.46	\$ 153.97	\$ 100.29	\$ 150.70	\$ 104.09	5.68%	2.21%	\$ 174.39	\$ 174.96	\$ 113.92	\$ 171.25	\$ 118.25	5.90%	2.28%	\$ 14.16	13.6%	0.2%	0.1%
14 hot	466,812	\$ 149.30	\$ 155.68	\$ 92.59	\$ 130.41	\$ 95.88	7.99%	2.31%	\$ 169.65	\$ 176.90	\$ 105.18	\$ 148.17	\$ 108.91	8.13%	2.32%	\$ 13.03	13.6%	0.1%	0.0%
15 hot	235,147	\$ 179.12	\$ 155.12	\$ 138.31	\$ 126.35	\$ 136.60	8.90%	2.53%	\$ 203.56	\$ 176.27	\$ 157.16	\$ 143.56	\$ 155.22	8.90%	2.51%	\$ 18.61	13.6%	0.0%	0.0%
16 cool	150,603	\$ 138.09	\$ 136.16	\$ 85.12	\$ 128.70	\$ 93.05	5.61%	1.87%	\$ 156.91	\$ 154.71	\$ 96.68	\$ 146.23	\$ 105.69	5.73%	1.90%	\$ 12.65	13.6%	0.1%	0.0%
5 warm	7,859	\$ 84.96	\$ 115.54	\$ 115.67	\$ 151.99	\$ 128.36	7.42%	1.99%	\$ 96.50	\$ 131.27	\$ 131.41	\$ 172.71	\$ 145.85	7.85%	2.07%	\$ 17.49	13.6%	0.4%	0.1%
6 cool	943,130	\$ 85.23	\$ 83.68	\$ 72.09	\$ 73.15	\$ 72.27	5.12%	1.15%	\$ 96.80	\$ 95.04	\$ 81.86	\$ 83.08	\$ 82.07	5.42%	1.17%	\$ 9.80	13.6%	0.3%	0.0%
8 cool	1,246,054	\$ 99.71	\$ 87.87	\$ 72.09	\$ 74.44	\$ 72.34	5.81%	1.26%	\$ 113.26	\$ 99.81	\$ 81.86	\$ 84.53	\$ 82.15	6.22%	1.27%	\$ 9.81	13.6%	0.4%	0.0%
9 warm	1,160,081	\$ 119.28	\$ 91.34	\$ 88.11	\$ 86.83	\$ 88.00	6.20%	1.46%	\$ 135.52	\$ 103.75	\$ 100.08	\$ 98.62	\$ 99.95	6.95%	1.48%	\$ 11.96	13.6%	0.8%	0.0%

₁ Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

CARE

Affordability Metrics - Affordability Ratio 20 (AR 20) and Affordability Rate 50 (AR 50) Impacts																			
		Current - March 1, 2023							Proposed - 2028							Change			
		Average Usage		Essential Usage			Average Usage		Essential Usage			Essential Usage							
Climate Zone	Estimated # of Housing Units ₁	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Bill Electric Service AR 20	Bill Electric Service AR 50	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Bill Electric Service AR 20	Bill Electric Service AR 50	Average Bill \$ Change	Average Bill % Change	Average Bill Electric Service	Average Bill Electric Service
10 hot (Sec 745)	1,347,156	\$ 151.12	\$ 110.59	\$ 93.66	\$ 104.77	\$ 94.69	5.10%	1.67%	\$ 173.46	\$ 126.91	\$ 107.46	\$ 120.22	\$ 108.64	5.16%	1.68%	\$ 13.95	14.7%	0.1%	0.0%
13 hot	166,335	\$ 153.46	\$ 153.97	\$ 100.29	\$ 150.70	\$ 104.09	5.68%	2.21%	\$ 176.15	\$ 176.73	\$ 115.07	\$ 172.98	\$ 119.44	5.96%	2.30%	\$ 15.35	14.7%	0.3%	0.1%
14 hot	466,812	\$ 149.30	\$ 155.68	\$ 92.59	\$ 130.41	\$ 95.88	7.99%	2.31%	\$ 171.37	\$ 178.69	\$ 106.24	\$ 149.67	\$ 110.01	8.21%	2.34%	\$ 14.13	14.7%	0.2%	0.0%
15 hot	235,147	\$ 179.12	\$ 155.12	\$ 138.31	\$ 126.35	\$ 136.60	8.90%	2.53%	\$ 205.61	\$ 178.05	\$ 158.75	\$ 145.01	\$ 156.78	8.99%	2.54%	\$ 20.18	14.8%	0.1%	0.0%
16 cool	150,603	\$ 138.09	\$ 136.16	\$ 85.12	\$ 128.70	\$ 93.05	5.61%	1.87%	\$ 158.49	\$ 156.27	\$ 97.65	\$ 147.70	\$ 106.76	5.79%	1.92%	\$ 13.71	14.7%	0.2%	0.0%
5 warm	7,859	\$ 84.96	\$ 115.54	\$ 115.67	\$ 151.99	\$ 128.36	7.42%	1.99%	\$ 97.47	\$ 132.60	\$ 132.74	\$ 174.45	\$ 147.32	7.93%	2.09%	\$ 18.95	14.8%	0.5%	0.1%
6 cool	943,130	\$ 85.23	\$ 83.68	\$ 72.09	\$ 73.15	\$ 72.27	5.12%	1.15%	\$ 97.78	\$ 95.99	\$ 82.68	\$ 83.91	\$ 82.89	5.48%	1.18%	\$ 10.62	14.7%	0.4%	0.0%
8 cool	1,246,054	\$ 99.71	\$ 87.87	\$ 72.09	\$ 74.44	\$ 72.34	5.81%	1.26%	\$ 114.40	\$ 100.81	\$ 82.68	\$ 85.38	\$ 82.98	6.28%	1.28%	\$ 10.64	14.7%	0.5%	0.0%
9 warm	1,160,081	\$ 119.28	\$ 91.34	\$ 88.11	\$ 86.83	\$ 88.00	6.20%	1.46%	\$ 136.89	\$ 104.80	\$ 101.09	\$ 99.61	\$ 100.96	7.02%	1.50%	\$ 12.96	14.7%	0.8%	0.0%

₁ Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

CARE

Affordability Metrics - Hours-at-Minimum Wage (HM) Impacts											
		Current - March 1, 2023									
		Average Usage		Essential Usage							
Climate Zone	Estimated # of Housing Units ¹	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill State (\$15.50/hr.) ²	Average Bill Los Angeles City (\$16.04/hr.) ²	Average Bill Los Angeles Co. Malibu City Santa Monica City (\$15.96/hr.) ²	Average Bill West Hollywood (\$17.50/hr.) ²	Average Bill Pasadena City (\$16.11/hr.) ²
10 hot (Sec 745)	1,347,156	\$ 151.12	\$ 110.59	\$ 93.66	\$ 104.77	\$ 94.69	6.1	-	5.9	-	-
13 hot	166,335	\$ 153.46	\$ 153.97	\$ 100.29	\$ 150.70	\$ 104.09	6.7	-	-	-	-
14 hot	466,812	\$ 149.30	\$ 155.68	\$ 92.59	\$ 130.41	\$ 95.88	6.2	-	6.0	-	-
15 hot	235,147	\$ 179.12	\$ 155.12	\$ 138.31	\$ 126.35	\$ 136.60	8.8	-	-	-	-
16 cool	150,603	\$ 138.09	\$ 136.16	\$ 85.12	\$ 128.70	\$ 93.05	6.0	5.8	5.8	-	5.8
5 warm	7,859	\$ 84.96	\$ 115.54	\$ 115.67	\$ 151.99	\$ 128.36	8.3	-	-	-	-
6 cool	943,130	\$ 85.23	\$ 83.68	\$ 72.09	\$ 73.15	\$ 72.27	4.7	4.5	4.5	-	-
8 cool	1,246,054	\$ 99.71	\$ 87.87	\$ 72.09	\$ 74.44	\$ 72.34	4.7	4.5	4.5	-	-
9 warm	1,160,081	\$ 119.28	\$ 91.34	\$ 88.11	\$ 86.83	\$ 88.00	5.7	5.5	5.5	5.0	5.5

¹Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

²Minimum Wage values are based on values in effect on January 1, 2023

		Proposed - 2025									
		Average Usage		Essential Usage							
Climate Zone	Estimated # of Housing Units ¹	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill State (\$15.50/hr.) ²	Average Bill Los Angeles City (\$16.04/hr.) ²	Average Bill Los Angeles Co. Malibu City Santa Monica City (\$15.96/hr.) ²	Average Bill West Hollywood (\$17.50/hr.) ²	Average Bill Pasadena City (\$16.11/hr.) ²
10 hot (Sec 745)	1,347,156	\$ 167.03	\$ 122.21	\$ 103.49	\$ 115.78	\$ 104.63	6.8	-	6.6	-	-
13 hot	166,335	\$ 169.62	\$ 170.18	\$ 110.82	\$ 166.57	\$ 115.02	7.4	-	-	-	-
14 hot	466,812	\$ 165.02	\$ 172.06	\$ 102.31	\$ 144.13	\$ 105.94	6.8	-	6.6	-	-
15 hot	235,147	\$ 197.99	\$ 171.45	\$ 152.87	\$ 139.64	\$ 150.98	9.7	-	-	-	-
16 cool	150,603	\$ 152.62	\$ 150.49	\$ 94.04	\$ 142.24	\$ 102.81	6.6	6.4	6.4	-	6.4
5 warm	7,859	\$ 93.87	\$ 127.69	\$ 127.83	\$ 167.99	\$ 141.86	9.2	-	-	-	-
6 cool	943,130	\$ 94.17	\$ 92.45	\$ 79.63	\$ 80.81	\$ 79.83	5.2	5.0	5.0	-	-
8 cool	1,246,054	\$ 110.17	\$ 97.09	\$ 79.63	\$ 82.23	\$ 79.92	5.2	5.0	5.0	-	-
9 warm	1,160,081	\$ 131.82	\$ 100.92	\$ 97.35	\$ 95.93	\$ 97.23	6.3	6.1	6.1	5.6	6.0

CARE

Affordability Metrics - Hours-at-Minimum Wage (HM) Impacts											
		Proposed 2025 Change									
		Essential Usage									
Climate Zone	Estimated # of Housing Units ¹	Average Bill State Hour Change	Average Bill State % Change	Average Bill Los Angeles City Hour Change	Average Bill Los Angeles City % Change	Average Bill Los Angeles Co. Malibu City Santa Monica City Hour Change	Average Bill Los Angeles Co. Malibu City Santa Monica City % Change	Average Bill West Hollywood Hour Change	Average Bill West Hollywood % Change	Average Bill Pasadena City Hour Change	Average Bill Pasadena City % Change
10 hot (Sec 745)	1,347,156	0.64	10.5%	-	-	0.62	10.5%	-	-	-	-
13 hot	166,335	0.71	10.5%	-	-	-	-	-	-	-	-
14 hot	466,812	0.65	10.5%	-	-	0.63	10.5%	-	-	-	-
15 hot	235,147	0.93	10.5%	-	-	-	-	-	-	-	-
16 cool	150,603	0.63	10.5%	0.61	10.5%	0.61	10.5%	-	-	0.61	10.5%
5 warm	7,859	0.87	10.5%	-	-	-	-	-	-	-	-
6 cool	943,130	0.49	10.5%	0.47	10.5%	0.47	10.5%	-	-	-	-
8 cool	1,246,054	0.49	10.5%	0.47	10.5%	0.47	10.5%	-	-	-	-
9 warm	1,160,081	0.60	10.5%	0.58	10.5%	0.58	10.5%	0.53	10.5%	0.57	10.5%

CARE

Affordability Metrics - Hours-at-Minimum Wage (HM) Impacts											
		Current - March 1, 2023									
		Average Usage		Essential Usage							
Climate Zone	Estimated # of Housing Units ¹	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill State (\$15.50/hr.) ²	Average Bill Los Angeles City (\$16.04/hr.) ²	Average Bill Los Angeles Co. Malibu City Santa Monica City (\$15.96/hr.) ²	Average Bill West Hollywood (\$17.50/hr.) ²	Average Bill Pasadena City (\$16.11/hr.) ²
10 hot (Sec 745)	1,347,156	\$ 151.12	\$ 110.59	\$ 93.66	\$ 104.77	\$ 94.69	6.1	-	5.9	-	-
13 hot	166,335	\$ 153.46	\$ 153.97	\$ 100.29	\$ 150.70	\$ 104.09	6.7	-	-	-	-
14 hot	466,812	\$ 149.30	\$ 155.68	\$ 92.59	\$ 130.41	\$ 95.88	6.2	-	6.0	-	-
15 hot	235,147	\$ 179.12	\$ 155.12	\$ 138.31	\$ 126.35	\$ 136.60	8.8	-	-	-	-
16 cool	150,603	\$ 138.09	\$ 136.16	\$ 85.12	\$ 128.70	\$ 93.05	6.0	5.8	5.8	-	5.8
5 warm	7,859	\$ 84.96	\$ 115.54	\$ 115.67	\$ 151.99	\$ 128.36	8.3	-	-	-	-
6 cool	943,130	\$ 85.23	\$ 83.68	\$ 72.09	\$ 73.15	\$ 72.27	4.7	4.5	4.5	-	-
8 cool	1,246,054	\$ 99.71	\$ 87.87	\$ 72.09	\$ 74.44	\$ 72.34	4.7	4.5	4.5	-	-
9 warm	1,160,081	\$ 119.28	\$ 91.34	\$ 88.11	\$ 86.83	\$ 88.00	5.7	5.5	5.5	5.0	5.5

¹Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

²Minimum Wage values are based on values in effect on January 1, 2023

		Proposed - 2026									
		Average Usage		Essential Usage							
Climate Zone	Estimated # of Housing Units ¹	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill State (\$15.50/hr.) ²	Average Bill Los Angeles City (\$16.04/hr.) ²	Average Bill Los Angeles Co. Malibu City Santa Monica City (\$15.96/hr.) ²	Average Bill West Hollywood (\$17.50/hr.) ²	Average Bill Pasadena City (\$16.11/hr.) ²
10 hot (Sec 745)	1,347,156	\$ 170.07	\$ 124.43	\$ 105.37	\$ 117.88	\$ 106.53	6.9	-	6.7	-	-
13 hot	166,335	\$ 172.71	\$ 173.28	\$ 112.83	\$ 169.60	\$ 117.11	7.6	-	-	-	-
14 hot	466,812	\$ 168.02	\$ 175.20	\$ 104.17	\$ 146.75	\$ 107.86	7.0	-	6.8	-	-
15 hot	235,147	\$ 201.60	\$ 174.57	\$ 155.65	\$ 142.18	\$ 153.72	9.9	-	-	-	-
16 cool	150,603	\$ 155.40	\$ 153.22	\$ 95.75	\$ 144.82	\$ 104.68	6.8	6.5	6.5	-	6.5
5 warm	7,859	\$ 95.57	\$ 130.01	\$ 130.15	\$ 171.04	\$ 144.44	9.3	-	-	-	-
6 cool	943,130	\$ 95.88	\$ 94.13	\$ 81.08	\$ 82.28	\$ 81.28	5.2	5.1	5.1	-	-
8 cool	1,246,054	\$ 112.18	\$ 98.85	\$ 81.08	\$ 83.72	\$ 81.36	5.2	5.1	5.1	-	-
9 warm	1,160,081	\$ 134.22	\$ 102.76	\$ 99.12	\$ 97.67	\$ 98.99	6.4	6.2	6.2	5.7	6.1

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Affordability Metrics - Hours-at-Minimum Wage (HM) Impacts											
		Proposed 2026 Change									
		Essential Usage									
Climate Zone	Estimated # of Housing Units ¹	Average Bill State Hour Change	Average Bill State % Change	Average Bill Los Angeles City Hour Change	Average Bill Los Angeles City % Change	Average Bill Los Angeles Co. Malibu City Santa Monica City Hour Change	Average Bill Los Angeles Co. Malibu City Santa Monica City % Change	Average Bill West Hollywood Hour Change	Average Bill West Hollywood % Change	Average Bill Pasadena City Hour Change	Average Bill Pasadena City % Change
10 hot (Sec 745)	1,347,156	0.76	12.5%	-	-	0.74	12.5%	-	-	-	-
13 hot	166,335	0.84	12.5%	-	-	-	-	-	-	-	-
14 hot	466,812	0.77	12.5%	-	-	0.75	12.5%	-	-	-	-
15 hot	235,147	1.10	12.5%	-	-	-	-	-	-	-	-
16 cool	150,603	0.75	12.5%	0.73	12.5%	0.73	12.5%	-	-	0.72	12.5%
5 warm	7,859	1.04	12.5%	-	-	-	-	-	-	-	-
6 cool	943,130	0.58	12.5%	0.56	12.5%	0.56	12.5%	-	-	-	-
8 cool	1,246,054	0.58	12.5%	0.56	12.5%	0.57	12.5%	-	-	-	-
9 warm	1,160,081	0.71	12.5%	0.69	12.5%	0.69	12.5%	0.63	12.5%	0.68	12.5%

CARE

Affordability Metrics - Hours-at-Minimum Wage (HM) Impacts											
		Current - March 1, 2023									
		Average Usage		Essential Usage							
Climate Zone	Estimated # of Housing Units ¹	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill State (\$15.50/hr.) ²	Average Bill Los Angeles City (\$16.04/hr.) ²	Average Bill Los Angeles Co. Malibu City Santa Monica City (\$15.96/hr.) ²	Average Bill West Hollywood (\$17.50/hr.) ²	Average Bill Pasadena City (\$16.11/hr.) ²
10 hot (Sec 745)	1,347,156	\$ 151.12	\$ 110.59	\$ 93.66	\$ 104.77	\$ 94.69	6.1	-	5.9	-	-
13 hot	166,335	\$ 153.46	\$ 153.97	\$ 100.29	\$ 150.70	\$ 104.09	6.7	-	-	-	-
14 hot	466,812	\$ 149.30	\$ 155.68	\$ 92.59	\$ 130.41	\$ 95.88	6.2	-	6.0	-	-
15 hot	235,147	\$ 179.12	\$ 155.12	\$ 138.31	\$ 126.35	\$ 136.60	8.8	-	-	-	-
16 cool	150,603	\$ 138.09	\$ 136.16	\$ 85.12	\$ 128.70	\$ 93.05	6.0	5.8	5.8	-	5.8
5 warm	7,859	\$ 84.96	\$ 115.54	\$ 115.67	\$ 151.99	\$ 128.36	8.3	-	-	-	-
6 cool	943,130	\$ 85.23	\$ 83.68	\$ 72.09	\$ 73.15	\$ 72.27	4.7	4.5	4.5	-	-
8 cool	1,246,054	\$ 99.71	\$ 87.87	\$ 72.09	\$ 74.44	\$ 72.34	4.7	4.5	4.5	-	-
9 warm	1,160,081	\$ 119.28	\$ 91.34	\$ 88.11	\$ 86.83	\$ 88.00	5.7	5.5	5.5	5.0	5.5

¹Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

²Minimum Wage values are based on values in effect on January 1, 2023

		Proposed - 2027									
		Average Usage		Essential Usage							
Climate Zone	Estimated # of Housing Units ¹	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill State (\$15.50/hr.) ²	Average Bill Los Angeles City (\$16.04/hr.) ²	Average Bill Los Angeles Co. Malibu City Santa Monica City (\$15.96/hr.) ²	Average Bill West Hollywood (\$17.50/hr.) ²	Average Bill Pasadena City (\$16.11/hr.) ²
10 hot (Sec 745)	1,347,156	\$ 171.73	\$ 125.64	\$ 106.39	\$ 119.03	\$ 107.56	6.9	-	6.7	-	-
13 hot	166,335	\$ 174.39	\$ 174.96	\$ 113.92	\$ 171.25	\$ 118.25	7.6	-	-	-	-
14 hot	466,812	\$ 169.65	\$ 176.90	\$ 105.18	\$ 148.17	\$ 108.91	7.0	-	6.8	-	-
15 hot	235,147	\$ 203.56	\$ 176.27	\$ 157.16	\$ 143.56	\$ 155.22	10.0	-	-	-	-
16 cool	150,603	\$ 156.91	\$ 154.71	\$ 96.68	\$ 146.23	\$ 105.69	6.8	6.6	6.6	-	6.6
5 warm	7,859	\$ 96.50	\$ 131.27	\$ 131.41	\$ 172.71	\$ 145.85	9.4	-	-	-	-
6 cool	943,130	\$ 96.80	\$ 95.04	\$ 81.86	\$ 83.08	\$ 82.07	5.3	5.1	5.1	-	-
8 cool	1,246,054	\$ 113.26	\$ 99.81	\$ 81.86	\$ 84.53	\$ 82.15	5.3	5.1	5.1	-	-
9 warm	1,160,081	\$ 135.52	\$ 103.75	\$ 100.08	\$ 98.62	\$ 99.95	6.4	6.2	6.3	5.7	6.2

CARE

Affordability Metrics - Hours-at-Minimum Wage (HM) Impacts											
		Proposed 2027 Change									
		Essential Usage									
Climate Zone	Estimated # of Housing Units ¹	Average Bill State Hour Change	Average Bill State % Change	Average Bill Los Angeles City Hour Change	Average Bill Los Angeles City % Change	Average Bill Los Angeles Co. Malibu City Santa Monica City Hour Change	Average Bill Los Angeles Co. Malibu City Santa Monica City % Change	Average Bill West Hollywood Hour Change	Average Bill West Hollywood % Change	Average Bill Pasadena City Hour Change	Average Bill Pasadena City % Change
10 hot (Sec 745)	1,347,156	0.83	13.6%	-	-	0.81	13.6%	-	-	-	-
13 hot	166,335	0.91	13.6%	-	-	-	-	-	-	-	-
14 hot	466,812	0.84	13.6%	-	-	0.82	13.6%	-	-	-	-
15 hot	235,147	1.20	13.6%	-	-	-	-	-	-	-	-
16 cool	150,603	0.82	13.6%	0.79	13.6%	0.79	13.6%	-	-	0.79	13.6%
5 warm	7,859	1.13	13.6%	-	-	-	-	-	-	-	-
6 cool	943,130	0.63	13.6%	0.61	13.6%	0.61	13.6%	-	-	-	-
8 cool	1,246,054	0.63	13.6%	0.61	13.6%	0.61	13.6%	-	-	-	-
9 warm	1,160,081	0.77	13.6%	0.75	13.6%	0.75	13.6%	0.68	13.6%	0.74	13.6%

CARE

Affordability Metrics - Hours-at-Minimum Wage (HM) Impacts											
		Current - March 1, 2023									
		Average Usage		Essential Usage							
Climate Zone	Estimated # of Housing Units ¹	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill State (\$15.50/hr.) ²	Average Bill Los Angeles City (\$16.04/hr.) ²	Average Bill Los Angeles Co. Malibu City Santa Monica City (\$15.96/hr.) ²	Average Bill West Hollywood (\$17.50/hr.) ²	Average Bill Pasadena City (\$16.11/hr.) ²
10 hot (Sec 745)	1,347,156	\$ 151.12	\$ 110.59	\$ 93.66	\$ 104.77	\$ 94.69	6.1	-	5.9	-	-
13 hot	166,335	\$ 153.46	\$ 153.97	\$ 100.29	\$ 150.70	\$ 104.09	6.7	-	-	-	-
14 hot	466,812	\$ 149.30	\$ 155.68	\$ 92.59	\$ 130.41	\$ 95.88	6.2	-	6.0	-	-
15 hot	235,147	\$ 179.12	\$ 155.12	\$ 138.31	\$ 126.35	\$ 136.60	8.8	-	-	-	-
16 cool	150,603	\$ 138.09	\$ 136.16	\$ 85.12	\$ 128.70	\$ 93.05	6.0	5.8	5.8	-	5.8
5 warm	7,859	\$ 84.96	\$ 115.54	\$ 115.67	\$ 151.99	\$ 128.36	8.3	-	-	-	-
6 cool	943,130	\$ 85.23	\$ 83.68	\$ 72.09	\$ 73.15	\$ 72.27	4.7	4.5	4.5	-	-
8 cool	1,246,054	\$ 99.71	\$ 87.87	\$ 72.09	\$ 74.44	\$ 72.34	4.7	4.5	4.5	-	-
9 warm	1,160,081	\$ 119.28	\$ 91.34	\$ 88.11	\$ 86.83	\$ 88.00	5.7	5.5	5.5	5.0	5.5

¹Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

²Minimum Wage values are based on values in effect on January 1, 2023

		Proposed - 2028									
		Average Usage		Essential Usage							
Climate Zone	Estimated # of Housing Units ¹	Basic Bill	All-Electric Bill	Basic Bill	All-Electric Bill	Average Bill	Average Bill State (\$15.50/hr.) ²	Average Bill Los Angeles City (\$16.04/hr.) ²	Average Bill Los Angeles Co. Malibu City Santa Monica City (\$15.96/hr.) ²	Average Bill West Hollywood (\$17.50/hr.) ²	Average Bill Pasadena City (\$16.11/hr.) ²
10 hot (Sec 745)	1,347,156	\$ 173.46	\$ 126.91	\$ 107.46	\$ 120.22	\$ 108.64	7.0	-	6.8	-	-
13 hot	166,335	\$ 176.15	\$ 176.73	\$ 115.07	\$ 172.98	\$ 119.44	7.7	-	-	-	-
14 hot	466,812	\$ 171.37	\$ 178.69	\$ 106.24	\$ 149.67	\$ 110.01	7.1	-	6.9	-	-
15 hot	235,147	\$ 205.61	\$ 178.05	\$ 158.75	\$ 145.01	\$ 156.78	10.1	-	-	-	-
16 cool	150,603	\$ 158.49	\$ 156.27	\$ 97.65	\$ 147.70	\$ 106.76	6.9	6.7	6.7	-	6.6
5 warm	7,859	\$ 97.47	\$ 132.60	\$ 132.74	\$ 174.45	\$ 147.32	9.5	-	-	-	-
6 cool	943,130	\$ 97.78	\$ 95.99	\$ 82.68	\$ 83.91	\$ 82.89	5.3	5.2	5.2	-	-
8 cool	1,246,054	\$ 114.40	\$ 100.81	\$ 82.68	\$ 85.38	\$ 82.98	5.4	5.2	5.2	-	-
9 warm	1,160,081	\$ 136.89	\$ 104.80	\$ 101.09	\$ 99.61	\$ 100.96	6.5	6.3	6.3	5.8	6.3

CARE

Affordability Metrics - Hours-at-Minimum Wage (HM) Impacts											
		Proposed 2028 Change									
		Essential Usage									
Climate Zone	Estimated # of Housing Units ¹	Average Bill State Hour Change	Average Bill State % Change	Average Bill Los Angeles City Hour Change	Average Bill Los Angeles City % Change	Average Bill Los Angeles Co. Malibu City Santa Monica City Hour Change	Average Bill Los Angeles Co. Malibu City Santa Monica City % Change	Average Bill West Hollywood Hour Change	Average Bill West Hollywood % Change	Average Bill Pasadena City Hour Change	Average Bill Pasadena City % Change
10 hot (Sec 745)	1,347,156	0.90	14.7%	-	-	0.87	14.7%	-	-	-	-
13 hot	166,335	0.99	14.7%	-	-	-	-	-	-	-	-
14 hot	466,812	0.91	14.7%	-	-	0.89	14.7%	-	-	-	-
15 hot	235,147	1.30	14.8%	-	-	-	-	-	-	-	-
16 cool	150,603	0.88	14.7%	0.85	14.7%	0.85	14.7%	-	-	0.85	14.7%
5 warm	7,859	1.22	14.8%	-	-	-	-	-	-	-	-
6 cool	943,130	0.69	14.7%	0.66	14.7%	0.67	14.7%	-	-	-	-
8 cool	1,246,054	0.69	14.7%	0.66	14.7%	0.67	14.7%	-	-	-	-
9 warm	1,160,081	0.84	14.7%	0.81	14.7%	0.81	14.7%	0.74	14.7%	0.80	14.7%

CARE

Affordability Metrics - Areas of Affordability Concern						
PUMA	County/City	Electric Climate Zone	Estimated # of Housing Units ¹	Current - March 1, 2023 Electric Service AR 20	Proposed - 2025 Electric Service AR 20	Incremental Change Electric Service AR 20
03719	Los Angeles County (Central)--Glendale City PUMA	SCE 9	17	16.96%	19.16%	2.20%
03766	Los Angeles County (South)--Long Beach City (Southwest & Port) PUMA	SCE 6	39,619	13.77%	15.21%	1.43%
03731	Los Angeles County (Central)--West Hollywood & Beverly Hills Cities PUMA	SCE 9	64,887	28.67%	37.32%	8.65%
05904	Orange County (Central)--Irvine City (Central) PUMA	SCE 6	13,038	13.76%	16.16%	2.41%
05904	Orange County (Central)--Irvine City (Central) PUMA	SCE 8	109,702	13.84%	16.29%	2.45%

¹Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

CARE

Affordability Metrics - Areas of Affordability Concern						
PUMA	County/City	Electric Climate Zone	Estimated # of Housing Units ¹	Current - March 1, 2023 Electric Service AR 20	Proposed - 2026 Electric Service AR 20	Incremental Change Electric Service AR 20
03719	Los Angeles County (Central)--Glendale City PUMA	SCE 9	17	16.96%	19.17%	2.20%
03766	Los Angeles County (South)--Long Beach City (Southwest & Port) PUMA	SCE 6	39,619	13.77%	15.14%	1.37%
03731	Los Angeles County (Central)--West Hollywood & Beverly Hills Cities PUMA	SCE 9	64,887	28.67%	38.54%	9.86%
05904	Orange County (Central)--Irvine City (Central) PUMA	SCE 6	13,038	13.76%	16.31%	2.55%
05904	Orange County (Central)--Irvine City (Central) PUMA	SCE 8	109,702	13.84%	16.44%	2.59%

¹Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

CARE

Affordability Metrics - Areas of Affordability Concern						
PUMA	County/City	Electric Climate Zone	Estimated # of Housing Units ¹	Current - March 1, 2023 Electric Service AR 20	Proposed - 2027 Electric Service AR 20	Incremental Change Electric Service AR 20
03719	Los Angeles County (Central)--Glendale City PUMA	SCE 9	17	16.96%	19.02%	2.06%
03766	Los Angeles County (South)--Long Beach City (Southwest & Port) PUMA	SCE 6	39,619	13.77%	14.96%	1.19%
03731	Los Angeles County (Central)--West Hollywood & Beverly Hills Cities PUMA	SCE 9	64,887	28.67%	39.59%	10.91%
05904	Orange County (Central)--Irvine City (Central) PUMA	SCE 6	13,038	13.76%	16.33%	2.57%
05904	Orange County (Central)--Irvine City (Central) PUMA	SCE 8	109,702	13.84%	16.46%	2.62%

¹Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)

CARE

Affordability Metrics - Areas of Affordability Concern						
PUMA	County/City	Electric Climate Zone	Estimated # of Housing Units ¹	Current - March 1, 2023 Electric Service AR 20	Proposed - 2028 Electric Service AR 20	Incremental Change Electric Service AR 20
03719	Los Angeles County (Central)--Glendale City PUMA	SCE 9	17	16.96%	19.21%	2.25%
03766	Los Angeles County (South)--Long Beach City (Southwest & Port) PUMA	SCE 6	39,619	13.77%	15.11%	1.34%
03731	Los Angeles County (Central)--West Hollywood & Beverly Hills Cities PUMA	SCE 9	64,887	28.67%	39.98%	11.31%
05904	Orange County (Central)--Irvine City (Central) PUMA	SCE 6	13,038	13.76%	16.49%	2.74%
05904	Orange County (Central)--Irvine City (Central) PUMA	SCE 8	109,702	13.84%	16.63%	2.78%

¹Estimated # of Housing Units is based on the 2020 Affordability Ratio Calculator (ARC)