



## Manager's Report

### UPDATES

1. Update: **Manager's Operations Report  
(by GM Louie)**

a. **Edison – Public Safety Power Shut-off**

- **The County of Riverside, Emergency Management Department (EMD)** in coordination with **Southern California Edison (SCE)** has not issued any *Flash Reports* for a **Public Safety Power Shutdown (PSPS)** predicting the potential to *de-energize* selected Cabazon circuits.
- **SCE – Critical Power Outage Reminder – Saturday, 02/20/2021, 0800 hr. to 1600 hr.** – It will affect the District's HQ, which means the computers and SCADA may be out. Accent Computer Solutions will be remotely lowering the power. The GM will be monitoring all systems and is available to respond to town if required.
- **In January 2021, Management had drafted a Watch Procedures for SCE Alerts & Events**, including is a separate list of *definitions* and *acronyms* to assist the District's water operators and field crew to understand the **EMD Flash Reports** and **SCE PSPS** spreadsheets.

Since then, Management has secured an approval from the Union, Article 9 (Compensatory) and Article 10 (Overtime) of the current MOU will apply to a District employee in the bargaining unit that is assigned to the **SCE PSPS Watch detail**.

This detail requires a certified water operator to monitor and respond to any crucial **SCE Alerts** or **Events** either issued by **SCE** or through Riverside County's **EMD Flash Reports** that are issued indicating any interruption in the operation or cause damage to the District's production wells, water apparatuses, or infrastructures.

In the event the General Manager (GM) is out of town in an area where there is unreliable cell signal coverage or internet connectivity, then the GM will assign a certified water operator to monitor **EMD Flash Reports** or the **SCE PSPS Alerts or Events**. The most crucial hours are 2100 hr. to 0800 hr., as these are the *off-peak* and *super off-peak* **SCE** lowest electric rates to operate the District 250 hp. to 300 hp. electric pump motors.

The other scenario is when a physical response to Cabazon is during a **SCE PSPS Event** and the **Fingal Circuit** is *de-energized*, it may be *partially de-energized* is required. This affects the District's HQ which power downs the SCADA mainframe and server. Electric power to production well #2 (located at the Robertson Read-cement plant) and production well #5 (located on the south side of DHPO East Village along Seminole Dr.) is uninterrupted when the **Fingal Circuit** is *partially de-energized*.

This requires a District certified water operator to physically verify these production wells are receiving power and they are operating as pre-programmed. This one of the few tasks the GM perform during late evening and early morning. If the GM is out of town, then he must rely on a District certified water operator. The State Water Code and District policy & procedures require a qualified certified water operator or designee, communicating with a certified water operator's direct supervision to assess problems, manipulate valves, adjust sodium hypochlorite doses, turn switches controlling motors, and pumps.

Each night, the GM remotely monitors the water production and distribution system, ensure the system is functioning properly and physically responds to any situation besides non-business hours water emergencies reported by water customers.

- **On 01/26/2021, SCE presented a virtual Power Briefing.** In your Board package is the material that was disseminated for this event. Speakers and their topics were as follows:
  - **Kelly Garcia**, Principle Manager, Government & Institutions – Welcome and Safety
  - **Robert Steins**, Sr. Advisor, Government Relations – PSPS Enhancements
  - **Erica Keating**, Principle Manager, Demand Response Products – Summer Reliability Programs
  - **Robert Thomas**, Director, Pricing Design & Research – Regulatory and Rate Updates

**b. Corona Virus** – The District will continue to execute the following actions in regards to COVID-19.

- **02/10/2021 – EOC (Emergency Operations Center)** in coordination with Riverside County Public Health and the District's Management has the following updated COVID-19 information.
- Management continues to take the following preventive and protective measures:

We encourage Board and this Community's Water Team members to reassure any concerned residents and water customers that may have concerns regarding the safety of tap water. The transmission of COVID-19 through tap water is 99.9% untrue. The measured dose of sodium hypochlorite (chlorine) kills most bacteria and viruses.

- ✓ The lobby continues to be **closed** to the public until further direction from the State and County Health officials.
- ✓ Management will continue to protect the health of District employees.
- ✓ Face masks are **required**.

- ✓ A barrier is at the transaction window.
- ✓ Customer Accounts Department will handle checks, money orders, and cash wearing nitrile gloves provided by the District.
- ✓ The current confirmed **COVID-19** cases in the Community of Cabazon is **299, Deaths – 4, and Recovered – 244** as of **02/10/2021** on the **Riverside County Public Health** website: <https://www.rivcoph.org/coronavirus>
- ✓ This Community's water district will continue to work with water customers that are experiencing hardships in paying their water bills. **There is an item on this agenda on resuming penalties & interests.**
- ✓ Management has updated what other local water districts and companies actions in response to COVID-19 as of 02/10/2021.
  - **City of Banning** - Coronavirus is an evolving public health issue and we want you to know that your health, safety and well-being are of the utmost concern to the City of Banning. Citing public health recommendations during the novel coronavirus/COVID-19 outbreak, City of Banning Utility Billing and Customer Service is urging anyone doing business with the City to do so by telephone, email or online as the City implements social distancing practices to reduce the risk of spread of the virus.; however, face coverings and social distancing are required to enter the building.
  - **Coachella Valley Water District** – Offices are closed to the public.
  - **Mission Springs Water District** – Offices are closed to the public.
  - **South Mesa Water Company** – Hours or services may vary to the public.
  - **Beaumont Cherry Valley Water District** – Offices are closed to the public.
  - **High Valley Water District** – Hours or services may vary to the public.

**c. Chick-fil-A & Esperanza project**

- The engineers designing the water system for the Chick-fil-A has submitted their comments from the District's engineering team's review. I will be reviewing them with the District's field operations and then our comments will be forwarded to the District engineer for their final recommendations.
- As a reminder, the District's engineering and legal suggested that the District request that drawings and constructions to include the residential water system to be extended/connected with the new 12" pipeline. The excess cost for drawing and installation will be credited back to Chick-fil-A. I will report to the Board of the developer's reaction to this request.
- The reason for the request to change the point of connection from the southeast portion of Chick-fil-A's property off of Seminole Dr. to the west side on Apache Trails, the original point of the water service connection when it was serving the old Hadley Orchards is the proposed water connection is actually a dead end. The reservation begins from that point East. Adding the 12" pipeline would benefit not only the development, but it would actually loop that portion of the distribution system enhancing pressure and flow.

**d. Director Wargo during the last Board meeting suggested Google Meet**

Due unforeseen staff and operational changes, the GM and the new Business Administrative Assistant has not address this issue because of the realignment required because of these occurrences. The GM intents on addressing this prior to the next Board meeting.

**e. Production Well 4 – This has been the 2<sup>nd</sup> phase of the water production redundancy and back-up.**

- Legend Wells & Pump has disassembled and taken the electric pump motor for inspection. Keith Collier from Legend advised the GM that there were some internal issues with the pump motor. Basically, the failures were due to *wear & tear*. Legend will also inspect and repair the loose and near collapse of the shaft and bowls at production well 4.
- Keith also stated he can adjust the rebuilt pump motor to perform from 300 gpm to 800 gpm. This can be accomplish with the 150 hp. electric pump motor which would be a tremendous savings to the District in electric power compare in running the 250 hp. at W2 and W5. W2 pumps at 1100 gpm and W5 is at 860 gpm.

**f. Wolny recently reported that W5 (Seminole) waste water valve was discharging water while it was running. Mike Trospers of CLA-VAL reported this has been resolved. Small pebbles was embedded in the gaskets which resulted in water escaping the seal. New gaskets were installed after the valves were clear of the debris.**



**g. Progress report on Production Well 1**

- Legend stated the pumping unit has been ordered. Bailing will commence and is probably completed by the date of this regular board meeting. This is tentative on the repair of the equipment needed for the bailing. Apparently, a clutch within its machinery requires replacement or repair. Video logging will be performed several days after the bailing.
- Legend will pull off of the site until the pumping unit arrives. K&S requested that Legend provide notice of the anticipated schedule when it is determined so inspection can be coordinated.

- Completion date is earmarked for 04/10/2021. This project is running ahead of schedule.

**h. Progress report on Tank 1**

- This vendor has completed its project and is waiting for Legend to active the production well #1. Even though District field crew has installed a temporary source of water, the washing of the interior of tank #1 could contaminate the distribution system is there was a backflow incident. The source of the water came directly from production well #1, any backflow incident would be either diverted into the waste water pond or down the well casing. In that case, flushing into the waste water pond would eventually dilute the contamination. There is the saying in the waste water trade, "*dilution is the solution.*"

**i. Tank #2 exterior roof recoating quote & Tank #4 exterior recoating quote by Simpson Sandblasting**

- The GM is working with the accountants to fit these cost in the next fiscal years.

- **Simpson quote are as follows:**

**Reservoir 2**

Exterior roof complete removal, epoxy 3 – 5 mils DFT, Sherloxane 4 – 6 mils DFT. Shell spot repair, pressure wash, spot prime 3 – 5, full coat epoxy 3 – 5, full coat sherloxane 4 – 6 mils DFT, caulk exterior chime, wet blast

**Price \$109,482**

- **Reservoir 4**

Complete removal of shell, full coat epoxy, full coat of Sherloxane 4 – 6 mils DFT, Roof, spot repair, pressure wash, spot prime 3 – 5 mils DFT and full coat epoxy 3 – 5 mils DFT, full coat Sherloxane 4 – 6,, wet blast

**Price \$115,811**

**Total \$225,293**

**j. Approval of Tank Diving Inspection for Tank 2, Tank 3, and Tank 4; quotes received from Dive/Corr, Inc. & LiquiVision Technology Diving Services and**

- **Dive/Corr, Inc., commonly known as Diver Dan, whom I have used before for this District. Their bid is \$5,800**
- **LiquiVision Technology Diving Services: Their bid is \$9,450**

The GM is working with both vendor to ascertain there is a price difference if the District was to only have one or two reservoirs inspected and the remainder at a later date. Both vendors stated that would impact their prices.

- k. **On 02/10/2021, the District's field crew repaired a ruptured service lateral at 50105 Bonita Ave., Cabazon.** This was a non-business water emergency call I had received over the weekend. I advised the reporting party (RP) that is was reported by a District water operator last Thursday, 02/04/2021. The RP then made the spontaneous statement so I have to *"put up with a leak all weekend."*

I explained to the RP that since it is not an emergency, whether you are a private person, public utility/construction, or a private construction company, it is now the law to notify Dig Alert of the location your project that you will be digging.

This permits all utilities to mark their water pipeline, gas pipeline, electricity and communications with underground cables or fiber optic lines.

This RP said, *"Calvin, I understand procedures, but this would only take two guys and a shovel."*

To demonstrate the severity of digging accidents, here is a brief video of a construction accident that occurred in the City of Culver City, where several buildings were destroyed and lives were lost. This was the incident that started the Dig Alert program.



1. **02/03/2021, at 0237 hr., Alarm monitoring center contacted the General Manager** that a burglary alarm at the treatment center located at 15320 Elm Street. They advised the interior motion was activated and Riverside Sheriff's patrol units has been dispatched.

At 0258 hr., I received a call from Sheriff's dispatch advising the GM Deputies were requesting a representative from the water district to respond. The GM advised dispatch his ETA would 60 minutes.

Approximately 20 minutes later, Sheriff's dispatch called and stated the patrol deputies found no outside evidence of a burglary or criminal activity. They would no longer be at the location waiting for the arrival of a District personnel.

It is in the GM;s opinion the weather forecast per the National Weather Service, winds was gusting up to 20 miles per hour. These gust were not severe enough to trigger a SCE PSPS Alert or Event, but it does cause a vortex in an enclosed structure.

The treatment center does have moderate size air vents. A gust of wind could have enter and moved light object around thus activating the motion detector. A follow-up investigation was conducted to prove there were no signs of a break-in.

## **NEW BUSINESS**

1. **Discussion:**



**Mr. Lance Eckhart, General Manager, San Gorgonio Pass Water Agency – Introduction, Brief Mission Statement by Mr. Eckhart, and Q&A (by GM Louie)**

Mr. Lance Eckhart is the General Manager for the San Gorgonio Pass Water Agency. He comes from the Mojave Water Agency as the Director of Basin Management and Resource Planning for the past 18 years. Lance and I had a brief phone conversation while he was out in Bakersfield investigating other options in the reuse of agriculture water. I invited him tonight to speak to Cabazon's Board of Directors.

1. **Discussion/Action: Affordable Housing, Ownership and Construction Proposal (by developer Victor Diaz)**
2. **Discussion/Action: Transfer from District's LAIF Acct. to District's General Acct. (to pay for Simpson Sandblasting Tank #1 recoating project) (by AGM Lemus)**

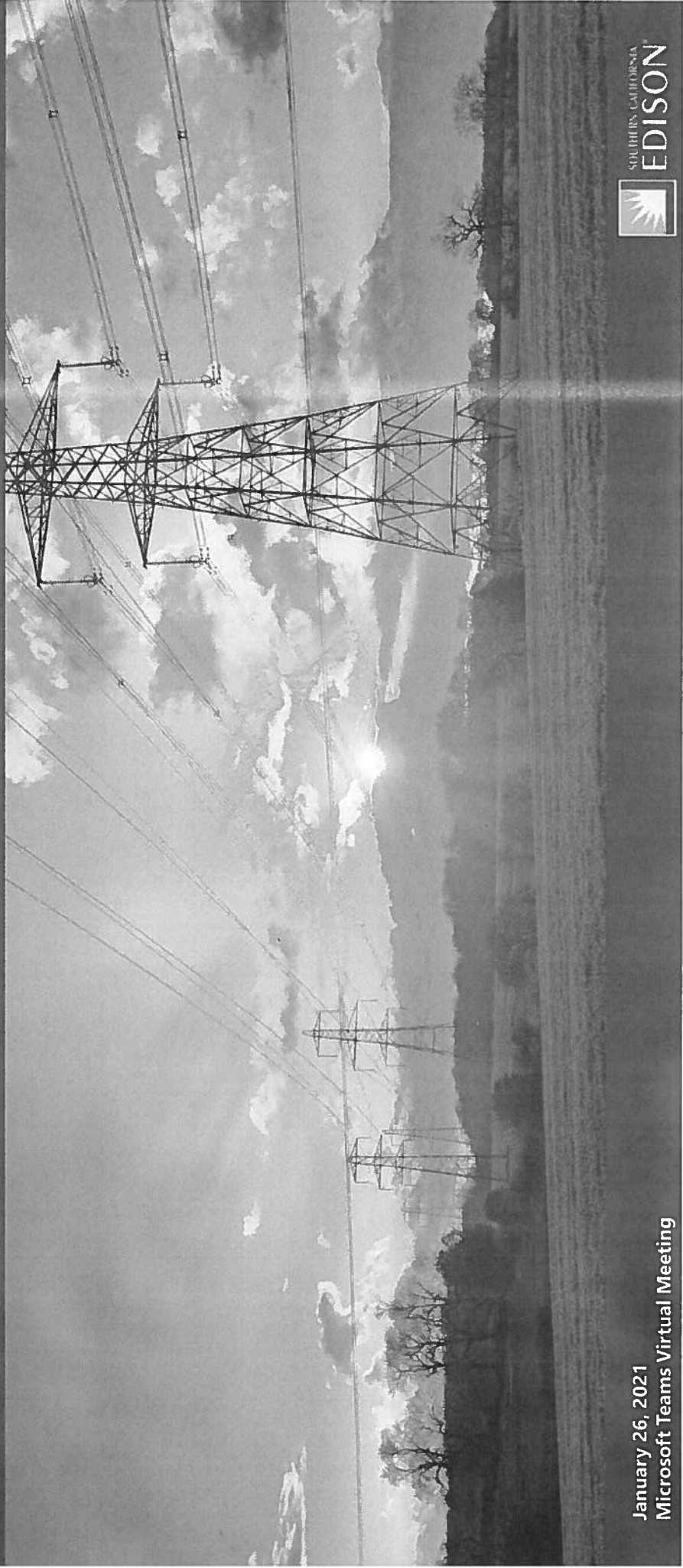
**OLD BUSINESS**

- 1. Discussion/Action: NBS Water Rate Study Review and Discussion (by Board)**



# SOUTHERN CALIFORNIA EDISON

## Winter Power Briefing



January 26, 2021  
Microsoft Teams Virtual Meeting



# WELCOME

**KELLY GARCIA**

Principal Manager  
Government & Institutions

**Safety**

**Agenda**



# SAFETY

Powering Off for Wildfire Safety

Sign up for PSPS alerts:  
[sce.com/ppsalerts](https://sce.com/ppsalerts)



## Text Alerts

- Text **ENROLL** to **28954** to sign up



## Voice Alerts

- Call **1-855-549-3800** to sign up



## Email Alerts



## Nextdoor Alerts



## Google Public Safety Alerts



## Nixle Community Alerts

# AGENDA

**Welcome & Safety**  
9:00 a.m. – 9:05 a.m.

- Kelly Garcia, Principal Manager, Government & Institutions

**PSPS Enhancements**  
9:05 a.m. – 9:25 a.m.

- Bob Stiens, Senior Advisor, Government Relations

**Summer Reliability Programs  
Demand Response Update**  
9:25 a.m. – 9:45 a.m.

- Erica Keating, Principal Manager, Demand Response Products

**Rates & Regulatory/Q & A**  
9:45 a.m. – 10:25 a.m.

- Rob Thomas, Director, Pricing, Design & Research

**Closing Remarks**  
10:25 a.m. – 10:30 a.m.

- Kelly Garcia

# PSPS ENHANCEMENTS

**BOB STIENS**

Sr. Advisor  
Government Relations



**Wildfire Mitigation Plan**

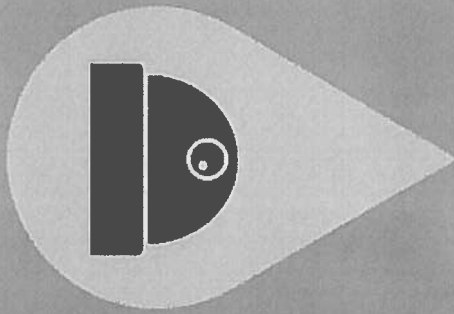
**Supporting Our Customers**

# OUR TOP PRIORITY

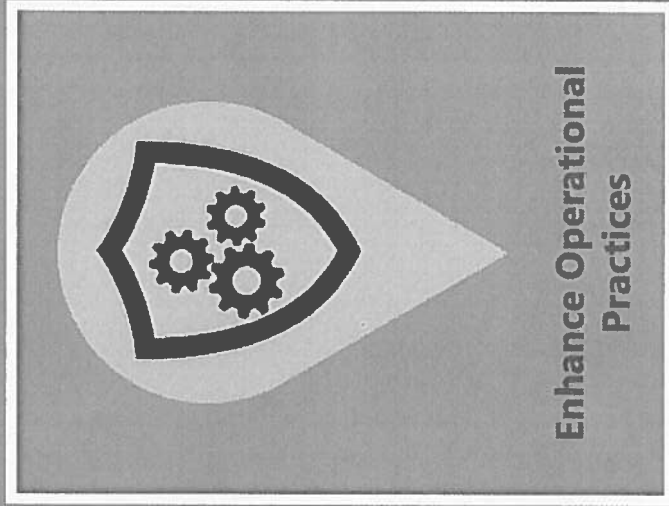
- The safety and well-being of our **employees, customers and communities**
- We can't control the weather, but we can control **how we prepare and respond**



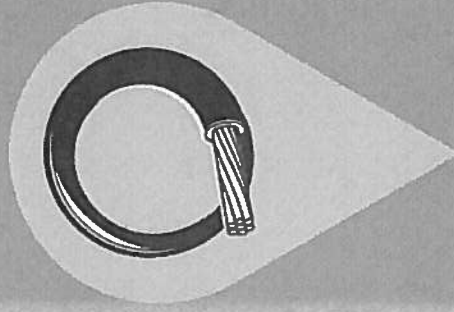
# OUR FOUNDATIONAL STRATEGY: TO PREVENT, COMBAT & RESPOND



**Bolster Situational  
Awareness Capabilities**



**Enhance Operational  
Practices**



**Harden the  
Electric Grid**

# WHAT OUR WILDFIRE MITIGATION PLAN

Our Wildfire Mitigation Plan includes an **actionable, measurable** and **adaptive** plan to:

- Reduce the risk of potential **wildfire causing ignitions** associated with SCE's electrical infrastructure in high fire risk areas
- Reduce the **impact of PSPS** to our customers and communities
- Incorporate **risk analysis** to guide planning and prioritization
- Advance **new technologies** and data analytics capabilities
- Effectively **engage the public** about how to prepare for, prevent and mitigate wildfires
- Improve **coordination** between utility, state and local emergency management personnel





# WHAT WE'VE DONE SO FAR

 <b>WILDFIRE CAMERAS</b> 166 CAMERAS INSTALLED THOROUGHLY COVERING HIGH FIRE RISK AREAS	 <b>WEATHER STATIONS</b> 1,000+ INSTALLED BY END OF 2020	 <b>INSULATED WIRES</b> 1,400+ MILES INSTALLED BY END OF 2020
 <b>VEGETATION MANAGEMENT</b> APPROXIMATELY 100,000 HAZARD TREE ASSESSMENTS EACH YEAR	 <b>APPROXIMATELY 200,000 POLE BRUSHING CLEARANCES EACH YEAR</b>	 <b>INCIDENT MANAGEMENT TEAM</b> 500+ QUALIFIED RESPONSE TEAM MEMBERS, WHO ARE ON CALL FOR DUTY 24/7
 <b>ENHANCED INSPECTIONS</b> CONTINUED ADVANCING INSPECTIONS TO ADDRESS WILDFIRE RISKS IN 2020/2021	 <b>PROTECTIVE DEVICES</b> 12,900+ FUSES AND REMOTE-CONTROLLED SECTIONALIZING DEVICES INSTALLED BY END OF 2020	

Updated December 2020

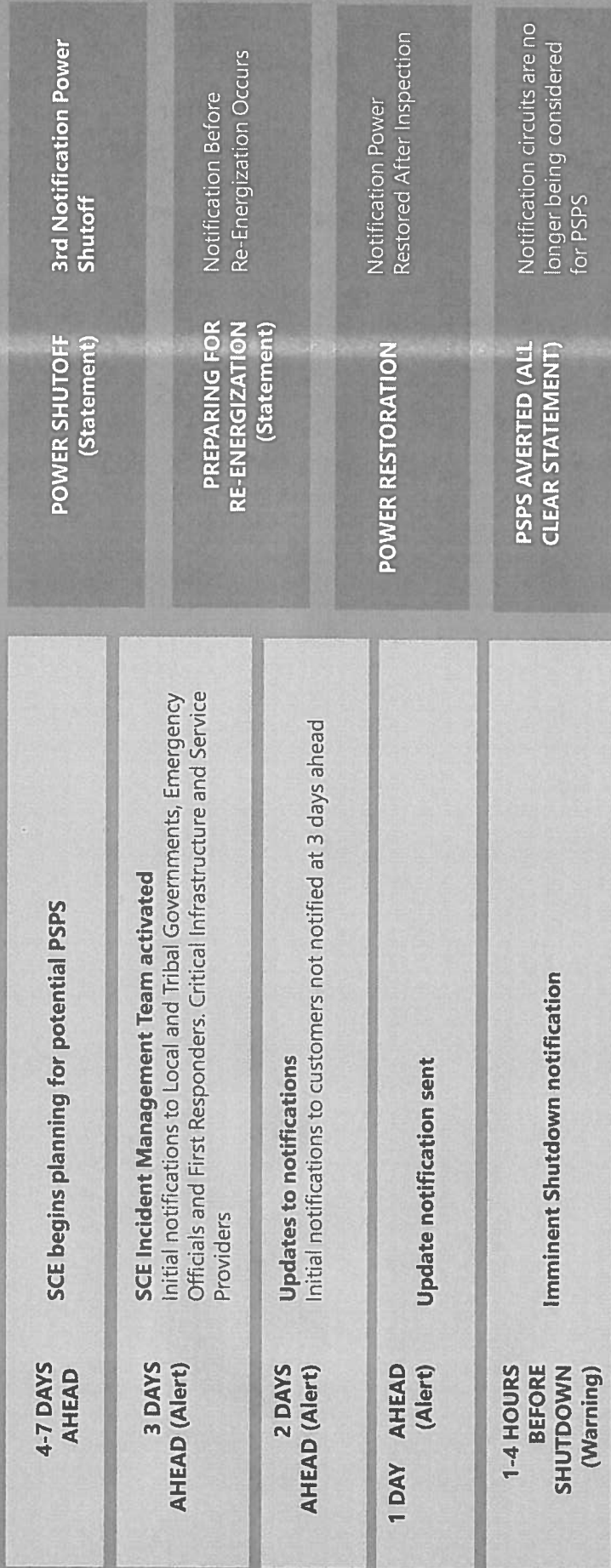
# WHAT IS A PUBLIC SAFETY POWER SHUTOFF?

When there are potentially dangerous weather and fuel conditions, we may need to call a **Public Safety Power Shutoff (PSPS)** event.

- During a PSPS event, we will proactively turn off power in high fire risk areas to reduce the threat of wildfires.
- **PSPS reduces wildfire threat** during dangerous weather and fuel conditions by shutting off the power to individual circuits to prevent ignitions
  - Intended to **keep communities safe** in high fire risk areas
  - Multiple notification methods to notify impacted customers — before, during and after the event

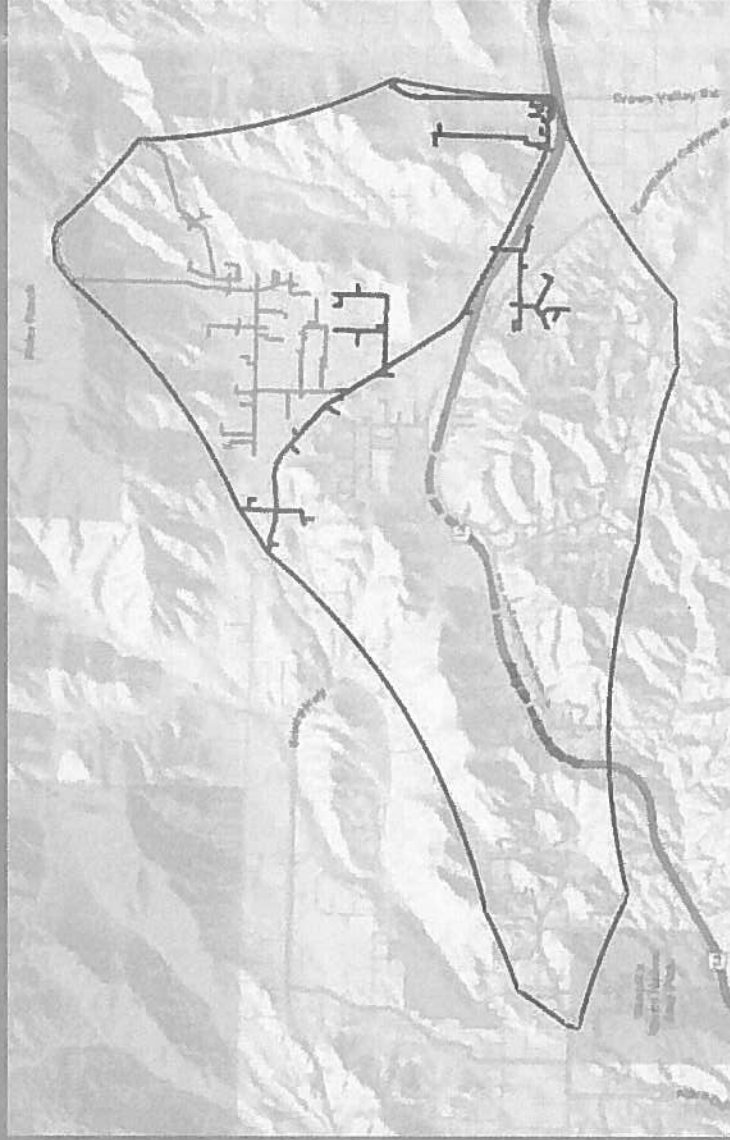


# PSPS TIMELINE



SCE will target the schedule above to notify customers. Sudden onset of hazardous conditions that jeopardize public safety may impact SCE's ability to provide advanced notice to customers. Notifications can be provided via email, text, voice call, and TTY formats; zip, code-level alerts; and NextDoor.

# REDUCING CUSTOMERS IMPACTED BY PSPS



Shovel Circuit

# OUR FOCUS: SUPPORTING OUR CUSTOMERS DURING PSPS



## COMMUNICATION ENHANCEMENT

Website Improvements  
Notification Updates



## COMMUNITY RESOURCES

Community Crew Vehicles  
Community Resource Centers



## REBATES & PROGRAMS

Self-Generation Incentive Program (SGIP)  
Generator rebate  
Battery Backup Program



## COMMUNICATING WITH COMMUNITIES

Community meetings  
Advertising campaign  
Targeted communication



## REACHING VULNERABLE COMMUNITIES

Community-based organizations  
Supporting resiliency working with existing philanthropic partners



## INVESTING IN OUR COMMUNITIES

First responder safety  
Community readiness  
Resiliency and disaster recovery

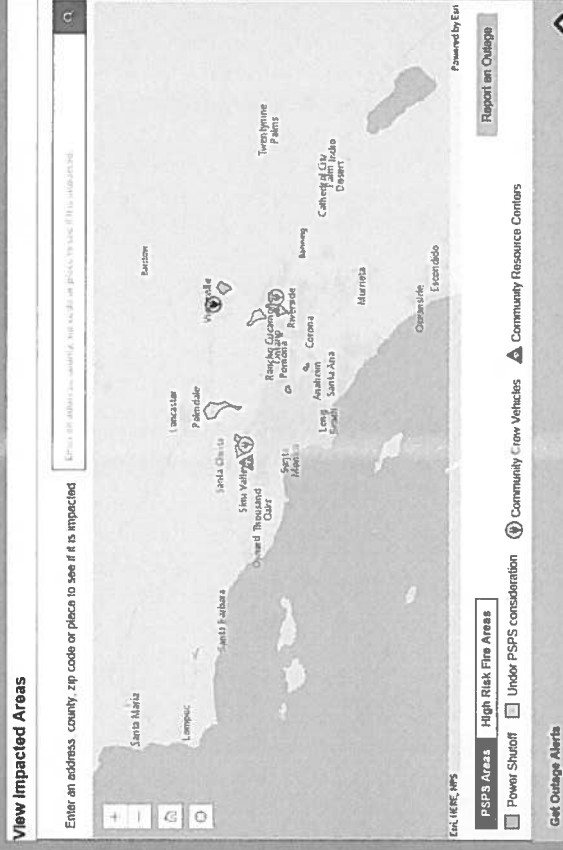
# COMMUNICATION ENHANCEMENTS

## Website Improvements

- **Dedicated pages** for wildfire and PSPS
- **Fire weather** and PSPS information
- **Increased capacity** to handle site visits
- **Improved maps** and locations of Community Resource Centers and Community Crew Vehicles

## Notification Updates

- Zip code PSPS notifications
- Additional communication channels (e.g., Nextdoor)
- Google Alerts (coming later)
- Imminent notifications when possible





# QUESTIONS FOR BOB STIENS

For additional questions/concerns, please send an email to:

[scebusinesscustomerevents@sce.com](mailto:scebusinesscustomerevents@sce.com)



# SUMMER RELIABILITY PROGRAMS DEMAND RESPONSE UPDATE

**ERICA KEATING**  
Principal Manager  
Demand Response Products

**Portfolio**

**Performance**

**Proposals**



## **Objective:**

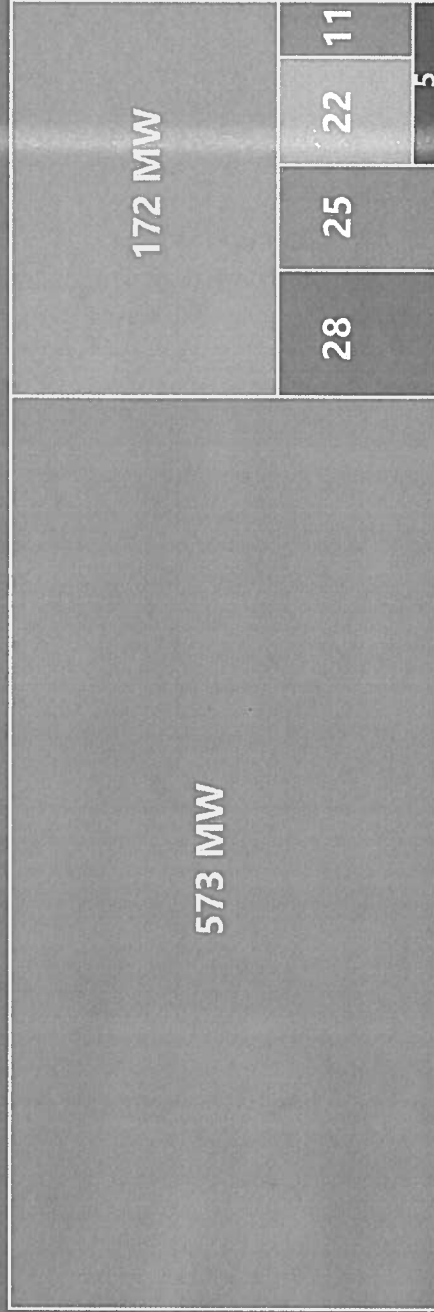
Provide update on Demand Response activities in response to the Reliability concerns in 2021 and beyond

## **Agenda:**

- SCE's Demand Response Portfolio Significantly Delivered in 2020
- SCE's Portfolio
- 2020 Emergency Response
- SCE's Reliability Proposals for 2021 & 2022
- Next Steps

# SCE's DR Portfolio

- SCE maintains a robust DR portfolio approximately over 830 MW Peak Load Reduction
- ~250,000 customers participate in dispatchable programs representing 816MW
- ~241,000 on load modifying programs (CPP & RTP) representing 5MW
- Business Customer participation represents over 75% of our available DR load reduction
- Two separate and significant electric system emergencies occurred weeks apart
- Over a period of 8 days in August and September, SCE managed over 80 DR program dispatches, including Local Capacity Resources (LCR)

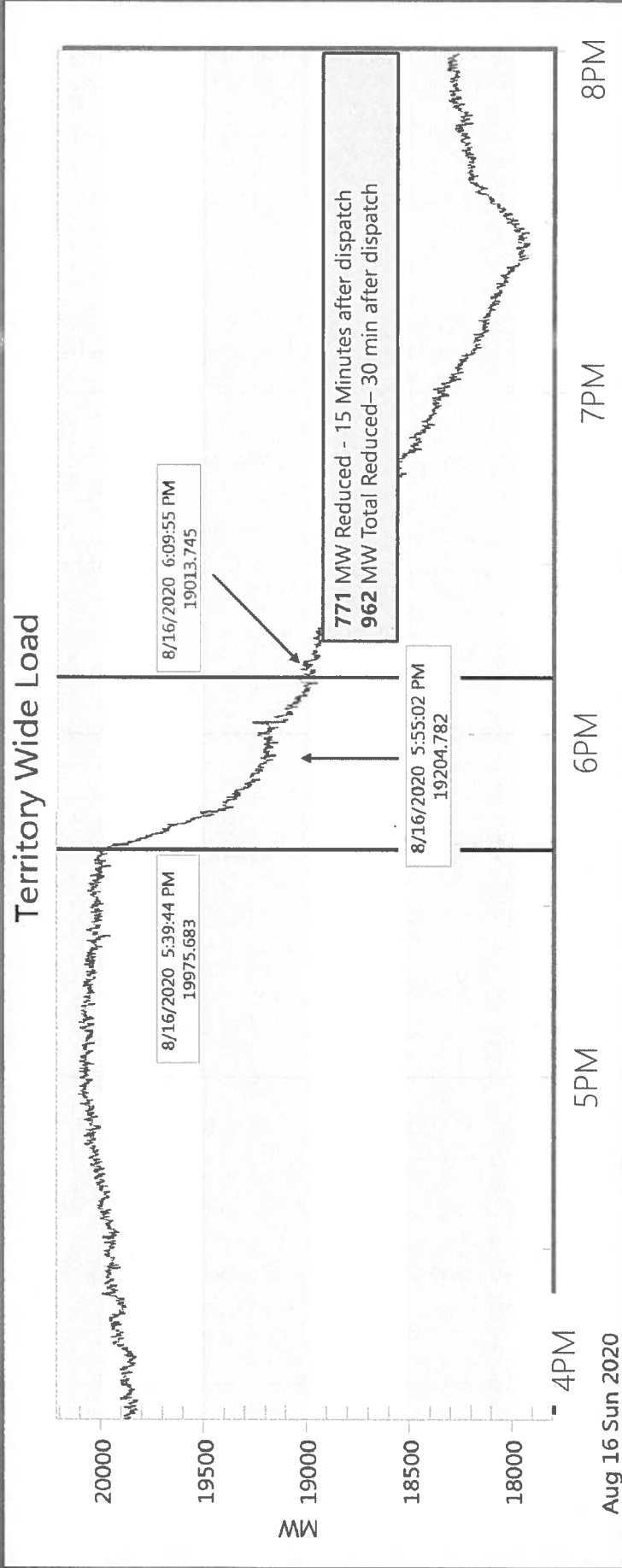


- Agricultural & Pumping Interruptible Program
- Base Interruptible Program
- Summer Discount Plan Residential
- Summer Discount Plan Commercial
- Smart Energy Program
- Capacity Bidding Program
- Critical Peak Pricing

Does not include OBMC (15MW) and RTP  
 Data Source: SCE I.P. and DRP Report for September 2020; Ex Ante IAV

# Sunday, August 16, 2020 Event Performance <sup>1</sup>

Daily High Temperature (San Dimas<sup>2</sup>): 98 of  
Temperature at 5:40 PM: 88 of

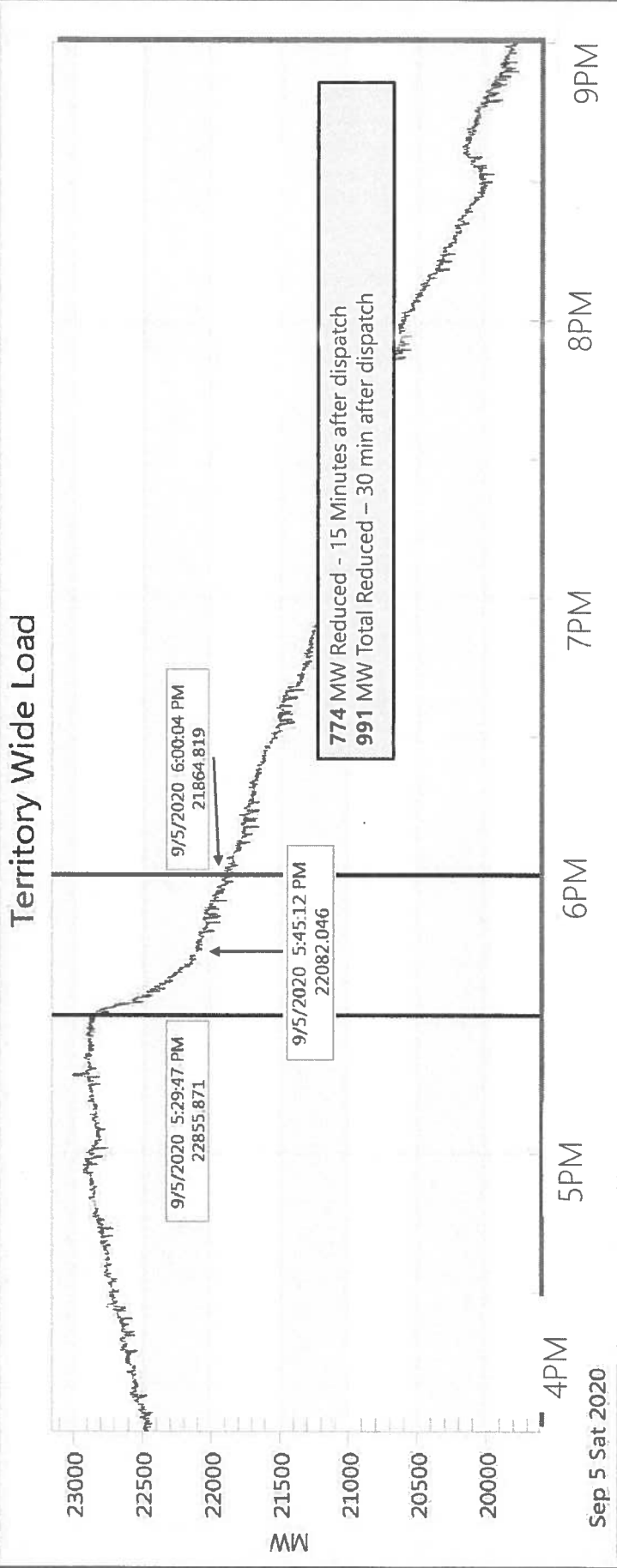


<sup>1</sup> Supervisory control and data acquisition (SCADA) is a control system utilized to demonstrate load reduction. Load reduction graphs are intended to be illustrative of performance; however meter data at the individual service account level determines the actual and verified MW load reduction during events.

<sup>2</sup> San Dimas temperature used as a proxy average for the SCE territory.

# Saturday, September 5, 2020 Performance<sup>1</sup>

Daily High Temperature (San Dimas<sup>2</sup>): 113 °F  
Temperature at 4:00 PM: 111 °F



<sup>1</sup> Supervisory control and data acquisition (SCADA) is a control system utilized to demonstrate load reduction. Load reduction graphs are intended to be illustrative of performance; however, meter data at the individual service account level determines the actual and verified MW load reduction during events.

<sup>2</sup> San Dimas temperature used as a proxy average for the SCE territory.

# SCE's Commercial (DR) Proposals

All proposals are contingent upon final CPUC approval

- Out-of-market, non-RA DR Pilot
- Aggregator or direct customer participation with 200 kW minimum usage requirement (individual SA or total aggregated)
- Monthly nomination after enrollment
- Enrollment will begin approximately May 1<sup>st</sup> dependent upon timing of final CPUC decision (*enrollment and participation processes to be communicated when approved and finalized*)
- Demonstrated load reductions will be paid \$0.75/kWh. No penalties for non-performance; incentives paid at the end of the summer season (approx. Oct / Nov) using a 10 in 10 calendar baseline with 40% day of adjustment. Minimum performance requirement of 50% of nomination with payment capped at 200%
- Event notification will be either day-ahead or day-of, depending on system conditions and needs
- Proposed allowance of Prohibited Resource utilization during events
- Proposed dual participation with BIP

## Emergency Load Reduction Program (ELRP) Pilot

## Agricultural & Pumping Interruptible Program (AP-I) and Base Interruptible Program (BIP)

- Allow year-round enrollment
- Request temporary exemptions from the current Prohibited Resources provisions until the emergency circumstances contemplated in this rulemaking are resolved
- Increase BIP incentives by 20%
- Eliminate the two percent reliability cap in lieu of DR Maximum Cumulative Capacity Bucket percentages

## Automated Demand Response (ADR)

- Remove 60/40 incentive payment split and provide customers 100% of eligible incentive payment
- Increase enrollment requirement from three years to five years
- Allow customers enrolled in ELRP and BIP to be eligible for ADR incentives

## Capacity Bidding Program (CBP)

- Propose a 20% increase to capacity rates

### Miscellaneous Items:

- Launch an educational campaign for **Critical Peak Pricing (CPP)** customers to improve their CPP performance
- Propose upgrades to SCE's DR systems and technology infrastructure to better support future grid emergencies.

## Next Steps:

- ✓ Scoping ruling received from the Energy Division 12/18/2020
- ✓ Briefed and received support from CSRP BRC Team 1/11/2021
  - Gain support from the CSRP and RSO team to help assess the initiatives the DR team are proposing in preparation for summer of 2021
- ✓ Filed proposals 1/11/2021
- ✓ Filed a motion for permission to open a memo account to track costs incurred prior to approval
- CPUC proposed decision ~ mid-March 2021
  - All proposals are dependent upon CPUC final approval
  - CPUC may issue directives outside or modifications to SCE's proposals
- CPUC Final decision March – April 2021



# QUESTIONS FOR ERICA KEATING

For additional questions/concerns, please send an email to:  
[scebusinesscustomerevents@sce.com](mailto:scebusinesscustomerevents@sce.com)



# RATES AND REGULATORY

**ROB THOMAS**

Director  
Pricing, Design and Research

**2021 System Average  
Rate Forecast**

**Demand Response (DR)  
OIR**

**Pathway 2045 Rate  
Options**

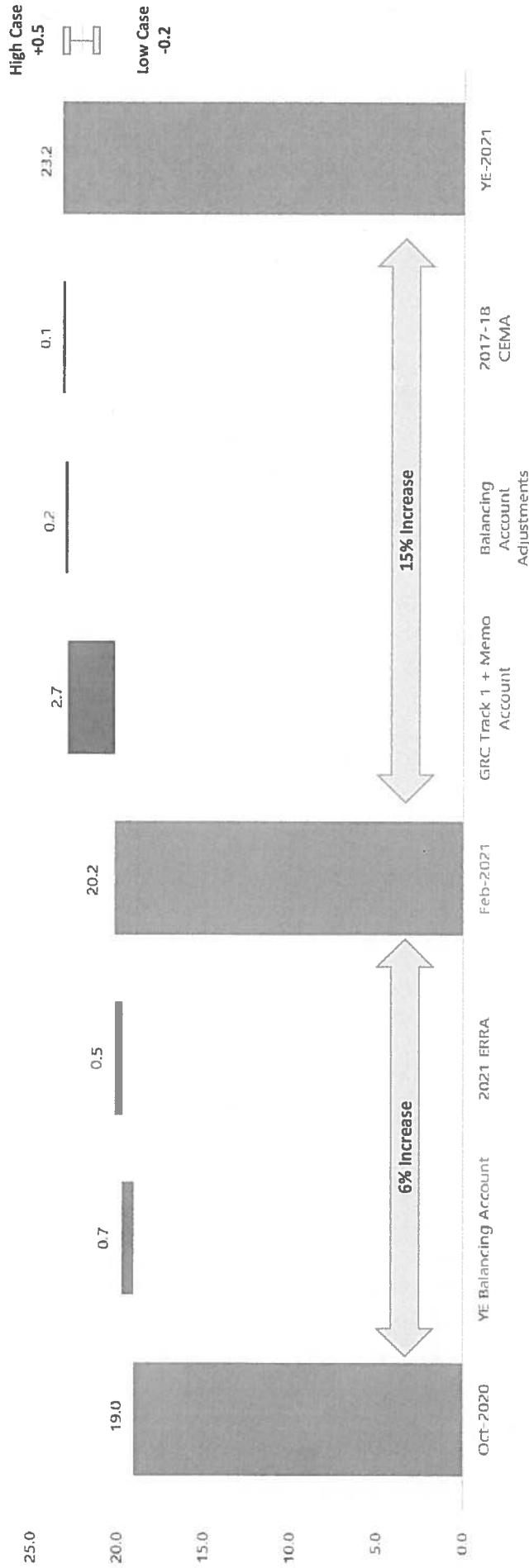


# 2020-2021 System Average Rate Forecast

## - Bundled Service (cents/kWh) | Rate Levels exclude EITE & Climate Dividend

Preliminary rate levels are estimated based on SCE's latest forecast and are subject to change based on future CPUC decisions in various proceedings & market

Approved revenue requirement changes marked in green; Pending revenue requirement changes marked in blue.  
*Due to rounding, SARs may not sum up.*



# Key Rate Filings

## AB 1054 Securitization

- *Approved and scheduled for June 2021 rate implementation*
- AB 1054 legislation authorizes a new fund to facilitate payment of wildfire-related liabilities from wildfires in 2017 and 2018
- SCE requested authority to finance \$327M of its wildfire-related capital expenditures from 2018-2020 through issuance of recovery bonds
- 2021 revenue requirement increase of approximately \$24M or 0.03 cents/kWh
- This method of financing saves SCE customers about \$53M over 18 years

## 2021 ERRA Forecast

- *Approved and scheduled for Feb 1, 2021 rate implementation*
- Fuel and purchased power (F&PP) revenue requirement of \$4.53B (\$242.6M less than the 2020 F&PP revenue requirement in rates today) will take effect on Feb 1, 2021.
- A 10% decline in bundled sales results in an increase to the bundled system average rate
- 2021 semi-annual residential California Climate Credit forecasted to be \$29 (reduced from \$37 in 2020)

## 2021 GRC Phase 1

- *Decision expected Q1/Q2 2021*
- SCE's requests include increase in funding related to reducing the risk of wildfires associated with replacing old equipment and updating our system to avoid outages and prepare for more clean and distributed energy resources in the state

# 2020-2021 Class Average Rates

- Bundled Service (cents/kWh) | Rate Levels exclude EITE & Climate Dividend

		BUNDLED SERVICE		
		Oct 2020	Feb 2021	% Change (Oct-Feb)
<b>Residential</b>	<b>Domestic</b>	22.2	23.0	3.5%
Small C&I (< 20 kW)	TOU-GS-1	20.2	21.9	8.5%
Traffic Control	TC-1	21.7	23.5	8.3%
Medium C&I (20 kW - 200 kW)	TOU-GS-2	20.3	21.9	7.7%
Medium C&I (200 kW - 500 kW)	TOU-GS-3	18.1	19.6	8.5%
<b>Total Lighting/Small/Medium C&amp;I</b>	<b>Sm. and Medium Comm.</b>	<b>19.8</b>	<b>21.4</b>	<b>8.3%</b>
Large C&I (Sec)	TOU-8-Sec	16.2	17.1	5.8%
Large C&I (Pri)	TOU-8-Pri	14.7	15.4	5.3%
Large C&I (Sub)	TOU-8-Sub	10.0	10.8	8.3%
<b>Total Large C&amp;I</b>	<b>Large Power</b>	<b>14.1</b>	<b>15.0</b>	<b>5.9%</b>
Small Ag & Pump (<200 kW)	TOU-PA-2	17.2	18.5	7.0%
Large Ag & Pump (≥ 200 kW)	TOU-PA-3	14.4	15.7	8.7%
<b>Total Ag &amp; Pumping</b>	<b>Ag. and Pumping</b>	<b>16.0</b>	<b>17.2</b>	<b>7.6%</b>
<b>Total Street &amp; Area Lighting</b>	<b>St. and Area Lighting</b>	<b>19.9</b>	<b>24.0</b>	<b>20.8%</b>
Standby (Sec)	STANDBY/SEC	16.2	16.8	3.5%
Standby (Pri)	STANDBY/PRI	16.2	17.4	7.2%
Standby (Sub)	STANDBY/SUB	10.5	11.0	4.6%
<b>Total Standby</b>	<b>Standby</b>	<b>11.9</b>	<b>12.4</b>	<b>4.5%</b>
<b>Total</b>	<b>Total</b>	<b>19.0</b>	<b>20.2</b>	<b>6.2%</b>

# 2020-2021 Class Average Rates

- Unbundled Service (cents/kWh) | Rate Levels exclude EITE & Climate Dividend

	UNBUNDLED SERVICE (Pre-2009 Vintage)			UNBUNDLED SERVICE (2009-2017 Vintage)			UNBUNDLED SERVICE (Post-2018 Vintage)		
	Oct 2020	Feb 2021	% Change (Oct-Feb)	Oct 2020	Feb 2021	% Change (Oct-Feb)	Oct 2020	Feb 2021	% Change (Oct-Feb)
	Unbundled Service rates reflect SCE's Delivery and Cost Responsibility Surcharge (CRS) costs; but exclude Generation costs.								
Residential	12.2	13.7	12.1%	15.5	16.6	7.0%	15.5	16.6	6.8%
Small C&I (< 20 kW)	9.8	12.2	23.6%	12.3	14.2	15.8%	12.4	14.4	16.8%
Traffic Control	13.4	15.8	17.2%	15.5	17.8	14.9%	15.6	17.8	14.6%
Medium C&I (20 kW - 200 kW)	9.2	11.5	24.4%	11.7	13.3	14.2%	11.9	13.8	16.2%
Medium C&I (200 kW - 500 kW)	8.1	10.0	23.8%	10.3	11.7	13.1%	10.5	12.2	15.9%
Total Lighting/Small/Medium C&I	9.0	11.1	23.8%	11.3	12.9	14.0%	11.5	13.3	16.1%
Sm. and Medium Comm.									
Large C&I (Sec)	7.6	9.1	19.8%	9.7	10.7	10.5%	9.9	11.2	13.5%
Large C&I (Pri)	6.8	8.2	20.5%	8.8	9.7	10.6%	9.0	10.2	14.3%
Large C&I (Sub)	3.4	4.4	28.3%	5.3	5.8	10.5%	5.4	6.4	18.0%
Total Large C&I	5.9	7.1	20.8%	7.8	8.6	10.2%	8.0	9.2	14.2%
Large Power									
Small Ag & Pump (<200 kW)	8.2	10.5	28.8%	10.5	12.6	20.3%	10.5	12.7	20.5%
Large Ag & Pump (≥ 200 kW)	6.7	8.4	25.7%	8.7	10.4	19.4%	8.8	10.5	19.0%
Total Ag & Pumping	7.4	9.5	27.7%	9.6	11.5	20.1%	9.7	11.6	20.1%
Ag. and Pumping									
Total Street & Area Lighting	21.4	22.3	4.2%	22.9	24.2	5.6%	23.0	24.2	5.2%
St. and Area Lighting									
Standby (Sec)	9.0	10.4	15.1%	10.8	12.5	15.8%	11.3	12.3	9.0%
Standby (Pri)	8.0	9.1	13.3%	9.9	10.7	8.9%	10.3	11.0	7.1%
Standby (Sub)	4.6	5.1	10.7%	6.3	6.7	5.1%	6.7	7.0	5.1%
Total Standby	5.9	6.5	10.7%	7.6	8.1	6.1%	8.0	8.4	5.4%
Standby									
<b>Total</b>	<b>8.8</b>	<b>10.3</b>	<b>16.8%</b>	<b>11.0</b>	<b>12.1</b>	<b>10.0%</b>	<b>11.4</b>	<b>12.9</b>	<b>12.9%</b>

## **Demand Response (DR) OIR**

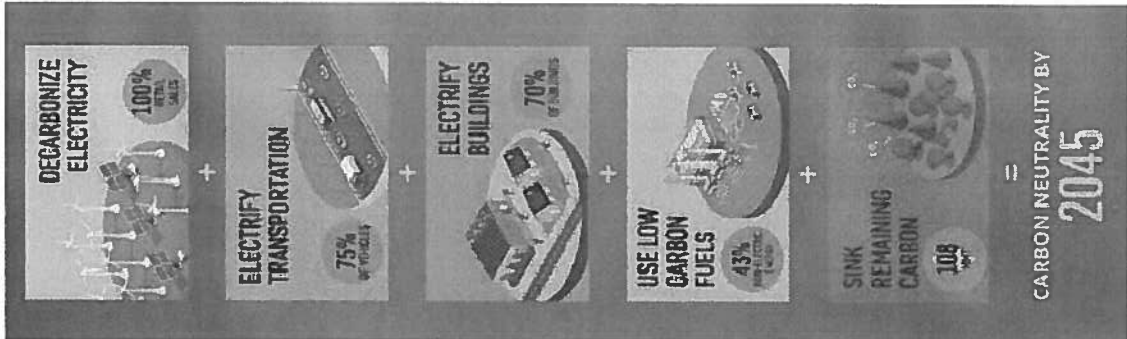
- R. 20-11-003

### **Purpose**

- Identify all actions within Commission authority that could be adopted by April 2021 and implement before or during Summer 2021 to decrease energy demand and increase supply during peak demand hours of heat storms

### **DR Proposals filed by SCE on Jan 11, 2021**

- Increase Base Interruptible Program (BIP) incentives by 20%
- Increase residential Summer Discount Program (SDP) program incentives to up to \$175/year
- Increase Capacity Bidding Program (CBP) rates by 20%
- Emergency Load Reduction Program (ELRP) pilot
- Year-round enrollment in BIP and AP-I programs
- Allow customers eligible for Medical Baseline allocation to participate in the Summer Energy Program (SEP)
- Consider removal of CCA exclusion from SEP participation



# Pathway 2045 Rate Options

SCE Supports California Climate Goals With New Electrification Pathway to 2045\*

## RESIDENTIAL

- **TOU-D-PRIME**
  - “Whole-House” rate designed for high-energy use households with an EV, residential battery, or heat pump; provides favorable day- and night-time pricing for EV charging

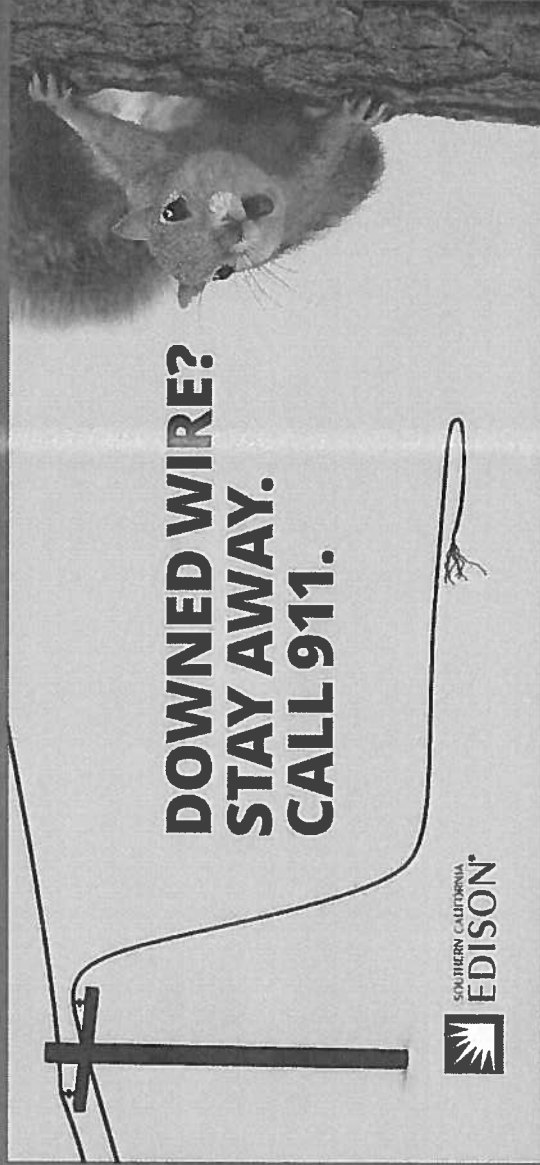
## NON-RESIDENTIAL

- **TOU-EV-7 / TOU-EV-8 / TOU-EV-9**
  - Rates designed exclusively for EV charging; features no demand charges during the first five years (from 2019-2023)
- **Option ES**
  - Rate for small business customers with behind-the-meter energy storage
- **Option E**
  - Rate for low-energy use or energy storage customers; recovers more costs via energy charges, with lower demand charges relative to Option D
- **Option D**
  - Rate for high-energy use customers; reflects lower energy charge for high volume customers


\*Whitepaper available at <http://edison.com/pathway2045>



**THANK YOU**



**DOWNED WIRE?  
STAY AWAY.  
CALL 911.**



# APPENDIX

Energy for What's Ahead®





# Demand Response Proposal & Forecast Summer 2021 & 2022

- Existing portfolio estimates assume maximum potential using September ex ante values with November 2020 enrollment
  - Excludes Real Time Pricing (RTP) and Optional Binding Mandatory Curtailment (OBMC) programs, which are not dispatchable
- Estimates for portfolio growth assumes activities performed through 2022
- Proposals and estimates contingent upon CPUC final approval

Resource	MW Low	MW High
<b>* Maintain *</b>		
Existing Portfolio (PY 2019 September Load Impact Peak Demand (Max Potential) based on Nov 2020 enrollment volumes)	839	839
<b>* Grow *</b>		
Commercial Proposals		
<b>Base Interruptible Program &amp; Agricultural Pumping Interruptible Program</b>		
Allow year-round enrollment		
Prohibited Resource rule exemption	40	60
Eliminate two percent reliability cap		
Increase incentives		
<b>Emergency Load Shed (New Program)</b>	90	200
<b>Residential Proposals</b>		
<b>Summer Discount Plan New Enrollment Campaign</b>		
New enrollee sign up bonus	7	13
Increase incentives		
Increase dispatch flexibility		
<b>Smart Energy Program New Enrollment Campaign</b>		
Increase eligibility – Remove Medical Baseline (2021) and Allow Unbundled	6	23
Leverage IDSM activities		
<b>Virtual Power Plant Pilot Expansion</b>	5	8
<b>* Optimize *</b>		
<b>DR Website and DR Mobile App Enhancements (Residential &amp; Commercial)</b>		
<b>Critical Peak Pricing marketing and education campaign (Commercial)</b>		
<b>Automated Demand Response (ADR or AutoDR) (Commercial)</b>		
Remove 60-40 Incentive Payment Split		
Increase enrollment requirement to 5 years		
Allow ELRP and BIP to receive ADR incentives		
<b>Capacity Bidding Program (Residential &amp; Commercial)</b>		
Residential eligibility (Residential)		
Increase capacity rates		
<b>Incremental MW</b>	<b>148</b>	<b>304</b>
<b>Total Portfolio Potential MW:</b>	<b>987</b>	<b>1,143</b>

# SCE's Residential DR Proposals

All proposals are contingent upon final CPUC approval

## Smart Energy Program (SEP)

- Evaluate offering SEP to all residential customers for summer of 2022, rather than only bundled customers
- Revise the Medical Baseline prohibition to those with a medical need for air conditioning
- Optimize new acquisition opportunities through customized and targeted marketing and leveraging Integrated Demand Side Management (IDSMS) opportunities

## Summer Discount Plan (SDP)

- Increase residential bill credits (incentives) by 25% from current levels (from \$140 to \$175)
- Offer a sign-up bonus of \$50 for up to 30,000 accounts (for each year; 2021 and 2022)
- Remove the minimum economic dispatch requirement and preserve the maximum of 20 economic dispatch hours annually

## Virtual Power Plant (VPP)

- Extend and expand pilot to acquire additional vendors and customers

## Capacity Bidding Program (CBP)

- Expand program to residential customers

# SCE's Demand Response Legacy Program Overview

Program Name	Description	Program Type	Customer Type	Customer Eligibility	Enrolled Customers (Service Accts)
<b>Agricultural and Pumping Interruptible Program (API)</b>	A capacity DR program where agricultural and pumping customers receive year-round monthly bill credits for allowing SCE to interrupt their electric service temporarily. SCE transmits a signal to a control device installed on the customer's pumping equipment, automatically turning off the total load served for the duration of the event.	Reliability	Agricultural & Pumping	All (bundled & CCA/DA)	1,010
<b>Base Interruptible Program (BIP)</b>	A capacity DR program where large commercial and industrial customers can receive year-round monthly bill credits for reducing their facility's energy usage to a pre-determined level (e.g. firm service level or FSL) within 15- or 30- minutes notice.	Reliability	Large Commercial & Industrial	All (bundled & CCA/DA)	471
<b>Summer Discount Plan Program – Commercial (SDP-C) and SDP-Residential (SDP-R)</b>	A capacity DR program where non-residential and residential customers receive a monthly bill credit during the summer months for allowing SCE to interrupt the customer's air conditioner temporarily when events are called. SCE transmits a signal to a control device installed on the customer's (A/C) unit, automatically turning off the A/C's compressor for the duration of the event.	Reliability & Economic	Residential	All (bundled & CCA/DA)	191,356
			Commercial		8,157
<b>Smart Energy Program (SEP)</b>	A capacity DR program where SCE's residential customers (Bundled Customers) receive a monthly bill credit during the summer months for allowing SCE to modify the temperature setting of the customer's programmable communicating thermostat (PCT).	Reliability & Economic	Residential	Bundled Only	50,611
<b>Capacity Bidding Program Day-Ahead product (CBP-DA) and Day-Of product (CBP-DO)</b>	A flexible bidding program that pays customers capacity and energy payments for reducing energy when energy prices are high (energy payments are only eligible if events are called). Customers can either self-aggregate or participate through a third-party DR aggregator. If participating through a third-party DR aggregator, customer's participation and incentives are provided by the DR aggregator	Economic	Commercial, Industrial, & Agricultural	All (bundled & CCA/DA)	382
					444
<b>Critical Peak Pricing (CPP)</b>	A dynamic pricing rate in which customers can receive monthly bill credits from June through September when they reduce energy usage during a CPP event. Customers pay a higher energy rate for energy usage during a CPP event.	Load Modifying	Residential, Commercial, Industrial, & Agricultural	Bundled Only	241,837

<sup>1</sup> Source: R1309011 SCE Monthly ILP and DR Report 202008; Nov 2020

# 2020-2021 Rate Changes

Rate Implementation Date	Key Rate Change Components	Rate Proceeding Status	Revenue Requirement (\$M)
Oct. 1, 2020 (Implemented)	<ol style="list-style-type: none"> <li>Wildfire – Grid Safety &amp; Resiliency Program (GSRP)</li> <li>Wildfire Expense Memorandum Account (WEMA) *</li> </ol>	<p>Approved</p> <p>Approved</p>	<p>+\$160M</p> <p>+\$252M</p>
Feb. 1, 2021 (Scheduled)	<ol style="list-style-type: none"> <li>Year-End Revenue &amp; GRC Balancing Accounts</li> <li>2021 ERRR Forecast</li> <li>FERC Base Transmission + Balancing Accounts</li> </ol>	<p>Approved</p> <p>Approved</p> <p>Approved</p>	<p>+\$633M</p> <p>-\$243M</p> <p>+\$99M</p>
By YE 2021 (Anticipated)	<ol style="list-style-type: none"> <li>2021 GRC Track 1 + Memo Account</li> <li>Balancing Account Adjustments</li> <li>2017-18 CEMA</li> </ol>	<p>Pending</p> <p>Pending</p> <p>Pending</p>	<p>+\$1,900M</p> <p>+\$161M</p> <p>+\$92M</p>

\* WEMA recovers additional insurance related to the wildfires. Based on 24-months amortization.

# Glossary of Acronyms

**AB** = Assembly Bill

**BIP** = Base Interruptible Program

**CEMA** = Catastrophic Event Memorandum Account

**CBP** = Capacity Bidding Program

**CPUC/Commission** = California Public Utilities Commission

**D** = Decision

**DR** = Demand Response

**EITE** = Emissions Intensive and Trade Exposed

**ELRP** = Emergency Load Reduction Program

**ERRA** = Energy Resource Recovery Account

**FERC** = Federal Energy Regulatory Commission

**GRC** = General Rate Case

**GSRP** = Grid Safety & Resiliency Program

**kWh** = kilowatt hour

**OIR** = Order Instituting Rulemaking

**R** = Resolution

**SAR** = System Average Rate

**SCE** = Southern California Edison

**SDP** = Summer Discount Program

**SEP** = Summer Energy Program

**TOU** = Time of Use

**WEMA** = Wildfire Expense Memorandum Account

**YE** = Year-End