

September 13, 2021

E-filed to Energy Safety Docket #2021-SCs

Caroline Thomas Jacobs, Director
Office of Energy Infrastructure Safety
California Natural Resources Agency
715 P Street 20th Floor
Sacramento, CA 95814

SUBJECT: Southern California Edison Company's 2021 Safety Certification Request

Dear Ms. Caroline Thomas Jacobs:

Pursuant to California Public Utilities Code Section¹ 8389(e) and (f), Southern California Edison Company (SCE) submits this 2021 Safety Certification request and supporting documentation. SCE's 2020 safety certification was granted on September 17, 2020 and, pursuant to Section 8389(f)(4), will remain in effect until the Office of Energy Infrastructure Safety (Energy Safety) acts on this request.

Below, SCE provides each of the safety certification requirements set forth in Section 8389(e) and consistent with the 2021 Safety Certification Guidance issued by Energy Safety on July 26, 2021 (Guidance):²

1. Section 8389(e)(1) – The electrical corporation has an approved wildfire mitigation plan.

SCE submitted a comprehensive Wildfire Mitigation Plan (WMP)³ on February 7, 2020 in accordance with the requirements of Section 8386. The plan, which covered years 2020-2022, was approved on June 11, 2020.⁴

¹ Unless otherwise stated, all references to "Section" herein refer to the California Public Utilities Code.

² Office of Energy Infrastructure Safety's Final 2021 Safety Certification Guidance, available at: <https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=51679&shareable=true>

³ SCE's 2020-2022 Wildfire Mitigation Plan, available at: <https://www.sce.com/safety/wild-fire-mitigation>

⁴ CPUC WMP approval statement, available at: <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M340/K129/340129782.PDF>

SCE submitted its 2021 Wildfire Mitigation Plan Update (WMP Update)⁵ on February 5, 2021 for years 2021 and 2022, building on the successes and lessons learned from its 2020 WMP deployment. The 2021 WMP Update proposed additional grid hardening, enhanced inspection and repair programs, additional information technology systems and tools to improve data governance, continuation of enhanced vegetation management, increased situational awareness and response, and augmented Public Safety Power Shutoff (PSPS) resilience and community engagement activities. The WMP Update also included expedited grid hardening and other activities pursuant to SCE's PSPS Action Plan. The WMP Update described how SCE's wildfire mitigation capabilities have matured and SCE's plans to further advance its risk-informed decision-making, data management, grid hardening, and community engagement.

SCE subsequently submitted a revised 2021 WMP Update on June 3, 2021 addressing issues raised in the May 4, 2021 Revision Notice and providing factual corrections to the filing.⁶ On August 19, 2021, the CPUC issued Resolution WSD-020 ratifying Energy Safety's Action Statement approving SCE's 2021 WMP Update.⁷ Therefore, SCE has an approved wildfire mitigation plan and meets this requirement.

2. Section 8389(e)(2) - The electrical corporation is in good standing, which can be satisfied by the electrical corporation having agreed to implement the findings of its most recent safety culture assessment performed pursuant to Sections 8386.2 and 8389(d)(4), if applicable.

The Guidance describes the safety culture assessment (SCA) process initiated by Energy Safety:

On November 19, 2020, in Resolution WSD-011, the Commission approved an annual SCA process. Energy Safety's first SCA commenced in March 2021 and is expected to be complete by the end of August 2021. Upon completion, Energy Safety will document its findings, which shall include recommendations for improvement.⁸

SCE's safety culture assessment was conducted by DEKRA Services, Inc. (DEKRA), an independent consultant retained by Energy Safety.

⁵ SCE 2021 Wildfire Mitigation Plan Update (February 5, 2021), available at: <https://www.sce.com/sites/default/files/AEM/Wildfire%20Mitigation%20Plan/2021/SCE%202021%20WMP%20Update.pdf>. SCE submitted an Update Supplemental Filing on February 26, 2021, available at: <https://www.sce.com/sites/default/files/AEM/Wildfire%20Mitigation%20Plan/2021/2021%20Wildfire%20Mitigation%20Plan%20Update%20Supplemental%20Filing%20Corrected.pdf>.

⁶ SCE 2021 Wildfire Mitigation Plan Update (Revision) (May 4, 2021), available at: <https://www.sce.com/sites/default/files/AEM/Wildfire%20Mitigation%20Plan/2021/SCE%202021%20WMP%20Update%20Revision%20-%20CLEAN.pdf>.

⁷ Resolution WSD-020 Ratifying Action on SCE 2021 Wildfire Mitigation Plan Update, available at: <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M401/K554/401554064.PDF>.

⁸ Guidance, p. 4.

On August 24, 2021, Energy Safety published a draft report of its findings and recommendations based on an evaluation of SCE's safety culture assessment. Energy Safety issued a revised and final 2021 SCA report (SCA report) attaching SCE's comments to the draft report on September 2, 2021.⁹ The recommendations by Energy Safety on SCE's 2021 safety culture assessment and SCE's response to these recommendations are described below.

As noted in the SCA report, DEKRA found that SCE has been "actively and directly focused on improving its culture for wildfire and personal safety"¹⁰ and "frontline employees feel empowered to work safely."¹¹ However, the SCA report also noted areas for suggested improvement. To drive consistent improvements in SCE's safety culture, the report makes four recommendations:¹²

1. Update current safety leader activities to address issues noted by the workforce concerning wildfire communications, roles, and decisions.
2. Use Safety Culture Pulse Surveys to evaluate progress of supervisors in engaging frontline workers on wildfire hazards and providing clear communication about wildfire-related procedures.
3. Embed learning organization concepts into the culture via training, incident investigations and corrective action systems.
4. Recognize and take action to mitigate the serious exposure posed by interactions with certain discontented members of the public.

SCE agreed to implement all of the findings and recommendations for improvement in the SCA report via e-filing on September 9, 2021, thereby meeting this requirement.

- 3. Section 8389(e)(3) - The electrical corporation has established a safety committee of its board of directors composed of members with relevant safety experience.**

Energy Safety Guidance: To ensure that this requirement is satisfied, electrical corporations shall include the following [four elements] in 2021 Safety Certification requests:

- 1) Any updates of the electrical corporation's safety committee members, including sharing new members' relevant experience and expertise via a resume or other documents;¹³**

⁹ 2021 Safety Culture Assessment Report for SCE, available at:
<https://efiling.energy.ca.gov/eFiling/Getfile.aspx?fileid=51714&shareable=true>

¹⁰ SCA Report, p. 10.

¹¹ SCA Report, p. 11.

¹² SCA Report, pp. 1-2.

¹³ Guidance, p. 4

SCE's 2020 Safety Certification request, filed on June 19, 2020, provided a description of the Safety and Operations Committee (Committee) of SCE's Board of Directors (Board) and the relevant experience and expertise of each Committee member.¹⁴ The only change in the Committee membership since the filing of SCE's 2020 Safety Certification request is that one of the members, Linda G. Stuntz, moved from the Committee to another committee.

2) A description of how the safety committee aligns with overall company governance;¹⁵

The entire Board is committed to the safety of SCE's workers, its customers and the community. The Board provides oversight for all aspects of SCE's business, including safety, and various committees of the Board have responsibility for oversight of specific areas. The Committee is responsible for oversight of the Company's safety performance, culture, goals, risks and significant safety-related incidents involving employees, contractors or members of the public. This oversight includes measures and resources used to prevent, mitigate or respond to safety-related incidents. The Committee's oversight responsibilities also include SCE's operational practices, resources, risks mitigation plans related to wildfires and emergency response. These duties are outlined in the Committee's charter, which is available on SCE's website at https://library.sce.com/content/dam/sce-doclub/documents/aboutus/SCE_SOCharter.pdf. The Committee regularly makes recommendations to management to follow up on specific actions, respond to questions or address requested topics, as described further in Item 4 below.

The Committee meets at least six times per year and receives reports from SCE management that include safety performance metrics, information on serious injuries and fatalities (no fatalities for over a year), and actions to improve worker and public safety. The Chair of the Committee then reports to the entire Board at its next meeting, which is typically held the day after the Committee meeting.

3) A report on significant topics covered by the safety committee; and¹⁶

Significant topics covered by the Committee on wildfire and safety issues include: Wildfire Safety, Worker Safety, and Public Safety, among other topics. In addition to Committee meetings, the Committee Chair meets regularly with SCE management to discuss wildfire and worker safety issues. Additional information about each of the topics discussed at the Committee meetings may be found in SCE's Q1 2021 Quarterly Advice Letter (Advice 4489-E) filed with the CPUC on May 3, 2021 and Q2 2021 Quarterly Notification Letter filed with Energy Safety

¹⁴ SCE 2020 Safety Certification Request available at:
https://www.sce.com/sites/default/files/SCE_2020SafetyCertificationRequest.pdf

¹⁵ Guidance, p. 4.

¹⁶ *Id.*

on August 2, 2021 (attached to Appendix A). Per PUC Section 8389(e)(7),¹⁷ the Quarterly Notification Letter replaces the Quarterly Advice Letter filed with the CPUC. SCE's Q3 2021 Quarterly Notification Letter will be submitted on November 1, 2021.

4) A description of any actions recommended by the safety committee that were implemented by the electrical corporation.¹⁸

SCE has included in its quarterly notification letter and quarterly advice letters the descriptions of the recommended actions from its Committee. These quarterly updates also describe how SCE has implemented or is working to implement these recommendations. Additional information about the Committee's recommended actions in 2021 that were implemented by SCE may be found in SCE's Q1 2021 Quarterly Advice Letter (Advice 4489-E) filed with the CPUC on May 3, 2021 and Q2 2021 Quarterly Notification Letter filed with Energy Safety on August 2, 2021 (attached to Appendix A).

- 4. Section 8389(e)(4) - The electrical corporation has established an executive incentive compensation structure approved by the division and structured to promote safety as a priority and to ensure public safety and utility financial stability with performance metrics, that are measurable and enforceable, for all executive officers, as defined in Section 451.5.**

Energy Safety Guidance: In their Safety Certification Requests, electrical corporations shall cite to Energy Safety's disposition of Executive Compensation plans.¹⁹

SCE's executive compensation structure meets the requirements of Public Utilities Code section 8389(e)(4). SCE outlined details of that structure in its January 15, 2021 submission to the WSD (Appendix B) and its final 2021 annual incentive goals and metrics as approved by the SCE Board of Director's independent Compensation and Executive Personnel Committee (Compensation Committee) in a supplemental filing on March 1, 2021 (Appendix C).

¹⁷ PUC Section 8389(e)(7) states, in part, that "[t]he electrical corporation shall file a notification of implementation of its wildfire mitigation plan with the office and an information-only submittal with the commission on a quarterly basis that details the implementation of both its approved wildfire mitigation plan and recommendations of the most recent safety culture assessments by the commission and office, and a statement of the recommendations of the board of directors safety committee meetings that occurred during the quarter. The notification and information-only submittal shall also summarize the implementation of the safety committee recommendations from the electrical corporation's previous notification and submission."

¹⁸ Guidance, p. 4.

¹⁹ Guidance, p. 5.

On August 11, 2021, Energy Safety issued a letter of approval of SCE's 2021 executive compensation structure (Appendix D). Energy Safety's letter specified that "SCE has met the minimum requirements set forth in Public Utilities Code sections 8389(e)(4) and (e)(6)."²⁰

5. Section 8389(e)(5) - The electrical corporation has established board-of-director-level reporting to the commission on safety issues.

Energy Safety Guidance: For each electrical corporation, a board member, along with the chief safety/risk officer (or equivalent), should brief the Commission and Energy Safety on safety performance. Details regarding the public meeting will be noticed in accordance with open meeting laws. Electrical corporations shall provide any materials used in the public meeting in their Safety Certification requests to demonstrate that the electrical corporation has met this requirement.²¹

On August 25, 2021, SCE's President and Chief Executive Officer (serving as Chair of SCE's Board of Directors), Kevin Payne, along with Executive Vice President of Operations, Steve Powell, and Vice President of Safety, Security and Business Resiliency, Andrew Martinez, provided a briefing to the Commission and Energy Safety on SCE's safety performance. SCE's briefing primarily focused on the progress and challenges in wildfire mitigation, worker safety, and safety culture. SCE has attached the presentation materials used in the public meeting in Appendix E.

6. Section 8389(e)(6)(A) - The electrical corporation has established a compensation structure for any new or amended contracts for executive officers, as defined in Section 451.5, that is based on the following principles:

- (i) (I) Strict limits on guaranteed cash compensation, with the primary portion of the executive officers' compensation based on achievement of objective performance metrics.**
(II) No guaranteed monetary incentives in the compensation structure
- (ii) It satisfies the compensation principles identified in paragraph (4).**
- (iii) 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.**
- (iv) Minimization or elimination of indirect or ancillary compensation that is not aligned with shareholder and taxpayer interest in the electrical corporation.**

²⁰ Energy Safety Approval of SCE's 2021 Executive Compensation Structure, p. 4.

²¹ Guidance, pp. 4-5.

Energy Safety Guidance: In their Safety Certification Requests, electrical corporations shall cite to Energy Safety’s disposition of Executive Compensation plans.²²

As discussed in SCE’s January 15, 2021 submission to the WSD, SCE does not have employment contracts for executive officers (please refer to Appendix B for further details). Therefore, the requirements of Section 8389(e)(6)(A) do not apply to SCE’s 2021 executive compensation structure.

Even though the requirements of Section 8389(e)(6)(A) do not apply, SCE’s 2021 executive compensation structure does satisfy the principles set forth in Sections 8389(e)(6)(A)(i), (ii), (iii), and (iv). Energy Safety’s August 11, 2021 approval of SCE’s 2021 executive compensation structure included findings that the structure complies with Sections 8389(e)(6)(A)(i), (ii), (iii), and (iv).²³

- 7. Section 8389(e)(7) - The electrical corporation is implementing its approved wildfire mitigation plan. The electrical corporation shall file a tier 1 advice letter on a quarterly basis that details the implementation of both its approved wildfire mitigation plan and recommendations of the most recent safety culture assessment, and a statement of the recommendations of the board of directors safety committee meetings that occurred during the quarter. The advice letter shall also summarize the implementation of the safety committee recommendations from the electrical corporation’s previous advice letter filing. If the division has reason to doubt the veracity of the statements contained in the advice letter filing, it shall perform an audit of the issue of concern.**

Energy Safety Guidance: The statute requires an electrical corporation to file a notification of implementation of its wildfire mitigation plan with Energy Safety and an information-only submittal with the Commission on a quarterly basis detailing WMP and safety culture assessment implementation.

The statute does not define what level of progress constitutes “implementation” to warrant issuance of a Safety Certification. The electrical corporation must demonstrate meaningful progress in implementing its WMP. In this case, meaningful progress means that the electrical corporation is progressing towards the targets set forth in its WMP.²⁴

²² Guidance, p. 5.

²³ Energy Safety Approval of SCE’s 2021 Executive Compensation Structure, pp. 3-4.

²⁴ Guidance, p. 3.

In 2021, SCE continues to make meaningful progress towards the 39 specific wildfire-related programs and activities that constitute its approved 2021 WMP Update. SCE is also implementing the programs and activities outlined in its PSPS Action Plan,²⁵ which have been incorporated into its revised 2021 WMP Update.

Quarterly notifications as required by Section 8389(e)(7)

SCE presented detailed information about how it has made meaningful progress towards meeting its 2021 WMP Update Program Targets for each of the 39 wildfire-related mitigation activities and programs in its quarterly notification letter (previously submitted as Tier 1 quarterly advice letters). SCE timely submitted its Q1 2021 Quarterly Advice Letter (Advice 4489-E) on May 3, 2021 and Q2 2021 Quarterly Notification Letter on August 2, 2021 as required by Section 8389(e)(7) (please see Appendix A for more information). Energy Safety approved Advice 4489-E on May 23, 2021 with an effective date of May 3, 2021. SCE has not yet received a disposition from Energy Safety on its Q2 2021 Quarterly Notification Letter.

Conclusion

For the foregoing reasons, SCE requests prompt issuance of a safety certification as required by Section 8389. We appreciate the opportunity to continue working with Energy Safety on this important topic and ask that you contact me or our Managing Director of State Regulatory Operations, Shinjini Menon, should you have any questions regarding this submission.

Sincerely,

/s/ Michael Backstrom

Michael Backstrom
Vice President
Regulatory Policy

Attachments

cc: Rachel Peterson, CPUC Executive Director

²⁵ SCE's PSPS Corrective Action Plan (R.18-12-005), submitted February 12, 2021, available at <https://www.sce.com/sites/default/files/custom-files/R1812005-SCE%20Corrective%20Action%20Plan.pdf>

Appendix A

Q1 2021 Quarterly Advice Letter (May 3, 2021) and
Q2 2021 Quarterly Notification Letter (August 2, 2021)

May 3, 2021

ADVICE 4489-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Southern California Edison Company's Quarterly Advice Letter Pursuant to Public Utilities Code Section 8389(e)(7) Regarding the Implementation of Its Approved Wildfire Mitigation Plan and Its Safety Culture Assessment and Safety Recommendations

Southern California Edison Company (SCE) hereby submits this Tier 1 Advice Letter (AL) detailing the implementation of its 2021 Wildfire Mitigation Plan (WMP) Update,¹ recommendations of the most recent safety culture assessment, a statement of the recommendations of its board of directors' safety committee² (Committee) meetings that occurred during the first quarter of 2021, and a summary of the implementation of Committee recommendations from previous meetings.³

PURPOSE

The purpose of this advice letter is to comply with the provisions of Public Utilities Code (PUC) Section 8389(e)(7), established by California Assembly Bill (AB) 1054.

BACKGROUND

AB 1054 was signed into law by Governor Newsom on July 12, 2019. Section 8389(e)(7), which was added to the PUC by AB 1054, reads:

The executive director of the commission shall issue a safety certification to an electrical corporation if the electrical corporation provides

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- ¹ Although Public Utilities Code Section 8389 requires a quarterly advice letter detailing the implementation of a utility's approved WMP, SCE is reporting on the implementation of its 2021 WMP Update, which is pending approval. Advice 4437-E (submitted March 8, 2021) and SCE's 2020 Annual Report on Compliance (ARC, submitted March 31, 2021) provide details on implementation of SCE's approved 2020-2022 WMP.
 - ² SCE's board of directors' safety committee is known as the Safety and Operations Committee of the Board of Directors and referred to herein as the "Committee."
 - ³ SCE Advice 4337-E.

documentation of the following . . . The electrical corporation is implementing its approved wildfire mitigation plan. The electrical corporation shall file a tier 1 advice letter on a quarterly basis that details the implementation of both its approved wildfire mitigation plan and recommendations of the most recent safety culture assessment, and a statement of the recommendations of the board of directors safety committee meetings that occurred during the quarter. The advice letter shall also summarize the implementation of the safety committee recommendations from the electrical corporation's previous advice letter filing. If the division has reason to doubt the veracity of the statements contained in the advice letter filing, it shall perform an audit of the issue of concern.

SCE provides the required information below:

(1) **Implementation of Wildfire Mitigation Plan**

On February 5, 2021, SCE submitted its 2021 Wildfire Mitigation Plan Update,⁴ a comprehensive WMP covering 2021-2022 and building on its 2020 WMP. The Update included discussion of 2021 programs and activities, including successes and lessons learned.

In 2021, SCE is tracking 39 specific wildfire-related programs and activities that constitute its 2021 WMP Update, including additional grid hardening, enhanced inspection and repair programs, continuation of aggressive vegetation management, increased situational awareness and response and augmented activities for Public Safety Power Shutoff (PSPS) resilience and community engagement, particularly for underrepresented groups and access and functional needs customers.

In Attachment A (SCE's 2020-2022 Wildfire Mitigation Plan (WMP) Progress Update – Q1 2021), SCE presents detailed information about the implementation status of meeting WMP 2021 Program Targets for each of these wildfire-related mitigation activities and programs. As referenced in Attachment A, SCE is currently substantially on track to meet its 2021 year-end goals set forth in the 2021 WMP Update, but notes that the goal for one activity is currently under review.

(2) **Implementation of Most Recent Safety Culture Assessment**

Safety is the first of SCE's core values and this is demonstrated through the company's commitment to creating and maintaining a safe environment for employees, contractors, and the public. SCE continues to improve its safety

⁴ SCE submitted a Supplement to the Update on February 26.

culture via leadership engagement, trainings, corporate messaging and the incorporation of feedback from all levels of the organization.

The Wildfire Safety Division (WSD) has recently initiated its 2021 Safety Culture Assessment (SCA) process for electrical corporations and plans to conduct its first assessment for individual electrical corporations during the summer of 2021. SCE looks forward to working with WSD, its third-party administrator, and other interested stakeholders in 2021 to review its safety culture and build upon existing efforts to strengthen it.

(3) Recommendations of Safety and Operations Committee

The Committee had one special meeting and one regular meeting during the first quarter of 2021 (on January 28, 2021 and February 24, 2021). During these meetings, the Committee focused on wildfire and safety issues in the following categories: Wildfire Safety and Worker and Public Safety, among other topics. Each of these areas is separately addressed below. In addition to quarterly meetings, the Committee Chair meets regularly with management to discuss wildfire and worker safety issues.

Wildfire Safety

Discussions during first quarter meetings covered an overview of the January 2021 Commission PSPS meeting, SCE's 2021 WMP Update, and SCE's operational goals regarding the PSPS operations.

At the January special meeting, the Committee received an overview of the January 26 Commission meeting on SCE's PSPS operations events. Management provided details of the meeting, including anticipated further actions by the Commission. The Committee and management discussed PSPS thresholds for de-energization and decision-making as well as customer notifications and communication to stakeholders. The Committee determined that the Committee Chair, Mr. O'Toole, would review SCE's PSPS Action Plan on behalf of the Committee prior to submission to the Commission.

Also at the January special meeting, the Committee reviewed SCE's proposed 2021 WMP Update, focusing on the areas of change from the 2020 WMP. The Committee and management discussed risk analysis and effectiveness metrics included in SCE's 2021 WMP Update, and the feedback received throughout the year from the WSD. The Committee also reviewed additional details of the 2021 WMP Update including continued deployment of covered conductor, improved risk analysis tools, risk-informed inspections, additional system hardening activities, aerial suppression resources, and additional technology and data tools and applications. The Committee and management discussed vegetation management resources, the responsiveness of the submission to Commission and WSD expectations, and continued work on metrics demonstrating both

execution of risk-informed mitigation work and desired outcomes. The Committee and management discussed the additional emphasis on effective communication during PSPS events, progress on the maturity model categories, and the 2021 inspection schedule.

At the January special meeting, the Committee and management also discussed SCE's proposed 2021 operational goals, including revising the PSPS goal to reflect the various improvements and expected work on the PSPS Action Plan.

At the February regular meeting, the Committee received an update on SCE's PSPS Action Plan and the ongoing PSPS proceeding. Management described the key areas for PSPS operations improvements, including continuing to reduce the frequency and scope of events for frequently impacted communities and improved notifications and communication with stakeholders. Management and the Committee discussed the regular feedback from the Commission, addressing potential changes to risk modeling that informs PSPS thresholds and system hardening, and customer care programs.

Also at the February regular meeting, the Committee received a report on the potential new wildfire prevention and mitigation technologies and SCE's process for reviewing such technologies for possible procurement and deployment.

Worker and Public Safety

The Committee received reports on worker safety at its first quarter meetings, discussing worker safety performance and the operational goals focus on contractor management.

At the January special meeting, the Committee discussed the 2021 focus on contractor management in SCE's operational goals.

At the February regular meeting, the Committee received an update on worker safety performance, including recent serious injuries. Management described the focus on data analytics and risk-based safety to improve safety performance and the focus on the analysis of safety performance in specific regions with higher safety incidents. Management and the Committee discussed metrics, improved safety observations, and the assessment of safety performance and culture by region.

Committee Recommendations

In addition to discussing the wildfire and safety topics during first quarter meetings, the Committee made the following recommendations and requests:

1. Recommended the incorporation of PSPS Action Plan along with other PSPS improvement efforts, into the 2021 operational goals.
2. Recommended that the Committee Chair review the PSPS Action Plan.
3. Recommended that SCE provide additional district-specific safety data in a future report to the Committee.
4. Requested periodic ongoing updates on progress on PSPS Action Plan.
5. Recommended that management report on SCA requirements released by the Commission on January 1, 2021 and SCE's plan to address them at a future meeting.

Completed Management Responses to Committee Recommendations

In response to the Committee's recommendations in prior meetings, management provided the following responses during the first quarter meetings:

1. Recommendation (Fourth Quarter 2020): The Committee supports management's continued focus on contractor safety and performance and recommended consideration of contractor management in the development of the 2021 corporate goals.

Management response: At the January special meeting, management discussed the 2021 focus on contractor management in SCE's operational goals. Previously, at the December 2020 meeting, management had provided updated draft 2021 operational goals including on contractor management, which were later approved as part of the final 2021 corporate goals.

2. Recommendation (First Quarter 2021): The Committee recommended that the Committee Chair review the PSPS Action Plan.

Management response: The Committee Chair reviewed the PSPS action plan in February 2021 prior to submittal to the Commission.

Pending Management Responses to Committee Recommendations

The following recommendations were made by the Committee in past meetings and management plans to address them at future meetings.

1. Recommendation (Fourth Quarter 2020): The Committee recommended that

management report back to the Committee on their risk evaluation and prioritization methodology in light of the significant increase in ignitions from secondary conductors.

Management response: The Committee received a report that addressed this recommendation at the April 2021 meeting and a summary will be included in the next quarterly AL.

2. Recommendation (Fourth Quarter 2020): The Committee discussed the role and duty of telecommunications companies to inspect and maintain assets to improve safety, reduce ignition risk and provide resilient services as well as address in a timely fashion the repair and maintenance issues identified by SCE. The Committee recommended that management work with telecommunications partners and appropriate regulators and continue to review SCE practices and procedures related to telecommunications services.

Management response: Management plans to address this recommendation at a future meeting and a summary will be included in the applicable quarterly AL.

The Committee held one regular second quarter meeting on April 21, 2021 and will hold an additional special meeting in June 2021, both of which will be summarized in the next quarterly AL. Additional meetings will be scheduled as appropriate.

TIER DESIGNATION

Pursuant to PUC Section 8389(e)(7), this AL is submitted with a Tier 1 designation.

EFFECTIVE DATE

SCE respectfully requests that this AL become effective May 3, 2021, which is the same date as submitted.

NOTICE

Anyone wishing to protest this AL may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received no later than 20 days after the date of this advice letter. Protests should be submitted to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
E-mail: EDTariffUnit@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

In addition, protests and all other correspondence regarding this AL should also be sent by letter and transmitted via facsimile or electronically to the attention of:

Shinjini C. Menon
Managing Director, State Regulatory Operations
Southern California Edison Company
8631 Rush Street
Rosemead, California 91770
Telephone (626) 302-3377
Facsimile: (626) 302-6396
E-mail: AdviceTariffManager@sce.com

Tara S. Kaushik
Managing Director, Regulatory Relations
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2030
San Francisco, California 94102
Facsimile: (415) 929-5544
E-mail: Karyn.Gansecki@sce.com

There are no restrictions on who may submit a protest, but the protest shall set forth specifically the grounds upon which it is based and must be received by the deadline shown above.

In accordance with General Rule 4 of GO 96-B, SCE is serving copies of this AL to the interested parties shown on the attached GO 96-B, R.18-10-007, R.18-12-005, and A.18-09-002 service lists. Address change requests to the GO 96-B service list should be directed by electronic mail to AdviceTariffManager@sce.com or at (626) 302-3719. For changes to all other service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

Further, in accordance with PUC Section 491, notice to the public is hereby given by submitting and keeping this AL at SCE's corporate headquarters. To view other SCE advice letters submitted with the Commission, log on to SCE's web site at <https://www.sce.com/wps/portal/home/regulatory/advice-letters>.

For questions, please contact Kavita Srinivasan at (626) 302-3709 or by electronic mail at kavita.srinivasan@sce.com.

Southern California Edison Company

/s/ Shinjini C. Menon
Shinjini C. Menon

SCM:ks:cm
Enclosures



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.:

Utility type:

ELC GAS WATER
 PLC HEAT

Contact Person:

Phone #:
E-mail:
E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	

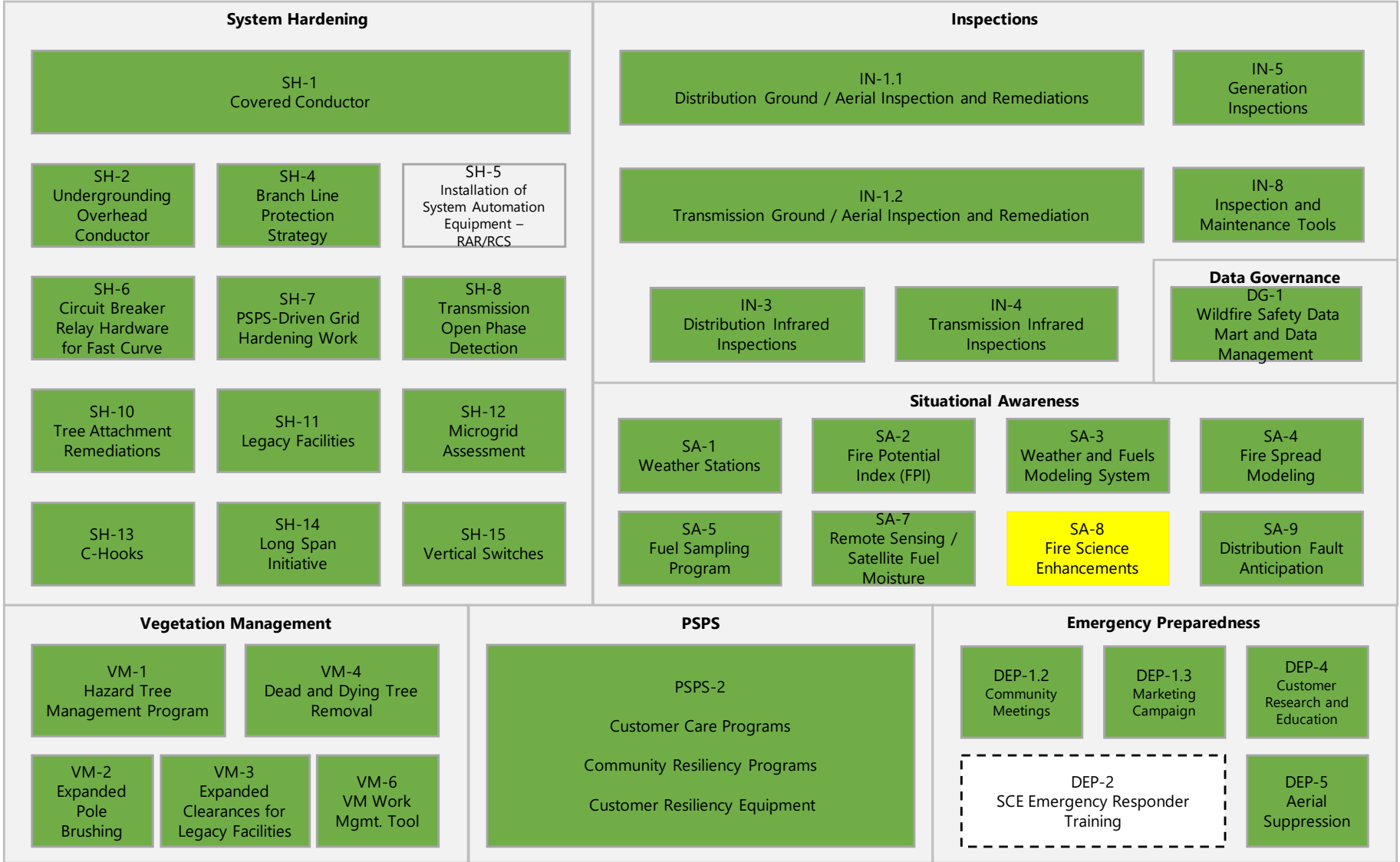
Attachment A

SCE's 2020-2022 Wildfire Mitigation Plan (WMP) Progress Update – Q1 2021

(All data is as of March 31, 2021 or later)







WMP Activities Summary

Inactive
 Under Review
 Complete
 On Track
 Behind Plan, Likely to Meet Year-end Goal
 Behind Plan, At-Risk of Not Meeting Year-end Goal



Source: All data is as of March 31, 2021 or later.
 *Reported numbers are subject to revision upon data validation

WMP Activities Summary

 Inactive  Under Review  Complete  On Track  Behind Plan, Likely to Meet Year-end Goal  Behind Plan, At-Risk of Not Meeting Year-end Goal

Situational Awareness Activities

Weather Stations

Weather Stations (SA-1)

Section 7.3.2.1 Page 192*

Program Target: SCE expects to install 375 weather stations but will attempt to install as many as 475.

Status Update: Preparation work for 2021 installations conducted in Q1. Installations to begin in Q2.

Fire Spread Modeling

Fire Spread Modeling (SA-4)

Section 7.3.2.6.2 Page 205

Program Target: Develop a methodology and a strategy to test FireCast/FireSim implementation into PSPS decision making based on backcast information by Q3

Status Update: Successfully transferred 4.5 million FPI records from 2020 and circuit geometries to vendor to serve as basis for future analyses.

Fire Potential Index (FPI)

FPI (SA-2)

Section 7.3.2.4.1 Page 197

Program Target: 1) Backcast 20 years of FPI using FPI 2.0 before typical height of fire season (Q3) to determine historical performance compared to current FPI 2) Run FPI 2.0 in parallel with the current FPI and compare outputs for the 2021 fire season

Status Update: Continuing to evaluate fuel and weather equation options. SCE is currently testing the usefulness of applying relative fuel moisture values instead of absolute values in Fire Potential Index (FPI) 2.0 fuel equations to inform circuit level decision making.

Fuel Sampling Program

Fuel Sampling Program (SA-5)

Section 7.3.2.4.2 Page 198

Program Target: Maintain periodic fuel sampling across SCE's HFRA and evaluate the need to sample additional locations

Status Update: Vendor continues to fill gaps in local fire agencies' fuel sampling programs by supplying reports with quality data in a timely fashion, per project plan.

Weather and Fuels Monitoring System

Weather and Fuels Monitoring System (SA-3)

Section 7.3.2.6.1 Page 203

Program Target: Install two additional High-Performance Computing Clusters (HPCCs) to facilitate the installation and Operationalization of the Next Generation Weather Modeling System allowing or more precise, higher resolution output

Status Update: Components are arriving and High-Performance Computing Clusters (HPCCs) are in process of being built. These new HPCCs will enhance weather/fuel condition data available for PSPS decision making by increasing data resolution, decreasing computing times, and extending forecast horizons further into the future. The location of new HPCCs will be the Irvine Datacenter.

Remote Sensing / Satellite Fuel Moisture

Remote Sensing / Satellite Fuel Moisture (SA-7)

Section 2.3.2.4.3 Page 200

Program Target: Initiate wind profiler pilot project to validate weather model performance for potential improvements to weather models

Status Update: SCE to issue Purchase Order to vendor by Q2.

Situational Awareness Activities

Fire Science Enhancements

Fire Science Enhancements (SA-8)

Section 7.3.2.4.4 Page 201

Program Target: Evaluate current wildfire events in context of 40-year history of wildfires

Status Update: SCE plans to develop and operationalize climatology products in Q3 and Q4. In Q1-Q3 SCE is working with vendor to initiate contract and develop output of historical weather data. Issuance of contract was slightly behind plan at the end of Q1.

Distribution Fault Anticipation (DFA)







Distribution Fault Anticipation (DFA) (SA-9)

Section 7.3.2.2 Page 194

Program Target: Complete installation of 120 DFA units on circuits in SCE's HFRA and continue evaluation of DFA technology which may result in SCE installing up to 150 units

Status Update: Devices are in design with installations to begin in Q3.

WMP Activities Summary

 Inactive  Under Review  Complete  On Track  Behind Plan, Likely to Meet Year-end Goal  Behind Plan, At-Risk of Not Meeting Year-end Goal

System Hardening

Covered Conductor

28%
installed

Covered Conductor (SH-1)

Section 7.3.3.3.1 Page 210

Program Target: SCE expects to install 1,000 circuit miles of covered conductor in SCE's HFRA but will attempt to install as many as 1,400 circuit miles of covered conductor in SCE's HFRA, subject to resources constraints and other execution risks

Status Update: 270 circuit miles installed.

Install RAR/RCS

Installation of System Automation Equipment – RAR/RCS (SH-5)

Section 7.3.3.9 Page 219

Program Target: N/A – If RARs/RCSs are determined to be necessary based on the SH-7 analysis, SCE will develop appropriate project plans

Status Update: Awaiting SH-7 analysis results to determine necessity—analysis is estimated to conclude by the early Q2.

Undergrounding Overhead Conductor

Undergrounding Overhead Conductor (SH-2)

Section 7.3.3.16.1 Page 224

Program Target: Install 4 miles of undergrounded HFRA circuits SCE will attempt to install 6 miles of undergrounded HFRA circuits, subject to resource constraints and other execution risks, such as permitting, environmental or coordinating with other utilities.

Status Update:

Construction to begin in Q2. First miles to be complete in Q3.

Circuit Breaker Relay Hardware for Fast Curve

Circuit Breaker Relay Hardware for Fast Curve (SH-6)

Section 7.3.3.2 Page 209

Program Target: Replace/upgrade 60 relay units in HFRA. SCE will strive to replace/upgrade 86 relay units in HFRA, subject to Resource constraints and other execution risks

Status Update: On track – Installed/replaced 11 CB Replays in Q1

Branch Line Protection Strategy

Branch Line Protection Strategy (SH-4)

Section 7.3.3.7.1 Page 215

Program Target: Install or replace fusing at 330 fuse installation Locations SCE will strive to install or replace fusing at 421 locations, subject to resource constraints and other execution risks

Status Update: On Track - engineering and design work to continue through Q2 and installations to begin in Q3.

PSPS-Driven Grid Hardening

PSPS-Driven Grid Hardening Work (SH-7)

Section 7.3.3.8.1 Page 216

Program Target: SCE will develop a methodology to project probability of PSPS de-energization and impact. Utilizing this methodology, SCE will adopt a more targeted approach by evaluating highly impacted circuits from the remaining 50% circuits in HFRA.

Status Update: Documentation of methodology is under development and on track for the 2021 evaluation. Identification of the remaining 50% of riskiest circuits will follow in Q2.

WMP Activities Summary

Inactive
 Under Review
 Complete
 On Track
 Behind Plan, Likely to Meet Year-end Goal
 Behind Plan, At-Risk of Not Meeting Year-end Goal

System Hardening

Transmission Open Phase Detection
28%
 installed

Transmission Open Phase Detection (SH-8)

Section 7.3.3.17.1 Page 225

Program Target: Install transmission open phase detection devices on 10 transmission circuits

Status Update: Protection review completed for 5 of 10 lines with installations to begin in early Q3.

C-Hooks

C-Hooks (SH-13)

Section 7.3.3.15.1 Page 223

Program Target: Replace C-Hooks on at least 40 structures in HFRA. SCE will strive to replace all C-Hooks in HFRA, currently estimated between 50- 60 structures

Status Update: Sites and locations finalized. Environmental screenings in progress. Engineering design to be completed in Q2 and installations to begin in Q4.

Tree Attachment Remediation
18%
 remediations

Tree Attachment Remediation (SH-10)

Section 7.3.3.3.2 Page 213

Program Target: Remediate 500 tree attachments. SCE will strive to complete over 600 tree attachment remediations, subject to resource constraints and other execution risks

Status Update: On track - 92 completions to date.

Long Span Initiative

Long Span Initiative (SH-14)

Section 7.3.3.12.1 Page 221

Program Target: Complete all field assessments for locations and corresponding remediations. Remediate the highest risk locations, estimating that 300, and up to 600, locations will be remediated in 2021, subject to the completion timeline for inspections, resource constraints and other execution risks.

Status Update: As of Q1 2021, 58 spans* of the identified 300 high-risk locations have been remediated to date. Upon further validation of 2020 data, SCE notes that some locations were remediated in 2020. SCE clarifies that it will remediate the 300-600 highest risk locations by 2021, subject to the completion timeline for inspections, resource constraints and other execution risks.

Legacy Facilities

Legacy Facilities (SH-11)

Section 7.3.3.17.2 Page 226

Program Target: Perform evaluation on 5 circuits for possible hardening. Create 2 project plans based on 2020 engineering assessments on low voltage site. Complete 12 additional assessments on grounding studies/lighting arrester.

Status Update: In Q1 SCE evaluated 2 circuits in Big Creek and completed grounding studies/lighting assessments on 4 sites. Assessments of low voltage sites to begin in Q2.

Microgrid Assessment

Microgrid Assessment (SH-12)

Section 7.3.3.8.2 Page 218

Program Target: Perform internal assessment of vendor bid and location options. If assessment favorable, issue engineering procurement construction (EPC) contract

Status Update: Undergoing vendor evaluation.

Vertical Switches

Vertical Switches (SH-15)

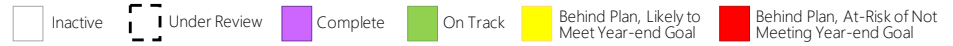
Section 7.3.3.17.3 Page 227

Program Target: Install 20 switches in HFRA. SCE will strive to install 30 switches in HFRA.

Status Update: In Q1 SCE evaluated scope. In Q2 SCE will be working on engineering design and installations to begin in Q3.

*This number may increase as more analysis is performed checking for previous work completions, and the remediation of actual pending notifications.

WMP Activities Summary



Inspections

YTD Status

Ground

66%

Aerial

4%

Distribution Ground / Aerial Inspections and Remediations (IN-1.1)

Section 7.3.4.9.1 Page 238

Program Target: Inspect between 163,000 and 198,000 structures in HFRA, via both ground and aerial inspections.

Status Update: Completed 108,000 ground inspections and 6,300 aerial inspections. Aerial inspections to begin ramp up in Q2.

Transmission Infrared Inspections

Infrared Inspection, Corona Scanning and High Definition (HD) Imagery of Transmission facilities and equipment (IN-4)

Section 7.3.4.5 Page 235

Program Target: Inspect 1,000 transmission circuit miles on HFRA circuits

Status Update: Inspection scope development has been completed, planning for flight plans is ongoing and first inspections to occur in Q2.

YTD Status

Ground

27%

Aerial

27%

Transmission Ground / Aerial Inspections and Remediations (IN-1.2)

Section 7.3.3.16.1 Page 224

Program Target: Inspect between 16,800 and 22,800 structures in HFRA, via both ground and aerial inspections.

Status Update: Completed 4,800 ground inspections and 4,600 aerial inspections.

Generation Inspections

Generation Inspections and Remediations (IN-5)

Section 7.3.4.9.2 Page 242

Program Target: Complete inspection of 181 generation-related assets in HFRA

Status Update: Preparation work for 2021 inspections conducted in Q1. Generation inspections to begin in Q2.

Distribution Infrared Inspections

29%

Circuits Inspected

Infrared Inspection of energized overhead distribution facilities and equipment (IN-3)

Section 7.3.4.4 Page 234

Program Target: Inspect approximately 50% of distribution circuits in HFRA.

Status Update: Completed inspections on ~29% of distribution circuits in HFRA, approximately 2,600 inspections.

Inspection and Maintenance Tools







Inspection and Maintenance Tools (IN-8)

Section 7.3.4.3.1 Page 232

Program Target: Transition Aerial and Transmission ground inspection process to a single digital platform with at least 75% of inspectors trained to use the tool by year end 2021. Deploy scope mapping tool with GIS visualization to Distribution.

Status Update: Implemented a mobile inspection application update for Distribution ground inspections and completed work to utilize Artificial Intelligence/Machine Learning quality models within existing processes.

WMP Activities Summary

 Inactive  Under Review  Complete  On Track  Behind Plan, Likely to Meet Year-end Goal  Behind Plan, At-Risk of Not Meeting Year-end Goal

Vegetation Management

HTMP

8%

Trees Assessed

Hazard Tree Management Program (VM-1)

Section 7.3.5.15.1 Page 274

Program Target: Assess between 150,000 and 200,000 trees for hazardous conditions and perform prescribed mitigations in accordance with program guidelines and schedules

Status Update: ~12,600 trees have been assessed in Q1 and prescribed mitigations are on track in accordance with program guidelines and schedules. The number of assessors is being ramped up throughout Q1 and Q2.

Expanded Pole Brushing

17%

Poles Cleared

Expanded Pole Brushing (VM-2)

Section 7.3.3.16.1 Page 224

Program Target SCE plans to pole brush between 200,000 and 300,000 Distribution poles

Status Update: Cleared ~34,400 poles. Productivity is expected to increase throughout Q2 as crews gain experience with new digital work tools.

Expanded Clearances for Legacy Facilities

Expanded Clearances for Legacy Facilities (VM-3)

Section 7.3.5.5.2 Page 262

Program Target: Treat 46 sites

Status Update: Sites have been identified to complete 2021 program target. Expanded clearances have been completed at 11 sites.

Dead and Dying Tree Removal

Dead and Dying Tree Removal (VM-4)

Section 7.3.5.15.2 Page 276

Program Target: Perform Drought Relief Initiative (DRI) annual inspections and perform prescribed mitigations in accordance with program guidelines and schedules.

Status Update: On track to complete first pass inspections in Q2. Subsequent inspection passes will be completed throughout the rest of 2021. Prescribed mitigations are on track in accordance with program guidelines and schedules.

VM Work Management Tool (Arbora)







VM Work Management Tool (Arbora) (VM-6)

Section 7.3.5.19 Page 278

Program Target: Continue Work Management Tool (Arbora) agile development and releases in accordance with project plan – complete full rollout of Dead & Dying Tree Removal and Hazard Tree Mitigation, and conduct discovery and design architecture associated with Line Clearing

Status Update: Completed initial discovery and design architecture for the Hazard Tree Management Program and Dead and Dying Tree Removal. Pilot expected to launch in Q2 with full rollout planned for Q4.

WMP Activities Summary

 Inactive  Under Review  Complete  On Track  Behind Plan, Likely to Meet Year-end Goal  Behind Plan, At-Risk of Not Meeting Year-end Goal

Emergency Preparedness Activities

Community Meetings

Customer Education and Engagement – Community Meetings (DEP-1.2)

Section 7.3.10.1.1 Page 319

Program Target: Host at least nine virtual community meetings. SCE will complete additional meetings as needed in 2021, based on PSPS impact to communities, up to 18

Status Update: Three community meetings were held by the end of Q1. The team is currently developing the schedule for the next round of meetings to be held in Q2.

Marketing Campaign

Customer Education and Engagement – Marketing Campaign (DEP-1.3)

Section 7.3.10.1.3 Page 325

Program Target: PSPS Awareness goal: 50%

Status Update: As of the end of Q1 PSPS awareness was at ~60%.

SCE Emergency Responder Training

SCE Emergency Responder Training (DEP-2)

Section 7.3.3 Page 308

Program Target:

IMT (Incident Management Team): Have all PSPS IMT and Task Force members fully trained and qualified or requalified by July 1, 2021.
UAS (Unmanned Aircraft System): In 2021 SCE plans to expand the program by an additional 50 operators over 2020 levels.

Status Update:

IMT: On Track – PSPS IMT trainings and qualifications began in Q1 and will continue throughout Q2.

UAS: Under Review – In Q1 three additional operators passed the FAA 107 exam. While this activity is on track relative to its Q1 projected target, SCE is evaluating the current goal (50 additional operators passing the FAA 107 exam) and determining whether progress towards building in-house UAS capabilities is more appropriately tracked by other measures (e.g., advanced flight training and technical qualification standards). SCE notes that this UAS target focuses on building capabilities for emergent use cases and does not impact SCE's ability to perform related WMP activities in 2021. SCE will notify WSD of any revisions in a future Change Orders report.

Customer Research and Education

Customer Research and Education (DEP-4)

Section 7.3.10.1.4 Page 327

Program Target: Administer at least 4 PSPS-related surveys (PSPS Tracker Survey to capture feedback on the 2020 events, wildfire Community meeting feedback survey, CRC/CCV feedback survey, In-Language Wildfire Mitigation Communications Effectiveness Pre/Post Survey)

Status Update: Began data collection for 2020 PSPS Tracker Survey in Q1. On track to publish results in Q2. Wildfire Community Meeting surveys are in-progress. CRC/CCV feedback surveys will start with once there are CRC/CCV activations. In-Language Wildfire Mitigation Communications Effectiveness Survey to begin in Q3.

Fuel Sampling Program

Aerial Suppression (DEP-5)

Section 7.3.10.3 Page 331

Program Target: Will enter a Memorandum of Understanding (MOU) with CAL FIRE and local county fire departments to provide standby cost funding for up to 5 aerial suppression resources strategically placed around the SCE service area.

Status Update: SCE has submitted three MOUs to local counties for initial review. 2 counties have provided feedback which has been incorporated into revisions of the respective MOUs and re-submitted. Awaiting response from the third county. At this time there is no plan to send out anymore MOUs to other counties.

Data Governance

Wildfire Safety Data Mart and Data Management

Wildfire Safety Data Mart and Data Management (WiSDM / Ezy) (DG-1)

Section 7.3.7.1 Page 298

Program Target:

WiSDM:

- Complete the WisDM solution analysis and design for centralized data repository
- Initiate staggered consolidation of datasets from SCE Enterprise systems







Ezy Data:

- Implement the cloud platform infrastructure for Ezy Data
- Build a solution for data consumption, storage and visualization of inspection data (LiDAR, HD video, photograph)
- Enable an environment for Artificial Intelligence (AI) assisted analytics

Status Update:

SCE has completed the initial solution design for the Wildfire Safety Data Mart (WiSDM). Staggered consolidation of datasets will begin in Q3. The first release of the Ezy Data cloud platform was also completed in Q1. SCE is currently working on solutions to consume, store, and visualize data from wildfire inspection activities.

WMP Activities Summary

 Inactive  Under Review  Complete  On Track  Behind Plan, Likely to Meet Year-end Goal  Behind Plan, At-Risk of Not Meeting Year-end Goal

PSPS

Customer Care Programs

Customer Care Programs (PSPS-2)

Section 7.3.2.4.4 Page 201

Program Target:

- Community Resource Centers (CRC): Adjust as needed.
- Community Resiliency Programs: Goals for Resilience Zones dependent on community leaders identifying potential customers. Targeting to obtain 5 to 10 agreements. Complete installation of microgrid islanding (CREI) capability on second pilot customer.
- Customer Resiliency Equipment:
 - Critical Care Backup Battery (CCBB): Expand program to eligible MBL customers who are enrolled in CARE/ FERA and reside HFRA. Expand marketing and outreach plans.
 - Well Water & Res Battery Station Rebates: Enhance the programs to increase customer participation by 20% - 40%

Status Update:

- The refreshed CRC strategy for 2021 including evaluation of circuits that will likely be impacted by PSPS events -from the strategy/approach 12 communities have been identified that need CRC coverage (all of which have at least 1 CRC)
- Potential customer sites for participation in resiliency zones have been identified (the list includes 3 Tribal Nations); outreach to those potential customer sites have started
- Current efforts are underway to host PowerTalk webinars with the community-based organizations (CBO)/Faith-based organizations (FBOs) that are engaged with SCE's Wildfire/PSPS preparedness initiative
- Tentative webinar dates to educate CBO/FBOs about CCBB program are scheduled for early Q2

Appendix

Behind Plan Activities Details

2021 WMP Activity Narratives

Behind plan activities

Inactive
 Under Review
 Complete
 On Track
 Behind Plan, Likely to Meet Year-end Goal
 Behind Plan, At-Risk of Not Meeting Year-end Goal

YTD Status	Current Goal	Narrative
	SA-8: Fire Science Enhancements Leverage 40-year historical data set so that comparisons can be made with the current model output to put current weather events into context to determine historical significance and apply to SCE's operating needs (PSPS, outages, load forecasting, etc.)	<p>Summary: SCE plans to develop and operationalize climatology products in Q3 and Q4. In Q1-Q3 SCE is working with vendor to initiate contract and develop output of historical weather data. Issuance of contract was slightly behind plan at the end of Q1.</p> <p>Progress:</p> <ul style="list-style-type: none"> SCE is in the process of reviewing SOW from vendor <p>Risks or Challenges:</p> <ul style="list-style-type: none"> Finalization of SOW and issuance of PO to vendor have been slightly delayed Still on-track to get PO to vendor by Q2 milestone as well as kick off project in Q3 <p>Actions to Improve Performance / Get Well Plan:</p> <ul style="list-style-type: none"> SCE is collaborating with vendor to prioritize workload and reduce the risk for future delays



Shinjini C. Menon
Managing Director, State Regulatory
Operations

August 2, 2021

OFFICE OF ENERGY INFRASTRUCTURE SAFETY OF THE CALIFORNIA NATURAL
RESOURCES AGENCY

SUBJECT: Southern California Edison Company’s Quarterly Notification Pursuant to Public Utilities Code Section 8389(e)(7) Regarding the Implementation of Its Approved Wildfire Mitigation Plan and Its Safety Culture Assessment and Safety Recommendations

Southern California Edison Company (SCE) hereby submits this Notification detailing the implementation of its 2021 Wildfire Mitigation Plan (WMP) Update,¹ recommendations of the most recent safety culture assessment, a statement of the recommendations of its board of directors’ safety committee² (Committee) meetings that occurred during the second quarter of 2021, and a summary of the implementation of Committee recommendations from previous meetings.³

PURPOSE

The purpose of this Notification is to comply with the provisions of Public Utilities Code (PUC) Section 8389(e)(7), established by California Assembly Bill (AB) 1054 as amended by AB 148.

¹ Although Public Utilities Code Section 8389 requires a quarterly notification detailing the implementation of a utility’s approved WMP, SCE is reporting on the implementation of its 2021 WMP Update, which is pending approval. Advice 4437-E (submitted March 8, 2021) and SCE’s 2020 Annual Report on Compliance (ARC, submitted March 31, 2021) provide details on implementation of SCE’s approved 2020-2022 WMP.

² SCE’s board of directors’ safety committee is known as the Safety and Operations Committee of the Board of Directors and referred to herein as the “Committee.”

³ SCE Advice 4337-E.

BACKGROUND

AB 1054 was signed into law by Governor Newsom on July 12, 2019 and AB 148 was signed into law on July 22, 2021. Section 8389(e)(7), which was added to the PUC by AB 1054 as amended by AB 148, reads:

The Director of the Office of Energy Infrastructure Safety shall issue a safety certification to an electrical corporation if the electrical corporation provides documentation of the following: ...The electrical corporation is implementing its approved wildfire mitigation plan. The electrical corporation shall file a notification of implementation of its wildfire mitigation plan with the office and an information-only submittal with the commission on a quarterly basis that details the implementation of both its approved wildfire mitigation plan and recommendations of the most recent safety culture assessments by the commission and office, and a statement of the recommendations of the board of directors safety committee meetings that occurred during the quarter. The notification and information-only submittal shall also summarize the implementation of the safety committee recommendations from the electrical corporation's previous notification and submission. If the office has reason to doubt the veracity of the statements contained in the notification or information-only submittal, it shall perform an audit of the issue of concern. The electrical corporation shall provide a copy of the information-only submittal to the office.⁴

SCE provides the required information below:

(1) Implementation of Wildfire Mitigation Plan

On February 5, 2021, SCE submitted its 2021 WMP Update,⁵ a comprehensive WMP covering 2021-2022 and building on its 2020 WMP. The Update included discussion of 2021 programs and activities, including successes and lessons learned. On June 3, 2021, SCE submitted its 2021 WMP Update Revision, which included responses to four Critical Issues identified by the Wildfire Safety Division (WSD). On July 1, 2021, the WSD transitioned from the California Public Utilities Commission to the California Natural Resources Agency and became the Office of Energy Infrastructure Safety (OEIS or Energy Safety). On July 16, 2021, the California Public Utilities Commission contemporaneously issued a draft Resolution WSD-020 and comment letter ratifying Energy Safety's draft Action Statement approving SCE's 2021 WMP Update.

In 2021, SCE is tracking 39 specific wildfire-related programs and activities that constitute its 2021 WMP Update, including additional grid hardening, enhanced inspection and repair programs, continuation of aggressive vegetation management, increased situational awareness and response and augmented activities for Public Safety Power Shutoff (PSPS) resilience and community

⁴ Pul. Util. Code § 8389(e)(7).

⁵ SCE submitted a Supplement to the Update on February 26, 2021.

engagement, particularly for underrepresented groups and access and functional needs customers.

In Attachment A (SCE's 2020-2022 Wildfire Mitigation Plan Progress Update – Q2 2021), SCE presents detailed information about the implementation status of meeting WMP 2021 Program Targets for each of these wildfire-related mitigation activities and programs. As referenced in Attachment A, SCE is currently on track to meet its 2021 year-end goals as set forth in the 2021 WMP Update but notes that 11 of the activities are behind plan for Q2 due to external circumstances such as delays in vendor deliverables and obtaining permits; however, 10 of those activities are still on track for meeting year-end targets. The goal for one activity (IN-8) will likely be delayed until 2022 due to challenges with the delivery of the application tool needed to train SCE's inspectors. Plans may vary pending SCE's reevaluation after a final general rate case decision.⁶

(2) **Implementation of Most Recent Safety Culture Assessment**

Safety is the first of SCE's core values and this is demonstrated through the company's commitment to creating and maintaining a safe environment for employees, contractors, and the public. SCE continues to improve its safety culture through leader safety ownership, safety culture training, engagement and message reinforcement, and the incorporation of feedback from all levels of the organization.

The OEIS recently initiated its 2021 Safety Culture Assessment (SCA) process for electrical corporations and conducted its first assessment for SCE on June 14th. SCE partnered with OEIS and DEKRA, its third-party administrator, to complete the organizational self-assessment, workforce safety culture survey and accompanying focus groups. SCE anticipates receiving Safety Culture Assessment results and recommendations by August 20, 2021, which will assist in building on existing efforts to strengthen our safety culture.

(3) **Recommendations of Safety and Operations Committee**

The Committee had one regular meeting and one special meeting during the second quarter of 2021 (on April 21, 2021 and June 23, 2021, respectively). During these meetings, the Committee focused on wildfire and safety issues in the following categories: Wildfire Safety, Worker Safety, and Public Safety, among other topics.

Each of these areas is separately addressed below. In addition to quarterly meetings, the Committee Chair meets regularly with SCE management to discuss wildfire and worker safety issues.

⁶ On July 9, 2021, the California Public Utilities Commission (CPUC) issued a Proposed Decision (PD) on SCE's 2021 GRC Track 1 request, which is expected to be voted on by August 19, 2021.

Wildfire Safety

Discussions on wildfire safety during second quarter meetings covered progress made under the WMP and updates on the PSPS Action Plan.

At the April meeting, the Committee received a progress report on WMP activities. Management noted that SCE expects to receive revision notices for the WMP in May, with expected consideration for final approval later in the summer. The Committee also received a report on the proposed decision in the PSPS Order Instituting Investigation proceeding.

Also at the April meeting, management reported that SCE had its first PSPS event of 2021, indicating the onset of fire season. The Committee reviewed progress on the PSPS Action Plan, including improvements to customer notification systems and processes and expanded eligibility for the Critical Care Battery Backup (CCBB) program. The Committee and management discussed being responsive to Commission requirements and expectations for customer participation in the CCBB. Management also noted the expedited grid hardening efforts to reduce customer impacts due to PSPS. The Committee and management also discussed evaluations underway on potential changes to PSPS thresholds due to grid hardening work that could further reduce the use of PSPS frequency, scope and duration.

At the June meeting, the Committee received: an overview of the expected wildfire season; the summer readiness operational work, including accelerated inspections in high fire risk areas, and the status of WMP goals; and the process and timing of updates from the WSD regarding SCE's safety certificate. Management and the Committee also discussed the work SCE is doing to address ignition risk from communications infrastructure, including reporting communications infrastructure matters to the Commission.

Also at the June meeting, the Committee reviewed progress on the PSPS Action Plan, including SCE's regular engagement with the Commission regarding progress made. The Committee also received an update on the acceleration of grid hardening in high PSPS frequency areas, continued work on customer notification improvements, and the increased deployment of the CCBB.

Worker Safety

The Committee received reports on worker safety at its second quarter meetings, discussing contractor management and safety and worker safety performance trends, which include safety incidents in the Transmission group, and attention to higher risk incidents such as falls from height.

At the April meeting, management reported on contractor management, the implementation of contractor scorecards, and the planned rollout of the contractor environmental compliance handbook. Management noted three focus

areas for improved contractor management, including standardization of processes, clarification of decision rights and accountability, and performance management. The Committee and management discussed a contractor center of excellence, continued development of leadership in this area, and managing contractor construction non-conformance.

At the June meeting, management reported on worker safety performance regarding serious injuries and the Days Away, Restrictions, and Transfers rate, noting the Transmission group's safety performance trends. Management described the Transmission group's safety incidents and immediate actions in response as well as additional actions on accountability, training, specific mitigations from the risk-based safety program, and evaluation of personal protective equipment alternatives for increased safety. The Committee and management also discussed Enterprise Risk Management's involvement on the falls from height risks, including engineering, organizational and human-based planned mitigations, leading indicators, benchmarking for best practices, and supervisory oversight and responsibilities.

Also at the June meeting, the Committee received a report on a recent safety incident involving two vegetation contract workers that resulted in serious injuries. The Committee noted multiple safety performance failures on site at the incident and describing factors that may have contributed to the event, including the rapid growth in the contractor's business. Management also noted the contractor was stood down from all work, and the ongoing evaluation regarding any return to work. The Committee and management discussed the potential impacts of vegetation management safety performance on wildfire operations.

Public Safety

The Committee received reports on public safety at its second quarter meetings, including on public safety risks presented by underground equipment failures and wire down events; guy wire anchor installation issues; and contractor management issues.

At the April meeting, the Committee reviewed public safety risks managed by the safety team and operational units. The Committee and management discussed traditional public safety focus areas such as underground equipment failures and wire down events. They also discussed the Transmission and Distribution Public Safety Roadmap and its focus on asset failure cause evaluation and mitigation efforts. Management reported on the range of public safety risks that may result in serious injuries and/or fatalities. The Committee and management discussed public behaviors that may result in incidents, including increased theft and vandalism. They also discussed utilizing asset failure tracking for higher probability incidents, the quality of data being captured, and risk-informed points of data.

At the June meeting, the Committee received a report on guy wire anchor installation issues, the known contractors and subcontractors involved, the operational mitigations and processes that both implicated contractors and SCE are undergoing to help ensure that installations requiring remediation are identified and addressed. Management noted that SCE self-reported the matter to the Commission's Safety and Enforcement Division (SED), and planned to provide an update to SED in mid-July.

The Committee and management also discussed SCE's request for proposals for external expertise on contractor management, controls, and best practices.

Committee Recommendations

In addition to discussing the wildfire and safety topics during second quarter meetings, the Committee made the following recommendations and requests:

1. Recommended that SCE provide data on Transmission safety performance by district/region (similar to the data provided for Distribution safety performance).
2. Recommended the ongoing evaluation of the Audit Plan related to safety audits for transmission work.
3. Recommended that management report on results of the RFP for external expertise on contractor management, controls, and best practices.
4. Recommended that management continue to report on the status of vegetation management safety performance and impacts on WMP program targets.
5. Recommended that management report back on status of efforts to address guy wire anchor installations.

Completed Management Responses to Committee Recommendations

In response to the Committee's recommendations in prior meetings, management provided the following responses during the second quarter meetings:

1. Recommendation (Fourth Quarter 2020): The Committee discussed the role and duty of telecommunications companies to inspect and maintain assets to improve safety, reduce ignition risk and provide resilient services as well as address in a timely fashion the repair and maintenance issues identified by SCE. The Committee recommended that management work with telecommunications partners and appropriate regulators and continue to review SCE practices and procedures related to telecommunications services.

Management Response: The Committee received a report that

addressed this recommendation at the June 2021 meeting.

2. Recommendation (First Quarter 2021): The Committee recommended that the Committee Chair review the PSPS Action Plan.

Management Response: The Committee Chair reviewed the PSPS Action Plan in February 2021 prior to its filing with the Commission on February 12, 2021.

3. Recommendation (First Quarter 2021): The Committee recommended that management provide periodic ongoing updates on progress on PSPS Action Plan.

Management Response: The Committee received updates on the progress under the PSPS Action Plan at both the April and June 2021 meetings.

4. Recommendation (First Quarter 2021): The Committee recommended that management report on the Safety Culture Assessment requirements released by the Commission on January 1, 2021 and SCE's plan to address them at a future meeting.

Management Response: The Committee received a report that addressed this recommendation at the June 2021 meeting.

5. Recommendation (First Quarter 2021): The Committee recommended that SCE provide additional district-specific safety data in a future report to the Committee.

Management Response: The Committee received a report that addressed this recommendation at the April 2021 meeting

6. Recommendation (First Quarter 2021): The Committee recommended the incorporation of PSPS Action Plan along with other PSPS improvement efforts, into the 2021 operational goals.

Management Response: The PSPS Action Plan and other PSPS improvement efforts were incorporated into SCE's 2021 operational goals.

Pending Management Responses to Committee Recommendations

The following recommendations were made by the Committee in past meetings and management plans to address them at future meetings.

1. Recommendation (Fourth Quarter 2020): The Committee recommended that management report back to the Committee on their risk evaluation and prioritization methodology in light of the

significant increase in ignitions from secondary conductors.

The Committee will hold one regular third quarter meeting on August 25, 2021, which will be summarized in the next quarterly report. Additional meetings will be scheduled as appropriate.

For questions, please contact Sarah Lee at (626) 238-3022 or by electronic mail at sarah.lee@sce.com.

Southern California Edison Company

/s/ Shinjini C. Menon
Shinjini C. Menon

SCM:sl:cm
Enclosures

ATTACHMENT A

SCE's 2020-2022 Wildfire Mitigation Plan (WMP) Progress Update – Q2 2021

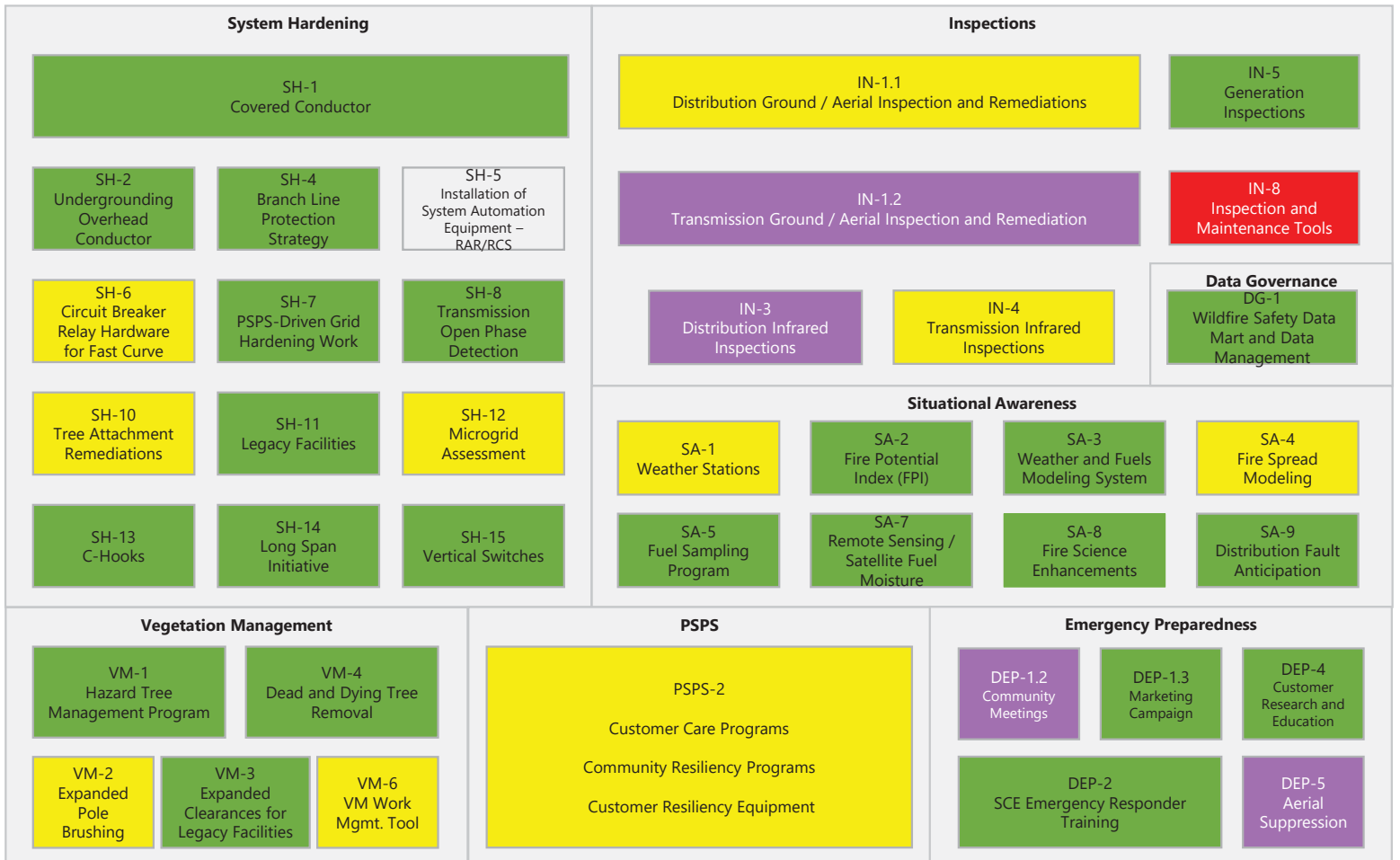
(All data is as of June 30, 2021, or later)

Energy for What's AheadSM



WMP Activities Summary

Inactive
 Under Review
 Complete
 On Track
 Behind Plan, Likely to Meet Year-end Goal
 Behind Plan, At-Risk of Not Meeting Year-end Goal



Source: All data is as of June 30, 2021 or later.

*Reported numbers are subject to revision upon data validation. Plans may vary pending SCE's reevaluation after a final general rate case decision.

WMP Activities Summary

Inactive
 Under Review
 Complete
 On Track
 Behind Plan, Likely to Meet Year-end Goal
 Behind Plan, At-Risk of Not Meeting Year-end Goal

Situational Awareness Activities

Weather Stations

Weather Stations (SA-1)

Section 7.3.2.1 Page 196*

Program Target: SCE expects to install 375 weather stations but will attempt to install as many as 475.

Status Update: Began installations in Q2 and installed ~100 weather stations through Q2 as compared to a plan of 120. Plan to complete installations by end of year.

Fire Spread Modeling

Fire Spread Modeling (SA-4)

Section 7.3.2.6.2 Page 205

Program Target: Develop a methodology and a strategy to test FireCast/FireSim implementation into PSPS decision making based on backcast information by Q3.

Status Update: Fire Spread Modeling has fallen behind due to vendor delays on the PSPS decision making analysis. SCE is reviewing data with vendor and discussing next steps.

Fire Potential Index (FPI)

FPI (SA-2)

Section 7.3.2.4.1 Page 201

Program Target: 1) Backcast 20 years of FPI using FPI 2.0 before typical height of fire season (Q3) to determine historical performance compared to current FPI 2) Run FPI 2.0 in parallel with the current FPI and compare outputs for the 2021 fire season

Status Update: Currently evaluating FPI 2.0 data output calculated on the circuit level and backcasted over a 40-year historical period by Fire Climate Zone..

Fuel Sampling Program

Fuel Sampling Program (SA-5)

Section 7.3.2.4.2 Page 202

Program Target: Maintain periodic fuel sampling across SCE's HFRA and evaluate the need to sample additional locations

Status Update: Vendor continues to fill gaps in local fire agencies' fuel sampling programs in a timely fashion.

Weather and Fuels Monitoring System

Weather and Fuels Monitoring System (SA-3)

Section 7.3.2.6.1 Page 207

Program Target: Install two additional High-Performance Computing Clusters (HPCCs) to facilitate the installation and Operationalization of the Next Generation Weather Modeling System, allowing for more precise, higher resolution output

Status Update: HPCCs were built in Q2. SCE is performing additional testing through the year before operationalizing the HPCCs.

Remote Sensing / Satellite Fuel Moisture







Remote Sensing / Satellite Fuel Moisture (SA-7)

Section 2.3.2.4.3 Page 204

Program Target: Initiate wind profiler pilot project to validate weather model performance for potential improvements to weather models

Status Update: Working with vendor to identify anticipated scope of work for vegetation modeling tools.

WMP Activities Summary

 Inactive  Under Review  Complete  On Track  Behind Plan, Likely to Meet Year-end Goal  Behind Plan, At-Risk of Not Meeting Year-end Goal

Situational Awareness Activities

Fire Science Enhancements

Fire Science Enhancements (SA-8)

Section 7.3.2.4.4 Page 205

Program Target: Evaluate current wildfire events in context of 40-year history of wildfires

Status Update: SCE plans to develop and operationalize climatology products in Q3 and Q4 that provide historical weather context for PSPS decision-making. In Q1-Q3 SCE is working with vendor to initiate contract and develop historical weather data.

Distribution Fault Anticipation (DFA)

Distribution Fault Anticipation (DFA) (SA-9)

Section 7.3.2.2 Page 198

Program Target: Complete installation of 120 DFA units on circuits in SCE's HFRA and continue evaluation of DFA technology which may result in SCE installing up to 150 units

Status Update: Devices are in design and installations are scheduled to begin in Q3.

WMP Activities Summary

Inactive
 Under Review
 Complete
 On Track
 Behind Plan, Likely to Meet Year-end Goal
 Behind Plan, At-Risk of Not Meeting Year-end Goal

System Hardening

Covered Conductor

54% installed

Covered Conductor (SH-1)

Section 7.3.3.3.1 Page 214

Program Target: SCE expects to install 1,000 circuit miles of covered conductor in SCE's HFRA but will attempt to install as many as 1,400 circuit miles of covered conductor in SCE's HFRA, subject to resources constraints and other execution risks. Once a final GRC decision is issued, SCE will reevaluate its covered conductor strategy and scope along with alternative strategies as appropriate to protect public safety.

Status Update: ~540 circuit miles installed.

Undergrounding Overhead Conductor

Undergrounding Overhead Conductor (SH-2)

Section 7.3.3.16.1 Page 228

Program Target: Install 4 miles of undergrounded HFRA circuits SCE will attempt to install 6 miles of undergrounded HFRA circuits, subject to resource constraints and other execution risks, such as permitting, environmental or coordinating with other utilities.

Status Update:

Construction began in Q2. First miles to be complete in Q3.

Branch Line Protection Strategy

Branch Line Protection Strategy (SH-4)

Section 7.3.3.7.1 Page 219

Program Target: Install or replace fusing at 330 fuse installation Locations SCE will strive to install or replace fusing at 421 locations, subject to resource constraints and other execution risks

Status Update: Engineering and design work released to regions in Q2 and installations to begin in Q3.

Install RAR/RCS

Installation of System Automation Equipment – RAR/RCS (SH-5)

Section 7.3.3.9 Page 223

Program Target: N/A – If RARs/RCSs are determined to be necessary based on the SH-7 analysis, SCE will develop appropriate project plans

Status Update: Developing new project plan, as per completion of SH-7 2020 analysis., consistent with Corrective Action Plan

Circuit Breaker Relay Hardware for Fast Curve

Circuit Breaker Relay Hardware for Fast Curve (SH-6)

Section 7.3.3.2 Page 213

Program Target: Replace/upgrade 60 relay units in HFRA. SCE will strive to replace/upgrade 86 relay units in HFRA, subject to Resource constraints and other execution risks

Status Update: Installed/replaced 25 CB Relays through Q2 as compared to planned 27. Slightly behind plan due to delays in vendor sign-off on cybersecurity documentation. Matter was resolved and activity is on track to return to schedule in Q3.

PSPS-Driven Grid Hardening

PSPS-Driven Grid Hardening Work (SH-7)

Section 7.3.3.8.1 Page 221

Program Target: SCE will develop a methodology to project probability of PSPS de-energization and impact. Utilizing this methodology, SCE will adopt a more targeted approach by evaluating highly impacted circuits from the remaining 50% circuits in HFRA.

Status Update: Documentation of methodology is under development and on track for the 2021 evaluation. Identification of the riskiest circuits within the remaining 50% of unevaluated circuits was completed by June as planned.

WMP Activities Summary

Inactive
 Under Review
 Complete
 On Track
 Behind Plan, Likely to Meet Year-end Goal
 Behind Plan, At-Risk of Not Meeting Year-end Goal

System Hardening

Transmission Open Phase Detection
20%
 installed

Transmission Open Phase Detection (SH-8)
 Section 7.3.3.17.1 Page 230
Program Target: Install transmission open phase detection devices on 10 transmission circuits.

Status Update: Installation has been completed on two circuits ahead of schedule.

C-Hooks

C-Hooks (SH-13)
 Section 7.3.3.15.1 Page 227
Program Target: Replace C-Hooks on at least 40 structures in HFRA. SCE will strive to replace all C-hooks in HFRA, currently estimated between 50- 60 structures

Status Update: Sites and locations finalized. Environmental screenings and engineering design completed. Installations to begin in Q4.

Tree Attachment Remediation
18%
 remediations

Tree Attachment Remediation (SH-10)
 Section 7.3.3.3.2 Page 217
Program Target: Remediate 500 tree attachments. SCE will strive to complete over 600 tree attachment remediations, subject to resource constraints and other execution risks.

Status Update: Off track due to slow ramp up in certain communities related to obtaining lay-down yards for staging. There were also environmental delays. Remediated 89 tree attachments as compared to a plan of 240 by Q2. All scope has been released to region to execute work; expecting to finish by the end of the year.

Long Span Initiative

Long Span Initiative (SH-14)
 Section 7.3.3.12.1 Page 226
Program Target: Complete all field assessments for locations and corresponding remediations. Remediate the highest risk locations, estimating that 300, and up to 600, locations will be remediated in 2021, subject to the completion timeline for inspections, resource constraints and other execution risks.

Legacy Facilities

Legacy Facilities (SH-11)
 Section 7.3.3.17.2 Page 231
Program Target: Perform evaluation on 5 circuits for possible hardening. Create 2 project plans based on 2020 engineering assessments on low voltage site. Complete 12 additional assessments on grounding studies/lighting arrester.

Status Update: SCE evaluated 2 circuits in Big Creek and completed grounding studies/lighting assessments on 8 sites. Assessments of low voltage sites were completed in Q2.

Status Update: ~170 spans* of the 600 high-risk locations from available scope have been remediated to date in the manner described in the WMP. There are an additional ~80 notifications which may have been remediated in previous years. As noted in our Q1 QAL, SCE clarifies that it will remediate the 300-600 highest risk locations by 2027, subject to the completion timeline for inspections, resource constraints and other execution risks.

Microgrid Assessment

Microgrid Assessment (SH-12)
 Section 7.3.3.8.2 Page 222
Program Target: Perform internal assessment of vendor bid and location options. If assessment favorable, issue engineering procurement construction (EPC) contract.

Status Update: Undergoing contract negotiations for site selection.

Vertical Switches

Vertical Switches (SH-15)
 Section 7.3.3.17.3 Page 232
Program Target: Install 20 switches in HFRA. SCE will strive to install 30 switches in HFRA.

Status Update: Installed 2 switches through Q2, plan to continue with installations in Q3.

*This number may increase as more analysis is performed checking for previous work completions, and the remediation of pending notifications.

WMP Activities Summary

Inactive
 Under Review
 Complete
 On Track
 Behind Plan, Likely to Meet Year-end Goal
 Behind Plan, At-Risk of Not Meeting Year-end Goal

Inspections

YTD Status

Ground

106%

Aerial

64%

Distribution Ground / Aerial Inspections and Remediations (IN-1.1)

Section 7.3.4.9.1 Page 242

Program Target: Inspect between 163,000 and 198,000 structures in HFRA, via both ground and aerial inspections.

Status Update: Completed ~173,200 ground inspections and ~105,700 aerial inspections. Distribution aerial inspections were delayed due to issues with image quality, AOC scope reprioritization, and weather; however, activity is on track to catch up in Q3.

Transmission Infrared Inspections

Infrared Inspection, Corona Scanning and High Definition (HD) Imagery of Transmission facilities and equipment (IN-4)

Section 7.3.4.5 Page 239

Program Target: Inspect 1,000 transmission circuit miles on HFRA circuits

Status Update: Inspections were delayed due to malfunctioning camera equipment and travel restrictions impeding equipment repair. Camera has been repaired and expected to resume inspections in Q3.

YTD Status

Ground

102%

Aerial

102%

Transmission Ground / Aerial Inspections and Remediations (IN-1.2)

Section 7.3.4.10.1 Page 248

Program Target: Inspect between 16,800 and 22,800 structures in HFRA, via both ground and aerial inspections.

Status Update: Completed ~17,000 ground and ~17,300 aerial inspections. Met goal based on initial review but currently validating data.

Generation Inspections

Generation Inspections and Remediations (IN-5)

Section 7.3.4.9.2 Page 246

Program Target: Complete inspection of 181 generation-related assets in HFRA

Status Update: Completed ~100 Generation inspections and will continue in Q3.

Distribution Infrared Inspections

100%

Targeted Circuits Inspected

Infrared Inspection of energized overhead distribution facilities and equipment (IN-3)

Section 7.3.4.4 Page 238

Program Target: Inspect approximately 50% of distribution circuits in HFRA.

Status Update: Completed inspections on ~50% of distribution circuits in HFRA, approximately 4,400 inspections.

Inspection and Maintenance Tools

Inspection and Maintenance Tools (IN-8)

Section 7.3.4.3.1 Page 236

Program Target: Transition Aerial and Transmission ground inspection process to a single digital platform with at least 75% of inspectors trained to use the tool by year end 2021. Deploy scope mapping tool with GIS visualization to Distribution.

Status Update: Behind plan due to technical challenges which have caused significant delays with development of the Transmission Ground Inspection application. The complexity and uncertainty of the technical issues cause the goal to be at-risk for year end. The Distribution and Transmission Aerial applications are on track for year end.

WMP Activities Summary

Inactive
 Under Review
 Complete
 On Track
 Behind Plan, Likely to Meet Year-end Goal
 Behind Plan, At-Risk of Not Meeting Year-end Goal

Vegetation Management

HTMP

43%

Trees Assessed

Hazard Tree Management Program (VM-1)

Section 7.3.5.16.1 Page 278

Program Target: Assess between 150,000 and 200,000 trees for hazardous conditions and perform prescribed mitigations in accordance with program guidelines and schedules

Status Update: ~64,900 trees have been assessed through Q2 and prescribed mitigations are on track in accordance with program guidelines and schedules. The number of assessors will be evaluated in Q3.

Dead and Dying Tree Removal

Dead and Dying Tree Removal (VM-4)

Section 7.3.5.16.2 Page 280

Program Target: Perform Drought Relief Initiative (DRI) annual inspections and perform prescribed mitigations in accordance with program guidelines and schedules.

Status Update: On track to complete the first and second circuit passes as planned. ~740 assessments completed through Q2. Continuing to monitor contractor resource plans to ensure timely completions.

Expanded Pole Brushing

37%

Poles Cleared

Expanded Pole Brushing (VM-2)

Section 7.3.5.5.1 Page 265

Program Target: SCE plans to pole brush between 200,000 and 300,000 Distribution poles

Status Update: Cleared ~74,200 poles. Delays due to reallocation of vendors to work on Areas of Concern. Return to planned schedule in July means productivity is expected to increase throughout Q3.

VM Work Management Tool (Arbora)

VM Work Management Tool (Arbora) (VM-6)

Section 7.3.5.19 Page 282

Program Target: Continue Work Management Tool (Arbora) agile development and releases in accordance with project plan – complete full rollout of Dead & Dying Tree Removal and Hazard Tree Mitigation, and conduct discovery and design architecture associated with Line Clearing

Status Update: Completed initial discovery and design architecture for the Hazard Tree Management Program and Dead and Dying Tree Removal. Pilot delayed until Q3 due to IT issues, however, a full rollout planned for Q4.

Expanded Clearances for Legacy Facilities

Expanded Clearances for Legacy Facilities (VM-3)

Section 7.3.5.5.2 Page 266

Program Target: Treat 46 sites

Status Update: Sites have been identified to complete 2021 program target. Expanded clearances have been completed at 34 sites.

WMP Activities Summary

Inactive
 Under Review
 Complete
 On Track
 Behind Plan, Likely to Meet Year-end Goal
 Behind Plan, At-Risk of Not Meeting Year-end Goal

Emergency Preparedness Activities

Community Meetings

Customer Education and Engagement – Community Meetings (DEP-1.2)

Section 7.3.10.1.1 Page 324

Program Target: Host at least 9 virtual community meetings. SCE will complete additional meetings as needed in 2021, based on PSPS impact to communities, up to 18

Status Update: Completed 9 virtual community meetings through Q2.

Customer Research and Education

Customer Research and Education (DEP-4)

Section 7.3.10.1.4 Page 333

Program Target: Administer at least 4 PSPS-related surveys (PSPS Tracker Survey to capture feedback on the 2020 events, wildfire Community meeting feedback survey, CRC/CCV feedback survey, In-Language Wildfire Mitigation Communications Effectiveness Pre/Post Survey)

Status Update: Completed the data collection of residential and business customer feedback for the 2020 PSPS Tracker. Also completed the Residential report in Q2, and plan to complete the Business report in Q3. In-Language Wildfire Mitigation Communications Effectiveness Survey to begin in Q3.

Marketing Campaign

Customer Education and Engagement – Marketing Campaign (DEP-1.3)

Section 7.3.10.1.3 Page 331

Program Target: PSPS Awareness goal: 50%

Status Update: As of the end of Q2 PSPS awareness was at ~59%.

Fuel Sampling Program

Aerial Suppression (DEP-5)

Section 7.3.10.3 Page 337

Program Target: Will enter a Memorandum of Understanding (MOU) with CAL FIRE and local county fire departments to provide standby cost funding for up to 5 aerial suppression resources strategically placed around the SCE service area.

Status Update: All 3 MOUs have been signed by SCE and each respective county. Payments disbursed to all 3 counties in Q2.

SCE Emergency Responder Training

SCE Emergency Responder Training (DEP-2)

Section 7.3.9.1 Page 313

Program Target:







IMT (Incident Management Team): Have all PSPS IMT and Task Force members fully trained and qualified or requalified by July 1, 2021.
 UAS (Unmanned Aircraft System): In 2021 SCE plans to expand the program by an additional 50 operators over 2020 levels.

Status Update:

IMT: Complete – PSPS IMT trainings and qualifications were completed in Q2.

UAS: On Track - Nine operators have passed the FAA 107 exam. ~50 operators have attended FAA 107 prep courses in preparation for taking the exam in Q3 or Q4.

WMP Activities Summary

 Inactive  Under Review  Complete  On Track  Behind Plan, Likely to Meet Year-end Goal  Behind Plan, At-Risk of Not Meeting Year-end Goal

Data Governance

Wildfire Safety Data Mart and Data Management

Wildfire Safety Data Mart and Data Management (WiSDM / Ezy) (DG-1)

Section 7.3.7.1 Page 303

Program Target:

WiSDM:

- Complete the WiSDM solution analysis and design for centralized data repository
- Initiate staggered consolidation of datasets from SCE Enterprise systems







Ezy Data:

- Implement the cloud platform infrastructure for Ezy Data
- Build a solution for data consumption, storage and visualization of inspection data (LiDAR, HD video, photograph)
- Enable an environment for Artificial Intelligence (AI) assisted analytics

Status Update:

SCE has completed the initial solution design for the Wildfire Safety Data Mart (WiSDM). Staggered consolidation of datasets will begin in Q3. The first release of the Ezy Data cloud platform was also completed in Q1. SCE is continuing to work on solutions to consume, store, and visualize data from wildfire inspection activities.

WMP Activities Summary

 Inactive  Under Review  Complete  On Track  Behind Plan, Likely to Meet Year-end Goal  Behind Plan, At-Risk of Not Meeting Year-end Goal

PSPS

Customer Care Programs

Customer Care Programs (PSPS-2)

Section 7.3.6.5.2 Page 294

Program Target:

- Community Resource Centers (CRC): Adjust as needed.
- Community Resiliency Programs: Goals for Resilience Zones dependent on community leaders identifying potential customers. Targeting to obtain 5 to 10 agreements. Complete installation of microgrid islanding (CREI) capability on second pilot customer.
- Customer Resiliency Equipment:
 - Critical Care Backup Battery (CCBB): Expand program to eligible MBL customers who are enrolled in CARE/ FERA and reside HFRA. Expand marketing and outreach plans.
 - Well Water & Residential Battery Station Rebates: Enhance the programs to increase customer participation by 20% - 40%

Status Update:

- The refreshed CRC strategy for 2021 includes evaluation of circuits that will likely be impacted by PSPS events. The strategy identified 12 communities that need CRC coverage (all of which have at least 1 CRC)
- Community Resiliency Programs behind plan due to delays in identifying customers willing to participate; will continue to identify additional customer sites in Q3. Four customer agreements have been executed through Q2.
- CCBB program was completed in Q2 after reaching out to eligible Medical Baseline Customers and establishing additional partners (CBOs)
- Well Water & Residential Battery Station Rebate have ~1,100 enrollments through Q2.

Appendix

Behind Plan Activities Details

2021 WMP Activity Narratives

Off-track or other notable activities

Inactive
 Under Review
 Complete
 On Track
 Behind Plan, Likely to Meet Year-end Goal
 Behind Plan, At-Risk of Not Meeting Year-end Goal

YTD Status	Current Goal	Narrative
	IN-1.1b: Distribution Aerial Inspections Inspect between 163,000 and 198,000 structures in HFRA, via both ground and aerial inspections. This target includes HFRI, compliance due structures in HFRA and emergent risks during the fire season.	<p>Summary: Distribution inspections are ~11% behind plan (~105k Actual vs ~118k Planned) due to issues with image quality, AOC scope reprioritization, and weather; however, activity is on track to catch up in Q3.</p> <p>Progress:</p> <ul style="list-style-type: none"> Team has onboarded more vendors than in previous years with more capacity to capture Latest capture rate stands at ~12k/week, measured after vendor quality resolution and onboarding <p>Risks or Challenges:</p> <ul style="list-style-type: none"> Delays due to image quality, AOC scope reprioritization, and weather <p>Actions to Improve Performance / Get Well Plan:</p> <ul style="list-style-type: none"> Aerial has onboarded more image capture resources than previous years, leading to ~12k/week capture rate A total of 50 Qualified Electrical Workers were onboarded, resulting in activity nearly catching up to plan after initial delays Released scope has a ~10% margin over 163k inspection goal, to help advance towards achieving year-end goal

Sources: Data as of 6/30/2021 unless otherwise noted. 2021 WMP Activity Leads.

2021 WMP Activity Narratives

Off-track or other notable activities

Inactive
 Under Review
 Complete
 On Track
 Behind Plan, Likely to Meet Year-end Goal
 Behind Plan, At-Risk of Not Meeting Year-end Goal

YTD Status	Current Goal	Narrative
	IN-4: Infrared Inspections Inspect 1,000 transmission circuit miles on HFRA circuits	<p>Summary: Malfunctioning Corona camera equipment delayed all IR and Corona inspections. Vendor repair arrived and is in process of fixing camera module. Original in-service date was moved from June 22 to week of July 12.</p> <p>Progress:</p> <ul style="list-style-type: none"> • Program kicked off in April ahead of plan • Resources and inspection plans have been finalized • Initial functionality of all equipment was verified • Camera technical issue was diagnosed and is being returned to service <p>Risks or Challenges:</p> <ul style="list-style-type: none"> • Performing scans with suboptimal temperature or loading conditions may have quality issues • Pushing out this activity for over a month will have schedule and minor cost impacts <p>Actions to Improve Performance / Get Well Plan:</p> <ul style="list-style-type: none"> • Vendor flew from Israel to perform cable swap to fix the underlying issue in late June • Logistics issues caused by rescheduling inspections may potentially warrant contracting this work out in the fall

Sources: Data as of 6/30/2021 unless otherwise noted. 2021 WMP Activity Leads.

2021 WMP Activity Narratives

Off-track or other notable activities



YTD Status	Current Goal	Narrative
	<p>IN-8: Inspection and Maintenance Tools</p> <p>Transition Aerial and Transmission Ground inspection processes to a single digital platform with at least 75% of inspectors trained to use the tool by year end 2021. Key AI/ML models leveraged by the Aerial inspection process; Deploy scope mapping tool with GIS visualization to Distribution Planning and Engineering users. Deploy remediation mobile software and iPad devices for transmission and distribution.</p>	<p>Summary: Activity fell behind due to technical challenges that will most likely not be fixed in time, on account of COVID-19 impacts to vendor in India, to deliver the InspectForce application in 2021 for Transmission Ground. Distribution & Transmission Aerial still plans to meet the goal by end of 2021, using alternative solutions.</p> <p>Progress:</p> <ul style="list-style-type: none"> Implemented Version 4.0 for Distribution Ground Inspect Application and Version 2.0 for Aerial Inspect App <p>Risks or Challenges:</p> <ul style="list-style-type: none"> The app is scheduled to be ready by the end of November, but the delay puts pressure on training schedule Resource constraints due to the same senior patrolmen being trained on the system who are also responsible for remediations, PSPS patrols, and system restoration in the event of a wildfire <p>Actions to Improve Performance / Get Well Plan:</p> <ul style="list-style-type: none"> Identified alternative solutions to the technical issues and plan to address in Q3

Sources: Data as of 6/30/2021 unless otherwise noted. 2021 WMP Activity Leads.

2021 WMP Activity Narratives

Off-track or other notable activities

Inactive
 Under Review
 Complete
 On Track
 Behind Plan, Likely to Meet Year-end Goal
 Behind Plan, At-Risk of Not Meeting Year-end Goal

YTD Status	Current Goal	Narrative
	SH-6: Circuit Breaker Relay Hardware for Fast Curve Replace/upgrade 60 relay units in HFRA SCE will strive to replace/upgrade 86 relay units in HFRA, subject to resource constraints and other execution Risks	<p>Summary: Activity is 7% behind plan (25 YTD Actual vs 27 Planned). There was slow progress from April through May as an expected result of a relay rack procurement delay due to vendor documentation sign-offs; the issue has been resolved and the vendor has signed the amendment. Normal pace has returned. Resources are in place to return schedule by end of July.</p> <p>Progress:</p> <ul style="list-style-type: none"> • Vendor contract agreement was signed in March • Relay rack materials were ordered and many arrived in June • 9 completions occurred in June, as expected; however, activity is 2 behind plan <p>Risks or Challenges:</p> <ul style="list-style-type: none"> • No risks exist to year-end goal <p>Actions to Improve Performance / Get Well Plan:</p> <ul style="list-style-type: none"> • The vendor contract delay has been resolved and materials are being delivered • Installation plan for July is enough to be ahead of plan by the end of July. Materials are in place.

Sources: Data as of 6/30/2021 unless otherwise noted. 2021 WMP Activity Leads.

2021 WMP Activity Narratives

Off-track or other notable activities



YTD Status	Current Goal	Narrative
Behind Plan, Likely to Meet Year-end Goal	SH-10: Tree Attachment Remediation Remediate 500 tree attachments	<p>Summary: Due to slow ramp up in communities related to obtaining lay-down yards for staging resources and also environmental delays, only 89 tree attachments have been remediated year-to-date, including 0 completions in June, as forecasted last month. Team has released all annual scope (over 800) to region. Expecting completions to be reported in completed work order packages in July.</p> <p>Progress:</p> <ul style="list-style-type: none"> • Have released 870 tree attachments to regions to complete <p>Risks or Challenges:</p> <ul style="list-style-type: none"> • Have faced several environmental delays due to bird nesting, wetlands, etc. • Originally were facing staff resourcing issues in light of national lack of available resources <p>Actions to Improve Performance / Get Well Plan:</p> <ul style="list-style-type: none"> • All scope has been released to region to execute work by year end

Sources: Data as of 6/30/2021 unless otherwise noted. 2021 WMP Activity Leads.

2021 WMP Activity Narratives

Off-track or other notable activities



YTD Status	Current Goal	Narrative
Behind Plan, Likely to Meet Year-end Goal	SH-12: Microgrid Assessment Perform internal assessment of vendor bid and location options. If assessment is favorable, SCE will issue engineering, procurement, construction (EPC) contract to a vendor that meets SCE’s design requirements.	<p>Summary: External partner committee voted to proceed with project after leadership turnover; however, committee also decided to add additional administrative steps prior to signing a land lease agreement with SCE, leading to more negotiation. Contract negotiation is proceeding.</p> <p>Progress:</p> <ul style="list-style-type: none"> Partner organization and Project team have worked through minor clarifications revealed upon review of contract. Counter-offer by Project team to Partner organization is being reviewed by Partner. <p>Risks or Challenges:</p> <ul style="list-style-type: none"> The milestone is an external dependency which leaves SCE project team with few options to accelerate timeline; although it is highly unlikely this will interfere meeting with the 2021 WMP goal as the Partner has demonstrated commitment to the project. <p>Actions to Improve Performance / Get Well Plan:</p> <ul style="list-style-type: none"> Contract negotiations are actively in progress between Project team and Partner organization.

Sources: Data as of 6/30/2021 unless otherwise noted. 2021 WMP Activity Leads.

2021 WMP Activity Narratives

Off-track or other notable activities

Inactive
 Under Review
 Complete
 On Track
 Behind Plan, Likely to Meet Year-end Goal
 Behind Plan, At-Risk of Not Meeting Year-end Goal

YTD Status	Current Goal	Narrative
	SA-1: Weather Stations SCE expects to install 375 weather stations but will attempt to install as many as 475	<p>Summary: Weather station installations fell behind due to supply chain disruptions (i.e., unrest in Myanmar) for the vendor. Plan to review data with vendor in mid-July and discuss next steps. Vendor confirmed a revised delivery schedule in May</p> <p>Progress:</p> <ul style="list-style-type: none"> • 93 weather installations in June, meeting the monthly install target • At the present install rate, this activity will be back on track by the end of July <p>Risks or Challenges:</p> <ul style="list-style-type: none"> • Still verifying the sustainability of the accelerated installation rate <p>Actions to Improve Performance / Get Well Plan:</p> <ul style="list-style-type: none"> • Revised delivery schedule has been confirmed by the vendor • Planned monthly installs were increased from 50 to 93 to get back on track after supply chain disruptions

Sources: Data as of 6/30/2021 unless otherwise noted. 2021 WMP Activity Leads.

2021 WMP Activity Narratives

Off-track or other notable activities



YTD Status	Current Goal	Narrative
	<p>SA-4: Fire Spread Modeling</p> <p>Backset risk and consequence for various PSPS events for 2020. Develop a methodology and a strategy to test FireCast/FireSim implementation into PSPS decision making based on backcast information.</p>	<p>Summary: Fire Spread Modeling has fallen behind due to vendor delays on the PSPS analysis. Plan to review data with vendor in mid-July and discuss next steps.</p> <p>Progress:</p> <ul style="list-style-type: none"> Risk Associated with Value Exposure (RAVE) analysis completed in June which will help the understanding of the vulnerability of a given community due to wildfire. Fire Spread Modeling has fallen behind due to vendor delays on the PSPS decision-making analysis. <p>Risks or Challenges:</p> <ul style="list-style-type: none"> Delay could potentially impact ability to build methodology for incorporating Technosylva data into PSPS decision making process. <p>Actions to Improve Performance / Get Well Plan:</p> <ul style="list-style-type: none"> Plan to review data with vendor in mid-July and discuss next steps.

Sources: Data as of 6/30/2021 unless otherwise noted. 2021 WMP Activity Leads.

2021 WMP Activity Narratives

Off-track or other notable activities



YTD Status	Current Goal	Narrative
Behind Plan, Likely to Meet Year-end Goal	<p>PSPS-2b: Resiliency Zone</p> <p>Goals for Resilience Zones dependent on community leaders identifying potential customers. Targeting to obtain 5 to 10 Agreements.</p>	<p>Summary: This was a pilot to engage community leaders to recommend customer sites for participation in the Resiliency Zones pilot. This effort started in May 2020 and to date, we have 8 agreements signed (in 2021, 4 customer agreements have been executed). Of these 8 sites, the installation has been completed for 4 sites.</p> <p>Progress:</p> <ul style="list-style-type: none"> • Outreach conducted to 17 potential customer sites over the last 5 months • Suppliers have conducted site visits at two of the four sites with agreements; furthermore, engineering drawings are nearing completion for these sites. <p>Risks or Challenges:</p> <ul style="list-style-type: none"> • This activity depended on community leaders providing resiliency zone sites and customers' willingness to participate in the program. • Some customers had installed their own switching equipment and purchased generators. <p>Actions to Improve Performance / Get Well Plan:</p> <ul style="list-style-type: none"> • Team will continue to pursue community leaders to share potential customer sites

Sources: Data as of 6/30/2021 unless otherwise noted. 2021 WMP Activity Leads.

2021 WMP Activity Narratives

Off-track or other notable activities

Inactive
 Under Review
 Complete
 On Track
 Behind Plan, Likely to Meet Year-end Goal
 Behind Plan, At-Risk of Not Meeting Year-end Goal

YTD Status	Current Goal	Narrative
	VM-2 Pole Brushing SCE plans to pole brush between 200,000 and 300,000 Distribution poles	<p>Summary: Pole Brushing has fallen behind due to reallocation of vendors to Area of Concern (AOC) project.</p> <p>Progress:</p> <ul style="list-style-type: none"> ~74,200 poles have been brushed year-to-date (vs. 91,200 expected) <p>Risks or Challenges:</p> <ul style="list-style-type: none"> Team is expected to stay off-track until July due to continued AOC prioritization <p>Actions to Improve Performance / Get Well Plan:</p> <ul style="list-style-type: none"> Return to planned schedule in July will increase productivity and throughput to address May-June deficit Streamlined scheduling of available work by coordinating a circuit-based geographical approach

Sources: Data as of 6/30/2021 unless otherwise noted. 2021 WMP Activity Leads.

2021 WMP Activity Narratives

Off-track or other notable activities



YTD Status	Current Goal	Narrative
	<p>VM-6: VM Work Management Tool (Arbora)</p> <p>Continue Work Management Tool (Arbora) agile development and releases in accordance with project plan – complete full rollout of Dead & Dying Tree Removal and Hazard Tree Mitigation, and conduct discovery and design architecture associated with Line Clearing</p>	<p>Summary: VM Work Management Tool has fallen behind due to limitations with using the tool in offline areas. New design architecture will be utilized to remedy the issue but will require at least 4-6 weeks for Proof of Concept (POC) development and testing before pilot can be re-launched.</p> <p>Progress:</p> <ul style="list-style-type: none"> Although the re-launch criteria was met, pilot was not resumed due to product data volume limitations <p>Risks or Challenges:</p> <ul style="list-style-type: none"> Milestone timeline delay is not currently expected to impede WMP goal of full deployment of HTMP/DRI before year end <p>Actions to Improve Performance / Get Well Plan:</p> <ul style="list-style-type: none"> Vendor has provided new design architecture to remedy this issue The re-design will require at least 4-6 weeks of Proof of Concept development and testing before pilot can be re-launched Current re-architecture will reduce work volume constraints Team has collaborated with the other vendor projects to introduce a new "Smart Form" product that will help streamline the user interfaces and improve field performance

Sources: Data as of 6/30/2021 unless otherwise noted. 2021 WMP Activity Leads.

Appendix B

Executive Compensation January 15, 2021
submission to the WSD

January 15, 2021

Caroline Thomas Jacobs
Director, Wildfire Safety Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

SUBJECT: 2021 Executive Compensation Submission of Southern California Edison
Pursuant to Assembly Bill 1054

Dear Director Thomas Jacobs:

In response to your December 22, 2020 letter, Southern California Edison Company (SCE) hereby submits its 2021 Executive Compensation Structure approval request.

The attached material sets forth details regarding SCE's approach to executive compensation, the structure of such compensation, how compensation is determined, and describes how this program is aligned with the framework required for Wildfire Safety Division approval pursuant to §8389(e) of the Public Utilities Code, the Wildfire Safety Division's 2020 Guidance and the majority of elements in 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//

Carla Peterman
Senior Vice President, Strategy and Regulatory Affairs
Southern California Edison

cc: Rachel Peterson, Executive Director
R-18-10-007
WildfireSafetyDivision@cpuc.ca.gov

Southern California Edison (SCE) Executive Compensation Structure and Compliance with Wildfire Safety Division's Guidance Issued Dec. 22, 2020 on Submission of Executive Compensation Approval Requests

January 15, 2021

I. 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 Wildfire Safety Division's (WSD) guidance issued in 2020 for its executive compensation review (WSD 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 Officers¹ – 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:

- ▶ Reduction of annual incentive award payouts if specific safety and safety-related targets are not achieved. For 2021, SCE is increasing the focus on safety outcomes by:
 - Increasing the target weighting of the Safety & Resiliency goal category from 45% to 50%;
 - Adding CPUC-reportable ignitions and Public Safety Power Shutoff (PSPS) average customer restoration time as outcome-based metrics; and
 - Adding safety & resiliency capabilities and contractor management as new goals to drive advancement of work execution.
- ▶ 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.

¹ The Compensation Committee determines compensation for all officers who are executive officers under Rule 3b-7 of the Securities Exchange Act of 1934 (Executive Officers). It also determines compensation for any Senior Vice Presidents who aren't Executive Officers (Other Senior Officers) and reviews certain aspects of compensation for the two Vice Presidents who respectively serve as SCE's Corporate Secretary and Treasurer (SCE's Corporate Secretary also serves as the Corporate Secretary of its parent company). The Board has delegated to the CEO the authority to determine compensation for SCE's Corporate Secretary and Treasurer, who are executive officers for purposes of Pub. Util. Code §8389(e), but not for purposes of SEC Rule 3b-7. This document focuses on the compensation structure for officers whose compensation is determined by the Compensation Committee, but the same structure applies to the Corporate Secretary and Treasurer.

- ▶ 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.

II. Compliance with Pub. Util. Code § 8389(e) and the WSD 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	<ul style="list-style-type: none"> • 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 (see the “Pay Mix for Executive Officers” below for the specific percentages); SCE does not offer perquisites
Annual Incentive Awards	Variable Pay: Cash	<ul style="list-style-type: none"> • 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 • A significant portion of the success measures that are used to determine the payout is based on meeting performance metrics that are objectively measurable • No guaranteed minimum payout, maximum payout is 200% of target; significant “at risk” compensation
Long-Term Incentive Awards	Variable Pay: Equity <ul style="list-style-type: none"> • 50% stock options • 25% performance shares • 25% restricted stock units 	<ul style="list-style-type: none"> • Promote utility financial stability by enhancing executives’ focus on the company’s long-term goals • 75% of long-term incentive awards are performance-based, with payouts determined by achievement of objective outcome-based performance metrics • No guaranteed minimum payout for stock options or performance shares • 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 four-year period; in addition, stock ownership requirements for officers require significant equity holdings to be maintained and 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

a. 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 each Executive Officer's compensation levels.

b. 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. SCE also does not offer perquisites or "perks."

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.

c. 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 and 2019 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 three goal categories of Safety & Resiliency, Financial Performance and Operational Excellence & Strategic Advancement.

The proposed 2021 goals (see pages 6-7 below) convey SCE's emphasis on safety by weighting Safety & Resiliency as 50% 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. Financial Performance is given half the weighting of Safety & Resiliency—25% of the target award. The Operational Excellence & Strategic Advancement goal category is also weighted at 25%, and includes success measures that impact safety, such as system reliability and SONGS goals, as well as success measures that impact financial performance.

Under each goal category, the company provides executives with representative success measures so they understand what is meant by the overarching goal category. 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 the 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 & 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. In the scoring process, the Compensation Committee considers both what was accomplished and the manner in which it was accomplished. While perfect performance is not the standard, there is significant weight given to the efficacy and prudence of the efforts as well as the absolute outcomes. Based on the judgment of the Compensation Committee, this may result in a score that varies from “target” or the initial weight afforded to that category. The Compensation Committee can exercise discretion to reduce or eliminate entirely annual incentive awards should circumstances warrant.

d. Summary of Proposed 2021 Annual Incentive Goals and Metrics

The WSD Guidance requires a description of all metrics used to calculate incentive compensation. The following two pages summarize SCE’s 2021 goals, success measures, and scoring matrix that were tentatively approved by the Compensation Committee at its December 2020 meeting. Metrics for the success measures are in the process of being updated to reflect year-end data, so the summary on pages 6 and 7 uses “x,” “y,” and “z” as placeholders that represent the minimum, target, and aspirational levels for these metrics. SCE’s final 2021 goals, including final metrics, will be approved by the Compensation Committee at its February 24, 2021 meeting. On or about March 1, SCE will supplement its submission to the WSD by providing the final 2021 goals and metrics.

In addition to the Compensation Committee, the Safety and Operations Committee of the Board has been closely involved in the development of the 2021 safety and other operational goals and metrics. It reviewed and provided guidance on draft goals and metrics at its October and December 2020 meetings, and will conduct another review before the Compensation Committee finalizes goals on February 24.

Goal Category	Target Score for Goal Category ⁽¹⁾	Representative Success Measures for Goal Category
Overarching Goals Framework	See footnote ⁽²⁾ below	<ul style="list-style-type: none"> • 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 • Worker Safety: Make significant progress toward eliminating serious injuries and fatalities (SIF) <ul style="list-style-type: none"> ○ Reduce EEI SIF Injury Rate: $\leq x, y, z$ ○ Reduce Employee DART Injury Rate: $\leq x, y, z$ ○ Enhance worker safety programs (e.g., risk-based, corrective actions, hazard-based observations) • Public Safety: Reduce risk of public injuries related to our electric infrastructure <ul style="list-style-type: none"> ○ Improve public awareness of safety around electric lines and equipment as measured by awareness survey results and key outreach activities performed ○ Overhead Conductor Program: install $\geq x, y, z$ circuit miles ○ Vegetation Line Clearing: execute $\geq x\%, y\%, z\%$ of trims on time in compliance with GO 95 • Wildfire Resiliency: Reduce risk of catastrophic wildfires associated with electric infrastructure by executing our Wildfire Mitigation Plan (WMP) and programs <ul style="list-style-type: none"> ○ CPUC reportable ignitions in High Fire Risk Areas (HFRA): $\leq x, y, z$ ○ Public Safety Power Shutoffs (PSPS): achieve average customer restoration time $\leq x, y, z$ hours ○ Covered Conductor: install $\geq x, y, z$ circuit miles ○ Overhead Inspections: complete ground and aerial HFRA inspection scope and remediate $\geq x\%, y\%, z\%$ of P2 findings 30 days before compliance due date⁽³⁾ ○ Hazard Tree & Drought Relief: perform WMP assessment scope and complete $\geq x\%, y\%, z\%$ of prescribed mitigations in active inventory⁽⁴⁾ within 180 days of schedule
Safety & Resiliency	50	<ul style="list-style-type: none"> • Cybersecurity: Maintain effective controls to prevent and mitigate significant disruptions, data breach or system failure <ul style="list-style-type: none"> ○ Execute cybersecurity improvements to mitigate risk of compromise, including key tools deployed on $x\%$ of desktops/laptops and $y\%$ servers ○ Mature enterprise-wide phishing program as measured by simulation exercise click rate of $\leq x\%, y\%, z\%$ • Safety and Resiliency Capabilities: Advance foundational capabilities in operations <ul style="list-style-type: none"> ○ Electric Asset Data: Improve pole and wire data quality and enhance information governance ○ Critical Business Records: Complete risk analysis of records types and implement management plans for high-risk records ○ Field and Work Management Tools: Advance inspection and vegetation management applications, and build digital work order system • Contractor Management: Strengthen contractor management to improve safety and quality performance <ul style="list-style-type: none"> ○ Implement Contractor Management Plan: Increase safety and quality integration in procurement, clarity of performance triggers, and efficacy of corrective action mechanisms
Financial Performance	25	<ul style="list-style-type: none"> • Achieve SCE core earnings target
Operational Excellence & Strategic Advancement	25	<ul style="list-style-type: none"> • Reliability: Achieve targeted reliability for repair outages as measured by System Average Interruption Duration Index (SAIDI). Achieve SAIDI, Repair: $\leq x, y, z$ minutes • Capital Deployment: Execute grid, technology, electrification, and other improvements to deliver safe, reliable, clean, and affordable energy for customers. <ul style="list-style-type: none"> ○ Achieve CPUC and FERC jurisdictional capital improvement plan execution, consistent with CPUC direction

- Policy Outcomes: Shape California legislative and regulatory policies to align with SCE's strategy
 - Advocate for effective implementation of wildfire policies and obtain Wildfire Mitigation Plan approval and annual Safety Certification.
 - Advocate for prudent cost recovery and affordability decisions that secure funding to meet company and customer needs.
 - Obtain policy outcomes necessary to support Edison's Clean Power & Electrification Pathway/Pathway 2045 in support of California's environmental objectives
- Diversity, Equity and Inclusion: Improve diversity in our employees and supplier base and drive inclusion
 - Implement a comprehensive Diversity, Equity and Inclusion (DEI) Plan
 - Achieve Diverse Business Enterprise (DBE) spend \geq x%, y%, z%
- Customer Service Re-Platform (CSRP): Achieve go-live by end of Q2 2021 and post implementation stabilization by end of Q4 2021 while maintaining project spend
- San Onofre Nuclear Generating Station (SONGS) Decommissioning: Safely and effectively oversee contractors to complete Decommissioning and Dismantlement critical path activities

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 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) Includes structures with compliance inspections due in 2021. 2021 P1 findings will be remediated within the compliance timeframes. Remediation of P2 findings for goal measurement exclude those with GO95 exceptions and worker/public safety conditions.
- (4) Active inventory consists of trees that SCE has authority and access to remove (excludes customer refusals, environmental restrictions, etc.).

e. Importance of a Combination of Activity-based and Outcome-based Metrics

The WSD Guidance provides that 2021 compensation structures should more closely align with measurable outcomes for safety improvements that are required for Wildfire Mitigation Plans (WMP). As indicated in the Overview on page 1, SCE's changes for its 2021 goals include the following:

- ▶ SCE's proposed 2021 goals provide a 50% weighting for the Safety & Resiliency goal category, which is a 5-percentage point increase in weighting compared to the 2020 goals;
- ▶ Two new outcome-based goals are being included as 2021 wildfire resiliency goals: CPUC reportable ignitions in High Fire Risk Areas (HFRA) and PSPS average restoration time;
- ▶ SCE has added Safety and Resiliency Capabilities as a new goal to enable further risk reduction through improved data and records, performance and quality management, process management and digital enablement; and
- ▶ SCE has added a goal related to contractor management to improve SCE's ability to manage the overall quality of contractors' work from both a safety and performance perspective.

SCE continues to believe that a combination of activity-based and outcome-based metrics is essential to an effective annual incentive program. As an example, the activities identified in SCE's WMP have been approved as reasonable to reduce the risk of catastrophic wildfires. Thus, it is important to align annual incentives to the activities that will result in the effective execution of the WMP.

SCE is including outcome-based metrics in its goals only to the extent that the metrics can be consistently measured and are appropriate for demonstrating the impact of SCE's actions. For example, ignition data is a lagging indicator that represents outcomes SCE desires to reduce and, over a period of several years, could be used to assess the effectiveness of SCE's wildfire

mitigation strategies and programs in reducing wildfires. Factors to consider with the ignitions metric:

- ▶ Given the accelerated implementation of our wildfire mitigation strategies and programs, we expect to see a reduction in the number of ignitions associated with our equipment in HFRAs; and
- ▶ Given the volatility of ignitions from year to year that are heavily influenced by factors beyond SCE's control, such as weather, this indicator may not show year-to-year improvements but would be expected to show longer-run decreases over multi-year rolling averages.

f. **Descriptions of Proposed 2021 Success Measures and Metrics, and How They Contribute to Safety**

The WSD Guidance requests a description of how safety performance is calculated for incentive compensation and an explanation of whether safety metrics are outcome or input based (e.g., number of ignitions versus number of miles of distribution lines inspected). The WSD Guidance also provides that compensation awards should be based on objective, measurable and enforceable progress metrics that track impacts on drivers of ignition probability and safety outcome metrics that measure leading and lagging indicators of wildfire risk and consequences of wildfire mitigation work. This section addresses those aspects of the WSD Guidance. The March 1 supplemental submission will provide additional details.

While the connection to safety is apparent for the Safety & Resiliency category, SCE believes that the Operational Excellence & Strategic Advancement category also reinforces a culture that encompasses diverse perspectives and objectives that promote safety. The combination of these goals allows SCE to continuously incorporate best practices and pursue critical policy outcomes – which ultimately reinforces the work that is accomplished around safety, resiliency, and pursuit of healthy communities.

Safety & Resiliency Goal—Worker Safety: Over the past few years, SCE has focused on transforming its safety culture to nurture a mindset of caring for the well-being of the people we work with and the customers we serve along with a focus on the quantitative safety metrics. When employees and contractors have the training, tools, and work processes to work safely, it means the quality of their work is better, they are able to show up for work and perform their assigned duties well, and can complete the work that is needed to serve our customers in a timely manner. Wildfire mitigation activities comprise a significant portion of SCE's work currently, and worker safety directly translates to high quality and timely implementation of these initiatives.

With this background as the context for its work, SCE uses the following performance metrics for the Worker Safety success measure:

- **EEI SIF Rate (outcome-based metric)** - Edison Electric Institute (EEI) serious injury and fatality (SIF) rate measures the number of serious injuries and fatalities normalized by the actual hours worked. The definition of SIFs by EEI is standardized, which enables direct comparison and benchmarking with peer utilities that participate in EEI's survey. Reductions in the EEI SIF Rate contribute to improved employee safety through reductions in serious injuries and fatalities.
- **DART Injury Rate (outcome-based metric)** – Days Away, Restrictions, and Transfers (DART) injury rate is a measurement to describe the number of recordable injuries and illnesses per 100 full-time employees that resulted in days away from work, restricted work activity, and/or job transfer. DART is also a standardized metric that enables comparison with other companies. Reductions in the DART rate contribute to improved

safety through reductions in injuries and illnesses that impact an employee's ability to perform their job.

- **Enhance Worker Safety Programs (input/activity-based metric)** – measures efforts to implement safety mitigations using a risk-based program that systematically and proactively prioritizes, assess, and reduces safety risks using a variety of approaches. Milestones within this metric are expected to improve worker safety through reduced injuries and fatalities associated with safety risks prioritized by this program.

Safety & Resiliency Goal—Public Safety: SCE's infrastructure is located throughout our communities and the public is often physically close to our infrastructure and work sites. Equipment or structure failure or lack of proper precautions at work sites can lead to public injuries. Reducing the risk of injuries to the public is an integral part of delivering safe and reliable service. Public awareness and education regarding the hazards around electrical infrastructure, such as what to do or not do when someone sees a wire down or taking appropriate precautions when working in close proximity to overhead lines, is a key component of keeping the public safe. In addition, based on safety risk analysis, SCE has identified that overhead conductor failures represent a key risk for potential public injury associated with utility infrastructure. Failure of overhead lines can lead to energized wire-down conditions, which can be partly mitigated by replacing smaller conductor prone to failure under fault conditions and vegetation clearing.

With this background as the context for its work, SCE uses the following performance metrics within the Public Safety success measure:

- **Improve public awareness of safety around electric lines and equipment as measured by awareness survey results and key outreach activities performed (input/activity-based metric)** – metric measures efforts to increase awareness for how to stay safe around electricity and electric equipment among the general public, property owners with trees near power lines, and at-risk workers (e.g., tree workers). Improvements in public awareness are expected to improve public safety through reduced injuries or fatalities associated with individuals coming into contact with energized power lines and equipment.
- **Overhead Conductor Program (input/activity-based metric)** – metric measures the quantity of overhead distribution conductor replaced that is susceptible to wire-down events during fault conditions. This program improves public safety by mitigating the public's contact with downed overhead lines. Small conductors that are more prone to failure due to fatigue from cumulative mechanical stress and/or damage from electrical faults they have experienced during their service life are replaced. The scope of the Overhead Conductor Program spans all of SCE's distribution grid, including areas within and outside of SCE's HFRA. Conductor replaced within SCE's HFRA utilize covered conductor versus bare conductor (see Covered Conductor below).
- **Vegetation Line Clearing (input/activity-based metric)** – metric measures the timely completion of planned trimming of vegetation near power lines across SCE's service area. The timely completion of vegetation trimming is expected to improve both public safety and provide wildfire mitigation by reducing the likelihood of contact between vegetation and energized power lines, which can lead to downed wires that are energized and/or the release of energy that can lead to ignitions.

Safety & Resiliency Goal—Wildfire Resiliency: This success measure addresses a key public safety risk. It encompasses deployment of SCE's WMP, which includes infrastructure hardening, vegetation management, and detailed inspections and remediations. SCE's WMP also emphasizes targeted use of Public Safety Power Shutoff and focuses on continuing improvement of this effective tool and of efforts to mitigate customer impacts.

With this background as the context for its work, SCE uses the following performance metrics for the Wildfire Resiliency success measure:

- **CPUC Reportable Ignitions in High Fire Risk Areas (outcome-based metric)** – See discussion on pages 7-8.
- **Public Safety Power Shutoff (outcome-based metric)** – metric measures the average time taken to safely restore a circuit de-energized by a Public Safety Power Shutoff after the high-risk fire weather conditions have subsided. Minimizing the restoration time following a PSPS event improves public safety by reducing the duration of customer power outages.
- **Covered Conductor (input/activity-based metric)** – metric measures the quantity of covered conductor installed within SCE’s HFRA under the Wildfire Covered Conductor Program as well as other programs that install covered conductor in HFRA (see Overhead Conductor Program above). The installation of covered conductor improves public safety by mitigating ignitions that might result from faults associated with overhead lines with bare conductor. Covered conductor also improves public safety by mitigating the public’s contact with downed energized overhead lines. Small conductors that are more prone to failure due to fatigue from cumulative mechanical stress and/or damage from electrical faults they have experienced during their service life are also replaced. Additionally, the conductor’s covering offers improved safety protection for the public in the limited cases of high impedance faults, as tests and studies have demonstrated that incidental contacts with energized conductor that is covered do not result in injuries.
- **Overhead Inspections and Remediations (input/activity-based metric)** – metric measures the completion of ground- and aerial-based inspections of overhead infrastructure in SCE’s HFRA as well as the remediation of associated findings. This activity improves wildfire resiliency and public safety by identifying and remediating conditions that could lead to ignitions or equipment failure that could result in the public’s contact with energized equipment.
- **Hazard Tree and Drought Relief Removal (input/activity-based metric)** – metric measures the completion of the assessment and the timely remediation of trees identified for removal through SCE’s Hazard Tree Management Program and Drought Relief Initiative that are within the utility strike zone (e.g., trees taller than they are closer) of overhead lines in HFRA. This activity improves wildfire resiliency and public safety by identifying and remediating trees that could fall into overhead lines and lead to ignitions or other conditions that could result in the public’s contact with energized equipment.

Safety & Resiliency Goal—Cybersecurity: It is imperative to maintain effective control of the grid and mitigate the possibility for bad actors to cause disruptions and unsafe situations. Given the increasing number and sophistication of cyberattacks, cybersecurity is a key component of providing safe service to our customers. Cybersecurity also aims to prevent data breaches which might put confidential information about our customers in malicious hands and expose them to unsafe situations.

With this background as the context for its work, SCE uses the following performance metrics for the Cybersecurity success measure:

- **Execute Cybersecurity Improvements (input/activity-based metric)** – metric measures the execution of cybersecurity improvements to mitigate risk of compromise of SCE systems. This activity is expected to improve public safety by ensuring cyber threats do not compromise the reliable delivery of electricity to SCE’s customers.

- **Mature Enterprise Wide Phishing Program (input/activity-based metric)** – metric measures the click rate of workers that have been sent a simulated email phish. This activity is expected to improve public safety by continuing a focus on employee training and attentiveness to cyber threats, thus ensuring cyber threats do not compromise the reliable delivery of electricity to SCE’s customers.

Safety & Resiliency Goal—Safety and Resiliency Capabilities (input/activity-based metric): This success measure addresses the advancement of foundational capabilities in operations to support improvements in safety and resiliency. Having robust systems in place to maintain the quality of electric asset data and business records supports SCE’s ability to utilize accurate information for operational activities and safety mitigations. Errors in these types of data and records can lead to sub-optimal targeting of activities intended to mitigate public and worker safety risks. Additionally, having the right tools to inspect and perform work on SCE’s infrastructure can improve the timeliness, accuracy, and speed of deployment of activities that improve public safety.

With this background as the context for its work, SCE uses the following performance metrics for the Safety and Resiliency Capabilities success measure:

- **Electric Asset Data (input/activity-based metric)** – metric measures efforts to improve data quality associated with SCE’s poles and wires. Inaccurate or incomplete data can cause errors that can create public safety risks. For instance, if two poles have duplicate identification tag numbers, the incorrect one could be inadvertently be inspected or repaired, which could result in the other pole failing and creating a public safety risk. This activity is expected to improve public safety by mitigating those types of scenarios by improving asset data quality.
- **Critical Business Records (input/activity-based metric)** – metric measures efforts to improve the management of Critical Business Records by completing a risk analysis of various record types and implementing management plans used to manage the quality of high-risk records. SCE defines its Critical Business Records as those that, if mismanaged, has the potential for a significant negative impact associated with, among others, public or worker safety. Improving SCE’s capability to manage these records is thereby expected to improve public and worker safety.
- **Field and Work Management Tools (input/activity-based metric)** – metric measures efforts to advance digital tools used for inspections and vegetation management field activities to increase efficiency, simplify workflows, drive work quality, and improve information captured. These tools are expected to improve public safety by increasing the quality of inspections and vegetation management activities, which, as discussed previously, mitigate risks associated with wildfires and wire-down events. Improvements in information captured can improve the robustness of data that could improve targeting of mitigations. Increases in efficiency can enable SCE to speed the deployment of mitigations, which can result in reduction of public safety risks sooner.

Safety & Resiliency Goal—Contractor Management (input/activity-based metric): measures efforts to improve contractor safety oversight and accountability, increasing collaboration with contractors and subcontractors to improve safety culture and more effectively manage risk. Activities within this metric focus on strengthening contractor management controls (e.g., clearer performance thresholds/triggers for corrective actions), embedding additional quality control reviews within contractor work, and advancing training and certification verification at the worker level.. Improvements across these areas are expected to increase

worker safety through reduced serious injuries and fatalities with SCE contractors and subcontractors.

Operational Excellence & Strategy Goal—Reliability (outcome-based metric): Reliability and safety go hand in hand. For example, helping assure reliable service means safe operations of medical equipment at homes and hospitals, and public safety related items such as traffic signals and street lighting. In addition, reliability means fewer outages, and outages can lead to ignitions or other public safety hazards. This metric measures System Average Interruption Duration Index (SAIDI).

Operational Excellence & Strategy Goal—Capital Deployment (input/activity-based metric): This goal is associated with implementing our overall plan to maintain and update our grid to serve our customers. A significant portion of the capital deployment plan is associated with wildfire mitigation and resiliency and other safety related work. In addition, reliability programs such as infrastructure replacement, load growth, preventive and breakdown maintenance, and safety are inextricably associated with reliability given the importance of electricity in our customer's lives at home, at work and in public places.

Operational Excellence & Strategy Goal—Policy (input/activity-based metric): This goal is associated with pursuit of policies that best position SCE to mitigate the risk of wildfires, as well as pursue associated operations that enhance customer reliability, safe operations, and accomplishment of the State's climate goals. The subcomponents of this goal address implementation of wildfire policies (including WMP and Safety Certification), as well as support for SCE's General Rate Case, and Clean Energy and Electrification Pathway. Each of these is addressed briefly below.

- First, support for coordinated and informed wildfire policies directly helps develop and support WMP programs necessary to perform the activities which will mitigate the risk of wildfires. Given the State's focus on wildfire issues, policies need to be coordinated across agencies and jurisdictions in order to effectively move goals forward. Additionally, wildfire-related policy work includes receiving cost recovery authorization so that SCE can deploy capital and resources to get necessary work done for wildfire resilience, safety, reliability and other activities, while doing so in an affordable manner. The funding authorization also enables us to undertake key safety activities such as training and customer outreach.
- Second, similar to the Capital Deployment objective, a well-supported General Rate Case (with a heavy focus on wildfire mitigation and infrastructure reliability) and securing approval of cost recovery for wildfire objectives in Wildfire Expense Memorandum Account (WEMA) and Catastrophic Event Memorandum Account (CEMA) are critical to the ongoing effort to enhance public safety and reduce the risk of ignition that could result in catastrophic wildfires.
- Third, SCE has a keen focus on wildfire mitigation and in the near-term has made choices, as outlined in SCE's General Rate Case application, to focus resources on the implementation of its WMP. However, the longer-term objective of reducing greenhouse gas emissions is critical in order to mitigate in a more permanent manner the impacts of climate change which drive catastrophic wildfires. Further, the clean energy future that is embedded in state legislation and is a cornerstone to the company's efforts, improves the overall health and well-being of our communities. Thus, the success measure related to clean energy policy aligns with a safety focus.

Operational Excellence & Strategy Goal—Diversity, Equity & Inclusion:

The focus of this goal is to continue to improve diversity of our workforce and supplier base and drive inclusion. The subcomponents of this goal involve implementation of a comprehensive Diversity, Equity and Inclusion (DEI) Plan.

- **Diversity, Equity and Inclusion (DEI) Plan(input/activity-based metric):** This goal pursues different viewpoints and skills that help identify issues and new solutions in all aspects of our business, including how we approach worker safety, public safety and electrical infrastructure safety. It also provides that SCE will do its part in the community through programs such as helping diverse businesses, philanthropy, and inclusive hiring. This goal consists of the ten internal and external actions listed on pages 15 and 18 of the company’s August 2020 Diversity, Equity and Inclusion report, which is available at the following link:
https://energized.edison.com/gallery/get_file/?file_id=5f4541ce2cfac21437a9ff80&ir=1&file_ext=.pdf
- **Diverse Business Enterprise (outcome-based metric)** – This component of the goal focuses on managing our supplier spend to achieve forecast diverse business enterprise levels.

Operational Excellence & Strategy Goal—Customer Service Re-platform (input/activity-based metric): This goal is not tied to safety, but it is important for providing good service to SCE’s customers. The goal focus is on timely completion of CSRP implementation and stabilization milestones in line with plan and within budget.

Operational Excellence & Strategy Goal—San Onofre Nuclear Generation Station (SONGS) Decommissioning (input/activity-based metric): This goal contributes to worker safety by ensuring the ongoing decommissioning is performed in a safe and effective manner.

g. Annual Incentive Award Deductions for Safety Performance Since 2016

The WSD Guidance requires examples of incentive compensation reduced or withheld in the last 5 years as a result of failure to meet safety metrics. The table below meets this requirement by summarizing SCE’s annual incentive award deductions for safety performance since 2016.

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
2020	To be determined at February 24, 2021 Compensation Committee meeting	To be determined at February 24, 2021 Compensation Committee meeting
2019	14-point deduction ²	Three contractor fatalities; transformer failure that seriously burned a member of the public; Days Away, Restrictions, and Transfers (DART) injury rate worse than target
2018	Annual incentive <i>completely eliminated</i> for SCE CEO and for SCE President; ³ 20-point deduction for other Executive Officers ⁴	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 ⁵	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
2016	10-point deduction ⁶	Four worker fatalities; DART injury rate worse than target

h. 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.

The WSD Guidance requests an explanation of long-term incentive pay, a description of all incentive metrics, and weighting of safety concerns and financial performance. This section addresses those aspects of the WSD Guidance.

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 non-qualified stock options that comprise 50% of each executive's long-term incentive award value; and the performance shares that comprise 25% of the award value. 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. 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

² 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.

³ 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.

⁴ 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.

⁵ 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.

⁶ The target score for the Safety goal category was 10 points. The worker fatalities and the DART injury rate were independent bases to score zero points for the category (i.e., either by itself would have resulted in a score of zero).

other companies in the Philadelphia Utility Index; and three-year average annual core earnings per share, measured against target levels.

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 four 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 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.

i. Pay Mix for Executive Officers

The WSD Guidance requests that SCE provide for each component of executive compensation—base pay, annual incentives, and long-term incentives—that component's percentage of overall compensation. SCE will not have that information for 2021 compensation until the Compensation Committee determine the 2021 pay mix for each Executive Officer at its

February 24, 2021 meeting. The table below sets forth the annualized pay mix that was in effect at year-end 2020.

Position	% of Target 2020 Total Direct Compensation*		
	Base Pay	Target Annual Incentive Award	Target Long-Term Incentive Award
President and CEO	23.42%	17.56%	59.02%
EVP, Operations	35.59%	21.35%	43.06%
SVP and Chief Financial Officer	40.82%	22.45%	36.73%
SVP and General Counsel	40.00%	22.00%	38.00%
SVP, Customer Service	43.01%	21.51%	35.48%
SVP, Transmission & Distribution	39.25%	21.59%	39.16%

* The percentages shown are for SCE's Executive Officers as of December 2020 and reflect their compensation at that time on an annualized basis.

j. Risk Considerations

SCE's compensation policies have been designed to discourage inappropriate risk-taking, which further supports stability as emphasized by Pub. Util. Code §8389(e) and helps ensure long-term viability and financial strength needed to effectively execute plans needed to support customer needs and California's policy objectives.

SCE's executive compensation policy directs that our total compensation structure should not encourage inappropriate or excessive risk-taking. The Compensation Committee (which as noted above is comprised solely of independent Board members) takes risk into consideration when reviewing and approving executive compensation.

In concluding that the current executive compensation program does not encourage inappropriate or excessive risk-taking, the Compensation Committee notes the following characteristics that limit risk:

- ▶ Annual incentives are balanced with long-term incentives to lessen the risk that short-term objectives might be pursued to the detriment of long-term value creation;
- ▶ Goals for annual incentive programs are varied (not focused on just one metric), include safety and compliance goals and are subject to Compensation Committee review and discretion as to the ultimate award payment for executives;
- ▶ Long-term incentive awards are subject to a multi-year vesting schedule;
- ▶ Annual incentive and performance share payouts are capped at 200% of target;
- ▶ Stock ownership guidelines require Vice Presidents and more senior officers to own company stock worth up to three times their base salary and prohibit sales of company

stock acquired from long-term incentive awards if the required ownership level has not been achieved;

- ▶ All Board members and employees are prohibited from hedging company securities;
- ▶ Executive Officers are prohibited from pledging company securities, as are Vice Presidents and more senior officers who report directly to the Chief Financial Officer;
- ▶ The company has an incentive compensation clawback policy that allows the Compensation Committee or the Board to recoup incentive compensation overpayments in the event of a restatement of company financial statements; and
- ▶ Executive retirement and deferred compensation benefits are unfunded and thus depend in part on the continued solvency of the company.

III. Review of Assigned Commissioner Ruling, Proposal 9

The WSD 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.

<p>Holding or deferring the majority or super-majority of incentive compensation, in form of equity awards, for at least 3 years.</p>	<p>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 four-year period; and stock ownership requirements for officers require significant equity holdings to be maintained and limit sales of stock.</p>
<p>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.</p>	<p>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.</p>
<p>Annual review of awards by an independent consultant.</p>	<p>Pay Governance reviews the annual awards granted to Executive Officers and Other Senior Officers.</p>
<p>Annual reporting of awards to the CPUC through a Tier 1 Advice Letter compliance filing.</p>	<p>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.</p>
<p>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.</p>	<p>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).</p>

<p>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.</p>	<p>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).</p>
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Appendix C

Executive Compensation Supplemental
Filing (March 1, 2021)

03/01/2021

Caroline Thomas Jacobs, Director
Wildfire Safety Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

SUBJECT: Southern California Edison Company's 2021 Executive Compensation Supplemental Submission

Director Thomas Jacobs,

Pursuant to your December 22, 2020 letter, Southern California Edison Company (SCE) submitted its 2021 Executive Compensation Structure approval request on January 15, 2021 (Initial Submission). On February 5, 2021, SCE supplemented that submission with its reply (February 5 Reply) to comments from the Public Advocates Office at the California Public Utilities Commission and The Utility Reform Network. As discussed in the Initial Submission and the February 5 Reply, this supplemental submission provides SCE's final 2021 annual incentive goals and metrics as approved by the SCE Board of Directors' Compensation and Executive Personnel Committee (Compensation Committee) on February 24, 2021.

INTRODUCTION

On July 2, 2020, SCE met with the Wildfire Safety Division (WSD) in anticipation of a stakeholder workshop, and provided SCE's 2021 corporate goal timeline to emphasize that SCE communicates preliminary goals to its employees in January and rolls out its complete goals by the end of February. Preliminary goals were approved by the Compensation Committee in December 2020 and communicated on January 15, 2021 to the WSD (in the Initial Submission) and to SCE employees. The goals and qualitative success measures described in the Initial Submission were approved as final by the Compensation Committee on February 24, 2021, except that the Public Safety Power Shutoff (PSPS) goal was revised as discussed in the February 5 Reply and in the Update to Public Safety Power Shutoff Goal section below. The quantitative metrics for SCE's 2021 goals are based in large part on information that was not available until mid- or late-January, so this supplemental submission provides the specific minimum, target, and aspirational levels approved by the Compensation Committee on February 24, 2021 and communicated to SCE employees on February 26, 2021.

UPDATE TO PUBLIC SAFETY POWER SHUTOFF GOAL

As mentioned in the February 5 Reply, SCE continues to reflect on and respond to the feedback received from the CPUC, our public safety partners, customers, and local communities regarding SCE's PSPS execution. To demonstrate our ongoing commitment to

improve, SCE is replacing the draft PSPS goal discussed in the Initial Submission with a more comprehensive PSPS goal focused on improving the PSPS customer experience. The final PSPS goal incorporates the activities outlined in our corrective action plan filed on February 12, 2021.

FINAL 2021 ANNUAL INCENTIVE GOALS AND METRICS

The following table summarizes SCE’s final 2021 annual incentive goals, representative success measures (including minimum, target and aspirational performance values for quantitative metrics), and the scoring matrix approved by the Compensation Committee on February 24, 2021. The appendix to this supplemental submission includes definitions/descriptions for the representative success measures.

2021 SOUTHERN CALIFORNIA EDISON GOALS



Goal Category	Target Score for Goal Category ⁽¹⁾	Representative Success Measures for Goal Category
Overarching Goals Framework	Target is no deduction ⁽²⁾	<ul style="list-style-type: none"> • The goals will be achieved while living the Company’s values, which include safety
		<ul style="list-style-type: none"> • 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	50	<ul style="list-style-type: none"> • Worker Safety: Make significant progress toward eliminating serious injuries and fatalities (SIF) <ul style="list-style-type: none"> ○ Reduce EEI SIF Injury Rate: ≤ 0.110, 0.086, 0.062 ○ Reduce Employee DART Injury Rate: ≤ 0.90, 0.77, 0.64 ○ Enhance worker safety programs (e.g., risk-based, corrective actions, hazard-based observations) • Public Safety: Reduce risk of public injuries related to our electric infrastructure <ul style="list-style-type: none"> ○ Improve public awareness of safety around electric lines and equipment as measured by awareness survey results and key outreach activities performed ○ Overhead Conductor Program: install ≥ 100, 130, 160 circuit miles ○ Vegetation Line Clearing: execute ≥ 80%, 85%, 90% of trims on time to support compliance with GO 95 • Wildfire Resiliency: Reduce risk of catastrophic wildfires associated with electric infrastructure by executing our Wildfire Mitigation Plan (WMP) and programs <ul style="list-style-type: none"> ○ CPUC reportable ignitions in High Fire Risk Areas (HFRA): ≤ 50, 42, 34 ○ Improve PSPS customer experience by executing comprehensive improvement plan focused on enhancing notifications and other PSPS capabilities ○ Covered Conductor: install ≥ 1,000, 1,400, 1,800 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⁾ ○ Hazard Tree & Drought Relief: perform WMP assessment scope and complete ≥ 85%, 90%, 95% of prescribed mitigations in active inventory⁽⁴⁾ within 180 days of schedule • Cybersecurity: Maintain effective controls to prevent and mitigate significant disruptions, data breach or system failure <ul style="list-style-type: none"> ○ Execute cybersecurity improvements to mitigate risk of compromise, including key tools deployed on ≥ 97%, 98%, 99% of desktops/laptops and ≥ 86%, 90%, 94% servers ○ Mature enterprise-wide phishing program as measured by simulation exercise click rate of ≤ 6%, 4%, 2%

		<ul style="list-style-type: none"> • Safety and Resiliency Capabilities: Advance foundational capabilities in operations <ul style="list-style-type: none"> ○ Electric Asset Data: Improve pole and wire data quality and enhance information governance ○ Critical Business Records: Complete risk analysis of records types and implement management plans for high-risk records ○ Field and Work Management Tools: Advance inspection and vegetation management applications, and build digital work order system • Contractor Management: Strengthen contractor management to improve safety and quality performance <ul style="list-style-type: none"> ○ Implement Contractor Management Plan: Increase safety and quality integration in procurement, clarity of performance triggers, and efficacy of corrective action mechanisms
Financial Performance	25	<ul style="list-style-type: none"> • Achieve SCE core earnings target
		<ul style="list-style-type: none"> • Reliability: Improve reliability for repair outages as measured by System Average Interruption Duration Index (SAIDI). Achieve SAIDI Repair: ≤ 97, 86, 75 minutes • Capital Deployment: Execute grid, technology, electrification, and other improvements to deliver safe, reliable, clean, and affordable energy for customers. <ul style="list-style-type: none"> ○ Achieve CPUC and FERC jurisdictional capital improvement plan execution, consistent with CPUC direction • Policy Outcomes: Shape California legislative and regulatory policies to align with SCE's strategy <ul style="list-style-type: none"> ○ Advocate for effective implementation of wildfire policies and obtain Wildfire Mitigation Plan approval and annual Safety Certification ○ Advocate for prudent cost recovery and affordability decisions that secure funding to meet company and customer needs ○ Build support for SCE's Clean Power and Electrification Pathway/Pathway 2045 and achieve key policy outcomes that accelerate its development • Diversity, Equity and Inclusion: Improve diversity in our employees and supplier base and drive inclusion <ul style="list-style-type: none"> ○ Implement a comprehensive Diversity, Equity and Inclusion (DEI) Plan ○ Achieve Diverse Business Enterprise (DBE) spend ≥ 36%, 38%, 40% • Customer Service Re-Platform (CSRP): Achieve go-live by end of Q2 2021 and post implementation stabilization by end of Q4 2021 within budget • San Onofre Nuclear Generating Station (SONGS) Decommissioning: Safely and effectively oversee contractors to complete Decommissioning and Dismantlement critical path activities
Operational Excellence & Strategic Advancement	25	
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) Includes structures with compliance inspections due in 2021. 2021 P1 findings will be remediated within the compliance timeframes. Remediation of P2 findings for goal measurement exclude those with GO95 exceptions and worker/public safety conditions.

(4) Active inventory consists of trees that SCE has authority and access to remove (excludes customer refusals, environmental restrictions, etc.).

CONCLUSION

SCE has established and communicated its final 2021 annual incentive goals in order to set expectations and incent the intended performance for the year. SCE's philosophy is to use the same goals for all employees—executives and non-executives—and to communicate those goals at the same time to all employees so that the entire company works together to achieve the company's goals.

As explained in the Initial Submission and supplemented in the February 5 Reply and this correspondence, we believe SCE's 2021 executive compensation structure, including SCE's

final 2021 annual incentive goals, fully complies with the requirements of Public Utilities Code Section 8389(e) and the WSD's guidance. We urge the WSD to promptly approve SCE's 2021 executive compensation structure.

If you have any questions, or require additional information, please contact me at carla.peterman@sce.com.

Sincerely,

//s//

Carla Peterman
Senior Vice President, Strategy and Regulatory Affairs
Southern California Edison

cc: Rachel Peterson, Executive Director
Service List for R.18-10-007
wildfiresafetydivision@cpuc.ca.gov

APPENDIX

SCE 2021 Annual Incentive Goals— Definitions/Descriptions of Representative Success Measures

Goal	Representative Success Measure	Definition/Description of Measure	Outcome-based
Worker Safety	Reduce EEI SIF Injury Rate	<p>Metric measures the rate of serious injury and fatalities (SIF) as defined by Edison Electric Institute (EEI). Metric is standardized, which enables direct comparison and benchmarking with peer utilities that participate in EEI’s survey.</p> <p>Measurement is based on the volume of serious injuries observed among Edison employees, normalized through a rate.</p> $\text{EEI SIF} = \frac{\text{Number of Series Injurists and Fatalities} \times 200,000}{\text{Actual Hours Worked}}$ <p>Lower value indicates better performance.</p>	Y
	Reduce Employee DART Injury Rate	<p>Metric measures DART (Days Away Restrictions and Transfers) and is a standardized metric that enables comparison with other companies.</p> $\text{DART Injury Rate} = \frac{\text{Number of DART injuries} \times 200,000}{\text{Actual Hours Worked}}$ <p>Lower value indicates better performance.</p>	Y
	Enhance worker safety programs	<p>Milestones within this measure are expected to improve worker safety through reduced injuries and fatalities associated with safety risks prioritized by this program.</p>	
Public Safety	<p>Improve public awareness of safety around electric lines and equipment as measured by awareness survey results and key outreach activities performed</p>	<p>Metric measures public awareness of safety messaging on how to stay safe around electricity and electric equipment among the general public, property owners with trees near power lines, and at-risk workers (e.g., tree workers). SCE develops and provides survey questions to a third-party administrator which will distribute via a web survey.</p> <p>Higher value indicates better performance.</p>	

Goal	Representative Success Measure	Definition/Description of Measure	Outcome-based
	Overhead Conductor Program	Metric measures the quantity of overhead distribution conductor replaced that is susceptible to wire-down events during fault conditions. The scope of the Overhead Conductor Program spans all of SCE's distribution grid, including areas within and outside of SCE's High Fire Risk Areas (HFRA).	
		Higher value indicates better performance.	
	Vegetation Line Clearing	Metric measures the timely completion of planned trims of vegetation near power lines across SCE's service area, which support compliance with General Order 95 requirements. On-time 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 Hold.	
		Higher value indicates better performance.	
Wildfire Resiliency	CPUC reportable ignitions in High Fire Risk Areas	Metric measures all ignitions within SCE's HFRA that are associated with SCE equipment and meet CPUC reportable ignition criteria, including: <ul style="list-style-type: none"> • A self-propagating fire of material other than electrical and/or communication facilities, • The resulting fire traveled greater than one linear meter from the ignition point, and • The utility has knowledge that the fire occurred 	Y
		Metric includes all events associated with SCE equipment, not necessarily caused by SCE equipment.	
		Lower value indicates better performance.	
	Improve PSPS customer experience by executing comprehensive improvement plan focused on enhancing notifications and other PSPS capabilities	Activity-based measure of efforts to complete the corrective action plan activities SCE filed on February 12, 2021 that targets comprehensive advancements across PSPS capabilities focused on reducing use of PSPS as a result of grid hardening and other risk mitigation activities, executing PSPS effectively, mitigating impacts of PSPS, keeping partners and customers (e.g., local government, vulnerable customers) informed and enhancing post event reporting.	
	Covered Conductor	Metric measures the quantity of covered conductor installed within SCE's HFRA under the Wildfire Covered Conductor Program as well as other programs that install covered conductor in HFRA.	

Goal	Representative Success Measure	Definition/Description of Measure	Outcome-based
		Higher value indicates better performance.	
	Overhead Inspections	Metric measures the completion of the planned number of ground- and aerial-based inspections of overhead infrastructure in SCE's HFRA. Metric also measures the percentage of associated findings remediated 30 days before the compliance due date. Higher value indicates better performance.	
	Hazard Tree and Drought Relief	Metric measures the percentage of all trees mitigated through the Hazard Tree Management Program or Drought Relief Initiative within 180 active days from identification, measured on a cumulative basis: $\% \text{ mitigated} = \frac{(\text{YTD hazard trees mitigated within 180 days of identification date})}{(\text{YTD hazard trees requiring mitigation within 180 days of identification date})}$ <p>Active Days start when SCE has both access and authority to remove a tree and it is paused when authority or access conditions are interrupted. Higher value indicates better performance.</p>	
Cybersecurity	Execute cybersecurity improvements to mitigate risk of compromise	Metric measures cyber tools saturation percentage for end-user desktops and laptops and saturation for servers $\text{Cyber Tools Saturation \%} = \frac{\text{Number of endpoint devices with all (5) tools deployed}}{\text{Total number of endpoint devices}}$ <p>Higher value indicates better performance.</p>	
	Mature enterprise-wide phishing program as measured by simulation exercise click rate	Metric measures the percentage of workers who clicked on a simulated email phish sent to them each quarter. Overall metric is computed as the average of the click rate from each quarter. Lower value indicates better performance.	
Safety and Resiliency Capabilities	Electric Asset Data	Activity-based measure of efforts to improve data quality associated with SCE's poles and wires.	
	Critical Business Records	Activity-based measure of efforts to improve the management of Critical Business Records by completing a risk analysis of various record types and implementing management plans used to manage the quality of high-risk records. SCE defines its Critical Business Records as those that, if mismanaged,	

Goal	Representative Success Measure	Definition/Description of Measure	Outcome-based
		has the potential for a significant negative impact associated with, among others, public or worker safety.	
	Field and Work Management Tools	Activity-based measure of efforts to advance digital tools used for inspections and vegetation management field activities to increase efficiency, simplify workflows, drive work quality, and improve information captured.	
Contractor Management	Implement Contractor Management Plan	Activity-based measure of efforts to improve contractor safety oversight and accountability, increasing collaboration with contractors and subcontractors to improve safety culture and more effectively manage risk. Activities within this metric focus on strengthening contractor management controls (e.g., clearer performance thresholds/triggers for corrective actions), embedding additional quality control reviews within contractor work, and advancing training and certification verification at the worker level.	
Financial Performance		Achieve SCE core earnings target Higher value indicates better performance.	Y
Reliability	Achieve System Average Interruption Duration Index (SAIDI), Repair	Metric measures System Average Interruption Duration Index (SAIDI) associated with repair outages. SAIDI Repair is the 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. Excludes major event days and PSPS events. Lower value indicates better performance.	Y
Capital Deployment	Achieve CPUC and FERC jurisdictional capital improvement plan execution, consistent with CPUC direction	Metric is associated with implementing our overall plan to maintain and update our grid to serve our customers. A significant portion of the capital deployment plan is associated with wildfire mitigation and resiliency and other safety related work. In addition, reliability programs such as infrastructure replacement, load growth, preventive and breakdown maintenance, and safety are inextricably associated with reliability given the importance of electricity in our customer's lives at home, at work and in public places. Higher value indicates better performance.	Y

Goal	Representative Success Measure	Definition/Description of Measure	Outcome-based
Policy Outcomes	Advocate for effective implementation of wildfire policies and obtain WMP approval and annual Safety Certification	Activity-based measure of support for coordinated and informed wildfire policies directly helps develop and support WMP programs necessary to perform the activities which will mitigate the risk of wildfires. Given the State's focus on wildfire issues, policies need to be coordinated across agencies and jurisdictions in order to effectively move goals forward.	
	Advocate for prudent cost recovery and affordability decisions that secure funding to meet company and customer needs	Activity-based measure of a well-supported General Rate Case (with a heavy focus on wildfire mitigation and infrastructure reliability) and securing approval of cost recovery for wildfire objectives in Wildfire Expense Memorandum Account and Catastrophic Event Memorandum Account are critical to the ongoing effort to enhance public safety and reduce the risk of ignition that could result in catastrophic wildfires.	
	Build support for SCE's Clean Power and Electrification Pathway/Pathway 2045 and achieve key policy outcomes that accelerate its development	Activity-based measures of support for SCE's Clean Power and Electrification Pathway/Pathway 2045 and California's clean energy policy will advance efforts to reduce greenhouse gas emissions and impacts of climate change.	
Diversity, Equity, and Inclusion	Implement comprehensive Diversity, Equity and Inclusion (DEI) Plan	This goal consists of the ten internal and external actions listed on pages 15 and 18 of the company's August 2020 Diversity, Equity and Inclusion report, which is available at the following link: https://energized.edison.com/gallery/get_file/?file_id=5f4541ce2cfac21437a9ff80&ir=1&file_ext=.pdf	
	Achieve Diverse Business Enterprise (DBE) spend	Metric measures purchases of materials and services from qualified and certified Women, Minority, Disabled Veteran, Lesbian, Gay, Bisexual and Transgender Business Enterprises divided by the total spend. Higher value indicates better performance.	Y

Goal	Representative Success Measure	Definition/Description of Measure	Outcome-based
Customer Service Re-Platform (CSRP)	Achieve go-live by end of Q2 2021 and post implementation stabilization by end of Q4 2021 within budget	Activity-based measure of timely completion of CSRP implementation and stabilization milestones in line with plan and within budget	
SONGS Decommissioning	Safely and effectively oversee contractors to complete Decommissioning and Dismantlement critical path activities	Activity-based measure of efforts to oversee contractors to complete Decommissioning and Dismantlement critical path activities in a safe and effective manner.	

Appendix D

Energy Safety's Approval of SCE's 2021 Executive
Compensation Structure (August 11, 2021)

August 11, 2021

Michael Backstrom, Vice President, Regulatory Policy
Southern California Edison
8631 Rush Street
Rosemead, CA 91770

Subject: Office of Energy Infrastructure Safety Approval of Southern California Edison Company's 2021 Executive Compensation Structure Pursuant to Public Utilities Code Sections 8389(e)(4) and (e)(6)

To Mr. Backstrom:

This letter approves Southern California Edison Company's (SCE) 2021 executive compensation structure. The Office of Energy Infrastructure Safety (Energy Safety) finds that SCE's executive compensation structure minimally satisfies the requirements of Public Utilities Code sections 8389(e)(4) and 8389(e)(6).

Background

On December 22, 2020, the Wildfire Safety Division (WSD) of the California Public Utilities Commission (CPUC)¹ issued guidance directing electrical corporations seeking a Safety Certification for 2021 to submit a formal request for approval of its executive compensation structure by January 15, 2021. SCE timely submitted a request for approval of its 2021 executive compensation structure on January 15, 2021. On March 1, 2021, SCE submitted a supplement which provided its final 2021 annual incentive goals and metrics as approved by the SCE Board of Directors' Compensation and Executive Personnel Committee (Compensation Committee) on February 24, 2021.

On January 29, 2021, the Public Advocates Office (Cal Advocates) and The Utility Reform Network (TURN) submitted comments on SCE's and other electrical corporations' 2021 executive compensation plans. On February 5, 2021, SCE submitted reply comment. On April 30, 2021, Cal Advocates and TURN submitted comments on SCE's and other electrical corporations' supplemental executive compensation submissions. On May 7, 2021, SCE submitted reply comments in response to the April 30, 2021 comments.

Pursuant to Public Utilities Code section 8389(e)(4), to receive a safety certification, an electrical corporation must, among other things, have its executive compensation structure be approved by Energy Safety. The executive compensation structure must be "structured to promote safety as a priority and to ensure public safety and utility financial stability with performance metrics, including

¹ On July 1, 2021, the WSD transitioned to Energy Safety, a new department under the California Natural Resources Agency. In accordance with Public Utilities Code section 326, all functions of the WSD are transferred to Energy Safety.

incentive compensation based on meeting performance metrics that are measurable and enforceable, for all executive officers, as defined in [Public Utilities Code section] 451.5.”

Public Utilities Code section 8389(e)(6)(A) further requires:

The electrical corporation has established a compensation structure for any new or amended contracts for executive officers, as defined in [Public Utilities Code] Section 451.5 to be based on the following principles:

- (i) (I) Strict limits on guaranteed cash compensation, with the primary portion of the executive officers’ compensation based on achievement of objective performance metrics.
(II) No guaranteed monetary incentives in the compensation structure.
- (ii) It satisfies the principles identified in [Public Utilities Code section 8389(e)(4)].
- (iii) 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.
- (iv) Minimization or elimination of indirect or ancillary compensation that is not aligned with shareholder and taxpayer interest in the electrical corporation.

In addition to the requirements set forth in Public Utilities Code sections 8389(e)(4) and (e)(6), the guidance letter required an electrical corporation seeking approval of its 2021 executive compensation structure to submit the following information:²

- An explanation of executive compensation components, including base pay, annual bonus/incentive information, and long-term incentive pay, including percentages of overall compensation for each component.
- A description all metrics, including safety metrics, used to calculate incentive compensation, including an explanation of whether safety metrics are outcome or input based (e.g., number of ignitions versus number of miles of distribution lines inspected).
- A breakdown of the percentage of executive compensation based on safety metrics versus other metrics (e.g., financial performance).
- A description of how safety performance is calculated for incentive compensation.
- Examples of incentive compensation reduced or withheld in the last five years as a result of failure to meet safety metrics.

Lastly, CPUC Decision 20-05-053 required Pacific Gas and Electric Company to comply with the requirements of Assigned Commission Ruling (ACR) Executive Compensation Proposal 9.³ The guidance letter encouraged other electrical corporations, including SCE, to review and consider adopting the measures from ACR Executive Compensation Proposal 9 in the spirit of transparency and furthering the

² WSD Executive Compensation Submission Guidance Letter, page 2.

<https://energysafety.ca.gov/wp-content/uploads/docs/misc/wsd/wsd-executive-compensation-guidance-20201222.pdf>

³ Investigation 19-09-016, Assigned Commissioner Ruling and Proposals, February 18, 2020:

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M327/K303/327303409.PDF>.

purpose of AB 1054.⁴ Energy Safety’s review of SCE’s executive compensation submission has taken this additional guidance into consideration.

Discussion

Energy Safety reviewed the three elements of SCE’s executive compensation structure: 1) base salary, 2) annual incentive awards, and 3) long-term incentive awards. Base salary is a fixed amount of income for the year. Annual incentive awards are variable, paid in cash, and designed to focus attention on specific safety, operational, financial, and strategic objectives. Long-term incentive compensation is largely tied to underlying stock performance and focuses on the company’s long-term goals and financial health.

SCE’s compensation meets the requirements of Public Utilities Code section 8389(e)(6)(A)(i)(I). While the percentage of total performance-based compensation varies depending on position, the majority of compensation for all executive positions is performance based.

SCE’s executive compensation structure does not guarantee monetary incentives and thus complies with Public Utilities Code section 8389(e)(6)(A)(i)(II). SCE explains in its submission that annual and long-term incentive awards are considered “at risk” and are only awarded if important goals and objectives are met. Failure to meet these goals may result in a reduction or elimination of annual incentive award payouts. SCE also explains that its Compensation Committee provides independent oversight of compensation and has discretion to reduce or eliminate annual incentive awards should circumstances warrant.

SCE’s executive compensation structure appears to promote safety as a priority and includes appropriate measurable and enforceable performance metrics as required by Public Utilities Code sections 8389(e)(4) and 8389(6)(A)(ii). For example, in its January 15, 2021 submission, SCE provided its draft 2021 annual incentive goals, “success measures” and metrics, and scoring matrix. In its March 1, 2021 supplement, SCE provides its final, Compensation Committee-approved 2021 goals, which include final metrics and replace “x, y, z” metric value placeholders for multiple success measures. Additionally, in this later submission SCE revised its Public Safety Power Shutoff (PSPS) goal. While the draft PSPS success measures focused on achieving customer restoration time, the final version proposes improving “PSPS customer experience by executing comprehensive improvement plan focused on enhancing notifications and other PSPS capabilities.” No metric targets were provided for the PSPS goal.

SCE minimally met the requirements of Public Utilities Code section 8389(e)(4). SCE’s annual incentive awards use a scoring matrix to calculate the annual payout. The scoring matrix is comprised of goal categories, which are allocated target scores. For example, the “Safety & Resiliency” goal category makes up fifty percent (50%) of the total target score (a slight increase from last year). The “Financial Performance” and “Operational Excellence & Strategic Advancement” goal categories each comprise twenty-five percent (25%) of the total target score. All goal categories are comprised of success measure subcategories and corresponding metrics. For example, within SCE’s Safety & Resiliency goal category, subcategories include Worker Safety, Public Safety, and Wildfire Resiliency, among others, each with corresponding metrics. While SCE provides target scores for the overarching goal categories, it is unclear how the subcategories are weighted and how, if certain subcategory metric targets are met and others

⁴ WSD Executive Compensation Submission Guidance Letter, page 3.

are not, they each contribute to the target scores. Energy Safety expects SCE to focus on providing greater transparency next year in relation to the weighting of subcategories and metrics and how they contribute to target scores, and therefore, how they contribute to annual incentive award payouts. Greater transparency and granularity in these areas will help Energy Safety better assess the ways in which SCE is structuring its executive compensation package with safety as priority, including ensuring public safety, pursuant to Public Utilities Code section 8389(e)(4).

SCE's long-term incentives (LTIs) fulfill Public Utilities Code section 8389(e)(6)(A)(iii). Each of the three components that contribute to the LTI's are equity-based payouts contingent on financial performance. The LTI compensation comprises a majority of Executive Officers' compensation, with fifty percent (50%) of the total possible compensation subject to three-year cliff or performance vesting requirements. The remaining fifty percent (50%) of the compensation consists of stock options which vest in equal installments over four years.

SCE's executive compensation structure does not include compensation that is not aligned with shareholder or taxpayer interests and therefore meets the requirements set in Public Utilities Code section 8389(e)(6)(A)(iv).

In comments, TURN's primary criticisms of SCE's 2021 executive compensation structure include the following:

- SCE's annual incentive goals do not provide a breakdown of how success measures contribute to the scores for each goal category.
- The majority of SCE's success measures rely on input-based metrics.
- SCE's "Overarching Goals Framework" leaves too much discretion to its Compensation Committee in determining whether overarching goals are achieved.

Cal Advocates' comments emphasize the following:

- SCE should set metric targets that are quantifiable and enforceable. Cal Advocates highlights multiple metrics in SCE's "Safety & Resiliency" goal category that do not provide numerical targets.
- SCE's compliance-based metrics should include metric target values of 100% compliance.
- SCE should provide more information on how its "Safety & Resiliency" metric target values are set.

Energy Safety recognizes the concerns of TURN and Cal Advocates. While SCE has revised and added to its annual incentive goals and metrics, SCE must continue developing its executive compensation structure to reflect the spirit of Public Utilities Code 8389 and provide measurable and enforceable performance metrics that promote safety as a priority.

Conclusion

Energy Safety finds that SCE has met the minimum requirements set forth in Public Utilities Code sections 8389(e)(4) and (e)(6), and the additional requirements set forth in the 2021 guidance letter.

The statutory requirements for the structure of an executive compensation program are detailed and complex, and SCE must do more work to align executive compensation metrics to those used in the

Wildfire Mitigation Plans. A more robust understanding of an executive compensation structure that promotes safety as a priority will be developed through a public process and incorporated into future guidelines. Energy Safety is initiating the development of the 2022 executive compensation guidelines and anticipates holding a public workshop related to that effort in fall 2021.

Sincerely,

A handwritten signature in black ink that reads "Lucy Morgans". The signature is written in a cursive, flowing style.

Lucy Morgans
Acting Program Manager, Safety Policy Division
Office of Energy Infrastructure Safety

cc: Diana Gallegos, Southern California Edison Company

Appendix E

Presentation Materials for August 25, 2021 AB
1054 Board-Level Reporting on Safety Issues

CPUC/OEIS

PUBLIC MEETING ON SAFETY

Kevin Payne

President and CEO, SCE
Board Director, SCE

Steve Powell

Executive Vice President of Operations, SCE

Andrew Martinez

Vice President of Safety, Security, and Business Resiliency, SCE

August 25, 2021

SAFETY IS INTEGRATED INTO OUR BUSINESS THROUGH OUR VALUES AND MISSION

MISSION

To safely provide reliable, clean and affordable energy to our customers

VALUES

Safety

Integrity

Excellence

Respect

Continuous Improvement

Teamwork

RISK-INFORMED SAFETY FOCUS AREAS

Public Safety

- Reduce risk of catastrophic wildfires
- Maintain/replace assets to avoid hazardous failures
- Create awareness of potential hazards

Worker Safety

- Reduce serious injuries and fatalities through enhanced data analytics and safety programs
- Better manage our contractors to improve safety, quality and compliance

Safety Culture

- Evolve safety culture maturity
- Improve leader ownership and accountability

CORPORATE GOVERNANCE



- Safety and Operations Committee (SOC) oversees the Company's safety performance, culture, operational goals, safety and operational risks, and significant safety-related incidents involving employees, contractors or members of the public
- SOC receives reports at least six times a year from SCE Leadership
- SOC Chair reports out to the full Board of Directors on key operational updates

PROTECTING PUBLIC SAFETY THROUGH PREVENTION OF CATASTROPHIC WILDFIRES

- Grid Hardening
- Situational Awareness
- Risk Modeling
- Data Governance
- Inspections
- Vegetation Management
- Coordination with Fire Agencies

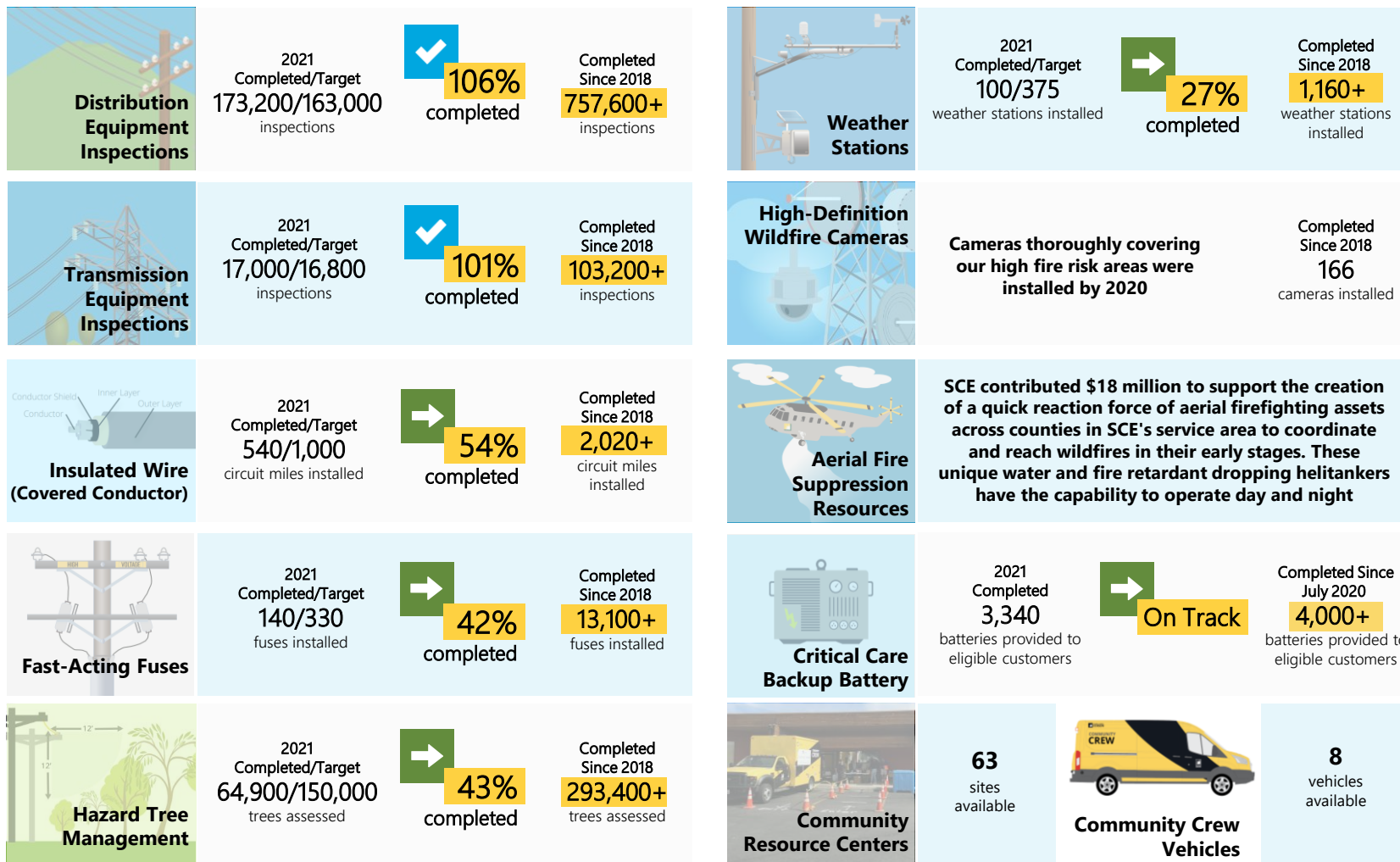
REDUCE PSPS

PREVENT FAULTS

REDUCE IGNITIONS

PREVENT
CATASTROPHIC
WILDFIRES

SCE IS MAKING SIGNIFICANT PROGRESS ON ITS INITIATIVES IN ITS WILDFIRE MITIGATION PLAN



Note: Data as of June 30, 2021. Blue check marks indicate met or exceeded target. Green arrows indicate execution is on track.

SCE IS MAKING MEANINGFUL PROGRESS IN MITIGATING WILDFIRE RISK FOR ITS CUSTOMERS

COVERED CONDUCTOR has reduced faults, which could lead to ignitions



69% FEWER faults on fully covered circuits¹

EXPANDED VEGETATION MANAGEMENT and tree removal has reduced line contact



50% FEWER tree-caused faults²

HIGH FIRE RISK INSPECTION PROGRAM has reduced hazards on the system



66% LOWER defect find rate³

On segments where SCE has covered bare wire, there has not been a single CPUC-reportable ignition from contact with objects or wire-to-wire contact

1. Measured by faults per 100 circuit miles on fully covered circuits in HFRA as compared to bare circuits in HFRA from Jan. 1, 2021 to June 30, 2021

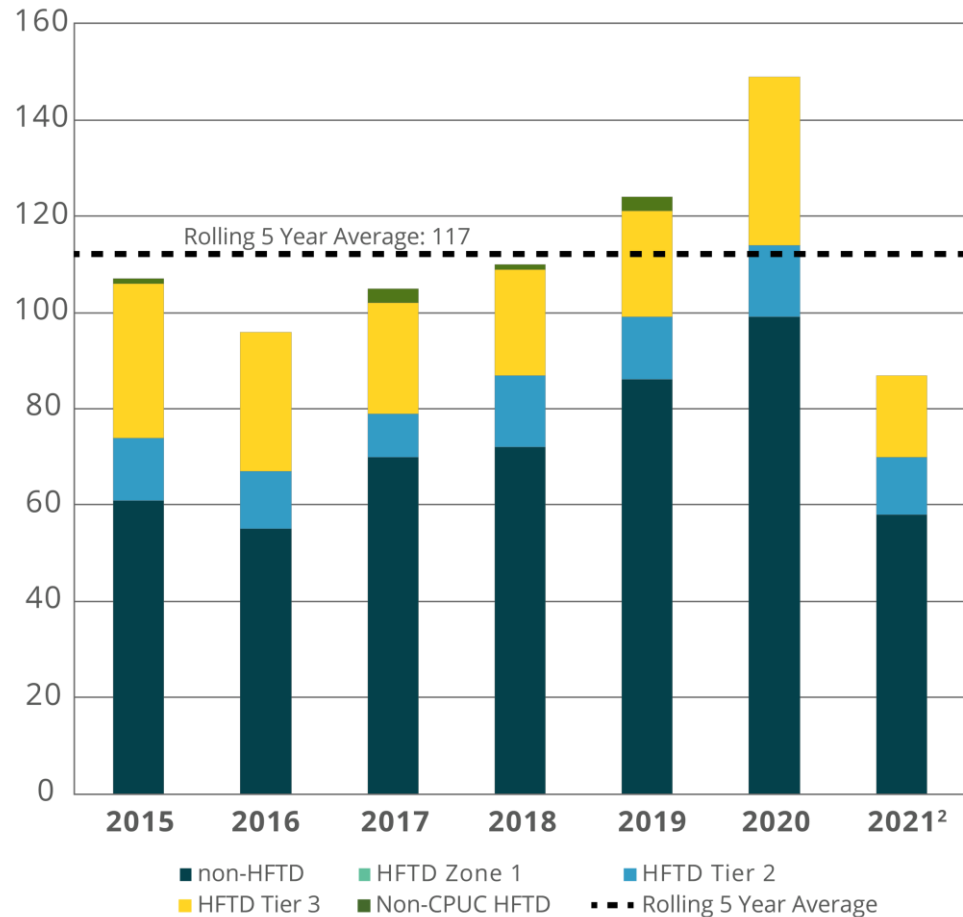
2. Measured by average monthly tree-caused circuit interruptions in HFRA in 2020–2021 as compared to the average from 2015–2019

3. Measured as Total Defect Find Rate (percentage of inspections) in 2021 as compared to 2019 (inception of program) for structures inspected every year

OUTCOMES ARE IMPROVING AND WILL ACCELERATE AS SCE DEPLOYS MITIGATIONS OVER TIME

- Acres burned decreased by 60% and structures destroyed decreased by 95% from 2017/2018 to 2019/2020
- Ignitions increased across system, but more slowly in HFTD

Annual Fire Ignitions¹



1. CPUC reportable ignitions

2. As of June 30, 2021, preliminary determinations.

PSPS ACTION PLAN WILL IMPROVE CUSTOMER EXPERIENCE THIS FIRE SEASON



72 Frequently impacted circuits targeted for expedited grid hardening



70% Reduction in PSPS outage time for the most frequently impacted circuits*



More than **700** miles of covered conductor to be deployed as part of expedited grid hardening



7 New switches
9 New weather stations
17 Automation upgrades of existing switches



5 New Community Resiliency zones



81,000 Customers removed from PSPS scope through exceptions and switching protocols



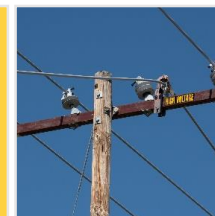
100+ Virtual meetings with our communities and partners in 2021



4,000+ Critical Care backup batteries deployed since program inception



13 County Emergency Management Agencies Engaged



78 Circuit segment exceptions approved in 2021

* Assumes identical weather and fuel conditions as 2020

WE ARE COMMITTED TO ELIMINATING SERIOUS INJURIES AND FATALITIES

- Our worker safety programs prioritize reduction of serious injuries and fatalities
- Our approach focuses on improving safety culture and deploying risk-based programs to mitigate key drivers of serious injuries and fatalities



WORKER SAFETY PERFORMANCE TRENDS

	2018	2019	2020	2021 ¹	Peer Benchmark Average 2020 ²
Employee Fatalities	0	0	0	0	—
Employee SIF ³ Rate	0.11	0.05	0.12	0.08	0.07
Employee DART ⁴ Rate	0.98	1.17	0.90	0.88	0.44
Employee OSHA Recordable Rate	1.95	2.30	1.77	1.75	0.83
Tier 1 Contractor Fatalities	2	3	3	0	—
Tier 1 Contractor SIF Rate ⁵	0.20	0.07	0.14	0.06	—
Tier 1 Contractor DART Rate	0.55	0.35	0.45	0.24	—
Tier 1 Contractor OSHA Rate	0.92	0.56	0.65	0.41	—

0 employee fatalities since 2016

62% improvement in DART since 2010

8 contractor fatalities in **3** previous years

1. Safety performance data as of July 2021

2. Benchmark based on 2020 survey of 20 electric companies (including SCE) from the Modified Philadelphia Utility Index

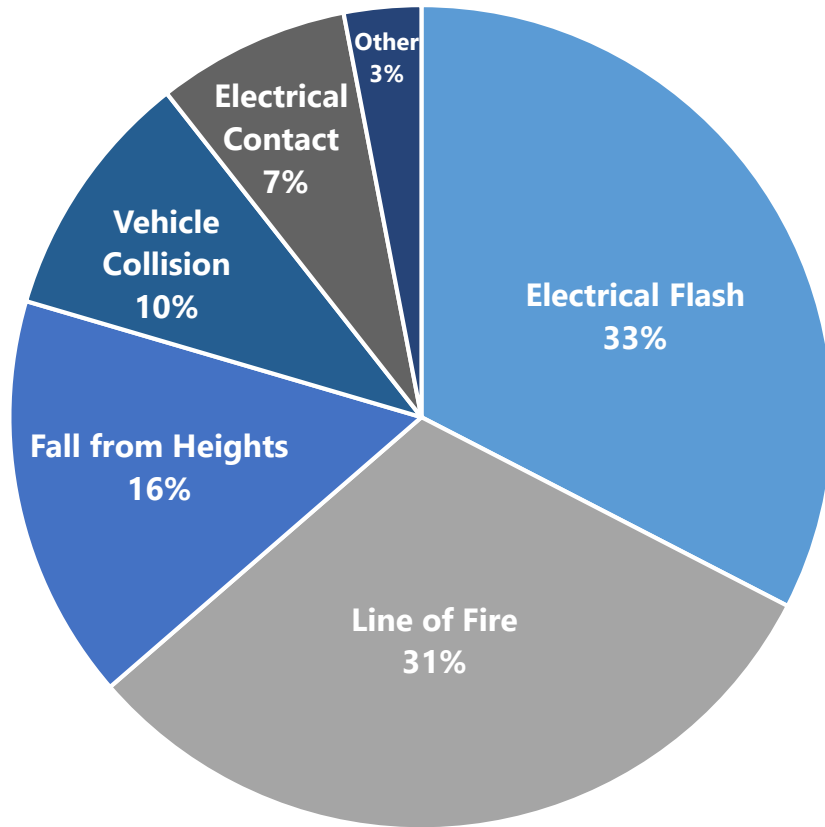
3. SCE shifted from Cal Osha's serious injury and fatality definition to the Edison Electric Institute (EEI) serious injury and fatality definition in 2018. The 2021 Safety Performance Metrics Report (SPMR) uses Cal OSHA definition. EEI SIF rate calculated by (# of serious injuries and fatalities * 200,000/Total Labor Hours)

4. Days Away Restricted or Transferred

5. Cal OSHA serious injury and fatality definition

SAFETY MANAGEMENT SYSTEM ENHANCEMENTS TO REDUCE SERIOUS INCIDENTS

SERIOUS INCIDENT DRIVERS



Top serious incident drivers over the past 5 years

SAFETY MANAGEMENT SYSTEM ENHANCEMENTS

- **Risk Based Safety Program:** Prioritizing and evaluating serious injury and fatality (SIF) risks to identify and implement mitigation strategies that will systematically reduce risk
- **Job Hazard Analysis for SIF Prevention:** Focusing on front line workers and leaders observing work on critical actions to prevent SIF
- **Cause Evaluations:** Timely corrective actions implementation with mitigations that more effectively and sustainably reduce risk

ENHANCING OUR CONTRACTOR MANAGEMENT SYSTEM TO IMPROVE PERFORMANCE

CONTRACTOR SAFETY PERFORMANCE DRIVERS

Significantly Increased Work Volume

- Extended work hours contribute to stress and fatigue, further compounded by COVID

Resource Limitations

- Transient workforce with disparate levels of qualifications and high turnover
- Exacerbated by significant scaling of wildfire mitigation work

Human Performance and Culture

- Less mature safety cultures
- Lower accountability for consistent adherence to safety rules

CONTRACTOR SAFETY PERFORMANCE LEVERS

Oversight

- Increasing safety oversight of subcontractors
- Reducing supervisory span of control
- Enhancing performance scorecards

Accountability

- Managing initial qualifications through ISNetworld¹
- Establishing performance expectations through comprehensive orientation
- Validating performance through increased observations
- Managing performance through corrective action plans and escalating consequences

Culture and Engagement

- Leader Safety culture training for high-risk contractors
- Contractor Safety Forums drive best practice sharing
- Fostering learning through sharing trends across utilities

1. International Suppliers Network contractor management database to manage contractor safety and pre-qualification

SCE'S 2020 SAFETY CULTURE ASSESSMENT INDICATES PROGRESS

Safety Culture Improvement Efforts

- Trained all leaders and employees in cognitive behavioral safety culture training
- Deployed leader safety ownership playbook to sustain safety culture training concepts
- Developed leader safety plans in enterprise-wide safety planning workshops
- Implemented cultural tools for leaders to sustain a psychologically safe and inclusive environment

Improvements in Safety Leadership and Psychological Safety

- 78% of employees indicate our safety culture has improved and 75% share they have seen improvement in safety leadership
- 91% agreed that they “feel comfortable talking about safety concerns with their direct supervisors”

Opportunities in leader ownership and employee wellness

- While people agree more that their immediate supervision is committed to safety, there are still opportunities to improve leader safety ownership
- Production pressure, stress, and fatigue identified as challenges



CPUC/OEIS
PUBLIC MEETING ON SAFETY

Thank you
Questions?