Michael A. Backstrom
Vice President
Regulatory Affairs

March 14, 2022

Caroline Thomas Jacobs, Director
Office of Energy Infrastructure Safety
300 Capital Mall, Suite 500
Sacramento, CA 95814

Docket Number #: 2022-EC

SUBJECT: 2022 Executive Compensation Submission of Southern California Edison Pursuant to Assembly Bill 1054

Dear Director Thomas Jacobs:

In response to the February 14, 2022 Executive Compensation Structure Submission Guidelines (2022 Guidelines), Southern California Edison Company (SCE) hereby submits its 2022 Executive Compensation Structure approval request. The attached Required Information Template and supplemental Attachment A address SCE's compensation for executive officers, including how the compensation is determined and how the structure of SCE's executive compensation program is aligned with §8389(e) of the Public Utilities Code and the majority of elements in the Assigned Commissioner's Ruling, Proposal 9 for Pacific Gas and Electric Company. Please feel free to contact me if you should have any questions or require additional information.

Sincerely,

//s//
Michael A. Backstrom
Vice President
Regulatory Affairs

Pub. Util. Code § 8389(e)(4): Sections 1-4

To aid Energy Safety in assessing compliance with Pub. Util. Code § 8389(e)(4), electrical corporations must complete Sections 1-4 below for all executive officers as defined in Pub. Util. Code § 451.5(c).

Section 1: Incentive Compensation Components

Rationale: Pub. Util. Code § 8389(e)(4) requires that electrical corporations' executive incentive compensation structures include "incentive compensation based on meeting performance metrics that are measurable and enforceable, for all executive officers... ." To evaluate an electrical corporation's compliance with this requirement, Energy Safety needs to know: (a) who are the electrical corporation's executive officers and (b) what incentive compensation structure exists.

Definition: "Executive officer" is defined in Pub. Util. Code § 451.5(c) and "means any person who performs policy making functions and is employed by the public utility subject to the approval of the board of directors, and includes the president, secretary, treasurer, and any vice president in charge of a principal business unit, division, or function of the public utility." Energy Safety considers divisions or units responsible for electrical operations, gas operations or wildfire-related functions principal business units, divisions or functions of the public utility.

Instructions: In Table 1.1, for each executive officer subject to the executive compensation filing requirements, provide the executive title and function, the executive name (if the executive is classified as an Officer of the Company per the Company's website), the target percentage of Short-Term Incentives (STIP) and Long-Term Incentives (LTIP) as a proportion of Total Incentive Compensation (TIC) for the appropriate 2022 filing year. See the definition of the proceeding terms in **Attachment 2**.

For purposes of calculating the percentage of TIC, use the grant value of the compensation as determined for accounting purposes. Grant value is the value that is disclosed in proxy statement summary compensation tables for executive officers who are proxy officers. Percentages must be specified for each executive officer and not a range for various position levels.

Table 1.1
Incentive Compensation at the Target Level

Executive Title/ Function and Name (where applicable)	Target STIP as a Percent of TIC	Target LTIP as a Percent of TIC
Electrical Corporation Actual Data		
SCE President and Chief Executive Officer – Steven D. Powell	26.6%	73.4%
SCE Executive or Senior Vice President	34.3%	65.7%
SCE Executive or Senior Vice President	37.9%	62.1%
SCE Executive or Senior Vice President	36.7%	63.3%
SCE Executive or Senior Vice President	34.6%	65.4%
SCE Executive or Senior Vice President	33.3%	66.7%

Section 2: Executive Officer Exclusion Rationale

Rationale: Pub. Util. Code § 8389(e)(4) requires that electrical corporations' executive incentive compensation structures include "incentive compensation based on meeting performance metrics that are measurable and enforceable, for all executive officers... ." To ensure incentive compensation is used for all executive officers, Energy Safety must understand why certain top-level officials do not fit within the definition of "executive officers" as defined in Pub. Util. Code § 451.5(c).

Instructions: For the purpose of completing Table 2.1, include all the positions of the highest three tiers of the executives or officers of the electrical corporation that do not fit within the definition of "executive officers" as defined in Pub. Util. Code § 451.5(c). For those positions, provide a simple explanation regarding why the executives holding those positions are not considered "executive officers" as set forth in Pub. Util. Code § 451.5(c). Examples:

- This position does not perform policy making functions.
- This position is not employed by the public utility.
- This position is not subject to approval of the board of directors.

Table 2.1
Pub. Util. Code § 451.5(c) Exclusion Rationales

Electrical Corporation Actual Data*	
SCE Senior Vice President, Corporate Affairs	This individual is not in charge of a *principal* business unit, division, or function of SCE and does not otherwise perform a policy-*making* function
SCE Senior Vice President, Human Resources	This individual is not in charge of a *principal* business unit, division, or function of SCE and does not otherwise perform a policy-*making* function
SCE Senior Vice President and Chief Information Officer	This individual is not in charge of a *principal* business unit, division, or function of SCE and does not otherwise perform a policy-*making* function

* The three highest tiers of executives or officers of SCE are:

1. President and Chief Executive Officer
2. Executive Vice President
3. Senior Vice President

With the exception of the Senior Vice Presidents listed in Table 2.1, all of SCE's executives and officers in these three highest tiers are "executive officers" of SCE as defined Pub. Util. Code § 451.5(c). None of SCE's executives or officers below these three highest tiers are "executive officers" of SCE as defined Pub. Util. Code § 451.5(c). See pages 2-4 of the October 15, 2021 letter from SCE to Energy Safety (Southern California Edison Company's Comments on September 29, 2021 Executive Compensation Guidance Workshop) for additional information regarding the determination of "executive officers," including the exclusion of SCE's Secretary and Treasurer, both of whom are below the Senior Vice President level and therefore are not addressed in Table 2.1.

Section 3: Short-Term Incentive Program (STIP)

Rationale: Pub. Util. Code § 8389(e)(4) requires that electrical corporations' executive incentive compensation structures are "structured to promote safety as a priority and to ensure public safety and utility financial stability with performance metrics, including incentive compensation based on meeting performance metrics that are measurable and enforceable, for all executive officers… ." To ensure that the executive compensation structure for electrical corporation executive officers is structured to promote safety as a priority and ensure public safety and utility financial stability, Energy Safety must have an in-depth understanding of:

- The performance-based components of an executive compensation structure.
- How that structure is promoting safety.
- How effective metrics are in changing safety and financial outcomes.
- How adjustments to metrics are tied to performance.

Instructions: The STIP includes all performance-based compensation awarded on a performance term of less than three years. If the electrical corporation uses more than one short-term incentive mechanism, repeat this information for each mechanism (e.g., Quarterly and Annually).

Section 3a: STIP Structure

Instructions: Provide the requested 2022 STIP information regarding payment type, triggers, deductions, the use of performance individual performance modifiers, the use of company performance modifiers, the use of thresholds, targets, and maximums and the associated percentages, and how performance between categories is interpolated.

i) **STIP Payment Type** (check one):

Cash: ☒ Other: ☐

If other, please describe:

ii) **Use of Any Performance Triggers**

Does the electrical corporation's 2022 STIP use any performance triggers (e.g., must achieve annual earnings per share of at least XYZ before any STIP payments are made)? Check one:

Yes: ☒ No: ☐

If "Yes", please describe any performance triggers:

Performance triggers are an aspect of our foundational goals and core earnings goal. Foundational goals are a deduct-only category. Safety and compliance are foundational and events such as fatalities or significant non-compliance issues can result in meaningful or full elimination of short-term incentive compensation ("STIP"), depending on the severity of the lapse, as determined by the Compensation and Executive Personnel Committee of the SCE Board of Directors ("Compensation Committee"). The Compensation Committee has exercised its authority in this area multiple times to reduce STIP awards for safety performance, including eliminating STIP awards for 2018 for certain executive officers in light of the impact of wildfires on SCE's service area. The core earnings goal provides that the STIP payout may be zero if core earnings fall below the threshold level.

iii) **Use of Any Automatic Deductions**

Does the electrical corporation's 2022 STIP have any automatic deductions (e.g., failure to achieve WMP targets results in X% reduction, catastrophic wildfire results in zeroing out all safety metrics)? Check one:

Yes: ☒ No: ☐

If "Yes", please describe all automatic deductions:

See Section 3a.ii for the criteria for deductions under the STIP.

iv) **Use of a Performance Range - 2021**

Were the 2021 STIP payouts based on a performance range (i.e., below minimum/threshold, minimum/threshold, target, maximum)? Check one:

Yes: ☒ No: ☐

Did the electrical corporation use one range for all 2021 STIP metrics or differing ranges based on the category of metric)? Check one:

One range for all metrics: ☐ Multiple ranges: ☒

Provide the 2021 STIP metric performance range(s):

Table 3a.1
2021 STIP Metric Performance Range(s)

	Below Minimum	Minimum	Target	Maximum
Electrical Corporation Actual Data				
Foundational Goals*	Up to -100%	N/A	N/A	N/A
Core Earnings Goal*	-100%	0%	100%	200%
Other Performance Goals*	0%	0%	100%	200%

Describe the interpolation method between categories (e.g., straight line):

*As discussed above in Section 3a.ii, the Compensation Committee established certain safety and compliance goals that it views as foundational. Significant lapses can result in either a reduction or an elimination of STIP awards for all or some plan participants, depending upon severity, as determined by the Compensation Committee.

For the core earnings goal, performance between the specified levels (Unmet/Minimum; Met/Target; and Exceeded/Maximum) is scored using linear interpolation. The core earnings goal is scored at zero for performance at or worse than Unmet/Minimum. In addition, the STIP payout may be zero if core earnings fall below Threshold. The Threshold level is set at 80% of the core earnings target, while the Unmet/Minimum level is set at 90% of the core earnings target.

For other quantitative performance goals that have specified Unmet/Minimum, Met/Target, and Exceeded/Maximum performance levels, scoring generally ranges from zero to 200% depending on performance relative to those levels. The Compensation Committee considers both what was accomplished and the manner in which it was accomplished, with significant weight given to the efficacy and prudency of the efforts as well as the absolute outcomes. See Section 3a.vi for more information about Compensation Committee discretion in determining STIP scoring and payouts.

v) Use of a Performance Range - 2022

Do the 2022 STIP payouts include a performance range (i.e., below minimum/threshold, minimum/threshold, target, maximum)? Check one:

Yes: ☒ No: ☐

Is the electrical corporation using one range for all 2022 STIP metrics or differing ranges based on the category of metric)? Check one:

One range for all metrics: ☐ Multiple ranges: ☒

Provide the 2022 STIP metric performance range(s):

Table 3a.2
2022 STIP Metric Performance Range(s)

	Below Minimum	**Minimum**	**Target**	**Maximum**
Electrical Corporation Actual Data				
Foundational Goals*	Up to -100%	N/A	N/A	N/A
Core Earnings Goal*	-100%	0%	100%	200%
Other Performance Goals*	0%	0%	100%	200%

Describe the interpolation method between categories (e.g., straight line):

*The explanation provided in Section 3a.iv also applies to this Table 3a.2.

vi) Use of Performance Modifiers

Does the electrical corporation's STIP involve the use of any of the following types of performance modifiers? If so, please describe.

Individual Performance Modifier:

Yes: ☒ No: ☐

If Yes, Describe and Quantify for Each Individual:

The 2022 STIP payout for an executive officer will equal the target payout for the executive officer established by the Compensation Committee times (i) the company multiplier determined by the Compensation Committee after assessing SCE's performance on 2022 goals and (ii) an individual performance modifier ("IPM") for the executive officer determined by the Compensation Committee based on its evaluation of the executive officer's 2022 performance. The range for the STIP payout is 0% to

200% of the target payout. The range for the IPM is 0% to 150%, although 125% is generally the ceiling for IPMs for executive officers.

Company Performance Modifier:

Yes: ☒ No: ☐

If Yes, Describe and Quantify:

As explained above, the 2022 STIP payout for an executive officer will equal the target payout for the executive officer established by the Compensation Committee times (i) the company multiplier and (ii) the IPM. The company multiplier is determined by the Compensation Committee after assessing SCE's performance on 2022 goals. The company multiplier applies to all employees, including executive officers and represented employees. The range for the company multiplier is technically 0% to 200%, but as noted above, the range for the STIP payout (after taking into account the company multiplier and the IPM) is 0% to 200% of the target payout. The Compensation Committee has discretion to make any adjustments within this range it deems advisable should circumstances warrant (see below for additional information about Compensation Committee discretion).

Board Discretion:

Yes: ☒ No: ☐

If Yes, Describe and Quantify:

SCE's Board of Directors has delegated authority and responsibility for the STIP to the Compensation Committee, which is composed solely of independent Board members who have significant experience and qualifications and bring a variety of perspectives to the Compensation Committee's deliberations. No officers or other employees serve on the Compensation Committee. The Compensation Committee retains an independent compensation consultant, Pay Governance, to assist in evaluating executive officer compensation.

At the Compensation Committee meeting in February following the end of the goal year, the Compensation Committee assesses all the representative success measures that were approved for the STIP at the beginning of the goal year, as well as other important activities and developments during the year.

The Compensation Committee evaluates the relative importance of the various success measures and scores the subcategories, depending on the extent to which the goals were Unmet, Met or Exceeded, to establish the company multiplier.

In the scoring process, the Compensation Committee considers both what was accomplished and the manner in which it was accomplished. The goals must be achieved while living the Company's values, which include safety. Significant consideration is given to the efficacy and prudency of the efforts and impacts from external events when evaluating absolute outcomes. Based on the judgment of the Compensation Committee, this may result in a score that varies from the target. The Compensation Committee can exercise discretion to reduce or increase STIP payouts within the range of zero to 200% of target should circumstances warrant.

Section 3b: 2021 STIP Metrics – Minimum, Target, Maximum and Actual

Instructions: Complete Table 3b.1 for the 2021 STIP metrics, adding lines as necessary. See **Attachment 3** for a discussion of categories and sub-categories. Add lines as needed.

Table 3b.1
2021 STIP – Minimum, Target and Maximum Versus Actual

Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
Electrical Corporation Actual Data									
Safety and Security	Public Safety, Employee Safety, and Cybersecurity	Foundational Goals[1]	Lagging Outcome	Deduct Only	N/A	No Deduction	N/A	Met- No Deduction	0
			Subtotal	Deduct only					0
Safety	Employee Safety	Employee Edison Electric Institute (EEI) SIF Rate	Lagging Outcome	10%	0.110	0.086	0.062	0.062	12
		Employee DART Injury Rate	Lagging Outcome		0.90	0.77	0.64	1.05	
		Enhanced Worker Safety Program	Activity-based[2]		N/A	N/A	N/A	N/A	

[1] The foundational goals had the following success measures: no employee fatalities; no serious injuries to public from system failure; no significant non-compliance events; and maintain effective controls and cybersecurity measures to prevent and mitigate significant disruption, data breach or system failure. See explanation provided in Section 3a.ii for additional information about potential deductions.

[2] Activity-based metrics are qualitative in nature

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Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
Safety	Public Safety	Public Awareness of Safety	Leading	6%	45%	47%	49%	52%	6
		Overhead Conductor Program	Leading		100	130	160	146	
		Vegetation Line Clearing	Leading		80%	85%	90%	79%	
Safety	Wildfire Resiliency	CPUC reportable ignitions in High Fire Risk Areas	Leading / Lagging Outcome[3]	20%	≤50	≤42	≤34	48	18
		Execute PSPS plan to enhance notifications and other capabilities	Activity-based[2]		N/A	N/A	N/A	N/A	
		Covered Conductor	Leading		1,000	1,400	1,800	1,454	
		Overhead Inspections and Remediations in HFRA	Leading		60%	70%	80%	74%	
		Hazard Tree & Drought Relief	Leading		85%	90%	95%	82%	
Security	Cybersecurity	Cyber Tools Saturation • Laptop/Desktop	Leading	4%	97%	98%	99%	99%	8
		• Servers			86%	90%	94%	95%	
		Mature Enterprise-wide Phishing Program	Leading		≤6%	≤4%	≤2%	0.64%	
			Subtotal	**40%**					**44**
Customer Service	Reliability	SAIDI, Repair	Lagging Outcome	2%	97	86	75	102	1
Customer Service	Satisfaction	Customer Service Re-Platform	Activity-based[2]	3%	N/A	N/A	N/A	N/A	4

[3] Ignitions is a lagging/outcome metric for reducing wildfire risk but a leading indicator for reducing public safety serious injuries and fatalities.

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Category	Sub-Category	Metric	Metric Type	Weight	Min	Target	Max	Actual Performance	Weighted Contribution
		Subtotal		**5%**					**5**
ESG	Policy	Policy Outcomes • WMP & Safety Certification • Cost Recovery • Clean Power	Activity-based[2]	10%	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	16
DEI		Improve internal /external diversity • Implement DEI Plan • Diverse Business Enterprise (DBE) spend	Activity-based[2] Lagging Outcome	4%	N/A 36%	N/A 38%	N/A 40%	N/A 38%	4
		Subtotal		**14%**					**20**
Other Operational		Safety and Resiliency Capabilities • Electric Asset Data • Critical Business Records • Field and Work Management Tools	Activity-based[2]	6%	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	5
Other Operational		Implement Contractor Management Plan	Activity-based[2]	4%	N/A	N/A	N/A	N/A	2
Other Operational		SONGS Decommissioning	Activity-based[2]	2%	N/A	N/A	N/A	N/A	2

Category	**Sub-Category**	**Metric**	**Metric Type**	**Weight**	**Min**	**Target**	**Max**	**Actual Performance**	**Weighted Contribution**
Other Operational		Execute grid, technology, electrification and improvements to deliver safe, reliable, clean and affordable energy for customers[4]	Activity-based[2]	4%	N/A	N/A	N/A	N/A	4
			Subtotal	**16%**					**13**
Financial	Core Earnings	Achieve SCE core Earnings[5]	Lagging Outcome	25%	$1,663 million	$1,848 million	$2,033 million	$1,943 million	38
			Subtotal	**25%**					**38**
			Total	**100%**					**120**

Note: The “Category” and “Sub-Category” categorization in Table 3b.1 reflects the Metric Categorization Requirements set forth in Attachment 3 of Energy Safety’s 2022 Executive Compensation Structure Submission Guidelines. SCE’s categorization of its 2021 goal categories, goals, and success measures is reflected in the 2021 Southern California Edison Goals table included in SCE’s March 1, 2021 Executive Compensation Supplemental Submission to the Wildfire Safety Division.

[4] Represents scope of executing SCE’s authorized capital plan, which is a measure of work performed, consistent with appropriate regulatory direction. Level of spend associated with the capital plan serves as a guide indicator of completion of scope. 2021 annual capital plan budget is $5.5 billion. Actual spend was 97% of capital plan ($5.4 billion) in 2021.

[5] There may be no payout on the entire STIP if performance falls at or below Threshold ($1,478 million).

Section 3c: 2022 Short-Term Incentive Program

Instructions: Complete Table 3c.1 for the 2022 STIP. Provide details of the STIP metrics and minimum, target and maximum performance values for the filing year. Add additional lines as needed.

Table 3c.1
2022 STIP Metrics

Class	Sub-Class	Metric	Metric Type	Weight	Min	Target	Max
Performance Range							
Safety and Security	Public Safety, Employee Safety, and Cybersecurity	Foundational Goals[6]	Lagging Outcome	Deduct Only	N/A	No deduct	N/A
			Subtotal	Deduct Only			
Safety	Employee Safety	Employee Edison Electric Institute (EEI) SIF Rate	Lagging Outcome	10%	0.087	0.072	0.058
		Employee DART Injury Rate	Lagging Outcome		1.13	0.98	0.84

[6] The foundational goals have the following success measures: no employee fatalities; no serious injuries to public from system failure; no significant non-compliance events; and maintain effective controls and cybersecurity measures to prevent and mitigate significant disruption, data breach or system failure. See explanation provided in Section 3a.ii for additional information about potential deductions.

Class	Sub-Class	Metric	Metric Type	Weight	Min	Target	Max
Safety	Public Safety &Wildfire Resiliency	CPUC reportable ignitions in High Fire Risk Areas	Leading / Lagging Outcome[7]	45%	49	41	33
		Covered Conductor	Leading		1,100	1,250	1,400
		Overhead Inspections and Remediations in HFRA	Leading		60%	70%	80%
		Vegetation Line Clearing	Leading		75%	80%	85%
		Public Safety Power Shutoff (PSPS): Reduced duration of customer PSPS outages	Leading		11%	17%	23%
		Public Safety Power Shutoff (PSPS): Customer notifications	Leading		91%	95%	99%
Security	Cybersecurity	Mature Enterprise-wide Phishing Program: • Click Rate	Leading		4%	3%	2%
		• Reporting Rate			31%	36%	41%
Other Operational	Quality	Sustain quality performance in key programs	Lagging Outcome		87%	90%	93%
Other Operational		Execute grid, technology, electrification and improvements to deliver safe, reliable, clean and affordable energy for customers[8]	Activity-based[9]		N/A	N/A	N/A
			Subtotal	55%			

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Class	Sub-Class	Metric	Metric Type	Weight	Min	Target	Max
Performance Range							
Customer Service	Reliability	SAIDI, Repair	Lagging Outcome	20%	110	98	86
Customer Service	Satisfaction	Billing & Payment (B&P) Net Score	Lagging Outcome		16	28	40
ESG	Clean Power	Transportation Electrification (TE) and Other Initiatives: • Transportation Electrification (TE) Light Duty Installs	Leading		800	1,000	1,200
		• TE Medium/Heavy Duty (MDHD) Conversions			365	460	555
		• Building Electrification Installs			5,500	7,000	8,500
		• Demand Response Resources			720	775	830
DEI		Build DEI action plans	Activity-based[9]		N/A	N/A	N/A
		Diverse Business Enterprise (DBE) spend	Lagging Outcome		30%	33%	36%
			Subtotal	20%			

[7] Ignitions is a lagging/outcome metric for reducing wildfire risk but a leading indicator for reducing public safety serious injuries and fatalities.
[8] Represents scope of executing SCE's authorized capital plan, which is a measure of work performed, consistent with appropriate regulatory direction. Level of spend associated with the capital plan serves as a guide indicator of completion of scope. 2022 annual capital plan budget is $6.2 billion.
[9] Activity-based metrics are qualitative in nature.

Class	Sub-Class	Metric	Metric Type	Weight	Min	Target	Max
Performance Range							
Financial	Earnings	Achieve SCE core earnings[10]	Lagging Outcome	25%	90% of Target	Core Earnings Goal[11]	110% of Target
			Subtotal	25%			
			Total	100%			

Note: The "Class" and "Sub-Class" categorization in Table 3c.1 reflects the Metric Categorization Requirements set forth in Attachment 3 of Energy Safety's 2022 Executive Compensation Structure Submission Guidelines. SCE's categorization of its 2022 goal categories, goals, and success measures is reflected in the 2022 Southern California Edison Goals table that is part of Attachment A to this SCE submission.

[10] The STIP payout may be zero if core earnings performance falls below the Threshold level. The Threshold level is 80% of the core earnings target).

[11] EIX's publicly issued earnings per share guidance range for 2022 reflects a range for SCE's 2022 core earnings from approximately $1,955 million to approximately $2,060 million. SCE's 2022 core earnings goal for STIP is within that range, but the specific target is material nonpublic information.

Section 3d: 2022 STIP Metric Definition and Calculation

Instructions: Provide detailed definitions, whether the metric is leading, lagging or outcome, and calculations for the 2022 STIP metrics. For each metric, provide a detailed definition of the metric, any adjustments or exclusions, the basis for the definition and the actual calculation such that if Energy Safety requested the source data/inputs, it would be able to derive the reported results.

Table 3d.1
2022 STIP – Metric Definitions and Calculation

Measure/ Metric	Detailed Definition	Calculation Methodology	Any Adjustment/ Exclusions
Electrical Corporation Actual Data			
Employee EEI SIF Rate	Edison Electric Institute (EEI) serious injury and fatality (SIF) rate measures the number of serious injuries and fatalities normalized by the actual hours worked. This is a lagging/ outcome-based metric.	The total number of EEI serious injury and fatalities. Multiply this number by 200,000 (base hours worked for 100 full-time equivalent employees). Divide the result by the total number of hours worked.	Employees only, excludes contractor and temporary workers
Employee DART Injury Rate	Days away, restricted or transferred as measured by OSHA. Days away = Time away from work Restricted = Restricted job roles Transferred = permanent transfer to a new position. This is a lagging/ outcome-based metric.	Total number of reportable injuries and illnesses resulting in days away, restrictions or transfers as measured by OSHA. Multiply this number by 200,000 (base hours worked for 100 full-time equivalent employees). Divide the result by the total number of hours worked.	Employees only, excludes contractor and temporary workers

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Measure/ Metric	Detailed Definition	Calculation Methodology	Any Adjustment/ Exclusions
CPUC reportable ignitions in HFRA[12]	Ignitions within SCE's High Fire Risk Area (HFRA) that are associated with SCE equipment and meet CPUC reportable ignition criteria. This is a leading/lagging outcome-based metric.	Total number of Ignitions within SCE's High Fire Risk Area (HFRA) that are associated with SCE equipment and meet CPUC reportable ignition criteria.	Ignitions do not include events not associated with SCE equipment, events that are pending legal claims resolution, or events reported via Electric Safety Incident Reports (ESIR) filed with CPUC per CPUC Resolution E-4184
Covered Conductor	Install Covered conductor within SCE's HFRA under the Wildfire Covered Conductor Program as well as other programs that install covered conductor in HFRA. This is a leading metric.	Total number of Covered conductor miles installed within SCE's HFRA under the Wildfire Covered Conductor Program as well as other programs that install covered conductor in HFRA	N/A
Overhead Inspections and Remediations in HFRA	Complete ground- and aerial-based inspections of overhead infrastructure in SCE's HFRA and remediate associated findings. This is a leading metric.	Inspection: Complete all ground and aerial overhead inspections of the riskiest structures as outlined in the 2022 Wildfire Mitigation Plan. Remediation: The percentage of all Priority 2 findings due in 2022 in High Fire Risk Areas (HFRA) remediated 30 days or more before a given compliance due date, measured on a cumulative basis. Priority 2 findings refer to safety and/or reliability risks with variable requirements in terms of time to remediate per California General Order 95 (CA GO 95) Rule 18. On time refers to the CA GO 95 compliance due date.	Priority 1 findings are excluded from the calculation because they require immediate action in accordance with CA GO 95. Findings generated or brought back into the queue after the assigned due date as a result of data cleanup, adjustments in HFRA, and technology issues will also be excluded. Priority 2 findings that qualify for GO 95 exceptions or are delayed due to worker and/or safety conditions will be excluded from the measure.

[12] Ignitions is a lagging/outcome metric for reducing wildfire risk but a leading indicator for reducing public safety serious injuries and fatalities

Measure/ Metric	Detailed Definition	Calculation Methodology	Any Adjustment/ Exclusions
Vegetation Line Clearing	Complete trimming of vegetation near power lines across SCE's service area within planned schedule to support compliance with CA GO 95 requirements. This is a leading metric.	The percentage of trims completed within planned schedule to support compliance with CA GO 95 requirements, measured on a cumulative basis. GO 95 does not specify a timeframe for trimming vegetation. Instead, SCE on its own establishes an aggressive trimming schedule. Within planned schedule trims are defined as being complete within 60 days of planned trim month if the tree is not subject to Environmental Holds and within 90 days of planned trim month if the tree is subject to Environmental Holds.	Trees that are reviewed and identified for rework through the quality control process are excluded to avoid double counting. Trees that require work multiple times in an annual cycle in order to maintain clearance distances are also excluded for the same reason.
Public Safety Power Shutoff (PSPS): Reduce duration of customer PSPS outages	Execute PSPS mitigations through grid hardening expected to reduce 2022 PSPS calculated customer minutes of interruption (CMI) as compared to 2019-2021 baseline average, assuming the same weather and fuel conditions. Three-year average baseline accounts for year-over-year CMI variation. This is a leading metric.	Sum of Calculated CMI benefits of 2022 deployed PSPS mitigations through grid hardening. Divide the result by average annual CMI from 2019-2021. Multiply the result by 100 to convert to percentage. Calculated CMI benefits are based on 2022 WMP activity - Circuit Evaluation for PSPS-Driven Grid Hardening Work (SH-7). Calculated CMI benefits consists of outages from 2020 that would not have occurred with 2022 mitigations in place.	N/A
PSPS: Customer Notification	Percentage of PSPS impacted customers who receive notification before de-energization. This is a leading metric.	Number of PSPS impacted customers who receive notification before de-energization. Divide the result by total number of PSPS impacted customers de-energized. Multiply the result by 100 to convert to percentage.	N/A

Measure/ Metric	Detailed Definition	Calculation Methodology	Any Adjustment/ Exclusions
Mature Enterprise-wide Phishing Program	Click rate of workers that have been sent a simulated email phish. This is a leading metric.	Percentage of workforce who clicked on a simulated email phish in each quarter. Then take the average of this percentage for the four quarters in the year.	Includes only Level 2 simulations as defined by SCE but informed by industry benchmark. Level 2 simulations (attributes include: 1-2 grammatical errors, some urgency or deadline, some business relevance) are harder than Level 1 simulations (attributes include: 3+ grammatical errors, low urgency, no business relevance, generic)
	Reporting rate of workers that have been sent a simulated email phish This is a leading metric.	Percentage of workforce who reported the simulated email phish in each quarter. Then take the average of this percentage for the four quarters in the year.	Includes only Level 2 simulations as defined by SCE
Sustain quality performance in key programs	Quality conformance rate index based on a weighted average of quality conformance rates across 4 key programs: Distribution Construction, Transmission Construction, Overhead Inspection and Vegetation Management. This is a lagging/ outcome-based metric.	For Distribution Construction, Transmission Construction, and Overhead Inspection programs determine the quality conformance rate by multiplying the number of conforming structures by 100 and dividing the result by the number of inspections. For Vegetation Management program determine the quality conformance rate by multiplying the number of conforming trees by 100 and dividing the result by number of trees inspected. Quality conformance rate index is a weighted average of: Distribution construction (35%), Overhead Inspection (25%), Vegetation Management (25%) and Transmission Construction (15%) conformance rates.	Findings which pose a risk of low potential impact to safety or reliability are excluded

Measure/ Metric	Detailed Definition	Calculation Methodology	Any Adjustment/ Exclusions
Execute grid, technology, electrification and improvements to deliver safe, reliable, clean and affordable energy for customers	Achieve CPUC and FERC jurisdictional capital improvement plan execution, which is a measure of work performed, consistent with appropriate regulatory direction. This is an activity-based metric.	Capital deployment amount reflects 2021 GRC authorized spend levels as specified in Final Decision. Includes delivery of utility owned storage commitments.	
Core Earnings	See section 3a.iv	See values in Table 3c.1	The Compensation Committee may adjust the Core Earnings goal levels to the extent (if any) it determines appropriate to mitigate (i) the impact of any differential between the actual result of SCE's Cost of Capital application for 2022 and the Cost of Capital assumptions upon which the current Core Earnings goal levels are based, and (ii) the impact of any differential between the actual result of SCE's application(s) to recover Customer Service Re-Platform (CSRP) costs and the assumptions for CSRP cost recovery upon which the current Core Earnings goal levels are based
System Average Interruption Duration Index (SAIDI), Repair	Number of minutes, on average, a customer was without power in a year due to sustained interruptions from unplanned or emergent outages lasting five minutes or more. This is an outcome-based metric.	Sum of all sustained customer interruption durations from unplanned or emergent outages lasting five minutes or more divided by the total number of customers served	Excludes major event days (MEDs) and Public Safety Power Shut Off (PSPS) events.

Measure/ Metric	Detailed Definition	Calculation Methodology	Any Adjustment/ Exclusions
Build DEI action plans	Build Organizational Unit level DEI action plans. This is an activity-based metric.	Improve DEI through plans with focus areas of accountability by Organizational Units (OU) within SCE to target specific DEI opportunities which differ by OU.	
Diverse Business Enterprise (DBE) Spend	Measures SCE performance in procuring goods and services from diverse suppliers in compliance with CA GO 156 guidelines. This is an outcome-based metric.	Sum of DBE PO Spend, DBE Non-PO Spend, DBE Credit Card Spend and DBE Tier 2 Spend multiplied by 100. Divide the result by the sum of Total PO Spend, Total Non-PO Spend and Total Credit Card Spend	Excludes DBE Suppliers with recorded spend that do not have a valid 2022 certificate with the Supplier Clearinghouse or spend that is not categorized as a product or service. "Product and service categories" means product and service categories as defined by the Standard Industrial Classification (SIC) system maintained by the US Department of Labor, Occupational Safety and Health Admin, as they currently read or as amended or as defined by any other updated classification system that supersedes the SIC system.
Clean Power: Transportation Electrification & Other Initiatives	Transportation Electrification: charging port installations. This is an input/activity-based metric.	Number of charging port installations. Scope includes ports from Charge Ready Light Duty and Charge Ready schools. Installation scope includes completing SCE infrastructure	N/A
	Transportation Electrification: Medium/Heavy Duty electric vehicle conversions. This is an input/activity-based metric.	Number of Medium/Heavy Duty electric vehicle conversions. Scope includes electric vehicle conversions from Charge Ready Transport program. Electric vehicle conversions scope includes completing SCE infrastructure.	N/A
	Building Electrification: residential heat pump retrofits. This is an input/activity-based metric.	Number of residential heat pump retrofit installations. Installations are defined as heat equipment installed in the SCE service area.	The goal does not count heat pumps that may be installed through the statewide EE HVAC or

Measure/ Metric	Detailed Definition	Calculation Methodology	Any Adjustment/ Exclusions
		Scope includes 4 customer programs: San Joaquin Valley Disadvantaged Community Pilot, Energy Savings Assistance programs, statewide Technology and Equipment for Clean Heating Initiatives (SB 1477), and Energy Efficiency (EE) local programs.	Plug Load & Appliance programs currently being administered by SDG&E
	Provision of resource availability for summer readiness, adjusted for anticipated year end attrition. This is an input/activity-based metric.	Peak Demand Response Load Reduction measured by multiplying August 2021 ex-ante program Peak load reduction values by final December 2022 enrollment counts. Ex ante values established as part of the annual load impact evaluation conducted by independent 3rd Party evaluators and reported via CPUC compliance filings. Scope includes the following: Agricultural & Pumping Interruptible Program, Base Interruptible Program, Capacity Bidding Program, Critical Peak Pricing Program, Smart Energy Program, Summer Discount Plan. Pilots: Virtual Power Plan, Residential Emergency Load Reduction Program, and Emergency Load Reduction Program. Contracts: Local Capacity Resource and Demand Response Contracts	Excluding Governor Order 2021 program California State Emergency Program, Optional Binding Mandatory Curtailment, and Real Time Pricing programs
Billing & Payment (B&P) Net Score	Customer Satisfaction metric which measures 2 unique experiences: (1) The Bill Questions experience, where customers call in to SCE's call center to ask questions about their bill and (2) The Payment experience, where customers are surveyed when they successfully complete a payment on SCE.com or via	Net score is measured on a -100 to +100 point scale and is calculated by taking the % of customers who gave us 9's and 10's (considered promoters) on our survey minus the % of customers who gave us a 1-6 on our survey (considered detractors)	Excludes non-mass market business customers

Measure/ Metric	Detailed Definition	Calculation Methodology	Any Adjustment/ Exclusions
	Interactive Voice Response. This is an outcome-based metric.		

Section 3e: STIP Changes

Instructions: Describe any changes between 2021 and 2022 in terms of STIP eligibility, structure, modifiers, metrics (including changes to minimum/threshold, target and maximum performance values), weightings and definitions. Explain the reason for the change(s).

Each year, SCE engages in an extensive goal development process that begins in June with a strategic refresh of company priorities by the Board and concludes in February of the goal year when final goals and success measures are approved by the Compensation Committee. During this process, SCE reviews internal and external developments such as regulatory commitments (e.g., Wildfire Mitigation Plan) and guidance (e.g., Energy Safety's guidance for SCE's 2022 executive compensation structure), progress on current goals, performance gaps, budgetary issues, external factors impacting the company, and evolving best practices. Success measures are adjusted to account for recent and historical performance, availability of internal resources, improvements in measuring performance, and other developments.

The result of this process, in terms of STIP changes from 2021 to 2022, was a reduction in the number of goals and success measures, the elimination of most qualitative success measures and an increase in the number of quantitative success measures (thereby making STIP scoring more transparent), more outcome-based success measures, more alignment with Wildfire Mitigation Plan scope and metrics, and new goals addressing:

- Field work quality (new quantitative goal to focus on quality performance in key programs),
- Customer experience (replaced Customer Service Re-platform implementation goal, since that project has been completed, with a quantitative goal to improve Billing and Payment Net score levels), and
- Execution-focused clean energy and electrification activities (new quantitative goal to support Pathway 2045).

The goal development process described above also resulted in certain changes to target weights and metrics (*compare* Table 3b.1 with Table 3c.1), and to definitions used for success measures (*compare* Table 3d.1 of this submission with the Appendix of SCE's March 1, 2021 Executive Compensation Supplemental Submission to the Wildfire Safety Division).

Section 3f: Historical STIP Data

Instructions: Provide historical performance data (five years) for 2022 STIP metrics. If data is lacking, or should be considered in a certain context, explain in the Notes/Context field provided why there is no data for a given year(s) and the relevant context. Add rows as necessary.

Table 3f.1
STIP Metric Historical Actual Performance[13]

Metric/Measure	2017	2018	2019	2020	2021
Employee EEI SIF Rate	0.11	0.11	0.05	0.12	0.06
Employee DART Injury Rate	0.99	0.98	1.17	0.90	1.05
CPUC reportable ignitions in HFRA	35	37	38	50	48
Covered Conductor[14]	N/A	151	372	965	1454
Overhead Inspections and Remediations in HFRA[14]	N/A	N/A	N/A	72%	74%
Vegetation Line Clearing[14]	N/A	N/A	N/A	82%	79%
PSPS: Reduce duration of customer PSPS outages[14]	N/A	N/A	N/A	N/A	N/A
PSPS: Improve Customer Notification[14]	N/A	N/A	N/A	75%	90%

[13] Shaded cells represent historical performance values for years in which the metric was not used as a STIP metric. See the note below this Table 3f.1 for additional information.
[14] "N/A" is used in this row for years where the collected data (if any) reflects a different methodology or definition than is being applied to the calculation for the current year.

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Metric/Measure	2017	2018	2019	2020	2021
Mature Enterprise-wide Phishing Program (Level 2 Phishes):					
• Click Rate[14]	N/A	N/A	N/A	2.9%	3.2%
• Reporting Rate[14]	N/A	N/A	16.0%	32.8%	34.6%
Sustain quality performance in key programs[14]	N/A	N/A	N/A	N/A	N/A
Execute grid, technology, electrification and improvements to deliver safe, reliable, clean and affordable energy for customers[15, 16]	N/A	N/A	N/A	N/A	N/A
System Average Interruption Duration Index (SAIDI), Repair	92	71	89	87	102
Implement DEI Plan[15]	N/A	N/A	N/A	N/A	N/A
Diverse Business Enterprise Spend	43.9%	46.7%	40.1%	37.7%	38.1%

[15] Activity-based success measure that is qualitative in nature.

[16] Represents scope of executing SCE's authorized capital plan, which is a measure of work performed, consistent with appropriate regulatory direction. Level of spend associated with the capital plan serves as a guide indicator of work execution consistent with work planned. Historical annual capital spend was $3.8B in 2017, $4.4B in 2018, $4.8B in 2019, $5.5B in 2020 and $5.4B in 2021.

Metric/Measure	2017	2018	2019	2020	2021
Clean Power: Transportation Electrification & Other Initiatives					
• TE Charge Ready Installs[14]	N/A	N/A	N/A	61	37
• TE MDHD Conversions[14]	N/A	N/A	N/A	76	235
• Building Electrification Installs[14]	N/A	N/A	N/A	N/A	N/A
• Demand Response Resources[17]	647	553	557	434	451
Achieve Billing & Payment (B&P) Net Score	48	54	48	56	27

Notes/Context:

A shaded cell in Table 3f.1 represents a year for which SCE tracked the same metric that is being used for the 2022 STIP, but the metric was not used for the STIP that year. SCE typically evaluates the maturity of metrics, including tracking their behavior over a period of time, in order to develop confidence in understanding the variables that drive the behavior of the metric before adopting them as STIP metrics.

[17] Composition of included programs as well as growth and attrition rate assumptions vary year-over-year such that annual results may not be directly comparable.

Section 3g: 2021 STIP Adjustments

Instructions: Provide a detailed explanation of any increases and decreases in STIP compensation in 2021 due to failure to meet safety or other targets. Separately describe any adjustments to STIP compensation levels made by the Compensation Committee or executive management and the amount and reason for the reduction. Detail any adjustments made to increase compensation beyond the levels warranted by the actual performance (in any metric classification) and the reasons for the adjustments.*

i) Actual performance lower than target due to failure to meet safety target(s):

2021 Corporate Goal measures where performance was worse than target:

- Quantitative success measure: Employee DART Injury Rate: Target at 0.77; Actual at 1.05.
- Quantitative success measure: Vegetation Line Clearing: Target at 85% of trims within SCE's aggressive trimming schedule; Actual at 79%.
- Quantitative success measure: CPUC reportable ignitions in HFRA: Target at 42; Actual at 48.
- Qualitative success measure: Improve PSPS customer experience by executing comprehensive improvement plan focused on enhancing notification and other PSPS capabilities. Mix of above-target and below-target performance. Largest PSPS event in November accounted for more than 97% of 2021 fire season's customer minutes of interruption (CMI). CMI reduction, adjusted for weather, at 51% vs. baseline of 48%. Notifications prior to de-energization were below target. Critical Care Back-up Battery program deployed 6,014 units, exceeding year-end baseline of 5,000 units.

ii) Actual performance lower than target due to failure to meet other target(s):

- Qualitative success measure: Advance inspection and vegetation management applications and build digital work order system. Mix of above-target and below-target performance. Ground inspection, vegetation management and digital work order objectives not met. Aerial digital inspection tool met objectives for the year.
- Qualitative success measure: Strengthen contractor management to improve safety and quality performance. Mix of above-target and below-target performance. Implemented redesign of contractor scorecards, enhanced contractor conditional status process to embed performance consequences and managed contractor accountability via use of control stages across a variety of outcomes, such as safety and environmental compliance. Full deployment of an end-to-end performance management process carried over to 2022.
- Quantitative success measure: SAIDI for repair outages: Target at 86 minutes; Actual at 102 minutes.

iii) Any additional deductions made by the Compensation Committee or Executive Management:

N/A

iv) Any upward adjustments:

N/A

*The Compensation Committee establishes an adjustment framework each year when it sets a core earnings target. See Table 3d.1 for a summary of the adjustment framework for 2022. The Compensation Committee did made adjustments in accordance with the framework it established for 2021, but it did not make any “additional deductions” and it did not make “any adjustments… to increase compensation beyond the levels warranted by the actual performance.”

Section 4: Long-Term Incentive Program (LTIP)

Rationale: Pub. Util. Code § 8389(e)(4) requires that electrical corporations' executive incentive compensation structures include are "structured to promote safety as a priority and to ensure public safety and utility financial stability with performance metrics, including incentive compensation based on meeting performance metrics that are measurable and enforceable, for all executive officers... ." To ensure that the executive compensation structure for electrical corporation executive officers is structured to promote safety as a priority and ensure public safety and utility financial stability, Energy Safety must have an in-depth understanding of the performance-based components of an executive compensation structure.

Instructions: The LTIP includes all performance-based compensation awarded on a performance term of three or more years. If the electrical corporation uses more than one long-term incentive mechanism, repeat this information for each mechanism (e.g., Three-year, Four-Year).

Section 4a: LTIP Structure

Instructions: Provide name, title/function, grant date and estimated award percentage of TIC for each executive officer listed in Table 1.1 that receives or is expected to receive direct compensation under a LTIP for the applicable years. For purposes of calculating the Grant Value as a percentage of TIC, use the grant value of the compensation as determined for accounting purposes. Grant value is the value that is disclosed in proxy statement summary compensation tables for executive officers who are proxy officers. For purposes of calculating Earned Value as a percentage of TIC, use the value at the date of vesting. Percentages must be specified for each executive officer and not a range for various position levels. Provide a table for each executive officer. Make copies of the Table 4a.1 table as necessary.

Table 4a.1
2021 and 2022 LTIP Grants

Executive Title/ Function and Name: SCE President and Chief Executive Officer – Steven D. Powell		
LTI Type	**2021 Performance Year**	**2022 Performance Year**
	Grant Date Fair Value as a % of TIC	**Target Value as a % of TIC**
Stock Grant	0%	0%
Stock Option	36.3%	18.4%
Restricted Stock Unit (RSU)	18.1%	18.4%
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	18.1%	36.7%
Cash Performance Payment	0%	0%
Other	0%	0%

Executive Title/ Function and Name: SCE Executive or Senior Vice President		
LTI Type	**2021 Performance Year**	**2022 Performance Year**
	Grant Date Fair Value as a % of TIC	**Target Value as a % of TIC**
Stock Grant	0%	0%
Stock Option	33.0%	16.4%
Restricted Stock Unit (RSU)	16.5%	16.4%
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	16.5%	32.9%
Cash Performance Payment	0%	0%
Other	0%	0%

Executive Title/ Function and Name: SCE Executive or Senior Vice President		
LTI Type	**2021 Performance Year** **Grant Date Fair Value as a % of TIC**	**2022 Performance Year** **Target Value as a % of TIC**
Stock Grant	0%	0%
Stock Option	31.0%	15.5%
Restricted Stock Unit (RSU)	15.5%	15.5%
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	15.5%	31.0%
Cash Performance Payment	0%	0%
Other	0%	0%

Executive Title/ Function and Name: SCE Executive or Senior Vice President		
LTI Type	**2021 Performance Year** **Grant Date Fair Value as a % of TIC**	**2022 Performance Year** **Target Value as a % of TIC**
Stock Grant	0%	0%
Stock Option	32.8%	15.8%
Restricted Stock Unit (RSU)	16.4%	15.8%
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	16.4%	31.7%
Cash Performance Payment	0%	0%
Other	0%	0%

Executive Title/ Function and Name: SCE Executive or Senior Vice President		
LTI Type	**2021 Performance Year**	**2022 Performance Year**
	Grant Date Fair Value as a % of TIC	**Target Value as a % of TIC**
Stock Grant	0%	0%
Stock Option	32.1%	16.3%
Restricted Stock Unit (RSU)	16.1%	16.3%
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	16.1%	32.7%
Cash Performance Payment	0%	0%
Other	0%	0%

Executive Title/ Function and Name: SCE Executive or Senior Vice President		
LTI Type	**2021 Performance Year**	**2022 Performance Year**
	Grant Date Fair Value as a % of TIC	**Target Value as a % of TIC**
Stock Grant	0%	0%
Stock Option	47.9%	16.7%
Restricted Stock Unit (RSU)	23.9%	16.7%
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	23.9%	33.4%
Cash Performance Payment	0%	0%
Other	0%	0%

If "Other" LTIP Type indicated, provide explanation:

N/A

i) Is any LTIP compensation not at risk?

Yes: ☐ No: ☒

Describe/Explain:

All of SCE's LTIP compensation (stock options, RSUs, and PSUs) is equity-based and at risk because the value the grant recipient will ultimately receive will depend on EIX's stock performance. A company's stock can lose value, even all its value. All of SCE's LTIP compensation is also at-risk because it is subject to time-based vesting conditions. In addition, stock options and PSUs are subject to performance conditions that may result in zero payout or below-target payouts.

ii) **Were the 2021 LTIP payouts determined based on a performance range (i.e., below minimum/threshold, minimum/threshold, target, maximum)?** Check one:

Yes: ☒ No: ☐

iii) **Did the electrical corporation use one range for all 2021 LTIP metrics or differing ranges based on the category of metric)?** Check one:

One range for all metrics: ☐ Multiple ranges: ☒

iv) **Provide the 2021 LTIP metric range(s):**

Table 4a.2
2021 LTIP Performance Range(s)

	Below Minimum	Minimum	Target	Maximum
Electrical Corporation Actual Data				
Total Shareholder Return (TSR) Performance Shares*	0%	25%	100%	200%
Earnings Per Share (EPS) Performance Shares*	0%	25%	100%	200%
Stock Options*	0%	0%	N/A	N/A

Describe the interpolation method between categories (e.g., straight line):

*For TSR Performance Shares, if EIX achieves a TSR ranking between the 25th percentile (Minimum) and the 50th percentile (Target) or between the 50th percentile (Target) and the 75th percentile (Maximum), the number of shares paid is interpolated on a straight-line basis.

For EPS Performance Shares, if EIX's EPS for a year as a percentage of target EPS is between 80% (Minimum) and 100% (Target) or between 100% (Target) and 120% (Maximum), the EPS performance multiple is interpolated on a straight-line basis, with discrete intervals at every 4th percentage point.

The exercise price for a stock option (which is equal to the closing price of a share of EIX Common Stock on the grant date) is the minimum level of performance. If EIX Common Stock is trading at or below that exercise price, then the stock option cannot be exercised for any value at that time. If EIX Common Stock is trading above that exercise price, then the stock option (if vested) can be exercised with a payout based on the difference between the market price at exercise and the exercise price.

v) Provide the 2022 LTIP metric range(s):

Table 4a.3
2022 LTIP Performance Range(s)

	Below Minimum	**Minimum**	**Target**	**Maximum**
Electrical Corporation Actual Data				
EPS Performance Shares*	0%	25%	100%	200%
TSR Performance Shares*	0%	25%	100%	200%
Stock Options*	0%	0%	N/A	N/A

Describe the interpolation method between categories (e.g., straight line):

*There is no change in the interpolation method. It is the same as described above for Table 4a.2 – 2021 LTIP Performance Range(s).

i) Use of Any Performance Triggers

Does the electrical corporation's 2022 LTIP use any performance triggers (e.g., must achieve annual earnings per share of at least XYZ before any LTIP payments are made)? Check one:

Yes: ☒ No: ☐

If "Yes", please describe any performance triggers:

As described above for Table 4a.2 – 2021 LTIP Performance Range(s), performance shares and options have minimum performance thresholds, and performance below those minimum thresholds results in zero payout.

vii) Use of Any Automatic Deductions

Does the electrical corporation's 2022 LTIP have any automatic deductions (e.g., Failure to achieve WMP targets results in X% reduction, Catastrophic wildfire results in zeroing out all safety metrics)? Check one:

Yes: ☐ No: ☒

If "Yes", please describe all automatic deductions:

N/A

Section 4b: LTIP General Eligibility

Instructions: Provide a general description of the executive officers eligible for the electrical corporation's long-term incentive program. Add additional lines as needed.

Table 4b.1
LTIP Eligibility

Electrical Corporation Actual Data
All SCE executives, including all SCE executive officers, participate in the LTIP and are subject to the same terms and conditions.

Section 4c: LTIP Measures, Weighting and Award Basis

Instructions: For each LTIP Type, indicate weighting and basis of award. If basis of award differs amongst position or person, copy Table 4c.1 and Table 4c.2 as necessary and indicate who the table applies to in space provided at the top of the table. Add additional tables if LTIP varies for certain officer classifications.

Table 4c.1
2021 LTIP Measures, Weighting and Award Basis

Executive Title/ Function and Name: All Executive Officers		
LTI Type	**2021 Weight**	**2021 Performance Year LTIP Award Basis**
Electrical Corporation Actuals		
Stock Grant	0%	
Stock Option	50%	Stock Options (weighted at 50%) • See the description under Table 4a.2 – 2021 LTIP Performance Range(s)
RSU	25%	Restricted Stock Units (weighted at 25%) • Payout value depends on EIX stock performance and dividends
PSU/ PRSU	25%	Performance Shares (collectively weighted at 25%) • 12.5% based on EIX's 3-year TSR compared to the other companies in the Philadelphia Utility Index ("UTY") • 12.5% based on EIX's 3-year average annual core EPS measured against target levels
Cash	0%	
Other	0%	
Weighting Total:	**100%**	

Table 4c.2
2022 LTIP Measures, Weighting and Award Basis

Executive Title/ Function and Name: All Executive Officers		
LTI Type	**2022 Weight**	**2022 Performance Year LTIP Award Basis**
Electrical Corporation Actuals		
Stock Grant	0%	
Stock Option	25%	Stock Options (weighted at 25%) • See the description under Table 4a.2 – 2021 LTIP Performance Range(s)
RSU	25%	Restricted Stock Units (weighted at 25%) • Payout value depends on EIX stock performance and dividends
PSU/ PRSU	50%	Performance Shares (collectively weighted at 50%) • 25% based on EIX's 3-year TSR compared to the other companies in the UTY • 25% based on EIX's 3-year average annual core EPS measured against target levels
Cash	0%	
Other	0%	
Weighting Total:	**100%**	

Section 4d: 2022 LTIP Measures, Definitions and Calculations

Instructions: Provide detailed definitions and calculations for the 2022 LTIP metrics. For each metric, provide a detailed definition of the metric, any adjustments or exclusions, the basis for the definition and the actual calculation such that if Energy Safety requested the source data/ inputs, it would be able to derive the reported results. Also provide the weight given to the metric and the minimum, target and maximum values for the metric.

Table 4d.1
2022 LTIP Measures

Measure/ Metric	Detailed Definition	Calculation Methodology	Any Adjustment/ Exclusions	Weight	Min.	Target	Max.
Electrical Corporation Actual Data							
Total Shareholder Return (Performance Shares)	EIX's TSR over a three-calendar-year performance period compared to the other companies that are in the UTY at the beginning of the performance period and continue to be publicly traded through the performance period	TSR is calculated using the difference between (i) the average closing stock price for the stock for the 20 trading days ending with the last NYSE trading day preceding the first day of the performance period and (ii) the average closing stock price for the stock for the 20 trading days ending with the last trading day of the performance period, and assumes all dividends are reinvested on the ex-dividend date. The discrete percentile ranking methodology is used to determine EIX's percentile ranking.	Adjustments may be made in response to certain mergers or other significant corporate transactions during the performance period involving a company in the UTY	25%	25th Percentile	50th Percentile	≥75th Percentile

Measure/ Metric	Detailed Definition	Calculation Methodology	Any Adjustment/ Exclusions	Weight	Min.	Target	Max.
Earnings Per Share (Performance Shares)	EIX's three-year average annual core earnings per share measured against pre-established target levels	The Compensation Committee establishes the core EPS target for the year in February of year during the performance period. The performance multiple for a year is based on EIX's actual EPS performance for that year as a percentage of the EPS target for that year. The final payout multiple for the 3-year period is the average of the performance multiples for each year within the 3-year period.	The 2022 EPS Target is based on the shares of EIX common stock outstanding on Jan. 1, 2022 and a specified amount of pro forma dividends on EIX preferred stock. The shares of common stock and amount of pro forma preferred dividends used to set the 2022 EPS Target will also be used to calculate 2022 EPS performance for purposes of EPS Performance Shares. The 2022 EPS Target shall be adjusted to the extent (if any) necessary to mitigate (i) the impact of a differential between the actual result of SCE's Cost of Capital application for 2022 and the Cost of Capital assumptions upon which the 2022 EPS Target is based, and (ii) the impact of a differential between the actual result of SCE's application(s) to recover Customer Service Re-Platform ("CSRP") costs and the assumptions for CSRP cost recovery upon which the 2022 EPS Target is based	25%	80%	EIX Core EPS Target[18]	≥120%

[18] EIX's publicly issued core earnings per share guidance range for 2022 is $4.40 to $4.70, based on a weighted average shares assumption of 381.4 million shares. The EIX Core EPS Target for 2022 is within that range, but the specific target is material nonpublic information.

Measure/ Metric	Detailed Definition	Calculation Methodology	Any Adjustment/ Exclusions	Weight	Min.	Target	Max.
Stock Options	A stock option may be exercised to purchase one share of EIX Common Stock at an exercise price equal to the closing price of a share of EIX Common Stock on the grant date	Value at exercise = market price at exercise minus price at grant	None	25%	Stock price at grant	N/A	N/A

Section 4e: Historical LTIP Data

Instructions: Provide historical performance data (five years) for 2022 LTIP metrics. If data is lacking, or should be considered in a certain context, explain in the Notes/Context field provided why there is no data for a given year(s) and the relevant context. Add rows as necessary.

Table 4e.1
LTIP Metric Historical Actual Performance

Metric/Measure	2017	2018	2019	2020	2021
Total Shareholder Return (Performance Shares)	5th percentile among UTY	5th percentile among UTY	75th percentile among UTY	21st percentile among UTY	37th percentile among UTY
Earnings Per Share (Performance Shares)	109% of target	103% of target	104% of target	102% of target	106% of target
Stock Options	12% decrease in stock price	11% decrease in stock price	34% increase in stock price	16% decrease in stock price	9% increase in stock price

Notes/Context:

The performance data shown for TSR Performance Shares is EIX's TSR for the year relative to the UTY comparison group of companies for performance shares granted in that year, as calculated in accordance with the terms and conditions for TSR Performance Shares.

The performance data shown for EPS Performance Shares is EIX's EPS for the year compared to target for that year, as calculated in accordance with the terms and conditions for EPS Performance Shares.

The performance data shown for Stock Options is the change in stock price from the beginning of the year to the end of that same year.

Section 4f: 2021 LTIP Adjustments

Instructions: Provide a detailed explanation of any increases and decreases in 2021 LTIP compensation due to failing to meet safety or other targets. Separately describe any adjustments to LTIP compensation levels made by the Compensation Committee or executive management and the amount and reason for the reduction. Detail any adjustments made to increase compensation beyond the levels warranted by the corporation's actual performance (in any metric classification) and the reasons for the adjustments.*

i) Actual performance lower than target due to failure to meet safety target(s):

N/A

ii) Actual performance lower than target due to failure to meet other target(s):

N/A

iii) Any additional deductions made by the Compensation Committee or Executive Management:

N/A

iv) Any upward adjustments:

N/A

*The Compensation Committee establishes an adjustment framework each year when it sets an EPS target for EPS performance shares. See Table 4d.1 for a summary of the adjustment framework for 2022. The Compensation Committee did made adjustments in accordance with the framework it established for 2021, but it did not make any "additional deductions" and it did not make "any adjustments… to increase compensation beyond the levels warranted by the corporation's actual performance."

Section 4g: LTIP Prior Year Actuals

Instructions: For any prior year LTIP programs that vested in 2021, provide details of projected and actual payouts/performance.

Table 4g.1
LTIP Program Vesting in 2021

LTIP Program Name	Performance Measure	Projected % of TIC at Time of Grant	Actual % of TIC at Vesting Date
Electric Corporation Actual Data			
2018 RSUs	Stock price	15.63%	17.46%
2019 Performance Shares	Earnings Per Share	8.13%	11.10%
2019 Performance Shares	Total Shareholder Return	8.14%	6.91%
2017 Stock Options	Stock price	5.19%	0%
2018 Stock Options	Stock price	7.81%	0%
2019 Stock Options	Stock price	8.13%	0%
2020 Stock Options	Stock price	8.08%	0%

Notes: The data in this table reflects TIC values for 2017 (for 2017 Stock Options), 2018 (for 2018 RSUs and 2018 Stock Options), 2019 (for 2019 Performance Shares and 2019 Stock Options), and 2020 (for 2020 Stock Options), respectively. The same TIC value for a year is used for both the Projected % of TIC at Time of Grant column and the Actual % of TIC at Vesting Date column. The Actual % of TIC at Vesting Date reflects actual value realized at payout, if any, for the respective LTIP program: payout value for 2018 RSUs; payout value for 2019 Performance Shares; and payout value for any exercised Stock Options (none were exercised in 2021).

Pub. Util. Code §8389(e)(6): Sections 5-7

To aid Energy Safety in assessing compliance with Pub. Util. Code § 8389(e)(6), electrical corporations must complete Sections 5-7 below for any new or amended contracts for executive officers as defined in Pub. Util. Code § 451.5(c).

Section 5: Fixed versus Incentive Compensation

Rationale: Pub. Util. Code § 8389(e)(6)(A)(i)(I) requires for the issuance of safety certification, that "the electrical corporation has established a compensation structure for any new or amended contracts for executive officers" that meets several principles, including "strict limits on guaranteed cash compensation, with the primary portion of the executive officers' compensation based on achievement of objective performance metrics." To evaluate an electrical corporation's compliance with this requirement, Energy Safety needs to know: (a) who are the electrical corporation's executive officers and (b) what compensation structure exists.

Definition: "Executive officer" is defined in Pub. Util. Code § 451.5(c) and "means any person who performs policy making functions and is employed by the public utility subject to the approval of the board of directors, and includes the president, secretary, treasurer, and any vice president in charge of a principal business unit, division, or function of the public utility." Energy Safety considers divisions or units responsible for electrical operations, gas operations or wildfire-related functions principal business units, divisions or functions of the public utility.

Instructions: In Table 5.1, for each executive officer with new or amended contracts, provide the executive title and function, the executive name (if the executive is classified as an Officer of the Company per the Company's website), the target percentage of Base Salary, Short-Term Incentives (STIP), Long-Term Incentives (LTIP), and Indirect and Ancillary Compensation as a proportion of Total Compensation (TC) for the appropriate 2022 filing year. See the definition of the proceeding terms in **Attachment 2**.

For purposes of calculating the percentage of TC, use the grant value of the compensation as determined for accounting purposes. Grant value is the value that is disclosed in proxy statement summary compensation tables for executive officers who are proxy officers. Percentages must be specified for each executive officer and not a range for various position levels.

SCE OBJECTION TO SECTIONS 5, 6 AND 7: SCE objects to Sections 5, 6, and 7 of Attachment 1: Required Information Template of these 2022 Executive Compensation Structure Submission Guidelines ("2022 Guidelines") on a number of grounds.

First, Sections 5-7 do not follow the statutory text of AB 1054. Pub. Util. Code 8389(e)(6)(A) specifies certain requirements that apply to the extent an electrical corporation "has established a compensation structure for any new or amended contracts for executive officers, as defined in Pub. Util. Code 451.5." As SCE has previously explained, SCE understood through discussions in mid-2019, when the language for Pub. Util. Code 8389(e)(6)(A) was being developed, that Pub. Util. Code 8389(e)(6)(A) was intended to apply solely to new or amended employment contracts that commit to a specific compensation structure for an executive officer.

Sections 5-7 are intended to assess compliance with Pub. Util. Code 8389(e)(6)(A). However, the 2022 Guidelines state that Section 5 applies "for each executive officer with new or amended contracts." Sections 6 and 7 of the 2022 Guidelines use similar phrasing. This phrasing switches the order of the relevant prepositional phrases in Pub. Util. Code 8389(e)(6)(A) and uses a different preposition, and those changes result in a different meaning not supported by the statutory text. The statute was <u>not</u> drafted to apply to a "compensation structure" "for each executive officer <u>with</u> new or amended contracts." [Emphasis added.] Rather, Pub. Util. Code 8389(e)(6)(A) applies when an electrical corporation "has established" "a compensation structure" "for any new or amended contracts" "for executive officers." Establishing a "compensation structure" for "contracts" is appropriately interpreted as meaning that an electrical corporation has specified an entire compensation structure for which it has made a contractual commitment, such as through a term employment agreement and the contracts for components of compensation incorporated by reference in the employment agreement. In contrast, if an executive officer and electrical corporation enter into a new or amended contract with respect to one component of compensation (e.g., an agreement to the terms and conditions for a new long-term incentive grant), but that contract is not part of a contractual commitment to an entire compensation structure, then that contract does not establish a compensation structure and does not trigger the application of Pub. Util. Code 8389(e)(6)(A).

SCE advises its executive officers, and they agree, that SCE may modify their compensation at any time in SCE's discretion. As a result, SCE has not established a specific compensation structure for which it has made a contractual commitment for executive officers. Therefore, the requirements of Pub. Util. Code 8389(e)(6)(A) do not apply to SCE's executive officers and neither should the requirements of Sections 5-7.

The requirements of Sections 5-7 are also overly broad, vague and burdensome.

Subject to and without waiver of the foregoing objections, SCE has completed Sections 5-7.

Table 5.1
Fixed versus Incentive Compensation at the Target Level

Executive Title/ Function and Name (where applicable)	Target Base Salary as a Percent of TC	Target STIP as a Percent of TC	Target LTIP as a Percent of TC	Indirect and Ancillary Compensation as a Percent of TC*
Electrical Corporation Actual Data				
SCE President and Chief Executive Officer – Steven D. Powell	23.1%	19.7%	54.3%	2.9%
SCE Executive or Senior Vice President	35.6%	21.4%	41.0%	2.1%
SCE Executive or Senior Vice President	38.5%	21.2%	34.7%	5.6%
SCE Executive or Senior Vice President	38.0%	20.9%	36.2%	4.9%
SCE Executive or Senior Vice President	41.4%	18.6%	35.2%	4.8%
SCE Executive or Senior Vice President	36.4%	20.0%	40.1%	3.4%

* When the Compensation Committee was evaluating and setting executive officer target compensation for 2022, its evaluation included an annualized value for the Executive Retirement Plan ("ERP" or "SERP") benefit for each executive officer ("ERP Annualized Value"). All Indirect and Ancillary Compensation and Total Compensation calculations in Sections 5-7 that incorporate a SERP value reflect this ERP Annualized Value for 2022. The ERP Annualized Value is calculated each year by the company's actuaries and the Compensation Committee's independent compensation consultant based on interest rate and other assumptions that remain constant. As a result of these constant assumptions, the ERP Annualized Value is fairly stable year-to-year and changes are driven by the executive officer's compensation rather than changes in interest rates or other assumptions. In contrast, the change in pension value that is disclosed in proxy statements is calculated based on an accounting-based methodology that is sensitive to interest rate levels and other assumptions, and changes in those assumptions often result in large swings year-to-year in the change in pension value calculation. Not only do the assumptions for the change in pension value change frequently, but many of them vary from the assumptions and payment elections used to calculate actual SERP benefit amounts and payment streams. Due to the volatility of the change in pension value, it is not used for setting target compensation for SCE's executive officers. We do not even have our actuaries calculate the change in pension value until the end of the year, since accounting assumptions and the resulting change in pension value may change meaningfully from the beginning of the year to the end of the year. Any signing bonuses paid or payable to executive officers are not considered base salary, STIP, LTIP, or Indirect and Ancillary Compensation, and are therefore not included in the calculations in Sections 5-7.

Section 6: Indirect or Ancillary Compensation

Rationale: Pub. Util. Code § 8389(e)(6)(A)(iv) requires for the issuance of safety certification, that "the electrical corporation has established a compensation structure for any new or amended contracts for executive officers" that meets several principles, including "minimization or elimination of indirect or ancillary compensation that is not aligned with shareholder and taxpayer interest in the electrical corporation." To ensure that the compensation structure for new or amended contracts for executive officers is based on this principle of minimization of indirect or ancillary compensation, Energy Safety needs to understand what indirect or ancillary compensation are given to executive officers with new or amended contracts.

Instructions: Please list all indirect and ancillary compensation provided to executive officers with new or amended contracts. See **Appendix A** for the definition of and a list of typical indirect or ancillary compensation. If the electrical corporation provides indirect or ancillary compensation, provide the current estimated proportion of TC for each executive officer. For purposes of calculating the percentage of TC, use the grant value of the compensation as determined for accounting purposes. Grant value is the value that is disclosed in proxy statement summary compensation tables for executive officers who are proxy officers. Percentages must be specified for each executive officer and not a range for various position levels. Add rows as necessary. Add explanatory notes as appropriate.

Table 6.1
Indirect or Ancillary Compensation Example

Title	Indirect or Ancillary Compensation Element	Eligibility Requirements	Frequency (One-Time, Annual, Other)	Current Estimated Proportion of TC
Electrical Corporation Actual Data				
SCE President and Chief Executive Officer – Steven D. Powell	Security Services	Exception basis	Periodically evaluated depending on security concerns	~0%
SCE President and Chief Executive Officer – Steven D. Powell	Executive Retirement Plan	All executives	Annual accrual	2.8%
SCE Executive or Senior Vice President	Security Services	Exception basis	Periodically evaluated depending on security concerns	~0%
SCE Executive or Senior Vice President	Executive Retirement Plan	All executives	Annual accrual	2%
SCE Executive or Senior Vice President	Executive Retirement Plan	All executives	Annual accrual	5.6%
SCE Executive or Senior Vice President	Executive Retirement Plan	All executives	Annual accrual	4.9%
SCE Executive or Senior Vice President	Relocation Costs	Exception basis	One-time	1.2%
SCE Executive or Senior Vice President	Executive Retirement Plan	All executives	Annual accrual	3.7%

Title	Indirect or Ancillary Compensation Element	Eligibility Requirements	Frequency (One-Time, Annual, Other)	Current Estimated Proportion of TC
SCE Executive or Senior Vice President	Relocation Costs	Exception basis	One-time	<1%
SCE Executive or Senior Vice President	Executive Retirement Plan	All Executives	Annual accrual	3.3%

i) **Availability of Supplemental Retirement Plans**

Does the electrical corporation have supplemental retirement plans for non-Executive Officers? Check one:

Yes: ☒ No: ☐

If "Yes", please describe the eligibility requirements for the plan(s):

All executives, including executive officers, participate in the Executive Retirement Plan.

ii) **Structure of Supplemental Retirement Plans**

If supplemental retirement plans are available, please describe:

- **The eligibility requirements for participation in the plan(s).**
- **The award basis for plan(s) (e.g., years of service, company stock performance over the period of service, etc.).**
- **The type of payment made (e.g., cash, stock, combination of cash and stock).**
- **The award schedule for the plan(s).**

The Executive Retirement Plan is an unfunded benefit plan permitted by ERISA and designed to allow Executive Officers and other executives to receive benefits that would be paid under the SCE Retirement Plan or 401(k) Plan but for limitations under ERISA and the Internal Revenue Code, and certain additional benefits.

Eligibility, Vesting and Payment Form
Company executives, including the Executive Officers, are eligible to participate in the Executive Retirement Plan. Benefits vest after five years of service, upon death or disability, or upon a qualifying severance. Executive Retirement Plan benefits are paid in cash.

Final Average Pay Benefit Formula Prior to 2018
Executives who participated in the Executive Retirement Plan prior to January 1, 2018, including all the NEOs, accrued an age 65 benefit calculated using the following final average pay formula:

- (1.75% x Total Compensation for each year up to 30 years) + (1% x Total Compensation for each year over 30 years).

Total Compensation is the Executive Officer's base salary and STIP award earned in the 36 consecutive months when the total of these payments was the highest.

The actual benefit payable is reduced and offset by (i) all amounts payable under the SCE Retirement Plan, the company's qualified defined benefit pension plan, (ii) up to 40% of the executive's primary Social Security benefits and (iii) the value of 401(k) Plan accounts derived from company profit sharing contributions, if any.

Executive Retirement Account Formula for New Executives After 2017
The Compensation Committee changed the Executive Retirement Plan benefit effective January 1, 2018. An individual who first participates in the plan on or after January 1, 2018 will not receive a final average pay benefit. Instead, the individual's Executive Retirement Plan benefit will be based on the total credits in his or her Executive Retirement Account ("ERA").

Executives first participating in the Executive Retirement Plan on or after January 1, 2018 receive the following ERA credits: (i) ERA Salary Credits equal to 12% of the differential between the executive's actual salary for a year and the executive's earnings taken into account for purposes of determining deferrals under the 401(k) Plan for that year (unless the executive was employed as a non-executive by the Company prior to 2018 and is receiving cash balance credits under the SCE Retirement Plan, in which case the ERA Salary Credits are calculated in the same manner as described in Benefit Formula for Other Executives below); (ii) 12% of the executive's STIP payout ("ERA Bonus Credits"); and (iii) interest on the ERA balance ("ERA Interest Credits").

Benefit Formula for Other Executives

Individuals who participated in the Executive Retirement Plan prior to 2018 and were executives on January 1, 2018, will receive a benefit that is the lesser of: (i) the lump sum value of the final average pay benefit determined as described above in Final Average Pay Benefit Formula Prior to 2018 (determined taking into account service before and after January 1, 2018); or (ii) the sum of (x) the lump sum value of the final average pay benefit determined as described above in Final Average Pay Benefit Formula Prior to 2018 but substituting 1% for 1.75% and 0.5% for 1% in the final average pay benefit formula as to years of service accrued after 2017 and (y) the total credits in the participant's Executive Retirement Account. The aggregate benefit under the Executive Retirement Plan (i.e., totaling the final average pay benefit, if applicable, and the ERA benefit) is expected to be reduced for most executives and will be unchanged for the rest.

Executives who participated in the Executive Retirement Plan prior to 2018 received the following ERA credits for 2021:

- 2021 Trued-Up Salary Credits equal to: 12% of the executive's actual salary for 2021; minus an assumed match of 6% of the executive's earnings taken into account for purposes of determining deferrals under the 401(k) Plan for 2021; minus the executive's cash balance pay credits for 2021 under the SCE Retirement Plan. If this calculation resulted in a negative number ("Bonus Adjustment"), the executive received no 2021 Trued-Up Salary Credits and the Bonus Adjustment was applied to the executive's 2021 Trued-Up Bonus Credits.

- 2021 Trued-Up Bonus Credits equal to: 12% of the executive's actual bonus for 2021 under the EICP; as adjusted downward by applying any Bonus Adjustment.

- ERA Interest Credits.

Payment of Plan Benefits

Benefits are generally payable as follows. Participants have sub- accounts for annual accruals for which they may elect payment in the form of a single lump-sum, annual installments, a normal life annuity with a 50% spousal survivor benefit following the participant's death, or a contingent annuity. Participants may elect to have their designated form of payment triggered by their separation from service; however, payment will not occur before a participant reaches age 55 other than in the case of death. Payments triggered by separation from service begin upon a specified time following the applicable triggering event.

The final average pay benefit formula includes benefit reductions for termination prior to age 55, or early retirement after attaining age 55 but prior to age 61, similar to the formula for the SCE Retirement Plan. If an Executive Officer terminates prior to age 55 but with a total of 68 years of age and service, the benefit formula includes a special early retirement benefit reduction based on the SCE Retirement Plan formula for early retirement. An unreduced early retirement benefit is available for retirement at age 61 through age 64.

Section 7: Long-Term Incentive Program (LTIP)

Rationale: Pub. Util. Code § 8389(e)(6)(A)(iii) requires for the issuance of safety certification, that "the electrical corporation has established a compensation structure for any new or amended contracts for executive officers" that meets several principles, including "a long-term structure that provides a significant portion of compensation, which may take the form of grants of the electrical corporation's stock, based on the electrical corporation's long-term performance and value. This compensation shall be held or deferred for a period of at least three years." To ensure that the executive compensation structure for electrical corporation executive officers is structured to provide a significant proportion of the compensation based on the electrical corporations long-term performance and value, held or deferred for a period of at least three years, as well as to promote safety as a priority and ensure public safety and utility financial stability, Energy Safety must have an in-depth understanding of the long-term compensation components of an executive compensation structure.

Instructions: The LTIP includes all performance-based compensation awarded on a performance term of three or more years. If the electrical corporation uses more than one long-term incentive mechanism, repeat this information for each mechanism (e.g., Three-year, Four-Year).

Section 7a: LTIP Structure

Instructions: Provide name, title/function, grant date, vesting schedule and estimated award percentage of TC for each executive officer with any new or amended contracts that receives or is expected to receive direct compensation under a LTIP for the applicable years. For purposes of calculating the Grant Value as a percentage of TC, use the grant value of the compensation as determined for accounting purposes. Grant value is the value that is disclosed in proxy statement summary compensation tables for executive officers who are proxy officers. For purposes of calculating Earned Value as a percentage of TC, use the value at the date of vesting. Percentages must be specified for each executive officer and not a range for various position levels. Provide a table for each executive officer. Make copies of the Table 7a.1 table as necessary.

Table 7a.1
2021 and 2022 LTIP Grants

Executive Title/ Function and Name: President and Chief Executive Officer - Steven D. Powell

LTI Type	2021 Performance Year			2022 Performance Year		
	Grant Date	Vesting Schedule	Grant Date Fair Value as a % of TC	Anticipated Grant Date	Vesting Schedule	Target Value as a % of TC
Stock Grant	N/A			N/A		
Stock Option	3/1/2021	Four-year ratable (25%/year)	19.5%	3/1/2022	Three-year ratable (33-1/3%/year)	13.6%
Stock Option	12/31/2021*	Four-year ratable (25%/year)	5.6%			
Restricted Stock Unit (RSU)	3/1/2021	Three-year Cliff	9.8%	3/1/2022	Three-year Cliff	13.6%
RSU	12/31/2021*	Three-year Cliff	2.8%			
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	3/1/2021	Three-year Cliff	9.8%	3/1/2022	Three-year Cliff	27.2%
PSU/ PRSU	12/31/2021*	Three-year Cliff	2.8%			
Cash Performance Payment	N/A			N/A		
Other	N/A			N/A		

* Additional LTI grant made on 12/31/21 because Mr. Powell was promoted to President and Chief Executive Officer in the fourth quarter of 2021.

Executive Title/ Function and Name: SCE Executive or Senior Vice President						
LTI Type	**2021 Performance Year**			**2022 Performance Year**		
	Grant Date	**Vesting Schedule**	**Grant Date Fair Value as a % of TC**	**Anticipated Grant Date**	**Vesting Schedule**	**Target Value as a % of TC**
Stock Grant	N/A			N/A		
Stock Option	[Redacted]	Four-year ratable (25%/year)	16.1%	3/1/2022	Three-year ratable (33-1/3%/year)	10.2%
Stock Option	[Redacted]*	Four-year ratable (25%/year)	3.2%			
Restricted Stock Unit (RSU)	[Redacted]	Three-year Cliff	8%	3/1/2022	Three-year Cliff	10.2%
RSU	[Redacted]*	Three-year Cliff	1.6%			
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	[Redacted]	Three-year Cliff	8%	3/1/2022	Three-year Cliff	20.5%
PSU/ PRSU	[Redacted]*	Three-year Cliff	1.6%			
Cash Performance Payment	N/A			N/A		
Other	N/A			N/A		

*[Redacted].

Executive Title/ Function and Name: SCE Executive or Senior Vice President						
LTI Type	**2021 Performance Year**			**2022 Performance Year**		
	Grant Date	**Vesting Schedule**	**Grant Date Fair Value as a % of TC**	**Anticipated Grant Date**	**Vesting Schedule**	**Target Value as a % of TC**
Stock Grant	N/A			N/A		
Stock Option	[Redacted]	Four-year ratable (25%/year)	17.4%	3/1/2022	Three-year ratable (33-1/3%/year)	8.7%
Restricted Stock Unit (RSU)	[Redacted]	Three-year Cliff	8.7%	3/1/2022	Three-year Cliff	8.7%
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	[Redacted]	Three-year Cliff	8.7%	3/1/2022	Three-year Cliff	17.4%
Cash Performance Payment	N/A			N/A		
Other	N/A			N/A		

Executive Title/ Function and Name: SCE Executive or Senior Vice President						
LTI Type	**2021 Performance Year**			**2022 Performance Year**		
	Grant Date	**Vesting Schedule**	**Grant Date Fair Value as a % of TC**	**Anticipated Grant Date**	**Vesting Schedule**	**Target Value as a % of TC**
Stock Grant	N/A			N/A		
Stock Option	[Redacted]	Four-year ratable (25%/year)	19.2%	3/1/2022	Three-year ratable (33-1/3%/year)	9%
Restricted Stock Unit (RSU)	[Redacted]	Three-year Cliff	9.6%	3/1/2022	Three-year Cliff	9%
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	[Redacted]	Three-year Cliff	9.6%	3/1/2022	Three-year Cliff	18.1%
Cash Performance Payment	N/A			N/A		
Other	N/A			N/A		

Executive Title/ Function and Name: SCE Executive or Senior Vice President						
LTI Type	**2021 Performance Year**			**2022 Performance Year**		
	Grant Date	**Vesting Schedule**	**Grant Date Fair Value as a % of TC**	**Anticipated Grant Date**	**Vesting Schedule**	**Target Value as a % of TC**
Stock Grant	N/A			N/A		
Stock Option	[Redacted]*	Four-year ratable (25%/year)	11.4%	3/1/2022	Three-year ratable (33-1/3%/year)	8.8%
Restricted Stock Unit (RSU)	[Redacted]*	Three-year Cliff	5.7%	3/1/2022	Three-year Cliff	8.8%
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	[Redacted]*	Three-year Cliff	5.8%	3/1/2022	Three-year Cliff	17.6%
Cash Performance Payment	N/A			N/A		
Other	N/A			N/A		

*[Redacted].

Executive Title/ Function and Name: SCE Executive or Senior Vice President

LTI Type	2021 Performance Year			2022 Performance Year		
	Grant Date	Vesting Schedule	Grant Date Fair Value as a % of TC	Anticipated Grant Date	Vesting Schedule	Target Value as a % of TC
Stock Grant	N/A			N/A		
Stock Option	[Redacted]*	Four-year ratable (25%/year)	41.6%	3/1/2022	Three-year ratable (33-1/3%/year)	10%
Restricted Stock Unit (RSU)	[Redacted]*	Three-year Cliff	20.8%	3/1/2022	Three-year Cliff	10%
Performance Share Unit (PSU)/ Performance Restricted Stock Unit (PRSU)	[Redacted]*	Three-year Cliff	20.8%	3/1/2022	Three-year Cliff	20.1%
Cash Performance Payment	N/A			N/A		
Other	N/A			N/A		

*[Redacted].

If “Other” LTIP Type indicated, provide explanation:

N/A

ii) Is any LTIP compensation not at risk?

Yes: ☐ No: ☒

Describe/Explain:

All of SCE's LTIP compensation (stock options, RSUs, and PSUs) is equity-based and at risk because the value the grant recipient will ultimately receive will depend on EIX's stock performance. A company's stock can lose value, even all its value. All of SCE's LTIP compensation is also at-risk because it is subject to time-based vesting conditions. In addition, stock options and PSUs are subject to performance conditions that may result in zero payout or below-target payouts.

iii) Were the 2021 LTIP payouts determined based on a performance range (i.e., below minimum/threshold, minimum/threshold, target, maximum)? Check one:

Yes: ☒ No: ☐

iv) Did the electrical corporation use one range for all 2021 LTIP metrics or differing ranges based on the category of metric)? Check one:

One range for all metrics: ☐ Multiple ranges: ☒

v) Provide the 2021 LTIP metric range(s):

Table 7a.2
2021 LTIP Performance Range(s)

	Below Minimum	**Minimum**	**Target**	**Maximum**
Electrical Corporation Actual Data				
Total Shareholder Return (TSR) Performance Shares*	0%	25%	100%	200%
Earnings Per Share (EPS) Performance Shares*	0%	25%	100%	200%
Stock Options*	0%	0%	N/A	N/A

Describe the interpolation method between categories (e.g., straight line):

*For TSR Performance Shares, if EIX achieves a TSR ranking between the 25th percentile (Minimum) and the 50th percentile (Target) or between the 50th percentile (Target) and the 75th percentile (Maximum), the number of shares paid is interpolated on a straight-line basis.

For EPS Performance Shares, if EIX's EPS for a year as a percentage of target EPS is between 80% (Minimum) and 100% (Target) or between 100% (Target) and 120% (Maximum), the EPS performance multiple is interpolated on a straight-line basis, with discrete intervals at every 4th percentage point.

The exercise price for a stock option (which is equal to the closing price of a share of EIX Common Stock on the grant date) is the minimum level of performance. If EIX Common Stock is trading at or below that exercise price, then the stock option cannot be exercised for any value at that time. If EIX Common Stock is trading above that exercise price, then the stock option (if vested) can be exercised with a payout based on the difference between the market price at exercise and the exercise price.

vi) Provide the 2022 LTIP metric range(s):

Table 7a.3
2022 LTIP Performance Range(s)

	Below Minimum	Minimum	Target	Maximum
Electrical Corporation Actual Data				
Total Shareholder Return (TSR) Performance Shares*	0%	25%	100%	200%
Earnings Per Share (EPS) Performance Shares*	0%	25%	100%	200%
Stock Options*	0%	0%	N/A	N/A

Describe the interpolation method between categories (e.g., straight line):

*There is no change in the interpolation method. It is the same as described above for Table 7a.2 – 2021 LTIP Performance Range(s).

i) **Use of Any Performance Triggers**

Does the electrical corporation's 2022 LTIP use any performance triggers (e.g., must achieve annual earnings per share of at least XYZ before any LTIP payments are made)? Check one:

Yes: ☒ No: ☐

If "Yes", please describe any performance triggers:

As described above for Table 7a.2 – 2021 LTIP Performance Range(s), performance shares and options have minimum performance thresholds, and performance below those minimum thresholds results in zero payout.

vii) Use of Any Automatic Deductions

Does the electrical corporation's 2022 LTIP have any automatic deductions (e.g., Failure to achieve WMP targets results in X% reduction, Catastrophic wildfire results in zeroing out all safety metrics)? Check one:

Yes: ☐ No: ☒

If "Yes", please describe all automatic deductions:

N/A

Section 7c: LTIP Measures, Weighting and Vesting

Instructions: For each LTIP Type, indicate vesting period and type. If basis of award differs amongst position or person, copy Table 7c.1 and Table 7c.2 as necessary and indicate who the table applies to in space provided at the top of the table. Add additional tables if LTIP varies for certain officer classifications.

Table 7c.1
2021 LTIP Measures Vesting*

Executive Title/ Function and Name: All Executive Officers	
LTI Type	**Vesting Period and Type**
Electrical Corporation Actuals	
Stock Grant	N/A
Stock Option	Four-year ratable (25%/ year)
RSU	Three-year cliff vesting
PSU/ PRSU	Three-year cliff vesting
Cash	N/A
Other	N/A
Weighting Total:	

***** Stock ownership requirements for executive officers require significant equity holdings to be maintained and prohibit or limit sales of stock.

Table 7c.2
2022 LTIP Measures Vesting*

Executive Title/ Function and Name: All Executive Officers	
LTI Type	**Vesting Period and Type**
Electrical Corporation Actuals	
Stock Grant	N/A
Stock Option	Three-year ratable (33-1/3%/year)
RSU	Three-year cliff vesting
PSU/ PRSU	Three-year cliff vesting
Cash	N/A
Other	N/A
Weighting Total:	

* Stock ownership requirements for executive officers require significant equity holdings to be maintained and prohibit or limit sales of stock.

Attachment A
Supplemental Attachment to the 2022 Executive Compensation Structure Submission of Southern California Edison Company (SCE)

Overview of SCE's Executive Compensation Structure

SCE's executive compensation structure promotes safety as a priority, helps ensure public safety and utility financial stability, and otherwise meets (i) the requirements set forth in Public Utilities Code (Pub. Util. Code) Sections 8389(e)(4) and 8389(e)(6), (ii) the Office of Energy Infrastructure Safety's (Energy Safety) 2022 Executive Compensation Structure Submission Guidelines (Energy Safety Guidance), and (iii) the majority of elements in Assigned Commissioner Ruling, Proposal 9 for Pacific Gas and Electric Company (PG&E).

The SCE Board of Directors' Compensation and Executive Personnel Committee (Compensation Committee) determines three compensation elements each year that constitute Total Direct Compensation for our Executive Officers – base salary, annual incentive awards and long-term incentive awards. Base salary is a fixed rate of income for the year. Annual incentive awards are the variable portion of market-based cash compensation and are designed to focus attention on specific safety, operational, financial and strategic objectives that benefit our customers and other stakeholders. Long-term incentive compensation is largely tied to underlying stock performance, promotes a focus on the company's long-term goals and financial health, in alignment with our customers, investors and other stakeholders. To effectively recruit and retain qualified executives to run the utility, the company aligns with market practice for all three pay elements.

The structure of SCE's executive incentive compensation prioritizes and focuses on safety outcomes in a variety of ways, including:

► SCE's annual incentive award program provides that safety and compliance are foundational, and significant lapses can result in the Compensation Committee reducing or eliminating annual incentive compensation for the year. The Compensation Committee has exercised its authority in this area multiple times to reduce annual incentive awards for safety performance, including eliminating annual incentive awards for 2018 for certain Executive Officers in light of the impact of wildfires on SCE's service area. In the event "the electrical corporation causes a catastrophic wildfire that results in one or more fatalities," the Compensation Committee can, as outlined in Pub. Util. Code §8389(e), deny all annual incentive compensation.

► Focusing on safety outcomes by placing a target weighting of 55% on the Safety & Resiliency goal category for 2022 annual incentive awards (see the summary of the 2022 goals included at the end of this Attachment A), and reducing annual incentive award payouts if specific safety and safety-related targets are not achieved.

► The value of the long-term incentive awards, with their multiple-year vesting periods, is primarily tied to long-term share price performance and incentivizes executives to adopt a longer-term view of corporate performance in the decisions they make today, such as emphasizing safety and safety culture. The company's share price is linked to SCE's long-term ability to satisfy the needs and expectations of our many stakeholders including customers, communities, regulators and investors. Significantly, over the past several years, the risks associated with wildfires have impacted the long-term incentive plan value for executives. The awards provide a strong incentive for executives to take actions that mitigate risk and improve the safety and resiliency of our communities in an enduring manner.

Compliance with Pub. Util. Code § 8389(e) and Energy Safety's Guidance

The following table provides an overview of how the three elements of SCE's Total Direct Compensation meet the requirements set forth in Pub. Util. Code §8389(e).

Element of Total Direct Compensation	**Form**	**Alignment with Pub. Util. Code §8389(e)**
Base Salary	Fixed Pay: Cash	• SCE does not have employment contracts or guarantees of cash compensation; base salaries comprise less than half of each Executive Officer's target Total Direct Compensation
Annual Incentive Awards	Variable Pay: Cash	• Annual incentive awards require achievement of target objectives related to specific initiatives (goal categories) that are assessed through various metrics (success metrics) that promote safety and/or utility financial stability • Safety and compliance are also foundational, and the Compensation Committee can reduce or eliminate awards if there are significant lapses in safety or compliance, regardless of the company's performance in the specific safety and compliance metrics established at the beginning of a goal year • No guaranteed minimum payout, maximum payout is 200% of target; significant "at risk" compensation • Nearly all of the success measures that are used to determine the payout are based on meeting performance metrics that are objectively measurable • Performance on annual goals and long-term incentives is reviewed by auditors annually and reviewed and scored by the independent Compensation Committee
Long-Term Incentive Awards	Variable Pay: Equity • 50% performance shares • 25% stock options • 25% restricted stock units	• Promote utility financial stability by enhancing executives' focus on the company's long-term goals • 75% of long-term incentive awards have payouts determined by achievement of objective outcome-based performance metrics • All awards at risk, with no guaranteed minimum payout • Restricted stock units are subject to a three-year cliff vesting requirement; performance shares are subject to a three-year performance based-vesting requirement; stock options vest in installments over a three-year period; in addition, stock ownership requirements for Executive Officers require significant equity holdings to be maintained and prohibit or limit sales of stock • Long-term and annual incentive awards comprise the majority of Executive Officers' compensation and the variable nature puts these components "at risk" subject to performance

Role of Compensation Committee
The Compensation Committee is responsible for reviewing and determining the total compensation paid to Executive Officers. The Committee is comprised of independent Board members who have significant experience and qualifications and bring a variety of perspectives to the Compensation Committee's deliberations. No officers or other employees serve on the Compensation Committee.

The Compensation Committee retains an independent compensation consultant, Pay Governance, to assist in evaluating Executive Officer compensation, including industry trends and best practices.

In alignment with best practices, the Compensation Committee generally targets a competitive range of +/-15% around the market median for each element of Total Direct Compensation offered under our program: base salaries, annual incentive awards and long-term incentives awards. Above-median compensation usually is not needed, but the +15% end of the range provides flexibility when it is needed for individual recruitment of specialized skills, retention purposes, or to reward exceptional performers. Below-median compensation usually is avoided because it can create retention and recruitment difficulties, but the -15% end of the range provides flexibility for newly promoted executives or other circumstances where below-median compensation is appropriate for a time. The Compensation Committee exercises its judgment in setting the compensation level for each Executive Officer.

Base Salary and Employment Contracts
SCE does not have employment contracts or guarantees of base pay. The company has evaluated employment contracts and concluded there are more downsides than benefits to providing contracts.

The Compensation Committee evaluates Executive Officers' base salaries every year according to their position and performance.

SCE's Executive Officers do not have employment contracts and do not have contractual rights to receive fixed base salaries. Employment contracts benefit the executive more than the company. Some of the downsides of employment contracts include:

- The company's ability to terminate at will for performance would be heavily impacted if there was a specified term of employment;

- The company's ability to change the terms of employment for an executive under contract is limited even if business or other conditions warrant a change;

- To the extent contract terms differ from later-adopted policies or programs, the company may need to renegotiate the contract, which could result in a contract of higher value to the executive than the company originally intended; and

- If a contract provision is subsequently prohibited by a change in the law, that may also require a contract renegotiation or otherwise result in a contract of higher value to the executive than intended.

Annual Incentive Awards

Annual incentive awards are structured to promote safety and help ensure public safety and the financial stability of the utility as outlined in Pub. Util. Code §8389 (e). The Safety and Operations Committee of the Board applies its relevant safety experience and formally participates in establishing safety and operational goals and success measures to be used for the annual incentive awards, including the weight afforded to various goal categories.

There are two components that determine the payout of SCE's annual incentive awards: a company multiplier and an individual performance modifier (IPM). The company multiplier is determined by assessing company performance against goals and applies to all employees, including Executive Officers. The IPM is a modifier for exempt employees, including Executive Officers, and reflects their individual performance.

Annual incentive awards are placed "at risk" and are paid out to the extent important goals and objectives are met or exceeded. In accordance with market practice, poor company performance results in reduced or no payouts, target performance results in target payouts, and exemplary performance is rewarded with above-target payouts. The minimum annual incentive award payout is $0. The maximum award is 200% of target, which Pay Governance advises is the most prevalent practice among our peers.

When circumstances warrant reductions in pay for executives – rather than for the entire employee population – IPMs or the company multiplier for certain executives may be further modified. This occurred for 2017, 2018, 2019 and 2020 annual incentives, when additional deductions of 10 or more points were applied for Executive Officers and certain other executives in response to the company's safety performance. Certain Executive Officers received no annual incentive payment for 2018 in light of the impact of wildfires on our communities.

The process of determining the company multiplier starts at the beginning of each year when the incentive award goals are established. These goals focus executives' attention on the foundational importance of safety, compliance, and SCE's values, and the two goal categories of Safety and Resiliency and Performance Management and Operational Excellence.

The 2022 goals convey SCE's emphasis on safety by weighting Safety and Resiliency as 55% of the target award and by also including safety as a foundational goal that can result, and has resulted in some prior years, in a reduction or elimination of the annual award if there is a significant lapse in safety. Performance Management and Operational Excellence weighted at 45% includes a system reliability success measure that impacts safety and a financial performance success measure.

For each goal category, the company provides representative success measures. The success measures are labeled as "representative" to reflect that the Compensation Committee has discretion to adjust for real-world events. Every situation cannot be contemplated when annual goals and success measures are developed. We want executives to react in a dynamic manner to new issues as they arise, particularly in terms of safety.

When goals are established, the subcomponents that comprise goal categories are not assigned specific weights. Allocating small percentages to numerous subcomponents would mask the importance of the overarching goal categories. For example, the most important and heavily weighted category is Safety and Resiliency, which includes wildfire mitigation. Providing a weighting breakdown of subcomponents at the beginning of the year might obscure the critical importance of *all* the representative success measures within the category. They are *all* necessary in our effort to increase the safety and resiliency of our communities and our workers. We want executives, and all employees, to be focused on achieving the main objectives and all the success measures, and not make tradeoffs due to small weighting differences between subcomponents.

At the Compensation Committee meeting in February following the end of the goal year, the Compensation Committee assesses all the representative success measures that were approved at the beginning of the goal year, as well as other important activities and developments during the year. The Compensation Committee evaluates the relative importance of the various success measures and scores the subcategories, depending on the extent to which the goals were unmet, met or exceeded, to establish the company multiplier payout percentage. The Compensation Committee can exercise discretion to adjust the company multiplier, including eliminating the annual incentive award entirely, should circumstances warrant.

Annual Incentive Award Deductions for Safety Performance Since 2017
The table below summarizes SCE's annual incentive award deductions for safety performance since 2017.

Plan Year	Total Deduction for Executive Officers Due to Unmet Safety, Wildfire Resiliency, and/or Foundational Goals	Summary of Unmet Safety, Wildfire Resiliency, and/or Foundational Goals
2021	5-point deduction[19]	Below-target performance for Wildfire Resiliency, Safety and Resiliency Capabilities, and Contractor Management
2020	20-point deduction[20]	Environmental non-compliance incident; three contractor fatalities and one serious injury to a contractor
2019	14-point deduction[21]	Three contractor fatalities; transformer failure that seriously burned a member of the public; Days Away, Restrictions, and Transfers (DART) injury rate worse than target

[19] Wildfire Resiliency was scored 2 points below target due to reportable ignitions in High Fire Risk Areas and hazard tree assessment and mitigation being worse than target; Safety and Resiliency Capabilities were scored 1 point below target due to some field and work management tool development occurring behind schedule; Contractor Management was scored 2 points below target due to a delay in the revised end-to-end contractor management process.

[20] The 20-point deduction was comprised of: 10-point deduction for the entire employee population due to an environmental non-compliance incident; an additional 10-point deduction for Executive Officers (and certain other executives) due to three contractor fatalities and a third-party contractor serious injury.

[21] The 14-point deduction was comprised of: 10-point deduction to company modifier due to unmet foundational goals; Safety portion of Operational & Service Excellence goal category was scored 4 points below target due to DART injury rate.

2018	Annual incentive *completely eliminated* for SCE CEO and for SCE President;[22] 20-point deduction for other Executive Officers[23]	Impact of wildfires on communities within SCE's service territory; fatalities of (i) two contractors and (ii) a private tree trimmer who came in contact with a power line; DART injury rate worse than target
2017	17-point deduction[24]	Fatality and a serious injury occurred when members of the public came in contact with downed power wires in separate incidents; DART injury rate worse than target

Long-Term Incentive Awards
Pub. Util. Code §8389(e) reflects the importance of promoting utility financial stability, which is needed to ensure efficient capital market access and cost of capital, and for affordable customer rates. The company's long-term incentive awards are tied to the interests of all stakeholders by emphasizing strong long-term financial stability and performance.

All of the company's long-term incentives (LTI) are awarded as equity instruments reflecting, or valued by reference to, EIX Common Stock. Seventy-five percent (75%) of the long-term equity mix is tied to outcome-based performance metrics: the performance shares that comprise 50% of the award value; and the non-qualified stock options that comprise 25% of the award value. Performance shares use two metrics, with each metric weighted 50%: relative total shareholder return of EIX Common Stock over a three-year performance period compared to other companies in the Philadelphia Utility Index; and three-year average annual core earnings per share, measured against target levels. Stock options are performance-based because executives will realize value only if the market value of EIX Common Stock appreciates after the options are granted.

The remaining 25% of LTI is awarded as restricted stock units subject to a three-year cliff vesting requirement. Performance shares are subject to a three-year performance based-vesting requirement. Stock options vest in approximately equal installments over a period of three years. The company also has an LTI holding requirement. Executive Officers must continue to hold shares obtained from LTI to the extent necessary to meet the stock ownership requirement of up to three-times base salary, depending on the Executive Officer's position.

Although LTI rewards executives based on the growth of the share price, this by no means implies that this element of executive compensation only benefits shareholders. Customers benefit from our use of LTI in a number of ways, including:

► While the ultimate value of a fully vested LTI award for the recipient is a function of the stock price, this price is largely based on the company's successful operations which drives

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[22] In light of the impact of wildfires on communities within SCE's service area, the Compensation Committee decided, in consultation with management and with its full support and agreement, that no annual incentive award would be paid for 2018 to the SCE CEO or the SCE President. This action was not a reflection on the performance of SCE or these officers.

[23] The 20-point deduction was comprised of: 5-point deduction to Safety portion of Operational & Service Excellence goal category due to DART injury rate; 5-point deduction to overall company modifier due to unmet foundational goal; 10-point deduction to individual performance modifier due to unmet foundational goal.

[24] The 17-point deduction was comprised of: 7-point deduction to Safety goal category due to DART injury rate; 10-point deduction to individual performance modifier due to unmet foundational goal.

financial health. Those metrics translate directly into SCE's ability to lower borrowing costs and reasonably obtain funds for capital projects and other programs to maintain and modernize SCE's power grid and support reliability of service to customers. LTI advances customer interests by aligning them with the strategic goals and initiatives of the company.

- SCE's use of LTI helps conserve cash resources. Unlike the fixed cost of base pay and any annual incentive which may be awarded, there is no immediate cash payment to employees for an LTI award due to the multi-year vesting schedule applicable to each form of LTI. Employees who voluntarily leave prior to the full vesting of the LTI award will forfeit all or a substantial portion of the unvested award.

- As a variable pay component of total compensation, LTI awards do not cause increases in an executive's annual/fixed pension and benefits costs that are a function of base pay.

- LTI promotes stability of a strong leadership team at SCE as LTI awards and payouts depend on multiple years of continuous employment, strong executive performance and strong SCE financial health.

In addition, although the company's LTI awards have a 100% weighting for financial and stock performance, the LTI awards also provide a strong incentive to safely manage operations to increase the value of those awards. Wildfires, for example, can result in significant decreases in both stock price and the value of LTI awards. For example, as of the end of 2018, after the Thomas and Woolsey fires, top officers had lost an average of 31% of the value of their stock option grants, 12% of the value of restricted stock units and 48% of the value of performance shares when measured against the original value of those grants awarded over a number of years. The performance share payout in early 2020 provides another example of the impact of safety performance on LTI. As a result of the impact of the wildfires on the share price, the value of the performance share payout was only 62.3% of the target, a significant reduction particularly when considered in conjunction with the impacts on the safety components of the annual incentives and the Compensation Committee's decision to eliminate annual incentives for both the SCE CEO and the SCE President. This type of loss provides a strong incentive for risk mitigation and safety improvements and focuses executives' efforts on the long-term interests of the company and its stakeholders. We feel that this long-term view is an imperative, which is why we have continued to offer long-term incentives even though the CPUC has traditionally disallowed customer funding of that compensation element.

Review of Assigned Commissioner Ruling, Proposal 9

Energy Safety has encouraged SCE to review and consider adopting the executive compensation requirements that apply to PG&E pursuant to the final decision approving PG&E's reorganization plan (D.20-05-053), which obligated PG&E to comply with the requirements proposed in Assigned Commission Ruling Executive Compensation Proposal 9 (ACR-9). SCE has reviewed these executive compensation requirements for PG&E. As explained in the table below, most of the ACR-9 requirements substantially track SCE's executive compensation program. To the extent that SCE's executive compensation program differs from the ACR-9 requirements for PG&E, the features of SCE's program reflect the judgment of SCE's independent Compensation Committee, with input from the Compensation Committee's independent compensation consultant. The Compensation Committee's exercise of judgment was made in the long-term interests of SCE and its stakeholders, promotes safety as a priority, and helps ensure public safety and utility financial stability.

ACR-9 Requirement for PG&E	SCE Comment
Publicly disclosed compensation arrangements for executives.	As part of its annual report pursuant to General Order No. 77-M, SCE publicly discloses compensation for executives with base salaries of at least $250,000.
Written compensation agreements for executives.	As explained above in the "Base Salary and Employment Contracts" section, SCE does not have employment contracts because they benefit the executive more than the company or its stakeholders.
Guaranteed cash compensation as a percentage of total compensation that does not exceed industry norms.	SCE does not provide guaranteed cash compensation. As explained above in the "Role of Compensation Committee" section, SCE executives' base salaries are reviewed each year and are generally within a competitive range of +/-15% around the market median for the position, which aligns with best practices according to Pay Governance, the independent compensation consultant for the Compensation Committee.
Holding or deferring the majority or super-majority of incentive compensation, in form of equity awards, for at least 3 years.	SCE's long-term incentive program is aligned with this concept. Our restricted stock units are subject to a three-year cliff vesting requirement; performance shares are subject to a three-year performance based-vesting requirement; stock options vest in installments over a three-year period; and stock ownership requirements for officers require significant equity holdings to be maintained and prohibit or limit sales of stock
Basing a significant component of long-term incentive compensation on safety performance, as measured by a relevant subset of by [sic] the Safety and Operational Metrics to be developed, as well as customer satisfaction, engagement, and welfare. The remaining portion may be based on financial performance or other considerations.	As discussed in "Long-Term Incentive Awards" above, the financial performance metrics the company uses for its long-term incentives focus executives on the long-term interests of the company and its stakeholders, including risk mitigation, safety improvements, and customer interests.
Annual review of awards by an independent consultant	Pay Governance reviews the annual awards granted to Executive Officers
Annual reporting of awards to the CPUC through a Tier 1 Advice Letter compliance filing.	As part of its annual report pursuant to General Order No. 77-M, SCE publicly discloses compensation for executives with base salaries of at least $250,000, including awards to those executives.

A presumption that a material portion of executive incentive compensation shall be withheld if PG&E is the ignition source of a catastrophic wildfire, unless the Commission determines that it would be inappropriate based on the conduct of the utility.	The Compensation Committee has discretion to reduce or eliminate an annual incentive award in the event of a significant lapse in safety or compliance, including if SCE is the ignition source of a catastrophic wildfire. The Compensation Committee exercised this discretion to eliminate bonuses for 2018 for certain Executive Officers in light of the impact of wildfires on SCE's service area. SCE does not believe it would be prudent for the company to implement the presumption that is required for PG&E because (i) the Compensation Committee has proven that it will materially reduce Executive Officer compensation when advisable and (ii) implementing such a presumption would unnecessarily make positions at SCE less attractive for recruitment purposes, especially when compared to compensation packages from the companies and industries where we recruit (including utilities other than PG&E and Sempra's utilities).
Executive officer compensation policies will include provisions that allow for restrictions, limitations, and cancellations of severance payments in the event of any felony criminal conviction related to public health and safety or financial misconduct by the reorganized PG&E, for executive officers serving at the time of the underlying conduct that led to the conviction. Implementation of this policy should take into account PG&E's need to attract and retain highly qualified executive officers.	The company's executive severance plan allows the company to cancel severance benefits and require repayment of severance payments already made, in the event of malfeasance by an executive during employment that constitutes "Cause" as defined in the plan and that the company learns about after entering into a severance agreement with the executive. The company also has a clawback policy that allows recoupment of excess incentive compensation from certain senior executives if the company restates its financial statements. SCE does not believe it would be prudent for the company to implement the severance provisions from ACR-9 because (i) the Compensation Committee has implemented clawback provisions where it believes advisable and (ii) implementing these severance provisions would unnecessarily make positions at SCE less attractive for recruitment purposes, especially when compared to compensation packages from the companies and industries where we recruit (including utilities other than PG&E and Sempra's utilities).

2022 SOUTHERN CALIFORNIA EDISON GOALS

Goal Category	Target Score for Goal Category [1]	Representative Success Measures for Goal Category
Overarching Goals Framework	See footnote[2] below	• The goals will be achieved while living the Company's values, which include safety
		• Safety and compliance are foundational and events such as fatalities or significant non-compliance issues can result in meaningful or full elimination of short-term incentive compensation
Safety & Resiliency	55	• Employee Safety: Make significant progress toward eliminating Serious Injuries and Fatalities (SIF) ○ Reduce Employee Edison Electric Institute (EEI) SIF Injury Rate: ≤ 0.087, **0.072**, 0.058 ○ Reduce Employee Days Away, Restrictions, and Transfer (DART) Injury Rate: ≤ 1.13, **0.98**, 0.84
		• Public Safety & Wildfire Resiliency: Reduce risk of public injuries and catastrophic wildfires related to our electric infrastructure by executing our Wildfire Mitigation Plan (WMP) and programs ○ CPUC reportable ignitions in High Fire Risk Areas (HFRA): ≤ 49, **41**, 33 ○ Covered Conductor: install ≥ 1,100, **1,250**, 1,400 circuit miles ○ Overhead Inspections: complete ground and aerial HFRA inspection scope and remediate ≥ 60%, **70%**, 80% of P2 findings 30 days before compliance due date[3] ○ Vegetation Line Clearing: execute ≥ 75%, **80%**, 85% of trims within planned schedule to support compliance with GO 95 requirements ○ Reduce duration of customer Public Safety Power Shutoffs (PSPS) outages: Calculated Customer Minutes of Interruption (CMI) percentage reduction from executed grid hardening ≥ 11%, **17%**, 23% ○ Improve customer notification: ≥ 91%, **95%**, 99% of PSPS-impacted customers receive notification before de-energization
		• Cybersecurity: Maintain effective controls to prevent and mitigate significant disruptions, data breach or system failure ○ Mature enterprise-wide phishing program as measured by simulation exercise click rate ≤ 4%, **3%**, 2% and reporting rate ≥ 31%, **36%**, 41%
		• Quality: Sustain execution quality in operations ○ Sustain quality performance in key programs: quality conformance index[4] ≥ 87%, **90%**, 93%
		• Capital Deployment: Execute grid, technology, electrification, and other improvements to deliver safe, reliable, clean, and affordable energy for customers. ○ Achieve CPUC and FERC jurisdictional capital improvement plan execution, consistent with appropriate regulatory direction
Performance Management and Operational Excellence	45	• Achieve SCE core earnings target
		• Reliability: Improve reliability performance for repair outages ○ Achieve System Average Interruption Duration Index (SAIDI), Repair: ≤ 110, **98**, 86 minutes
		• Diversity, Equity and Inclusion (DEI): Improve Organizational Unit (OU) accountability for employee diversity, equity and inclusion and sustain a diverse supplier base ○ Build OU DEI action plans ○ Achieve Diverse Business Enterprise (DBE) spend ≥ 30%, **33%**, 36%
		• Clean Power: Support Pathway 2045 by Transportation Electrification (TE) adoption and other initiatives ○ Advance SCE's clean energy pathway objectives ▪ Transportation Electrification installs ≥ 800, **1,000**, 1,200 charging port installations and ≥ 365, **460**, 555 medium/heavy duty electric vehicle conversions ▪ Building Electrification installs ≥ 5,500, **7,000**, 8,500 heat pumps ▪ Demand Response resources ≥ 720, **775**, 830 megawatts
		• Customer Experience: Improve customer experience to address targeted interactions ○ Achieve Billing and Payment (B&P) Net Score: ≥ 16, **28**, 40

Total: **100**

(1) The potential score for each goal category (other than Overarching Goals Framework, which is discussed in footnote (2) below) ranges from zero to twice the target score for the goal category. The potential total score is from zero to 200.

(2) The Compensation and Executive Personnel Committee established certain safety and compliance values that it views as "foundational". The committee can eliminate up to 100% of the annual incentive awards based on the outcomes in this category.

(3) Inspection scope defined by 2022 Wildfire Mitigation Plan. P1 findings will be remediated within the compliance timeframes. Remediation of P2 findings for goal measurement exclude those with GO95 exceptions or those that are delayed due to worker/public safety conditions.

(4) Measure sets acceptable quality conformance levels that lead to improved safety, quality and compliance outcomes for Distribution and Transmission Construction, Overhead Detail Inspection and Vegetation Management programs.