

REFINITIV

DELTA REPORT

10-K

EIX - SOUTHERN CALIFORNIA EDISO
10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	7450
CHANGES	914
DELETIONS	2157
ADDITIONS	4379

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended

December 31, 2022 2023

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission	Exact Name of Registrant	State or Other Jurisdiction of	IRS Employer
1-9936	EDISON INTERNATIONAL	California	95-4137452
1-2313	SOUTHERN CALIFORNIA EDISON COMPANY	California	95-1240335

EDISON INTERNATIONAL

2244 Walnut Grove Avenue

(P.O. Box 976)

Rosemead, California 91770

(Address of principal executive offices)

(626) 302-2222

(Registrant's telephone number, including area code)

SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue

(P.O. Box 800)

Rosemead, California 91770

(Address of principal executive offices)

(626) 302-1212

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Edison International:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	EIX	NYSE LLC

Southern California Edison Company: None

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Edison International Yes ☒ No ☐ Southern California Edison Company Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.

Edison International Yes ☐ No ☒ Southern California Edison Company Yes ☐ No ☒

Edison International	Yes ☒ No ☐	Southern California Edison Company	Yes ☐ No ☒

Edison International Yes ☒ No ☐ Southern California Edison Company Yes ☒ No ☐

Edison International	Large Accelerated Filer	Accelerated Filer	Non-accelerated Filer	Smaller Reporting Company	Emerging growth company
	☒	☐	☐	☐	☐
Southern California Edison Company	Large Accelerated Filer	Accelerated Filer	Non-accelerated Filer	Smaller Reporting Company	Emerging growth company
	☐	☐	☒	☐	☐

Edison International ☐ Southern California Edison Company ☐

Edison International Southern California Edison Company

Edison International Southern California Edison Company

Edison International ☐ Southern California Edison Company ☐

Edison International Yes ☐ No ☐ Southern California Edison Company Yes ☐ No ☐

Edison International	Approximately \$24 billion	\$26.6 billion	Southern California Edison Company	Wholly owned by Edison International

Common Stock outstanding as of February 16, 2023 February 15, 2024

Edison International 382,566,466 384,524,276 shares
Southern California Edison Company 434,888,104 shares (wholly owned by Edison International)

OMISSION OF CERTAIN INFORMATION

Southern California Edison Company meets the conditions set forth in General Instruction I(1)(a) and (b) of Form 10-K and is therefore filing this Form with the reduced disclosure format allowed under the General Instruction.

DOCUMENTS INCORPORATED BY REFERENCE

Designated portions of the Edison International Proxy Statement relating to Edison International's 2023 2024 Annual Meeting of Shareholders are incorporated by reference into Part III of this report.

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This is a combined Form 10-K is separately filed by Edison International and Southern California Edison Company, SCE. Information contained herein in this document relating to an individual company SCE is filed by such company on its own behalf. Each company Edison International and separately by SCE. SCE makes representations only no representation as to itself information relating to Edison International or its subsidiaries, except as it may relate to SCE and makes no other representation whatsoever as to any other company, its subsidiaries.

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GLOSSARY

The following terms and abbreviations appearing in the text of this report have the meanings indicated below.

2017/2018 Wildfire/Mudslide Events	the Thomas Fire, the Koenigstein Fire, the Montecito Mudslides and the Woolsey Fire, collectively
AB 1054	California Assembly Bill 1054, executed by the governor of California on July 12, 2019
AB 1054 Excluded Capital Expenditures	\$1.6 billion in wildfire risk mitigation capital expenditures that SCE has excluded from the equity portion of SCE's rate base as required under AB 1054

AB 1054 Liability Cap

a cap on the aggregate requirement to reimburse the Wildfire Insurance Fund over a trailing three calendar year period which applies if certain conditions are met and is equal to 20% of the equity portion of the utility's transmission and distribution rate base, excluding general plant and intangibles, in the year of the applicable prudency determination

asset retirement obligation(s)

ARO(s)

BRRBA CAISO Base Revenue Requirement Balancing Account

CAISO California Independent System Operator

Capistrano Wind

a group of wind projects referred to as Capistrano Wind

Capital Structure

Compliance Period

January 1, 2023 to December 31, 2025, the current compliance period for SCE's CPUC authorized capital structure

CAPP

California Arrearage Payment Program

CCAs

community choice aggregators which are cities, counties, and certain other public agencies with the authority to generate and/or purchase electricity for their local residents and businesses

CDP COVID-19

CEMA Catastrophic Event Memorandum Account

COVID-19 Coronavirus disease 2019

CPUC

California Public Utilities Commission

CSRP

Customer Service Re-platform, a SCE project to implement a new customer service system implemented in April 2021

DART

a Days Away Restricted or Transferred incident, which is a work-related Occupational Safety and Health Administration recordable injury or illness that results in days away from work, restricted duty or transfer of duties

DERs	distributed energy resources
DGC	the decommissioning general contractor engaged by SCE to undertake a significant scope of decommissioning activities at San Onofre
ECS	SCE commercial telecommunications services operated under the name of Edison Carrier Solutions
Edison Energy	Edison Energy, LLC, an indirect wholly-owned non-utility subsidiary of Edison International, is engaged in the competitive business of a global energy advisory firm providing integrated decarbonization sustainability and energy solutions to commercial, industrial and institutional and industrial customers in North America and Europe
Edison International Proxy Statement	Proxy Statement to be filed with the SEC in connection with Edison International's Annual Meeting of Shareholders' Shareholders to be held on April 27, 2023 April 25, 2024
EEI Serious Injury	a work-related injury that is categorized as a "serious injury" by Edison Electric Institute
EEI SIF	a work-related fatality or an EEI Serious Injury
EIS	Edison Insurance Services, Inc., a wholly-owned subsidiary of Edison International licensed to provide insurance to Edison International and its subsidiaries
Electric Service Provider	an entity other than an investor-owned utility or CCA that provides electric power and ancillary services to retail customers
ERRA	Energy Resource Recovery Account

Fast curve settings	protective settings, used to mitigate the risk of wildfires in high fire risk areas, that enable SCE to more quickly shut off power when an electrical fault occurs than under traditional settings
FERC	Federal Energy Regulatory Commission
Fitch	Fitch Ratings, Inc.
GAAP	generally accepted accounting principles in the United States
GHG	greenhouse gas

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EEI Serious Injury	a work-related injury that is categorized as a "serious injury" by Edison Electric Institute, which includes injuries that meet any of the following "serious" criteria: amputations (involving bone); concussions and/or cerebral hemorrhages; injury to internal organs; bone fractures excluding fingers and toes, compound bone fractures for fingers and toes; tendon and ligament tears; herniated disks (neck or back); lacerations resulting in severed tendons and/or a deep wound requiring internal stitches; second or third degree burns; eye injuries resulting in eye damage or loss of vision; injections of foreign materials; severe heat exhaustion and all heat stroke; and dislocation of a major joint
EEI SIF	a work-related fatality or a EEI Serious Injury
EIS GRC	
Electric Service Provider	an entity that offers electric power and ancillary services to retail customers, other than electrical corporations (like SCE) and CCAs
ERRA	Energy Resource Recovery Account
FERC	Federal Energy Regulatory Commission
Fitch	Fitch Ratings, Inc.
GAAP	generally accepted accounting principles in the United States
GHG	greenhouse gas
GRC	general rate case
IRA	

Inflation
Reduction Act of
2022

Koenigstein Fire			a wind-driven fire that originated near Koenigstein Road in the City of Santa Paula in Ventura County, California, on December 4, 2017
MD&A			Management's Discussion and Analysis of Financial Condition and Results of Operations in this report
Montecito Mudslides			the debris flows and flooding in Montecito, Santa Barbara County, California, that occurred in January 2018
Moody's			Moody's Investors Service, Inc.
MW	megawatts		Megawatt(s)
NDCTP			Nuclear Decommissioning Cost Triennial Proceeding, a CPUC proceeding to review decommissioning costs
NEM			net energy metering
NERC			North American Electric Reliability Corporation
NRC			United States Nuclear Regulatory Commission
NSGBA	OEIS	New System Generation Balancing Account	
OEIS		Office of Energy Infrastructure Safety of the California Natural Resources Agency	
PABA			Portfolio Allocation Balancing Account

Palo Verde

PBOP(s)

nuclear electric generating facility located near Phoenix, Arizona in which SCE holds a 15.8% ownership interest

postretirement benefits other than pension(s)

PCIA PG&E

PG&E

Post-2018 Post-2018 Wildfires

Power Charge Indifference Adjustment

Pacific Gas & Electric Company

Collectively, all the wildfires that originated in Southern California after 2018 where SCE's SCE's equipment has been or may be alleged to be associated with the fire's fire's ignition

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PSPS	Public Safety Power Shutoff(s)
ROE	return on common equity
RPS	California's Renewables Portfolio Standard
S&P	Standard & Poor's Financial Services LLC
Safety Tier 1 Contractors	individuals assigned to contracted work activities that may be high risk and, without implementation of appropriate safety measures, may be potentially hazardous or life threatening
San Onofre	retired nuclear generating facility located in south San Clemente, California in which SCE holds a 78.21% ownership interest
SCE	Southern California Edison Company, a wholly-owned subsidiary of Edison International
SCE Recovery Funding LLC	a bankruptcy remote, wholly owned special purpose subsidiary, consolidated by SCE
SDG&E	San Diego Gas & Electric Company
SEC	U.S. Securities and Exchange Commission
SED	Safety and Enforcement Division of the CPUC
SED Agreement	an agreement dated October 21, 2021 between SCE and the SED regarding the 2017/2018 Wildfire/Mudslide Events and three other 2017 wildfires
SoCalGas	Southern California Gas Company

Thomas Fire	a wind-driven fire that originated in the Anlauf Canyon area of Ventura County, California, on December 4, 2017
TKM	collectively, the Thomas Fire, the Koenigstein Fire and the Montecito Mudslides
TKM Subrogation Plaintiffs Track 2	Track 2 of the plaintiffs party 2021 GRC, which addressed the reasonableness of wildfire mitigation costs incurred in 2018 and 2019 that were incremental to the TKM Subrogation Settlement, representing all the insurance subrogation plaintiffs amounts authorized in the TKM litigation at the time of the settlement 2018 GRC
TKM Subrogation Settlement Track 3	a settlement Track 3 of the 2021 GRC, which addressed the reasonableness of wildfire mitigation costs incurred in entered into September 2020 that were incremental to amounts authorized in the TKM litigation to 2018 GRC by Edison International and SCE
Track 4	Track 4 of the 2021 GRC, which the TKM Subrogation Plaintiffs are party addressed SCE's revenue requirement for 2024
Turnover Rate	the number of employees (other than interns) who leave the companies Edison International Parent or SCE for voluntary or involuntary reasons, excluding death, divided by the average number of employees during the relevant period

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WCCP	Wildfire Covered Conductor Program
WEMA WMP	Wildfire Expense Memorandum Account
WMP	a wildfire mitigation plan required to be filed under AB 1054 to describe a utility's plans to construct, operate, and maintain electrical lines and equipment that will help minimize the risk of catastrophic wildfires caused by such electrical lines and equipment
Wildfire Insurance Fund	the insurance fund established under AB 1054
Woolsey Fire	a wind-driven fire that originated in Ventura County in November 2018
Woolsey Plaintiffs	Subrogation

the plaintiffs party to the Woolsey Subrogation Settlement, representing all the insurance subrogation plaintiffs in the Woolsey Fire litigation at the time of the settlement

Woolsey Subrogation Settlement

a settlement entered into by Edison International and SCE in January 2021 in the Woolsey litigation to which the Woolsey Subrogation Plaintiffs are party

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FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect Edison International's and SCE's current expectations and projections about future events based on Edison International's and SCE's knowledge of present facts and circumstances and assumptions about future events and include any statements that do not directly relate to a historical or current fact. Other information distributed by Edison International and SCE that is incorporated in this report, or that refers to or incorporates this report, may also contain forward-looking statements. In this report and elsewhere, the words "expects," "believes," "anticipates," "estimates," "projects," "intends," "plans," "probable," "may," "will," "could," "would," "should," "targets," and variations of such words and similar expressions, or discussions of strategy or plans, are intended to identify forward-looking statements. Such statements necessarily involve risks and uncertainties that could cause actual results to differ materially from those anticipated. Some of the risks, uncertainties and other important factors that could cause results to differ from those currently expected, or that otherwise could impact Edison International and SCE, include, but are not limited to the:

- ability of SCE to recover its costs through regulated rates, timely or at all, including uninsured wildfire-related and debris flow-related costs (including amounts paid for self-insured retention and co-insurance), costs incurred to mitigate the risk of utility equipment causing future wildfires, costs incurred as a result of the COVID-19 pandemic, and increased costs due to supply chain constraints, inflation and rising interest rates;
- impact of affordability of customer rates on SCE's ability to execute its strategy, including the impact of affordability on the approval of operations and maintenance expenses, and proposed capital investment projects;
- ability of SCE to implement its operational and strategic plans, including its WMP and capital program;
- risks of regulatory or legislative restrictions that would limit SCE's ability to implement operational measures to mitigate wildfire risk, including PSPS and fast curve settings, when conditions warrant or would otherwise limit SCE's operational practices relative to wildfire risk mitigation;
- risks associated with SCE implementing PSPS, including regulatory fines and penalties, claims for damages and reputational harm;
- ability of SCE to maintain a valid obtain safety certification; certifications from OEIS;
- ability of Edison International and SCE to obtain sufficient insurance at a reasonable cost, including insurance relating to wildfire-related claims, and to recover the costs of such insurance or, in the event liabilities exceed insured amounts, the ability to recover uninsured losses (including amounts paid for self-insured retention and co-insurance) from customers or other parties;
- extreme weather-related incidents (including events caused, or exacerbated, by climate change, such as wildfires, debris flows, flooding, droughts, high wind events and extreme heat events) and other natural disasters (such as earthquakes), which could cause, among other things, public safety issues, property damage, rotating outages and other operational issues (such as issues due to damaged infrastructure), PSPS activations and unanticipated costs;
- risk that AB 1054 does not effectively mitigate the significant exposure faced by California investor-owned utilities related to liability for damages arising from catastrophic wildfires where utility facilities are alleged to be a substantial cause, including the longevity of the Wildfire Insurance Fund and the CPUC's interpretation of and actions under AB 1054, including its interpretation of the prudence standard clarified by AB 1054;
- ability of Edison International and SCE to effectively attract, manage, develop and retain a skilled workforce, including its contract workers;
- decisions and other actions by the CPUC, the FERC, the NRC and other governmental authorities, including decisions and actions related to nationwide or statewide crisis, determinations of authorized rates of return or return

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- on equity, the recoverability of wildfire-related and debris flow-related costs, issuance of SCE's wildfire safety certification, wildfire mitigation efforts, approval and implementation of electrification programs, and delays in executive, regulatory and legislative actions;
- cost and availability of labor, equipment and materials, including as a result of supply chain constraints and inflation;
- ability of Edison International or SCE to borrow funds and access bank and capital markets on reasonable terms;
- risks associated with the decommissioning of San Onofre, including those related to worker and public safety, public opposition, permitting, governmental approvals, on-site storage of spent nuclear fuel and other radioactive material, delays, contractual disputes, and cost overruns;
- pandemics, such as COVID-19, and other events that cause regional, statewide, national or global disruption, which could impact, among other things, Edison International's and SCE's business, operations, cash flows, liquidity and/or financial results and cause Edison International and SCE to incur unanticipated costs;
- physical security of Edison International's and SCE's critical assets and personnel and the cybersecurity of Edison International's and SCE's critical information technology systems for grid control, and business, employee and customer data;
- risks associated with cost allocation resulting in higher rates for utility bundled service customers because of possible customer bypass or departure for other electricity providers such as CCAs and Electric Service Providers;
- risks inherent in SCE's capital investment program, including those related to project site identification, public opposition, environmental mitigation, construction, permitting, contractor performance, changes in the CAISO's transmission plans, and governmental approvals;
- risks associated with the operation of electrical facilities, including worker and public safety issues, the risk of utility assets causing or contributing to wildfires, failure, availability, efficiency, and output of equipment and facilities, and availability and cost of spare parts;
 - physical security of Edison International's and SCE's critical assets and personnel and the cybersecurity of Edison International's and SCE's critical information technology systems for grid control, and business, employee and customer data;
 - ability of Edison International and SCE to effectively attract, manage, develop and retain a skilled workforce, including its contract workers;
 - decisions and other actions by the CPUC, the FERC, the NRC and other governmental authorities, including decisions and actions related to nationwide or statewide crisis, determinations of authorized rates of return or return on equity, the recoverability of wildfire-related and debris flow-related costs, issuance of SCE's wildfire safety certification, wildfire mitigation efforts, approval and implementation of electrification programs, and delays in executive, regulatory and legislative actions;
 - potential for penalties or disallowances for non-compliance with applicable laws and regulations, including fines, penalties and disallowances related to wildfires where SCE's equipment is alleged to be associated with ignition;

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- extreme weather-related incidents (including events caused, or exacerbated, by climate change, such as wildfires, debris flows, flooding, droughts, high wind events and extreme heat events) and other natural disasters (such as earthquakes), which could cause, among other things, public safety issues, property damage, rotating outages and other operational issues (such as issues due to damaged infrastructure), PSPS activations and unanticipated costs;
- cost and availability of labor, equipment and materials, including as a result of supply chain constraints and inflation;
- ability of Edison International or SCE to borrow funds and access bank and capital markets on reasonable terms;
- risks associated with the decommissioning of San Onofre, including those related to worker and public safety, public opposition, permitting, governmental approvals, on-site storage of spent nuclear fuel and other radioactive material, delays, contractual disputes, and cost overruns;

- risks associated with cost allocation resulting in higher rates for utility bundled service customers because of possible customer bypass or departure for other electricity providers such as CCAs and Electric Service Providers;
- risks inherent in SCE's capital investment program, including those related to project site identification, public opposition, environmental mitigation, construction, permitting, contractor performance, changes in the CAISO's transmission plans, and governmental approvals;
- actions by credit rating agencies to downgrade Edison International or SCE's credit ratings or to place those ratings on negative watch or negative outlook;
- changes in tax laws and regulations, at both the state and federal levels, or changes in the application of those laws, that could affect recorded deferred tax assets and liabilities, effective tax rates and cash flows;
- changes in future taxable income, or changes in tax law, that would limit Edison International's and SCE's realization of expected net operating loss and tax credit carryover benefits prior to expiration;
- changes in the fair value of investments and other assets;
- changes in interest rates and potential future adjustments to SCE's ROE based on changes in Moody's utility bond rate index;
- changes in rates of inflation (including whether inflation-related adjustments to SCE's authorized revenues allowed by the public utility regulators are commensurate with inflation rates);
- governmental, statutory, regulatory, or administrative changes or initiatives affecting the electricity industry, including the market structure rules applicable to each market adopted by the NERC, CAISO, Western Electricity Coordinating Council, and similar regulatory bodies in adjoining regions, and changes in the United States' and

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California's environmental priorities that lessen the importance placed on GHG reduction and other climate related priorities;

- availability and creditworthiness of counterparties and the resulting effects on liquidity in the power and fuel markets and/or the ability of counterparties to pay amounts owed in excess of collateral provided in support of their obligations; and
- potential for penalties or disallowance for non-compliance with applicable laws and regulations, including fines, penalties and disallowances related to wildfires where SCE's equipment is alleged to be associated with ignition; and
- cost of fuel for generating facilities and related transportation, which could be impacted by, among other things, disruption of natural gas storage facilities, to the extent not recovered, timely or at all, through regulated rate cost escalation provisions or balancing accounts.

Additional information about risks and uncertainties, including more detail about the factors described in this report, is contained throughout this report. Readers are urged to read this entire report, including information incorporated by reference, and carefully consider the risks, uncertainties, and other factors that affect Edison International's and SCE's businesses. Forward-looking statements speak only as of the date they are made and neither Edison International nor SCE are obligated to publicly update or revise forward-looking statements. Readers should review future reports filed by Edison International and SCE with the SEC. Edison International and SCE post or provide direct links to (i) certain SCE

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and other parties' regulatory filings and documents with the CPUC and the FERC and certain agency rulings and notices in open proceedings in a section titled "SCE Regulatory Highlights," (ii) certain documents and information related to Southern California wildfires which may be of interest to investors in a section titled "Southern California Wildfires," and (iii) presentations, documents and information that may be of interest to investors in a section titled "Presentations and Updates" at www.edisoninvestor.com in order to publicly disseminate such information. The

reports, presentations, documents and information contained on, or connected to, the Edison International investor website are not deemed part of, and are not incorporated by reference into, this report.

Except when otherwise stated, references to each of Edison International or SCE mean each such company with its subsidiaries on a consolidated basis. References to "Edison International Parent and Other" mean Edison International Parent and its subsidiaries other than SCE and its subsidiaries and "Edison International Parent" mean Edison International on a stand-alone basis, not consolidated with its subsidiaries. Unless otherwise described, all the information contained in this report relates to both filers.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The discussion related to the results of operations and changes in financial condition for 2021 2022 compared to 2020 2021 is incorporated by reference to Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in Edison International's and SCE's combined Annual Report on Form 10-K for the year ended December 31, 2021 December 31, 2022, which was filed with the SEC in February 2022 2023.

MANAGEMENT OVERVIEW

Highlights of Operating Results

Edison International is the ultimate parent holding company of SCE and Edison Energy. SCE is an investor-owned public utility primarily engaged in the business of supplying and delivering electricity to an approximately 50,000 square mile area of southern California. Edison Energy is engaged in the competitive business of a global energy advisory firm providing integrated decarbonization sustainability and energy solutions to commercial, industrial and institutional and industrial customers in North America and Europe. customers. Edison Energy's business activities are currently not material to report as a separate business segment.

(in millions)	2022 vs. 2021			
	2022	2021	Change	2020
Net income (loss) attributable to Edison International				
SCE	\$ 847	\$ 829	\$ 18	\$ 810
Edison International Parent and Other	(235)	(70)	(165)	(71)
Edison International	612	759	(147)	739
Less: Non-core items				
SCE				
2017/2018 Wildfire/Mudslide Events claims and expenses, net of recoveries	(1,248)	(1,234)	(14)	(1,248)
Wildfire Insurance Fund expense	(214)	(215)	1	(336)
Upstream lighting program decision	(81)	—	(81)	—
Impairments	(64)	(79)	15	—
Employment litigation matter, net of recoveries	(23)	—	(23)	—
Organizational realignment charge	(14)	—	(14)	—
Sale of San Onofre nuclear fuel	10	10	—	150
Income tax benefits from re-measurement of tax assets and liabilities	—	—	—	18
Income tax benefits ¹	452	404	48	401
Edison International Parent and Other				
Customer revenues for EIS insurance contract, net of claims	36	24	12	—
Sale of Vidalia lease	—	—	—	132
Goodwill impairment	—	—	—	(34)
Income tax benefit from Settlement of 2007 – 2012 California tax audits	—	115	(115)	—
Income tax expense from re-measurement of tax liabilities	—	—	—	(3)

Income tax expense ²	(7)	(7)	—	(27)
Total non-core items	(1,153)	(982)	(171)	(947)
Core earnings (losses)				
SCE	2,029	1,943	86	1,825
Edison International Parent and Other	(264)	(202)	(62)	(139)
Edison International	\$ 1,765	\$ 1,741	\$ 24	\$ 1,686

¹ SCE non-core items are tax-effected at an estimated statutory rate of approximately 28%

² Edison International Parent and Other non-core items are tax-effected at an estimated statutory rate of approximately 28%; customer revenues for EIS insurance contract, net of claims are tax-effected at an estimated statutory rate of approximately 20%

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Edison International's earnings are prepared in accordance with GAAP. Management uses core earnings (losses) (loss) internally for financial planning and for analysis of performance. Core earnings (losses) (loss) are also used when communicating with investors and analysts regarding Edison International's earnings results to facilitate comparisons of the company's performance from period to period. Core earnings (losses) (loss) are a non-GAAP financial measure and may not be comparable to those of other companies. Core earnings (losses) (loss) are defined as earnings attributable to Edison International shareholders less non-core items. Non-core items include income or loss from discontinued operations and income or loss from significant discrete items that management does not consider representative of ongoing earnings, such as write downs, asset impairments and other income and expense related to changes in law, outcomes in tax, regulatory or legal proceedings, and exit activities, including sale of certain assets and other activities that are no longer continuing.

Beginning July 1, 2023, SCE implemented a customer-funded wildfire self-insurance program. With the commencement of this program, Edison International and SCE no longer consider claims-related losses for wildfires to be representative of ongoing earnings and are treating such costs as non-core items prospectively. For additional information on the customer-funded self-insurance program, see "—Customer-Funded Self-Insurance."

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(in millions)	2023 vs. 2022			
	2023	2022	Change	2021
Net income (loss) attributable to Edison International				
SCE	\$ 1,474	\$ 847	\$ 627	\$ 829
Edison International Parent and Other	(277)	(235)	(42)	(70)
Edison International	1,197	612	585	759
Less: Non-core items				
SCE				
2017/2018 Wildfire/Mudslide Events claims and expenses, net of recoveries	(634)	(1,248)	614	(1,234)
Wildfire Insurance Fund expense	(213)	(214)	1	(215)
Other wildfire claims and expenses, net of recoveries ¹	(34)	—	(34)	—
2021 NDCTP probable disallowance	(30)	—	(30)	—

Customer cancellations of certain ECS data services	(17)	—	(17)	—
Employment litigation matter, net of recoveries	10	(23)	33	—
Upstream lighting program decision	—	(81)	81	—
Impairments	—	(64)	64	(79)
Organizational realignment charge	—	(14)	14	—
Sale of San Onofre nuclear fuel	—	10	(10)	10
Income tax benefit ²	257	452	(195)	404
Edison International Parent and Other				
Customer revenues for EIS insurance contract, net of claims	42	36	6	24
Income tax benefit from Settlement of 2007 – 2012 California tax audits	—	—	—	115
Income tax expense ²	(9)	(7)	(2)	(7)
Total non-core items	(628)	(1,153)	525	(982)
Core earnings (loss)				
SCE	2,135	2,029	106	1,943
Edison International Parent and Other	(310)	(264)	(46)	(202)
Edison International	\$ 1,825	\$ 1,765	\$ 60	\$ 1,741

¹ Charges of \$4 million, \$6 million and \$7 million related to claims from wildfires ignited prior to July 1, 2023 are included in core earnings in 2023, 2022 and 2021, respectively. Core earnings in periods before the third quarter of 2023 have not been recast to exclude these charges.

² SCE and Edison International Parent and Other non-core items are tax-effected at an estimated statutory rate of approximately 28%; customer revenues for EIS insurance contract are tax-effected at an estimated statutory rate of approximately 20%.

Edison International's 2022 2023 earnings decreased \$147 increased \$585 million, driven by an increase in SCE's earnings of \$627 million, offset by an increase in Edison International Parent and Other losses loss of \$165 \$42 million. SCE's higher net income consisted of \$106 million offset by an increase in SCE's of higher core earnings and \$521 million of \$18 million, lower non-core loss. Edison International Parent and Other higher losses loss consisted of \$103 million of lower non-core earnings and \$62 million \$46 million of higher core losses. SCE's higher net income consisted of \$86 million of higher core earnings, loss, offset by \$68 \$4 million of higher non-core losses, earnings.

The increase in SCE's core earnings was primarily due to higher revenue due to the escalation mechanism as set forth in the 2021 GRC final decision and higher return interest income on rate base from capital balancing accounts, account undercollections, partially offset by higher operating and maintenance expenses, higher depreciation from increased plant balance and higher interest expense.

The increase in Edison International Parent and Other's core losses loss was primarily due to higher interest expense, partially offset by gains on preferred dividends, stock repurchases.

Consolidated non-core items for 2022 2023 and 2021 2022 for Edison International included:

- Charges of \$634 million (\$457 million after-tax) recorded in 2023 and \$1.2 billion (\$899 million after-tax) recorded in 2022 and \$1.2 billion (\$919 million after-tax) recorded in 2021 for 2017/2018 Wildfire/Mudslide Events claims and related legal expenses, net of expected recoveries from

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FERC customers. See "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies" for further information.

- Charges of \$213 million (\$153 million after-tax) recorded in 2023 and \$214 million (\$154 million after-tax) recorded in 2022 from the amortization of SCE's contributions to the Wildfire Insurance Fund. See "Notes to Consolidated Financial Statements—Note 1. Summary of Significant Accounting Policies" for further information.
- Charges of \$34 million (\$25 million after-tax) recorded in 2023 for wildfire claims and related legal expenses, net of expected recoveries from FERC customers, customers, related to the Post-2018 Wildfires. See "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies" for further information.
- Charges A charge of \$214 million \$30 million (\$154 21 million after-tax) recorded in 2022 2023 for a probable disallowance related to the reasonableness review of recorded San Onofre Units 2 and \$215 million 3 decommissioning costs in the 2021 NDCTP. See "Liquidity and Capital Resources—SCE—Decommissioning of San Onofre" for more information.

- A charge of \$17 million (\$15.12 million after-tax) recorded in 2021 from the amortization 2023 related to customer cancellations of SCE's contributions to the Wildfire Insurance Fund, certain ECS data services. See "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies" 1. Summary of Significant Accounting Policies" for further information.
- Insurance recovery of \$10 million (\$7 million after-tax) recorded in 2023 and a charge of \$23 million (\$16 million after-tax), net of estimated insurance recoveries, recorded in 2022. Both are related to settlement of an employment litigation matter. SCE and Edison International settled the matter following an atypical jury award.
- A charge of \$81 million (\$64 million after-tax) recorded in 2022 related to the Presiding Officer's Decision ("POD") in September 2022 on related to SCE's Upstream Lighting Program. See "—Upstream Lighting Program" for further information.
- Impairment charges of \$64 million (\$46 million after-tax) recorded in 2022 including an impairment charge of \$47 million (\$34 million after-tax) related to SCE's CSRP settlement agreement filed with the CPUC in June 2022 and an impairment charge of \$17 million (\$17 million (\$12 million after-tax) related to historical capital expenditures disallowed in SCE's GRC track 3 final decision. See "Liquidity and Capital Resources—SCE—Regulatory Proceedings" for more information. An impairment charge of \$79 million (\$47 million after-tax) recorded in 2021 related to disallowed historical capital expenditures in SCE's 2021 GRC final decision. Track 3.
- A charge of \$23 million (\$16 million after-tax) recorded in 2022 related to settlement of an employment litigation matter, net of estimated insurance recoveries. SCE and Edison International settled the matter following an atypical jury award.
- A charge of \$14 million (\$10 million after-tax) recorded in 2022 related to organizational realignment services.

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- Gains Gain of \$10 million (\$7 million after-tax) recorded in both 2022 and 2021 for SCE's sale of San Onofre nuclear fuel.
- Net earnings of \$42 million (\$33 million after-tax) and \$36 million (\$29 million after-tax) for Edison International Parent and Other recorded in 2023 and 2022, which includes earnings of \$45 million (\$36 million after-tax) related to customer revenues for an EIS insurance contract offset by a charge of \$9 million (\$7 million after-tax) related to estimated wildfire-related expected wildfire claims insured by EIS. Earnings of \$24 million (\$17 million after-tax) recorded in 2021 related to customer revenues for an EIS insurance contract. See "Notes to Consolidated Financial Statements—Note 18. Related-Party Transactions" for further information.
- An income tax benefit of \$115 million for Edison International Parent and Other recorded in 2021 related to the settlement of the 2007 – 2012 California tax audits with the California Franchise Tax Board ("FTB").

See "Results of Operations" for discussion of SCE and Edison International Parent and Other results of operations.

Electricity Industry Trends

The electric power industry is undergoing transformative change urgent and fundamental changes to how energy infrastructure is planned and built, driven by federal and state government actions to reduce GHG emissions, new sources of demand, such as well as electric vehicles and building electrification, and technological advances, innovations that support clean energy adoption, such as customer-owned generation electric vehicles and energy storage. These factors are altering the way in which electricity is generated and delivered, as well as the regulatory and business environment for the industry.

California is committed to reducing its GHG emissions, improving local air quality and supporting continued economic growth. The state codified into law goals to reduce GHG emissions by 40% from 1990 levels by 2030 and 85% from the same baseline by 2045, as well as to be carbon neutral by 2045. State and local air quality plans also call for substantial

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improvements. In the most polluted areas of the state this includes reducing smog-causing nitrogen oxides 90% below 2010 levels by 2032.

While these policy goals cannot be achieved by the electric sector alone, the electric grid is a critical enabler of the adoption of energy technologies that support California's climate change and GHG reduction objectives. California has set RPS targets which require California retail sellers of electricity to provide 60% of power from renewable resources by 2030. California also requires sellers of electricity to deliver 100% of retail sales from carbon-free sources by 2045, including interim targets of 90% by 2035 and 95% by 2040. In 2022, 2023, approximately 48% 49% of SCE's customer deliveries came from carbon-free resources. SCE remains well-positioned to meet its long-term RPS and carbon-free power goals and interim targets. In addition, Edison International is committed to achieving net-zero GHG emissions by 2045, in alignment with economy-wide economywide climate actions planned by California. This commitment covers the power SCE delivers to customers and Edison International's enterprise-wide operations.

The current federal administration has also responded to climate change through numerous regulatory and Executive Order actions including for the development of more robust fuel efficiency and vehicle emission standards. Many of these actions align with internal company goals and efforts to address and mitigate climate change. Additionally, building upon the historic infrastructure legislation of 2021, Congress passed the IRA in 2022 that provides significant new funding to electrify the economy. Edison International believes these actions complement its industry-leading efforts to equitably transition to a decarbonized economy.

Edison International believes that California's 2045 goals can be achieved most economically through emissions reductions from using clean electricity to serve 100% of retail sales, electrifying approximately 76% 90% of light-duty vehicles, 67% 90% of medium-duty vehicles, 38% 54% of heavy-duty vehicles, 85% 80% of buses and 70% 95% of buildings and using low-carbon fuels for technologies that are not yet viable for electrification. California has demonstrated strong long-term support of transportation electrification as shown by the approval of SCE's Charge Ready programs and 2022 legislation

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banning sales of new gas vehicles by 2035. However, SCE Edison International believes that more state policy support, along with public and private investment, is needed to enable California to reach its 2030 and 2045 GHG reduction targets.

To support these goals, Edison International's vision is to lead the transformation of the electric power industry and the company is focused on opportunities in delivering clean energy, advancing electrification, building a modernized and more reliable grid, and enabling customers' technology choices. SCE is focused on accelerating clean power and electrification, strengthening and modernizing the grid, achieving operational and service excellence and proactively mitigating climate change-related risks, including wildfires. SCE's ongoing focus to drive operational and service excellence is intended to allow it to achieve these objectives safely while controlling costs and customer rates. SCE projects that, even as electricity bills increase over time, due to higher efficiency of electrified end-use technologies, decarbonization and electrification will reduce total energy consumption costs for the average family by one-third 40% by 2045.

SCE's focus on the transmission and distribution grid investment is a key enabler of electricity aligns with California's policy supporting competitive power procurement markets.

SCE is undertaking projects and programs to accelerate economy-wide economywide electrification. To support system reliability, SCE is investing \$1.0 billion in utility owned storage capacity as well as contracting for substantial new clean energy resources. See "—Capital Program" and "Business—SCE—Purchased Power and Fuel Supply—CAISO Wholesale Energy Market" for further details. SCE also continues to implement its transportation electrification programs. As of December 31, 2022 December 31, 2023, SCE had completed construction at 179 259 sites to support 3,048 4,425 charge ports under its suite of light duty light-duty Charge Ready Programs, programs, and 42 65 sites to support the electrification of 895 1,540 medium and heavy-duty vehicles through its Charge Ready Transport program. SCE plans to invest approximately \$13 billion in infrastructure replacement between 2023 and 2028 to ensure the grid is reliable, resilient, and ready for widespread electrification. This represents approximately 30% of the capital plan for that same time period, as discussed in "—Capital Program."

SCE and Edison International are investing in building a more resilient grid to reduce climate- and weather-related vulnerabilities. Since 2018, SCE has been adapting to climate change through system hardening to reduce wildfire risk. In its 2025 GRC, SCE proposed climate adaptation investments to address wildfire and physical risks that could occur by 2030.

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Changes in the electric power industry are impacting customers and jurisdictions outside California as well. Many other states and countries are also pursuing climate change and GHG reduction objectives and large commercial and industrial customers are continuing to pursue cost reduction and sustainability goals. Edison Energy provides decarbonization is a global energy advisory firm providing integrated sustainability and energy solutions to commercial, industrial and institutional and industrial customers in North America and Europe who may be impacted by these changes.

To better engage in this broader transformation and provide a view of developments outside of SCE, Edison International has also made several investments in emerging companies in areas related to the technology and business model changes that are driving industry transformation and may make additional investments in the future. These investments are not financially material to Edison International.

Track 4

In November 2023, the CPUC approved an all-party settlement in Track 4, which authorized an \$8.4 billion revenue requirement for 2024, subject to adjustments for updated operations and maintenance escalation rates, the CPUC's decisions to adopt SCE's 2023 to 2025 cost of capital, and expanded customer-funded self-insurance for wildfire-related claims.

2025 General Rate Case

SCE expects to file its 2025 GRC application with the CPUC in May 2023, for the four-year period of 2025 – 2028. In its application, SCE is requesting that the CPUC authorize SCE's test year 2025 revenue requirement of approximately \$10.3 billion. This represents a \$1.9 billion, or 23% increase over the approximately \$8.4 billion 2024 revenue requirement adopted in Track 4 (prior to adjustments for the CPUC's decisions as discussed above in "—Track 4").

SCE's 2025 GRC request also includes proposed revenue requirement increases of approximately \$600 million, \$700 million, and \$700 million in 2026, 2027 and 2028, respectively.

SCE's 2025 GRC highlights its focus on safely providing electric service to its customers that is reliable, resilient, and ready for their needs today and the clean energy transition directed by California policy. The critical drivers of SCE's 2025 GRC request include returning to historical levels of infrastructure replacement work necessary for system reliability as wildfire mitigation activities stabilize, investments in reliability and capacity upgrades to ready the grid for increased electrification to meet customer needs and California's electrification and decarbonization goals, and investments in programs aimed at protecting the safety of the public, customers and SCE's workforce.

In its application, SCE requested that the CPUC issue a final decision on its application by the end of 2024. If the decision is delayed, SCE will seek necessary funding for various grid planning request the CPUC to issue an order directing that the authorized revenue requirement changes be effective January 1, 2025, even if the decision is issued subsequent to that date, consistent with CPUC practice in prior GRCs.

For details of 2024 – 2028 capital program forecast and development activities to support California's clean energy transformation and economy-wide decarbonization objectives, while continuing to prioritize wildfire mitigation programs in high fire risk areas, focus on increased system reliability, technology enabled grid investments and provide safe, reliable, and affordable service to customers. range case, see "—Capital Program."

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Cost of Capital Applications Trigger

In 2021, SCE filed an application with the CPUC for authority to establish its authorized cost of capital for utility operations for 2022 and to reset the related annual cost of capital mechanism that can adjust the authorized cost of capital between SCE's cost of capital proceedings based on changes in Moody's utility bond rate index. In November 2022, the CPUC issued a decision maintaining SCE's

cost of capital at pre-2022 levels for 2022 and closing the proceedings. In December 2022, intervenors filed an application for rehearing of the decision; if the CPUC takes further action it may impact revenues collected in rates during 2022.

In April 2022, SCE filed an application with the CPUC for authority to establish its authorized cost of capital for utility operations for a three-year term beginning in 2023 and to reset the related annualThe cost of capital adjustment mechanism (see "Business—SCE—Overview of Ratemaking Process" for further information on the adjustment mechanism). In December 2022, set by the CPUC issued provides for an adjustment to SCE's authorized cost of capital that, when triggered, will impact SCE's results of operations and cash flows. In 2023, the cost of capital adjustment mechanism was triggered when the difference between the average Moody's Baa utility bond yield for the 12-month period from October 1, 2022 through September 30, 2023 and the mechanism's benchmark exceeded 100-basis points. As a final decision that set result, SCE's CPUC-authorized ROE at increased from 10.05%, and maintained to 10.75% effective January 1, 2024. Additionally, SCE's current authorized capital structure, after CPUC-allowed exclusions, of 52% common equity, 43% long-term debt, and 5% preferred equity. Under the final decision, SCE's 2023 authorized cost costs of long-term debt and preferred equity are 4.39% for 2024 were updated to 4.48% and 6.50% 7.02%, respectively. Based on the approved capital structure and costs, The total resulting increase to SCE's weighted average return on rate base for 2023 2024 GRC-related revenue requirement is \$201 million, which will be 7.44%. Based on implemented in rates starting in the revenue requirement approved in first quarter of 2024. Certain parties have sought review or suspension of the 2024 adjustment, which could impact SCE's 2021 GRC, the final decision will decrease SCE's revenue requirement for 2023 by approximately \$90 million compared to the authorized cost of capital currently in rates. In January an intervenor filed an application for rehearing, if the CPUC takes 2024. For further action it may impact revenues being collected in rates during 2023.

The cost information see "Business—SCE— Overview of capital adjustment mechanism's benchmark beginning January 1, 2023, is the 12-month, October 1, 2021 through September 30, 2022, average Moody's Baa utility bond yield of 4.37%. If the difference between the benchmark and the average of the same index for the 12-month period from October 1, 2022 to September 30, 2023 exceeds 100-basis points, SCE's CPUC-authorized ROE will be adjusted for 2024 by half the amount of the difference (up or down). The average Moody's Baa utility bond yield between October 1, 2022 and February 16, 2023 was 5.78%. The spot rate for Moody's Baa utility bond was 5.65% on February 16, 2023. An average Moody's Baa utility bond yield of 5.13% or higher from February 17, 2023 through September 30, 2023 would trigger the mechanism to adjust upward. Ratemaking Process."

Capital Program

Total capital expenditures (including accruals) were \$5.4 billion in 2023 and \$5.7 billion in 2022 and \$5.4 billion in 2021. 2022. SCE's year-end rate base was \$40.6 billion \$42.7 billion at December 31, 2022 December 31, 2023, compared to \$37.9 billion \$40.6 billion at December 31, 2021 December 31, 2022, after excluding rate base associated with AB 1054 Excluded Capital Expenditures.

SCE's 2022 2023 recorded and 2023 2024 – 2024 2028 forecast capital expenditures are set forth in the table below:

							Total
(in billions)	2023	2024	2025	2026	2027	2028	2024 – 2028
Traditional capital expenditures							
Distribution	\$ 4.0	\$ 4.3	\$ 5.2	\$ 5.6	\$ 5.5	\$ 5.5	\$ 26.1
Transmission	0.2	0.4	0.8	0.9	1.0	0.7	3.8
Generation	0.1	0.2	0.2	0.2	0.2	0.1	0.9
Subtotal	4.3	4.9	6.2	6.7	6.7	6.3	30.8
Wildfire mitigation-related capital expenditures	1.1	1.1	1.3	1.4	1.5	1.4	6.7
Total capital expenditures	\$ 5.4	\$ 6.0	\$ 7.5	\$ 8.1	\$ 8.2	\$ 7.7	\$ 37.5
Total capital expenditures using range case discussed below	* \$	5.6	\$ 6.6	\$ 6.8	\$ 6.8	\$ 6.4	\$ 32.2

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Total

(in billions)	2022	2023	2024	2023 – 2024
Traditional capital expenditures				
Distribution ¹	\$ 4.1	\$ 4.2	\$ 3.9	\$ 8.1
Transmission	0.3	0.5	0.6	1.1
Generation	0.1	0.2	0.2	0.4
Subtotal	4.5	4.9	4.7	9.6
Wildfire mitigation-related capital expenditures	1.2	1.1	1.1	2.2
Total capital expenditures	\$ 5.7	\$ 6.0	\$ 5.8	\$ 11.8
Total capital expenditures using range case discussed below	*	\$ 5.7	\$ 5.2	\$ 10.9

¹ Includes forecast expenditures for the utility owned storage projects described below and reflects delays to the original project timelines.

* Not applicable

SCE's SCE forecasts a \$37.5 billion total capital expenditure forecast reflects planned CPUC-jurisdictional spending including amounts requested in SCE's program for 2024 through 2028, based on the Track 4 settlement (see "—Track 4") and 2025 GRC track 4 filing application, adjusted for the 2024 attrition year of the 2021 GRC, the WCCP and other programs outlined in SCE's WMP that are above amounts authorized ongoing delays in the 2021 GRC, CPUC-approved utility owned storage expenditures and planned FERC capital expenditures. See Riverside Transmission Reliability Project (see "Liquidity and Capital Resources—SCE—Capital Investment Plan") and denial of SCE's Building Electrification Program (see "Liquidity and Capital Resources—SCE—Regulatory Proceedings" for more information Proceedings). This forecast includes GRC capital expenditures, CPUC non-GRC capital expenditures, and FERC capital expenditures.

Based on the GRC track 4 filing.

Potential management judgment of potential capital spending variability associated with future regulatory requests based on management judgment, informed by historical precedent of previously authorized amounts, potential for permitting delays and other operational considerations, is reflected in a range case has been prepared reflecting reductions to GRC capital expenditures, CPUC non-GRC capital expenditures and FERC capital expenditures. Based on the range case, above, including deferral of all activity on the Riverside Transmission Reliability Project during 2023. For more information, see "Liquidity—SCE—Capital Investment Plan." The completion of projects, the timing of SCE forecasts \$32.2 billion total capital expenditures and the associated cost recovery may be affected by permitting requirements and delays, construction schedules, availability of labor, equipment and materials, financing, legal and regulatory approvals and developments, community requests or protests, weather and other unforeseen conditions, for 2024 through 2028.

In addition to the amounts presented in the table above, SCE expects to make additional CPUC capital expenditures, investments, the recovery of which will be subject to future regulatory approval. This includes expenditures to be requested in the 2025 GRC application which will reflect SCE's 2023 – 2025 WMP and non-GRC programs including the Building Electrification Program and additional spending on an enterprise resource planning software implementation. These capital implementation, an advanced metering infrastructure program and other potential investments in the grid supporting reliability, resilience and readiness. SCE expects the total expenditures and expected FERC capital expenditures are expected of these programs to be at least \$2.0 billion, some of which will be incurred beyond 2028. In addition, in May 2023,

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CAISO released its 2022 – 2023 Transmission Plan based on the CPUC's projections that it needs to add more than 40 gigawatts of new resources by 2032. As the incumbent transmission owner for a range portion of approximately \$5.3 billion these transmission projects, SCE expects to \$6.8 billion in aggregate between 2024 and 2025, construct projects representing at least \$2.0 billion of expenditures, most of which will be incurred beyond 2028.

Reflected below is SCE's weighted average annual rate base for 2023 – 2024 2028 incorporating authorized CPUC-jurisdictional expenditures including utility owned storage, planned FERC CPUC- and FERC- jurisdictional capital expenditures and planned non-GRC projects or programs.

(in billions)	2022	2023	2024	2023	2024	2025	2026	2027	2028
Rate base for expected capital expenditures	\$ 38.6	\$ 41.9	\$ 44.8	\$41.2	\$43.4	\$49.4	\$53.0	\$56.8	\$60.6
Rate base for expected capital expenditures using range case discussed above	\$ *	\$ 41.6	\$ 43.9	*	\$43.0	\$48.1	\$50.4	\$52.8	\$55.3

* Not applicable

Including programs outlined in SCE's WMP subject to future cost recovery proceedings, SCE forecasts total weighted-average rate base incorporating CPUC- and FERC-jurisdictional capital expenditures increasing to \$60.6 billion by 2028 based on the Track 4 settlement and 2025 GRC application adjusted for delays in the utility owned storage projects, the Riverside Transmission Reliability Project, and a reduction of working capital following implementation of the customer-funded self-insurance program.

Southern California Wildfires and Mudslides

California has experienced unprecedented weather conditions in recent years due to climate change. The worsening weather and fuel conditions across California increase the likelihood of wildfires, including those where SCE's equipment may be alleged to be associated with the fire's ignition, and SCE's service territory remains susceptible to additional wildfire restoration capital expenditures subject to future CEMA applications and planned expenditures from the 2025 GRC and non-GRC programs, SCE's weighted average annual rate base could be up to \$45.0 billion activity in 2024 and is expected beyond.

Wildfires in SCE's territory have caused loss of life, substantial damage to both residential and business properties, and service outages for SCE customers. SCE's equipment has been, and may further be, alleged to be between \$47.2 billion associated with wildfires that originate in Southern California.

In response to worsening conditions and \$49.5 wildfire activity in its territory in the recent past, SCE has developed and is implementing its WMP to reduce the risk of SCE equipment contributing to the ignition of wildfires. In addition, California has increased its investment in wildfire prevention and fire suppression capabilities. Further to the investments SCE is making as part of its WMP, SCE also uses its PSPS program to proactively de-energize power lines as a last resort to mitigate the risk of significant wildfires during extreme weather events.

2017/2018 Wildfire/Mudslide Events

Multiple lawsuits and investigations related to the 2017/2018 Wildfire/Mudslide Events have been initiated against SCE and Edison International and SCE has incurred material losses in connection with the 2017/2018 Wildfire/Mudslide Events.

SCE has previously entered into settlements with a number of local public entities and subrogation plaintiffs in the TKM and Woolsey litigations and under the SED Agreement. In addition, SCE has also entered into settlements with approximately 12,000 individual plaintiffs in the 2017/2018 Wildfire/Mudslide Events litigation.

In 2023, SCE accrued estimated losses of \$630 million for remaining alleged and potential claims related to the 2017/2018 Wildfire/Mudslide Events. As a result, SCE also recorded expected recoveries through FERC electric rates of \$37 million against the charge, and the resulting net charge to earnings was \$593 million (\$428 million after-tax).

Through December 31, 2023, SCE has accrued estimated losses of \$9.4 billion, recoveries from insurance of \$2.0 billion, in 2025, all of which have been collected, and expected recoveries through FERC electric rates of \$413 million.

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\$376 million of which has been collected, related to the 2017/2018 Wildfire/Mudslide Events claims. The after-tax net charges to earnings recorded for claims related to the 2017/2018 Wildfire/Mudslide Events through December 31, 2023 have been \$5.1 billion.

Estimated losses for the 2017/2018 Wildfire/Mudslide Events litigation are based on a number of assumptions and are subject to change as additional information becomes available. Actual losses incurred may be higher or lower than estimated based on several factors, including the uncertainty in estimating damages that have been or may be alleged. For instance, SCE receives additional information with respect to

damages claimed as the claims mediation and trial processes progress. Other factors that can cause actual losses incurred to be higher or lower than estimated include the ability to reach settlements and the outcomes of settlements reached through the ongoing claims mediation processes, uncertainties related to the sufficiency of insurance held by plaintiffs, uncertainties related to the litigation processes, including whether plaintiffs will ultimately pursue claims, uncertainty as to the legal and factual determinations to be made during litigation, including uncertainty as to the contributing causes of the 2017/2018 Wildfire/Mudslide Events, the complexities associated with fires that merge and whether inverse condemnation will be held applicable to SCE with respect to damages caused by the Montecito Mudslides, and the uncertainty as to how these factors impact future settlements.

As of December 31, 2023, SCE had paid \$8.7 billion under executed settlements and had \$78 million to be paid under executed settlements, including \$62 million to be paid under the SED Agreement, related to the 2017/2018 Wildfire/Mudslide Events. After giving effect to all payment obligations under settlements entered into through December 31, 2023, Edison International's and SCE's best estimate of expected losses for remaining alleged and potential claims related to the 2017/2018 Wildfire/Mudslide Events was \$637 million. Edison International and SCE may incur a material loss in excess of amounts accrued in connection with the remaining alleged and potential claims related to the 2017/2018 Wildfire/Mudslide Events.

SCE will seek CPUC-jurisdictional rate recovery of prudently-incurred losses and related costs realized in connection with the 2017/2018 Wildfire/Mudslide Events in excess of available insurance and FERC-jurisdictional recoveries, other than for any obligations under the SED Agreement. Based on Edison International's and SCE's current best estimate of expected losses for the 2017/2018 Wildfire/Mudslide Events, SCE currently expects to seek CPUC-jurisdictional rate recovery of approximately \$6.4 billion of uninsured claims by filing applications with the CPUC. In August 2023, SCE filed the first of such cost recovery applications to seek rate recovery of \$2.4 billion of prudently incurred losses related to the Thomas Fire, the Koenigstein Fire and the Montecito Mudslides, consisting of \$2.0 billion of uninsured claims and \$0.4 billion of associated costs, including legal fees and financing costs. In its filing, SCE is also seeking capital recovery of approximately \$65 million in restoration costs. SCE has requested that the CPUC issue a proposed decision on its application in February 2025. SCE targets the third quarter of 2024 for the filing of its application to seek rate recovery of approximately \$4 billion of uninsured claims related to the Woolsey Fire. In its application, SCE will also seek associated costs, including legal fees, financing costs and restoration costs. SCE's plans with respect to this filing may be delayed or modified. Because the CPUC's decision in a cost recovery proceeding involving SDG&E arising from several 2007 wildfires in SDG&E's service area is the only directly comparable precedent available, SCE believes that there is substantial uncertainty regarding how the CPUC will interpret and apply its prudence standard to an investor-owned utility in wildfire claims related cost-recovery proceedings for fires ignited prior to the adoption of AB 1054 on July 12, 2019. Accordingly, while the CPUC has not made a determination regarding SCE's prudence relative to any of the 2017/2018 Wildfire/Mudslide Events, SCE is unable to conclude, at this time, that uninsured CPUC-jurisdictional wildfire-related costs related to the 2017/2018 Wildfire/Mudslide Events are probable of recovery through electric rates.

2017 Creek Fire

In addition to the Thomas, Koenigstein and Woolsey Fires, there were several other wildfires ignited in 2017 and 2018 that impacted portions of SCE's service territory, including the 2017 Creek Fire that ignited near Sylmar, California.

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Based on pending litigation, it is reasonably possible that SCE will incur a material loss in connection with the Creek Fire, but the range of reasonably possible losses that could be incurred cannot be estimated at this time. SCE has not determined that losses in connection with the Creek Fire are probable and consequently has not accrued a charge for potential losses relating to the Creek Fire. SCE's wildfire insurance for the period in which the Creek Fire was ignited has been almost fully exhausted as a result of the TKM litigation.

Post-2018 Wildfires

Several wildfires have significantly impacted portions of SCE's service territory after 2018, including the 2019 Saddle Ridge Fire, the 2020 Bobcat Fire, the 2022 Coastal Fire and the 2022 Fairview Fire.

In 2023, SCE recorded a \$184 million increase in estimated losses for claims related to the Post-2018 Wildfires and recorded \$149 million in expected insurance recoveries against the charge. As a result, SCE also recorded expected recoveries through electric rates of \$2 million against the charges accrued related to the Post-2018 Wildfires. The resulting net charge to earnings was \$33 million (\$24 million after-tax).

Through December 31, 2023, SCE has recorded total estimated losses of \$880 million and expected recoveries from insurance and third parties of \$622 million related to the Post-2018 Wildfire claims. As a result, SCE also recorded expected recoveries through electric rates of \$168 million against the charges accrued related to the Post-2018 Wildfire claims. The after-tax net charges to earnings recorded through December 31, 2023 have been \$65 million.

As of December 31, 2023, SCE had paid \$204 million under executed settlements related to the Post-2018 Wildfires, and Edison International's and SCE's estimated losses for remaining alleged and potential claims (established at the low end of the estimated range of reasonably possible losses) related to the Post-2018 Wildfires was \$676 million. As of the same date, SCE had assets for expected recoveries through insurance and third parties of \$512 million and through electric rates of \$154 million on its consolidated balance sheets related to the Post-2018 Wildfire claims.

While Edison International and SCE may incur material losses in excess of the amounts accrued for certain of the Post-2018 Wildfires, Edison International and SCE expect that any losses incurred in connection with any such fire will be covered by insurance, subject to self-insured retentions and co-insurance, and expect that any losses after expected recoveries from insurance and through electric rates will not be material.

In light of the prudence standard the CPUC is required to apply under AB 1054 to utilities holding a safety certificate at the time a wildfire ignited after July 12, 2019, SCE has concluded, at this time, that both uninsured CPUC-jurisdictional and uninsured FERC-jurisdictional wildfire-related costs related to the Post-2018 Wildfires that it has deferred as regulatory assets are probable of recovery through electric rates. SCE will continue to evaluate the probability of recovery based on available evidence, including regulatory decisions, including any CPUC decisions illustrating the interpretation and/or application of the prudence standard under AB 1054, and, for each applicable fire, evidence that could cast serious doubt as to the reasonableness of SCE's conduct relative to that fire.

For further information on Southern California Wildfires and Mudslides, see "Business— Southern California Wildfires," "Risk Factors," "Notes to Consolidated Financial Statements—Note 1. Summary of Significant Accounting Policies—Initial and annual contributions to the wildfire insurance fund established pursuant to California Assembly Bill 1054" and "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies—Contingencies—Southern California Wildfires and Mudslides" in this report.

Customer-Funded Self-Insurance

In May 2023, the CPUC approved a joint petition for modification of the 2021 GRC decision filed by SCE, The Utility Reform Network and the Public Advocates Office, allowing SCE to expand its use of self-insurance. The approved self-insurance program is effective for wildfires ignited between July 1, 2023 and December 31, 2024, and has been funded

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through CPUC-jurisdictional rates with \$150 million collected during the second half of 2023 and, in the absence of wildfire-related claims, \$300 million to be collected in 2024. The self-insurance program resulted in a reduction to current revenue requirements of \$80 million in 2023 and, subject to adjustment, \$160 million in 2024. If losses are accrued for wildfire-related claims, the program contains an adjustment mechanism that will increase rates in subsequent years as needed, to allow for full recovery of the amounts accrued up to \$1.0 billion per policy year, subject to a shareholder contribution of 2.5% of any self-insurance costs ultimately paid exceeding \$500 million in any policy year, up to a maximum annual contribution of \$12.5 million per policy year. If adopted in the 2025 GRC, this self-insurance framework will continue at least through 2028, supporting a self-insurance fund of up to \$1.0 billion per policy year. SCE expects continuation of the customer-funded self-insurance framework to be adopted without protest in the 2025 GRC. Depending upon losses over time, customers will benefit further from SCE's wildfire self-insurance program as a result of not having to fund the recurring costs of SCE purchasing commercial wildfire insurance coverage.

RESULTS OF OPERATIONS

SCE

SCE's results of operations are derived mainly through two sources:

- **Earning activities** – representing revenue authorized by the CPUC and the FERC, which is intended to provide SCE with a reasonable opportunity to recover its costs and earn a return on its net investment in generation, transmission, and distribution assets. The annual revenue requirements are comprised of authorized operation and maintenance costs, depreciation, taxes and a return consistent with the capital structure. Also, included in earnings activities are revenue or penalties related to incentive mechanisms, other operating revenue and regulatory charges or disallowances.
- **Cost-recovery activities** – representing CPUC- and FERC-authorized balancing accounts which allow for recovery of specific project or program costs, subject to reasonableness review or compliance with upfront standards, as well as non-bypassable rates collected for SCE Recovery Funding LLC. Cost-recovery activities include rates which provide recovery, subject to reasonableness review of, among other things, fuel costs, purchased power costs, public purpose related-program costs (including energy efficiency and demand-side management programs), certain operation and maintenance expenses, (including vegetation management and wildfire insurance), and repayment of bonds and financing costs of SCE Recovery Funding LLC. SCE earns no return on these activities.

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Years ended December 31, 2023, 2022 and 2021

The following table is a summary of SCE's results of operations for the periods indicated:

(in millions)	2023			2022			2021		
	Cost-			Cost-			Cost-		
	Earning	Recovery	Total	Earning	Recovery	Total	Earning	Recovery	Total
	Activities	Activities	Consolidated	Activities	Activities	Consolidated	Activities	Activities	Consolidated
Operating revenue	\$ 9,012	\$ 7,263	\$ 16,275	\$ 9,008	\$ 8,164	\$ 17,172	\$ 7,872	\$ 7,002	\$ 14,874
Purchased power and fuel	—	5,486	5,486	—	6,375	6,375	—	5,540	5,540
Operation and maintenance	2,311	1,760	4,071	2,793	1,866	4,659	2,015	1,573	3,588
Wildfire-related claims, net of insurance recoveries	665	—	665	1,305	—	1,305	1,276	—	1,276
Wildfire Insurance Fund expense	213	—	213	214	—	214	215	—	215
Depreciation and amortization	2,588	45	2,633	2,540	19	2,559	2,209	7	2,216
Property and other taxes	539	27	566	482	15	497	462	—	462
Impairment, net of other operating income	(2)	3	1	50	—	50	67	—	67
Total operating expenses	6,314	7,321	13,635	7,384	8,275	15,659	6,244	7,120	13,364
Operating income (loss)	2,698	(58)	2,640	1,624	(111)	1,513	1,628	(118)	1,510
Interest expense	(1,312)	(44)	(1,356)	(977)	(28)	(1,005)	(785)	(6)	(791)
Other income, net	395	102	497	198	139	337	109	124	233
Income before income taxes	1,781	—	1,781	845	—	845	952	—	952
Income tax expense (benefit)	184	—	184	(109)	—	(109)	17	—	17
Net income	1,597	—	1,597	954	—	954	935	—	935
Preference stock dividend requirements	123	—	123	107	—	107	106	—	106
Net income available for common stock	\$ 1,474	\$ —	\$ 1,474	\$ 847	\$ —	\$ 847	\$ 829	\$ —	\$ 829

Earning Activities

Earning activities in 2023 compared to 2022 were primarily affected by the following:

- Higher operating revenue of \$4 million is primarily due to:
 - An increase of CPUC-related revenue of \$411 million due to the escalation mechanism set forth in the 2021 GRC decision.

- A decrease of CPUC-related revenue of \$358 million due to lower wildfire-related expenses that had been authorized for recovery during 2022 through Track 2 and Track 3.
- A decrease of CPUC-related revenue of \$49 million related to lower CSRP revenue requirements approved in 2023 than in 2022.
- Lower operation and maintenance costs of \$482 million primarily due to the following:
 - In 2022, SCE recognized \$404 million of previously deferred wildfire-related expenses upon approval of Track 2 and Track 3, compared to \$54 million previously deferred expenses recognized in 2023 primarily related to the Track 3 in 2023. These wildfire-related expenses were offset in revenue.
 - In 2022, SCE recognized a charge of \$95 million related to the POD on SCE's Upstream Lighting Program. This consisted of \$76 million of disallowed costs reclassified from cost recovery activities and \$19 million of fines.

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- Lower uncollectible expenses of \$40 million primarily due to prior period expenses not subject to cost recovery recorded in 2022. A CPUC decision in 2022 required SCE to change its methodology for calculating the portion of uncollectible expenses incremental to GRC authorized revenues.
- In 2023, SCE recognized a probable disallowance of \$30 million related to the 2021 NDCTP. See "Liquidity and Capital Resources—SCE—Decommissioning of San Onofre" for more information.
- Wildfire-related claim charges were \$665 million and \$1.3 billion in 2023 and 2022, respectively, primarily related to the 2017/2018 Wildfire/Mudslide Events. See "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies—Contingencies—Southern California Wildfires and Mudslides."
- Higher depreciation and amortization expense of \$48 million primarily due to increased plant balances, partially offset by the CSRP decision received in 2022, which authorized SCE to recover \$134 million of previously deferred depreciation expense.
- Higher property and other taxes of \$57 million primarily due to higher property assessed value in 2023.
- Impairments were recorded in 2022, of which \$17 million related to the CPUC decision in Track 3 and \$47 million related to a settlement agreement between SCE and TURN in the CSRP proceeding during 2022.
- Higher interest expense of \$335 million primarily due to higher interest rates on long-term debt, short-term debt and balancing account overcollections, as well as increased long-term borrowings.
- Higher other income of \$197 million primarily due to higher interest rates applied to balancing account undercollections.
- See "Income Taxes" below for the explanation of \$293 million increase in income tax expenses.
- Higher preference stock dividend requirements of \$16 million primarily due to dividends paid on Series E preference stock at a higher rate. See "Notes to Consolidated Financial Statements—Note 14. Equity—Preferred and Preference Stock of Utility."

Cost-Recovery Activities

Cost-recovery activities in 2023 compared to 2022 were primarily affected by the following:

- Lower purchased power and fuel costs of \$889 million, primarily due to lower prices and volumes for both purchased power and gas, partially offset by hedging activities.
- Lower operation and maintenance costs of \$106 million primarily due to:
 - Lower insurance costs of \$218 million due to expansion of SCE's use of customer-funded self-insurance for wildfire-related claims in July 2023.
 - A net decrease of \$114 million due to lower recognition of previously deferred expenses primarily related to wildfire mitigation, drought restoration, and COVID-19.
 - Lower uncollectible expenses of \$79 million primarily due to the recognition of \$109 million previously deferred uncollectible expenses in the first quarter of 2022.
 - In 2023, SCE recognized \$209 million of previously deferred incremental wildfire insurance premiums that provided coverage for the last six months of 2020.

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- \$76 million of disallowed costs were reclassified to earnings activities related to Upstream Lighting Program in 2022. See "—Earnings Activities" above.
- Higher amortization expense, property and other taxes and interest expenses of \$26 million, \$12 million, and \$16 million, respectively, primarily due to recovery of expenses associated with AB 1054 Excluded Capital Expenditures financed through securitization.
- Lower other income of \$37 million primarily driven by lower net periodic benefit income related to the non-service cost components for SCE's pension and PBOP. See "Notes to Consolidated Financial Statements—Note 9. Compensation and Benefit Plans" for further information.

Supplemental Operating Revenue Information

As a result of the CPUC-authorized decoupling mechanism, SCE revenues are not affected by changes in retail electricity sales.

Income Taxes

Higher income tax expense of \$293 million in 2023 compared to 2022 (a tax benefit was recorded in 2022) was primarily driven by the increase in pre-tax income and lower tax benefit associated with CSRP revenue recovery in 2023. The effective tax rates were 10.3% and (12.9)% for 2023 and 2022, respectively. SCE's effective tax rate is below the federal statutory rate of 21% for 2023 and 2022 primarily due to the CPUC's ratemaking treatment for the current tax benefit arising from certain property-related and other temporary differences, which reverse over time. The accounting treatment for these temporary differences results in recording regulatory assets and liabilities for amounts that would otherwise be recorded to deferred income tax expense.

See "Notes to Consolidated Financial Statements—Note 8. Income Taxes" for a reconciliation of the federal statutory rate to the effective income tax rates.

Edison International Parent and Other

Results of operations for Edison International Parent and Other include amounts from other subsidiaries that are not reportable as segments, as well as intercompany eliminations.

Loss from Operations

The following table summarizes the results of Edison International Parent and Other:

(in millions)	Years ended December 31,		
	2023	2022	2021
Edison Energy Group, Inc. (a subsidiary of Edison International) and subsidiaries	\$ (12)	\$ (17)	\$ (15)
Corporate expenses and other subsidiaries	(178)	(113)	5
Edison International Parent and Other net loss	\$ (190)	\$ (130)	\$ (10)
Less: Preferred stock dividend requirements	87	105	60
Edison International Parent and Other net loss attributable to common shareholders	\$ (277)	\$ (235)	\$ (70)

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The net loss attributable to common shareholders from operations of Edison International Parent and Other increased \$42 million in 2023 compared to 2022 primarily due to higher interest expense, partially offset by gains on preferred stock repurchases of \$16 million.

LIQUIDITY AND CAPITAL RESOURCES

SCE

SCE's ability to operate its business, fund capital expenditures, and implement its business strategy is dependent upon its cash flow and access to the bank and capital markets. SCE's overall cash flows fluctuate based on, among other things, its ability to recover its costs in a timely manner from its customers through regulated rates, changes in commodity prices and volumes, collateral requirements, interest obligations, dividend payments to and equity contributions from Edison International, obligations to preference shareholders, and the outcome of tax, regulatory and legal matters.

In the next 12 months, SCE expects to fund its cash requirements through operating cash flows, and capital market and bank financings. SCE also has availability under its credit facility to fund cash requirements. SCE also expects to issue additional debt for general corporate purposes, and to finance and refinance debt issued for payment of claims and expenses related to the 2017/2018 Wildfire/Mudslide Events.

SCE issued securitized bonds in the amounts of \$775 million, \$533 million, and \$338 million in 2023, 2022, and 2021, respectively, to finance the required AB 1054 Excluded Capital Expenditures and related financing costs. For more information, see "Notes to Consolidated Financial Statements—Note 5. Debt and Credit Agreements."

The following table summarizes SCE's current long-term issuer credit ratings and outlook from the major credit rating agencies:

	Moody's	Fitch	S&P
Credit Rating	Baa1	BBB	BBB
Outlook	Stable	Stable	Stable

SCE's credit ratings may be affected if, among other things, regulators fail to successfully implement AB 1054 in a consistent and credit supportive manner, or the Wildfire Insurance Fund is depleted by claims from catastrophic wildfires. Credit rating downgrades increase the cost and may impact the availability of short-term and long-term borrowings, including commercial paper, credit facilities, bond financings or other borrowings. In addition, some of SCE's power procurement contracts and environmental remediation obligations would require SCE to pay related liabilities or post additional collateral if SCE's credit rating were to fall below investment grade. For further details, see "—Margin and Collateral Deposits."

For restrictions on SCE's ability to pay dividends, see "Notes to Consolidated Financial Statements—Note 1. Summary of Significant Accounting Policies—SCE Dividends."

Available Liquidity

At December 31, 2023, SCE had cash on hand of \$214 million and approximately \$1.8 billion available to borrow on its \$3.4 billion revolving credit facility. The credit facility is available for borrowing needs until May 2027. The aggregate maximum principal amount under the SCE revolving credit facility may be increased up to \$4.0 billion, provided that additional lender commitments are obtained. SCE also has standby letters of credit with total capacity of \$625 million, and the unused amount was \$572 million as of December 31, 2023. For further details, see "Notes to Consolidated Financial Statements—Note 5. Debt and Credit Agreements."

At December 31, 2023, SCE had \$1.6 billion outstanding commercial paper, net of discount, at a weighted average interest rate of 5.82%. In January 2024, SCE issued \$500 million and \$900 million of first and refunding mortgage

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bonds due in 2027 and 2034, respectively. The proceeds were used to repay part of the commercial paper borrowings outstanding as of December 31, 2023, fund the payment of wildfire claims and related expenses above insurance proceeds, and for general corporate purposes.

SCE may finance balancing account undercollections and working capital requirements to support operations and capital expenditures with commercial paper, its credit facilities or other borrowings, subject to availability in the bank and capital markets. As necessary, SCE will utilize its available liquidity, capital market financings, other borrowings or parent company contributions to SCE equity in order to meet its obligations

as they become due, including costs related to the 2017/2018 Wildfire/Mudslide Events. For further information, see "Management Overview—Southern California Wildfires and Mudslides."

Debt Covenant

SCE's credit facilities and term loan require a debt to total capitalization ratio as defined in the applicable agreements of less than or equal to 0.65 to 1. At December 31, 2023, SCE's debt to total capitalization ratio was 0.56 to 1.

At December 31, 2023, SCE was in compliance with all financial covenants that affect access to capital.

Regulatory Proceedings

Wildfire Related Regulatory Proceedings

In response to the increase in wildfire activity, and faster progression of and increased damage from wildfires across SCE's service territory and throughout California, SCE has incurred wildfire mitigation, wildfire insurance and wildfire and drought restoration related spending at levels significantly exceeding amounts authorized in SCE's GRCs.

2021 GRC Wildfire Mitigation Memorandum Account Balances

The 2021 GRC decision authorized the establishment of balancing accounts for expenses for vegetation management, wildfire insurance, and the WCCP program, with expenditures up to certain thresholds approved for cost recovery. SCE may submit subsequent reasonableness review applications for any spending in excess of these thresholds. SCE has incurred vegetation management expenses and capital expenditures for WCCP in excess of thresholds established in the 2021 GRC. SCE has also incurred costs in excess of amounts authorized in the 2021 GRC related to other wildfire mitigation activities, including inspections and maintenance and to support execution of PSPS events.

In June 2022, SCE filed an application with the CPUC requesting reasonableness review of the incremental costs incurred in 2021 related to non-WCCP wildfire mitigation and vegetation management activities, requesting a total revenue requirement of approximately \$327 million. In February 2024, the CPUC issued a proposed decision that, if adopted, will authorize a total revenue requirement of \$310 million, along with ongoing capital revenue requirements and interest. These revenue requirements will be amortized over 12 months.

In October 2023, SCE requested authority to recover revenue requirements associated with 2022 operations and maintenance and capital expenditures above levels authorized in wildfire mitigation accounts and the vegetation management balancing account. The revenue requirement, including interest, is currently estimated at \$384 million. In January 2024, SCE filed a supplemental motion for interim rate recovery to include \$210 million of these costs and associated interest in revenue requirements beginning March 1, 2024.

2020 Emergency Wildfire Restoration

Multiple wildfires occurred during 2020 which caused damage within SCE's service territory and to SCE's Big Creek hydroelectric facility.

In March 2022, SCE filed a catastrophic event memorandum account application requesting recovery of \$207 million of

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operation and maintenance expenses incremental to authorized revenue requirements and \$312 million of capital expenditures incremental to amounts authorized in the 2021 GRC primarily related to these restoration efforts. SCE has not yet filed for recovery of generation restoration costs, as repairs to hydroelectric generation facilities are not complete.

2024 FERC Formula Rate Annual Update

In November 2023, SCE filed its 2024 annual transmission revenue requirement update with the FERC, with the rate effective January 1, 2024. The update reflects a \$1.1 billion transmission revenue requirement for 2024, \$290 million or 20% lower than amounts included in the 2023 annual rates. The decrease is primarily due to returning an overcollection based on actual 2022 costs and lower wildfire-related claims.

Building Electrification Programs Application

In December 2021, SCE filed a \$677 million Building Electrification Program Application for a four-year program (2024 – 2027) to incentivize replacing 250,000 gas-fueled water and space heaters with efficient electric heat pumps and to upgrade or enhance the electrical infrastructure

for 65,000 homes to support electrification. The proposed program included \$200 million for customer-side electrical infrastructure upgrades for which SCE requested inclusion as a regulatory asset in rate base, \$69 million in capital expenditures and \$408 million of operations and maintenance expense including heat pump incentives, program administration, and implementation costs. In January 2024, the CPUC issued a decision denying the application in its entirety.

Capital Investment Plan

Major Transmission Projects

A summary of SCE's most significant transmission and substation construction projects during the next two years is presented below. The timing of the projects below is subject to timely receipt of permitting, licensing and regulatory approvals.

Project Name	Project Lifecycle Phase	Direct		
		Expenditures (in millions) ¹	Inception to Date (in millions) ¹	Scheduled In-Service Date
Riverside Transmission Reliability ²	Licensing	584	34	2028
Alberhill System ³	Licensing	472	47	2029
Eldorado-Lugo-Mohave Upgrade	Construction	383	247	2024

¹ Direct expenditures include direct labor, land and contract costs incurred for the respective projects and exclude overhead costs that are included in the capital expenditures forecast discussed in "Management Overview—Capital Program."

² Expenditures and in-service date are based on CPUC approved plans and will likely be impacted by the timing of CPUC determination of the City of Norco's petition for modification ("PFM") and any changes to those plans required by Riverside City Council ("RCC").

³ In June 2023, SCE filed an amended application for a certificate of public convenience and necessity ("CPCN") with technical design modifications and engineering refinements to the proposed project that decreases project costs and reduces GHG emissions. Accordingly, the direct expenditures of the project are estimated to be reduced from \$486 million to \$472 million. SCE is unable to predict the timing of a final CPUC decision and the final project costs for the Alberhill System Project.

Riverside Transmission Reliability Project

The Riverside Transmission Reliability Project is a joint project between SCE and Riverside Public Utilities ("RPU"), the municipal utility department of the City of Riverside. While RPU will be responsible for constructing some of the project's facilities within Riverside, SCE's portion of the project consists of constructing upgrades to its system, including a new 230 kV substation; certain interconnection and telecommunication facilities and overhead transmission

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lines in the cities of Riverside, Jurupa Valley and Norco and in portions of unincorporated Riverside County. In May 2022, the RCC voted to investigate alternatives to the CPUC approved project. Consequently, SCE suspended all major activities on the project. In January 2023, the RCC voted to establish a working group to pursue funding for additional undergrounding. On October 2, 2023, the City of Norco filed a PFM to modify the CPUC decision approving the project and reopen the record to reconsider full undergrounding. In November 2023, SCE filed a response opposing the PFM.

Alberhill System Project

The Alberhill System Project consists of constructing a new 500 kV substation, two 500 kV transmission lines to connect the proposed substation to the existing Serrano-Valley 500 kV transmission line, telecommunication equipment and subtransmission lines in western Riverside County. The project was designed to meet long-term forecasted electrical demand in the proposed Alberhill System Project area and to increase electrical system reliability and resiliency. In April 2018 and July 2018, the CPUC issued a proposed decision and an alternate proposed decision, both denying SCE's ability to construct the Alberhill System Project based on a perceived lack of need. SCE filed comments on both proposed decisions requesting that the CPUC grant the CPCN for the Alberhill System Project. In August 2018, the CPUC issued a decision that did not deny or approve the Alberhill System Project but directed SCE to submit supplemental information on the Alberhill System Project including but not limited to a load forecast and cost benefit analysis of several alternatives to the proposed project.

Ongoing capital spending has been deferred as a result of the CPUC request for additional information. In January 2020, SCE submitted a supplemental analysis to the CPUC for the Alberhill System Project including several alternatives to the proposed project as well as an update to the original project cost. A final decision on the Alberhill System Project remains pending. In June 2023, SCE filed an amended CPCN with technical design modifications and engineering refinements to the proposed project that decrease project costs and reduce GHG emissions. Given the uncertainty associated with the resolution of the permitting process, potential revisions to the project have not been reflected in total direct expenditures. SCE continues to believe a system solution is needed for the project area but is unable to predict the timing of a final CPUC decision in connection with the Alberhill System Project proceeding.

Approximately 48% of the Alberhill System Project costs spent to date would be subject to recovery through CPUC revenue and 52% through FERC revenue. In October 2017, SCE obtained approval from the FERC for abandoned plant treatment for the Alberhill System Project, which allows SCE to seek recovery of 100% of all prudently incurred costs after the approval date and 50% of prudently incurred costs prior to the approval date. Excluding land costs, which may be recovered through sale to a third party, SCE has incurred approximately \$62 million of capital expenditures, including overhead costs, of which approximately \$44 million may not be recoverable if the project is cancelled as of December 31, 2023.

Eldorado-Lugo-Mohave Upgrade Project

The Eldorado-Lugo-Mohave Upgrade Project will increase capacity on existing transmission lines to allow additional renewable energy to flow from Nevada to southern California. The project would modify SCE's existing Eldorado, Lugo, and Mohave electrical substations to accommodate the increased power flows from Nevada to southern California; increase the power flow through the existing 500 kV transmission lines by constructing two new capacitors along the lines; raise transmission tower heights to meet ground clearance requirements; and install fiber optics on the transmission lines to provide communications between existing SCE substations. In August 2020, the CPUC approved the CPCN for the project.

Construction for the project began in November 2020. The total costs for the Eldorado-Lugo-Mohave Upgrade Project are expected to exceed amounts currently approved in the CPCN granted by the CPUC due to delays in regulatory approvals, contractor performance issues, supply chain constraints, COVID-19 impacts and the availability of CAISO outage windows. In May 2023, SCE filed a Petition for Modification of the decision that approved the project to increase the maximum reasonable and prudent cost for the project, which increased the direct expenditures from \$247 million to

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\$319 million. SCE expects the project to be in service in 2024. Additional work after the in-service date is also required to mitigate the impact of the project on nearby natural gas transmission lines. Current estimation of the additional work is approximately \$64 million. A further Petition for Modification is expected to be filed before the authorized spending is exceeded.

Utility Owned Storage Projects

RESULTS OF OPERATIONS

SCE

In October SCE's results of operations are derived mainly through two sources:

- Earning activities – representing revenue authorized by the CPUC and the FERC, which is intended to provide SCE with a reasonable opportunity to recover its costs and earn a return on its net investment in generation, transmission, and distribution assets. The annual revenue requirements are comprised of authorized operation and maintenance costs, depreciation, taxes and a return consistent with the capital structure. Also, included in earnings activities are revenue or penalties related to incentive mechanisms, other operating revenue and regulatory charges or disallowances.
- Cost-recovery activities – representing CPUC- and FERC-authorized balancing accounts which allow for recovery of specific project or program costs, subject to reasonableness review or compliance with upfront standards, as well as non-bypassable rates collected for SCE Recovery Funding LLC. Cost-recovery activities include rates which provide recovery, subject to reasonableness review of, among other things, fuel costs, purchased power costs, public purpose related-program costs (including energy efficiency and demand-side management programs), certain operation and maintenance expenses, (including vegetation management and wildfire insurance), and repayment of bonds and financing costs of SCE Recovery Funding LLC. SCE earns no return on these activities.

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Years ended December 31, 2023, 2022 and 2021 SCE contracted with Ameresco, Inc. ("Ameresco")

The following table is a summary of SCE's results of operations for the construction periods indicated:

(in millions)	2023			2022			2021		
	Cost-			Cost-			Cost-		
	Earning Activities	Recovery Activities	Total Consolidated	Earning Activities	Recovery Activities	Total Consolidated	Earning Activities	Recovery Activities	Total Consolidated
Operating revenue	\$ 9,012	\$ 7,263	\$ 16,275	\$ 9,008	\$ 8,164	\$ 17,172	\$ 7,872	\$ 7,002	\$ 14,874
Purchased power and fuel	—	5,486	5,486	—	6,375	6,375	—	5,540	5,540
Operation and maintenance	2,311	1,760	4,071	2,793	1,866	4,659	2,015	1,573	3,588
Wildfire-related claims, net of insurance recoveries	665	—	665	1,305	—	1,305	1,276	—	1,276
Wildfire Insurance Fund expense	213	—	213	214	—	214	215	—	215
Depreciation and amortization	2,588	45	2,633	2,540	19	2,559	2,209	7	2,216
Property and other taxes	539	27	566	482	15	497	462	—	462
Impairment, net of other operating income	(2)	3	1	50	—	50	67	—	67
Total operating expenses	6,314	7,321	13,635	7,384	8,275	15,659	6,244	7,120	13,364
Operating income (loss)	2,698	(58)	2,640	1,624	(111)	1,513	1,628	(118)	1,510
Interest expense	(1,312)	(44)	(1,356)	(977)	(28)	(1,005)	(785)	(6)	(791)
Other income, net	395	102	497	198	139	337	109	124	233
Income before income taxes	1,781	—	1,781	845	—	845	952	—	952
Income tax expense (benefit)	184	—	184	(109)	—	(109)	17	—	17
Net income	1,597	—	1,597	954	—	954	935	—	935
Preference stock dividend requirements	123	—	123	107	—	107	106	—	106
Net income available for common stock	\$ 1,474	\$ —	\$ 1,474	\$ 847	\$ —	\$ 847	\$ 829	\$ —	\$ 829

Earning Activities

Earning activities in 2023 compared to 2022 were primarily affected by the following:

- Higher operating revenue of \$4 million is primarily due to:
 - An increase of CPUC-related revenue of \$411 million due to the escalation mechanism set forth in the 2021 GRC decision.
 - A decrease of CPUC-related revenue of \$358 million due to lower wildfire-related expenses that had been authorized for recovery during 2022 through Track 2 and Track 3.
 - A decrease of CPUC-related revenue of \$49 million related to lower CSRP revenue requirements approved in 2023 than in 2022.
- Lower operation and maintenance costs of \$482 million primarily due to the following:
 - In 2022, SCE recognized \$404 million of previously deferred wildfire-related expenses upon approval of Track 2 and Track 3, compared to \$54 million previously deferred expenses recognized in 2023 primarily related to the Track 3 in 2023. These wildfire-related expenses were offset in revenue.
 - In 2022, SCE recognized a charge of \$95 million related to the POD on SCE's Upstream Lighting Program. This consisted of \$76 million of disallowed costs reclassified from cost recovery activities and \$19 million of fines.

[Table of utility owned energy storage projects at three sites](#) [Contents](#)

- Lower uncollectible expenses of \$40 million primarily due to prior period expenses not subject to cost recovery recorded in 2022. A CPUC decision in 2022 required SCE to change its methodology for calculating the portion of uncollectible expenses incremental to GRC authorized revenues.
- In 2023, SCE recognized a probable disallowance of \$30 million related to the 2021 NDCTP. See "Liquidity and Capital Resources—SCE—Decommissioning of San Onofre" for more information.
- Wildfire-related claim charges were \$665 million and \$1.3 billion in 2023 and 2022, respectively, primarily related to the 2017/2018 Wildfire/Mudslide Events. See "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies—Contingencies—Southern California Wildfires and Mudslides."
- Higher depreciation and amortization expense of \$48 million primarily due to increased plant balances, partially offset by the CSRP decision received in 2022, which authorized SCE to recover \$134 million of previously deferred depreciation expense.
- Higher property and other taxes of \$57 million primarily due to higher property assessed value in 2023.
- Impairments were recorded in 2022, of which \$17 million related to the CPUC decision in Track 3 and \$47 million related to a settlement agreement between SCE and TURN in the CSRP proceeding during 2022.
- Higher interest expense of \$335 million primarily due to higher interest rates on long-term debt, short-term debt and balancing account overcollections, as well as increased long-term borrowings.
- Higher other income of \$197 million primarily due to higher interest rates applied to balancing account undercollections.
- See "Income Taxes" below for the explanation of \$293 million increase in income tax expenses.
- Higher preference stock dividend requirements of \$16 million primarily due to dividends paid on Series E preference stock at a higher rate. See "Notes to Consolidated Financial Statements—Note 14. Equity—Preferred and Preference Stock of Utility."

Cost-Recovery Activities

Cost-recovery activities in SCE's service territory with an aggregate capacity 2023 compared to 2022 were primarily affected by the following:

- Lower purchased power and fuel costs of \$889 million, primarily due to lower prices and volumes for both purchased power and gas, partially offset by hedging activities.
- Lower operation and maintenance costs of \$106 million primarily due to:
 - Lower insurance costs of \$218 million due to expansion of SCE's use of customer-funded self-insurance for wildfire-related claims in July 2023.
 - A net decrease of \$114 million due to lower recognition of previously deferred expenses primarily related to wildfire mitigation, drought restoration, and COVID-19.
 - Lower uncollectible expenses of \$79 million primarily due to the recognition of \$109 million previously deferred uncollectible expenses in the first quarter of 2022.
 - In 2023, SCE recognized \$209 million of previously deferred incremental wildfire insurance premiums that provided coverage for the last six months of 2020.

[Table of 537.5 MW and an in-service date](#) [Contents](#)

- \$76 million of disallowed costs were reclassified to earnings activities related to Upstream Lighting Program in 2022. See "—Earnings Activities" above.

- Higher amortization expense, property and other taxes and interest expenses of \$26 million, \$12 million, and \$16 million, respectively, primarily due to recovery of expenses associated with AB 1054 Excluded Capital Expenditures financed through securitization.
- Lower other income of \$37 million primarily driven by lower net periodic benefit income related to the non-service cost components for SCE's pension and PBOP. See "Notes to Consolidated Financial Statements—Note 9. Compensation and Benefit Plans" for further information.

Supplemental Operating Revenue Information

As a result of August 1, 2022, the CPUC-authorized decoupling mechanism, SCE revenues are not affected by changes in retail electricity sales.

In April Income Taxes

Higher income tax expense of \$293 million in 2023 compared to 2022 SCE received (a tax benefit was recorded in 2022) was primarily driven by the increase in pre-tax income and lower tax benefit associated with CSRP revenue recovery in 2023. The effective tax rates were 10.3% and (12.9)% for 2023 and 2022, respectively. SCE's effective tax rate is below the federal statutory rate of 21% for 2023 and 2022 primarily due to the CPUC's ratemaking treatment for the current tax benefit arising from certain property-related and other temporary differences, which reverse over time. The accounting treatment for these temporary differences results in recording regulatory assets and liabilities for amounts that would otherwise be recorded to deferred income tax expense.

See "Notes to Consolidated Financial Statements—Note 8. Income Taxes" for a *force majeure* event notice from Ameresco in which Ameresco asserted that both manufacturing delays related to COVID-19 shut-downs in China and new shipping restrictions imposed by Chinese governmental authorities were then impacting the supply of batteries from China necessary for timely completion reconciliation of the projects. Ameresco subsequently supplemented its *force majeure* notice noting additional supply chain issues related to COVID-19. Permitting delays and engineering issues and certain changes requested by SCE also impacted the projects in 2022. SCE expects to receive in aggregate approximately \$270 million of tax credits available under the IRA for all three projects, which will accrue federal statutory rate to the benefit effective income tax rates.

Edison International Parent and Other

Results of its customers. In January 2023, SCE received a *force majeure* event notice operations for Edison International Parent and Other include amounts from Ameresco in which Ameresco asserted other subsidiaries that severe winter storms in Southern California had impacted are not reportable as segments, as well as intercompany eliminations.

Loss from Operations

The following table summarizes the timely completion results of the projects.

While Ameresco has advised SCE that it currently expects all three projects to be in-service prior to June 2023, SCE believes that there is risk of delay beyond Ameresco's projected in-service dates.

SCE is continuing to evaluate the *force majeure* event notices Edison International Parent and is awaiting additional information from Ameresco on the underlying events. If there is a valid *force majeure* event under the contracts with Ameresco, subject to certain conditions, the project schedules and any related triggers of liquidated damages may be extended, and the contract prices may be increased to account for the impact of the *force majeure* event. Because Ameresco did not achieve an in-service date of August 1, 2022, SCE is entitled to liquidated damages under the terms of the contracts subject to any relief Ameresco may be entitled to under the contracts, including any relief for any valid *force majeure* events. Once triggered, liquidated damages accrue daily for up to 60 days up to a maximum of \$89 million in aggregate for all three projects. Other:

Subject to reductions for any liquidated damages SCE is paid, SCE currently expects these storage projects to result in \$1.0 billion of capital expenditures. In December 2021, the CPUC approved recovery of these expenditures and establishment of a balancing account for the associated revenue requirement, which have been reflected in rates beginning in the first quarter of 2022. Authorized revenue requirements will be included in the annual ERRR review proceeding and can only be disallowed upon a finding that SCE failed to prudently administer the contracts.

(in millions)	Years ended December 31,		
	2023	2022	2021
Edison Energy Group, Inc. (a subsidiary of Edison International) and subsidiaries	\$ (12)	\$ (17)	\$ (15)
Corporate expenses and other subsidiaries	(178)	(113)	5
Edison International Parent and Other net loss	\$ (190)	\$ (130)	\$ (10)
Less: Preferred stock dividend requirements	87	105	60
Edison International Parent and Other net loss attributable to common shareholders	\$ (277)	\$ (235)	\$ (70)

Southern California Wildfires and Mudslides

California has experienced unprecedented weather conditions in recent years due to climate change. The worsening weather and fuel conditions across California increase the likelihood of wildfires, including those where SCE's equipment may be alleged to be associated with the fire's ignition, and SCE's service territory remains susceptible to additional wildfire activity in 2023 and beyond. In response to worsening conditions and increased wildfire activity over the past several years, SCE has developed and is implementing its WMP to reduce the risk of SCE equipment contributing to the ignition of wildfires. In addition, California has increased its investment in wildfire prevention and fire suppression capabilities. In addition to the investments SCE is making as part of its WMP, SCE also uses its PSPS program to proactively de-energize power lines as a last resort to mitigate the risk of significant wildfires during extreme weather events.

Wildfires in SCE's territory in December 2017 and November 2018 caused loss of life, substantial damage to both residential and business properties, and service outages for SCE customers. SCE has incurred material losses in connection with the 2017/2018 Wildfire/Mudslide Events.

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SCE's equipment has been, and may further be, allegedThe net loss attributable to be associated with several wildfires that have originated in Southern California subsequent to 2018, common shareholders from operations of Edison International Parent and Other increased \$42 million in 2023 compared to 2022 primarily due to higher interest expense, partially offset by gains on preferred stock repurchases of \$16 million.

LIQUIDITY AND CAPITAL RESOURCES

SCE

SCE's ability to operate its business, fund capital expenditures, and implement its business strategy is dependent upon its cash flow and access to the bank and capital markets. SCE's overall cash flows fluctuate based on, among other things, its ability to recover its costs in a timely manner from its customers through regulated rates, changes in commodity prices and volumes, collateral requirements, interest obligations, dividend payments to and equity contributions from Edison International, obligations to preference shareholders, and the outcome of tax, regulatory and legal matters.

In the next 12 months, SCE expect that any losses incurred in connection with those fires will be covered by insurance, subject expects to self-insured retentions fund its cash requirements through operating cash flows, and co-insurance, recoveries through electric rates or third-party receivables, capital market and expect that any such losses after recoveries will not be material.

bank financings. SCE also has availability under its credit facility to fund cash requirements. 2017/2018 Wildfire/Mudslide Events

Multiple lawsuits SCE also expects to issue additional debt for general corporate purposes, and investigations to finance and refinance debt issued for payment of claims and expenses related to the 2017/2018 Wildfire/Mudslide Events have been initiated against Events.

SCE and Edison International. As of December 31, 2022, in addition to the Local Public Entity Settlement, the TKM Subrogation Settlement and the Woolsey Subrogation Settlement, SCE had entered into settlements with approximately 9,500 individual plaintiffs issued securitized bonds in the 2017/2018 Wildfire/Mudslide Events litigation, amounts of \$775 million, \$533 million, and \$338 million in 2023, 2022, and 2021, respectively, to finance the required AB 1054 Excluded Capital Expenditures and related financing costs. For more information, see "Notes to Consolidated Financial Statements—Note 5. Debt and Credit Agreements."

The following table summarizes SCE's current long-term issuer credit ratings and outlook from the major credit rating agencies:

	Moody's	Fitch	S&P
Credit Rating	Baa1	BBB	BBB
Outlook	Stable	Stable	Stable

SCE's credit ratings may be affected if, among other things, regulators fail to successfully implement AB 1054 in a consistent and credit supportive manner, or the Wildfire Insurance Fund is depleted by claims from catastrophic wildfires. Credit rating downgrades increase the cost and may impact the availability of short-term and long-term borrowings, including commercial paper, credit facilities, bond financings or other

borrowings. In addition, SCE and the SED executed the SED Agreement in October 2021, and SCE's obligations under the SED Agreement commenced on August 15, 2022, when CPUC approval of the SED Agreement became final and non-appealable.

In 2022, SCE accrued estimated losses of \$1.3 billion for the 2017/2018 Wildfire/Mudslide Events. As a result, SCE also recorded expected recoveries through FERC electric rates of \$76 million against the charge, and the resulting net charge to earnings was \$1.2 billion (\$879 million after-tax).

Through December 31, 2022, SCE has accrued estimated losses of \$8.8 billion, expected recoveries from insurance of \$2.0 billion and expected recoveries through FERC electric rates of \$376 million related to the 2017/2018 Wildfire/Mudslide Events. The after-tax net charges to earnings recorded through December 31, 2022 have been \$4.6 billion.

As of December 31, 2022, SCE had paid \$7.6 billion under executed settlements and had \$185 million to be paid under executed settlements, including \$120 million to be paid under the SED Agreement, related to the 2017/2018 Wildfire/Mudslide Events. As of the same date, SCE had recovered \$2.0 billion through insurance and approximately \$234 million through FERC-jurisdictional electric rates.

After giving effect to all payment obligations under settlements entered into through December 31, 2022, including under the SED Agreement, Edison International's and SCE's best estimate of expected losses for remaining alleged and potential claims related to the 2017/2018 Wildfire/Mudslide Events was \$934 million. As of the same date, SCE had assets for expected recoveries through FERC electric rates of \$142 million on their consolidated balance sheets and had exhausted expected insurance recoveries related to the 2017/2018 Wildfire/Mudslide Events. Edison International and SCE may incur a material loss in excess of amounts accrued in connection with the remaining alleged and potential claims related to the 2017/2018 Wildfire/Mudslide Events.

SCE will seek CPUC-jurisdictional rate recovery of prudently-incurred losses and related costs realized in connection with the 2017/2018 Wildfire/Mudslide Events in excess of available insurance and FERC-jurisdictional recoveries, other than for any obligations under the SED Agreement. Based on Edison International's and SCE's current best estimate of expected losses for the 2017/2018 Wildfire/Mudslide Events, SCE currently expects to seek CPUC-jurisdictional rate recovery of approximately \$6 billion by filing multiple future applications with the CPUC. SCE targets the third quarter of 2023 for the first of such cost recovery applications, and expects to request recovery of approximately \$2 billion in that filing. SCE's plans with respect to these filings may be delayed or modified. For example, the filings may be delayed if proceedings related to the 2017/2018 Wildfire/Mudslide Events do not progress as anticipated. SCE believes that, in light of the CPUC's decision in a cost recovery proceeding involving SDG&E arising from several 2007 wildfires in SDG&E's service area, there is substantial uncertainty regarding how the CPUC will interpret and apply its prudence standard to an investor-owned utility in wildfire cost-recovery proceedings for fires ignited prior to the adoption of AB 1054 on July 12, 2019. Accordingly, while the CPUC has not made a determination regarding SCE's prudence relative to any of the 2017/2018 Wildfire/Mudslide Events, SCE is unable to conclude, at this time, that uninsured

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CPUC-jurisdictional wildfire-related costs related to the 2017/2018 Wildfire/Mudslide Events are probable of recovery through electric rates.

Post-2018 Wildfires

Several wildfires have significantly impacted portions **some** of SCE's service territory after 2018, including the 2019 Saddle Ridge Fire, the 2020 Bobcat Fire, the 2022 Coastal Fire **power procurement contracts** and the 2022 Fairview Fire.

In 2022, **environmental remediation obligations would require** SCE recorded a \$572 million increase in estimated losses for the Post-2018 Wildfires **to pay related liabilities or post additional collateral if SCE's credit rating were to fall below investment grade.** For further details, see "**—Margin** and recorded \$399 million in expected insurance recoveries against the charge. In light of the prudence standard the CPUC is required to apply under AB 1054 to utilities holding a safety certificate at the time a wildfire ignited after July 12, 2019, SCE has concluded, at this time, that both uninsured CPUC-jurisdictional and uninsured FERC-jurisdictional wildfire-related costs related to the Post-2018 Wildfires, other than for those already authorized for inclusion in electric rates, are probable of recovery through electric rates. As a result, SCE also recorded expected recoveries through electric rates of \$162 million against the charges accrued related to the Post-2018 Wildfires. The resulting net charge to earnings was \$11 million (\$8 million after-tax).

As of December 31, 2022, SCE had paid \$13 million under executed settlements related to the Post-2018 Wildfires. After giving effect to all payment obligations under settlements entered into through December 31, 2022, Edison International's and SCE's estimated

losses (established at the lower end of the estimated range of reasonably possible losses) for remaining alleged and potential claims related to the Post-2018 Wildfires was \$682 million. As of the same date, SCE had assets for expected recoveries through insurance of \$473 million and through electric rates of \$166 million on their consolidated balance sheets related to the Post-2018 Wildfires.

Expected recoveries from insurance recorded for the Post-2018 Wildfires are supported by SCE's insurance coverage for multiple policy years. While Edison International and SCE may incur material losses in excess of the amounts accrued for each of the Post-2018 Wildfires, Edison International and SCE expect that any losses incurred in connection with any such fire will be covered by insurance, subject to self-insured retentions and co-insurance, and expect that any such losses after expected recoveries from insurance and through electric rates will not be material. Collateral Deposits."

For further information restrictions on Southern California Wildfires and Mudslides, SCE's ability to pay dividends, see "Business— Southern California Wildfires," "Risk Factors," "Notes to Consolidated Financial Statements—Note 1. Summary of Significant Accounting Policies— Initial SCE Dividends."

Available Liquidity

At December 31, 2023, SCE had cash on hand of \$214 million and annual contributions approximately \$1.8 billion available to borrow on its \$3.4 billion revolving credit facility. The credit facility is available for borrowing needs until May 2027. The aggregate maximum principal amount under the wildfire insurance fund established pursuant SCE revolving credit facility may be increased up to California Assembly Bill 1054" \$4.0 billion, provided that additional lender commitments are obtained. SCE also has standby letters of credit with total capacity of \$625 million, and the unused amount was \$572 million as of December 31, 2023. For further details, see "Notes to Consolidated Financial Statements—Note 12. Commitments 5. Debt and Contingencies—Contingencies—Southern California Wildfires Credit Agreements."

At December 31, 2023, SCE had \$1.6 billion outstanding commercial paper, net of discount, at a weighted average interest rate of 5.82%. In January 2024, SCE issued \$500 million and Mudslides" in this report.

Upstream Lighting Program

From 2017 – 2019, SCE administered the Upstream Lighting Program, part \$900 million of a statewide program administered by investor-owned utilities that offered discounted energy efficient light bulbs to customers through incentives to lighting manufacturers. The CPUC began investigating the programs administered by the investor-owned utilities based on reports that investor-owned utilities, including SCE, shipped a significant number of bulbs under the program that could not be tracked to customers.

In May 2022, the CPUC issued an order directing SCE to show cause as to why SCE should not be required to: (i) refund ratepayer funding for the portion of the program budget associated with light bulbs that were unaccounted for, (ii) refund energy efficiency incentive mechanism ("ESPI") awards associated with unaccounted-for light bulbs, first and (iii) pay penalties for misrepresenting program progress and results to the CPUC. In September 2022, a Presiding Officer's Decision ("POD") was issued in the proceeding finding that SCE mismanaged its Upstream Lighting Program from 2017 through 2019 and failed to ensure that efficient light bulbs were tracked and sold as intended by the program design. The POD requires SCE to (i) refund to ratepayers \$76.1 million, representing the portion of the program budget associated refunding mortgage

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bonds due in 2027 and 2034, respectively. The proceeds were used to repay part of the commercial paper borrowings outstanding as of December 31, 2023, fund the payment of wildfire claims and related expenses above insurance proceeds, and for general corporate purposes.

SCE may finance balancing account undercollections and working capital requirements to support operations and capital expenditures with light bulbs commercial paper, its credit facilities or other borrowings, subject to availability in the bank and capital markets. As necessary, SCE will utilize its available liquidity, capital market financings, other borrowings or parent company contributions to SCE equity in order to meet its obligations as they become due, including costs related to the 2017/2018 Wildfire/Mudslide Events. For further information, see "Management Overview—Southern California Wildfires and Mudslides."

Debt Covenant

SCE's credit facilities and term loan require a debt to total capitalization ratio as defined in the applicable agreements of less than or equal to 0.65 to 1. At December 31, 2023, SCE's debt to total capitalization ratio was 0.56 to 1.

At December 31, 2023, SCE was in compliance with all financial covenants that **could** affect access to capital.

Regulatory Proceedings

Wildfire Related Regulatory Proceedings

In response to the increase in wildfire activity, and faster progression of and increased damage from wildfires across SCE's service territory and throughout California, SCE has incurred wildfire mitigation, wildfire insurance and wildfire and drought restoration related spending at levels significantly exceeding amounts authorized in SCE's GRCs.

2021 GRC Wildfire Mitigation Memorandum Account Balances

The 2021 GRC decision authorized the establishment of balancing accounts for expenses for vegetation management, wildfire insurance, and the WCCP program, with expenditures up to certain thresholds approved for cost recovery. SCE may submit subsequent reasonableness review applications for any spending in excess of these thresholds. SCE has incurred vegetation management expenses and capital expenditures for WCCP in excess of thresholds established in the 2021 GRC. SCE has also incurred costs in excess of amounts authorized in the 2021 GRC related to other wildfire mitigation activities, including inspections and maintenance and to support execution of PSPS events.

In June 2022, SCE filed an application with the CPUC requesting reasonableness review of the incremental costs incurred in 2021 related to non-WCCP wildfire mitigation and vegetation management activities, requesting a total revenue requirement of approximately \$327 million. In February 2024, the CPUC issued a proposed decision that, if adopted, will authorize a total revenue requirement of \$310 million, along with ongoing capital revenue requirements and interest. These revenue requirements will be amortized over 12 months.

In October 2023, SCE requested authority to recover revenue requirements associated with 2022 operations and maintenance and capital expenditures above levels authorized in wildfire mitigation accounts and the vegetation management balancing account. The revenue requirement, including interest, is currently estimated at \$384 million. In January 2024, SCE filed a supplemental motion for interim rate recovery to include \$210 million of these costs and associated interest in revenue requirements beginning March 1, 2024.

2020 Emergency Wildfire Restoration

Multiple wildfires occurred during 2020 which caused damage within SCE's service territory and to SCE's Big Creek hydroelectric facility.

In March 2022, SCE filed a catastrophic event memorandum account application requesting recovery of \$207 million of

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operation and maintenance expenses incremental to authorized revenue requirements and \$312 million of capital expenditures incremental to amounts authorized in the 2021 GRC primarily related to these restoration efforts. SCE has not yet filed for recovery of generation restoration costs, as repairs to hydroelectric generation facilities are not complete.

2024 FERC Formula Rate Annual Update

In November 2023, SCE filed its 2024 annual transmission revenue requirement update with the FERC, with the rate effective January 1, 2024. The update reflects a \$1.1 billion transmission revenue requirement for 2024, \$290 million or 20% lower than amounts included in the 2023 annual rates. The decrease is primarily due to returning an overcollection based on actual 2022 costs and lower wildfire-related claims.

Building Electrification Programs Application

In December 2021, SCE filed a \$677 million Building Electrification Program Application for a four-year program (2024 – 2027) to incentivize replacing 250,000 gas-fueled water and space heaters with efficient electric heat pumps and to upgrade or enhance the electrical infrastructure for 65,000 homes to support electrification. The proposed program included \$200 million for customer-side electrical infrastructure upgrades for which SCE requested inclusion as a regulatory asset in rate base, \$69 million in capital expenditures and \$408 million of operations and maintenance expense including heat pump incentives, program administration, and implementation costs. In January 2024, the CPUC issued a decision denying the application in its entirety.

Capital Investment Plan

Major Transmission Projects

A summary of SCE's most significant transmission and substation construction projects during the next two years is presented below. The timing of the projects below is subject to timely receipt of permitting, licensing and regulatory approvals.

Project Name	Project Lifecycle Phase	Direct		
		Expenditures (in millions) ¹	Inception to Date (in millions) ¹	Scheduled In-Service Date
Riverside Transmission Reliability ²	Licensing	584	34	2028
Alberhill System ³	Licensing	472	47	2029
Eldorado-Lugo-Mohave Upgrade	Construction	383	247	2024

¹ Direct expenditures include direct labor, land and contract costs incurred for the respective projects and exclude overhead costs that are included in the capital expenditures forecast discussed in "Management Overview—Capital Program."

² Expenditures and in-service date are based on CPUC approved plans and will likely be impacted by the timing of CPUC determination of the City of Norco's petition for modification ("PFM") and any changes to those plans required by Riverside City Council ("RCC").

³ In June 2023, SCE filed an amended application for a certificate of public convenience and necessity ("CPCN") with technical design modifications and engineering refinements to the proposed project that decreases project costs and reduces GHG emissions. Accordingly, the direct expenditures of the project are estimated to be reduced from \$486 million to \$472 million. SCE is unable to predict the timing of a final CPUC decision and the final project costs for the Alberhill System Project.

Riverside Transmission Reliability Project

The Riverside Transmission Reliability Project is a joint project between SCE and Riverside Public Utilities ("RPU"), the municipal utility department of the City of Riverside. While RPU will be responsible for constructing some of the project's facilities within Riverside, SCE's portion of the project consists of constructing upgrades to its system, including a new 230 kV substation; certain interconnection and telecommunication facilities and overhead transmission

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lines in the cities of Riverside, Jurupa Valley and Norco and in portions of unincorporated Riverside County. In May 2022, the RCC voted to investigate alternatives to the CPUC approved project. Consequently, SCE suspended all major activities on the project. In January 2023, the RCC voted to establish a working group to pursue funding for additional undergrounding. On October 2, 2023, the City of Norco filed a PFM to modify the CPUC decision approving the project and reopen the record to reconsider full undergrounding. In November 2023, SCE filed a response opposing the PFM.

Alberhill System Project

The Alberhill System Project consists of constructing a new 500 kV substation, two 500 kV transmission lines to connect the proposed substation to the existing Serrano-Valley 500 kV transmission line, telecommunication equipment and subtransmission lines in western Riverside County. The project was designed to meet long-term forecasted electrical demand in the proposed Alberhill System Project area and to increase electrical system reliability and resiliency. In April 2018 and July 2018, the CPUC issued a proposed decision and an alternate proposed decision, both denying SCE's ability to construct the Alberhill System Project based on a perceived lack of need. SCE filed comments on both proposed decisions requesting that the CPUC grant the CPCN for the Alberhill System Project. In August 2018, the CPUC issued a decision that did not deny or approve the Alberhill System Project but directed SCE to submit supplemental information on the Alberhill System Project including but not limited to a load forecast and cost benefit analysis of several alternatives to the proposed project. Ongoing capital spending has been deferred as a result of the CPUC request for additional information. In January 2020, SCE submitted a supplemental analysis to the CPUC for the Alberhill System Project including several alternatives to the proposed project as well as an update to the original project cost. A final decision on the Alberhill System Project remains pending. In June 2023, SCE filed an amended CPCN with technical design modifications and engineering refinements to the proposed project that decrease project costs and reduce GHG emissions. Given the uncertainty associated with the resolution of the permitting process, potential revisions to the project have not been reflected in total

direct expenditures. SCE continues to believe a system solution is needed for the project area but is unable to predict the timing of a final CPUC decision in connection with the Alberhill System Project proceeding.

Approximately 48% of the Alberhill System Project costs spent to date would be subject to recovery through CPUC revenue and 52% through FERC revenue. In October 2017, SCE obtained approval from the FERC for abandoned plant treatment for the Alberhill System Project, which allows SCE to seek recovery of 100% of all prudently incurred costs after the approval date and 50% of prudently incurred costs prior to the approval date. Excluding land costs, which may be recovered through sale to a third party, SCE has incurred approximately \$62 million of capital expenditures, including overhead costs, of which approximately \$44 million may not be accounted recoverable if the project is cancelled as of December 31, 2023.

Eldorado-Lugo-Mohave Upgrade Project

The Eldorado-Lugo-Mohave Upgrade Project will increase capacity on existing transmission lines to allow additional renewable energy to flow from Nevada to southern California. The project would modify SCE's existing Eldorado, Lugo, and Mohave electrical substations to accommodate the increased power flows from Nevada to southern California; increase the power flow through the existing 500 kV transmission lines by constructing two new capacitors along the lines; raise transmission tower heights to meet ground clearance requirements; and install fiber optics on the transmission lines to provide communications between existing SCE substations. In August 2020, the CPUC approved the CPCN for (ii) refund to ratepayers \$6.8 million, representing ESPI awards associated with light bulbs that could not be accounted the project.

Construction for (iii) pay \$19.06 million in fines; and (iv) bear the cost of SCE's investigation, approximately \$900,000. The CPUC issued its final decision project began in November 2022 2020. The total costs for the Eldorado-Lugo-Mohave Upgrade Project are expected to exceed amounts currently approved in line with the POD, CPCN granted by the CPUC due to delays in regulatory approvals, contractor performance issues, supply chain constraints, COVID-19 impacts and the availability of CAISO outage windows. In May 2023, SCE filed a Petition for Modification of the decision that approved the project to increase the maximum reasonable and prudent cost for the project, which increased the direct expenditures from \$247 million to

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\$319 million. SCE expects the project to be in service in 2024. Additional work after the in-service date is also required to mitigate the impact of the project on nearby natural gas transmission lines. Current estimation of the additional work is approximately \$64 million. A further Petition for Modification is expected to be filed before the authorized spending is exceeded.

RESULTS OF OPERATIONS

SCE

SCE's results of operations are derived mainly through two sources:

- Earning activities – representing revenue authorized by the CPUC and the FERC, which is intended to provide SCE with a reasonable opportunity to recover its costs and earn a return on its net investment in generation, transmission, and distribution assets. The annual revenue requirements are comprised of authorized operation and maintenance costs, depreciation, taxes and a return consistent with the capital structure. Also, included in earnings activities are revenue or penalties related to incentive mechanisms, other operating revenue and regulatory charges or disallowances.
- Cost-recovery activities – representing CPUC- and FERC-authorized balancing accounts which allow for recovery of specific project or program costs, subject to reasonableness review or compliance with upfront standards, as well as non-bypassable rates collected for SCE Recovery Funding LLC. Cost-recovery activities include rates which provide recovery, subject to reasonableness review of, among other things, fuel costs, purchased power costs, public purpose related-program costs (including energy efficiency and demand-side management programs), certain operation and maintenance expenses, (including vegetation management and wildfire insurance), and repayment of bonds and financing costs of SCE Recovery Funding LLC. SCE earns no return on these activities.

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Years ended **December 31, 2022**, **December 31, 2023**, **2021**, **2022** and **2020** **2021**

The following table is a summary of SCE's results of operations for the periods indicated:

	2022			2021			2020			2023			2022		
	Cost-			Cost-			Cost-			Cost-			Cost-		
	Earning	Recovery	Total	Earning	Recovery	Total	Earning	Recovery	Total	Earning	Recovery	Total	Earning	Recovery	Total
(in millions)	Activities	Activities	Consolidated	Activities	Activities	Consolidated	Activities	Activities	Consolidated	Activities	Activities	Consolidated	Activities	Activities	Consolidated
Operating revenue	\$ 9,008	\$ 8,164	\$ 17,172	\$ 7,872	\$ 7,002	\$ 14,874	\$ 7,468	\$ 6,078	\$ 13,546	\$ 9,012	\$ 7,263	\$ 16,275	\$ 9,008	\$ 8,164	\$ 17,172
Purchased power and fuel	—	6,375	6,375	—	5,540	5,540	2	4,930	4,932	—	5,486	5,486	—	6,375	6,375
Operation and maintenance	2,793	1,866	4,659	2,015	1,573	3,588	2,280	1,243	3,523	2,311	1,760	4,071	2,793	1,866	4,659
Wildfire-related claims, net of insurance recoveries	1,305	—	1,305	1,276	—	1,276	1,328	—	1,328	665	—	665	1,305	—	1,305
Wildfire Insurance Fund expense	214	—	214	215	—	215	336	—	336	213	—	213	214	—	214
Depreciation and amortization	2,540	19	2,559	2,209	7	2,216	1,965	—	1,965	2,588	45	2,633	2,540	19	2,559
Property and other taxes	482	15	497	462	—	462	435	—	435	539	27	566	482	15	497
Impairment, net of other (income)	50	—	50	67	—	67	(151)	—	(151)						
Impairment, net of other operating income										(2)	3	1	50	—	50
Total operating expenses	7,384	8,275	15,659	6,244	7,120	13,364	6,195	6,173	12,368	6,314	7,321	13,635	7,384	8,275	15,659
Operating income (loss)	1,624	(111)	1,513	1,628	(118)	1,510	1,273	(95)	1,178	2,698	(58)	2,640	1,624	(111)	1,513
Interest expense	(977)	(28)	(1,005)	(785)	(6)	(791)	(757)	(11)	(768)	(1,312)	(44)	(1,356)	(977)	(28)	(1,005)
Other income	198	139	337	109	124	233	149	106	255						
Other income, net										395	102	497	198	139	337

Income before income taxes	845	—	845	952	—	952	665	—	665	1,781	—	1,781	845	—	845
Income tax expense (benefit)	(109)	—	(109)	17	—	17	(277)	—	(277)						
Income tax expense (benefit)										184	—	184	(109)	—	(109)
Net income	954	—	954	935	—	935	942	—	942	1,597	—	1,597	954	—	954
Less: Preference stock dividend requirements	107	—	107	106	—	106	132	—	132						
Preference stock dividend requirements										123	—	123	107	—	107
Net income available for common stock	\$ 847	\$ —	\$ 847	\$ 829	\$ —	\$ 829	\$ 810	\$ —	\$ 810	\$ 1,474	\$ —	\$ 1,474	\$ 847	\$ —	\$ 847

Earning Activities

Earning activities in 2022 2023 compared to 2021 2022 were primarily affected by the following:

- Higher operating revenue of \$1,136 million \$4 million is primarily due to:
 - SCE recognized \$701 million of revenue for wildfire-related expenses that had been deferred prior to 2021 and were authorized for recovery in the GRC track 2 in January 2022 and GRC track 3 in June 2022 (\$416 million included in earnings activities, \$285 million included in cost-recovery activities).
 - An increase of CPUC-related revenue of \$376 million primarily \$411 million due to the escalation mechanism set forth in the 2021 GRC decision.
 - SCE recognized \$156 million A decrease of revenue on CPUC approval of recovery for CSRP-related costs in September 2022. The revenue comprised recovery of \$174 million of previously deferred expenses and \$48 million of previously unrecognized return on rate base and taxes, offset by \$66 million of income tax benefits. See "Liquidity and Capital Resources—SCE—Regulatory Proceedings" for more information.
 - An increase of other CPUC-related revenue of \$121 million primarily \$358 million due to lower wildfire-related expenses that had been authorized for recovery during 2022 through Track 2 and Track 3.
 - A decrease of CPUC-related revenue of \$49 million related to higher return, taxes and operating expenses recovered through capital balancing accounts, including for wildfire mitigation expenditures, lower CSRP revenue requirements approved in 2023 than in 2022.
 - An increase in FERC-related revenue of \$23 million primarily due to rate base growth.

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- An increase in other operating revenue of \$44 million primarily due to deferred revenue and billing associated with the agreement with Morongo Transmission LLC (offset in depreciation, property and other taxes and operation and maintenance expenses). See "Notes to Consolidated Financial Statements—Note 7. Revenue" for further information.
- Higher Lower operation and maintenance costs of \$778 million \$482 million primarily due to the following:

- Higher In 2022, SCE recognized \$404 million of previously deferred wildfire-related expenses upon approval of \$404 million subject to balancing account treatment including the approval in the GRC track Track 2 and GRC track Track 3, compared to recover \$54 million previously deferred expenses recognized in 2023 primarily related to the Track 3 in 2023. These wildfire-related expenses that had been deferred as regulatory assets prior to 2021 (offset were offset in revenue above), revenue.
- Higher expenses In 2022, SCE recognized a charge of \$95 million related to the POD in September 2022 on SCE's Upstream Lighting Program. This consisted of \$76 million of disallowed costs reclassified from cost recovery activities and \$19 million \$19 million of fines. See "Management Overview—Upstream Lighting Program" for further information.

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- Higher Lower uncollectible expenses of \$57 million related \$40 million primarily due to inspections and maintenance.
- Higher expenses of \$27 million previously deferred and expensed on approval for recovery in the CSRP decision (offset in revenue above).
- Higher uncollectibles expenses of \$38 million, including prior period expenses not subject to cost recovery following a recorded in 2022. A CPUC decision which in 2022 required SCE to change its methodology for calculating the portion of uncollectibles uncollectible expenses incremental to GRC authorized expenses, revenues.
- A charge In 2023, SCE recognized a probable disallowance of \$23 million \$30 million related to settlement the 2021 NDCTP. See "Liquidity and Capital Resources—SCE—Decommissioning of an employment litigation matter, net of estimated insurance recoveries.
- Higher expenses of \$18 million of wildfire mitigation expenses that were disallowed in the GRC track 3 decision.
- A charge of \$14 million related to organizational realignment services.
- Higher other expenses of \$102 million including IT costs, franchise fees, capital related costs, safety programs related to COVID-19, and power plant maintenance costs. San Onofre" for more information.
- Higher wildfire-related claims Wildfire-related claim charges were \$665 million and expenses of \$29 million \$1.3 billion in 2023 and 2022, respectively, primarily due to higher estimated losses related to wildfire claims from the 2017/2018 Wildfire/Mudslide Events in 2022 compared Events. See "Notes to 2021, Consolidated Financial Statements—Note 12. Commitments and Contingencies—Contingencies—Southern California Wildfires and Mudslides."
- Higher depreciation and amortization expense of \$331 million \$48 million primarily due to increased plant balances, partially offset by the CSRP decision received in 2022, which authorized SCE to recover \$134 million of previously deferred CSRP depreciation expensed on approval for recovery in the CSRP decision (offset in revenue above) and increased plant balances in 2022, expense.
- Higher property and other taxes of \$20 million \$57 million primarily due to higher property assessed value in 2022, 2023.
- Lower impairment and other operating income of \$17 million primarily due to an impairment charge of \$79 million recorded in 2021 related to disallowed historical capital expenditures in SCE's 2021 GRC final decision. Impairments were recorded in 2022, of which \$17 million related to the CPUC decision in the GRC track Track 3 proceeding and \$47 million \$47 million related to a settlement agreement between SCE and TURN in the CSRP proceeding. See "Liquidity and Capital Resources—SCE—Regulatory Proceedings" for more information, proceeding during 2022.
- Higher interest expense of \$192 million \$335 million primarily due to increased long-term borrowing and higher interest rates on long-term debt, short-term debt and balancing account overcollections, overcollections, as well as increased long-term borrowings.

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- Higher other income of \$89 million \$197 million primarily due to a higher interest rates applied to balancing account undercollections and allowance for funds used during construction, undercollections.

- See "Income Taxes" below for the explanation of \$126 million \$293 million increase in income tax benefits, expenses.
- Higher preference stock dividend requirements of \$16 million primarily due to dividends paid on Series E preference stock at a higher rate. See "Notes to Consolidated Financial Statements—Note 14. Equity—Preferred and Preference Stock of Utility."

Cost-Recovery Activities

Cost-recovery activities in 2022 2023 compared to 2021 2022 were primarily affected by the following:

- Higher Lower purchased power and fuel costs of \$835 million \$889 million, primarily due to higher lower prices and volumes for both purchased power and gas, prices, partially offset by lower load, hedging activities.
- Higher Lower operation and maintenance costs of \$293 million \$106 million primarily due to:
 - Higher expenses Lower insurance costs of \$285 million \$218 million due to expansion of GRC track 2 and GRC track 3 wildfire mitigation expenses that had been deferred prior to 2021 and were authorized SCE's use of customer-funded self-insurance for recovery wildfire-related claims in January 2022 and June 2022, respectively. See "—Earnings Activities" above, July 2023.
 - Higher A net decrease of \$114 million due to lower recognition of previously deferred expenses primarily related to wildfire mitigation, drought restoration, and COVID-19.
 - Lower uncollectible expenses of \$83 million \$79 million primarily due to authorization to recover 2020 and 2021 costs that had been the recognition of \$109 million previously deferred as regulatory assets through uncollectible expenses in the residential uncollectibles balancing account, first quarter of 2022.
 - Lower cost recovery activity expenses due to \$76 million In 2023, SCE recognized \$209 million of previously deferred incremental wildfire insurance premiums that provided coverage for the last six months of 2020.

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- \$76 million of disallowed costs were reclassified to earnings activities related to Upstream Lighting Program, Program in 2022. See "—Earnings Activities" above.
- Higher depreciation and amortization expense, of \$12 million due to recovery of expenses associated with AB 1054 Excluded Capital Expenditures financed through securitization.
- Higher property and other taxes and interest expenses of \$15 million due to recovery of property taxes associated with AB 1054 Excluded Capital Expenditures financed through securitization.
- Higher interest expense of \$22 million \$26 million, \$12 million, and \$16 million, respectively, primarily due to recovery of expenses associated with AB 1054 Excluded Capital Expenditures financed through securitization.
- Higher Lower other income of \$15 million \$37 million primarily driven by higher lower net periodic benefit income related to the non-service cost components for SCE's pension benefit plans, and PBOP. See "Notes to Consolidated Financial Statements—Note 9. Compensation and Benefit Plans" for further information.

Supplemental Operating Revenue Information

As a result of the CPUC-authorized decoupling mechanism, SCE revenues are not affected by changes in retail electricity sales.

Income Taxes

Lower Higher income tax expense of \$126 \$293 million in 2022 2023 compared to 2021 2022 (a tax benefit was recorded in 2022) was primarily driven by a decrease the increase in pre-tax income and the absence of a one-time charge recorded lower tax benefit associated with CSRP revenue recovery in 2021. In July 2021, SCE received the IRS's response to its private letter ruling request, regarding the scope of the deferred tax normalization requirements and the computations required to comply with the average rate assumption method. As a result of the IRS ruling, SCE's estimate changed, and a charge was recorded in 2021 to reduce the 2018 through 2021 cumulative tax benefits returned to customers, 2023. The effective tax rates were 10.3% and (12.9)% for 2023 and 1.8% for 2022, and 2021, respectively. SCE's effective tax rate is below the federal statutory rate of 21% for 2022 2023 and 2021 2022 primarily due to the CPUC's ratemaking treatment for the current tax benefit arising from certain property-related and other temporary differences, which reverse

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over time. The accounting treatment for these temporary differences results in recording regulatory assets and liabilities for amounts that would otherwise be recorded to deferred income tax expense.

See "Notes to Consolidated Financial Statements—Note 8. Income Taxes" for a reconciliation of the federal statutory rate to the effective income tax rates.

Edison International Parent and Other

Results of operations for Edison International Parent and Other include amounts from other subsidiaries that are not reportable as segments, as well as intercompany eliminations.

Loss from Operations

The following table summarizes the results of Edison International Parent and Other:

(in millions)	Years ended December 31,			Years ended December 31,		
	2022	2021	2020	2023	2022	2021
Edison Energy Group and subsidiaries	\$ (17)	\$ (15)	\$ (35)			
Edison Energy Group, Inc. (a subsidiary of Edison International) and subsidiaries				\$ (12)	\$ (17)	\$ (15)
Corporate expenses and other subsidiaries	(113)	5	(36)	(178)	(113)	5
Edison International Parent and Other net loss	\$ (130)	\$ (10)	\$ (71)	\$ (190)	\$ (130)	\$ (10)
Less: Preferred stock dividend requirement	105	60	—			
Less: Preferred stock dividend requirements				87	105	60
Edison International Parent and Other net loss attributable to common shareholders	\$ (235)	\$ (70)	\$ (71)	\$ (277)	\$ (235)	\$ (70)

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The net loss attributable to common shareholders from operations of Edison International Parent and Other increased **\$165 \$42** million in **2022 2023** compared to **2021 2022** primarily due to **an income tax benefit higher interest expense, partially offset by gains on preferred stock repurchases** of **\$110 million** recorded in 2021 related to the settlement of the 2007 – 2012 California tax audits with the FTB and higher preferred dividends in 2022. **\$16 million.**

LIQUIDITY AND CAPITAL RESOURCES

SCE

SCE's ability to operate its business, fund capital expenditures, and implement its business strategy is dependent upon its cash flow and access to the bank and capital markets. SCE's overall cash flows fluctuate based on, among other things, its ability to recover its costs in a timely manner from its customers through regulated rates, changes in commodity prices and volumes, collateral requirements, interest obligations, dividend payments to and equity contributions from Edison International, obligations to preference shareholders, and the outcome of tax, regulatory and legal matters.

In the next 12 months, SCE expects to fund its cash requirements through operating cash flows, **and** capital market and bank financings **and equity contributions from Edison International Parent, as needed.** SCE also has availability under its credit facility to fund cash requirements. **SCE expects to issue bonds to finance or refinance eligible sustainable projects. Eligible sustainable projects include categories such as renewable energy, clean transportation, energy efficiency and carbon reduction, climate change adaptation, and socioeconomic advancement and empowerment. SCE maintains processes to ensure that proceeds from the sale of the bonds are only used for projects that are aligned**

with the Edison International sustainable financing framework issued in June 2021. SCE also expects to issue additional debt for general corporate purposes, and to finance payments and refinance debt issued for future resolutions payment of claims and expenses related to the 2017/2018 Wildfire/Mudslide Events.

SCE has invested all \$1.6 billion of the required AB 1054 Excluded Capital Expenditures. SCE issued securitized bonds in the amounts of \$775 million, \$533 million, and \$338 million in 2023, 2022, and \$533 million in February 2021, and 2022, respectively, to finance a portion of these expenditures. SCE expects to use the proceeds of future securitized bonds to repay a term loan of \$730 million prior to its maturity in May 2023, which financed the remaining required AB 1054 Excluded Capital Expenditures. SCE has filed a regulatory application for authorization to issue additional securitized bonds, and related financing costs. For further more information, see "—Regulatory Proceedings—Financing Order, "Notes to Consolidated Financial Statements—Note 5. Debt and Credit Agreements."

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The IRA was signed into law in August 2022. See "—Edison International Parent and Other— Edison International Income Taxes" for a description of the impacts of the legislation on the Edison International consolidated tax group including SCE.

The following table summarizes SCE's current long-term issuer credit ratings and outlook from the major credit rating agencies:

	Moody's	Fitch	S&P
Credit Rating	Baa2 Baa1	BBB- BBB	BBB
Outlook	Positive Stable	Positive Stable	Stable

SCE's credit ratings may be affected if, among other things, regulators fail to successfully implement AB 1054 in a consistent and credit supportive manner, or the Wildfire Insurance Fund is depleted by claims from catastrophic wildfires. Credit rating downgrades increase the cost and may impact the availability of short-term and long-term borrowings, including commercial paper, credit facilities, bond financings or other borrowings. In addition, some of SCE's power procurement contracts and environmental remediation obligations would require SCE to pay related liabilities or post additional collateral if SCE's credit rating were to fall below investment grade. For further details, see "—Margin and Collateral Deposits."

For restrictions on SCE's ability to pay dividends, see "Notes to Consolidated Financial Statements—Note 1. Summary of Significant Accounting Policies—SCE Dividends."

Available Liquidity

At December 31, 2022 December 31, 2023, SCE had cash on hand of \$766 million \$214 million and approximately \$2.7 billion \$1.8 billion available to borrow on its \$3.4 billion revolving credit facility. The credit facility is available for borrowing needs until May 2026.

At December 31, 2022, SCE had \$195 million outstanding commercial paper, net of discount, at a weighted average interest rate of 5.20%, 2027. The aggregate maximum principal amount under the SCE revolving credit facility may be increased up to \$4.0 billion, provided that additional lender commitments are obtained. SCE also has standby letters of credit with total capacity of \$625 million, and the unused amount was \$572 million as of December 31, 2023. For further details, see "Notes to Consolidated Financial Statements—Note 5. Debt and Credit Agreements."

At December 31, 2023, SCE had \$1.6 billion outstanding commercial paper, net of discount, at a weighted average interest rate of 5.82%. In January 2024, SCE issued \$500 million and \$900 million of first and refunding mortgage

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bonds due in 2027 and 2034, respectively. The proceeds were used to repay part of the commercial paper borrowings outstanding as of December 31, 2023, fund the payment of wildfire claims and related expenses above insurance proceeds, and for general corporate purposes.

SCE may finance balancing account undercollections and working capital requirements to support operations and capital expenditures with commercial paper, its credit facilities or other borrowings, subject to availability in the bank and capital markets. As necessary, SCE will utilize its available liquidity, capital market financings, other borrowings or parent company contributions to SCE equity in order to meet its obligations as they become due, including costs related to the 2017/2018 Wildfire/Mudslide Events. For further information, see "Management Overview—Southern California Wildfires and Mudslides."

Debt Covenant

SCE's credit facilities and term loan require a debt to total capitalization ratio as defined in the applicable agreements of less than or equal to 0.65 to 1. At December 31, 2022 December 31, 2023, SCE's debt to total capitalization ratio was 0.56 to 1.

At December 31, 2022 December 31, 2023, SCE was in compliance with all financial covenants that affect access to capital.

Regulatory Proceedings

Wildfire Related Regulatory Proceedings

In response to the increase in wildfire activity, and faster progression of and increased damage from wildfires across SCE's service territory and throughout California, SCE has incurred wildfire mitigation, wildfire insurance and wildfire and drought restoration related spending at levels significantly exceeding amounts authorized in SCE's GRCs.

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2021 General Rate Case GRC Wildfire Mitigation Memorandum Account Balances

The 2021 GRC decision authorized the establishment of balancing accounts for expenses for vegetation management, wildfire insurance, and the WCCP program, with expenditures up to certain thresholds approved for cost recovery. SCE may submit subsequent reasonableness review applications for any spending in excess of these thresholds. SCE has incurred and in 2023 expects to incur, vegetation management expenses and capital expenditures for WCCP in excess of thresholds established in the 2021 GRC. SCE has also incurred and in 2023 expects to incur, costs in excess of amounts authorized in the 2021 GRC related to other wildfire mitigation activities, including inspections and maintenance and to support execution of PSPS events. SCE tracks these incremental amounts in memorandum accounts which will be subject to approval in future regulatory proceedings. For more information see "Business—SCE—Overview of Ratemaking Process."

In June 2022, SCE filed an application with the CPUC requesting reasonableness review of these the incremental costs incurred in 2021 related to non-covered conductor non-WCCP wildfire mitigation and vegetation management activities, requesting a total revenue requirement of approximately \$327 million. In October 2022, the CPUC temporarily suspended the procedural schedule for the proceeding to consider whether there is a sufficient record in the proceeding to address the issue of whether recorded costs are incremental, reasonable, and properly recoverable. In December 2022, the CPUC began to conduct an audit of SCE's 2021 incurred costs, with an expectation of issuing an audit report in July 2023.

2021 General Rate Case Track 3

In June 2022, February 2024, the CPUC issued a proposed decision on SCE's 2021 GRC track 3 filing that, authorized SCE to recover \$385 million if adopted, will authorize a total revenue requirement of incremental wildfire mitigation operation \$310 million, along with ongoing capital revenue requirements and maintenance expense and approved \$465 million of incremental wildfire mitigation capital expenditures as reasonable. SCE did not obtain a determination of reasonableness for an additional \$197 million of capital expenditures, associated with construction in progress, plant assets and installation of current limiting fuses, portions of which were defective. SCE expects to provide additional information supporting its application for recovery of approximately \$25 million of current limiting fuses expenditure in its 2025 GRC application. The construction in progress not approved as reasonable in the 2021 GRC track 3 was not eligible for inclusion in SCE's final financing order application, but is being recovered as part of SCE's authorized rate base included in the 2021 GRC decision on a forecast basis.

The decision did not find reasonable certain capital expenditures related to vegetation management software purchased by SCE. As a result of the decision, SCE recorded a \$17 million impairment of utility property, plant and equipment interest. These revenue requirements will be amortized over 12 months.

In October 2023, SCE requested authority to recover revenue requirements associated with 2022 operations and maintenance and capital expenditures above levels authorized in wildfire mitigation accounts and the vegetation management balancing account. The revenue requirement, including interest, is currently estimated at \$384 million. In January 2024, SCE filed a request supplemental motion for interim rate recovery to seek recovery include \$210 million of \$35 million, after accounting for a \$10 million deductible, for vegetation management-related operations these costs and maintenance expenses not approved associated interest in this proceeding. These increased costs are tracked in a "Z-Factor" memorandum account for vegetation management line clearance costs related to Senate Bill 247, which went into effect January 1, 2020, and requires SCE to pay line clearance tree trimmers the prevailing wage of qualified electrical workers.

The decision resulted in a revenue requirement of approximately \$400 million including a \$15 million 2020 revenue requirement for capital expenditures previously found reasonable by the CPUC. The approved revenue requirements are required to be amortized over a 36-month period. SCE is seeking recovery of the approved capital expenditures in a separate financing order application. See "— Financing Order" below.

Wildfire Expense Memorandum Account

SCE tracks insurance premium costs related to wildfire liability insurance policies as well as other wildfire-related costs in its WEMA. In December 2020, SCE filed a WEMA application with the CPUC to seek recovery of \$215 million of costs recorded in WEMA at December 31, 2020 beginning March 1, 2024. The costs primarily related to incremental wildfire insurance premium

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expenses and associated costs for wildfire liability insurance policies that provide coverage for the last six months of 2020. In October 2022, the CPUC extended the statutory deadline for completion of the proceeding to April 2023.

SCE believes that uninsured CPUC-jurisdictional wildfire-related costs related to the Post-2018 Wildfires, other than for those already authorized for inclusion in electric rates, are probable of recovery through electric rates. As of December 31, 2022, SCE has recorded total expected recoveries related to the Post-2018 Wildfires of \$152 million within the WEMA and risk management balancing accounts.

2020 Emergency Wildfire Restoration

Multiple wildfires occurred during 2020 which caused damage within SCE's service territory and to SCE's Big Creek hydroelectric facility.

In March 2022, SCE filed a CEMA catastrophic event memorandum account application requesting recovery of \$207 million of

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operation and maintenance expenses incremental to authorized revenue requirements and \$312 million of capital expenditures incremental to amounts authorized in the 2021 GRC primarily related to these restoration efforts. SCE has not yet filed for recovery of generation restoration costs, as repairs to hydroelectric generation facilities are not complete.

2021 General Rate Case Track 4

SCE made its 2021 GRC track 4 filing with the CPUC in May 2022. SCE is requesting a revenue requirement of \$8.6 billion for 2024. This represents an increase of \$938 million compared to SCE's revenue requirement of \$7.7 billion for the 2023 attrition year. A significant component of the track 4 revenue requirement request relates to projects previously authorized by the CPUC, including those which were completed and put into service since the 2021 GRC final decision. The other primary drivers of the increase are inflation and SCE's 2024 vegetation management and wildfire mitigation spending forecasts, partially due to a legislatively required wage rate increase. The schedule adopted by the CPUC for the 2021 GRC track 4 filing calls for a proposed decision in the fourth quarter of 2023.

Financing Order

In September 2022, SCE filed its third application for an irrevocable order from the CPUC to finance \$772 million, comprised of AB1054 Excluded Capital Expenditures, allowed overhead costs and associated financing expenses, through the issuance of securitized bonds. The expenditures consist of \$204 million approved in the 2021 GRC track 1 and \$465 million approved in the 2021 GRC track 3. SCE received a proposed decision on this application in January 2023, which would authorize the issuance of securitized bonds, if approved. SCE expects a final decision in the first quarter of 2023.

CSRP

In September 2022, the CPUC approved SCE's CSRP proceeding for expenditures incurred through April 2021. The approval resulted in a revenue requirement of \$388 million through December 2024. See "Notes to Consolidated Financial Statements—Note 1. Summary of Significant Accounting Policies— Impairments of Long-lived Assets" for further information.

In May 2022, SCE filed a second CSRP application with the CPUC requesting recovery of \$59 million of capital expenditures and \$28 million of operation and maintenance expenses incurred from May 2021 to December 2021. SCE also expects to propose review and cost recovery for additional post-implementation CSRP costs incurred from January 2022 through December 2024 in its 2025 GRC filing.

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ERRA Proceeding

SCE's cost-recovery mechanism for its fuel and purchased power-related costs is facilitated in three main balancing accounts, the ERRA, the PABA, and the NSGBA. SCE sets rates based on an annual forecast of the costs that it expects to incur during the subsequent year. The undercollection in ERRA and PABA during 2022 resulted in SCE triggering an established mechanism requiring SCE to file an application to advise the CPUC that SCE's undercollections had exceeded the trigger amount. In December 2022, the CPUC approved inclusion of the undercollection in a January 1, 2023 rate change.

At December 31, 2022, the ERRA and PABA were undercollected by approximately \$1.5 billion due to higher gas and power prices and in January 2023, SCE notified the CPUC of a further trigger of the mechanism. Due to the new rate effective in January 2023, undercollections are expected to decrease, however, if undercollections remain above the trigger level, it could result in a further adjustment to customer rates during 2023. See "Business—SCE—Overview of Ratemaking Process" for further information.

In October 2022, as part of the 2020 ERRA review proceeding, the CPUC rejected the methodology SCE used to calculate the portion of uncollectibles expense incremental to amounts authorized in SCE's GRC. This led to a disallowance of \$16 million of uncollectibles expense recorded to the residential uncollectible balancing account ("RUBA") in 2020. Beginning in the fourth quarter of 2022, SCE modified its methodology for calculating incremental uncollectibles expense to be included in RUBA to align with the decision.

2023 FERC Formula Rate Annual Update

In November 2022, 2023, SCE filed its 2023 2024 annual transmission revenue requirement update with the FERC, with the proposed rate effective January 1, 2023 January 1, 2024. The update reflects a \$2 million increase from SCE's 2022 \$1.1 billion transmission revenue requirement for 2024, \$290 million or 20% lower than amounts included in customer the 2023 annual rates. The 2023 filing was in line with the 2022 transmission revenue requirement decrease is primarily due to significant returning an overcollection based on actual 2022 costs and lower wildfire-related claims expenses recorded in both years. claims.

2022 California Arrearage Payment Program ("CAPP 2022")

In June 2022, California's State Assembly passed legislation to authorize, fund and implement the CAPP 2022, which is expected to reduce customer arrearages for certain residential customers of California's investor-owned utilities by up to \$1.0 billion. In November 2022, SCE received \$202 million of CAPP funds on behalf of customers, which has been applied to accounts receivable outstanding from individual customers. To the extent SCE's uncollectibles expenses have been offset by the CAPP 2022, recovery will not be sought through other mechanisms.

Building Electrification Programs Application

In December 2021, SCE filed a \$677 million Building Electrification Program Application for a four-year program (2024 – 2027) to incentivize replacing 250,000 gas-fueled water and space heaters with efficient electric heat pumps and to upgrade or enhance the electrical infrastructure for 65,000 homes to support electrification. The proposed program would include \$200 million included \$200 million for customer-side electrical infrastructure upgrades for which SCE has requested inclusion as a regulatory asset in rate base, \$69 million in capital expenditures and \$408 million of operations and maintenance expense including heat pump incentives, program administration, and implementation costs. The In January 2024, the CPUC is expected to issue issued a final decision on denying the application in mid-2023. its entirety.

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Capital Investment Plan

Major Transmission Projects

A summary of SCE's most significant transmission and substation construction projects during the next two years is presented below. The timing of the projects below is subject to timely receipt of permitting, licensing and regulatory approvals.

Project Name	Direct				Direct			
	Project Lifecycle Phase	Expenditures (in millions) ¹	Inception to Date (in millions) ¹	Scheduled In-Service Date	Project Lifecycle Phase	Expenditures (in millions) ¹	Inception to Date (in millions) ¹	Scheduled In-Service Date
Riverside Transmission Reliability ²	Licensing	584	33	2026	Licensing	584	34	2028
Alberhill System ³	Licensing	486	48	— ³	Licensing	472	47	2029
Eldorado-Lugo-Mohave Upgrade	Construction	247	226	2023	Construction	383	247	2024

¹ Direct expenditures include direct labor, land and contract costs incurred for the respective projects and exclude overhead costs that are included in the capital expenditures forecast discussed in "Management Overview—Capital Program."

² Expenditures and in-service date are based on CPUC approved plans and may will likely be impacted by the timing of CPUC determination of the City of Norco's petition for modification ("PFM") and any changes to those plans required by Riverside City Council. Council ("RCC").

³ Includes the original estimated project cost In June 2023, SCE filed an amended application for Alberhill. In January 2020, SCE submitted a supplemental analysis certificate of public convenience and necessity ("CPCN") with technical design modifications and engineering refinements to the CPUC which included alternative projects as well as an update proposed project that decreases project costs and reduces GHG emissions. Accordingly, the direct expenditures of the project are estimated to the original project cost. be reduced from \$486 million to \$472 million. SCE is unable to predict the timing of a final CPUC decision the corresponding in-service date, and what the final project costs will be for the Alberhill System Project.

Riverside Transmission Reliability Project

The Riverside Transmission Reliability Project is a joint project between SCE and Riverside Public Utilities ("RPU"), the municipal utility department of the City of Riverside. While RPU will be responsible for constructing some of the project's facilities within Riverside, SCE's

portion of the project consists of constructing upgrades to its system, including a new 230 kV substation; certain interconnection and telecommunication facilities and overhead transmission

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lines in the cities of Riverside, Jurupa Valley and Norco and in portions of unincorporated Riverside County. In May 2022, the Riverside City Council RCC voted to review and advise on investigate alternatives to the CPUC approved project. Consequently, SCE suspended all major activities on the project. In January 2023, the City Council RCC voted to establish a working group to pursue funding for additional undergrounding. SCE's capital forecast currently includes \$128 million. On October 2, 2023, the City of Norco filed a PFM to modify the CPUC decision approving the project and \$190 million of Riverside Transmission Reliability Project expenditures in reopen the record to reconsider full undergrounding. In November 2023, and 2024, respectively, which may be affected by further delays to SCE filed a response opposing the project.PFM.

Alberhill System Project

The Alberhill System Project consists of constructing a new 500 kV substation, two 500 kV transmission lines to connect the proposed substation to the existing Serrano-Valley 500 kV transmission line, telecommunication equipment and subtransmission lines in western Riverside County. The project was designed to meet long-term forecasted electrical demand in the proposed Alberhill System Project area and to increase electrical system reliability and resiliency. In April 2018 and July 2018, the CPUC issued a proposed decision and an alternate proposed decision, both denying SCE's ability to construct the Alberhill System Project based on a perceived lack of need. SCE filed comments on both proposed decisions requesting that the CPUC grant the certificate of public convenience and necessity ("CPCN") CPCN for the Alberhill System Project. In August 2018, the CPUC issued a decision that did not deny or approve the Alberhill System Project but directed SCE to submit supplemental information on the Alberhill System Project including but not limited to a load forecast and cost benefit analysis of several alternatives to the proposed project. Ongoing capital spending has been deferred as a result of the CPUC request for additional information. In January 2020, SCE submitted a supplemental analysis to the CPUC for the Alberhill System Project including several alternatives to the proposed project as well as an update to the original project cost. A final decision on the Alberhill System Project remains

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pending. In June 2023, SCE filed an amended CPCN with technical design modifications and engineering refinements to the proposed project that decrease project costs and reduce GHG emissions. Given the uncertainty associated with the resolution of the permitting process, potential revisions to the project have not been reflected in total direct expenditures. SCE continues to believe a system solution is needed for the project area but is unable to predict the timing of a final CPUC decision in connection with the Alberhill System Project proceeding.

Approximately 48% of the Alberhill System Project costs spent to date would be subject to recovery through CPUC revenue and 52% through FERC revenue. In October 2017, SCE obtained approval from the FERC for abandoned plant treatment for the Alberhill System Project, which allows SCE to seek recovery of 100% of all prudently incurred costs after the approval date and 50% of prudently incurred costs prior to the approval date. Excluding land costs, which may be recovered through sale to a third party, SCE has incurred approximately \$59 million and \$55 million \$62 million of capital expenditures, including overhead costs, of which approximately \$42 million and \$39 million \$44 million may not be recoverable if the project is cancelled as of December 31, 2022 and 2021, respectively. December 31, 2023.

Eldorado-Lugo-Mohave Upgrade Project

The Eldorado-Lugo-Mohave Upgrade Project will increase capacity on existing transmission lines to allow additional renewable energy to flow from Nevada to southern California. The project would modify SCE's existing Eldorado, Lugo, and Mohave electrical substations to accommodate the increased power flows from Nevada to southern California; increase the power flow through the existing 500 kV transmission lines by constructing two new capacitors along the lines; raise transmission tower heights to meet ground clearance requirements; and install fiber optics on the transmission lines to provide communications between existing SCE substations. In August 2020, the CPUC approved the CPCN for the project.

Construction for the project began in November 2020. The total costs for the Eldorado-Lugo-Mohave Upgrade Project are expected to exceed amounts currently approved in the CPCN granted by the CPUC due to delays in regulatory approvals, contractor performance issues, supply chain constraints, COVID-19 impacts and the availability of CAISO outage windows. In May 2023, SCE filed a Petition for Modification of the decision that approved the project to increase the maximum reasonable and prudent cost for the project, which increased the direct expenditures from \$247 million to

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\$319 million. SCE expects the project to be in service in 2024. Additional work after the in-service date is also required to mitigate the impact of the project on nearby natural gas transmission lines. Current estimation of the additional work is approximately \$64 million. A further Petition for Modification is expected to be operational filed before the authorized spending is exceeded.

Utility Owned Storage Projects

In October 2021, SCE contracted with Ameresco, Inc. ("Ameresco") for the construction of utility owned energy storage projects at three sites in SCE's service territory with an aggregate capacity of 537.5 MW, consisting of a 225 MW project, a 200 MW project and a 112.5 MW project, and an in-service date of August 1, 2022. Ameresco has advised SCE that it currently expects all three projects to be in-service prior to June 2024.

In April 2022, SCE received a *force majeure* event notice from Ameresco in which Ameresco asserted that both manufacturing delays related to COVID-19 shut-downs in China and new shipping restrictions imposed by Chinese governmental authorities were then impacting the supply of batteries from China necessary for timely completion of the projects. Ameresco subsequently supplemented its *force majeure* notice noting additional supply chain issues related to COVID-19. Permitting delays and engineering issues and certain changes requested by SCE also impacted the projects in 2022. SCE expects to receive in aggregate approximately \$270 million of tax credits available under the IRA for all three projects, which will accrue to the benefit of its customers. In January 2023, SCE received a *force majeure* event notice from Ameresco in which Ameresco asserted that severe winter storms in Southern California had impacted the timely completion of the projects.

In April 2023, Ameresco discovered damage to some of the equipment at the 225 MW project. Ameresco has sent SCE a notice of potential *force majeure* event and has concluded that the damage was caused by soil heave and that the soil heave was caused by extreme rainstorms at the project site in the second winter of 2022 – 2023. Ameresco is performing corrective action in response to the damage discovered in 2023.

SCE is continuing to evaluate the *force majeure* event notices and is awaiting additional information from Ameresco on the underlying events. If there is a valid *force majeure* event under the contracts with Ameresco, subject to certain conditions, the project schedules and any related triggers of liquidated damages may be extended, and the contract prices may be increased to account for the impact of the *force majeure* event. Because Ameresco did not achieve an in-service date of August 1, 2022, SCE is entitled to liquidated damages under the terms of the contracts subject to any relief Ameresco may be entitled to under the contracts, including any relief for any valid *force majeure* events. Once triggered, liquidated damages accrue daily for up to 60 days up to a maximum of \$89 million in aggregate for all three projects.

Subject to reductions for any liquidated damages SCE is paid, SCE currently expects these storage projects to result in \$1.0 billion of capital expenditures. In December 2021, the CPUC approved recovery of these expenditures and establishment of a balancing account for the associated revenue requirement, which have been reflected in rates beginning in the first quarter of 2023. Authorized revenue requirements will be included in the annual ERRR review proceeding and can only be disallowed upon a finding that SCE failed to prudently administer the contracts.

Ameresco has obtained surety bonds to secure its obligations to complete the construction of the projects, and is also required to obtain surety bonds or letters of credit after completion of the projects to secure its performance obligations, including its warranty obligations. If Ameresco is unable to fulfill its obligations and the amounts available under any surety bonds or letters of credit are insufficient or the issuer of any such surety bonds or letters of credit disputes coverage or otherwise does not perform or pay for the performance of Ameresco's obligations, SCE will incur additional costs beyond its contractual obligations.

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Other Capital Investment Projects and Programs

For a discussion of [utility owned storage and](#) forecast wildfire mitigation capital expenditures, including the WCCP, see "Management Overview—Capital Program." For discussion of Electrification and Clean Energy Transition Programs, see "— Regulatory Proceedings—Building Electrification Programs Application."

Decommissioning of San Onofre

The decommissioning of a nuclear plant requires the management of three related activities: radiological decommissioning, non-radiological decommissioning and the management of spent nuclear fuel. SCE [is the operating agent of San Onofre and](#) has engaged the DGC to undertake a significant scope of decommissioning activities for Units 1, 2 and 3 at San Onofre. The decommissioning of San Onofre is expected to take many years. [SCE funds decommissioning costs, including costs associated with storing spent nuclear fuel, with assets that are currently held in nuclear decommissioning trusts.](#)

Under federal law, the U.S. Department of Energy ("DOE") is responsible for the selection and construction of a facility for the permanent disposal of spent nuclear fuel and high-level radioactive waste. The DOE has not met its contractual obligation to accept spent nuclear fuel. Extended delays by the DOE have led to the construction of costly alternatives and associated siting and environmental issues.

Two Independent Spent Fuel Storage Installations ("ISFSI") store nuclear fuel onsite at San Onofre. The first primarily stores nuclear fuel from Unit 1 ("ISFSI 1") and the second stores nuclear fuel from Units 2 and 3 ("ISFSI 2").

SCE's [CDPs Coastal Development Permits, the principal discretionary permits required for ISFSI 1 and ISFSI 2 major decommissioning activities,](#) extend through 2035.

Decommissioning of San Onofre Unit 1 began in 1999 and the transfer of spent nuclear fuel from Unit 1 to dry cask storage in ISFSI 1 was completed in 2005. Major decommissioning work for Unit 1 has been completed except for certain underground work.

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Decommissioning of San Onofre Units 2 and 3 began in June 2013 and the transfer of spent nuclear fuel from San Onofre Units 2 and 3 to dry cask storage in the two ISFSIs was completed in August 2020. In [October 2019, the California Coastal Commission approved SCE's application for a CDP, the principal discretionary permit required to start major decommissioning activities at San Onofre Units 2 and 3. In](#) August 2020, SCE commenced, and is currently conducting, major decommissioning activities in accordance with the terms of the [permit, Coastal Developmental Permit for San Onofre Units 2 and 3.](#)

In [the third quarter of](#) 2021, SCE updated its decommissioning cost estimate for decommissioning activities to be completed at San Onofre Units 2 and 3 to \$3.4 billion (SCE share is \$2.6 billion) in 2021 dollars. The decommissioning cost estimate included costs through the expected decommissioning completion date, currently estimated to be in 2053 for San Onofre Units 2 and 3. SCE [filed requested approval of its](#)

updated decommissioning cost estimate ~~with from~~ the CPUC in February 2022, 2022 as part of its 2021 NDCTP filing. Decommissioning cost estimates are subject to a number of uncertainties including the cost and timing of nuclear waste disposal, the time it will take to obtain required permits, cost of removal of property, site remediation costs, as well as a number of other assumptions and estimates, including when the federal government will provide for either interim or permanent off-site storage of spent nuclear fuel enabling the removal and transport of spent fuel canisters from the San Onofre site, as to which there can be no assurance. Cost estimates are subject to change as decommissioning proceeds and such changes may be material.

SCE's share of the San Onofre Units 2 and 3 decommissioning costs recorded during 2023 and 2022 were \$226 million (in 2023 dollars) and 2021 were \$187 million (in 2022 dollars) and \$236 million (in 2021 dollars), respectively. The CPUC conducts a reasonableness review of recorded decommissioning ~~costs~~, costs in NDCTPs.

In the 2021 NDCTP, filed in February 2022, SCE filed its application for requested reasonableness review of approximately \$570 million \$570 million (SCE share in 2022 dollars) of recorded San Onofre Units 2 and 3 decommissioning costs incurred during the period 2018 to

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2020. ~~Intervenors~~ In May 2023, SCE entered into a settlement with the relevant intervenors under which, subject to CPUC approval, SCE agreed to a disallowance in the proceeding have recommended approximately \$115 million (SCE share in 2022 dollars) in disallowances for San Onofre Units 2 and 3 decommissioning costs. This amount includes a recommended disallowance 2021 NDCTP of approximately \$45 million in costs associated with an August 2018 incident that occurred when an \$30 million. SCE contractor was loading a spent nuclear fuel canister into an ISFSI resulting in fuel transfer operations being suspended has accrued for approximately one year. The remainder of the recommended disallowance amount is primarily for contractor staffing costs incurred during a delay in issuance of the CDP to allow for decommissioning, this disallowance.

SCE had nuclear decommissioning trust funds for San Onofre Units 2 and 3 of \$2.2 billion \$2.2 billion at both December 31, 2023 and \$2.8 billion as of December 31, 2022 and December 31, 2021, respectively. 2022. Based upon the resolution of a number of uncertainties, including the uncertainties of decommissioning discussed above, the financial performance of the nuclear decommissioning trust fund investments, as well as the resolution of a number of other assumptions and estimates, additional contributions to the nuclear decommissioning trust's funds may be required. If additional contributions to the nuclear decommissioning trust funds become necessary, SCE will seek recovery of such additional funds contributions to the decommissioning trust through electric rates and any such recovery will be subject to a reasonableness review by the CPUC. Cost increases resulting from contractual disputes, delays in performance by the contractor, elevated levels of inflation, or permitting delays, among other things, could cause SCE to materially overrun the decommissioning cost estimate and could materially impact the sufficiency of trust funds.

In December 2022, 2023, the CPUC approved disbursements from SCE's nuclear decommissioning trusts to cover forecasted 2023 2024 decommissioning costs for San Onofre Units 2 and 3, of which SCE's share is approximately \$300 million \$300 million in 2023 2024 dollars.

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SCE Dividends

CPUC holding company rules require that SCE's dividend policy be established by SCE's Board of Directors on the same basis as if SCE were a stand-alone utility company, and that the capital requirements of SCE, as deemed to be necessary to meet SCE's electricity service

obligations, shall receive first priority from the Boards of Directors of both Edison International and SCE. In addition, the CPUC regulates SCE's capital structure which limits the dividends it may pay to its shareholders.

The common equity component of SCE's CPUC authorized capital structure is 52% on a weighted average basis over the Capital Structure Compliance Period, unchanged from the January 1, 2020 to December 31, 2022 compliance period. The CPUC authorized capital structure differs from the capital structure calculated based on GAAP due to certain exclusions allowed by CPUC, including the impact of SCE's contributions to the Wildfire Insurance Fund under AB 1054. For further information, see "Business—SCE—Overview of Ratemaking Process" and "Business—Southern California Wildfires."

In May 2020, the CPUC issued a decision on SCE's application to the CPUC for waiver of compliance with its equity ratio requirement, that allows SCE to exclude from its equity ratio calculations (i) net charges accrued in connection with the 2017/2018 Wildfire/Mudslide Events and (ii) debt issued for the purpose of paying claims related to the 2017/2018 Wildfire/Mudslide Events up to an amount equal to the net charges accrued in connection with the 2017/2018 Wildfire/Mudslide Events. With these exclusions, SCE was in compliance with its authorized capital structure for the compliance period from January 1, 2020 to December 31, 2022. The temporary exclusion lapsed on May 7, 2022. In April 2022, SCE filed another application requesting continued waiver of compliance with its equity ratio requirement. Under the CPUC's rules, SCE will not be deemed to be in violation of the equity ratio requirement while the waiver application is pending resolution. While the exclusion is in place, SCE is required to notify the CPUC if an adverse financial event reduces SCE's spot equity ratio by more than one percent from the level most recently filed with the CPUC in the proceeding. The last spot equity ratio SCE filed with the CPUC in the proceeding did not exclude the then \$1.8 billion net charge and was 45.2% as of December 31, 2018 (at the time the common equity component of SCE's CPUC authorized capital structure was required to remain at or above 48% on a weighted average basis over the applicable 37-month period). SCE's spot equity ratio on December 31, 2018 would have been 48.7% had the \$1.8 billion net charge at December 31, 2018 been excluded, therefore SCE will notify the CPUC if its spot ratio drops below 47.7% in any quarter. For further information, see "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies—Contingencies—Southern California Wildfires and Mudslides."

SCE monitors its compliance with the CPUC's equity ratio requirement based on the weighted average of the common equity component of SCE's CPUC authorized capital structure over the Capital Structure Compliance Period using its actual capital structure from the beginning of the Capital Structure Compliance Period through the reporting date together with forecasted performance and expected financing activities for the remainder of the Capital Structure Compliance Period. SCE expects to be compliant with its CPUC authorized capital structure at the end of the Capital Structure Compliance Period.

SCE's ability to declare and pay common dividends may be restricted under the terms of its outstanding series of preference stock. For further information see "Notes to Consolidated Financial Statements—Note 14. Equity."

As a California corporation, SCE's ability to pay dividends is also governed by the California General Corporation Law. California law requires that for a dividend to be declared: (a) retained earnings must equal or exceed the proposed dividend, or (b) immediately after the dividend is made, the value of the corporation's assets must exceed the value of its liabilities plus amounts required to be paid, if any, in order to liquidate stock senior to the shares receiving the dividend. Additionally, a California corporation may not declare a dividend if it is, or as a result of the dividend would be, likely to be unable to meet its liabilities as they mature. Prior to declaring dividends, SCE's Board of Directors evaluates available information, including when applicable, information pertaining to the 2017/2018 Wildfire/Mudslide Events, to ensure

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that the California law requirements for the declarations are met. On February 23, 2023, SCE declared a dividend to Edison International of \$350 million.

The timing and amount of future dividends are also dependent on a number of other factors including SCE's requirements to fund other obligations and capital expenditures, and its ability to access the capital markets and generate operating cash flows and earnings. If SCE incurs significant costs related to catastrophic wildfires and is unable to recover such costs through insurance, the Wildfire Insurance Fund (for fires after July 12, 2019), or from customers or is unable to access capital markets on reasonable terms, SCE may be limited in its ability to pay future dividends to Edison International and its preference shareholders.

Margin and Collateral Deposits

Certain derivative instruments, power and energy procurement contracts and other contractual arrangements contain collateral requirements. In addition, certain environmental remediation obligations require financial assurance that may be in the form of collateral postings. Future collateral requirements may differ from the requirements at **December 31, 2022** **December 31, 2023** due to the addition of incremental power and energy procurement contracts with collateral requirements, if any, the impact of changes in wholesale power and natural gas prices on SCE's contractual obligations, and the impact of SCE's credit ratings falling below investment grade.

The table below provides the amount of collateral posted by SCE to its counterparties as well as the potential collateral that would have been required as of **December 31, 2022** **December 31, 2023**, if SCE's credit rating had been downgraded to below investment grade as of that date. The table below also provides the potential collateral that could be required due to adverse changes in wholesale power and natural gas prices over the remaining lives of existing power and fuel derivative contracts. **Natural gas prices have increased significantly in 2022 due to global demand and extreme weather conditions in the USA, which resulted in substantially higher collateral postings and potential collateral requirements during the year.**

In addition to amounts shown in the table, power and fuel contract counterparties may also institute new collateral requirements, applicable to future transactions to allow SCE to continue trading in power and fuel contracts at the time of a downgrade or upon significant increases in market prices. **In particular, SCE has an agreement with a counterparty for gas transport and balancing services through their pipeline. In December 2022, extreme winter conditions combined with pipeline constraints led to extremely high natural gas prices and usage, which affected collateral terms within the arrangement. Through December 31, 2022, the counterparty could have contractually requested \$118 million in collateral from SCE but waived the amount, given the extraordinary conditions. Furthermore, SCE may also be required to post up to \$50 million in collateral in connection with its environmental remediation obligations, within 120 days of the end of the fiscal year in which the a downgrade below investment grade occurs.**

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(in millions)		
Collateral posted as of December 31, 2022 ¹	\$	461
Collateral posted as of December 31, 2023 ¹		\$217
Incremental collateral requirements for purchased power and fuel contracts resulting from a potential downgrade of SCE's credit rating to below investment grade ²	252	102
Incremental collateral requirements for SCE's financial hedging activities resulting from adverse market price movements ³	73	51
Posted and potential collateral requirements	\$	786 \$370

¹ Net collateral provided to counterparties and other brokers consisted of **\$437 million** **\$88 million** in letters of credit and surety bonds and **\$24** **\$129** million of cash collateral.

² Represents potential collateral requirements for accounts payable and mark-to-market valuation at **December 31, 2022** **December 31, 2023**. Requirement varies throughout the period and is generally lower at the end of the month.

³ Incremental collateral requirements were based on potential changes in SCE's forward positions as of **December 31, 2022** **December 31, 2023** due to adverse market price movements over the remaining lives of the existing power and fuel derivative contracts using a 95% confidence level.

Edison International Parent and Other

In the next 12 months, Edison International expects to fund its net cash requirements through cash on hand, dividends from SCE, and capital market and bank financings. Edison International may finance its ongoing cash requirements, including dividends, working capital requirements, payment of obligations, and capital investments, including capital contributions to subsidiaries, with short-term or other financings, subject to availability in the bank and capital markets.

At **December 31, 2022** **December 31, 2023**, Edison International Parent had cash on hand of **\$148** **\$131** million and **\$1.4 billion** **\$1.3 billion** available to borrow on its \$1.5 billion revolving credit facility. The credit facility is available for borrowing needs until May **2026** **2027**.

At ~~December 31, 2022~~ ~~December 31, 2023~~ Edison International Parent had ~~\$90 million~~ ~~\$246 million~~ outstanding commercial paper, net of discount, at a weighted-average interest rate of ~~4.92%~~ ~~5.82%~~ supported by the \$1.5 billion revolving credit facility. The aggregate maximum principal amount under the Edison International Parent revolving credit facility may be increased up to \$2.0 billion, provided that additional lender commitments are obtained. For further details, see "Notes to Consolidated Financial Statements—Note 5. Debt and Credit Agreements."

Edison International Parent has ~~\$1.4 billion~~ ~~\$500 million~~ of debt maturities arising in the next 12 months. Edison International expects to ~~finance these maturities with \$300 million to \$400 million of equity content, as viewed by ratings agencies, and expects to issue debt for the remainder. to refinance these maturities.~~

In August 2022, Edison International Parent ~~established~~ ~~maintains~~ a program to sell shares of its common stock with aggregate sales price up to \$500 million, including through designated broker-dealers at prevailing market prices (an ~~at-the-market~~ ~~"at-the-market"~~ offering). For further information, see "Notes to Consolidated Financial Statements—Note 14. Equity."

In November 2023, Edison International repurchased 61,497 shares of its Series A Preferred Stock and 84,223 shares of its Series B Preferred Stock through a tender offer. In December 2023, Edison International repurchased 29,186 shares of its Series A Preferred Stock and 133,323 shares of its Series B Preferred Stock on the open market. The aggregate amount paid, including accrued and unpaid dividends, was \$133 million for the tender offer repurchase and \$155 million for the open market repurchase. Edison International paid the consideration and the fees and expenses incurred with cash on hand and proceeds of debt issuances. For further information, see "Notes to Consolidated Financial Statements—Note 14. Equity."

On ~~February 23, 2023~~ ~~February 22, 2024~~, Edison International declared a dividend of ~~\$0.7375~~ ~~\$0.78~~ per share to be paid on ~~April 30, 2023~~ ~~April 30, 2024~~. Edison International Parent and Other's liquidity and its ability to pay operating expenses and pay dividends to common shareholders are dependent on access to the bank and capital markets, dividends from SCE, realization of tax benefits and its ability to meet California law requirements for the declaration of dividends. Prior to declaring dividends, Edison

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International's Board of Directors evaluates available information, including when applicable, information pertaining to the 2017/2018 Wildfire/Mudslide Events, to ensure that the California law requirements for the declarations are met. For information on the California law requirements on the declaration of dividends, see ~~"—SCE—"~~ ~~"Notes to Consolidated Financial Statements—Note 1. Summary of Significant Accounting Policies—SCE Dividends."~~ Edison International intends to maintain its target payout ratio of 45% – 55% of SCE's core earnings, subject to the factors identified above.

Edison International's ability to declare and pay common dividends may be restricted under the terms of the Series A and Series B Preferred Stock. For further information see "Notes to Consolidated Financial Statements—Note 14. Equity."

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Edison International Parent's credit facility requires a consolidated debt to total capitalization ratio as defined in the applicable agreements of less than or equal to 0.70 to 1. At ~~December 31, 2022~~ ~~December 31, 2023~~, Edison International's consolidated debt to total capitalization ratio was ~~0.64~~ ~~0.63~~ to 1.

At ~~December 31, 2022~~ ~~December 31, 2023~~, Edison International Parent was in compliance with all financial covenants that affect access to capital.

The following table summarizes Edison International Parent's current long-term issuer credit ratings and outlook from the major credit rating agencies:

	Moody's	Fitch	S&P
Credit Rating	Baa3 Baa2	BBB- BBB	BBB
Outlook	Positive Stable	Positive Stable	Stable

Edison International Parent's credit ratings may be affected if, among other things, regulators fail to successfully implement AB 1054 in a consistent and credit supportive manner, or the Wildfire Insurance Fund is depleted by claims from catastrophic wildfires. Credit rating downgrades increase the cost and may impact the availability of short-term and long-term borrowings, including commercial paper, credit facilities, note financings or other borrowings.

Edison International Income Taxes

Net Operating Loss and Tax Credit Carryforwards

Edison International has approximately \$3.4 billion \$3.4 billion of tax effected net operating losses and tax credit carryforwards at December 31, 2022 December 31, 2023 (after excluding \$121 million \$106 million of Capistrano Wind attributes and offsetting \$310 million \$363 million of unrecognized tax benefits), which are available to offset future consolidated tax liabilities.

See "Notes to Consolidated Financial Statements—Note 8. Income Taxes" for further information regarding taxes payable to Capistrano Wind. Edison International expects to utilize its net operating loss and tax credit carryforwards through 2029 based on currently enacted tax laws.

Inflation Reduction Act of 2022

On August 16, 2022, the IRA was signed into law. The law imposes a 15% corporate alternative minimum tax ("CAMT") on adjusted financial statement income ("AFSI") of corporations with average AFSI exceeding \$1 billion \$1.0 billion over a specified 3-year period. The CAMT will be was effective beginning January 1, 2023. Based on the current interpretation of the law and historical financial data, Edison International estimates that it will exceed the \$1 billion \$1.0 billion threshold and be subject to CAMT on its consolidated Federal federal tax returns beginning in 2025. SCE also expects to be subject to CAMT on its stand-alone Federal federal return beginning in 2024, 2025.

The law also includes significant extensions, expansions, and enhancements of numerous energy-related investment tax credits, as well as creating new credits applicable to electricity production which may apply to SCE's capital expenditures. Under the IRA, SCE expects to generate investment tax credits related to its utility owned storage projects, which will accrue to the benefit of its customers.

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Historical Cash Flows

SCE

(in millions)	Years ended December 31,			Years ended December 31,		
	2022	2021	2020	2023	2022	2021
Net cash provided by operating activities	\$ 3,319	\$ 158	\$ 1,427	\$ 3,681	\$ 3,319	\$ 158
Net cash provided by financing activities	2,724	5,218	3,699	1,182	2,724	5,218
Net cash used in investing activities	(5,557)	(5,152)	(5,094)	(5,231)	(5,557)	(5,152)
Net increase in cash, cash equivalents and restricted cash	\$ 486	\$ 224	\$ 32			
Net (decrease) increase in cash, cash equivalents and restricted cash				\$ (368)	\$ 486	\$ 224

Net Cash Provided by Operating Activities

The following table summarizes major categories of net cash provided by operating activities as provided in more detail in SCE's consolidated statements of cash flows for 2023, 2022, 2021 and 2020: 2021:

(in millions)	Years ended December 31,			Change 2022/2021	Years ended December 31,			Change 2023/2022
	2022	2021	2020		2023	2022	2021	
Net income	\$ 954	\$ 935	\$ 942		\$ 1,597	954	\$ 935	
Non-cash items ¹	2,701	2,534	1,840		2,979	2,701	2,534	
Subtotal	3,655	3,469	2,782	186	4,576	3,655	3,469	\$ 921
Contributions to Wildfire Insurance Fund	(95)	(95)	(95)	—	(95)	(95)	(95)	—
Changes in cash flow resulting from working capital ²	327	(705)	(136)	1,032	(762)	327	(705)	(1,089)
Regulatory assets and liabilities	(51)	(720)	(1,799)	669	576	(51)	(720)	627
Wildfire related claims ³	(56)	(2,648)	(56)	2,592	(410)	(56)	(2,648)	(354)
Proceeds from Morongo Transmission LLC ⁴	—	400	—	(400)	—	—	400	—
Other noncurrent assets and liabilities ⁵	(461)	457	731	(918)	(204)	(461)	457	257
Net cash provided by operating activities	\$ 3,319	\$ 158	\$ 1,427	\$ 3,161	\$ 3,681	\$ 3,319	\$ 158	\$ 362

¹ Non-cash items include depreciation and amortization, allowance for equity during construction, impairment and other income, Wildfire Insurance Fund amortization expense, deferred income taxes and other.

² Changes in working capital items include receivables, unbilled revenue, inventory, amortization of prepaid expenses, accounts payable, tax receivables and payables, derivative assets and liabilities and other current assets and liabilities.

³ The amount in 2023 represents payments of \$1.0 billion for 2017/2018 Wildfire/Mudslide Events and \$190 million for Post-2018 Wildfires, partially offset by an increase in wildfire estimated losses of \$814 million. The 2022 amounts include amount includes payments of \$1.9 billion settlements on 2017/2018 Wildfire/Mudslide Events claims, partially offset by an increase of estimated losses of \$1.3 billion on 2017/2018 Wildfire/Mudslide Events and \$0.6 billion on Post-2018 Wildfires. The 2021 amounts were primarily related to settlement payments of \$3.9 billion for 2017/2018 Wildfire/Mudslide Events, partially offset by an increase of \$1.3 billion in liabilities for the 2017/2018 Wildfire/Mudslide Events.

⁴ Represents \$400 million proceeds from Morongo Transmission LLC Includes nuclear decommissioning trusts. See "Nuclear Decommissioning Activities" below for use of a portion of the West of Devers transmission line in 2021.

⁵ Includes further information. Also includes changes in wildfire-related insurance receivables. Also includes nuclear decommissioning trusts activities. See "Nuclear Decommissioning Activities" below for further information.

Net cash provided by operating activities was impacted by the following:

Net income and non-cash items increased in 2022 2023 by \$186 million \$921 million from 2021 2022 primarily due to higher revenue due to the escalation mechanism as set forth in the 2021 GRC final decision and higher return interest income on rate base from capital balancing accounts, account undercollections and lower wildfire estimated losses, partially offset by higher operation and maintenance expenses and higher interest expense.

Net cash provided by operating activities was also impacted by cash outflow of \$95 million related to SCE's contributions to the Wildfire Insurance Fund in both 2022 and 2021. See "Business—Southern California Wildfires" for further information.

Net cash (outflow) inflow (outflow) for working capital was \$(762) million and \$327 million in 2023 and \$(705) million 2022, respectively. The net cash outflow for working capital for 2023 was primarily due to decrease in payables of \$402 million driven by payments on power purchase contracts and a decrease in gas price from December 2022, and 2021, respectively, increases in customer receivables and unbilled revenue of approximately \$300 million due to various customer protection programs in place. The net cash inflow for working capital for 2022 was mainly due to an increase in payables of \$343 million driven by

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higher payables on power purchase contracts and a net decrease of \$24 million in customer receivables and unbilled revenue primarily from \$387 million of CAPP funds received in 2022, partially offset by lower collections. The net cash outflow for working capital in 2021 was mainly due to net increases in unbilled revenue and customer receivables of \$700 million.

Net cash used in regulatory assets and liabilities, including the increase in net undercollections of balancing accounts, was \$51 million and \$720 million in 2022 and 2021, respectively. SCE has a number of balancing and memorandum accounts, which impact cash flows based on was affected by differences between timing of collection of amounts through rates and accrual expenditures. Cash flows inflows of \$576 million in 2023 were primarily impacted due to recovery of prior year undercollections, partially offset by the following:

2022

- Net undercollections of BRRBA increased by \$259 million primarily due to inclusion in BRRBA of \$401 million of revenue requirement authorized under GRC track 2 for collection in customer rates starting March 2022 over a 36-month period, a revenue requirement of approximately \$400 million authorized under GRC track 3 for collection in customer rates starting October 2022 over a 36-month period, and \$174 million CSRP related expenses approved in September 2022. These higher undercollections were partially offset by current year overcollections due to higher sales volume and average rates due to extreme heat in California and recovery of prior year undercollections, including 2021 GRC authorized additional revenue requirement for the first nine months of 2021 to be collected over a 27-month period starting October 2021.
- Undercollections decreased by \$180 million related to wildfire risk mitigation and restoration memorandum and balancing accounts as a result of approval to recover costs in GRC track 2 and track 3, which were transferred to BRRBA for recovery as mentioned above, partially offset by additional WEMA and wildfire risk mitigation and restoration costs incurred.
- Net undercollections for ERRA, PABA and NSGBA increased by \$795 million primarily due to current year undercollections due to higher than forecast energy prices and load, partially offset by higher sales volume and higher average rates driven by extreme heat in California and recovery of prior PABA and NSGBA undercollections.
- Increased overcollections of \$511 million for the public purpose and energy efficiency programs primarily due to lower program spending due to timing and increased sales volume.
- Net overcollection increased by \$178 million for the FERC balancing accounts primarily due to current year overcollections due to higher sales volume, recovery of prior year undercollections and lower operating expenses than amounts included in revenue requirements.
- Increase in overcollections of \$56 million for excess California Department of Water Resources ("DWR") bond and power charges to be refunded to customers over a 12-month period beginning in June 2022.
- Undercollections in the CSRP memorandum account decreased by \$64 million primarily due to transfer \$174 million approved expense to BRRBA as mentioned above, partially offset by related deferred CSRP post implementation costs.

2021

- Net undercollections of BRRBA increased by \$227 million primarily driven by adoption of the 2021 GRC final decision, including 2021 authorized revenue requirements to be collected over a 27-month period starting October

[Table current year undercollections due to lower sales volume driven by mild weather. Cash outflows of Contents](#)

\$51 2021, and CEMA drought authorized revenue requirement to be collected over a 12-month period starting October 2021. The undercollections are partially offset by current year overcollection due to higher sales volume, and recovery of prior year undercollections, including WEMA and the Grid Safety and Resiliency Program being collected over a two-year and one-year period, respectively, starting October 2020.

- Undercollections of \$364 million were related to wildfire-related expenses that are probable of future recovery from customers.
- Undercollections of CEMA accounts decreased by \$62 million as a result of approval to recover drought restoration costs, which was transferred to BRRBA for recovery, partially offset by additional restoration costs due to wildfire events in 2020.
- Net undercollections for ERRA, PABA and the NSGBA increased by \$251 million primarily due to current year undercollections as a result of higher gas and power prices, partially offset by higher sales volume, and recovery of prior PABA and NSGBA undercollections.
- Undercollections from COVID-19-related memorandum and balancing accounts decreased by \$82 million due to transfer of \$182 million to ERRA and public purpose programs, partially offset by additional customer uncollectible expenses.
- Undercollections of \$98 million in the CSRP memorandum account were related to CSRP implementation costs.

Cash flows (used in) or provided by other noncurrent assets and liabilities were primarily related to an increase in wildfire insurance receivables of \$(398) million in 2022 were primarily due to increased undercollections driven by higher energy prices and an insurance power purchase load, partially offset by recovery of \$708 million prior year undercollections and current year higher sales volume and average rates driven by extreme heat in 2021. See "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies" for further information. California.

Net Cash Provided by Financing Activities

The following table summarizes cash provided by financing activities for 2023, 2022 2021 and 2020, 2021. Issuances of debt is discussed in "Notes to Consolidated Financial Statements—Note 5. Debt and Credit Agreements."

(in millions)	Years ended December 31,			Years ended December 31,		
	2022	2021	2020	2023	2022	2021
Issuances of long-term debt, including premium/discount and net of issuance costs	\$ 5,032	\$ 5,411	\$ 2,676	\$ 3,588	\$ 5,032	\$ 5,411
Long-term debt repaid or repurchased	(385)	(1,037)	(699)	(2,098)	(385)	(1,037)
Short-term debt borrowed	—	2,654	2,194	706	—	2,654
Short-term debt repaid	(1,543)	(2,255)	(326)	(1,051)	(1,543)	(2,255)
Commercial paper (repaid), net of borrowing	(406)	(124)	175	—	—	—
Commercial paper borrowing (repayments), net	—	—	—	963	(406)	(124)
Preference stock issued, net of issuance cost	—	—	—	542	—	—
Capital contributions from Edison International Parent	1,400	1,633	1,432	—	1,400	1,633
Redemptions of preferred and preference stock	—	—	(308)	—	—	—
Payment of common stock dividends to Edison International	(1,300)	(975)	(1,332)	—	—	—
Payment of preferred and preference stock dividends	(110)	(106)	(118)	—	—	—
Payment of common stock dividends to Edison International Parent	—	—	—	(1,400)	(1,300)	(975)
Payment of preference stock dividends	—	—	—	(117)	(110)	(106)
Other	36	17	5	49	36	17
Net cash provided by financing activities	\$ 2,724	\$ 5,218	\$ 3,699	\$ 1,182	\$ 2,724	\$ 5,218

Net Cash Used in Investing Activities

Cash flows used in investing activities are primarily due to capital expenditures and funding of nuclear decommissioning trusts. Cash used in capital expenditures were \$5.8 billion \$5.4 billion, \$5.5 billion \$5.8 billion and \$5.5 billion for 2023, 2022 2021 and 2020, 2021, respectively, primarily related to transmission, distribution and generation investments. SCE had a net redemption of nuclear decommissioning trust investments of \$180 million, \$123 million and \$256 million in 2023, 2022 and \$197 million in 2022, 2021, and 2020, respectively. See "Nuclear Decommissioning Activities" below for further discussion.

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Nuclear Decommissioning Activities

SCE's statements of cash flows include nuclear decommissioning activities, which are reflected in the following line items:

(in millions)	Years ended December 31,			Years ended December 31,		
	2022	2021	2020	2023	2022	2021
Net cash used in operating activities:						
Net earnings (losses) from nuclear decommissioning trust investments	\$ 78	\$ (31)	\$ 25	\$ 42	\$ 78	\$ (31)
SCE's decommissioning costs	(189)	(238)	(223)	(229)	(189)	(238)
Net cash provided by investing activities:						
Proceeds from sale of investments	4,177	3,961	5,927	4,597	4,177	3,961
Purchases of investments	(4,054)	(3,705)	(5,730)	(4,417)	(4,054)	(3,705)
Net cash impact	\$ 12	\$ (13)	\$ (1)			
Net cash (outflow) inflow				\$ (7)	\$ 12	\$ (13)

Net cash used in operating activities relates to interest and dividends less administrative expenses, taxes and SCE's decommissioning costs. Investing activities represent the purchase and sale of investments within the nuclear decommissioning trusts, including the reinvestment of earnings from nuclear decommissioning trust investments.

Funds for decommissioning costs are requested from the nuclear decommissioning trusts one month in advance. Decommissioning disbursements are funded from sales of investments of the nuclear decommissioning trusts. The net cash impact reflects timing of decommissioning payments (\$189 million, \$189 million and \$238 million in 2023, 2022 and 2021, respectively) and reimbursements to SCE from the nuclear decommissioning trust (\$201 million, \$225 million and \$222 million in 2023, 2022 and 2021, respectively).

Edison International Parent and Other

The table below sets forth condensed historical cash flow from operations for Edison International Parent and Other, including intercompany eliminations.

(in millions)	Years ended December 31,			Years ended December 31,		
	2022	2021	2020	2023	2022	2021
Net cash used in operating activities	\$ (103)	\$ (147)	\$ (164)	\$ (280)	\$ (103)	\$ (147)
Net cash provided by financing activities	157	227	28	265	157	227
Net cash (used in) provided by investing activities	(17)	1	123	(2)	(17)	1
Net increase (decrease) in cash, cash equivalents and restricted cash	\$ 37	\$ 81	\$ (13)			
Net (decrease) increase in cash, cash equivalents and restricted cash				\$ (17)	\$ 37	\$ 81

Net Cash Used in Operating Activities

Net cash used in operating activities decreased increased in 2022 2023 by \$44 million \$177 million from 2021 2022 due to:

- Outflows of \$193 million \$280 million and \$147 million \$193 million from operating activities in 2022 2023 and 2021, 2022, respectively, due to payments and receipts relating to interest and operating costs.
- \$90 million cash inflow from a wildfire insurance premium received by EIS in 2022.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was as follows:

(in millions)	Years ended December 31,			Years ended December 31,		
	2022	2021	2020	2023	2022	2021
Dividends paid to Edison International common shareholders	\$ (1,050)	\$ (988)	\$ (928)	\$ (1,112)	\$ (1,050)	\$ (988)
Dividends paid to Edison International preferred shareholders	(99)	(35)	—	(108)	(99)	(35)
Dividends received from SCE	1,300	975	1,332	1,400	1,300	975
Capital contributions to SCE	(1,400)	(1,633)	(1,432)	—	(1,400)	(1,633)
Issuance of common stock	13	32	912	20	13	32
Issuance of preferred stock, net of issuance costs	—	1,977	—	—	—	1,977
Long-term debt issuance, net of discount and issuance costs	939	—	397	1,533	939	—
Long-term debt repayments	(700)	—	(400)	(400)	(700)	—
Issuance of term loan	1,000	—	—	—	—	—
Issuance of short-term debt	—	—	—	370	1,000	—
Repayments of short-term debt	—	—	—	(1,356)	—	—
Preferred stock repurchased	—	—	—	(289)	—	—
Commercial paper financing, net	89	(130)	129	139	89	(130)
Other	65	29	18	68	65	29
Net cash provided by financing activities	\$ 157	\$ 227	\$ 28	\$ 265	\$ 157	\$ 227

Net Cash (Used in) Provided by Investing Activities

Net cash used in investing activities in 2022 included a net cash outflow of \$17 million for a business acquisition at Edison Energy. For more details, see "Notes to Consolidated Financial Statements—Note 1. Summary of Significant Accounting Policies—Business Acquisition."

Contractual Obligations and Contingencies

Contractual Obligations

SCE and Edison International Parent and Other have various contractual obligations, which are recorded as liabilities in the consolidated financial statements. Other items, such as certain purchase commitments and other executory contracts, are not recognized as liabilities in the consolidated financial statements but are required to be disclosed in the footnotes to the financial statements.

For details on long-term debt, see "Notes to Consolidated Financial Statements—Note 5. Debt and Credit Agreements."

Certain power purchase agreements which SCE entered into with independent power producers are treated as operating or finance leases. In addition, SCE has other operating lease obligations primarily related to vehicles, office space and other equipment. For further discussion, see "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies" and "—Note 13. Leases."

SCE also has other purchase obligations primarily related to maintaining reliability and expanding SCE's transmission and distribution system and nuclear fuel supply contracts. For further discussion, see "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies."

Edison International Parent and Other and SCE have estimated contributions to the pension and PBOP plans. These amounts represent estimates that are based on assumptions that are subject to change. See "Notes to Consolidated Financial Statements—Note 9. Compensation and Benefit Plans" for further information.

Edison International and SCE have a total net liability recorded for uncertain tax positions. Edison International and SCE cannot make reliable estimates of the cash flows by period due to uncertainty surrounding the timing of resolving these

open tax issues with the tax authorities. See "Notes to Consolidated Financial Statements—Note 8. Income Taxes" for further information.

For details on derivative obligations and asset retirement obligations, see "Notes to Consolidated Financial Statements—Note 6. Derivative Instruments" and "—Note 1. Summary of Significant Accounting Policies," respectively.

Contingencies

Edison International's and SCE's contingencies are discussed in "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies—Contingencies."

Off-Balance Sheet Arrangements

SCE has variable interests in power purchase contracts with variable interest entities and a variable interest in unconsolidated Trust II, Trust III, Trust IV, Trust V, Trust VI and Trust VII that issued \$400 \$220 million (aggregate liquidation preference) of 5.10%, \$275 million (aggregate liquidation preference) of 5.75%, \$325 million (aggregate liquidation preference) of 5.375%, \$300 million (aggregate liquidation preference) of 5.45%, \$475 million of 5.00% and \$475 million (aggregate liquidation preference) \$550 million of 5.00%, 7.50% trust securities, respectively, to the public. In 2020, SCE Trust II redeemed \$180 million of its trust securities from All dollar amounts shown are the public, from its issued trust securities of \$400 million. aggregate liquidation preference. See "Notes to Consolidated Financial Statements—Note 3. Variable Interest Entities."

MARKET RISK EXPOSURES

Edison International's and SCE's primary market risks include fluctuations in interest rates, commodity prices and volumes, and counterparty credit. Derivative instruments are used to manage market risks including market risks to SCE's customers. For further discussion of market risk exposures, including commodity price risk, credit risk and interest rate risk, see "Notes to Consolidated Financial Statements—Note 6. Derivative Instruments" and "—Note 4. Fair Value Measurements."

Interest Rate Risk

Edison International and SCE are exposed to changes in interest rates primarily as a result of financing, investing and borrowing activities used for liquidity purposes, and to fund business operations and capital investments. The nature and amount of Edison International's and SCE's long-term and short-term debt can be expected to vary as a result of future business requirements, market conditions and other factors. Fluctuations in interest rates can affect earnings and cash flows. Changes in interest rates may impact SCE's authorized rate of return for the period beyond 2023 2024 through a CPUC cost of capital adjustment mechanism, see "Liquidity and "Management Overview—Cost of Capital Resources—SCE" Trigger" and "Business—SCE—Overview of Ratemaking Process" for further discussion. The following table summarizes the increase or decrease to the fair value of long-term debt including the current portion, if the market interest rates were changed while leaving all other assumptions the same:

(in millions)		Carrying Value	Fair Value	10% Increase	10% Decrease	Carrying Value	Fair Value	10% Increase	10% Decrease
Edison International:									
December 31, 2023						\$ 33,013	\$ 31,315	\$ 30,060	\$ 32,684
December 31, 2022		\$ 29,639	\$ 26,824	\$ 25,739	\$ 28,006	29,639	26,824	25,739	28,006
December 31, 2021		25,247	27,718	26,920	28,565				
SCE:									
December 31, 2023						28,494	26,712	25,593	27,930
December 31, 2022		26,258	23,469	22,444	24,590	26,258	23,469	22,444	24,590
December 31, 2021		22,110	24,375	23,603	25,196				

Commodity Price Risk

SCE and its customers are exposed to the risk of a change in the market price of natural gas, electric power and transmission congestion. Due to regulatory mechanisms, exposure to commodity prices is not expected to impact

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earnings but may impact timing of cash flows. SCE's hedging program is designed to reduce exposure to variability in market prices related to SCE's purchases and sales of electric power and natural gas. As part of this program, SCE enters

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into energy options, swaps, forward arrangements and congestion revenue rights ("CRRs"). The transactions are pre-approved by the CPUC or executed in compliance with CPUC-approved procurement plans. Therefore, SCE expects recovery of its related hedging costs, as well as procurement costs, through the ERRR balancing account or CPUC-approved procurement plans. For more details of the ERRR balancing account, see "Liquidity and Capital Resources—SCE—Regulatory Proceedings—ERRR Proceeding" and "Business—SCE—Overview of Ratemaking Process."

Fair Value of Derivative Instruments

The fair value of derivative instruments is included in the consolidated balance sheets unless subject to an exception under the applicable accounting guidance. Realized gains and losses from derivative instruments are expected to be recovered from or refunded to customers through regulatory mechanisms and, accordingly, changes in the fair value of derivative instruments have no impact on earnings. SCE does not use hedge accounting for these transactions due to this regulatory accounting treatment. For further discussion on fair value measurements and the fair value hierarchy, see "Notes to Consolidated Financial Statements—Note 4. Fair Value Measurements."

The fair value of outstanding derivative instruments used to mitigate exposure to commodity price risk was a net asset of \$240 million \$91 million and \$44 \$240 million at December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

The following table summarizes the increase or decrease to the fair values of the net asset of derivative instruments included in the consolidated balance sheets, if the electricity prices or gas prices were changed while leaving all other assumptions constant:

(in millions)	December 31,		December 31,	
	2022	2021	2023	2022
Increase in electricity prices by 10%	\$ 22	\$ 13	\$ 26	\$ 22
Decrease in electricity prices by 10%	(22)	(13)	(26)	(22)
Increase in gas prices by 10%	40	20	5	40
Decrease in gas prices by 10%	(40)	(20)	(5)	(40)

Investment Price Risk

Edison International and SCE are subject to investment price risk due to securities held as investments in the nuclear decommissioning trust and various pension and other post-retirement benefit plan trusts.

Nuclear Decommissioning Trust

As of December 31, 2022 December 31, 2023, SCE's nuclear decommissioning trust investments consist of include equity investments of \$1.6 \$1.7 billion and fixed income investments of \$2.2 billion \$2.3 billion. These investments are exposed to price fluctuations in equity markets and changes in interest rates. SCE's investment policies and CPUC requirements place limitations on the types and investment grade ratings of the securities that may be held by the nuclear decommissioning trust. These policies restrict the trust from holding alternative investments and limit the trust funds' exposures to investments in highly illiquid markets. Due to regulatory mechanisms, investment earnings and realized and unrealized gains and losses increase or decrease the trust assets and the related regulatory asset or liability, and do not materially affect earnings. For further discussion on the nuclear decommissioning trust investments, see "Notes to Consolidated Financial Statements—Note 4. Fair Value Measurements" and "—Note 10. Investments."

PBOP and Pension Plan Assets

The PBOP Plan and the Southern California Edison Company Retirement Plan Trust assets include investments in equity securities, U.S. treasury securities, other fixed-income securities, common/collective funds, mutual funds, other investment entities, foreign exchange and interest rate contracts, and partnership/joint ventures. These investments are

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exposed to price fluctuations in equity markets and changes in interest rates. The investment of plan assets is overseen by a fiduciary investment committee. Risk is managed through diversification among multiple asset classes, managers,

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styles and securities. See "Notes to Consolidated Financial Statements—Note 9. Compensation and Benefit Plans" for additional information regarding investment strategy of plan assets.

A significant decline in the value of plan assets could require SCE to increase funding of its pension and PBOP plans in future periods, which could adversely affect cash flows in those periods. Annual contributions Contributions related to SCE employees made to SCE plans pension plan are anticipated to be recovered through CPUC-approved regulatory mechanisms.

Credit Risk

Credit risk exposure from counterparties for power and gas trading activities is measured as the sum of net accounts receivable (accounts receivable less accounts payable) and the current fair value of net derivative assets (derivative assets less derivative liabilities) reflected on the consolidated balance sheets. SCE enters into master agreements which typically provide for a right of set-off. Accordingly, SCE's credit risk exposure from counterparties is based on a net exposure under these arrangements. SCE manages the credit risk on the portfolio of counterparties based on credit ratings and other publicly disclosed information, such as financial statements, regulatory filings and press releases, to guide it in the process of setting credit levels, risk limits and contractual arrangements, including master netting agreements. Based on SCE's policies and risk exposures related to credit, SCE does not anticipate a material adverse effect on their financial statements as a result of counterparty nonperformance. At December 31, 2022 December 31, 2023, SCE's power and gas trading counterparty credit risk exposure was \$239 million \$91 million, all of which is associated with entities that have an investment grade rating of A or higher. SCE assigns a credit rating to counterparties based on the lowest of a counterparty's S&P's, Moody's and Fitch's rating.

For more information related to credit risks, see "Notes to Consolidated Financial Statements—Note 6. Derivative Instruments."

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

The accounting policies described below are considered critical to obtaining an understanding of Edison International's and SCE's consolidated financial statements because their application requires the use of significant estimates and judgments by management in preparing the consolidated financial statements. Management estimates and judgments are inherently uncertain and may differ significantly from actual results achieved. Management considers an accounting estimate to be critical if the estimate requires significant assumptions and changes in the estimate or, the use of alternative estimates, could have a material impact on Edison International's and SCE's results of operations or financial position. For more information on Edison International's and SCE's accounting policies, see "Notes to Consolidated Financial Statements—Note 1. Summary of Significant Accounting Policies."

Accounting for Contingencies

Nature of Estimates Required. Edison International and SCE record loss contingencies when management determines that the outcome of future events is probable of occurring and when the amount of the loss can be reasonably estimated. Gain contingencies are recognized in the financial statements when they are realized.

Key Assumptions and Approach Used. The determination of an accrual for a loss contingency is based on management judgment and estimates with respect to the likely outcome of the matter, including the analysis of different scenarios. Liabilities are recorded or adjusted when events or circumstances cause these judgments or estimates to change. In assessing whether a loss is a reasonable possibility, Edison International and SCE may consider the following factors, among others: the nature of the litigation, claim or assessment, available information, opinions or views of legal counsel and other advisors, and the experience gained from similar cases. Edison International and SCE provide disclosures for material contingencies when there is a reasonable possibility that a loss or an additional loss may be incurred.

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Effect if Different Assumptions Used. Actual amounts realized upon settlement of contingencies may be different than amounts recorded and disclosed and could have a significant impact on the liabilities, revenue and expenses recorded on

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the consolidated financial statements. For a discussion of contingencies, guarantees and indemnities, see "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies."

Application to 2017/2018 Wildfire/Mudslide Events Wildfires

As discussed in "Management Overview," wildfires in SCE's territory in December 2017 and November 2018 have caused loss of life, substantial damage to both residential and business properties, and service outages for SCE customers.

The extent of legal liability for wildfire-related damages in actions against utilities depends on a number of factors, including whether the utility substantially caused or contributed to the damages and whether parties seeking recovery of damages will be required to show negligence in addition to causation. Final determinations of legal liability for wildfire events, including determinations of whether SCE was negligent, would only be made during lengthy and complex litigation processes and settlements may be reached before determinations of legal liability are ever made.

Edison International and SCE have incurred material losses in connection with the 2017/2018 Wildfire/Mudslide Events, several wildfires. Estimated losses for the 2017/2018 Wildfire/Mudslide Events wildfire litigation are based on a number of assumptions and are subject to change as additional information becomes available. Actual losses incurred may be higher or lower than estimated based on several factors, including the uncertainty in estimating damages that have been or may be alleged. For instance, SCE will receive additional information with respect to damages claimed as the claims mediation and trial processes progress. Other factors that can cause actual losses incurred to be higher or lower than estimated include the ability to reach settlements and the outcomes of settlements reached through the ongoing claims mediation and trial processes, uncertainties related to the sufficiency of insurance held by plaintiffs, uncertainties related to the litigation processes, including whether plaintiffs will ultimately pursue claims, uncertainty as to the legal and factual determinations to be made during litigation, including uncertainty as to the contributing causes of the 2017/2018 Wildfire/Mudslide Events, the complexities associated with fires that merge and whether inverse condemnation will be held applicable to SCE with respect to damages caused by the Montecito Mudslides, certain wildfires, and the uncertainty as to how these factors impact future settlements.

Each reporting period, management reviews its loss estimates for remaining alleged and potential claims. For more information related to the 2017/2018 Wildfire/Mudslide Events. Management's 2022 reviews included a review of large damage claims presented by a small number of plaintiffs, new lawsuits filed in the Woolsey Fire litigation and information obtained after the statute of limitations for individual plaintiffs for the Woolsey Fire expired, including information regarding the nature of claims remaining in the Woolsey Fire litigation. Management also reviewed information obtained from settling a substantial portion of the claims in the 2017/2018 Wildfire/Mudslide Events litigations, including higher than expected costs of wildfires, see "Notes to settle claims. As a result of management's reviews during 2022, SCE recorded a \$1.3 billion increase in estimated losses for the 2017/2018 Wildfire/Mudslide Events during the year.

In total, through December 31, 2022, SCE has accrued estimated losses of \$8.8 billion, has paid or is obligated to pay approximately \$7.8 billion in settlements. Consolidated Financial Statements—Note 12. Commitments and has recovered \$2.0 billion from its insurance carriers. Contingencies—Contingencies—Southern California Wildfires and approximately \$234 million through FERC-jurisdictional electric rates in relation to the 2017/2018 Wildfire/Mudslide Events. At December 31, 2022 Edison International's and SCE's best estimate of expected losses for remaining alleged and potential claims related to the 2017/2018 Wildfire/Mudslide Events is \$934 million. Mudslides."

Edison International and SCE may incur a material loss in excess of amounts accrued in connection with the remaining alleged and potential claims related to the 2017/2018 Wildfire/Mudslide Events. Due to the number of uncertainties and possible outcomes related to the 2017/2018 Wildfire/Mudslide Events litigation, Edison International and SCE cannot estimate the upper end of the range of reasonably possible losses that may be incurred.

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Rate Regulated Enterprises

Nature of Estimate Required. SCE follows the accounting principles for rate-regulated enterprises which are required for entities whose rates are set by regulators at levels intended to recover the estimated costs of providing service, plus a return on net investment, or rate base. Regulators may also impose penalties or grant incentives. Due to timing and other differences in the collection of revenue, these accounting principles allow a cost that would otherwise be charged as an expense by an unregulated entity to be capitalized as a regulatory asset if it is probable that such cost is recoverable through future rates; conversely the accounting principles allow require creation of a regulatory liability for amounts collected in rates to recover costs expected to be incurred in the future or amounts collected in excess of costs incurred and refundable to customers. In addition, SCE recognizes revenue and regulatory assets from alternative revenue programs, which enables the utility to adjust future rates in response to past activities or completed events, if certain criteria are met, even for programs that do not qualify for recognition of "traditional" regulatory assets and liabilities.

Accounting principles for rate-regulated enterprises also require recognition of an impairment loss if it becomes probable that the regulated utility will abandon a plant investment, or if it becomes probable that the cost of a recently completed plant will be disallowed, either directly or indirectly, for ratemaking purposes and a reasonable estimate of the amount of the disallowance can be made.

Key Assumptions and Approach Used. SCE's management assesses at the end of each reporting period whether regulatory assets are probable of future recovery by considering factors such as the current regulatory environment, the issuance of rate orders on recovery of the specific or a similar incurred cost to SCE or other rate-regulated entities, and

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other factors that would indicate that the regulator will treat an incurred cost as allowable for ratemaking purposes. Using these factors, management has determined that existing regulatory assets and liabilities are probable of future recovery or settlement. This determination reflects the current regulatory climate and is subject to change in the future. SCE also considers whether any plant investments are probable of abandonment or disallowance.

Effect if Different Assumptions Used. Significant management judgment is required to evaluate the anticipated recovery of regulatory assets and plant investments, the recognition of incentives and revenue subject to refund, as well as the anticipated cost of regulatory liabilities or penalties. If future recovery of costs ceases to be probable, all or part of the regulatory assets, plant investments and/or liabilities would have to be written off against current period earnings. At **December 31, 2022** **December 31, 2023**, the consolidated balance sheets included regulatory assets of **\$10.7** **\$11.4** billion and regulatory liabilities of **\$9.2** **\$10.2** billion. If different judgments were reached on recovery of costs and timing of income recognition, SCE's earnings may vary from the amounts reported.

Application to Southern California Wildfires

Application to 2017/2018 Wildfire/Mudslide Events

Recovery of SCE's losses realized in connection with the 2017/2018 Wildfire/Mudslide Events in excess of available insurance is subject to approval by regulators. Under accounting standards for rate-regulated enterprises, SCE defers costs as regulatory assets when it concludes that such costs are probable of future recovery in electric rates. SCE utilizes objectively determinable evidence to form its view on probability of future recovery. The only directly comparable precedent in which a California investor-owned utility has sought recovery for uninsured **wildfire-related wildfire claims related** costs is SDG&E's requests for cost recovery related to 2007 wildfire activity, where the FERC allowed recovery of all FERC-jurisdictional **wildfire-related wildfire claims related** costs while the CPUC rejected recovery of all CPUC-jurisdictional **wildfire-related wildfire claims related** costs based on a determination that SDG&E did not meet the CPUC's prudence standard. As a result, while SCE does not agree with the CPUC's decision, it believes that the CPUC's interpretation and application of the prudence standard to SDG&E creates substantial uncertainty regarding how that standard will be applied to an investor-owned utility in **wildfire** cost-recovery proceedings for **wildfire claims related to** fires ignited prior to July 12, 2019. SCE will continue to evaluate the probability of recovery based on available evidence, including judicial, legislative and regulatory decisions, including any CPUC

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decisions illustrating the interpretation and/or application of the prudence standard when making determinations regarding recovery of uninsured wildfire-related costs. While the CPUC has not made a determination regarding SCE's prudence relative to any of the 2017/2018 Wildfire/Mudslide Events, SCE is unable to conclude, at this time, that uninsured CPUC-jurisdictional wildfire-related costs **for these events** are probable of recovery through electric rates. SCE would record a regulatory asset at the time it obtains sufficient information to support a conclusion that recovery is probable.

Through the operation of its FERC Formula Rate, and based upon the precedent established in SDG&E's recovery of FERC-jurisdictional wildfire-related costs, SCE believes it is probable it will recover its FERC-jurisdictional wildfire and mudslide related costs and has recorded total expected recoveries within the FERC balancing account.

Application to Post-2018 Wildfires

Management judgment **was is** required to assess the probability of recovery of SCE's losses realized in connection with the Post-2018 Wildfires in excess of available insurance.

The CPUC and FERC may not allow SCE to recover uninsured losses through electric rates if it is determined that such losses were not reasonably or prudently incurred. On July 12, 2019, AB 1054 clarified that the CPUC must allow recovery of costs and expenses arising from a covered wildfire if the utility's conduct related to the ignition was consistent with actions that a reasonable utility would have undertaken in good faith under similar circumstances, at the relevant point in time, and based on the information available at that time. Further, utilities with a valid safety

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certification at the time of the relevant wildfire will be presumed to have acted prudently related to a wildfire ignition unless a party in the cost recovery proceeding creates "serious doubt" as to the reasonableness of the utility's conduct, at which time, the burden shifts back to the utility to dispel that doubt and prove its conduct was prudent. The serious doubt standard in AB 1054 is modeled after the FERC cost recovery standard. SCE evaluates the probability of recovery for of costs related to the Post-2018 Wildfires in the context of the prudence standard laid out by AB 1054 above. This assessment is made based above, including how the FERC applies the serious doubt standard. SCE's evaluation also relies on SCE's its status as a holder of a valid safety certificate, facts and other evidence known to date related to the ignition, and any regulatory decisions illustrating the interpretation and/or application of the prudence standard under AB 1054, which as of December 31, 2022 December 31, 2023, has not been applied by the CPUC to an actual cost recovery application filed by any California investor-owned utility. SCE also considers which costs are eligible for recovery based on precedents precedent from other CPUC cost recovery proceedings. Management's Management's assessment of the probability of recovery may change, related to changes in any of these factors in the future.

See "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies—Contingencies—Southern California Wildfires and Mudslides—Post-2018 Wildfires" for further discussion of regulatory assets recorded for Post-2018 Wildfires as of December 31, 2023.

Income Taxes

Nature of Estimates Required. As part of the process of preparing its consolidated financial statements, Edison International and SCE are required to estimate income taxes for each jurisdiction in which they operate. This process involves estimating actual current period tax expense together with assessing temporary differences resulting from differing treatment of items, such as depreciation, for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included within Edison International's and SCE's consolidated balance sheets, including net operating loss and tax credit carryforwards. Certain estimates and assumptions are required to determine whether deferred tax assets can and will be utilized in future periods. Based on currently enacted tax laws, Edison International expects to generate sufficient taxable income beginning in 2023 to fully utilize all loss and credit carryovers set to expire beyond 2022, 2023.

Edison International and SCE take certain tax positions they believe are in accordance with the applicable tax laws. However, these tax positions are subject to interpretation by the Internal Revenue Service, state tax authorities and the courts. Edison International and SCE determine uncertain tax positions in accordance with the authoritative guidance.

Key Assumptions and Approach Used. In determining whether it is more likely than not that all or some portion of net operating loss and tax credit carryforwards can be utilized, management analyzes the trend of GAAP earnings and then

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estimates the impact of future taxable income, reversing temporary differences and available prudent and feasible tax planning strategies based on currently enacted tax laws.

Accounting for tax obligations requires management judgment. Edison International's and SCE's management use judgment in determining whether the evidence indicates it is more likely than not, based solely on the technical merits, that a tax position will be sustained, and to determine the amount of tax benefits to be recognized. Judgment is also used in determining the likelihood a tax position will be settled and possible settlement outcomes. In assessing uncertain tax positions Edison International and SCE consider, among others, the following factors: the facts and circumstances of the position, regulations, rulings, and case law, opinions or views of legal counsel and other advisers, and the experience gained from similar tax positions. Edison International and SCE evaluate uncertain tax positions at the end of each reporting period and make adjustments when warranted based on changes in fact or law.

Effect if Different Assumptions Used. Should a change in facts or circumstances, including a change in enacted tax legislation, lead to a change in judgment about the ultimate realizability of a deferred tax asset, Edison International and

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SCE would record or adjust the related valuation allowance in the period that the change in facts and circumstances occurs, along with a corresponding increase or decrease in the provision for income taxes.

Actual income taxes may differ from the estimated amounts which could have a significant impact on the liabilities, revenue and expenses recorded in the financial statements. Edison International and SCE continue to be under audit or subject to audit for multiple years in various jurisdictions. Significant judgment is required to determine the tax treatment of particular tax positions that involve interpretations of complex tax laws. Such liabilities are based on judgment and a final determination could take many years from the time the liability is recorded. Furthermore, settlement of tax positions included in open tax years may be resolved by compromises of tax positions based on current factors and business considerations that may result in material adjustments to income taxes previously estimated. For a discussion of current and deferred taxes, net operating losses and tax credit carryforwards, accounting for uncertainty in income taxes, unrecognized tax benefits, and tax disputes, see "Notes to Consolidated Financial Statements—Note 8. Income Taxes."

Nuclear Decommissioning – Asset Retirement Obligation

Key Assumptions and Approach Used. San Onofre Units 1, 2 and 3 decommissioning cost estimates are updated in each **Nuclear Decommissioning Cost Triennial Proceeding ("NDCTP") NDCTP** and when there are material changes to the timing or amount of estimated future cash flows. Palo Verde decommissioning cost estimates are updated by the operating agent, Arizona Public Services, every three years and when there are material changes to the timing or amount of estimated future cash flows. SCE estimates that it will spend approximately **\$6.3 \$6.1** billion, undiscounted through 2080, to decommission its nuclear facilities.

The current ARO estimates for San Onofre and Palo Verde are based on:

- **Decommissioning Costs.** The estimated costs for labor, material, equipment and other, and low-level radioactive waste costs are included in each of the NRC decommissioning stages: license termination, site restoration and spent fuel storage. The liability to decommission SCE's nuclear power facilities is based on a 2020 decommissioning study, filed as part of the 2021 NDCTP, for San Onofre Unit 1, 2 and 3 and a 2019 decommissioning study for Palo Verde, with revisions to the cost estimate in 2020.
- **Escalation Rates.** Annual escalation rates are used to convert the decommissioning cost estimates in base year dollars to decommissioning cost estimates in future-year dollars. Escalation rates are primarily used for labor, material, equipment and low-level radioactive waste burial costs. SCE's current estimates are based upon SCE's decommissioning cost methodology used for ratemaking purposes. Average escalation rates range from **2.3% 2.2%** to 7.5% (depending on the cost element) annually.

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- **Timing.** Initial decommissioning activities at San Onofre Unit 1 started in 1999 and at Units 2 and 3 in 2013. Cost estimates for San Onofre Units are currently based on completion of decommissioning activities by 2053. Cost estimates for Palo Verde are based on an assumption that decommissioning will commence promptly after the current NRC operating licenses expire. The Palo Verde 1, 2, 3 operating licenses currently expire in 2045, 2046 and 2047, respectively.
- **Spent Fuel Dry Storage Costs.** Cost estimates, including the impact of escalations, are based on an assumption that the U.S. Department of Energy will begin to take spent fuel from the nuclear industry in 2031 and will remove the last spent fuel from the San Onofre and Palo Verde sites by 2051 and 2078, respectively.
- **Changes in Decommissioning Technology, Regulation and Economics.** The current cost studies assume the use of current technologies under current regulations and at current cost levels.

See "Liquidity and Capital Resources—SCE—Decommissioning of San Onofre" for further discussion of the plans for decommissioning of San Onofre.

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Effect if Different Assumptions Used. The ARO for decommissioning SCE's nuclear facilities was \$2.3 billion \$2.2 billion as of December 31, 2022 December 31, 2023, based on the most recent decommissioning studies performed and the subsequent cost estimate updates. Changes in the estimated costs, execution strategy or timing of decommissioning, or in the assumptions and judgments by management underlying these estimates, could cause material revisions to the estimated total cost to decommission these facilities which could have a material effect on the recorded liability.

The following table illustrates the increase to the ARO liability if the cost escalation rate was adjusted while leaving all other assumptions constant:

(in millions)	Increase to ARO at December 31, 2022	Increase to ARO at December 31, 2023
Uniform increase in escalation rate of 1 percentage point	\$ 584	\$ 587

The increase in the ARO liability driven by an increase in the escalation rate would result in a decrease in the regulatory liability for recoveries in excess of ARO liabilities.

Pensions and Postretirement Benefits Other than Pensions

Nature of Estimate Required. Authoritative accounting guidance requires companies to recognize the overfunded or underfunded status of defined benefit pension and other postretirement plans as assets and liabilities in the balance sheet; the assets and/or liabilities are normally offset through other comprehensive income (loss). In accordance with authoritative guidance for rate-regulated enterprises, regulatory assets and liabilities are recorded instead of charges and credits to other comprehensive income (loss) for its postretirement benefit plans that are recoverable in utility rates. Edison International and SCE have a fiscal year-end measurement date for all of their postretirement plans.

Key Assumptions of Approach Used. Pension and other postretirement benefit obligations and the related effects on results of operations are calculated using actuarial models. Two critical assumptions, discount rate and expected return on assets, are important elements of plan expense, and the discount rate is important to liability measurement. Other assumptions, which require management judgment, include the rate of compensation increases and rates of retirement and turnover. Additionally, health care cost trend rates are critical assumptions for postretirement health care plans. These critical assumptions are evaluated at least annually. Other assumptions, which require management judgment, such as rate of compensation increases and rates of retirement and turnover, are evaluated periodically and updated to reflect actual experience, experience, as appropriate.

As of December 31, 2022 December 31, 2023, Edison International's and SCE's pension plans had a \$3.5 billion \$3.6 billion and \$3.2 \$3.3 billion projected benefit obligation, respectively, and total 2022 2023 expense for these plans was \$19 \$23 million and \$16 \$18 million, respectively. As of December 31, 2022 December 31, 2023, the accumulated benefit obligation for both Edison International's and SCE's PBOP plans were

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\$1.3 billion, \$773 million and total 2022 expense \$769 million, respectively, and there were no expenses for Edison International's PBOP plan were \$1 million, and no expense for SCE's PBOP plan. Annual plans for 2023. The majority of annual contributions made to most of SCE's pension and PBOP plan are anticipated to be recovered through CPUC-approved regulatory mechanisms and are expected to be, at a minimum, equal to the related annual expense.

Pension expense is recorded for SCE based on the amount funded to the trusts, as calculated using an actuarial method required for ratemaking purposes, in which the impact of market volatility on plan assets is recognized in earnings on a more gradual basis. Any difference between pension expense calculated in accordance with ratemaking methods and pension expense calculated in accordance with authoritative accounting guidance for pension is accumulated as a regulatory asset or liability, and is expected, over time, to be recovered from or returned to customers. As of **December 31, 2022** **December 31, 2023**, this cumulative difference amounted to **\$63 million** **\$110 million**, meaning that the ratemaking method has recognized less in expense than the accounting method since implementation of authoritative guidance for employers' accounting for pensions in 1987, which was offset by a regulatory liability for the current funding level of SCE's pension plan.

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Edison International and SCE used the following critical assumptions to determine expense for pension and PBOP for **2022**: **2023**:

(in millions)	Postretirement		Pension Plans	PBOP Plans
	Pension Plans	Benefits Other than Pensions		
Discount rate ¹	2.75 %	2.95 %	5.36 %	5.43 %
Expected long-term return on plan assets ²	5.50 %	3.50 %	6.50 %	5.00 %
Assumed health care cost trend rates ³	*	6.25 %	*	6.75 %

* Not applicable to pension plans.

¹ The discount rate enables Edison International and SCE to state expected future cash flows at a present value on the measurement date. Edison International and SCE select its discount rate by performing a yield curve analysis. This analysis determines the equivalent discount rate on projected cash flows by matching the timing and amount of expected future benefit payments to the corresponding yields from the Willis Towers Watson RATE: Link 10th – 90th percentile yield curve model on the measurement date.

² To determine the expected long-term rate of return on pension plan assets, current and expected asset allocations are considered, as well as historical and expected returns on plan assets. A portion of PBOP trusts asset returns are subject to taxation, so the **3.50%** **5%** rate of return on plan assets above is determined on an after-tax basis. Actual time-weighted, annualized returns on the pension plan assets were **(13.4)%** **11.1%**, **5.1%** **7.8%** and **7.4%** **6.9%** for the one-year, five-year and ten-year periods ended **December 31, 2022** **December 31, 2023**, respectively. Actual time-weighted, annualized returns on the PBOP plan assets were **(18.9)%** **8.0%**, **2.1%** **4.7%** and **5.8%** **4.8%** over these same periods. Accounting principles provide that differences between expected and actual returns are recognized over the average future service of employees.

³ The health care cost trend rate gradually declines to **5.0%** **5%** for 2029 and beyond.

As of **December 31, 2022** **December 31, 2023**, Edison International and SCE had unrecognized **net** pension gains of **\$122** **\$138** million and **\$131** **\$151** million, respectively, and unrecognized PBOP gains of **\$869 million** and **\$867 million**, respectively. **\$1.5 billion**. The unrecognized pension and PBOP gains primarily consisted of the cumulative impact of the increased discount rates on the respective benefit obligations and the cumulative difference between the expected and actual rate of return on plan assets. Of these deferred gains, **\$139 million** **\$159 million** of SCE's pension gains and **\$867 million** **\$1.5 billion** of SCE's PBOP gains are recorded as regulatory liabilities, respectively, and are expected to **refund be amortized to expense** over the **average** expected future service of **employees**. **the employees** (subject to regulatory adjustment) or **refunded to ratepayers at the termination or completion of the plan**.

Edison International's and SCE's pension and PBOP plans are subject to limits established for federal tax deductibility. SCE funds its pension and PBOP plans in accordance with amounts allowed by the CPUC. Executive pension plans have no plan assets.

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Effect if Different Assumptions Used. Changes in the estimated costs or timing of pension and other postretirement benefit obligations, or the assumptions and judgments used by management underlying these estimates, could have a material effect on the recorded expenses and liabilities.

The following table summarizes the increase or decrease to projected benefit obligation for pension and the accumulated benefit obligation for PBOP if the discount rate were changed while leaving all other assumptions constant:

(in millions)	Edison International		SCE		Edison International		SCE	
	Increase in discount rate	Decrease in discount rate	Increase in discount rate	Decrease in discount rate	Increase in discount rate	Decrease in discount rate	Increase in discount rate	Decrease in discount rate
	by 1%	by 1%	by 1%	by 1%	by 1%	by 1%	by 1%	by 1%
Change to projected benefit obligation for pension	\$ (135)	\$ 158	\$ (108)	\$ 126	\$ (136)	\$ 158	\$ (111)	\$ 129
Change to accumulated benefit obligation for PBOP	(142)	174	(141)	173	(77)	92	(76)	92

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A one percentage point increase in the expected rate of return on pension plan assets would decrease Edison International's and SCE's current year expense by ~~\$33~~ \$35 million and ~~\$31~~ \$33 million, respectively, and a one percentage point increase in the expected rate of return on PBOP plan assets would decrease both Edison International's and SCE's current year expense by ~~\$21~~ \$23 million.

Contributions to the Wildfire Insurance Fund

Nature of Estimates Required. At ~~December 31, 2022~~ December 31, 2023, Edison International and SCE have a ~~\$2.2~~ \$2.0 billion long-term asset and a \$204 million current asset reflected as "Wildfire Insurance Fund contributions" in the consolidated balance sheets for the initial \$2.4 billion contribution made during 2019 and the present value of annual contributions SCE committed to make to the Wildfire Insurance Fund, reduced by amortization. At ~~December 31, 2022~~ December 31, 2023, a long-term liability of ~~\$536~~ \$450 million has been reflected in "Other deferred credits and other long-term liabilities" for the present value of unpaid contribution amounts. Contributions were discounted to the present value at the date SCE committed to participate in the Wildfire Insurance Fund using US treasury interest rates.

Management concluded it would be most appropriate to account for the contributions to the Wildfire Insurance Fund similar to prepaid insurance, ratably allocating the expense to periods based on an estimated period of coverage.

Key Assumptions and Approach Used. The Wildfire Insurance Fund does not have a defined life. Instead, the Wildfire Insurance Fund will terminate when the administrator determines that the fund has been exhausted. Management reassesses the period of coverage of the fund at least annually in January each year and adjustments are applied on a prospective basis. In 2022, January 2023, management estimated that the Wildfire Insurance Fund will provide insurance coverage for a period of 15 years from the date SCE committed to participate in the Wildfire Insurance Fund. The determination of the correct period in which to record an expense in relation to contributions to the Wildfire Insurance Fund depends, among other factors, on management's assessment of: the future occurrence and magnitude of wildfires; the involvement of SCE, or other electrical corporations which could access the Wildfire Insurance Fund, in the ignition of those fires; the probable future outcomes of CPUC cost recovery proceedings for wildfire claims, which may require reimbursement of the fund by electrical corporations; and the use of the contributions by the administrator of the Wildfire Insurance Fund. Further information regarding these factors may become available due to the actions of the fund administrator, or other entities, which could require management to reassess the period of coverage. In estimating the period of coverage, Edison International and SCE used Monte Carlo simulations based on ~~eight~~ nine years (2014 – ~~2021~~ 2022) of historical data from wildfires caused by electrical utility equipment to estimate expected loss. The details of the operation of the Wildfire Insurance Fund and estimates related to claims by SCE, PG&E and SDG&E against the fund have been applied to the expected loss simulations to estimate the period of coverage of the fund. The most sensitive inputs to the estimated period of coverage are the expected frequency of wildfire events caused by investor-owned utility electrical equipment and the estimated costs associated with those forecasted

events. These inputs are most affected by the historical data used in estimating expected losses. Using a 15-year 16-year period (2007 – 2021) 2022 of historical data would further increase the period of coverage to over 20 years. coverage.

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Based on information available in the first quarter January of 2023 2024 regarding catastrophic wildfires during 2022, 2023, SCE reassessed its estimate of the life of the Wildfire Insurance Fund. After incorporating 2022 2023 expected losses into the historical data for the Monte Carlo simulations, SCE determined that effective in the expected first quarter of 2024, the life of the Wildfire Insurance Fund remained 15 is expected to increase to 20 years from the date SCE committed to participate in the Wildfire Insurance Fund.

Effect if Different Assumptions Used. Changes in the estimated life of the insurance fund could have a material impact on the expense recognition.

NEW ACCOUNTING GUIDANCE

New accounting guidance is discussed in "Notes to Consolidated Financial Statements—Note 1. Summary of Significant Accounting Policies—New Accounting Guidance."

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RISK FACTORS

RISKS RELATING TO EDISON INTERNATIONAL

Edison International's liquidity and ability to pay dividends depends on its ability to borrow funds, access to bank and capital markets, monetization of tax benefits held by Edison International, and SCE's ability to pay dividends and tax allocation payments to Edison International. Edison International is a holding company and, as such, it has no material operations of its own. Edison International's ability to meet its financial obligations, make investments, and to pay dividends on its common stock is primarily dependent on the earnings and cash flows of SCE and SCE's ability to make upstream distributions. If SCE does not make upstream distributions to Edison International and Edison International is unable to access the bank and capital markets on reasonable terms, Edison International may be unable to continue to pay dividends to its shareholders or meet its financial obligations.

Prior to paying dividends to Edison International, SCE has financial and regulatory obligations that must be satisfied, including, among others, debt service and preference stock dividends. Further, SCE and Edison International cannot pay dividends if California law requirements for the declaration of dividends are not met. For information on CPUC and California law requirements related to the declaration of dividends, see "Liquidity and Capital Resources—SCE— "Notes to Consolidated Financial Statements—Note 1. Summary of Significant Accounting Policies— SCE Dividends" in the MD&A. Dividends." SCE may also owe tax-allocation payments to Edison International under applicable tax-allocation agreements.

Edison International's ability to obtain financing, as well as its ability to refinance debt and make scheduled payments of principal and interest, are dependent on numerous factors, including its levels of indebtedness, maintenance of acceptable credit ratings, financial performance, liquidity and cash flow, and other market conditions. In addition, the factors affecting SCE's business will impact Edison International's ability to obtain financing. Edison International's inability to borrow funds from time to time could have a material effect on Edison International's liquidity and operations.

See "Risks Relating to Southern California Edison Company" below for further discussion.

RISKS RELATING TO SOUTHERN CALIFORNIA EDISON COMPANY

Regulatory and Legislative Risks

SCE's financial results depend upon its ability to recover its costs and to earn a reasonable rate of return on capital investments in a timely manner from its customers through regulated rates.

SCE's ongoing financial results depend on its ability to recover its costs from its customers, including the costs of electricity purchased for its customers, through the rates it charges its customers as approved by the CPUC and FERC. SCE's financial results also depend on its ability to earn a reasonable return on capital, including long-term debt and

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equity. SCE's ability to recover its costs and earn a reasonable rate of return can be affected by many factors, including the time lag between when costs are incurred and when those costs are recovered in customers' rates and differences between the forecast or authorized costs embedded in rates (which are set on a prospective basis) and the amount of actual costs incurred.

The CPUC or the FERC may not allow SCE to recover costs on the basis that such costs were not reasonably or prudently incurred or for other reasons. Further, SCE may incur expenses before the relevant regulatory agency approves the recovery of such costs. For example, SCE has incurred, and expects to further incur, wildfire mitigation expenses and increased labor and material costs due to supply chain constraints and elevated levels of inflation before it is clear whether such costs will be recoverable from customers. Also, the CPUC may deny recovery of costs incurred by SCE, including uninsured wildfire-related costs, if the CPUC determines that SCE was not prudent. For further information on recovery of uninsured wildfire-related costs, including costs related to the 2017/2018 Wildfire/Mudslide Events, see "Business—Southern California Wildfires—Recovery of Wildfire-Related Costs" and "Management

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"Management Overview—Southern California Wildfires and Mudslides" in the MD&A. In addition, while SCE supports California's environmental goals, it may be prevented from fully executing on its strategy to support such goals by regulatory delay or lack of approval of cost-recovery for the costs of such strategic actions and electrification programs from the relevant regulatory agencies. agencies, including as a result of customer affordability concerns. For example, the CPUC has issued a decision denying SCE's Building Electrification Program Application, citing, among other things, a desire to avoid increasing rates.

SCE's CPUC authorized return on investment is established by multiplying an authorized rate of return, determined by the CPUC in standalone cost of capital proceedings, by SCE's authorized CPUC rate base. SCE's CPUC-authorized cost of capital is subject to potential adjustment should interest rates move substantially in years between cost of capital proceedings. SCE's authorized return on its transmission assets is established by multiplying an authorized rate of return, determined by the FERC, by SCE's transmission rate base. For further information on the cost see "Business—SCE—Overview of capital mechanism see "Management Overview—Cost of Capital Applications" in the MD&A. Ratemaking Process."

SCE's capital investment plan, increasing procurement of renewable power and energy storage, inflation, commodity price volatility, increasing self-generation, load departures to CCAs or Electric Service Providers, and increasing environmental regulations, among other things, collectively place continuing upward pressure on customer rates. If As customer rates continue to increase, the CPUC may face greater pressure to approve lesser amounts in SCE's ratemaking or cost recovery proceedings. To relieve some of this upward rate pressure, the CPUC may authorize lower revenues, or increase the period over which SCE is allowed to recover amounts, or disallow the recovery of SCE's

cost which could impact SCE's ability to timely recover its operating costs, costs timely or at all. For example, in track Track 3 of the 2021 GRC, while the CPUC authorized SCE to recover costs through electric rates over a 36-month period, SCE may not recover all of its interest expense incurred as a result of financing such costs because the CPUC has only authorized interest accruals on the balances at a short-term rate of interest. If SCE is unable to obtain a sufficient rate increase or modify its rate design to recover its costs and an adequate return on capital in rates in a timely manner, its financial condition and results of operations could be materially affected.

SCE is subject to extensive regulation and the risk of adverse regulatory and legislative decisions, delays in regulatory or legislative decisions, and changes in applicable regulations or legislation.

SCE operates in a highly regulated environment. SCE's business is subject to extensive federal, state and local energy, environmental and other laws and regulations. Among other things, the CPUC regulates SCE's retail rates and capital structure, and the FERC regulates SCE's wholesale rates and capital structure. The NRC regulates the decommissioning of San Onofre in addition to the local and state agencies that require permits. The construction, planning, siting and operation of SCE's power plants, energy storage projects, and transmission lines in California are also subject to regulation by the CPUC and other local, state and federal agencies.

SCE must periodically apply for licenses and permits from these various regulatory authorities, including environmental regulatory authorities, and must abide by their respective rules, regulations and orders. Should SCE be unsuccessful in obtaining necessary licenses or permits or should these regulatory authorities initiate any investigations or enforcement

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actions or impose fines, penalties or disallowances on SCE, SCE may be prevented from executing its strategy and its business could be materially affected. The process of obtaining licenses and permits from regulatory authorities may be delayed or defeated by opponents and such delay or defeat could have a material effect on SCE's business.

To the extent the The Wildfire Insurance Fund and other provisions of AB 1054 do not effectively mitigate mitigating the significant risk faced by California investor-owned utilities related to liability for damages arising from catastrophic wildfires where utility facilities are a substantial cause, not achieving a more comprehensive solution could have a detrimental effect on SCE's business and financial condition. The effectiveness of AB 1054 to mitigate the wildfire-related risk faced by SCE is conditioned in part on the performance of OEIS and various entities formed under AB 1054 and related legislation to, among other things, administer the Wildfire Insurance Fund, approve WMPs, issue safety certifications, oversee and enforce compliance with wildfire safety

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standards, and develop metrics to reduce risk and measure compliance with risk reduction. In addition, CPUC approval is required to recover the costs SCE is incurring to strengthen its wildfire mitigation and prevention efforts described in SCE's WMPs. See "Business—Southern California Wildfires" and "Liquidity and Capital Resources—SCE—Regulatory Proceedings—Wildfire Related Regulatory Proceedings" in the MD&A.

In addition, existing regulations may be revised or re-interpreted and new laws and regulations may be adopted or become applicable to SCE, or its facilities or operations, in a manner that may have a detrimental effect on SCE's business or result in significant additional costs. In addition, regulations adopted via the public initiative or legislative process may apply to SCE, or its facilities or operations, in a manner that may have a detrimental effect on SCE's business or result in significant additional costs.

SCE's energy procurement activities are subject to regulatory and market risks that could materially affect its financial condition and liquidity.

SCE obtains energy, capacity, environmental credits and ancillary services needed to serve its customers from its own generating plants and through contracts with energy producers and sellers. California law and CPUC decisions allow SCE to recover, through the rates it is allowed to charge its customers, reasonable procurement costs incurred in compliance with an approved procurement plan. Nonetheless, SCE's cash flows remain subject to volatility primarily resulting from changes in commodity prices, including as a result of gas supply constraints. Additionally, significant and prolonged gas use restrictions may adversely impact the reliability of the electric grid if critical generation resources are limited in their operations. For further information, see "Business—SCE—Purchased Power and Fuel Supply." SCE is also subject to the risks of unfavorable or untimely CPUC decisions about the compliance with SCE's procurement plan and the reasonableness of certain procurement-related costs.

SCE may not be able to hedge its risk for commodities on economic terms or fully recover the costs of hedges through the rates it is allowed to charge its customers, which could materially affect SCE's liquidity and results of operations, see "Market Risk Exposures" in the MD&A.

Operating Risks

Damage claims against SCE for wildfire-related losses may materially affect SCE's financial condition and results of operations.

Prolonged drought conditions and shifting weather patterns in California resulting from climate change as well as, among other things, buildup of dry vegetation in areas severely impacted by years of historic drought and lack of adequate clearing of hazardous fuels by responsible parties have increased the duration of the wildfire season and the risk of severe wildfire events.

Severe wildfires and increased urban development in high fire risk areas in California have given rise to large damage claims against California utilities for fire-related losses alleged to be the result of utility practices and/or the failure of

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electric and other utility equipment. Catastrophic wildfires can occur in SCE's service territory even if SCE effectively implements its WMPs. California courts have previously found utilities to be strictly liable for property damage, regardless of fault, by applying the theory of inverse condemnation when a utility's facilities were determined to be a substantial cause of a wildfire that caused the property damage. The rationale generally stated by these courts for applying this theory to investor-owned utilities is that property losses resulting from a public improvement, such as the distribution of electricity, can be spread across the larger community that benefited from such improvement. However, in November 2017, the CPUC issued a decision denying an investor-owned utility's request to include in its rates uninsured wildfire-related costs arising from several 2007 fires, finding that the investor-owned utility did not prudently manage and operate its facilities prior to or at the outset of the 2007 wildfires. An inability to recover uninsured wildfire-related costs could materially affect SCE's business, financial condition and results of operations. For example, if SCE is unable

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to, or believes that it may be unable to, recover damages related to catastrophic wildfires through insurance, the Wildfire Insurance Fund (which is only available for fires ignited after July 12, 2019) or electric rates, or access the bank and capital markets on reasonable terms, SCE may not have sufficient cash or equity to pay dividends or may be restricted from declaring such dividends because it does not meet CPUC or California law requirements related to the declaration of dividends. For information on the California law requirements on the declaration of dividends, see ["Liquidity and Capital Resources—SCE—"](#) ["Notes to Consolidated Financial Statements—Note 1. Summary of Significant](#)

Accounting Policies—SCE Dividends" in the MD&A.Dividends." Also see "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies—Contingencies—Southern California Wildfires and Mudslides."

Edison International's and SCE's costs of accessing capital markets has increased due to the risks associated with wildfires in Southern California. Edison International's and SCE's access to the bank and capital markets could also be constrained and/or the costs of accessing those markets could increase further as a result of wildfire risk, including if Edison International's and/or SCE's credit ratings are downgraded or placed on negative watch due to concerns about Edison International and/or SCE's financial health as a result of wildfires.

SCE's insurance coverage for wildfires may not be sufficient.

Edison International has experienced increased costs SCE may not be able to recover uninsured losses (including amounts paid for self-insured retention and difficulties co-insurance) in obtaining insurance coverage for wildfires that could arise in connection with SCE's ordinary operations. Edison International, SCE and its electric rates. Additionally, SCE's contractors may experience coverage reductions and/or increased wildfire insurance costs in future years. No assurance can be given that losses will not exceed the limits of SCE's or its contractors' insurance coverage. SCE may not be able to recover uninsured losses (including amounts paid for self-insured retention and co-insurance) and increases in the cost of insurance in electric rates. Losses which are not fully insured or cannot be recovered from contractors, through the Wildfire Insurance Fund or electric rates could materially affect Edison International's and SCE's financial condition and results of operations. For more information on wildfire insurance risk, see "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies—Contingencies—Southern California Wildfires and Mudslides."

SCE may not effectively implement its wildfire mitigation plans.

SCE will face a higher likelihood of catastrophic wildfires in its service territory if it cannot effectively implement its WMPs. For example, SCE may not be able to effectively implement its WMPs if it experiences unanticipated difficulties relative to sourcing, engaging, and retaining effectively trained contract workers or procuring materials it needs to fulfill its mitigation obligations under the WMPs. In addition, if SCE does not have an approved WMP, SCE will not be issued a safety certification from the CPUC and will consequently not benefit from the presumption of prudence or the AB 1054 Liability Cap.

The CPUC may assess penalties on SCE if it finds that SCE has failed to substantially comply with its WMP. In addition, SCE may be subject to mandated changes to, or restrictions on, its operational wildfire mitigation practices or be subject to regulatory fines and penalties or claims for damages and reputational harm if SCE does not execute its wildfire mitigation practices in compliance with applicable rules and regulations. SCE's SCE's wildfire mitigation practices

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include PSPS and using fast-curve settings. In addition, SCE has been and may be further subject to regulatory fines and penalties or claims for damages and reputational harm if it is determined that SCE has placed excessive or unreasonable reliance on PSPS or has failed to maintain compliance with notification and post event reporting requirements related to PSPS.

SCE establishes the criteria under which it implements PSPS in its territory. To the extent SCE's criteria for implementing PSPS are not sufficient to mitigate the risk of wildfires during high wind events, SCE does not fully implement PSPS when criteria are met due to other overriding conditions or SCE's regulators or others mandate changes to, or restrictions on, its criteria or other operational PSPS practices, SCE will face a higher likelihood of catastrophic wildfires in its territory during high wind events. Similarly, if SCE is prohibited by the CPUC from implementing its desired fast-curve settings, SCE will face a higher likelihood of catastrophic wildfires in its territory.

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For more information on AB 1054, see "Business—Southern California Wildfires—Recovery of Wildfire-Related Costs—2019 Wildfire Legislation."

SCE will not benefit from all of the features of AB 1054 if the Wildfire Insurance Fund is exhausted.

Catastrophic wildfires could rapidly exhaust the Wildfire Insurance Fund and SCE will not be reimbursed by the Wildfire Insurance Fund or benefit from the AB 1054 Liability Cap if the fund has been exhausted as a result of damage claims previously incurred by SCE or the other participating utilities.

For more information on AB 1054, see "Business—Southern California Wildfires and Mudslides—Recovery of Wildfire-Related Costs—2019 Wildfire Legislation."

Climate change exacerbated weather-related incidents and other natural disasters could materially affect SCE's financial condition and results of operations.

Weather-related incidents, including storms and events caused, or exacerbated, by climate change, such as wildfires, flooding and debris flows, and other natural disasters such as earthquakes can disrupt the generation and transmission of electricity, and can seriously damage the infrastructure necessary to deliver power to SCE's customers. The impacts of climate change continue to evolve and remain dynamic and unpredictable.

Climate change has caused, and exacerbated, extreme weather events and wildfires in southern California, and wildfires could cause, among other things, public safety issues, property damage and operational issues. In addition, the risk of flooding and debris flows occurring as a result of rain may be heightened. For example, the 2017/2018 Wildfire/Mudslide Events resulted in, among other things, loss of life, property damage and loss of service. For more information on the impact of the 2017/2018 Wildfire/Mudslide Events and Post-2018 Wildfires on SCE and Edison International, see "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies—Contingencies—Southern California Wildfires and Mudslides."

Extreme heat events have and can continue to lead to prolonged widespread outages due to, among other things, state-wide capacity supply shortages or equipment failure. Extreme weather events can also lead to use of PSPS. Weather-related events, such as debris flows, flooding and melting of a significantly higher than normal snowpack, and earthquakes can cause over-topping or failure at an SCE dam resulting in a rapid release of water that could cause, among other things, public safety issues, property damage and operational issues.

Weather-related incidents and other natural disasters can lead to lost revenue and increased expense, including higher maintenance and repair costs, which SCE may not be able to recover from its customers. These incidents can also result in regulatory penalties and disallowances, particularly if SCE encounters difficulties in restoring power to its customers on a timely basis or if fire-related losses are found to be the result of utility practices and/or the failure of electric and other utility equipment. In addition, these occurrences could lead to significant claims for damages, including for loss of life and property damage. These occurrences could materially affect SCE's business, financial condition and results of

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operations, and the inability to restore power to SCE's customers could also materially damage the business reputation of SCE and Edison International.

For additional information related to climate related risks, see "Business—Environmental Considerations—Environmental Risks."

The generation, transmission and distribution of electricity are dangerous and involve inherent risks of damage to private property and injury to SCE's SCE's workforce and the general public.

Electricity poses hazards for SCE's SCE's workforce and the general public should they come in contact with electrical current or equipment, including through energized downed power lines or if equipment malfunctions. In addition, the risks

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associated with the operation of transmission and distribution assets and power generation and storage facilities include public and workforce safety issues and the risk of utility assets causing or contributing to wildfires.

Injuries and property damage caused by such events can subject SCE to liability that, despite the existence of insurance coverage, can be significant. In addition, SCE may be held responsible for the actions of its contractors. contractors and from time to time, SCE is named as a party in legal proceedings involving claims related to its contractors and their employees. No assurance can be given that future losses will not exceed the limits of SCE's or its contractors' insurance coverage. Litigation and other legal processes are subject to inherent uncertainties, including, costs of litigation, unpredictable court or jury decisions, and the differing laws and sentiments regarding damage awards in regions where SCE operates.

The CPUC has increased its focus on public safety with an emphasis on heightened compliance with construction and operating standards and the potential for penalties being imposed on utilities. Additionally, the CPUC has delegated to its staff the authority to issue citations to electric utilities, which can impose fines of up to \$100,000 per violation per day (capped at a maximum of \$8 million), pursuant to the CPUC's jurisdiction for violations of safety rules found in statutes, regulations, and the CPUC's General Orders. The CPUC also can issue fines greater than \$8 million outside of the citation program. Such penalties and liabilities could be significant and materially affect SCE's liquidity and results of operations.

SCE's financial condition and results of operations could be materially affected if it is unable to successfully manage the risks inherent in constructing, operating, and maintaining its facilities and workforce.

SCE's infrastructure is aging and could pose a risk to system reliability. SCE is also constructing utility owned storage to mitigate possible state-wide capacity shortages in 2023 2024 and later years, and any delays in construction may result in those facilities being unavailable to reduce the impact of any capacity shortages in summer 2023, 2024. In addition, as described above, wildfires in SCE's service territory can cause significant public safety issues, property damage and operational issues.

In order to mitigate these risks and execute on its strategy, SCE is engaged in a significant and ongoing infrastructure investment program. This substantial investment program, which includes transmission projects, has inherent operational risks and elevates the need for superior effective execution in SCE's activities. SCE's financial condition and results of operations could be materially affected if it is unable to successfully manage these risks as well as the risks inherent in constructing, operating, and maintaining its facilities, the operation of which can be hazardous and important for system reliability. SCE's inherent operating risks include such matters as the risks of human performance, availability of skilled workforce and workforce capabilities, contractor management, data and records accuracy, public opposition to infrastructure projects, delays, environmental remediation and mitigation costs, difficulty in estimating costs or in recovering costs that are above original estimates, system limitations and degradation, maintaining physical security of workforce and assets, maintaining cybersecurity of data and assets, and delays and interruptions in necessary supplies, including key components necessary for the timely construction of utility owned storage. For example, SCE's financial condition may be materially affected as a result of safety incidents, delays, permitting violations and violations of regulatory requirements, among other things, caused by SCE's failure to appropriately manage its contractor workforce or from contractual violations by SCE's contractors and the inability for SCE to recover through contractual indemnities or insurance held by the contractor. SCE's financial condition may also be materially affected as a result of data or records inaccuracies, for example, inaccurate records could lead to missing or delayed compliance with SCE's policies and regulatory requirements, and could contribute to safety incidents.

SCE's financial condition and results of

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operations could also be materially affected if SCE is unable to attract, train and retain a qualified **and diverse** workforce, including due to the constrained labor market in California and nationally and SCE's relations with its unionized workforce. **SCE's financial condition** **For example,** **the increased electrification efforts in California and results** nationally have led to greater competition for certain skilled workers.

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[Table of operations could also be materially affected as a result of atypical resolutions to litigation proceedings arising from its operations, including atypical settlements and verdicts. For instance, SCE was subject to an atypical jury verdict in a recent employment litigation matter. Contents](#)

There are inherent risks associated with owning and decommissioning nuclear power generation facilities and obtaining cost reimbursement, including, among other things, insufficiency of nuclear decommissioning trust funds, costs exceeding current estimates, execution risks, potential harmful effects on the environment and human health and the hazards of storage, handling and disposal of radioactive materials. Existing insurance and ratemaking arrangements may not protect SCE fully against losses from a nuclear incident.

SCE funds decommissioning costs with assets that are currently held in nuclear decommissioning trusts. Based upon the financial performance of the nuclear decommissioning trust fund investments, as well as the resolution of a number of other uncertainties, assumptions and estimates, additional contributions to the nuclear decommissioning **trust's trust's** funds may be required. If additional contributions to the nuclear decommissioning trust funds become necessary, recovery of any such additional funds through electric rates is subject to the CPUC's review and approval.

The costs of decommissioning San Onofre are subject to reasonableness reviews by the CPUC. These costs may not be recoverable through regulatory processes or otherwise unless SCE can establish that the costs were reasonably incurred. In addition, SCE faces inherent execution risks including such matters as the risks of human performance, workforce capabilities, public opposition, permitting delays, and governmental approvals. Decommissioning costs ultimately incurred could exceed the current estimates and cost increases resulting from contractual disputes, delays in performance by the contractor, elevated levels of inflation, or permitting delays, among other things, could cause SCE to materially overrun current decommissioning cost estimates and could materially impact the sufficiency of trust funds. See "Liquidity and Capital Resources—SCE—Decommissioning of San Onofre" in the MD&A.

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Even though San Onofre is being decommissioned, the presence of spent nuclear fuel still poses a potential risk of a nuclear incident. Federal law limits public liability claims from a nuclear incident to the amount of available financial protection, which is currently approximately **\$13.7 billion \$16.2 billion** for Palo Verde and \$560 million for San Onofre. SCE and other owners of San Onofre and Palo Verde have purchased the maximum private primary insurance available of \$450 million per site. In the case of San Onofre, the balance is covered by a **US U.S.** Government indemnity. In the case of Palo Verde, the balance is covered by a loss sharing program among nuclear reactor licensees. There is no assurance that the CPUC would allow SCE to recover the required contribution made pursuant to this loss sharing program in the case of one or more nuclear incidents with claims that exceeded \$450 million at a nuclear reactor which is participating in the program. If this public liability limit of **\$13.7 billion \$16.2 billion** is insufficient, federal law contemplates that additional funds may be appropriated by Congress. There can be no assurance of SCE's ability to recover uninsured costs in the event the additional federal appropriations are insufficient. For more information on nuclear insurance risk, see "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies—Contingencies—Nuclear Insurance."

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SCE's distribution of water and propane gas on Catalina Island involves inherent risks of damage to private property and the environment and injury to employees and the general public.

SCE owns and operates the water distribution system that serves Catalina Island, California and a propane gas distribution system that serves the City of Avalon on Catalina Island, California. Production, storage, treatment and distribution of water for human use and the transportation, storage, distribution and use of gas can be hazardous, and can cause damage to private property and the environment and injury to employees and the general public if equipment fails or does not perform as anticipated. For example, the risks of operating a water distribution system include the potential for burst pipes and water contamination and the risks of operating gas distribution system include the potential for gas leaks, fire or explosion. The risks related to SCE's operation of its water and gas distribution systems may be exacerbated due to aging infrastructure. SCE has, **in the past**, requested that the CPUC allow SCE to include certain water system costs in electric rates and may make similar requests for the water and gas systems in the future. If such requests are denied, significant costs may not be recoverable from customers. In addition, SCE may have to pay fines, penalties and remediation costs if it does not comply with laws and regulations in the operation of the water and gas distribution systems. An inability to recover costs associated with any such damages or injuries or any fines, penalties or remediation costs, from insurance or through electric rates, could materially affect SCE's business, financial condition and results of operations.

Financing Risks

As a capital-intensive company, SCE relies on access to the capital markets. If SCE were unable to access the capital markets or the cost of financing were to substantially increase, its liquidity and operations could be materially affected.

SCE regularly accesses the capital markets to finance its activities and is expected to do so by its regulators as part of its obligation to serve as a regulated utility. **SCE's** **SCE** needs **for substantial** capital for its ongoing infrastructure investment program **are substantial**, **and for financing wildfire related losses**. SCE's ability to obtain financing, as well as its ability to refinance debt and make scheduled payments of principal and interest, are dependent on numerous factors, including SCE's levels of indebtedness, maintenance of acceptable credit ratings, financial performance, liquidity and cash flow, **increases in interest rates and credit spreads due to inflationary pressures**, and other market conditions. In addition, the actions of other California investor-owned utilities and legal, regulatory and legislative decisions impacting investor-owned utilities can affect market conditions and therefore, SCE's ability to obtain financing. SCE's inability to obtain additional capital from time to time could have a material effect on SCE's liquidity and operations.

Competitive and Market Risks

SCE's inability* **If SCE is unable to operate efficiently and to effectively and timely respond to the changes that the electricity industry is undergoing, as a result of increased load requirements, competition, technological advances, and changes to the regulatory environment, could materially impact** SCE's business model, financial condition and results of **operations**. **operations could be materially impacted.*

SCE's ability to efficiently operate and implement process changes has a direct impact on its ability to execute its strategy, its customer rates and affordability of electricity. Even if SCE's costs are recoverable, the necessary costs of operations and investments supporting safety, reliability, resilience and being ready to meet California's clean energy goals will negatively impact the affordability of SCE's customer rates, may cause reputational harm and cause increased load departures.

Customers and third parties are increasingly deploying **distributed energy resources ("DERs")**, **DERs**, such as solar generation, energy storage, energy efficiency and demand response technologies. California's environmental policy objectives are accelerating the pace and scope of

industry change. This change will require modernization of the electric distribution grid to, among other things,

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accommodate two-way flows of electricity and increase the grid's capacity to interconnect DERs. In addition, enabling California's clean energy economy goals will require sustained investments in grid modernization, renewable integration projects, energy efficiency programs, energy storage options and electric vehicle infrastructure. If SCE is unable to **effectively operate efficiently and** adapt to these changes, its business model, its ability to execute on its strategy, and ultimately its financial condition and results of operations could be materially impacted.

Customer-owned generation and load departures to CCAs or Electric Service Providers each reduce the amount of electricity that customers purchase from utilities and have the effect of increasing utility rates unless customer rates are designed to allocate the costs of the distribution grid across all customers that benefit from its use. For example, some customers in California who generate their own power are not currently required to pay all transmission and distribution charges and non-bypassable charges, subject to limitations, which results in increased costs for those customers who do not own their generation. If regulations aren't changed such that customers pay their share of transmission and distribution costs and non-bypassable charges, **for example through a fixed charge**, and the demand for electricity reduces so significantly that SCE is no longer effectively able to recover such costs from its customers, SCE's business, financial condition and results of operations will be materially impacted.

In addition, the FERC has opened transmission development to competition from independent developers, allowing such developers to compete with incumbent utilities for the construction and operation of transmission facilities.

For more information. See "Business—SCE—Competition."

RISKS RELATING TO EDISON INTERNATIONAL AND SOUTHERN CALIFORNIA EDISON COMPANY

Cybersecurity and Physical Security Risks

SCE's Successful attacks on SCE information and operational technology systems and network infrastructure could have a material impact on SCE's operations or financial condition

Edison International and SCE systems are targets for physical and cyber **attacks, intrusions or other catastrophic events that could result in their failure or reduced functionality**.

attacks. Regulators such as NERC and U.S. Government agencies, including the Departments of Defense, Homeland Security, and Energy, have increasingly stressed that threat sources continue to seek to **identify and exploit potential** vulnerabilities in the U.S. national electric grid and other **critical** energy infrastructures, and that such attacks and disruptions, both physical and cyber, are highly sophisticated and dynamic. Several U.S. Government agencies have highlighted the increasing risks related to physical and cybersecurity attacks, **including** ransomware attacks, **and cybersecurity risks** related to the electric sector, including its supply **chains, chain**, and that the risks may escalate during periods of heightened geopolitical tensions.

SCE requires the uninterrupted use of sophisticated information and operational technology systems and infrastructure to monitor and operate the electric grid. In the regular course of SCE's business, it also handles a range of sensitive infrastructure, security, employee, customer, and business systems information. If SCE's information technology and operational technology systems' security were to be compromised by physical or electronic means or a critical system or technology failure were to occur without timely recovery, including failure of new technology to be implemented as designed, SCE could be unable to fulfill critical business functions and/or sensitive information could be misappropriated or compromised. Such events could result in violations of privacy and other laws, material financial loss to SCE and/or to its customers, loss of confidence in SCE's security risk management, customer dissatisfaction, and significant litigation and/or regulatory exposure, all of which could materially affect Edison International's and SCE's financial condition, operations, and the business reputation of Edison International and SCE.

SCE's security program cannot prevent all attacks

SCE's systems have experienced, and will continue to face, cyber and physical security events involving vandalism, malicious code, unauthorized access attempts, and other illicit activities. No security program can completely shield its

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systems, infrastructure, and data from attacks, intrusions, or other catastrophic events that could result in their failure or reduced functionality. There is no guarantee that SCE's security program, including prevention, detection, mitigation, and remediation of risks, will prevent all future cyber and physical security incidents that could materially impact its operations or financial condition.

SCE is not able to anticipate and prevent all physical and cyber attacks or information security breaches, and its investments in security resources, talent, and business practices may not be effective against all threat actors, particularly nation-state actors. Voluntary cybersecurity guidelines and practices cannot be applied to all businesses equally due to system capability, complexity, and resources for implementation. SCE's security tools and controls, including those supporting configuration management, identity and access management, network segmentation, and boundary defenses, may not fully protect against unauthorized access from internal and external threats. SCE's current security controls and defenses may also not protect against insider threats, including deliberate and unintentional actions (e.g., human error) and other emerging cybersecurity risks created by artificial intelligence, quantum computing, cyber skills shortages, and regulatory constraints.

SCE's security program is prioritized based on known risks, available resources, and regulatory requirements, and therefore all SCE assets are not equally protected. For example, not all of SCE's information technology assets are inventoried, which could result in unmitigated vulnerabilities or slow the detection, investigation, and recovery of an incident. Known vulnerabilities in SCE's information technology and operational technology environments may not be remediated before an adversary could discover or exploit them. Attackers can also exploit new, unknown vulnerabilities (e.g., zero day) and vulnerabilities where a patch or other remediation measure is not yet available.

SCE's transition to a more network-connected grid and increased deployment of new technologies increases the number of systems adversaries can target

SCE's operations require the continuous availability and deployment of critical information and operational technology systems, sensitive customer and employee data and network infrastructure and information, all of which are targets for malicious actors. New cyber and physical threats arise as SCE moves from to an analog to a increasingly digital electric grid. For example, SCE's grid modernization efforts and the move transition to a network-connected more connected grid, including the integration of new technologies and increased networking of operational technology assets such as substations, increases the number of "threat surfaces" threat surface and potential vulnerabilities that an adversary can target. As new systems are developed or procured by SCE, system data software development practices may not comprehensively prevent the introduction of new software vulnerabilities. Additionally, certain existing or legacy information technology, operational technology, and architecture are also disclosed, either intentionally communications infrastructure use less secure protocols or unintentionally, configurations.

Vendors and other third parties may be used to target and attack SCE

SCE interacts with a wide array of third parties and the public by regulators, employees, contractors and vendors. This system information may be used by malicious actors to understand SCE's systems to prepare for a cyber or physical attack.

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SCE depends on a wide array of vendors to provide it with services products and equipment. services. Malicious actors may attack vendors to disrupt the services they provide to SCE, or to use those vendors as a conduit to attack SCE. Additionally, SCE system data and architecture are also disclosed, either voluntarily or by mandate, to third parties and the equipment public by regulators, employees, contractors, and material vendors. This system data may be used by malicious actors to understand SCE's systems to prepare for a cyber or physical attack.

The products and services provided by SCE's vendors may contain cyber vulnerabilities, vulnerabilities or otherwise not adhere to SCE's enterprise cybersecurity standards (e.g., lack of encryption). Additionally, SCE's operational technology vendors have increasingly been targeted by threat actors. A compromise of equipment and/or exfiltration of SCE data, whether by physical or by electronic means, could result in loss or changes to confidential or sensitive electronic data, loss of intellectual property information and interruption of business processes. For example, compromises to widely-used products and services such as MOVEit affected the supply chains of many industries, including companies in SCE's supply chain. While some of SCE's SCE vendors have experienced cybersecurity incidents, such incidents have not, to SCE's knowledge, resulted in a material impact to SCE to date.

SCE's systems have experienced, and will continue to experience, cybersecurity incidents involving attacks 49

[Table of malicious code, unauthorized access attempts, and other illicit activities, but to SCE's knowledge it has not experienced a material cybersecurity or data breach to date. Though SCE actively monitors developments in this area, no security measures can completely shield its systems, infrastructure and data from cyber attacks, intrusions or other catastrophic events that could result in their failure or reduced functionality. Contents](#)

If SCE's information technology and operational technology systems' security measures were to be breached, or a critical system failure were to occur without timely recovery, SCE could be unable to fulfill critical business functions, such as delivery of electricity to customers, and/or sensitive confidential personal and other data could be compromised, which could result in violations of applicable privacy and other laws, material financial loss to SCE or to its customers, loss of confidence in SCE's security measures, customer dissatisfaction, and significant litigation and/or regulatory exposure, all of which could materially affect SCE's financial condition and results of operations and materially damage the business reputation of Edison International and SCE.

RISKS RELATING TO EDISON INTERNATIONAL AND SOUTHERN CALIFORNIA EDISON COMPANY Global and Regional Risks

Edison International's and SCE's financial condition and results of operations could be materially impacted by catastrophic, macroeconomic and geopolitical events like the COVID-19 pandemic, that cause significant disruption to workforces, supply chains, economies, or societies on a regional, statewide, national or global basis.

Edison International and SCE could be materially and adversely impacted by catastrophic, macroeconomic and geopolitical events, such as the widespread outbreak effects of a communicable disease, that result in, among other things, significant disruption to supply chains, economies, societies increased inflationary pressures and interest rates, potential economic downturns or workforces on a recessions, geopolitical pressures, and pandemics and regional statewide, national or global basis health emergencies. For example, the global spread of COVID-19, which was declared a pandemic by the World Health Organization in March 2020, created significant uncertainty, volatility and disruption globally that resulted in, among other things, disruption to supply chains, economies, and has workforce and impacted the operations of Edison International and SCE. Additionally, the geopolitical developments involving the Russia-Ukraine conflict, China and the Middle East, could cause delays and disruptions in the supply chain and the availability and timely delivery of services, materials and components used in SCE's operations.

Many of the risks and uncertainties identified in this Form 10-K are, have, and will be, exacerbated by the impacts of an a catastrophic event like a pandemic and the actions being taken by governmental entities, businesses, individuals and others in response to such an event. For example, SCE may be unable to effectively execute its PSPS program due to, among other things, requests from local and State authorities not to shut off the power during a pandemic or other event, and thereby may increase the risk of SCE equipment being associated with the ignition of wildfires.

In addition, impacts of a international conflict, recession, pandemic or similar event events on SCE's customers and third parties could also result in SCE facing, among other things, significant reductions in demand for electricity and payment delays and/or defaults from customers which could result in significant under-collections. In addition, Edison International and SCE access to the bank and capital markets and/or the costs of accessing those markets could be constrained and could also face payment delays and/or defaults from insurers and other counterparties. Furthermore, Edison International's and SCE's access to the bank and capital markets could also be constrained and/or the costs of accessing those markets could increase as a result of a pandemic or similar event, including if Edison International's and/or SCE's credit ratings are downgraded, or placed on negative watch due to concerns about Edison International and/or SCE's financial health as a result of the impacts of the pandemic. SCE may also incur significant incremental costs as a result of actions it is taking in response to a pandemic or a similar event, including costs being incurred to maintain its operations and assist its employees who are required to telework or are otherwise impacted by the event. SCE could also face delays in important legal and

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regulatory proceedings. These impacts, among others, could materially and adversely impact Edison International's and SCE's business, operations, cash flows, liquidity and financial results.

Edison International's and SCE's business activities are concentrated in one industry and in one region.

Substantially all of Edison International's and all of SCE's business activities are concentrated in the electric utility industry. Edison International's principal subsidiary, SCE, serves customers only in southern and central California. As a result, Edison International's and SCE's future performance may be affected by events and economic factors unique to California or by regional regulation, legislation or judicial decisions. For example, California courts have applied strict liability to investor-owned utilities in wildfire and other litigation matters. See "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies—Contingencies—Southern California Wildfires and Mudslides."

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information responding to this section is included in the MD&A under the heading "Market Risk Exposures."

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Edison International

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Edison International and its subsidiaries (the "Company") as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, and the related consolidated statements of income, of comprehensive income, of changes in equity and of cash flows for each of the three years in the period ended **December 31, 2022** **December 31, 2023**, including the related notes and schedule of condensed financial information of parent as of **December 31, 2022** **December 31, 2023** and **2021** 2022 and for each of the three years in the period ended **December 31, 2022** **December 31, 2023** appearing under Item **15** **15(a)(2)** (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of **December 31, 2022** **December 31, 2023** and **2021**, 2022, and the results of its operations and its cash flows for each of the

three years in the period ended [December 31, 2022](#) [December 31, 2023](#) in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of [December 31, 2022](#) [December 31, 2023](#), based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies

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and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Contingent Liability – 2017/2018 Wildfire/Mudslide Events

As described in Note 12 to the consolidated financial statements, the Thomas Fire, the Koenigstein Fire, the Montecito Mudslides and the Woolsey Fire (collectively, the "2017/2018 Wildfire/Mudslide Events") within the Company's service territory caused loss of life, substantial damage to both residential and business properties, and service outages for SCE customers in the Santa Barbara, Ventura, and Los Angeles Counties. Numerous claims related to wildfire events have been initiated against the Company. The Company has incurred material losses in connection with the 2017/2018 Wildfire/Mudslide Events. As of December 31, 2022, SCE had paid \$7.6 billion under executed settlements, had \$185 million to be paid under executed settlements, including \$120 million to be paid under the SED executed Agreement, and had \$934 million of estimated losses for remaining alleged and potential claims reflected on their consolidated balance sheets related to the 2017/2018 Wildfire/Mudslide Events. As of the same date, SCE had assets for expected recoveries through FERC electric rates of \$142 million on their consolidated balance sheets and had exhausted expected insurance recoveries related to the 2017/2018 Wildfire/Mudslide Events. Each reporting period, management reviews its loss estimates for remaining alleged and potential claims related to wildfire events. The process for estimating losses associated with alleged and potential wildfire related claims requires management to exercise significant judgment based on a number of assumptions and subjective factors, including, but not limited to: estimates of known and expected claims by third parties based on currently available information, opinions of counsel regarding litigation risk, the status of and developments in the course of litigation, and prior experience litigating and settling wildfire litigation claims. As additional information becomes available, management's estimates and assumptions regarding the causes and financial impact of wildfire events may change. For instance, as a result of additional information, in 2022 management accrued additional estimated losses of \$1.3 billion for claims related to the 2017/2018 Wildfire/Mudslide Events, against which SCE has recorded expected recoveries through FERC electric rates of \$76 million. The resulting net charge to earnings was \$1.2 billion (\$879 million after-tax).

The principal considerations for our determination that performing procedures relating to the 2017/2018 Wildfire/Mudslide Events contingent liability is a critical audit matter are the significant judgment by management when determining the probability of a loss being incurred and the best estimate of expected potential loss for these

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contingencies related to assumptions and subjective factors based on currently available information and assessments, opinions regarding litigation risk, and prior experience with litigating and settling other wildfire cases. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's conclusion related to these loss contingencies.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's evaluation of loss contingencies associated with wildfires and mudslides. These procedures also included, among others, obtaining and evaluating the letters of audit inquiry with internal and external legal counsel, assessing the reasonableness of management's assessment regarding whether it is reasonably possible or probable and reasonably estimable that a loss has been incurred, evaluating the assumptions and methods used by management in developing the best estimate of expected potential losses, including currently available information and assessments, opinions regarding litigation risk, and prior experience with litigating and settling other wildfire cases, and testing damage claim settlements. When assessing the assumptions related to the best estimate of expected potential losses, the assumptions used were evaluated for reasonableness considering (i) current damage claim settlements, (ii) past wildfire litigation history, and (iii) third-party source data.

Recoverability of Regulatory Assets That Are Not Currently Reflected In Rates

As described in Notes 1 and 11 to the consolidated financial statements, the Company's accounting policies conform to accounting principles generally accepted in the United States of America, including the accounting principles for rate-regulated enterprises, which reflect the ratemaking policies of the CPUC and the FERC. Management applies authoritative guidance for rate-regulated enterprises to the portion of its operations in which regulators set rates at levels intended to recover the estimated costs of providing service, plus a return on net investments in assets, or rate base. Regulators may also impose certain penalties or grant certain incentives. Due to timing and other differences in the collection of electric utility revenue, these accounting principles require an incurred cost that would otherwise be charged to expense by a non-regulated entity to be capitalized as a regulatory asset if it is probable that the cost is recoverable through future rates. As disclosed by management, management assesses at the end of each reporting period whether regulatory assets are probable of future recovery by considering factors such as the current regulatory environment, the issuance of rate orders on recovery of the specific or a similar incurred cost of the Company or other rate-regulated entities, and other factors that would indicate that the regulator will treat an incurred cost as allowable for ratemaking purposes. As of December 31, 2022, \$1.52 billion recorded in wildfire and drought restoration accounts and wildfire-related memorandum accounts represent wildfire and drought restoration costs that are probable of future recovery from customers.

The principal consideration for our determination that performing procedures relating to the Company's recoverability of regulatory assets that are not currently reflected in rates is a critical audit matter is the significant judgment by management in determining the costs probable of recovery and reported as an asset on the balance sheet. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's assessment of the recoverability of regulatory assets not currently reflected in rates.

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Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the Company's regulatory accounting process, including controls over management's assessment of the probability of recovering regulatory assets not currently reflected in rates. These procedures also included, among others, obtaining the Company's correspondence with regulators, evaluating management's assessment regarding the probability of recovery of the regulatory assets at the balance sheet date, evaluating the accounting and disclosure implications, and calculating regulatory assets balances based on provisions outlined in the rate orders. This evidence included reference to historical precedence of similar items and accounting treatment utilized by comparable companies under similar regulatory jurisdictions as well as evaluating progress in discussions between management and the regulator.

/s/PricewaterhouseCoopers LLP

Los Angeles, California

February 23, 2023

We have served as the Company's auditor since 2002.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Southern California Edison Company

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Southern California Edison Company and its subsidiaries (the "Company") as of December 31, 2022 and 2021, and the related consolidated statements of income, of comprehensive income, of changes in equity and of cash flows for each of the three years in the period ended

December 31, 2022, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express opinions on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinions.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Contingent Liability – Wildfire-Related Claims – 2017/2018 Wildfire/Mudslide Events

As described in Note 12 to the consolidated financial statements, the Thomas Fire, the Koenigstein Fire, the Montecito Mudslides and the Woolsey Fire (collectively, the "2017/2018 Wildfire/Mudslide Events") within the Company's service territory caused loss of life, substantial damage to both residential and business properties, and service outages for **SCE**

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customers in the Santa Barbara, Ventura, and Los Angeles Counties; Company's customers. Numerous claims related to wildfire events have been initiated against the Company. The Company has incurred material losses in connection with the 2017/2018 Wildfire/Mudslide Events. As disclosed by management, management records loss contingencies when it determines that the outcome of December 31, 2022 future events is probable of occurring and when the amount of the loss can be reasonably estimated. As of December 31, 2023, **SCE** the Company had paid \$7.6 billion \$8.7 billion under executed settlements, had \$185 million \$78 million to be paid under executed settlements, including \$120 million \$62 million to be paid under the **SED executed Agreement, Safety and Enforcement Division agreement**, and had \$934 million \$637 million of estimated losses for remaining alleged and potential claims reflected on their its consolidated balance sheets related to the 2017/2018 Wildfire/Mudslide Events. As of the same date, **SCE the Company** had assets for expected recoveries through **FERC Federal Energy Regulatory Commission (FERC)** electric rates of \$142 million \$37 million on their its consolidated balance sheets and had exhausted expected insurance recoveries related to the 2017/2018 Wildfire/Mudslide Events. Each reporting period, management reviews its the Company's loss estimates for remaining alleged and potential claims related to wildfire events. The process for estimating losses associated with alleged and potential wildfire related claims requires management to exercise significant judgment based on a number of assumptions and subjective factors, including, but not limited to: estimates of known and expected claims by third parties based on currently available information, opinions of counsel regarding litigation risk, the status of and developments in the course of litigation, and prior experience litigating and settling wildfire litigation claims. As additional information becomes available, management's estimates and assumptions regarding the causes and financial impact of wildfire events may change. For instance, as a result the year ended December 31, 2023 management recorded charges for wildfire claims of additional information, in 2022 management accrued additional estimated losses \$630 million and expected revenue from **FERC customers** of \$1.3 billion for claims related to the 2017/2018 Wildfire/Mudslide Events, against which **SCE** has recorded expected recoveries through **FERC** electric rates of \$76 \$37 million. The resulting net pre-tax charge to earnings was \$1.2 billion \$593 million (\$879 428 million after-tax).

The principal considerations for our determination that performing procedures relating to the wildfire-related claims from the 2017/2018 Wildfire/Mudslide Events contingent liability is a critical audit matter are (i) the significant judgment by management when determining whether the probability outcome of a future events is probable of occurring and whether the amount of the loss being incurred can be reasonably estimated as well as in estimating losses associated with alleged and the best estimate of expected potential loss for these contingencies claims related to assumptions wildfire events and subjective factors based on currently available information and assessments, opinions regarding litigation risk, and prior experience with litigating and settling other wildfire cases. This in turn led to (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's conclusion significant assumptions related to these loss contingencies; estimates of known and expected claims by third parties based on

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currently available information, opinions of counsel regarding litigation risk, and prior experience litigating and settling wildfire litigation claims.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's

evaluation assessment of loss contingencies associated with wildfires alleged and mudslides, potential claims related to wildfire events. These procedures also included, among others (i) obtaining and evaluating the letters of audit inquiry with internal and external legal counsel, counsel; (ii) assessing the reasonableness of management's assessment regarding whether it the outcome of future events is probable of occurring and whether the amount of the loss can be reasonably possible or probable and reasonably estimable that a loss has been incurred, estimated; (iii) evaluating the assumptions and appropriateness of the methods used by management in developing estimating losses associated with alleged and potential claims related to wildfire events; (iv) evaluating the best estimate reasonableness of the significant assumptions related to estimates of known and expected potential losses, including claims by third parties based on currently available information, and assessments, opinions of counsel regarding litigation risk, and prior experience with litigating and settling other wildfire cases, litigation claims; and (v) testing, on a sample basis, damage claim settlements. When assessing the Evaluating management's assumptions related to the best estimate of expected potential losses, involved evaluating whether the assumptions used by management were evaluated for reasonableness reasonable considering (i) current damage claim settlements, settlements; (ii) past wildfire litigation history, history; and (iii) third-party source data.

Recoverability Accounting for the Effects of Regulatory Assets That Are Not Currently Reflected In Rates Rate Regulation

As described in Notes 1 and 11 to the consolidated financial statements, the Company's accounting policies conform to accounting principles generally accepted in the United States of America, including the accounting principles for rate-regulated enterprises, which reflect the ratemaking policies of the CPUC California Public Utility Commission (CPUC) and the FERC. Management applies authoritative guidance for rate-regulated enterprises to the portion of its the Company's operations in which regulators set rates at levels intended to recover the estimated costs of providing service, plus a return on net investments in assets, or rate base. Regulators may also impose certain penalties or grant certain incentives. Due to timing and other differences in the collection of electric utility revenue, these accounting principles require an incurred cost that would otherwise be charged to expense by a non-regulated entity to be capitalized as a regulatory asset if it is probable that the cost is recoverable through future rates, rates; and conversely the accounting principles require recording of a regulatory liability for amounts collected in rates to recover costs expected to be incurred in the future or amounts collected in excess of costs incurred and refundable to customers. As disclosed by management, management assesses at the end of each reporting period whether regulatory assets are probable of future recovery by considering factors such as the current regulatory environment, the issuance of rate orders on recovery of the specific or a similar incurred cost of to the Company or other rate-regulated entities, and other factors that would indicate that the regulator will treat an incurred cost as allowable for ratemaking purposes. As of December 31, 2022 December 31, 2023, \$1.52 billion \$11.4 billion was recorded in wildfire regulatory assets and drought restoration accounts and wildfire-related memorandum accounts represent wildfire and drought restoration costs that are probable of future

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recovery from customers.

The principal consideration considerations for our determination that performing procedures relating to the Company's recoverability accounting for the effects of regulatory assets that are not currently reflected in rates rate regulation is a critical audit matter is the significant judgment by management in determining the costs probable of recovery and reported as an asset on the balance sheet. This in turn led to are a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's audit evidence related to (i) accounting for the effect of rate regulation on regulatory assets and liabilities and (ii) management's assessment of the recoverability and settlement of existing and new regulatory assets not currently reflected in rates, and liabilities.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the Company's regulatory accounting process, including controls over management's management's assessment of the probability recoverability and settlement of recovering existing and new regulatory assets not currently reflected in rates, and liabilities. These procedures also included, among others (i) obtaining and evaluating the Company's correspondence with regulators, regulators; (ii) evaluating management's assessment regarding the probability of recovery of the regulatory assets and settlement of regulatory liabilities at the balance sheet date, date; (iii) evaluating the

appropriateness of the accounting for the effects of the rate regulation; (iv) evaluating the sufficiency of the disclosure; and disclosure implications, and calculating (v) testing, on a sample basis, the calculation of regulatory assets balances and regulatory liabilities based on provisions outlined in the rate orders. This

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/s/PricewaterhouseCoopers LLP
Los Angeles, California
February 22, 2024

We have served as the Company's auditor since 2002.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Southern California Edison Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Southern California Edison Company and its subsidiaries (the "Company") as of December 31, 2023 and 2022, and the related consolidated statements of income, of comprehensive income, of changes in equity and of cash flows for each of the three years in the period ended December 31, 2023, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but

not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included reference to historical precedence of similar items evaluating the accounting principles used and accounting treatment utilized significant estimates made by comparable companies under similar regulatory jurisdictions management, as well as evaluating progress the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in discussions between management any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Wildfire-Related Claims - 2017/2018 Wildfire/Mudslide Events

As described in Note 12 to the consolidated financial statements, the Thomas Fire, the Koenigstein Fire, the Montecito Mudslides and the regulator Woolsey Fire (collectively, the "2017/2018 Wildfire/Mudslide Events") within the Company's service territory caused loss of life, substantial damage to both residential and business properties, and service outages for the Company's customers. Numerous claims related to wildfire events have been initiated against the Company. The Company has incurred material losses in connection with the 2017/2018 Wildfire/Mudslide Events. As disclosed by management, management records loss contingencies when it determines that the outcome of future events is probable of

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occurring and when the amount of the loss can be reasonably estimated. As of December 31, 2023, the Company had paid \$8.7 billion under executed settlements, had \$78 million to be paid under executed settlements, including \$62 million to be paid under the Safety and Enforcement Division agreement, and had \$637 million of estimated losses for remaining alleged and potential claims reflected on its consolidated balance sheets related to the 2017/2018 Wildfire/Mudslide Events. As of the same date, the Company had assets for expected recoveries through Federal Energy Regulatory Commission (FERC) electric rates of \$37 million on its consolidated balance sheets and had exhausted expected insurance recoveries related to the 2017/2018 Wildfire/Mudslide Events. Each reporting period, management reviews the Company's loss estimates for remaining alleged and potential claims related to wildfire events. The process for estimating losses associated with alleged and potential wildfire related claims requires management to exercise significant judgment based on a number of assumptions and subjective factors, including, but not limited to: estimates of known and expected claims by third parties based on currently available information, opinions of counsel regarding litigation risk, the status of and developments in the course of litigation, and prior experience litigating and settling wildfire litigation claims. As additional information becomes available, management's estimates and assumptions regarding the causes and financial impact of wildfire events may change. For the year ended December 31, 2023 management recorded charges for wildfire claims of \$630 million and expected revenue from FERC customers of \$37 million. The resulting pre-tax charge to earnings was \$593 million (\$428 million after-tax).

The principal considerations for our determination that performing procedures relating to the wildfire-related claims from the 2017/2018 Wildfire/Mudslide Events is a critical audit matter are (i) the significant judgment by management when determining whether the outcome of future events is probable of occurring and whether the amount of the loss can be reasonably estimated as well as in estimating losses associated with alleged and potential claims related to wildfire events and (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to estimates of known and expected claims by third

parties based on currently available information, opinions of counsel regarding litigation risk, and prior experience litigating and settling wildfire litigation claims.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's assessment of loss contingencies associated with alleged and potential claims related to wildfire events. These procedures also included, among others (i) obtaining and evaluating the letters of audit inquiry with internal and external legal counsel; (ii) assessing the reasonableness of management's assessment regarding whether the outcome of future events is probable of occurring and whether the amount of the loss can be reasonably estimated; (iii) evaluating the appropriateness of the methods used by management in estimating losses associated with alleged and potential claims related to wildfire events; (iv) evaluating the reasonableness of the significant assumptions related to estimates of known and expected claims by third parties based on currently available information, opinions of counsel regarding litigation risk, and prior experience litigating and settling wildfire litigation claims; and (v) testing, on a sample basis, damage claim settlements. Evaluating management's assumptions involved evaluating whether the assumptions used by management were reasonable considering (i) current damage claim settlements; (ii) past wildfire litigation history; and (iii) third-party source data.

Accounting for the Effects of Rate Regulation

As described in Notes 1 and 11 to the consolidated financial statements, the Company's accounting policies conform to accounting principles generally accepted in the United States of America, including the accounting principles for rate-regulated enterprises, which reflect the ratemaking policies of the California Public Utility Commission (CPUC) and the FERC. Management applies authoritative guidance for rate-regulated enterprises to the portion of the Company's operations in which regulators set rates at levels intended to recover the estimated costs of providing service, plus a return on net investments in assets, or rate base. Regulators may also impose certain penalties or grant certain incentives. Due to timing and other differences in the collection of electric utility revenue, these accounting principles require an incurred cost that would otherwise be charged to expense by a non-regulated entity to be capitalized as a regulatory asset if it is probable that the cost is recoverable through future rates; and conversely the accounting principles require recording of a regulatory liability for amounts collected in rates to recover costs expected to be incurred in the future or amounts collected in excess of costs incurred and refundable to customers. As disclosed by management, management assesses at the end of each reporting period whether regulatory assets are probable of future recovery by considering factors such as the current regulatory environment, the issuance of rate orders on recovery of the specific or a similar

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incurred cost to the Company or other rate-regulated entities, and other factors that would indicate that the regulator will treat an incurred cost as allowable for ratemaking purposes. As of December 31, 2023, \$11.4 billion was recorded in regulatory assets and \$10.2 billion was recorded in regulatory liabilities.

The principal considerations for our determination that performing procedures relating to the Company's accounting for the effects of rate regulation is a critical audit matter are a high degree of auditor effort in performing procedures and evaluating audit evidence related to (i) accounting for the effect of rate regulation on regulatory assets and liabilities and (ii) management's assessment of the recoverability and settlement of existing and new regulatory assets and liabilities.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the Company's regulatory accounting process, including controls over management's assessment of the recoverability and settlement of existing and new regulatory assets and liabilities. These procedures also included, among others (i) obtaining and evaluating the Company's correspondence with regulators; (ii) evaluating management's assessment regarding the probability of recovery of regulatory assets and settlement of regulatory liabilities at the balance sheet date; (iii) evaluating the appropriateness of the accounting for the effects of the rate regulation; (iv) evaluating the sufficiency of the disclosure; and (v) testing, on a sample basis, the calculation of regulatory assets and regulatory liabilities based on provisions outlined in the rate orders.

/s/PricewaterhouseCoopers LLP
Los Angeles, California
February 23, 2023 22, 2024

We have served as the Company's auditor since 2002.

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CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statements of Income				Edison International		
(in millions, except per-share amounts)	Years ended December 31,			Years ended December 31,		
	2022	2021	2020	2023	2022	2021
Total operating revenue	\$ 17,220	\$ 14,905	\$ 13,578			
Operating revenue				\$16,338	\$17,220	\$14,905
Purchased power and fuel	6,375	5,540	4,932	5,486	6,375	5,540

Operation and maintenance	4,724	3,645	3,609	4,138	4,724	3,645
Wildfire-related claims, net of insurance recoveries	1,313	1,276	1,328	667	1,313	1,276
Wildfire Insurance Fund expense	214	215	336	213	214	215
Depreciation and amortization	2,561	2,218	1,967	2,635	2,561	2,218
Property and other taxes	501	465	438	571	501	465
Impairment, net of other (income)	54	71	(116)			
Gain on sale of lease interest and other operating income	(5)	(2)	(133)			
Impairment, net of other operating income				1	49	69
Total operating expenses	15,737	13,428	12,361	13,711	15,737	13,428
Operating income	1,483	1,477	1,217	2,627	1,483	1,477
Interest expense	(1,169)	(925)	(902)	(1,612)	(1,169)	(925)
Other income	348	237	251			
Other income, net				500	348	237
Income before income taxes	662	789	566	1,515	662	789
Income tax benefit	(162)	(136)	(305)			
Income tax expense (benefit)				108	(162)	(136)
Net income	824	925	871	1,407	824	925
Less: Preference stock dividend requirements of SCE	107	106	132	123	107	106
Less: Preferred stock dividend requirement of Edison International	105	60	—			
Preferred stock dividend requirements of Edison International				87	105	60
Net income attributable to Edison International common shareholders	\$ 612	\$ 759	\$ 739	\$ 1,197	\$ 612	\$ 759
Basic earnings per share:						
Weighted average shares of common stock outstanding	381	380	373	383	381	380
Basic earnings per common share attributable to Edison International common shareholders	\$ 1.61	\$ 2.00	\$ 1.98	\$ 3.12	\$ 1.61	\$ 2.00
Diluted earnings per share:						
Weighted average shares of common stock outstanding, including effect of dilutive securities	383	380	374	385	383	380
Diluted earnings per common share attributable to Edison International common shareholders	\$ 1.60	\$ 2.00	\$ 1.98	\$ 3.11	\$ 1.60	\$ 2.00

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated Statements of Comprehensive Income

Edison International

(in millions)	Years ended December 31,		
	2022	2021	2020

Net income	\$	824	\$	925	\$	871
Other comprehensive income, net of tax:						
Pension and postretirement benefits other than pensions		43		15		—
Other comprehensive income, net of tax		43		15		—
Comprehensive income		867		940		871
Less: Comprehensive income attributable to noncontrolling interests		107		106		132
Comprehensive income attributable to Edison International	\$	760	\$	834	\$	739

	Years ended December 31,		
(in millions)	2023	2022	2021
Net income	\$ 1,407	\$ 824	\$ 925
Other comprehensive (loss) income, net of tax:			
Pension and postretirement benefits other than pensions	(1)	43	15
Foreign currency translation adjustments	3	—	—
Other comprehensive income, net of tax	2	43	15
Comprehensive income	1,409	867	940
Less: Comprehensive income attributable to noncontrolling interests	123	107	106
Comprehensive income attributable to Edison International	\$ 1,286	\$ 760	\$ 834

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated Balance Sheets		Edison International			
(in millions)	December 31,		December 31,		
	2022	2021	2023	2022	
ASSETS					
Cash and cash equivalents	\$ 914	\$ 390	\$ 345	\$ 914	
Receivables, less allowances of \$347 and \$193 for uncollectible accounts at respective dates	1,695	1,398			
Receivables, less allowances of \$360 and \$347 for uncollectible accounts at respective dates			2,016	1,695	
Accrued unbilled revenue	641	794	742	641	
Inventory	474	420	527	474	
Prepaid expenses	248	258	112	248	
Regulatory assets	2,497	1,778	2,524	2,497	
Wildfire Insurance Fund contributions	204	204	204	204	
Other current assets	397	249	341	397	
Total current assets	7,070	5,491	6,811	7,070	
Nuclear decommissioning trusts	3,948	4,870	4,173	3,948	

Marketable securities	5	12		
Other investments	50	39	54	55
Total investments	4,003	4,921	4,227	4,003
Utility property, plant and equipment, less accumulated depreciation and amortization of \$12,260 and \$11,407 at respective dates	53,274	50,497		
Nonutility property, plant and equipment, less accumulated depreciation of \$106 and \$98 at respective dates	212	203		
Utility property, plant and equipment, less accumulated depreciation and amortization of \$12,910 and \$12,260 at respective dates			55,877	53,274
Nonutility property, plant and equipment, less accumulated depreciation of \$114 and \$106 at respective dates			207	212
Total property, plant and equipment	53,486	50,700	56,084	53,486
Receivables, less allowances of \$7 and \$116 for uncollectible accounts at respective dates	2	122		
Regulatory assets (include \$834 and \$325 related to Variable Interest Entities "VIEs" at respective dates)	8,181	7,660		
Regulatory assets (include \$1,558 and \$834 related to Variable Interest Entities "VIEs" at respective dates)			8,897	8,181
Wildfire Insurance Fund contributions	2,155	2,359	1,951	2,155
Operating lease right-of-use assets	1,442	1,932	1,221	1,442
Long-term insurance receivables	465	75	501	465
Other long-term assets	1,237	1,485	2,066	1,239
Total long-term assets	13,482	13,633	14,636	13,482
Total assets	\$ 78,041	\$ 74,745	\$81,758	\$78,041

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated Balance Sheets		Edison International			
(in millions, except share amounts)	December 31,		December 31,		
	2022	2021	2023	2022	
LIABILITIES AND EQUITY					
Short-term debt	\$ 2,015	\$ 2,354	\$ 1,077	\$ 2,015	
Current portion of long-term debt	2,614	1,077	2,697	2,614	
Accounts payable	2,359	2,002	1,983	2,359	
Wildfire-related claims	121	131	30	121	
Customer deposits	167	193	177	167	
Regulatory liabilities	964	603	763	964	
Current portion of operating lease liabilities	506	582	120	506	
Other current liabilities	1,601	1,667	1,751	1,601	
Total current liabilities	10,347	8,609	8,598	10,347	
Long-term debt (include \$809 and \$314 related to VIEs at respective dates)	27,025	24,170			
Long-term debt (include \$1,515 and \$809 related to VIEs at respective dates)			30,316	27,025	
Deferred income taxes and credits	6,149	5,740	6,672	6,149	

Pensions and benefits	422	496	415	422
Asset retirement obligations	2,754	2,772	2,666	2,754
Regulatory liabilities	8,211	8,981	9,420	8,211
Operating lease liabilities	936	1,350	1,101	936
Wildfire-related claims	1,687	1,733	1,368	1,687
Other deferred credits and other long-term liabilities	2,988	3,105	3,258	2,988
Total deferred credits and other liabilities	23,147	24,177	24,900	23,147
Total liabilities	60,519	56,956	63,814	60,519
Commitments and contingencies (Note 12)				
Preferred stock (50,000,000 shares authorized; 1,250,000 shares of Series A and 750,000 shares of Series B issued and outstanding at respective dates)	1,978	1,977		
Common stock, no par value (800,000,000 shares authorized; 382,208,498 and 380,378,145 shares issued and outstanding at respective dates)	6,200	6,071		
Preferred stock (50,000,000 shares authorized; 1,159,317 and 1,250,000 shares of Series A and 532,454 and 750,000 shares of Series B issued and outstanding at respective dates)			1,673	1,978
Common stock, no par value (800,000,000 shares authorized; 383,924,912 and 382,208,498 shares issued and outstanding at respective dates)			6,338	6,200
Accumulated other comprehensive loss	(11)	(54)	(9)	(11)
Retained earnings	7,454	7,894	7,499	7,454
Total Edison International's shareholders' equity	15,621	15,888	15,501	15,621
Noncontrolling interests – preference stock of SCE	1,901	1,901	2,443	1,901
Total equity	17,522	17,789	17,944	17,522
Total liabilities and equity	\$ 78,041	\$ 74,745	\$81,758	\$78,041

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated Statements of Cash Flows

Edison International

(in millions)	Years ended December 31,		
	2022	2021	2020
Cash flows from operating activities:			
Net income	\$ 824	\$ 925	\$ 871
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation and amortization	2,633	2,288	2,029
Allowance for equity during construction	(137)	(118)	(121)
Impairment and other expense (income)	54	71	(116)
Gain on sale of lease interest and other operating income	(5)	(2)	(133)
Deferred income taxes	(177)	43	(296)
Wildfire Insurance Fund amortization expense	214	215	336
Other	80	40	36
Nuclear decommissioning trusts	(123)	(256)	(197)

Proceeds from Morongo Transmission LLC	—	400	—
Contributions to Wildfire Insurance Fund	(95)	(95)	(95)
Changes in operating assets and liabilities:			
Receivables	(252)	(514)	(283)
Inventory	(58)	(21)	(43)
Accounts payable	367	138	87
Tax receivables and payables	18	13	113
Other current assets and liabilities	322	(333)	4
Regulatory assets and liabilities, net	(51)	(720)	(1,799)
Wildfire-related insurance receivable	(390)	708	932
Wildfire-related claims	(56)	(2,648)	(56)
Other noncurrent assets and liabilities	48	(123)	(6)
Net cash provided by operating activities	3,216	11	1,263
Cash flows from financing activities:			
Long-term debt issued, plus premium and net of discount and issuance costs of \$(62), \$(43) and \$23 for the respective years	5,971	5,412	3,073
Long-term debt repaid	(1,085)	(1,037)	(1,099)
Short-term debt issued	1,000	2,654	2,994
Short-term debt repaid	(1,543)	(2,255)	(1,126)
Common stock issued	13	32	912
Preferred stock issued, net	—	1,977	—
Preferred and preference stock redeemed	—	—	(308)
Commercial paper borrowing (repayments), net	(317)	(254)	304
Dividends and distribution to noncontrolling interests	(110)	(106)	(118)
Common stock dividends paid	(1,050)	(988)	(928)
Preferred stock dividends paid	(99)	(35)	—
Other	101	45	23
Net cash provided by financing activities	2,881	5,445	3,727
Cash flows from investing activities:			
Capital expenditures	(5,778)	(5,505)	(5,484)
Proceeds from sale of nuclear decommissioning trust investments	4,177	3,961	5,927
Purchases of nuclear decommissioning trust investments	(4,054)	(3,705)	(5,730)
Other	81	98	316
Net cash used in investing activities	(5,574)	(5,151)	(4,971)
Net increase in cash, cash equivalents and restricted cash	523	305	19
Cash, cash equivalents and restricted cash at beginning of year	394	89	70
Cash, cash equivalents and restricted cash at end of year	\$ 917	\$ 394	\$ 89

(in millions)	Years ended December 31,		
	2023	2022	2021
Cash flows from operating activities:			
Net income	\$ 1,407	\$ 824	\$ 925
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation and amortization	2,721	2,633	2,288
Allowance for equity during construction	(157)	(137)	(118)
Impairment and other expense	1	54	71
Deferred income taxes	108	(177)	43
Wildfire Insurance Fund amortization expense	213	214	215
Other	57	75	38
Nuclear decommissioning trusts	(180)	(123)	(256)
Proceeds from Morongo Transmission LLC	—	—	400
Contributions to Wildfire Insurance Fund	(95)	(95)	(95)
Changes in operating assets and liabilities:			

Receivables	(349)	(252)	(514)
Inventory	(63)	(58)	(21)
Accounts payable	(408)	367	138
Tax receivables and payables	9	18	13
Other current assets and liabilities	185	207	(321)
Derivative assets and liabilities, net	(174)	115	(12)
Regulatory assets and liabilities, net	576	(51)	(720)
Wildfire-related insurance receivable	(36)	(390)	708
Wildfire-related claims	(410)	(56)	(2,648)
Other noncurrent assets and liabilities	(4)	48	(123)
Net cash provided by operating activities	3,401	3,216	11
Cash flows from financing activities:			
Long-term debt issued, net of discount and issuance costs of \$54, \$62, and \$43 for the respective years	5,121	5,971	5,412
Long-term debt repaid	(2,498)	(1,085)	(1,037)
Short-term debt issued	1,076	1,000	2,654
Short-term debt repaid	(2,407)	(1,543)	(2,255)
Common stock issued	20	13	32
Preferred and preference stock issued, net of issuance cost	542	—	1,977
Preferred stock repurchased	(289)	—	—
Commercial paper borrowing (repayments), net	1,102	(317)	(254)
Dividends and distribution to noncontrolling interests	(117)	(110)	(106)
Common stock dividends paid	(1,112)	(1,050)	(988)
Preferred stock dividends paid	(108)	(99)	(35)
Other	117	101	45
Net cash provided by financing activities	1,447	2,881	5,445
Cash flows from investing activities:			
Capital expenditures	(5,448)	(5,778)	(5,505)
Proceeds from sale of nuclear decommissioning trust investments	4,597	4,177	3,961
Purchases of nuclear decommissioning trust investments	(4,417)	(4,054)	(3,705)
Other	35	81	98
Net cash used in investing activities	(5,233)	(5,574)	(5,151)
Net (decrease) increase in cash, cash equivalents and restricted cash	(385)	523	305
Cash, cash equivalents and restricted cash at beginning of year	917	394	89
Cash, cash equivalents and restricted cash at end of year	\$ 532	\$ 917	\$ 394

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated Statements of Changes in Equity

Edison International

Noncontrolling

(in millions, except per share amounts)	Equity Attributable to Edison International Shareholders						Interests	
	Accumulated					Subtotal	Preferred and Preference Stock	Total Equity
	Other							
	Preferred Stock	Common Stock	Comprehensive Loss	Retained Earnings				
Balance at December 31, 2019	\$ —	\$ 4,990	\$ (69)	\$ 8,382	\$ 13,303	\$ 2,193	\$ 15,496	
Net income	—	—	—	739	739	132	871	
Common stock issued, net of issuance cost	—	942	—	—	942	—	942	
Common stock dividends declared (\$2.5750 per share)	—	—	—	(965)	(965)	—	(965)	
Dividends to noncontrolling interests (\$0.757 - \$0.886 per share for preferred stock; \$62.50 - \$143.75 per share for preference stock)	—	—	—	—	—	(117)	(117)	
Noncash stock-based compensation	—	30	—	(1)	29	1	30	
Redemption of preferred and preference stock	—	—	—	—	—	(308)	(308)	
Balance at December 31, 2020	\$ —	\$ 5,962	\$ (69)	\$ 8,155	\$ 14,048	\$ 1,901	\$ 15,949	
Net income	—	—	—	819	819	106	925	
Other comprehensive income	—	—	15	—	15	—	15	
Common stock issued, net of issuance cost	—	71	—	—	71	—	71	
Preferred stock issued, net of issuance cost	1,977	—	—	—	1,977	—	1,977	
Common stock dividends declared (\$2.6875 per share)	—	—	—	(1,021)	(1,021)	—	(1,021)	
Preferred stock dividend accrued (\$43.5972 per share for Series A and \$6.8056 per share for Series B)	—	—	—	(60)	(60)	—	(60)	
Dividends to noncontrolling interests (\$62.50 - \$143.75 per share for preference stock)	—	—	—	—	—	(106)	(106)	
Noncash stock-based compensation	—	38	—	1	39	—	39	
Balance at December 31, 2021	\$ 1,977	\$ 6,071	\$ (54)	\$ 7,894	\$ 15,888	\$ 1,901	\$ 17,789	
Net income	—	—	—	717	717	107	824	
Other comprehensive income	—	—	43	—	43	—	43	
Common stock issued, net of issuance cost	—	87	—	—	87	—	87	
Common stock dividends declared (\$2.8375 per share)	—	—	—	(1,083)	(1,083)	—	(1,083)	
Preferred stock dividend declared (\$53.750 per share for Series A and \$42.08333 per share for Series B)	—	—	—	(74)	(74)	—	(74)	
Dividends to noncontrolling interests (\$65.1098 - \$143.75 per share for preference stock)	—	—	—	—	—	(107)	(107)	
Noncash stock-based compensation	—	42	—	—	42	—	42	
Other	1	—	—	—	1	—	1	
Balance at December 31, 2022	\$ 1,978	\$ 6,200	\$ (11)	\$ 7,454	\$ 15,621	\$ 1,901	\$ 17,522	

(in millions, except per share amounts)	Equity Attributable to Edison International Shareholders					Noncontrolling Interests	
	Accumulated				Subtotal	Total Equity	
	Other						
	Preferred Stock	Common Stock	Comprehensive Loss	Retained Earnings			
Balance at December 31, 2020	\$ —	\$ 5,962	\$ (69)	\$ 8,155	\$ 14,048	\$ 1,901	\$ 15,949
Net income	—	—	—	819	819	106	925
Other comprehensive income	—	—	15	—	15	—	15
Common stock issued	—	71	—	—	71	—	71

Preferred stock issued, net	1,977	—	—	—	1,977	—	1,977
Common stock dividends declared (\$2.6875 per share)	—	—	—	(1,021)	(1,021)	—	(1,021)
Preferred stock dividend accrued (\$43.5972 per share for Series A and \$6.8056 per share for Series B)	—	—	—	(60)	(60)	—	(60)
Dividends to noncontrolling interests (\$62.50 - \$143.75 per share for preference stock)	—	—	—	—	—	(106)	(106)
Noncash stock-based compensation	—	38	—	1	39	—	39
Balance at December 31, 2021	\$ 1,977	\$ 6,071	\$ (54)	\$ 7,894	\$ 15,888	\$ 1,901	\$ 17,789
Net income	—	—	—	717	717	107	824
Other comprehensive income	—	—	43	—	43	—	43
Common stock issued	—	87	—	—	87	—	87
Common stock dividends declared (\$2.8375 per share)	—	—	—	(1,083)	(1,083)	—	(1,083)
Preferred stock dividend declared (\$53.75 per share for Series A and \$42.08333 per share for Series B)	—	—	—	(74)	(74)	—	(74)
Dividends to noncontrolling interests (\$65.1098 - \$143.75 per share for preference stock)	—	—	—	—	—	(107)	(107)
Noncash stock-based compensation	—	42	—	—	42	—	42
Other	1	—	—	—	1	—	1
Balance at December 31, 2022	\$ 1,978	\$ 6,200	\$ (11)	\$ 7,454	\$ 15,621	\$ 1,901	\$ 17,522
Net income	—	—	—	1,284	1,284	123	1,407
Other comprehensive income	—	—	2	—	2	—	2
Common stock issued	—	92	—	—	92	—	92
Common stock dividends declared (\$2.9925 per share)	—	—	—	(1,147)	(1,147)	—	(1,147)
Preferred stock dividend declared (\$53.75 per share for Series A and \$50.00 per share for Series B)	—	—	—	(108)	(108)	—	(108)
Dividends to noncontrolling interests (\$96.823 - \$143.75 per share for preference stock)	—	—	—	—	—	(123)	(123)
Noncash stock-based compensation	—	46	—	—	46	—	46
Preference stock issued, net of issuance cost	—	—	—	—	—	542	542
Preferred stock repurchased	(305)	—	—	16	(289)	—	(289)
Balance at December 31, 2023	\$ 1,673	\$ 6,338	\$ (9)	\$ 7,499	\$ 15,501	\$ 2,443	\$ 17,944

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated Statements of Income

Southern California Edison Company

(in millions)	Years ended December 31,			Years ended December 31,		
	2022	2021	2020	2023	2022	2021
Operating revenue	\$ 17,172	\$ 14,874	\$ 13,546	\$16,275	\$17,172	\$14,874
Purchased power and fuel	6,375	5,540	4,932	5,486	6,375	5,540
Operation and maintenance	4,659	3,588	3,523	4,071	4,659	3,588
Wildfire-related claims, net of insurance recoveries	1,305	1,276	1,328	665	1,305	1,276
Wildfire Insurance Fund expense	214	215	336	213	214	215
Depreciation and amortization	2,559	2,216	1,965	2,633	2,559	2,216
Property and other taxes	497	462	435	566	497	462
Impairment, net of other (income)	50	67	(151)			
Impairment, net of other operating income				1	50	67
Total operating expenses	15,659	13,364	12,368	13,635	15,659	13,364
Operating income	1,513	1,510	1,178	2,640	1,513	1,510
Interest expense	(1,005)	(791)	(768)	(1,356)	(1,005)	(791)
Other income	337	233	255			
Income before taxes	845	952	665			
Income tax (benefit) expense	(109)	17	(277)			
Other income, net				497	337	233
Income before income taxes				1,781	845	952
Income tax expense (benefit)				184	(109)	17
Net income	954	935	942	1,597	954	935
Less: Preference stock dividend requirements	107	106	132	123	107	106
Net income available for common stock	\$ 847	\$ 829	\$ 810	\$ 1,474	\$ 847	\$ 829

Consolidated Statements of Comprehensive Income

(in millions)	Years ended December 31,			Years ended December 31,		
	2022	2021	2020	2023	2022	2021
Net income	\$ 954	\$ 935	\$ 942	\$1,597	\$ 954	\$ 935
Other comprehensive income (loss), net of tax:						
Other comprehensive (loss) income, net of tax:						
Pension and postretirement benefits other than pensions	24	9	(2)	(4)	24	9
Other comprehensive income (loss), net of tax	24	9	(2)			
Other comprehensive (loss) income, net of tax				(4)	24	9
Comprehensive income	\$ 978	\$ 944	\$ 940	\$1,593	\$ 978	\$ 944

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated Balance Sheets

Southern California Edison Company

(in millions)	December 31,		December 31,	
	2022	2021	2023	2022
ASSETS				
Cash and cash equivalents	\$ 766	\$ 279	\$ 214	\$ 766
Receivables, less allowances of \$347 and \$193 for uncollectible accounts at respective dates	1,675	1,393		
Receivables, less allowances of \$360 and \$347 for uncollectible accounts at respective dates			1,981	1,675
Accrued unbilled revenue	638	794	741	638
Inventory	474	420	527	474
Prepaid expenses	292	257	111	292
Regulatory assets	2,497	1,778	2,524	2,497
Wildfire Insurance Fund contributions	204	204	204	204
Other current assets	384	222	331	384
Total current assets	6,930	5,347	6,633	6,930
Nuclear decommissioning trusts	3,948	4,870	4,173	3,948
Other investments	36	34	38	36
Total investments	3,984	4,904	4,211	3,984
Utility property, plant and equipment, less accumulated depreciation and amortization of \$12,260 and \$11,407 at respective dates	53,274	50,497		
Nonutility property, plant and equipment, less accumulated depreciation of \$94 and \$88 at respective dates	206	196		

Utility property, plant and equipment, less accumulated depreciation and amortization of \$12,910 and \$12,260 at respective dates			55,877	53,274
Nonutility property, plant and equipment, less accumulated depreciation of \$100 and \$94 at respective dates			201	206
Total property, plant and equipment	53,480	50,693	56,078	53,480
Receivables, less allowances of \$7 and \$116 for uncollectible accounts at respective dates	2	122		
Regulatory assets (include \$834 and \$325 related to VIEs at respective dates)	8,181	7,660		
Regulatory assets (include \$1,558 and \$834 related to VIEs at respective dates)			8,897	8,181
Wildfire Insurance Fund contributions	2,155	2,359	1,951	2,155
Operating lease right-of-use assets	1,433	1,925	1,214	1,433
Long-term insurance receivables	139	75	157	139
Long-term insurance receivables due from affiliate	334	—	355	334
Other long-term assets	1,169	1,453	1,987	1,171
Total long-term assets	13,413	13,594	14,561	13,413
Total assets	\$ 77,807	\$ 74,538	\$81,483	\$77,807

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated Balance Sheets

Southern California Edison Company

(in millions, except share amounts)	December 31,		December 31,	
	2022	2021	2023	2022
LIABILITIES AND EQUITY				
Short-term debt	\$ 925	\$ 2,354	\$ 831	\$ 925
Current portion of long-term debt	2,214	377	2,197	2,214
Accounts payable	2,351	1,999	1,966	2,351
Wildfire-related claims	121	131	30	121
Customer deposits	167	193	177	167
Regulatory liabilities	964	603	763	964
Current portion of operating lease liabilities	505	582	118	505
Other current liabilities	1,578	1,631	1,713	1,578
Total current liabilities	8,825	7,870	7,795	8,825
Long-term debt (include \$809 and \$314 related to VIEs at respective dates)	24,044	21,733		
Long-term debt (include \$1,515 and \$809 related to VIEs at respective dates)			26,297	24,044
Deferred income taxes and credits	7,545	7,181	8,126	7,545
Pensions and benefits	105	111	105	105
Asset retirement obligations	2,754	2,772	2,666	2,754
Regulatory liabilities	8,211	8,981	9,420	8,211
Operating lease liabilities	928	1,343	1,096	928
Wildfire-related claims	1,687	1,733	1,368	1,687

Other deferred credits and other long-term liabilities	2,919	2,979	3,206	2,919
Total deferred credits and other liabilities	24,149	25,100	25,987	24,149
Total liabilities	57,018	54,703	60,079	57,018
Commitments and contingencies (Note 12)				
Preference stock	1,945	1,945	2,495	1,945
Common stock, no par value (560,000,000 shares authorized; 434,888,104 shares issued and outstanding at respective dates)	2,168	2,168	2,168	2,168
Additional paid-in capital	8,441	7,033	8,446	8,441
Accumulated other comprehensive loss	(8)	(32)	(12)	(8)
Retained earnings	8,243	8,721	8,307	8,243
Total equity	20,789	19,835	21,404	20,789
Total liabilities and equity	\$ 77,807	\$ 74,538	\$81,483	\$77,807

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated Statements of Cash Flows

Southern California Edison Company

(in millions)	Years ended December 31,		
	2022	2021	2020
Cash flows from operating activities:			
Net income	\$ 954	\$ 935	\$ 942
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation and amortization	2,626	2,280	2,021
Allowance for equity during construction	(137)	(118)	(121)
Impairment and other expense (income)	50	67	(151)
Deferred income taxes	(111)	62	(263)
Wildfire Insurance Fund amortization expense	214	215	336
Other	59	28	18
Nuclear decommissioning trusts	(123)	(256)	(197)
Proceeds from Morongo Transmission LLC	—	400	—
Contributions to Wildfire Insurance Fund	(95)	(95)	(95)
Changes in operating assets and liabilities:			
Receivables	(245)	(513)	(290)
Inventory	(58)	(21)	(43)
Accounts payable	366	131	63
Tax receivables and payables	(1)	31	141
Other current assets and liabilities	265	(333)	(7)
Regulatory assets and liabilities, net	(51)	(720)	(1,799)
Wildfire-related insurance receivable	(398)	708	932

Wildfire-related claims	(56)	(2,648)	(56)
Other noncurrent assets and liabilities	60	5	(4)
Net cash provided by operating activities	3,319	158	1,427
Cash flows from financing activities:			
Long-term debt issued, plus premium and net of discount and issuance costs of \$(51), \$(43) and \$26 for the respective years	5,032	5,411	2,676
Long-term debt repaid	(385)	(1,037)	(699)
Short-term debt borrowed	—	2,654	2,194
Short-term debt repaid	(1,543)	(2,255)	(326)
Capital contributions from Edison International Parent	1,400	1,633	1,432
Preferred and preference stock redeemed	—	—	(308)
Commercial paper (repayments) borrowing, net	(406)	(124)	175
Common stock dividends paid	(1,300)	(975)	(1,332)
Preferred and preference stock dividends paid	(110)	(106)	(118)
Other	36	17	5
Net cash provided by financing activities	2,724	5,218	3,699
Cash flows from investing activities:			
Capital expenditures	(5,776)	(5,503)	(5,480)
Proceeds from sale of nuclear decommissioning trust investments	4,177	3,961	5,927
Purchases of nuclear decommissioning trust investments	(4,054)	(3,705)	(5,730)
Other	96	95	189
Net cash used in investing activities	(5,557)	(5,152)	(5,094)
Net increase in cash, cash equivalents and restricted cash	486	224	32
Cash, cash equivalents and restricted cash at beginning of year	280	56	24
Cash, cash equivalents and restricted cash at end of year	\$ 766	\$ 280	\$ 56

(in millions)	Years ended December 31,		
	2023	2022	2021
Cash flows from operating activities:			
Net income	\$ 1,597	\$ 954	\$ 935
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation and amortization	2,710	2,626	2,280
Allowance for equity during construction	(157)	(137)	(118)
Impairment and other expense	1	50	67
Deferred income taxes	179	(111)	62
Wildfire Insurance Fund amortization expense	213	214	215
Other	33	59	28
Nuclear decommissioning trusts	(180)	(123)	(256)
Proceeds from Morongo Transmission LLC	—	—	400
Contributions to Wildfire Insurance Fund	(95)	(95)	(95)
Changes in operating assets and liabilities:			
Receivables	(336)	(245)	(513)
Inventory	(63)	(58)	(21)
Accounts payable	(413)	366	131
Tax receivables and payables	4	(1)	31
Other current assets and liabilities	220	150	(321)
Derivative assets and liabilities, net	(174)	115	(12)
Regulatory assets and liabilities, net	576	(51)	(720)
Wildfire-related insurance receivable	(39)	(398)	708
Wildfire-related claims	(410)	(56)	(2,648)
Other noncurrent assets and liabilities	15	60	5
Net cash provided by operating activities	3,681	3,319	158
Cash flows from financing activities:			
Long-term debt issued, net of discount and issuance costs of \$37, \$51 and \$43 for the respective years	3,588	5,032	5,411

Long-term debt repaid	(2,098)	(385)	(1,037)
Short-term debt borrowed	706	—	2,654
Short-term debt repaid	(1,051)	(1,543)	(2,255)
Capital contributions from Edison International Parent	—	1,400	1,633
Preference stock issued, net of issuance cost	542	—	—
Commercial paper borrowing (repayments), net	963	(406)	(124)
Common stock dividends paid	(1,400)	(1,300)	(975)
Preference stock dividends paid	(117)	(110)	(106)
Other	49	36	17
Net cash provided by financing activities	1,182	2,724	5,218
Cash flows from investing activities:			
Capital expenditures	(5,446)	(5,776)	(5,503)
Proceeds from sale of nuclear decommissioning trust investments	4,597	4,177	3,961
Purchases of nuclear decommissioning trust investments	(4,417)	(4,054)	(3,705)
Other	35	96	95
Net cash used in investing activities	(5,231)	(5,557)	(5,152)
Net (decrease) increase in cash and cash equivalents	(368)	486	224
Cash, cash equivalents and restricted cash at beginning of year	766	280	56
Cash, cash equivalents and restricted cash at end of year	\$ 398	\$ 766	\$ 280

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated Statements of Changes in Equity

Southern California Edison Company

(in millions, except per share amounts)	Preferred and Preference	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity	Preference Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	To
	Stock	Stock	Capital	Loss	Earnings	Equity	Stock	Stock	Capital	Loss	Earnings	Eq
Balance at December 31, 2019	\$ 2,245	\$ 2,168	\$ 3,939	\$ (39)	\$ 9,514	\$17,827						
Net income	—	—	—	—	942	942						
Other comprehensive loss	—	—	—	(2)	—	(2)						

Capital contribution from Edison International Parent	—	—	1,432	—	—	1,432								
Dividends declared on common stock (\$2.6030 per share)	—	—	—	—	(1,132)	(1,132)								
Dividends declared on preferred stock (\$0.757 - \$0.886 per share) and preference stock (\$62.50 - \$143.75 per share)	—	—	—	—	(117)	(117)								
Stock-based compensation	—	—	(5)	—	—	(5)								
Noncash stock-based compensation	—	—	14	—	(1)	13								
Redemption of preferred and preference stock	(300)	—	7	—	(15)	(308)								
Balance at December 31, 2020	\$ 1,945	\$ 2,168	\$ 5,387	\$ (41)	\$ 9,191	\$18,650	\$ 1,945	\$ 2,168	\$ 5,387	\$ (41)	\$ 9,191	\$18,650		
Net income	—	—	—	—	935	935	—	—	—	—	935	935		
Other comprehensive income	—	—	—	9	—	9	—	—	—	9	—	—		
Capital contribution from Edison International Parent	—	—	1,633	—	—	1,633	—	—	1,633	—	—	1		
Dividends declared on common stock (\$2.9893 per share)	—	—	—	—	(1,300)	(1,300)	—	—	—	—	(1,300)	(1,300)		
Dividends declared on preference stock (\$62.50 - \$143.75 per share)	—	—	—	—	(106)	(106)								

Dividends declared on preference stock (\$62.50 - \$143.75 per share)								—	—	—	—	(106)	
Stock-based compensation	—	—	(7)	—	—	(7)		—	—	(7)	—	—	
Noncash stock-based compensation	—	—	20	—	1	21		—	—	20	—	1	
Balance at December 31, 2021	\$ 1,945	\$ 2,168	\$ 7,033	\$ (32)	\$ 8,721	\$19,835		\$ 1,945	\$ 2,168	\$ 7,033	\$ (32)	\$ 8,721	\$19
Net income	—	—	—	—	954	954		—	—	—	—	954	
Other comprehensive income	—	—	—	24	—	24		—	—	—	24	—	
Capital contribution from Edison International Parent	—	—	1,400	—	—	1,400		—	—	1,400	—	—	1
Dividends declared on common stock (\$3.0468 per share)	—	—	—	—	(1,325)	(1,325)		—	—	—	—	(1,325)	(1
Dividends declared on preference stock (\$65.1098 - \$143.75 per share)	—	—	—	—	(107)	(107)		—	—	—	—	(107)	
Stock-based compensation	—	—	(14)	—	—	(14)		—	—	(14)	—	—	
Noncash stock-based compensation	—	—	22	—	—	22		—	—	22	—	—	
Balance at December 31, 2022	\$ 1,945	\$ 2,168	\$ 8,441	\$ (8)	\$ 8,243	\$20,789		\$ 1,945	\$ 2,168	\$ 8,441	\$ (8)	\$ 8,243	\$20
Net income								—	—	—	—	1,597	1
Other comprehensive loss								—	—	—	(4)	—	
Dividends declared on common stock (\$3.2422 per share)								—	—	—	—	(1,410)	(1

Dividends declared on preference stock (\$96.823 - \$143.75 per share)	—	—	—	—	(123)	
Stock-based compensation	—	—	(13)	—	—	
Noncash stock-based compensation	—	—	26	—	—	
Preference stock issued	550	—	(8)	—	—	
Balance at December 31, 2023	\$ 2,495	\$ 2,168	\$ 8,446	\$ (12)	\$ 8,307	\$21

The accompanying notes are an integral part of these consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Organization and Basis of Presentation

Edison International is the ultimate parent holding company of Southern California Edison Company ("SCE") and Edison Energy, LLC ("Edison Energy Group" Energy). SCE is an investor-owned public utility primarily engaged in the business of supplying and delivering electricity to an approximately 50,000 square mile area of Southern California. Edison Energy Group is an indirect wholly-owned subsidiary of Edison International and a holding company for Edison Energy, LLC ("Edison Energy") which is engaged in the competitive business of global energy advisory firm providing decarbonization integrated sustainability and energy solutions to commercial, industrial and institutional and industrial customers in North America and Europe. customers. Edison Energy's business activities are currently not material to report as a separate business segment. These combined notes to the consolidated financial statements apply to both Edison International and SCE unless otherwise described. Edison International's consolidated financial statements include the accounts of Edison International, SCE, and other wholly owned and controlled subsidiaries. References to Edison International refer to the consolidated group of Edison International and its subsidiaries. References to "Edison International Parent and Other" refer to Edison International Parent and its competitive subsidiaries and "Edison International Parent" refer to Edison International on a stand-alone basis, not consolidated with its subsidiaries. SCE's consolidated financial statements include the accounts of SCE, its wholly owned and controlled subsidiaries and a variable interest entity, SCE Recovery Funding LLC, of which SCE is the primary beneficiary, SCE Recovery Funding LLC. beneficiary. All intercompany transactions have been eliminated from the consolidated financial statements.

Edison International's and SCE's accounting policies conform to accounting principles generally accepted in the United States of America ("GAAP"), including the accounting principles for rate-regulated enterprises, which reflect the ratemaking policies of the California Public Utility Commission ("CPUC") and the Federal Energy Regulatory Commission ("FERC"). SCE applies authoritative guidance for rate-regulated enterprises to the portion of its operations in which regulators set rates at levels intended to recover the estimated costs of providing service, plus a return on net investments in assets, or rate base. Regulators may also impose certain penalties or grant certain incentives. Due to timing and other differences in the collection of electric utility revenue, these accounting principles require an incurred cost that would otherwise be

charged to expense by a non-regulated entity to be capitalized as a regulatory asset if it is probable that the cost is recoverable through future rates; and conversely the **accounting** principles require recording of a regulatory liability for amounts collected in rates to recover costs expected to be incurred in the future or amounts collected in excess of costs incurred and refundable to customers. In addition, SCE recognizes revenue and regulatory assets from alternative revenue programs, which enables the utility to adjust future rates in response to past activities or completed events, if certain criteria are met. SCE assesses, at the end of each reporting period, whether regulatory assets are probable of future recovery. See Note 11 for composition of regulatory assets and liabilities.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Certain prior year amounts have been conformed to the current year's presentation, including the separate presentation of **common stock derivative assets** and **preferred liabilities on Edison International's** and **preference stock dividends in** SCE's consolidated statements of cash **flows**. **flows and the aggregation of significant components in the net regulatory balancing and memorandum accounts table in Note 11.**

Cash, Cash Equivalents and Restricted Cash

Cash equivalents consist of investments in money market funds. Generally, the carrying value of cash equivalents equals the fair value, as these investments have original maturities of three months or less. The cash equivalents were as follows:

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(in millions)	Edison International		SCE	
	December 31,		December 31,	
	2022	2021	2022	2021
Money market funds	\$ 784	\$ 329	\$ 647	\$ 230

(in millions)	Edison International		SCE	
	December 31,		December 31,	
	2023	2022	2023	2022
Money market funds	\$ 199	\$ 784	\$ 78	\$ 647

Cash is temporarily invested until required for check clearing. Checks issued, but not yet paid by the financial institution, are reclassified from cash to accounts payable at the end of each reporting period.

The following table sets forth the cash, cash equivalents and restricted cash included in the consolidated statements of cash flows:

(in millions)	December 31,		December 31,		December 31,	
	2022		2021		2023	2022
Edison International:						
Cash and cash equivalents	\$	914	\$	390	\$345	\$914
Short-term restricted cash ¹		3		4	35	3
Long-term restricted cash ²					152	—
Total cash, cash equivalents and restricted cash	\$	917	\$	394	\$532	\$917
SCE:						
Cash and cash equivalents	\$	766	\$	279	\$214	\$766
Short-term restricted cash ¹		—		1	33	—
Long-term restricted cash ²					151	—

Total cash, cash equivalents and restricted cash	\$	766	\$	280	\$398	\$766

¹ Reflected Includes SCE Recovery Funding LLC's restricted cash for payments of senior secured recovery bonds and is reflected in "Other current assets" on Edison International's and SCE's consolidated balance sheets.

² The SCE amount represents cash collected for customer-funded wildfire self-insurance and is reflected in "Other long-term assets" on Edison International's and SCE's consolidated balance sheets. See Note 12 for further information.

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is recorded based on SCE's estimate of expected credit losses and adjusted over the life of the receivables as needed. Since the customer base of SCE is concentrated in Southern California and exposes SCE to a homogeneous set of economic conditions, the allowance is measured on a collective basis on the historical amounts written-off, assessment of customer collectibility and current economic trends, including unemployment rates and any likelihood of recession for the region. At December 31, 2022, this included the estimated impacts of the COVID-19 pandemic. In addition, in June 2022, California's state assembly passed legislation to authorize, fund and implement the California Arrearage Payment Program ("CAPP") 2022, which reduced customer arrearages for certain residential customers. The allowance for uncollectible accounts recorded against qualified arrearages was reduced by \$83 million based on the receipt of CAPP in the fourth quarter of 2022.

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The following table sets forth the changes in allowance for uncollectible accounts for SCE:

(in millions)	Customers	All others	Total
Balance at December 31, 2019	\$ 35	\$ 14	\$ 49
Current period provision for uncollectible accounts			
Included in operation and maintenance expenses in earning activities ¹	36	9	45
Included in operation and maintenance expenses in cost-recovery activities ²	15	—	15
Deferred to regulatory memorandum accounts	105	—	105
Write-offs, net of recoveries	(16)	(10)	(26)
Balance at December 31, 2020	\$ 175	\$ 13	\$ 188
Current period provision for uncollectible accounts			
Included in operation and maintenance expenses in earning activities ¹	33	11	44
Included in operation and maintenance expenses in cost-recovery activities ²	74	—	74
Deferred to regulatory memorandum accounts	17	—	17
Write-offs, net of recoveries	(6)	(8)	(14)
Balance at December 31, 2021³	\$ 293	\$ 16	\$ 309
Current period provision for uncollectible accounts			
Included in operation and maintenance expenses in earning activities ¹	71	11	82
Included in operation and maintenance expenses in cost-recovery activities ^{2,4}	58	—	58
Deferred to regulatory memorandum accounts ⁴	(18)	—	(18)
Write-offs, net of recoveries	(70)	(7)	(77)
Balance at December 31, 2022³	\$ 334	\$ 20	\$ 354

(in millions)	Customers	All others	Total
Balance at December 31, 2020	\$ 175	\$ 13	\$ 188
Current period provision for uncollectible accounts ¹	124	11	135
Write-offs, net of recoveries	(6)	(8)	(14)
Balance at December 31, 2021	\$ 293	\$ 16	\$ 309
Current period provision for uncollectible accounts ¹	111	11	122

Write-offs, net of recoveries	(70)	(7)	(77)
Balance at December 31, 2022²	\$ 334	\$ 20	\$ 354
Current period provision for uncollectible accounts ¹	109	6	115
Write-offs, net of recoveries	(96)	(9)	(105)
Balance at December 31, 2023²	\$ 347	\$ 17	\$ 364

¹ Earning activities is one This includes \$78 million, \$40 million and \$91 million of SCE's disaggregated revenue sources. See Note 7 incremental costs for further details, the years ended December 31, 2023, 2022 and 2021, respectively, which were probable of recovery from customers and recorded as regulatory assets.

² Cost-recovery activities is one of SCE's disaggregated revenue sources. See Note 7 for further details. This portion of costs from the allowance for uncollectible expenses is recovered through the residential uncollectibles balancing account.

³ Approximately \$7 million \$4 million and \$116 million \$7 million of allowance for uncollectible accounts are included in "Other long-term "Receivables" assets" on SCE's consolidated balance sheets as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, respectively.

⁴ Represents current year changes in the allowance for uncollectible accounts and excludes authorized recovery of previously deferred balances.

Inventory

SCE's inventory is primarily composed of materials, supplies and spare parts, and generally stated at weighted average cost.

Edison Carrier Solutions

SCE operates commercial telecommunications service under the name of Edison Carrier Solutions ("ECS"), leveraging the temporarily available capacity of SCE's telecommunications network. As technology evolves, management is implementing strategic shifts in ECS services, including potential disposition of assets and ceasing to offer certain wire data services. ECS has notified affected customers of its intent to discontinue certain services over time and gave customers the option to discontinue those services. As a result of customer cancellations in the second quarter of 2023, materials and supplies inventory supporting data services are expected to be sold instead of placed into service and have been written-down to net realizable value, resulting in a charge of \$13 million (\$9 million after-tax). Labor and other costs of \$4 million previously recorded as construction work in progress for projects no longer probable of completion were also expensed in the period.

Emission Allowances and Energy Credits

SCE is allocated greenhouse gas ("GHG") allowances annually which it is then required to sell into quarterly auctions. GHG proceeds from the auctions are recorded as a regulatory liability to be refunded to customers. SCE purchases GHG allowances in quarterly auctions or from counterparties to satisfy its GHG emission compliance obligations and recovers such costs of GHG allowances from customers. GHG allowances held for use are classified as "Other current assets" on the consolidated balance sheets and are stated, similar to an inventory method, at the lower of weighted average cost or market. SCE will evaluate GHG allowances for impairment upon a triggering event that would indicate SCE might not recover the full cost of an allowance. SCE had GHG allowances held for use of \$128 million and \$87 million at December 31, 2023 and \$47 million at December 31, 2022 and 2021, 2022, respectively. GHG emission obligations were \$117 million and \$55 million at December 31, 2023 and \$34 million at December 31, 2022 and 2021, 2022, respectively, and are classified as "Other current liabilities" on the consolidated balance sheets.

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SCE is allocated low carbon fuel standard ("LCFS") credits which it sells to market participants. Proceeds from the sales, net of selling fees and program administration expenses, are recorded in a balancing account to be refunded to eligible

customers. SCE's net proceeds from the sale of these LCFS credits were ~~\$218 million~~ \$248 million and ~~\$193 million~~ \$218 million and are classified as "Regulatory liabilities" on the consolidated balance sheets at ~~December 31, 2022~~ December 31, 2023 and ~~2021, 2022,~~ respectively.

Property, Plant and Equipment

SCE plant additions, including replacements and betterments, are capitalized. Direct material and labor and indirect costs such as construction overhead, administrative and general costs, ~~pension and~~ employee benefits, and property taxes are capitalized as part of plant additions. The CPUC authorizes a capitalization rate for each of the indirect costs which are allocated to each project based on either labor or total costs.

Estimated useful lives authorized by the CPUC in the 2021 General Rate Case ("GRC") and weighted average useful lives of SCE's property, plant and equipment, are as follows:

	Estimated Useful Lives	Weighted Average Useful Lives
Generation plant	10 years to ~~55~~ 54 years	39 years
Distribution plant	20 years to 67 years	50 years
Transmission plant	30 years to 65 years	~~53~~ 54 years
General plant and other	5 years to 60 years	20 years

Depreciation of utility property, plant and equipment is computed on a straight-line, remaining-life basis. SCE's depreciation expense was \$2.5 billion, ~~\$2.5 billion and~~ \$2.0 billion for 2023, 2022 and ~~\$1.8 billion for 2022, 2021, and 2020,~~ respectively. Depreciation expense stated as a percent of average original cost of depreciable utility plant was, on a composite basis, ~~4.2%~~ 4.1%, ~~4.2%~~ and 3.7% for 2023, 2022 and ~~3.6%~~ for 2022, 2021, and 2020, respectively. The original costs of retired property are charged to accumulated depreciation. See Note 2 for further information.

Nuclear fuel for the Palo Verde Nuclear Generating Station ("Palo Verde") is recorded as utility plant (nuclear fuel in the fabrication and installation phase is recorded as construction in progress) in accordance with CPUC ratemaking procedures. Palo Verde nuclear fuel is amortized using the units of production method.

Allowance for funds used during construction ("AFUDC") represents the estimated cost of debt and equity funds that finance utility-plant construction and is capitalized during certain plant construction. AFUDC is recovered in rates through depreciation expense over the useful life of the related asset. AFUDC equity represents a method to compensate SCE for the estimated cost of equity used to finance utility plant additions and is recorded as part of construction in progress. AFUDC equity was ~~\$137 million~~ \$157 million, ~~\$137 million and~~ \$118 million in 2023, 2022 and ~~\$121 million in 2022, 2021, and 2020,~~ respectively, and is reflected in "Other income" on the consolidated statements of income. AFUDC debt was ~~\$53 million~~ \$74 million, ~~\$53 million and~~ \$50 million in 2023, 2022 and ~~\$53 million in 2022, 2021, and 2020,~~ respectively and is reflected as a reduction of "Interest ~~expense.~~" expense" on the consolidated statements of income.

Major Maintenance

Major maintenance costs for SCE's facilities and equipment are expensed as incurred.

Impairment of Long-Lived Assets

Impairments of long-lived assets are evaluated based on a review of estimated future cash flows expected to be generated whenever events or changes in circumstances indicate that the carrying amount of such investments or assets may not be recoverable. If the carrying amount of a long-lived asset exceeds expected future cash flows, undiscounted and without interest charges, an impairment loss is recognized in the amount of the excess of fair value over the carrying amount. Fair value is determined via market, cost and income-based valuation techniques, as appropriate.

Accounting principles for rate-regulated enterprises also require recognition of an impairment loss if it becomes probable that the regulated utility will abandon a plant investment, or if it becomes probable that the cost of a recently completed plant will be disallowed, either directly or indirectly, for ratemaking purposes and a reasonable estimate of the **disallowance** amount of the **disallowance** can be made.

In September 2022, the CPUC approved the settlement agreement between SCE and The Utility Reform Network for SCE's Customer Service Re-platform ("CSRP") proceeding filed in 2021 for expenditures incurred through April 2021. As a result of the settlement agreement, SCE recorded a \$47 million (\$34 million after-tax) impairment of property, plant and equipment, reflected in "Impairment, net of other **(income)** **operating income**" in the consolidated statements of income.

In August 2021, as a result of adoption of **the** 2021 GRC, SCE recorded \$79 million (\$47 million after-tax) in impairment charges related to disallowed **historical** capital expenditures of pole replacements the CPUC determined were performed prematurely in 2021. The impairment is included in "Impairment, net of other **(income)** **operating income**" in the consolidated statements of income.

As of December 31, 2022 and 2021, SCE has \$177 million and \$186 million in assets recorded in property, plant and equipment in relation to restoration costs related to the 2017/2018 Wildfire/Mudslide Events, respectively, which may not be recoverable. These assets would be impaired if the restoration costs are permanently disallowed by the CPUC in future cost recovery proceedings. For further details, see Note 12.

Initial and annual contributions to the wildfire insurance fund established pursuant to California Assembly Bill 1054 (the "Wildfire Insurance Fund" and "AB 1054")

Edison International and SCE accounted for the contributions to the Wildfire Insurance Fund similarly to prepaid insurance. No period of coverage was provided in AB 1054, therefore expense is being allocated to periods ratably based on an estimated period of coverage. At **December 31, 2022** **December 31, 2023** and **2021, 2022**, Edison International and SCE had a **\$2.2 billion** **\$2.0 billion** and a **\$2.4 billion** **\$2.2 billion** long-term asset, respectively, as well as a \$204 million current asset for both years, reflected as "Wildfire Insurance Fund contributions" in their consolidated balance sheets for the initial \$2.4 billion contribution made during 2019 and the present value of annual contributions SCE committed to make to the Wildfire Insurance Fund, reduced by amortization. At **December 31, 2022** **December 31, 2023** and **2021, 2022**, long-term liabilities of **\$536 million** **\$450 million** and **\$620 million** **\$536 million**, respectively, have been reflected in "Other deferred credits and other long-term liabilities" for the present value of unpaid contributions. Contributions were discounted to the present value using US treasury interest rates at the date SCE committed to participate in the Wildfire Insurance Fund.

In **2022 2023** and **2021, 2022**, the asset was amortized based on an estimated period of coverage of 15 years. All expenses related to the contributions are being reflected in "Wildfire Insurance Fund Expense" in the consolidated statements of income. Changes in the estimated period of coverage provided by the Wildfire Insurance Fund could lead to material changes in future expense recognition. In estimating the period of coverage, Edison International and SCE used *Monte Carlo* simulations based on historical data from wildfires caused by electrical utility equipment to estimate expected losses, using **nine years (2014 – 2022) of available historical data in 2023 and** eight years (2014 – 2021) of available historical data in **2022 and seven years (2014 – 2020) of available historical data in 2021, 2022**. The details of the operation of the Wildfire Insurance Fund and estimates related to claims by SCE, Pacific Gas & Electric Company ("PG&E"), and San Diego Gas & Electric ("SDG&E") against the fund have been applied to the expected loss simulations to estimate the period of coverage of the fund. The most sensitive inputs to the estimated period of coverage are the expected frequency of wildfire events caused by investor-owned utility electrical equipment and the estimated costs associated with those forecasted events. Edison International and SCE **evaluate all inputs reassesses the period of coverage of the fund at least annually in January each year**, or upon claims being made from the fund for catastrophic **wildfires**, and **the expected life of the insurance fund will be adjusted as required**, **wildfires**. Based on information available in **the first quarter January of 2023 2024** regarding catastrophic wildfires during **2022, 2023**, SCE reassessed its estimate of the life of the Wildfire Insurance Fund. **Using nine** After incorporating 2023 expected losses into the historical data for the *Monte Carlo* simulations by using **ten** years of historical data (2014 – **2022**) 2023), SCE determined that effective in the first quarter of **wildfires caused by electrical utility equipment to create Monte Carlo simulations of expected losses**.

2024, the expected life of the Wildfire Insurance Fund remained 15 is expected to increase to 20 years from the date SCE committed to participate in the Wildfire Insurance Fund.

Edison International and SCE will assess the Wildfire Insurance Fund contribution assets for impairment in the event that a participating utility's electrical equipment is found to be the substantial cause of a catastrophic wildfire, based on

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the ability of SCE to benefit from the coverage provided by the Wildfire Insurance Fund in an amount equal to the recorded assets.

Nuclear Decommissioning and Asset Retirement Obligations

The fair value of a liability for an asset retirement obligation ("ARO") is recorded in the period in which it is incurred, including a liability for the fair value of a conditional ARO, if the fair value can be reasonably estimated even though uncertainty exists about the timing and/or method of settlement. When an ARO liability is initially recorded, SCE capitalizes the cost by increasing the carrying amount of the related long-lived asset. For each subsequent period, the liability is increased for accretion expense and the capitalized cost is depreciated over the useful life of the related asset.

SCE has not recorded an ARO for assets that are expected to operate indefinitely or where SCE cannot estimate a settlement date (or range of potential settlement dates). As such, ARO liabilities are not recorded for certain retirement activities, including certain hydroelectric facilities.

The following table summarizes the changes in SCE's ARO liability:

(in millions)	December 31,		December 31,	
	2022	2021	2023	2022
Beginning balance	\$ 2,772	\$ 2,930	\$2,754	\$2,772
Accretion ¹	143	157	144	143
Revisions	28	(77)	(3)	28
Liabilities settled	(189)	(238)	(229)	(189)
Ending balance	\$ 2,754	\$ 2,772	\$2,666	\$2,754

¹ An ARO represents the present value of a future obligation. Accretion is an increase in the liability to account for the time value of money resulting from discounting.

AROs related to decommissioning of SCE's nuclear power facilities are based on site-specific studies conducted as part of each Nuclear Decommissioning Cost Triennial Proceeding ("NDCTP") conducted before the CPUC. Revisions of an ARO are established for updated site-specific decommissioning cost estimates.

The ARO for decommissioning SCE's San Onofre Nuclear Generating Station ("San Onofre") and Palo Verde nuclear power facilities is \$2.3 billion \$2.2 billion as of December 31, 2022 December 31, 2023. The liability to decommission SCE's nuclear power facilities is based on a 2020 decommissioning study, filed as part of the 2021 NDCTP, for San Onofre Unit 1, 2 and 3 and a 2019 decommissioning study for Palo Verde, with revisions to the cost estimate in 2020.

SCE records an ARO regulatory liability as a result of timing differences between the recognition of costs and the recovery of costs through the ratemaking process. For further information, see Note 11.

Decommissioning of San Onofre Unit 1 began in 1999 and the transfer of spent nuclear fuel from Unit 1 to dry cask storage in the Independent Spent Fuel Storage Installation ("ISFSI") 1 was completed in 2005. Major decommissioning work for Unit 1 has been completed except for certain underground work.

Decommissioning of San Onofre Units 2 and 3 began in June 2013 and the transfer of spent nuclear fuel from San Onofre Units 2 and 3 to dry cask storage in the two ISFSIs was completed in August 2020. In October 2019, the California Coastal Commission approved SCE's application for a Coastal Development Permit, the principal discretionary permit required to start major decommissioning activities at San Onofre Units 2 and 3. In August 2020,

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SCE commenced, and is currently conducting, major decommissioning activities in accordance with the terms of the [permit, Coastal Developmental Permit for San Onofre Units 2 and 3](#).

Decommissioning costs, which are recovered through customer rates over the term of each nuclear facility's operating license, are recorded as a component of depreciation expense, with a corresponding credit to the ARO regulatory liability. Due to regulatory recovery of SCE's nuclear decommissioning expense, prudently incurred costs for nuclear decommissioning activities do not affect SCE's earnings. Amortization of the ARO asset (included within the

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unamortized nuclear investment) and accretion of the ARO liability are deferred as decreases to the ARO regulatory liability account, resulting in no impact on earnings.

SCE has collected in rates amounts for the future decommissioning of its nuclear assets and has placed those amounts in independent trusts. Amounts collected in rates in excess of the ARO liability are classified as regulatory liabilities.

Changes in the estimated costs, timing of decommissioning or the assumptions underlying these estimates could cause material revisions to the estimated total cost to decommission. SCE currently estimates that it will spend approximately [\\$6.3](#) [\\$6.1](#) billion through 2080 to decommission its nuclear facilities. This estimate is based on SCE's decommissioning cost methodology used for ratemaking purposes, escalated at rates ranging from [2.3%](#) [2.2%](#) to 7.5% (depending on the cost element) annually. These costs are expected to be funded from independent decommissioning trusts. SCE estimates annual after-tax earnings on the decommissioning funds of [1.6%](#) [3.1%](#) to [4.9%](#) [6.1%](#) dependent on asset class. If the assumed return on trust assets is not earned or costs escalate at higher rates, SCE expects that additional funds needed for decommissioning will be recoverable through future rates, subject to a reasonableness review. See Note 10 for further information.

Due to regulatory recovery of SCE's nuclear decommissioning expense, prudently incurred costs for nuclear decommissioning activities do not affect SCE's earnings. SCE's nuclear decommissioning costs are subject to CPUC review through the triennial regulatory proceedings. SCE's nuclear decommissioning trust investments primarily consist of fixed income investments that are classified as available-for-sale and equity investments. Due to regulatory mechanisms, investment earnings and realized gains and losses have no impact on earnings. Unrealized gains and losses on decommissioning trust funds, including impairment, increase or decrease the trust assets and the related regulatory asset or liability and have no impact on electric utility revenue or decommissioning expense. SCE reviews each fixed income security for impairment on the last day of each month. If the fair value on the last day of the month is less than the amortized cost for that security, SCE impairs the disclosed amortized cost. If the fair value is greater or less than the carrying value for that security at the time of sale, SCE recognizes a related realized gain or loss, respectively.

Deferred Financing Costs

Debt premium, discount and issuance expenses incurred in connection with obtaining financing are deferred and amortized [on a straight-line basis, over the life of each debt issue. These deferred amounts are recorded as an offset to long-term debt. See Note 5 for further details.](#) Under CPUC ratemaking procedures, SCE's debt reacquisition expenses are amortized over the remaining life of the reacquired debt, or if refinanced, the life of the new debt. [SCE had The unamortized losses on reacquired debt of \\$109 million and \\$121 million at December 31, 2022 and 2021, respectively, are reflected as long-term "Regulatory assets" in the consolidated balance sheets. In addition, Edison International and SCE had debt issuance costs related to issuances of long-term debt of \\$178 million and \\$165 million at December 31, 2022](#)

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Amortization of deferred financing costs charged to interest expense is as follows:

Revenue Recognition

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SCE's Revenue from Contracts with Customers

Provision of Electricity

SCE principally generates revenue through supplying and delivering electricity to its customers. Rates charged to customers are based on tariff rates, approved by the CPUC and FERC. Starting with SCE's 2021 GRC, revenue ~~will be~~ is authorized through quadrennial GRC proceedings, which are intended to provide SCE a reasonable opportunity to recover its costs and earn a return on its CPUC-jurisdictional rate base. The CPUC sets an annual revenue requirement for the base year and the remaining three years are set by a methodology established in the GRC proceeding. ~~Revenue was previously authorized by the CPUC in triennial GRC proceedings.~~ As described above, SCE also earns revenue, with no return, to recover costs for power procurement, certain wildfire related expenses and other activities.

Revenue is authorized by the FERC through a formula rate which is intended to provide SCE a reasonable opportunity to recover transmission capital and operating costs that are prudently incurred, including a return on its FERC-jurisdictional rate base. Under the operation of the formula rate, transmission revenue is updated to actual cost of service annually.

For SCE's electricity sales for both residential and non-residential customers, SCE satisfies the performance obligation of delivering electricity over time as the customers simultaneously receive and consume the delivered electricity.

Energy sales are typically on a month-to-month implied contract for transmission, distribution and generation services. Revenue is recognized over time as the energy is supplied and delivered to customers and the respective revenue is billed and paid on a monthly basis.

CPUC and FERC rates decouple authorized revenue from the volume of electricity sales and the price of energy procured so that SCE receives revenue equal to amounts authorized by the relevant regulatory agencies. As a result, the volume of electricity sold to customers and specific customer classes does not have a direct impact on SCE's financial results. See Note 7 for further information on SCE's revenue.

Sales and Use Taxes

SCE bills certain sales and use taxes levied by state or local governments to its customers. Included in these sales and use taxes are franchise fees, which SCE pays to various municipalities (based on contracts with these municipalities) in order to operate within the limits of the municipality. SCE bills these franchise fees to its customers based on a CPUC-authorized rate. These franchise fees, which are required to be paid regardless of SCE's ability to collect from the customer, are accounted for on a gross basis. SCE's franchise fees billed to customers were ~~\$172 million, \$147 million~~ \$168 million, \$172 million and \$131 million ~~\$147 million~~ for the years ended ~~December 31, 2022~~ December 31, 2023, 2021, 2022 and 2020, 2021, respectively. When SCE acts as an agent for sales and use tax, the taxes are accounted for on a net basis. Amounts billed to and collected from customers for these taxes are remitted to the taxing authorities and are not recognized as electric utility revenue.

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SCE's Alternative Revenue Programs

The CPUC and FERC have authorized additional, alternative revenue programs which adjust billings for the effects of broad external ~~factors.~~ factors or provide for additional billings if the utility achieves certain objectives. These alternative revenue programs allow SCE to recover costs that SCE has been authorized to pass on to customers, including costs of certain ~~capital and~~ capital and operations and maintenance activities, costs to purchase electricity and natural gas, and to fund public purpose, demand response, and customer energy efficiency ~~programs.~~ programs, and earn a reasonable return. In general, revenue is recognized for these alternative revenue programs at the time the costs are ~~incurred.~~ incurred, or at the time when specific events permitting billing of the additional revenues have been completed. SCE begins recognizing revenues for these programs when a program has been established by an order from either the CPUC or FERC that allows for automatic adjustment of future rates, the amount of revenue for the period is objectively determinable and probable of recovery and the revenue will be collected within 24 months following the end of the annual period.

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Power Purchase Agreements

SCE enters into power purchase agreements ("PPAs") in the normal course of business. A power purchase agreement may be considered a variable interest in a variable interest entity ("VIE"). If SCE is the primary beneficiary in the VIE, SCE **should be required to** consolidate the VIE. None of SCE's PPAs resulted in consolidation at **December 31, 2022**, **December 31, 2023** and **2021, 2022**. See Note 3 for further discussion of PPAs that are considered variable interests.

A PPA may also contain a lease for accounting purposes. See "Leases" below and Note 12 and Note 13 for further discussion of SCE's PPAs. A PPA that does not contain a lease may be classified as a derivative which is recorded at fair value on the consolidated balance **sheets**. **These PPAs may be sheets, unless the PPA is** eligible for an election to designate as a normal purchase or sale, which is accounted for on an accrual basis as an executory contract.

PPAs that do not meet the above classifications are accounted for on an accrual basis.

Derivative Instruments

SCE records derivative instruments on its consolidated balance sheets as either assets or liabilities measured at fair value unless otherwise exempted from derivative treatment as normal purchases or sales. The normal purchases and sales exception requires, among other things, physical delivery in quantities expected to be used or sold over a reasonable period in the normal course of business.

Realized gains and losses from SCE's derivative instruments are expected to be recovered from or refunded to customers through regulatory mechanisms and, therefore, SCE's fair value changes have no impact on purchased power expense or earnings. SCE does not use hedge accounting for derivative transactions due to regulatory accounting treatment.

Where SCE's derivative instruments are subject to a master netting agreement and certain criteria are met, SCE presents its derivative assets and liabilities on a net basis on its consolidated balance sheets. In addition, derivative positions are offset against margin and cash collateral deposits. The results of derivative activities are recorded as part of cash flows from operating activities on the consolidated statements of cash flows. See Note 6 for further information on derivative instruments.

Leases

A lease is defined as a contract, or part of a contract, that conveys the right to control the use of identified assets for a period of time in exchange for consideration. An entity controls the use when it has a right to obtain substantially all of the benefits from the use of the **identified** asset and has the right to direct the **use of the asset, use**. SCE determines if an arrangement is a lease at contract inception. For all classes of underlying assets, except battery storage assets **which were first contracted in 2020 and for which where** each component **will be is** separately accounted for, SCE **includes both the accounts for** lease and non-lease components as a single **component and accounts for it as a lease, lease component**. Lease liabilities are recognized based on the present value of the lease payments over the lease term at the commencement date. SCE calculates and uses the rate implicit in the lease if the information is readily available or if not available, SCE uses its incremental borrowing rate in

determining the present value of lease payments. Incremental borrowing rates are comprised of underlying risk-free rates and secured credit spreads relative to first mortgage bonds with like tenors of lease term durations. Lease right-of-use ("ROU") assets are based on the liability, subject to adjustments, such as lease incentives. The ROU assets also include any lease payments made at or before the commencement date. SCE excludes variable lease payments in measuring lease assets and lease **liabilities, other than those that depend on an index or a rate or are in substance fixed payments, liabilities**. SCE's lease terms include options to extend or terminate the lease when it is reasonably certain that such options will be exercised. SCE elected to exclude from the balance sheet short-term **lease contracts leases** of one year or less.

SCE enters into power purchase agreements that may contain leases. This occurs when a power purchase agreement designates a specific power plant, SCE obtains substantially all of the economic benefits from the use of the plant and has the right to direct the use of the plant. SCE also enters into a number of agreements to lease property and equipment

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in the normal course of business, primarily related to vehicles, office space and other equipment. See Note 13 for further discussion of SCE's contracts that are classified as operating and finance information on leases.

Edison International Parent and Other's leases primarily relate to Edison Energy, Group. The leases for Edison International Parent and Other which are immaterial to Edison International.

Stock-Based Compensation

Stock options, performance shares, deferred stock units and restricted stock units have been granted under Edison International's long-term incentive compensation programs. For equity awards that are settled in common stock, Edison International either issues new common stock, or uses a third party to purchase shares from the market and deliver such shares for the settlement of the awards. Stock options, performance shares, deferred stock units and restricted stock units are settled in common stock. For awards that are otherwise settled entirely in common stock, Edison International substitutes cash awards to the extent necessary to satisfy applicable tax withholding obligations or government levies.

Stock-based compensation expense is recognized, net of estimated forfeitures, on a straight-line basis over the requisite service period based on estimated fair values. For equity awards paid in common stock, fair value is determined at the grant date. For equity awards that have market conditions defined in the grants, expense is recognized based on grant date fair value if the requisite service period is fulfilled. However, with respect to the portion of the performance shares payable in common stock that are subject to financial performance conditions defined in the grants, the number of performance shares expected to be earned is subject to revision and updated at each reporting period, with a related adjustment to compensation expense.

For awards granted to retirement-eligible participants, stock compensation expense is recognized on a prorated basis over the initial year. For awards granted to participants who become eligible for retirement during the requisite service period, stock compensation expense is recognized over the period between the date of grant and the date the participant first becomes eligible for retirement. Edison International and SCE estimate the number of awards that are expected to vest rather than account for forfeitures when they occur. Share-based payments may create a permanent difference between the amount of compensation expense recognized for book and tax purposes. The tax impact of this permanent difference is recognized in earnings in the period it is created. See Note 9 for further information.

Employee Stock Purchase Plan

The Edison International Employee Stock Purchase Plan ("ESPP"), effective beginning July 2021, allows eligible employees to make purchases of Edison International's International's common stock. The maximum aggregate numbers of shares that may be issued under the ESPP is 3,000,000 shares. Eligible employees may authorize payroll deductions of between 1% and 10% of their compensation, up to a maximum of \$25,000, to purchase shares of common stock at 97% of the market price on the last day of each six months offering period. The ESPP is considered noncompensatory and stock issuances under the ESPP are recorded directly in equity.

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SCE Dividends

CPUC holding company rules require that SCE's dividend policy be established by SCE's Board of Directors on the same basis as if SCE were a stand-alone utility company, and that the capital requirements of SCE, as deemed to be necessary to meet SCE's electricity service obligations, shall receive first priority from the Boards of Directors of both Edison International and SCE. In addition, the CPUC regulates SCE's capital structure which limits the dividends it may pay to its shareholders.

The common equity component of SCE's CPUC authorized capital structure is 52% on a weighted average basis over the January 1, 2023 to December 31, 2025 compliance period ("Capital Structure Compliance Period"). **This is unchanged from the January 1, 2020 to December 31, 2022 compliance period.** The CPUC authorized capital structure differs from the capital structure calculated based on GAAP due to certain exclusions

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allowed by CPUC, including the impact of SCE's contributions to the Wildfire Insurance Fund under AB 1054. **For further information, see "Business—SCE—Overview of Ratemaking Process" and "Business—Southern California Wildfires."**

In **May 2020, August 2023**, the CPUC issued a decision on SCE's application to the CPUC for **an extension of the** waiver of compliance with its equity ratio requirement that allows SCE to exclude from its equity ratio calculations (i) net charges accrued in connection with the 2017/2018 Wildfire/Mudslide Events and (ii) debt issued for the purpose of paying claims, **and associated expenses**, related to the 2017/2018 Wildfire/Mudslide Events up to an amount equal to the net charges accrued in connection with the 2017/2018 Wildfire/Mudslide Events. **With these exclusions**, Under the decision, effective as of the beginning of the new cost of capital cycle on January 1, 2023, the CPUC also authorized SCE **was to exclude from its equity ratio calculations debt that exceeds the net charges accrued in compliance connection with its authorized capital structure for the compliance period from January 1, 2020 2017/2018 Wildfire/Mudslide Events due to December 31, 2022**, the timing difference between the wildfire claims payment and the realization of the cash tax benefits. The temporary exclusion **lapsed will lapse on May 7, 2022**. In April 2022, August 31, 2025 or when determinations regarding cost recovery for the 2017/2018 Wildfire/Mudslide Events are made, whichever comes earlier. If the CPUC has not made determinations regarding cost recovery by August 31, 2025, SCE **filed is permitted to file** another application **requesting continued for a** waiver of compliance with its equity ratio requirement. **Under the CPUC's rules, SCE will not be deemed to be in violation of the equity ratio requirement while the waiver application is pending resolution.** While the exclusion is in place, SCE is required to notify the CPUC if an adverse financial event reduces SCE's spot equity ratio by more than one percent from the level most recently filed with the CPUC in the proceeding. The last spot equity ratio SCE filed with the CPUC in the proceeding did not exclude the then \$1.8 billion net charge and was 45.2% as of December 31, 2018 (at the time the common equity component of SCE's CPUC authorized capital structure was required to remain at or above 48% on a weighted average basis over the applicable 37-month period). SCE's spot equity ratio on December 31, 2018 would have been 48.7% had the \$1.8 billion net charge at December 31, 2018 been excluded, therefore SCE will notify the CPUC if its spot ratio drops below 47.7% in any quarter. For further information, see "Note 12. Commitments and Contingencies—Contingencies—Southern California Wildfires and Mudslides."

SCE monitors its compliance with the CPUC's equity ratio requirement based on the weighted average of the common equity component of SCE's CPUC authorized capital structure over the Capital Structure Compliance Period using its actual capital structure from the beginning of the Capital Structure Compliance Period through the reporting date together with forecasted performance and expected financing activities for the remainder of the Capital Structure Compliance Period. SCE expects to be compliant with its CPUC authorized capital structure at the end of **its current compliance period, December 31, 2025, the Capital Structure Compliance Period.**

SCE's ability to declare and pay common dividends may be restricted under the terms of its outstanding series of preference stock. For further information see Note 14.

As a California corporation, SCE's ability to pay dividends is also governed by the California General Corporation Law. California law requires that for a dividend to be declared: (a) retained earnings must equal or exceed the proposed dividend, or (b) immediately after the dividend is made, the value of the corporation's assets must exceed the value of its liabilities plus amounts required to be paid, if any, in order to liquidate stock senior to the shares receiving the dividend. Additionally, a California corporation may not declare a dividend if it is, or as a result of the dividend would be, likely to be unable to meet its liabilities as they mature. Prior to declaring dividends, SCE's Board of Directors evaluates available information, including when applicable, information pertaining to the 2017/2018 Wildfire/Mudslide Events, to ensure

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that the California law requirements for the declarations are met. On ~~February 23, 2023~~ February 22, 2024, SCE declared a dividend to Edison International of ~~\$350 million~~ \$360 million.

The timing and amount of future dividends are also dependent on a number of other factors including SCE's requirements to fund other obligations and capital expenditures, and its ability to access the capital markets and generate operating cash flows and earnings. If SCE incurs significant costs related to catastrophic wildfires and is unable to recover such costs through insurance, the Wildfire Insurance Fund (for fires after July 12, 2019), or from customers or is unable to access capital markets on reasonable terms, SCE may be limited in its ability to pay future dividends to Edison International and its preference shareholders.

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Edison International Dividend

In December ~~2022, 2023~~, Edison International declared a ~~5%~~ 5.8% increase to the annual dividend rate from ~~\$2.80~~ \$2.95 per share to ~~\$2.95~~ \$3.12 per share. On ~~February 23, 2023~~ February 22, 2024, Edison International declared a dividend of ~~\$0.7375~~ \$0.78 per share to be paid on ~~April 30, 2023~~ April 30, 2024. Edison International intends to maintain its target payout ratio of 45% – 55% of SCE's core earnings.

Earnings Per Share

Edison International computes earnings per common share ("EPS") using the two-class method, which is an earnings allocation formula that determines EPS for each class of common stock and participating security. Edison International's participating securities are stock-based compensation awards, payable in common shares, which earn dividend equivalents on an equal basis with common shares once the awards are vested. See Note 9 and Note 14 for further information.

EPS attributable to Edison International common shareholders was computed as follows:

(in millions, except per-share amounts)	Years ended December 31,			Years ended December 31,		
	2022	2021	2020	2023	2022	2021
Basic earnings per share:						
Net income attributable to common shareholders	\$ 612	\$ 759	\$ 739	\$1,197	\$ 612	\$ 759
Net income available to common shareholders	\$ 612	\$ 759	\$ 739	\$1,197	\$ 612	\$ 759
Weighted average common shares outstanding	381	380	373	383	381	380
Basic earnings per share	\$ 1.61	\$ 2.00	\$ 1.98	\$ 3.12	\$1.61	\$2.00
Diluted earnings per share:						
Net income attributable to common shareholders	\$ 612	\$ 759	\$ 739	\$1,197	\$ 612	\$ 759
Net income available to common shareholders	\$ 612	\$ 759	\$ 739	\$1,197	\$ 612	\$ 759
Income impact of assumed conversions	1	1	—	1	1	1
Net income available to common shareholders and assumed conversions	\$ 613	\$ 760	\$ 739	\$1,198	\$ 613	\$ 760
Weighted average common shares outstanding	381	380	373	383	381	380
Incremental shares from assumed conversions	2	—	1	2	2	—
Adjusted weighted average shares – diluted	383	380	374	385	383	380
Diluted earnings per share	\$ 1.60	\$ 2.00	\$ 1.98	\$ 3.11	\$1.60	\$2.00

In addition to the participating securities discussed above, Edison International also may award stock options, which are payable in common shares and are included in the diluted earnings per share calculation. Stock option awards to purchase 3,771,766, 5,839,549 10,239,501, and 9,066,753 shares 10,239,501, of common stock for the years ended December 31, 2022 December 31, 2023, 2021, 2022 and 2020, 2021, respectively, were outstanding, but were not included in the computation of diluted earnings per share because the effect would have been antidilutive.

Income Taxes

Edison International and SCE estimate their income taxes for each jurisdiction in which they operate. This involves estimating current period tax expense along with assessing temporary differences resulting from the differing treatment of

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items (such as depreciation) for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included in the consolidated balance sheets.

Income tax expense includes the current tax liability from operations and the change in deferred income taxes during the year. Interest income, interest expense, and penalties associated with income taxes are generally reflected in "Income tax benefit" expense (benefit)" on the consolidated statements of income.

Edison International's eligible subsidiaries are included in Edison International's consolidated federal income tax and combined state tax returns. Edison International has tax-allocation and payment agreements with certain of its

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subsidiaries. Pursuant to an income tax-allocation agreement approved by the CPUC, SCE's tax liability is computed as if it filed its federal and state income tax returns on a separate return basis.

Business Acquisition

In October 2022, Edison Energy acquired 100% of Alfa Energy Ltd., an international energy and sustainability consultancy based in the United Kingdom, for total consideration of \$22 million, including the estimated fair value of contingent consideration up to 14 million British pounds (\$17 million U.S. dollars at December 31, 2022) that the sellers will be entitled to if certain financial thresholds are achieved after 3 years. As a result of the acquisition, Edison Energy recognized goodwill of \$16 million, which is included in "Other long-term assets" on Edison International's consolidated balance sheets as of December 31, 2022.

New Accounting Guidance

Accounting Guidance Adopted

No material accounting standards were adopted in 2023.

Accounting Guidance Not Yet Adopted

In November 2021, the Financial Accounting Standards Board ("FASB") issued an accounting standards update to require business entities that account for transactions with a government by providing additional details about the transactions and their accounting impact. Edison

International and SCE have adopted this standard on January 1, 2022 using the prospective adoption approach. The adoption of this standard did not have a material impact on Edison International's and SCE's annual disclosure.

In December 2022, 2023, the FASB issued an accounting standards update to defer enhance the original sunset date disclosures related to public entities' reportable segments. The new guidance requires an entity with only one reportable segment to include all the required segment disclosures. The guidance will be effective for applying annual disclosures for the reference rate reform relief year ended December 31, 2024 and subsequent interim periods with early adoption permitted. The guidance is applied retrospectively to all periods presented in Accounting Standards Codification ("ASC") 848 to December 31, 2024 from

December 31, 2022, the financial statements. Edison International and SCE have adopted one reportable segment and are currently evaluating the standard as impact of December 1, 2022 prospectively. SCE has certain preference stocks, for which any increased segment disclosures.

In December 2023, the distributions will be payable at a floating rate referenced FASB issued an accounting standards update requiring public entities to provide more disclosures primarily related to the London Interbank Offered Rate ("LIBOR") from 2022. Upon income tax rate reconciliation and income taxes paid. The guidance also eliminates certain existing disclosure requirements related to uncertain tax positions and unrecognized deferred tax liabilities. The guidance is effective January 1, 2025 with early adoption permitted. The guidance is applied prospectively. Edison International and SCE are currently evaluating the impact of this standard, if contract amendments are made where LIBOR is no longer valid, SCE expects to utilize the expedients in ASC 848 through the allowed period of December 31, 2024, new guidance.

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Note 2. Property, Plant and Equipment

SCE's utility property, plant and equipment included in the consolidated balance sheets is composed of the following:

(in millions)	December 31,		December 31,	
	2022	2021	2023	2022
Distribution	\$ 32,754	\$ 30,821	\$ 34,573	\$ 32,754
Transmission	18,106	17,016	18,526	18,106
Generation	3,880	3,769	3,593	3,880
General plant and other	6,121	6,108	6,383	6,121
Accumulated depreciation	(12,260)	(11,407)	(12,910)	(12,260)
	48,601	46,307	50,165	48,601
Construction work in progress	4,551	4,067	5,590	4,551
Nuclear fuel, at amortized cost	122	123	122	122
Total utility property, plant and equipment	\$ 53,274	\$ 50,497	\$ 55,877	\$ 53,274

Capitalized Software Costs

SCE capitalizes costs incurred during the application development stage of internal use software projects to property, plant and equipment. SCE amortizes capitalized software costs ratably over the expected their useful lives, of the software, primarily ranging from 5 to and 7 years and year lives, commencing upon operational use. Capitalized software costs, included in general plant and other above, was \$2.1 billion and \$2.0 billion at both December 31, 2022 December 31, 2023 and 2021, 2022, and accumulated amortization was \$0.7 billion \$0.9 billion and \$0.6 \$0.7 billion, at December 31, 2022 December 31, 2023 and 2021, 2022, respectively. Amortization expense for capitalized software was \$344 \$358 million, \$344 million and \$311 million in 2023, 2022 and \$218 million in 2022, 2021, and 2020, respectively. At December 31, 2022 December 31, 2023, amortization expense is estimated to be \$342 \$359 million, \$309 million \$317 million, \$262 million \$253 million, \$190 million \$168 million and \$110 million \$61 million for 2023 2024 through 2027, 2028, respectively.

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Jointly Owned Utility Projects

SCE owns undivided interests in transmission and generating assets for which each participant provides its own financing. SCE's proportionate share of these assets is reflected in the consolidated balance sheets and included in the above table. SCE's proportionate share of expenses for each project is reflected in the consolidated statements of income.

The following is SCE's investment in each asset as of **December 31, 2022** **December 31, 2023**:

(in millions)	Construction							Construction						
	Plant in Service	Work in Progress	Accumulated Depreciation	Nuclear Fuel (at amortized cost)	Net Book Value	Ownership Interest		Plant in Service	Work in Progress	Accumulated Depreciation	Nuclear Fuel (at amortized cost)		Total	
Transmission systems:														
Eldorado	\$ 351	\$ 107	\$ (56)	\$ —	\$ 402	77 %		\$ 355	\$ 123	\$ (63)	\$ —		\$ 415	
Pacific Intertie	354	2	(82)	—	274	50 %		356	3	(90)	—		269	
Generating station:														
Palo Verde (nuclear)	2,180	56	(1,653)	122	705	16 %		2,211	58	(1,670)	122		721	
Total	\$2,885	\$ 165	\$ (1,791)	\$ 122	\$ 1,381			\$2,922	\$ 184	\$ (1,823)	\$ 122		\$1,400	

In addition to the jointly owned assets in the table above, SCE has ownership interests in jointly owned power poles with other companies.

Note 3. Variable Interest Entities

A VIE is defined as a legal entity that meets one of two conditions: (1) the equity owners do not have sufficient equity at risk, or (2) the holders of the equity investment at risk, as a group, lack any of the following three characteristics: decision-making rights, the obligation to absorb losses or the right to receive the expected residual returns of the entity. The primary beneficiary is identified as the variable interest holder that has both the power to direct the activities of the

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VIE that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the VIE. The primary beneficiary is required to consolidate the VIE. Commercial and operating activities are generally the factors that most significantly impact the economic performance of such VIEs. Commercial and operating activities include construction, operation and maintenance, fuel procurement, dispatch and compliance with regulatory and contractual requirements.

Variable Interest in VIEs that are Consolidated

SCE Recovery Funding LLC is a bankruptcy remote, wholly owned special purpose subsidiary, consolidated by SCE. SCE Recovery Funding LLC is a VIE and SCE is the primary beneficiary. SCE Recovery Funding LLC was formed in 2021 for the purpose of issuing and servicing securitized bonds related to SCE's AB 1054 Excluded Capital Expenditures.

In February 2022 and 2021, SCE Recovery Funding LLC has issued \$533 million and \$338 million a total of \$1.6 billion of securitized bonds, respectively, and bonds. The proceeds were used the proceeds to acquire SCE's right, title and interest in and to non-bypassable rates and other charges to be collected from certain existing and future customers in SCE's service territory ("Recovery Property"), associated with the AB 1054 Excluded Capital Expenditures, ("Recovery Property"), until the bonds are paid in full, and all financing costs have been recovered. The securitized bonds are secured by the Recovery Property and cash collections from the non-bypassable rates and other charges are the sole source of funds to satisfy the debt obligation. The bondholders have no recourse to SCE. For further details, see Note 5.

The following table summarizes the impact of SCE Recovery Funding LLC on SCE's and Edison International's consolidated balance sheets.

(in millions)	December 31, 2022	December 31, 2021
Other current assets	\$ 45	\$ 19
Regulatory assets: non-current	834	325
Regulatory liabilities: current	33	14
Current portion of long-term debt	29	14
Other current liabilities	4	1
Long-term debt ¹	809	314

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(in millions)	December 31,	
	2023	2022
Other current assets	\$ 53	\$ 45
Regulatory assets: non-current	1,558	834
Regulatory liabilities: current	34	33
Current portion of long-term debt ¹	47	29
Other current liabilities	6	4
Long-term debt ¹	1,515	809

¹ The bondholders have no recourse to SCE. Balance The long-term debt balance is net of unamortized debt issuance costs.

Variable Interest in VIEs that are not Consolidated

Power Purchase Agreements

SCE has PPAs that are classified as variable interests in VIEs, including agreements through which SCE provides the natural gas to fuel the plants, fixed price contracts for renewable energy, and resource adequacy agreements that, upon the seller's election, include the purchase of energy at fixed prices. SCE has concluded that it is not the primary beneficiary of these VIEs since it does not control the commercial and operating activities of these entities. Since payments for capacity are the primary source of income, the most significant economic activity for these VIEs is the operation and maintenance of the power plants, which SCE does not perform.

As of the balance sheet date, the carrying amount of assets and liabilities included in SCE's consolidated balance sheet that relate to involvement with VIEs that are not consolidated, result from amounts due under the PPAs. Under these contracts, SCE recovers the costs incurred through demonstration of compliance with its CPUC-approved long-term power procurement plans. SCE has no residual interest in the entities and has not provided or guaranteed any debt or equity support, liquidity arrangements, performance guarantees, or other commitments associated with these contracts other than the purchase commitments described in Note 12. As a result, there is no significant potential exposure to loss to SCE from its variable

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interest in these VIEs. The aggregate contracted capacity dedicated to SCE from these VIE projects was 3,907 3,343 megawatts ("MW") and 3,545 3,907 MW at December 31, 2022 December 31, 2023 and 2021, 2022, respectively, and the amounts that SCE paid to these projects were \$608 million \$528 million and \$673 \$608 million for the years ended December 31, 2022 December 31, 2023 and 2021, 2022, respectively. These amounts are recoverable in customer rates, subject to reasonableness review.

Unconsolidated Trusts of SCE

SCE Trust II, Trust III, Trust IV, Trust V, Trust VI and Trust VII were formed utilized in 2013, 2014, 2015, 2016, 2017 and 2017, 2023, respectively, for the exclusive purpose of issuing the 5.10%, 5.75%, 5.375%, 5.45%, 5.00% and 5.00% 7.50% trust preference securities, respectively ("trust securities"). The trusts are VIEs. SCE has concluded that it is not the primary beneficiary of these VIEs as it does not have the obligation to absorb the expected losses or the right to receive the expected residual returns of the trusts. SCE Trust II, Trust III, Trust IV, Trust V, Trust VI and Trust VII issued to the public trust securities in the face amounts of \$400 million, \$275 million, \$325 million, \$300 million, \$475 million and \$475 million \$550 million (cumulative, liquidation amounts of \$25 per share), respectively, and \$10,000 of common stock each to SCE. The trusts invested the proceeds of these trust securities in Series G, Series H, Series J, Series K, Series L and Series L M Preference Stock issued by SCE in the principal amounts of \$400 million, \$275 million, \$325 million, \$300 million, \$475 million and \$475 million \$550 million (cumulative, \$2,500 per share liquidation values), respectively, which have substantially the same payment terms as the respective trust securities.

The Series G, Series H, Series J, Series K, Series L and Series L M Preference Stock and the corresponding trust securities do not have a maturity date. Upon any redemption of any shares of the Series G, Series H, Series J, Series K, Series L or Series L M Preference Stock, a corresponding dollar amount of trust securities will be redeemed by the applicable trust (see Note 14 for further information). The applicable trust will make distributions at the same rate and on the same dates on the applicable series of trust securities if and when the SCE board of directors declares and makes dividend payments

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on the related Preference Stock. The applicable trust will use any dividends it receives on the related Preference Stock to make its corresponding distributions on the applicable series of trust securities. If SCE does not make a dividend payment to any of these trusts, SCE would be prohibited from paying dividends on its common stock. SCE has fully and unconditionally guaranteed the payment of the trust securities and trust distributions, if and when SCE pays dividends on the related Preference Stock.

The Trust VII balance sheet as of December 31, 2023, consisted of investments of \$550 million in the Series M Preference Stock, \$550 million of trust securities and \$10,000 of common stock. The Trust II, Trust III, Trust IV, Trust V and Trust VI balance sheets as of December 31, 2022 December 31, 2023 and 2021, 2022, consisted of investments of \$220 million, \$275 million, \$275 million, \$325 million, \$300 million and \$475 million in the Series G, Series H, Series J, Series K and Series L Preference Stock, respectively, \$220 million, \$275 million, \$325 million, \$300 million and \$475 million of trust securities, respectively, and \$10,000 each of common stock.

The following table provides a summary of the trusts' income statements:

(in millions)	Years ended December 31,					Years ended December 31,					
	Trust II	Trust III	Trust IV	Trust V	Trust VI	Trust II	Trust III	Trust IV	Trust V	Trust VI	Trust VII
2023											
Dividend income						\$ 11	\$ 16	\$ 17	\$ 16	\$ 24	\$ 4
Dividend distributions						11	16	17	16	24	4
2022											

Dividend income	\$	11	\$	16	\$	17	\$	16	\$	24	\$	11	\$	16	\$	17	\$	16	\$	24	\$	—
Dividend distributions		11		16		17		16		24		11		16		17		16		24		—
2021																						
Dividend income	\$	20	\$	16	\$	17	\$	16	\$	24	\$	20	\$	16	\$	17	\$	16	\$	24	\$	—
Dividend distributions		20		16		17		16		24		20		16		17		16		24		—
2020																						
Dividend income	\$	20	\$	16	\$	17	\$	16	\$	24												
Dividend distributions		20		16		17		16		24												

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Note 4. Fair Value Measurements

Recurring Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (referred to as an "exit price"). Fair value of an asset or liability considers assumptions that market participants would use in pricing the asset or liability, including assumptions about nonperformance risk. As of **December 31, 2022** **December 31, 2023** and **2021**, **2022**, nonperformance risk was not material for Edison International and SCE.

Assets and liabilities are categorized into a three-level fair value hierarchy based on valuation inputs used to determine fair value.

Level 1 – The fair value of Edison International's and SCE's Level 1 assets and liabilities is determined using unadjusted quoted prices in active markets that are available at the measurement date for identical assets and liabilities. This level includes exchange-traded equity securities, U.S. treasury securities, mutual funds, and money market funds.

Level 2 – Edison International's and SCE's Level 2 assets and liabilities include fixed income securities, primarily consisting of U.S. government and agency bonds, municipal bonds and corporate bonds, and over-the-counter **commodity** derivatives. The fair value of fixed income securities is determined using a market approach by obtaining quoted prices for similar assets and liabilities in active markets and inputs that are observable, either directly or indirectly, for substantially the full term of the instrument.

The fair value of SCE's over-the-counter **commodity** derivative contracts is determined using an income approach. SCE uses standard pricing models to determine the net present value of estimated future cash flows. Inputs to the pricing

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models include forward published or posted clearing prices from an exchange (Intercontinental Exchange) for similar instruments and discount rates. A primary price source that best represents trade activity for each market is used to develop observable forward market prices in determining the fair value of these positions. Broker quotes, prices from exchanges or comparison to executed trades are used to validate and corroborate the primary price source. These price quotations reflect mid-market prices (average of bid and ask) and are obtained from sources believed to provide the most liquid market for the commodity.

Level 3 – The fair value of SCE's Level 3 assets and liabilities is determined using the income approach through various models and techniques that require significant unobservable inputs. This level includes congestion revenue rights ("CRRs"), which are derivative contracts that trade infrequently such with significant unobservable inputs (CAISO CRR auction prices). SCE employs a market valuation approach of utilizing historical CRR prices as congestion revenue rights ("CRRs"), a proxy for forward prices. Edison International Parent and Other does not have any Level 3 assets and liabilities.

Assumptions are made in order to value derivative contracts in which observable inputs are not available. In circumstances where fair value cannot be verified with observable market transactions, it is possible that a different valuation model could produce a materially different estimate of fair value. Modeling methodologies, inputs, and techniques are reviewed and assessed as markets continue to develop and more pricing information becomes available and the fair value is adjusted when it is concluded that a change in inputs or techniques would result in a new valuation that better reflects the fair value of those derivative contracts. See Note 6 for a discussion of derivative instruments.

SCE

The following table sets forth assets and liabilities of SCE that were accounted for at fair value by level within the fair value hierarchy:

(in millions)	December 31, 2023				
	Level 1	Level 2	Level 3	Netting and Collateral ¹	Total
Assets at fair value					
Derivative contracts	\$ —	\$ 3	\$ 91	\$ (3)	\$ 91
Money market funds and other	78	22	—	—	100
Nuclear decommissioning trusts:					
Stocks ²	1,658	—	—	—	1,658
Fixed Income ³	923	1,421	—	—	2,344
Short-term investments, primarily cash equivalents	169	104	—	—	273
Subtotal of nuclear decommissioning trusts ⁴	2,750	1,525	—	—	4,275
Total assets	2,828	1,550	91	(3)	4,466
Liabilities at fair value					
Derivative contracts	—	77	—	(77)	—
Total liabilities	—	77	—	(77)	—
Net assets	\$ 2,828	\$ 1,473	\$ 91	\$ 74	\$ 4,466

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SCE

The following table sets forth assets and liabilities of SCE that were accounted for at fair value by level within the fair value hierarchy:

(in millions)	December 31, 2022				
	Level 1	Level 2	Level 3	Netting and Collateral ¹	Total
Assets at fair value					
Derivative contracts	\$ —	392	67	(218)	\$ 241
Money market funds and other	647	22	—	—	669

Nuclear decommissioning trusts:					
Stocks ²	1,610	—	—	—	1,610
Fixed Income ³	941	1,281	—	—	2,222
Short-term investments, primarily cash equivalents	137	64	—	—	201
Subtotal of nuclear decommissioning trusts ⁴	2,688	1,345	—	—	4,033
Total assets	3,335	1,759	67	(218)	4,943
Liabilities at fair value					
Derivative contracts	—	116	4	(119)	1
Total liabilities	—	116	4	(119)	1
Net assets	\$ 3,335	\$ 1,643	\$ 63	\$ (99)	\$ 4,942

(in millions)	December 31, 2021				
	Level 1	Level 2	Level 3	Netting and Collateral ¹	Total
Assets at fair value					
Derivative contracts	\$ —	\$ 26	\$ 49	\$ (31)	\$ 44
Money market funds and other	230	23	—	—	253
Nuclear decommissioning trusts:					
Stocks ²	1,972	—	—	—	1,972
Fixed Income ³	1,083	1,607	—	—	2,690
Short-term investments, primarily cash equivalents	102	125	—	—	227
Subtotal of nuclear decommissioning trusts ⁴	3,157	1,732	—	—	4,889
Total assets	3,387	1,781	49	(31)	5,186
Liabilities at fair value					
Derivative contracts	—	42	5	(47)	—
Total liabilities	—	42	5	(47)	—
Net assets	\$ 3,387	\$ 1,739	\$ 44	\$ 16	\$ 5,186

(in millions)	December 31, 2022				
	Level 1	Level 2	Level 3	Netting and Collateral ¹	Total
Assets at fair value					
Derivative contracts	\$ —	\$ 392	\$ 67	\$ (218)	\$ 241
Money market funds and other	647	22	—	—	669
Nuclear decommissioning trusts:					
Stocks ²	1,610	—	—	—	1,610
Fixed Income ³	941	1,281	—	—	2,222
Short-term investments, primarily cash equivalents	137	64	—	—	201
Subtotal of nuclear decommissioning trusts ⁴	2,688	1,345	—	—	4,033
Total assets	3,335	1,759	67	(218)	4,943
Liabilities at fair value					
Derivative contracts	—	116	4	(119)	1
Total liabilities	—	116	4	(119)	1
Net assets	\$ 3,335	\$ 1,643	\$ 63	\$ (99)	\$ 4,942

¹ Represents the netting of assets and liabilities under master netting agreements and cash collateral.

² Approximately 74% 75% and 75% 74% of SCE's equity investments were in companies located in the United States at December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

³ Includes corporate bonds, which were diversified by the inclusion of collateralized mortgage obligations and other asset backed securities of \$106 million and \$49 million at December 31, 2023 and \$30 million at December 31, 2022 and 2021, 2022, respectively.

⁴ Excludes net payables of \$102 million and \$85 million at December 31, 2023 and \$19 million at December 31, 2022 and 2021, 2022, respectively, which consist of interest and dividend receivables as well as receivables and payables related to SCE's pending securities sales and purchases.

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SCE Fair Value of Level 3

The following table sets forth a summary of changes in SCE's fair value of Level 3 net derivative assets and liabilities:

(in millions)	Years ended December 31,		Years ended December 31,	
	2022	2021	2023	2022
Fair value of net assets at beginning of period	\$ 44	\$ 108	\$ 63	\$ 44
Sales	(8)	(2)	(1)	(8)
Settlements	(54)	(63)	(40)	(54)
Total realized/unrealized gains ¹	81	1	69	81
Fair value of net assets at end of period	\$ 63	\$ 44	\$ 91	\$ 63

¹ Due to regulatory mechanisms, SCE's realized and unrealized gains and losses are recorded as regulatory assets and liabilities.

There were no material transfers into or out of Level 3 during 2022, 2023 and 2021, 2022.

The following table sets forth SCE's valuation techniques and the significant unobservable inputs used to determine fair value for significant Level 3 assets and liabilities:

	Fair Value (in millions)		Valuation Technique	Significant Unobservable Input	Range (per MWh)	Weighted Average (per MWh)	Fair Value (in millions)		Significant Unobservable Input	Range (per MWh)	Weighted Average (per MWh)
	Assets	Liabilities					Assets	Liabilities			
Congestion revenue rights											
December 31, 2023				CAISO CRR auction			\$ 91	\$ —	prices	\$(6.44) - \$16,574.36	\$ 2.74
December 31, 2022	\$ 67	\$ 4	Auction prices	CAISO CRR auction prices	\$(7.91) - \$3,856.67	\$ 1.64	67	4	prices	(7.91) - 3,856.67	1.64
December 31, 2021	49	5	Auction prices	CAISO CRR auction prices	(18.87) - 43.03	1.46					

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Level 3 Fair Value Uncertainty

For CRRs, increases or decreases in CAISO auction prices would result in higher or lower fair value, respectively.

Nuclear Decommissioning Trusts

SCE's nuclear decommissioning trust investments include equity securities, U.S. treasury securities and other fixed income securities. Equity and treasury securities are classified as Level 1 as fair value is determined by observable market prices in active or highly liquid and transparent markets. The remaining fixed income securities are classified as Level 2. The fair value of these financial instruments is based on evaluated prices that reflect significant observable market information such as reported trades, actual trade information of similar securities, benchmark yields, broker/dealer quotes, issuer spreads, bids, offers and relevant credit information. There are no securities classified as Level 3 in the nuclear decommissioning trusts.

SCE's investment policies and CPUC requirements place limitations on the types and investment grade ratings of the securities that may be held by the nuclear decommissioning trust funds. These policies restrict the trust from holding alternative investments and limit the trust funds' exposures to investments in highly illiquid markets. With respect to equity and fixed income securities, the trustee obtains prices from third-party pricing services which SCE is able to independently corroborate as described below. The trustee monitors prices supplied by pricing services, including reviewing prices against defined parameters' tolerances and performs research and resolves variances beyond the set parameters. SCE corroborates the fair values of securities by comparison to other market-based price sources obtained by SCE's investment managers. Differences outside established thresholds are followed-up with the trustee and resolved. For each reporting period, SCE reviews the trustee determined fair value hierarchy and overrides the trustee level classification when appropriate. [See Note 10 for more information on nuclear decommissioning trusts.](#)

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Edison International Parent and Other

Edison International Parent and Other assets measured at fair value and classified as Level 1 consisted of equity investments of \$5 million and \$12 million and money market funds of \$121 million and \$137 million at December 31, 2023 and \$99 million 2022, respectively, and equity investments of \$5 million at December 31, 2022 and December 31, 2021, respectively. Assets measured at fair value and classified as Level 2 consisted of short-term investments of \$2 million at both December 31, 2023 and \$6 million at December 31, 2022. There are no securities classified as Level 3 for Edison International Parent and December 31, 2021, respectively. Other.

Fair Value of Debt Recorded at Carrying Value

The carrying value and fair value of Edison International's and SCE's long-term debt (including current portion of long-term debt) are as follows:

	December 31, 2022		December 31, 2021		December 31, 2023		December 31, 2022	
	Carrying Value ¹	Fair Value ²	Carrying Value ¹	Fair Value ²	Carrying Value ¹	Fair Value ²	Carrying Value ¹	Fair Value ²
(in millions)								
Edison International	\$ 29,639	\$ 26,824	\$ 25,247	\$ 27,718	\$33,013	\$31,315	\$29,639	\$26,824
SCE	26,258	23,469	22,110	24,375	28,494	26,712	26,258	23,469

1 Carrying value is net of debt issuance costs.

2 The fair value of Edison International's and SCE's short-term and long-term debt is classified as Level 2.

Note 5. Debt and Credit Agreements

Long-Term Debt

The following table summarizes long-term debt (rates and terms are as of December 31, 2022 December 31, 2023) of Edison International and SCE:

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(in millions)	December 31,	
	2022	2021
Edison International Parent and Other:		
Debentures and notes:		
2023 – 2029 (2.95% to 6.95%)	\$ 3,400	\$ 3,150
Current portion of long-term debt	(400)	(700)
Unamortized debt discount/premium and issuance costs, net	(19)	(13)
Total Edison International Parent and Other	2,981	2,437
SCE:		
First and refunding mortgage bonds:		
2023 – 2052 (0.70% to 6.05%)	23,900	20,314
Pollution-control bonds:		
2023 – 2035 (1.45% to 2.63%)	752	752
Debentures and notes:		
2029 – 2053 (5.06% to 6.65%)	306	306
Senior secured recovery bonds ¹ :		
2028 – 2046 (0.86% to 3.24%)	849	333
Other long-term debt ²	600	518
Current portion of long-term debt	(2,214)	(377)
Unamortized debt discount/premium and issuance costs, net	(149)	(113)
Total SCE	24,044	21,733
Total Edison International	\$ 27,025	\$ 24,170

(in millions)	December 31,	
	2023	2022
Edison International Parent and Other:		
Debentures and notes:		
2024 – 2054 (3.55% to 8.13%)	\$ 4,550	\$ 3,400
Current portion of long-term debt	(500)	(400)
Unamortized debt discount/premium and issuance costs, net	(31)	(19)
Total Edison International Parent and Other	4,019	2,981
SCE:		
First and refunding mortgage bonds:		
2024 – 2053 (0.98% to 6.05%)	24,700	23,900
Pollution-control bonds:		
2028 – 2035 (1.45% to 4.50%)	752	752
Debentures and notes:		
2029 – 2053 (5.06% to 6.65%)	306	306
Senior secured recovery bonds ¹ :		
2028 – 2047 (0.86% to 5.11%)	1,579	849
Other long-term debt ²	1,322	600
Current portion of long-term debt	(2,197)	(2,214)
Unamortized debt discount/premium and issuance costs, net	(165)	(149)
Total SCE	26,297	24,044
Total Edison International	\$ 30,316	\$ 27,025

- ¹ The senior secured recovery bonds are payable only from and secured by the Recovery Property at SCE Recovery Funding LLC, and do not constitute a debt or other legal obligation of, or interest in, SCE or any of its affiliates, except for SCE Recovery Funding LLC. For further details, see Note 3.
- ² Subsequent to December 31, 2023, SCE issued first and refunding mortgage bonds which were used to partially pay down its commercial paper balance, see "Debt Financing Subsequent to December 31, 2023" for more information. Accordingly, SCE included the pay down amount of \$722 million in other long-term debt. In addition, 2023 and 2022 amount represents amounts both include a term loan due in 2024 with an interest rate of adjusted term secured overnight financing rate ("SOFR") plus 0.90%. 2021 amount represent short-term obligations refinanced on a long-term basis subsequent to December 31, 2021.

Edison International and SCE long-term debt maturities over the next five years are as follows:

(in millions)	Edison		Edison	
	International	SCE	International	SCE
2023	\$ 2,614	\$ 2,214		
2024	2,680	2,180	\$ 2,697	\$ 2,197
2025	2,030	1,230	2,049	1,249
2026	381	381	800	800
2027	1,981	1,381	2,001	1,401
2028			2,942	1,792

Liens and Security Interests

Almost all of SCE's properties are subject to a trust indenture lien. SCE has pledged first and refunding mortgage bonds as collateral for borrowed funds obtained from pollution-control bonds issued by government agencies. SCE has a debt covenant that requires a debt to total capitalization ratio to be less than or equal to 0.65 to 1. At December 31, 2022 December 31, 2023, SCE's debt to total capitalization ratio was 0.56 to 1 and was in compliance with all other financial covenants that affect access to capital. Edison International Parent's credit facility requires a consolidated debt to total capitalization ratio as defined in the applicable agreements of less than or equal to 0.70 to 1. At December 31, 2022 December 31, 2023, Edison International consolidated debt to total capitalization ratio was 0.64 0.63 to 1.

Credit Agreements and Short-Term Debt

The following table summarizes the status of the credit facilities at December 31, 2022:

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(in millions, except for rates)						
Borrower	Termination date	SOFR plus (bps)	Commitment	Outstanding borrowings	Outstanding letters of credit	Amount available
Edison International						
Parent ^{1, 3}	May 2026	128	\$ 1,500	\$ 90	\$ —	\$ 1,410
SCE ^{2, 3}	May 2026	108	3,350	195	431	2,724
Total Edison International			\$ 4,850	\$ 285	\$ 431	\$ 4,134

Credit Agreements and Short-Term Debt

The following table summarizes the status of the credit facilities at December 31, 2023:

(in millions, except for rates)						
Borrower	Termination Date	SOFR plus (bps)	Commitment	Outstanding borrowings	Outstanding letters of credit	Amount available

Edison International Parent ^{1, 3}	May 2027	128	\$	1,500	\$	246	\$	—	\$	1,254
SCE ^{2, 3}	May 2027	108		3,350		1,558		29		1,763
Total Edison International			\$	4,850	\$	1,804	\$	29	\$	3,017

¹ At December 31, 2023 and December 31, 2022, Edison International Parent had \$246 million and \$90 million outstanding commercial paper, net of discount, at a weighted-average interest rate of 5.82% and 4.92%. At December 31, 2021 Edison International Parent did not have any outstanding commercial paper, respectively.

² At December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, SCE had \$195 million \$1,554 million and \$601 million \$195 million outstanding commercial paper, net of discount, at a weighted-average interest rate of 5.20% 5.82% and 0.45% 5.20%, respectively.

³ Proceeds are used to support commercial paper borrowings and general corporate purposes. The credit facilities have two additional one-year extension options. The aggregate maximum principal amount under the SCE and Edison International Parent revolving credit facilities may be increased up to \$4.0 billion and \$2.0 billion, \$2.0 billion, respectively, provided that additional lender commitments are obtained.

Short-term Term LoansUncommitted Letters of Credit

In October 2023, SCE entered into agreements with certain lenders for bilateral unsecured standby letters of credit ("SBLC") with a total capacity of \$625 million that is uncommitted and supported by reimbursement agreements. The SBLCs are not subject to any collateral or security requirements. At December 31, 2023, SCE had \$53 million in standby letters of credit outstanding under these agreements, which expire in 2024. The unused capacity under these agreements was \$572 million.

As Debt Financing Subsequent to December 31, 2023

In January 2024, SCE issued \$500 million of December 31, 2022, Edison International Parent had outstanding term loans of \$600 million 4.875% first and refunding mortgage bonds due in April 2023 2027 and \$400 million \$900 million of 5.20% first and refunding mortgage bonds due in November 2023, each bearing interest at either an adjusted term SOFR plus 0.70% and 0.95%, respectively, or a base rate with no applicable margin. 2034. The term loan proceeds were used to fund the payment of wildfire claims and related expenses above the amount of expected insurance proceeds, repay commercial paper borrowings and for general corporate purposes.

As of December 31, 2022, SCE had a \$730 million outstanding balance on its green term loan agreement due in May 2023 and bears interest at an adjusted term SOFR plus 0.55%.

Note 6. Derivative Instruments

Derivative financial instruments are used to manage exposure to commodity price risk. These risks are managed in part by entering into forward commodity transactions, including options, swaps and futures. To mitigate credit risk from counterparties in the event of nonperformance, master netting agreements are used whenever possible, and counterparties may be required to pledge collateral depending on the creditworthiness of each counterparty and the risk associated with the transaction.

Commodity Price Risk

Commodity price risk represents the potential impact that can be caused by a change in the market value of a particular commodity. SCE's electricity price exposure arises from energy purchased from and sold to wholesale markets as a result of differences between SCE's load requirements and the amount of energy delivered from its generating facilities and PPAs. SCE's natural gas price exposure arises from natural gas purchased for the Mountainview power plants, Peaker plants and Qualifying Facilities contracts where pricing is based on a monthly natural gas index and PPAs in which SCE has agreed to provide the natural gas needed for generation, referred to as tolling arrangements.

Credit and Default Risk

Credit and default risk represent the potential impact that can be caused if a counterparty were to default on its contractual obligations and SCE would be exposed to spot markets for buying replacement power and natural gas or selling excess power, power and natural gas. In addition, SCE would be exposed to the risk of non-payment of accounts receivable, primarily related to the sales of excess power and natural gas and realized gains on derivative instruments.

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Certain power and gas contracts contain master netting agreements or similar agreements, which generally allow counterparties subject to the agreement to offset amounts when certain criteria are met, such as in the event of default. The objective of netting is to reduce credit exposure. Additionally, to reduce SCE's risk exposures, counterparties may be required to pledge collateral depending on the creditworthiness of each counterparty and the risk associated with the transaction.

Certain power and gas contracts contain a provision that requires SCE to maintain an investment grade rating from the major credit rating agencies that have credit ratings for SCE, referred to as a credit-risk-related contingent feature. If SCE's credit rating were to fall below investment grade, SCE may be required to post additional collateral to cover derivative liabilities and the related outstanding payables. The net fair value of all derivative liabilities with these credit-risk-related contingent features was less than \$1 million as of **December 31, 2022**, **December 31, 2023** and **2021, 2022**, for which SCE posted **no collateral and** collateral of \$24 million **and no collateral** to its counterparties for its **derivative liabilities and related** outstanding payables as of **December 31, 2022**, **December 31, 2023**, and **2021, 2022**, respectively. If the credit-risk-related contingent features underlying these agreements were triggered on **December 31, 2022**, **December 31, 2023**, SCE would be required to post **\$58** **\$5** million of collateral, most of which is related to outstanding payables.

Fair Value of Derivative Instruments

SCE presents its derivative assets and liabilities, **recorded at fair value**, on a net basis on its consolidated balance sheets when subject to master netting agreements or similar agreements. Derivative positions are also offset against margin and cash collateral deposits. In addition, SCE has provided collateral in the form of letters of credit. Collateral requirements can vary depending upon the level of unsecured credit extended by counterparties, changes in market prices relative to contractual commitments and other factors. See Note 4 for a discussion of fair value of derivative instruments. The following table summarizes the gross and net fair values of SCE's commodity derivative instruments:

(in millions)	December 31, 2022							December 31, 2023	
	Derivative Assets			Derivative Liabilities			Net Assets	Derivative Assets	Derivative Liabilities
	Short-Term ¹	Long-Term	Subtotal	Short-Term ³	Long-Term	Subtotal		Short-Term ¹	Short-Term ²
Commodity derivative contracts									
Gross amounts recognized	\$ 459	\$ —	\$ 459	\$ 120	\$ —	\$ 120	\$ 339	\$ 94	\$ 77
Gross amounts offset in the consolidated balance sheets	(119)	—	(119)	(119)	—	(119)	—	(3)	(3)
Cash collateral received ⁴	(99)		(99)				(99)		
Cash collateral posted								—	(74)
Net amounts presented in the consolidated balance sheets	\$ 241	\$ —	\$ 241	\$ 1	\$ —	\$ 1	\$ 240	\$ 91	\$ —

(in millions)	December 31, 2022	
	Derivative Assets	Derivative Liabilities
	Short-Term ¹	Short-Term ²
Commodity derivative contracts		

Gross amounts recognized	\$	459	\$	120
Gross amounts offset in the consolidated balance sheets		(119)		(119)
Cash collateral received		(99)		—
Net amounts presented in the consolidated balance sheets	\$	241	\$	1

¹ Included in "Other current assets" on SCE's consolidated balance sheets.

² Included in "Other current liabilities" on SCE's consolidated balance sheets.

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At December 31, 2023, SCE posted and accrued \$121 million of cash collateral, of which \$74 million was offset against derivative liabilities and \$47 million was reflected in "Other current assets" on the consolidated balance sheets.

December 31, 2021									

¹ Included in "Other current assets" on Edison International's and SCE's consolidated balance sheets.

² Included in "Other long-term assets" on Edison International's and SCE's consolidated balance sheets.

³ Included in "Other current liabilities" on Edison International's and SCE's consolidated balance sheets.

⁴ At December 31, 2022, SCE received cash collateral and accrued the obligation to return cash collateral totaled \$99 million, all of which was offset against derivative assets. At December 31, 2021, SCE posted \$65 million of cash, of which \$16 million was offset against derivative liabilities and \$49 million was reflected in "Other current assets" on the consolidated balance sheets.

Financial Statement Impact of Derivative Instruments

SCE recognizes realized gains and losses on derivative instruments as purchased power expense and expects that such gains or losses will be part of the purchased power costs recovered from customers. As a result, realized gains and losses do not affect earnings, but may temporarily affect cash flows. Due to the expected future recovery from customers, unrealized gains and losses are recorded as regulatory assets and liabilities and therefore, also do not affect earnings. The remaining effects of derivative activities and related regulatory offsets are reported in cash flows from operating activities in the SCE's consolidated statements of cash flows.

The following table summarizes the components gains/(losses) of SCE's economic hedging activity:

(in millions)	Years ended December 31,			Years ended December 31,		
	2022	2021	2020	2023	2022	2021
Realized gains	\$ 178	\$ 200	\$ 87			
Unrealized gains (losses)	310	(75)	17			
Realized				\$ (14)	\$ 178	\$ 200
Unrealized				(322)	310	(75)

Notional Volumes of Derivative Instruments

The following table summarizes the notional volumes of derivatives used for SCE's economic hedging activities:

Commodity	Unit of Measure	Economic Hedges		Unit of Measure	Economic Hedges	
		December 31,			December 31,	
		2022	2021		2023	2022
Electricity options, swaps and forwards	GWh	1,022	1,869	Gigawatt hours	3,494	1,022
Natural gas options, swaps and forwards	Bcf	42	58	Billion cubic feet	31	42
Congestion revenue rights	GWh	44,028	33,216	Gigawatt hours	35,011	44,028

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Note 7. Revenue

SCE's revenue is disaggregated by two revenue sources:

- Earning activities – representing revenue authorized by the CPUC and FERC, which is intended to provide SCE a reasonable opportunity to recover its costs and earn a return on its net investment in generation, transmission and distribution assets. The annual revenue requirements are comprised of authorized operation and maintenance costs, depreciation, taxes and a return consistent with the capital structure. Also, included in earnings activities are revenue or penalties related to incentive mechanisms, other operating revenue and regulatory charges or disallowances.
- Cost-recovery activities – representing CPUC- and FERC- authorized balancing accounts, which allow for recovery of specific project or program costs, subject to a reasonableness review or compliance with upfront standards as well as non-bypassable rates collected for SCE Recovery Funding LLC. Cost-recovery activities include rates which provide recovery, subject to a reasonableness review of, among other things, fuel costs, purchased power costs, public purpose related-program costs (including energy efficiency and demand-side management programs), certain operation and maintenance expenses, and repayment of bonds and financing costs of SCE Recovery Funding LLC. SCE earns no return on these activities.

The following table is a summary of SCE's revenue:

(in millions)	2022			2021			2020		
	Cost-			Cost-			Cost-		
	Earning	Recovery	Total	Earning	Recovery	Total	Earning	Recovery	Total
	Activities	Activities	Consolidated	Activities	Activities	Consolidated	Activities	Activities	Consolidated
Revenues from contracts with customers ^{1,2}	\$ 8,327	8,433	\$ 16,760	\$ 7,523	\$ 6,824	14,347	\$ 6,920	\$ 5,539	\$ 12,459
Alternative revenue programs and other operating revenue ³	681	(269)	412	349	178	527	548	539	1,087
Total operating revenue	\$ 9,008	\$ 8,164	\$ 17,172	\$ 7,872	\$ 7,002	\$ 14,874	\$ 7,468	\$ 6,078	\$ 13,546

¹ SCE recorded CPUC revenue based on an annual revenue requirement set by a methodology established in the GRC proceeding and FERC revenue authorized through a formula rate. For further information, see Note 1.

² At December 31, 2022 and 2021, SCE's receivables related to contracts from customers were \$2.3 billion and \$2.3 billion, which included accrued unbilled revenue of \$638 million and \$794 million, respectively.

³ Includes differences between amounts billed and authorized levels for both the CPUC and FERC.

Deferred Revenue

In July 2021, Morongo Transmission LLC ("Morongo") paid SCE \$400 million for the use of a portion of the West of Devers transmission line transfer capability for a period of 30 years. SCE recognized the entire proceeds as deferred revenue and is amortizing deferred revenue from the use of the transfer capability over the 30-year term on a straight-line basis resulting in revenue of \$13 million per year. As of December 31, 2022, the deferred revenue was \$381 million, of which \$13 million and \$368 million are included in "Other current liabilities" and "Other deferred credits and other long-term liabilities," respectively, on SCE's consolidated balance sheets. For the years ended December 31, 2022 and 2021, SCE has recognized revenue of \$13 million and \$6 million, respectively.

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The following table is a summary of SCE's revenue:

(in millions)	Years ended December 31,								
	2023			2022			2021		
	Cost-			Cost-			Cost-		
	Earning	Recovery	Total	Earning	Recovery	Total	Earning	Recovery	Total
	Activities	Activities	Consolidated	Activities	Activities	Consolidated	Activities	Activities	Consolidated
Revenues from contracts with customers ¹	\$ 8,598	8,422	\$ 17,020	\$ 8,327	8,433	16,760	\$ 7,523	\$ 6,824	\$ 14,347
Alternative revenue programs and other operating revenue ²	414	(1,159)	(745)	681	(269)	412	349	178	527
Total operating revenue	\$ 9,012	\$ 7,263	\$ 16,275	\$ 9,008	\$ 8,164	\$ 17,172	\$ 7,872	\$ 7,002	\$ 14,874

¹ At December 31, 2023 and 2022, SCE's receivables related to contracts from customers were \$2.5 billion and \$2.3 billion, which included accrued unbilled revenue of \$741 million and \$638 million, respectively.

² Includes differences between revenues from contracts with customers and authorized levels for certain CPUC and FERC revenues.

Deferred Revenue

As of December 31, 2023, SCE has deferred revenue of \$368 million related to the sale of the use of transfer capability of West of Devers transmission line, of which \$13 million and \$355 million are included in "Other current liabilities" and "Other deferred credits and other long-term liabilities," respectively, on SCE's consolidated balance sheets. The deferred revenue is amortized straight-line over a period of 30 years starting 2021.

Note 8. Income Taxes

Current and Deferred Taxes

The components of income tax expense (benefit) expense by location of taxing jurisdiction are:

(in millions)	Edison International			SCE		
	Years ended December 31,					
	2022	2021	2020	2022	2021	2020
Current:						
Federal	\$ 2	\$ —	\$ 13	\$ —	\$ —	\$ 12
State	13	(179)	(22)	2	(45)	(26)
	15	(179)	(9)	2	(45)	(14)
Deferred:						
Federal	(103)	83	(230)	(44)	83	(207)
State	(74)	(40)	(66)	(67)	(21)	(56)

	(177)	43	(296)	(111)	62	(263)
Total	\$ (162)	\$ (136)	\$ (305)	\$ (109)	\$ 17	\$ (277)

The components of net accumulated deferred income tax liability are:

(in millions)	Edison International		SCE	
	December 31,			
	2022	2021	2022	2021
Deferred tax assets:				
Property	\$ 859	\$ 856	\$ 840	\$ 835
Wildfire-related ¹	458	558	457	558
Nuclear decommissioning trust assets in excess of nuclear ARO liability	321	517	321	517
Loss and credit carryforwards ²	3,479	3,078	2,157	1,697
Regulatory balances	641	652	641	652
Pension and postretirement benefits other than pensions, net	130	153	26	30
Leases	406	543	406	543
Other	162	165	135	179
Sub-total	6,456	6,522	4,983	5,011
Less: valuation allowances ³	39	44	—	6
Total	6,417	6,478	4,983	5,005
Deferred tax liabilities:				
Property	10,091	9,645	10,078	9,633
Regulatory balances	1,462	1,242	1,462	1,242
Nuclear decommissioning trust assets	321	517	321	517
Leases	406	543	406	543
Other	225	207	200	186
Total	12,505	12,154	12,467	12,121
Accumulated deferred income tax liability, net ⁴	\$ 6,088	\$ 5,676	\$ 7,484	\$ 7,116

¹ Relates to accrued estimated losses for wildfire-related claims, net of expected recoveries from insurance and FERC customers, and contributions to the Wildfire Insurance Fund. For further information, see Note 12 and Note 1.

² As of December 31, 2022, unrecognized tax benefits of \$310 million and \$254 million for Edison International and SCE, respectively, are presented net against the deferred tax asset for the loss and tax credit carryforwards. As of December 31, 2021, the unrecognized tax benefits netted against deferred tax assets and tax credit carryforwards were \$277 million and \$221 million for Edison International and SCE, respectively.

(in millions)	Edison International						SCE					
	Years ended December 31,						Years ended December 31,					
	2023		2022		2021		2023		2022		2021	
Current:												
Federal	\$	—	\$	2	\$	—	\$	—	\$	—	\$	—
State		—		13		(179)		5		2		(45)
		—		15		(179)		5		2		(45)
Deferred:												
Federal		101		(103)		83		149		(44)		83
State		7		(74)		(40)		30		(67)		(21)
		108		(177)		43		179		(111)		62
Total	\$	108	\$	(162)	\$	(136)	\$	184	\$	(109)	\$	17

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The components of net accumulated deferred income tax liability are:

	Edison International		SCE	
	December 31,			
(in millions)	2023	2022	2023	2022
Deferred tax assets:				
Property	\$ 894	\$ 859	\$ 877	\$ 840
Wildfire-related ¹	356	458	354	457
Nuclear decommissioning trust assets in excess of nuclear ARO liability	380	321	380	321
Loss and credit carryforwards ²	3,486	3,479	2,103	2,157
Regulatory balances	626	641	626	641
Pension and postretirement benefits other than pensions, net	127	130	25	26
Leases	345	406	345	406
Other	159	162	147	135
Sub-total	6,373	6,456	4,857	4,983
Less: valuation allowance ³	17	39	—	—
Total	6,356	6,417	4,857	4,983
Deferred tax liabilities:				
Property	10,627	10,091	10,611	10,078
Regulatory balances	1,450	1,462	1,450	1,462
Nuclear decommissioning trust assets	380	321	380	321
Leases	345	406	345	406
Other	187	225	158	200
Total	12,989	12,505	12,944	12,467
Accumulated deferred income tax liability, net ⁴	\$ 6,633	\$ 6,088	\$ 8,087	\$ 7,484

¹ Relates to estimated losses accrual for wildfire-related claims, net of expected recoveries from insurance and FERC customers, and contributions to the Wildfire Insurance Fund. For further information, see Note 12 and Note 1.

² As of December 31, 2023, unrecognized tax benefits of \$363 million and \$299 million for Edison International and SCE, respectively, are presented net against the deferred tax asset for the loss and tax credit carryforwards. As of December 31, 2022, the unrecognized tax benefits netted against deferred tax assets and tax credit carryforwards were \$310 million and \$254 million for Edison International and SCE, respectively.

³ As of December 31, 2022 December 31, 2023, Edison International has recorded a \$17 million valuation allowance on deferred tax assets which are estimated to expire before being utilized. The \$17 million valuation allowance for Edison International includes \$35 million for is related to non-California state net operating loss carryforwards and \$4 million for California capital losses generated from sale of SoCore Energy in 2018, which are expected to expire before being utilized. As of December 31, 2021 December 31, 2022, the valuation allowance on deferred tax assets which are estimated to expire before being utilized for Edison International includes \$33 \$35 million for non-California state net operating loss carryforwards, \$4 million \$4 million for California capital losses generated from sale of SoCore Energy in 2018, and \$7 million for federal and California charitable contribution carryover from 2017. Valuation allowance for SCE includes \$6 million for federal and California charitable contribution carryover from 2017, 2018.

⁴ Included in "Deferred income taxes and credits" on the consolidated balance sheets.

The amounts of net operating loss and tax credit carryforwards (after-tax) are as follows:

	Edison International		SCE		Edison International		SCE	
	December 31, 2022							
	Loss	Credit	Loss	Credit	Loss	Credit	Loss	Credit

The table below provides a reconciliation of income tax expense computed at the federal statutory income tax rate to the income tax provision:

	Edison International			SCE		
	Years ended December 31,					
(in millions)	2022	2021	2020	2022	2021	2020
Income from operations before income taxes	\$ 662	\$ 789	\$ 566	\$ 845	\$ 952	\$ 665
Provision for income tax at federal statutory rate of 21%	139	166	119	177	200	140
Increase (decrease) in income tax from:						
State tax, net of federal benefit	(70)	(47)	(61)	(57)	(33)	(52)
Property-related	(219)	(233)	(320)	(219)	(233)	(320)
Change related to uncertain tax position ¹	—	(147)	(15)	—	(37)	(19)
Wildfire related charges ²	—	31	—	—	31	—
Average rate assumption method ("ARAM") adjustment ³	—	87	—	—	87	—
Corporate-owned life insurance cash surrender value	(9)	(8)	(8)	(9)	(8)	(8)
Other	(3)	15	(20)	(1)	10	(18)
Total income tax (benefit) expense	\$ (162)	\$ (136)	\$ (305)	\$ (109)	\$ 17	\$ (277)
Effective tax rate	(24.5)%	(17.2)%	(53.9)%	(12.9)%	1.8 %	(41.7)%

	Edison International			SCE		
	Years ended December 31,					
(in millions)	2023	2022	2021	2023	2022	2021
Income from operations before income taxes	\$ 1,515	\$ 662	\$ 789	\$ 1,781	\$ 845	\$ 952
Provision for income tax at federal statutory rate of 21%	318	139	166	374	177	200
(Decrease) increase in income tax from:						
State tax, net of federal income tax effect	3	(70)	(47)	23	(57)	(33)
Property-related	(205)	(219)	(233)	(205)	(219)	(233)
Change related to uncertain tax position ¹	—	—	(147)	—	—	(37)
Wildfire related charges ²	—	—	31	—	—	31
Average rate assumption method ("ARAM") adjustment ³	—	—	87	—	—	87
Corporate-owned life insurance cash surrender value	(8)	(9)	(8)	(8)	(9)	(8)
Other	—	(3)	15	—	(1)	10
Total income tax expense (benefit)	\$ 108	\$ (162)	\$ (136)	\$ 184	\$ (109)	\$ 17
Effective tax rate	7.1 %	(24.5)%	(17.2)%	10.3 %	(12.9)%	1.8 %

¹ In 2021, Edison International and SCE recognized tax benefits related to a settlement with the California Franchise Tax Board "FTB" ("FTB") for tax years 2007 – 2012. See further discussion in Tax Disputes below. In 2020, Edison International and SCE recognized tax expense and benefit, respectively, primarily due to the re-measurement of uncertain tax positions related to the 2010 – 2012 California state tax filings currently under audit.

² Relates to the non-tax deductible portions of the SED Agreement (as defined in Note 12). See Note 12 for further discussion under 2017/2018 Wildfire/Mudslide Events.

³ In July 2021, SCE received the IRS' IRS response to its private letter ruling request, regarding the scope of the deferred tax normalization requirements and the computations required to comply with the average rate assumption method. As a result, SCE's estimate changed and a cumulative true-up of \$87 million reduction in tax benefits was recorded in the third quarter of 2021, for the period of January 1, 2018 to June 30, 2021.

The CPUC requires flow-through ratemaking treatment for the current tax benefit arising from certain property-related and other temporary differences which reverse over time. Flow-through items reduce current authorized revenue requirements in SCE's rate cases and result in a regulatory asset for recovery of deferred income taxes in future periods. The difference between the authorized amounts as determined in SCE's rate cases, adjusted for balancing and memorandum account activities, and the recorded flow-through items also result in increases or decreases in regulatory assets with a corresponding impact on the effective tax rate to the extent that recorded deferred amounts are expected to be recovered in future rates. For further information, see Note 11.

Accounting for Uncertainty in Income Taxes

Authoritative guidance related to accounting for uncertainty in income taxes requires an enterprise to recognize, in its financial statements, the best estimate of the impact of a tax position by determining if the weight of available evidence indicates it is more likely than not, based solely on the technical merits, that the position will be sustained upon examination. The guidance requires the disclosure of all unrecognized tax benefits, which includes both the reserves recorded for tax positions on filed tax returns and the unrecognized portion of affirmative claims.

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Unrecognized Tax Benefits

The following table provides a reconciliation of unrecognized tax benefits:

(in millions)	Edison International			SCE			Edison International			SCE		
	2022	2021	2020	2022	2021	2020	2023	2022	2021	2023	2022	2021
Balance at January 1,	\$ 613	\$ 679	\$ 370	\$ 340	\$ 320	\$ 282	\$ 646	\$ 613	\$ 679	\$ 374	\$ 340	\$ 320
Tax positions taken during the current year:												
Increases	54	53	55	54	53	56	65	54	53	65	54	53
Tax positions taken during a prior year:												
Increases ¹	—	3	274	—	1	4						
Decreases ²	(21)	(118)	(20)	(20)	(29)	(22)						
Settlements with taxing authorities ³	—	(4)	—	—	(5)	—						
Increases							13	—	3	4	—	1
Decreases ¹							(294)	(21)	(118)	(25)	(20)	(29)
Settlements with taxing authorities ²							—	—	(4)	—	—	(5)
Balance at December 31,	\$ 646	\$ 613	\$ 679	\$ 374	\$ 340	\$ 320	\$ 430	\$ 646	\$ 613	\$ 418	\$ 374	\$ 340

¹ The Edison International recorded favorable tax positions decrease in 2020 in connection with 2023 was mainly related to a write-off of a reserve for a claim related to the Edison Mission Energy bankruptcy that required a revaluation of bankruptcy. See the reserve discussion in "Tax Disputes" for uncertain tax positions.

² Decrease more information. The decrease in 2021 was related to re-measurement as a result of a settlement with the FTB for tax years 2007 – 2012.

³ In 2021, Edison International reached a settlement with the FTB for tax years 2007 – 2012.

As of December 31, 2022 December 31, 2023, if recognized, \$341 \$80 million of unrecognized tax benefits would impact Edison International's effective tax rate and \$69 \$68 million of the unrecognized tax benefits would impact SCE's effective tax rate.

Tax Disputes

In 2020, Edison International recorded favorable tax positions in connection with the Edison Mission Energy bankruptcy that were fully reserved. Based on information identified during the 2nd quarter of 2023, the Company wrote off the total claim and related reserve in the amount of \$268 million.

Tax years that remain open for examination by the IRS and FTB are 2019 2020 – 2021 2022 and 2013 – 2021, 2022, respectively.

Accrued Interest and Penalties

The total amount of accrued interest and penalties related to income tax liabilities are:

	Edison International		SCE		Edison International		SCE	
	December 31,		December 31,		December 31,		December 31,	

(in millions)	December 31,							
	2022	2021	2022	2021	2023	2022	2023	2022
Accrued interest and penalties	\$ —	\$ —	\$ 23	\$ 20	\$ —	\$ —	\$28	\$23

The net after-tax interest and penalties recognized in income tax (benefit) expense are:

	Edison International				SCE				Edison International				SCE			
	Years ended December 31,				Years ended December 31,				Years ended December 31,				Years ended December 31,			
(in millions)	2022	2021	2020	2022	2021	2020	2023	2022	2021	2023	2022	2021	2023	2022	2021	2020
Net after-tax interest and penalties tax (benefit) expense	\$ —	\$ (41)	\$ 4	\$ 2	\$ (2)	\$ 6	\$ —	\$ —	\$ (41)	\$ 4	\$ 2	\$ (2)	\$ —	\$ —	\$ (41)	\$ 4

Note 9. Compensation and Benefit Plans

Employee Savings Plan

The 401(k) defined contribution savings plan is designed to supplement employees' retirement income. The employer contributions were as follows:

(in millions)	Edison	
	International	SCE
	Years ended	December 31,
2022	\$ 103	\$ 101
2021	97	96
2020	93	92

(in millions)	Edison	
	International	SCE
	Years ended	December 31,
2023	\$ 121	\$ 119
2022	103	101
2021	97	96

Pension Plans and Postretirement Benefits Other Than Pensions

Pension Plans

Noncontributory defined benefit pension plans (some with cash balance features) cover most employees meeting minimum service requirements. Employees hired by the participating companies on or after December 31, 2017 are no longer eligible to participate in the pension plan. In lieu of that, an additional non-contributory employer contribution is deposited into the Edison 401(k) Savings Plan. SCE recognizes pension expense for its nonexecutive plan as calculated by the actuarial method used for ratemaking. The expected contributions (all by the employer) for Edison International and SCE are approximately \$35 million \$45 million and \$8 million \$13 million, respectively, for the year ending December 31, 2023 December 31, 2024. Annual The majority of annual contributions made by SCE to most of SCE's its pension plans are anticipated to be recovered through CPUC-approved regulatory mechanisms.

The funded position of Edison International's pension is sensitive to changes in market conditions. Changes in overall interest rate levels significantly affect the company's company's liabilities, while assets held in the various trusts established to fund Edison International's pension are affected by movements in the equity and bond markets. Due to SCE's regulatory recovery treatment, a regulatory asset is recorded unrealized losses equal to the unfunded status and are recorded to a regulatory liability is recorded asset and unrealized gains equal to the funded status. status are recorded to a regulatory liability. See Note 11 for further information.

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Information on pension plan assets and benefit obligations for continuing and discontinued operations is shown below.

(in millions)	Edison International		SCE	
	Years ended		December 31,	
	2022	2021	2022	2021
Change in projected benefit obligation				
Projected benefit obligation at beginning of year	\$ 4,171	\$ 4,476	\$ 3,694	\$ 3,984
Service cost	120	130	115	126
Interest cost	111	103	97	92
Actuarial gain	(589)	(245)	(503)	(246)
Benefits paid	(289)	(293)	(244)	(262)
Projected benefit obligation at end of year	\$ 3,524	\$ 4,171	\$ 3,159	\$ 3,694
Change in plan assets				
Fair value of plan assets at beginning of year	\$ 4,296	\$ 4,171	\$ 4,061	\$ 3,940

Actual return on plan assets	(575)	368	(544)	348
Employer contributions	30	50	2	35
Benefits paid	(289)	(293)	(244)	(262)
Fair value of plan assets at end of year	3,462	4,296	3,275	4,061
Funded status at end of year	\$ (62)	\$ 125	\$ 116	\$ 367
Amounts recognized in the consolidated balance sheets consist of 1:				
Long-term assets	\$ 139	\$ 384	\$ 128	\$ 384
Current liabilities	(26)	(26)	(2)	(2)
Long-term liabilities	(175)	(233)	(10)	(15)
	\$ (62)	\$ 125	\$ 116	\$ 367
Amounts recognized in accumulated other comprehensive loss consist of:				
Net loss ¹	\$ 17	74	8	12
Amounts recognized as a regulatory liability	(139)	(395)	(139)	(395)
Accumulated benefit obligation at end of year	\$ 3,401	\$ 3,947	\$ 3,049	\$ 3,491
Pension plans with plan assets in excess of an accumulated benefit obligation:				
Projected benefit obligation	3,524	4,171	3,159	3,694
Accumulated benefit obligation	3,401	3,947	3,049	3,491
Fair value of plan assets	3,462	4,296	3,275	4,061
Weighted average assumptions used to determine obligations at end of year:				
Discount rate	5.36 %	2.75 %	5.36 %	2.75 %
Rate of compensation increase	4.00 %	4.00 %	4.00 %	4.00 %

(in millions)	Edison International		SCE	
	Years ended December 31,			
	2023	2022	2023	2022
Change in projected benefit obligation				
Projected benefit obligation at beginning of year	\$ 3,524	\$ 4,171	\$ 3,159	\$ 3,694
Service cost	101	120	97	115
Interest cost	180	111	162	97
Actuarial loss (gain)	96	(589)	82	(503)
Benefits paid	(254)	(289)	(222)	(244)
Projected benefit obligation at end of year	\$ 3,647	\$ 3,524	\$ 3,278	\$ 3,159
Change in plan assets				
Fair value of plan assets at beginning of year	\$ 3,462	\$ 4,296	\$ 3,275	\$ 4,061
Actual return (loss) on plan assets	369	(575)	349	(544)
Employer contributions	32	30	13	2
Benefits paid	(254)	(289)	(222)	(244)
Fair value of plan assets at end of year	3,609	3,462	3,415	3,275
(Underfunded)/Overfunded status at end of year	\$ (38)	\$ (62)	\$ 137	\$ 116
Amounts recognized in the consolidated balance sheets consist of 1:				
Long-term assets	\$ 169	\$ 139	\$ 149	\$ 128
Current liabilities	(30)	(26)	(2)	(2)
Long-term liabilities	(177)	(175)	(10)	(10)
	\$ (38)	\$ (62)	\$ 137	\$ 116
Amounts recognized in accumulated other comprehensive loss consist of:				
Net loss ¹	\$ 21	17	8	8
Amounts recognized as a regulatory liability	(159)	(139)	(159)	(139)
Accumulated benefit obligation at end of year	\$ 3,495	\$ 3,401	\$ 3,136	\$ 3,049
Pension plans with plan assets in excess of an accumulated benefit obligation:				
Projected benefit obligation	3,647	3,524	3,278	3,159
Accumulated benefit obligation	3,495	3,401	3,136	3,049
Fair value of plan assets	3,609	3,462	3,415	3,275
Weighted average assumptions used to determine obligations at end of year:				
Discount rate	5.04 %	5.36 %	5.04 %	5.36 %
Rate of compensation increase	4.00 %	4.00 %	4.00 %	4.00 %

¹ The SCE liability excludes a long-term payable due to Edison International Parent of \$93 million \$94 million and \$132 \$93 million at December 31, 2022 December 31, 2023 and 2021, 2022, respectively, related to certain SCE postretirement benefit obligations transferred to Edison International Parent. SCE's accumulated other comprehensive loss of \$8 million at both December 31, 2023 and \$12 million at December 31, 2022 and 2021, 2022, excludes net losses of \$3 million \$8 million and \$32 \$3 million related to these benefits, respectively.

For Edison International and SCE, respectively, the 2023 actuarial losses are primarily related to \$96 million and \$92 million in losses from a decrease of 32 basis points in the discount rate (from 5.36% as of December 31, 2022 to 5.04% as of December 31, 2023). For Edison International and SCE, respectively, the 2022 actuarial gains are primarily related to \$1.0 billion and \$929 million \$929 million in gains from an increase in the discount rate (from 2.75% as of December 31, 2021 to 5.36% as of December 31, 2022), partially offset by \$456 million and \$430 million in losses from economic assumption and experience. For Edison International and SCE, respectively, the 2021 actuarial gains are primarily related to \$159 million and \$149 million in gains from an increase in discount rate (from 2.38% as of December 31, 2020 to 2.75% as of December 31, 2021), \$69 million and \$83 million in gains from valuation and experience.

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Net periodic pension expense components are:

(in millions)	Edison International			SCE		
	Years ended December 31,					
	2022	2021	2020	2022	2021	2020
Service cost	\$ 120	\$ 130	\$ 121	\$ 118	\$ 127	\$ 119
Non-service cost (benefit)						
Interest cost	111	103	124	101	95	114
Expected return on plan assets	(227)	(222)	(215)	(215)	(211)	(203)
Settlement costs	4	—	—	4	—	—
Amortization of prior service cost	—	1	2	—	1	1
Amortization of net loss	5	11	10	2	7	7
Regulatory adjustment	6	25	16	6	25	16
Total non-service benefit ¹	(101)	(82)	(63)	(102)	(83)	(65)
Total expense recognized	\$ 19	\$ 48	\$ 58	\$ 16	\$ 44	\$ 54

	Edison International			SCE		
	Years ended December 31,					
(in millions)	2023	2022	2021	2023	2022	2021
Service cost	\$ 101	\$ 120	\$ 130	\$ 99	\$ 118	\$ 127
Non-service cost (benefit)						
Interest cost	180	111	103	166	101	95
Expected return on plan assets	(214)	(227)	(222)	(202)	(215)	(211)
Settlement costs	—	4	—	—	4	—
Amortization of prior service cost	—	—	1	—	—	1
Amortization of net loss	3	5	11	2	2	7
Regulatory adjustment	(47)	6	25	(47)	6	25
Total non-service benefit ¹	(78)	(101)	(82)	(81)	(102)	(83)
Total expense	\$ 23	\$ 19	\$ 48	\$ 18	\$ 16	\$ 44

¹ Included in "Other income" on Edison International's and SCE's consolidated income statements. For further details, see Note 16.

Other changes in pension plan assets and benefit obligations recognized in other comprehensive income:

Edison International	SCE

(in millions)	Years ended December 31,					
	2022	2021	2020	2022	2021	2020
Net (gain) loss	\$ (45)	\$ (10)	\$ 11	\$ (24)	\$ (5)	\$ 9
Settlement charges	(4)	—	—	(4)	—	—
Amortization of net loss	(8)	(11)	(10)	(5)	(7)	(7)
Total (gain) loss recognized in other comprehensive income	(57)	(21)	1	(33)	(12)	2
Total recognized in expense and other comprehensive income	\$ (38)	\$ 27	\$ 59	\$ (17)	\$ 32	\$ 56

	Edison International			SCE		
	Years ended December 31,					
(in millions)	2023	2022	2021	2023	2022	2021
Net loss (gain)	\$ 6	\$ (45)	\$ (10)	\$ 6	\$ (24)	\$ (5)
Settlement charges	—	(4)	—	—	(4)	—
Amortization of net loss	(2)	(8)	(11)	(2)	(5)	(7)
Total loss (gain) recognized in other comprehensive income	4	(57)	(21)	4	(33)	(12)
Total recognized in expense and other comprehensive income	\$ 27	\$ (38)	\$ 27	\$ 22	\$ (17)	\$ 32

In accordance with authoritative guidance on rate-regulated enterprises, SCE records amortization of net gains and losses into regulatory assets and liabilities instead of charges and credits to other comprehensive income for the portion of SCE's postretirement benefit plans that are recoverable in utility rates.

Edison International and SCE used the following weighted average assumptions to determine pension expense:

	Years ended December 31,		
	2022	2021	2020
Discount rate	2.75 %	2.38 %	3.11 %
Rate of compensation increase	4.00 %	4.00 %	4.10 %
Expected long-term return on plan assets	5.50 %	5.50 %	6.00 %
Interest crediting rate for cash balance account			
Starting rate	3.12 %	3.03 %	3.61 %
Ultimate rate	4.50 %	4.50 %	5.00 %
Year ultimate rate is reached	2026	2025	2025

	Years ended December 31,		
	2023	2022	2021
Discount rate	5.36 %	2.75 %	2.38 %
Rate of compensation increase	4.00 %	4.00 %	4.00 %
Expected long-term return on plan assets	6.50 %	5.50 %	5.50 %
Interest crediting rate for cash balance account ¹			
Starting rate	5.86 %	3.12 %	3.03 %
Ultimate rate	5.86 %	4.50 %	4.50 %
Year ultimate rate is reached	2023	2026	2025

¹ Edison International and SCE were using a graduated assumption for interest crediting rate for cash balance account, where current interest rate gradually increased to an ultimate rate at a certain year. Starting 2023, Edison International and SCE changed to use single interest crediting rate assumption to determine the pension expense for cash balance account.

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The following benefit payments, which reflect service rendered and expected future service, are expected to be paid:

(in millions)	Edison	
	International	SCE
2023	\$ 310	\$ 269
2024	314	274
2025	313	276
2026	321	282
2027	308	276
2028 – 2032	1,428	1,291

(in millions)	Edison	
	International	SCE
2024	\$ 325	\$ 279
2025	319	279
2026	332	290
2027	320	284
2028	314	281
2029 – 2033	1,447	1,308

Postretirement Benefits Other Than Pensions ("PBOP(s)")

Employees hired prior to December 31, 2017 who are retiring at or after age 55 with at least 10 years of service may be eligible for postretirement healthcare benefits. Eligibility for a company contribution toward the cost of these benefits in retirement depends on a number of factors, including the employee's years of service, age, hire date, and retirement date. Employees hired on or after December 31, 2017 are no longer eligible for retiree healthcare benefits. In lieu of those benefits, Edison International will provide a health reimbursement account of \$200 per month available only after meeting certain age and service year requirements. Under the terms of the Edison International Welfare Benefit Plan ("PBOP Plan"), each participating employer (Edison International or its participating subsidiaries) is responsible for the costs and expenses of PBOP Plan benefits with respect to its employees and former employees that exceed the participants' share of contributions. A participating employer may terminate the PBOP Plan benefits with respect to its employees and former employees, as may SCE (as PBOP Plan sponsor), and, accordingly, the participants' PBOP Plan benefits are not vested benefits.

The There are no expected contributions (substantially all of which are expected to be made by SCE) for PBOP benefits are \$8 million for the year ended December 31, 2023 December 31, 2024. Annual contributions related to SCE employees made to SCE plans are anticipated to be recovered through CPUC-approved regulatory mechanisms and are expected to be, at a minimum, equal to the total annual expense for these plans.

SCE has three voluntary employees' beneficiary association trusts ("VEBA Trusts") that can only be used to pay for retiree health care benefits of SCE and its subsidiaries. Once funded into the VEBA Trusts, neither SCE nor Edison International can subsequently recover remaining amounts in the VEBA Trusts. Participants of the PBOP Plan do not have a beneficial interest in the VEBA Trusts. The VEBA Trust assets are sensitive to changes in market conditions. Changes in overall interest rate levels significantly affect the company's liabilities, while assets held in the various trusts established to fund Edison International's other postretirement benefits are affected by movements in the equity and bond markets. Due to SCE's regulatory recovery treatment, the funded status is offset by a regulatory liability.

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Information on PBOP Plan assets and benefit obligations is shown below:

	Edison International		SCE		Edison International		SCE	

Ultimate rate	5.00 %	5.00 %	5.00 %	5.00 %	5.00 %	5.00 %	5.00 %	5.00 %
Year ultimate rate reached	2029	2029	2029	2029	2029	2029	2029	2029

For Edison International and SCE, the 2023 actuarial gains are primarily related to \$553 million and \$550 million in gains from the change in postretirement medical carrier and retiree medical delivery mechanism effective in 2024, respectively. For Edison International and SCE, the 2022 actuarial gains are primarily related to \$546 million and \$543 million in gains from an increase in the discount rate (from 2.95% as of December 31, 2021 to 5.43% as of December 31, 2022), respectively. For both Edison International and SCE, the 2021 actuarial gains are primarily related to \$113 million in gains from valuation and experience and \$83 million in gains from an increase in the discount rate (from 2.67% as of December 31, 2020 to 2.95% as of December 31, 2021).

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Net periodic PBOP expense components are:

(in millions)	Edison International			SCE		
	Years ended December 31,					
	2022	2021	2020	2022	2021	2020
Service cost	\$ 34	\$ 40	\$ 38	\$ 34	\$ 40	\$ 37
Non-service cost (benefit)						
Interest cost	56	52	63	55	52	63
Expected return on plan assets	(97)	(106)	(119)	(97)	(106)	(119)
Amortization of prior service cost	(2)	(1)	(1)	(2)	(1)	(1)
Amortization of net gain	(45)	(35)	(29)	(45)	(36)	(29)
Regulatory adjustment	55	51	49	55	51	49
Total non-service benefit ¹	(33)	(39)	(37)	(34)	(40)	(37)
Total expense	\$ 1	\$ 1	\$ 1	\$ —	\$ —	\$ —

(in millions)	Edison International			SCE		
	Years ended December 31,					
	2023	2022	2021	2023	2022	2021
Service cost	\$ 20	\$ 34	\$ 40	\$ 20	\$ 34	\$ 40
Non-service cost (benefit)						
Interest cost	67	56	52	67	55	52
Expected return on plan assets	(107)	(97)	(106)	(107)	(97)	(106)
Amortization of prior service cost	(1)	(2)	(1)	(1)	(2)	(1)
Amortization of net gain	(50)	(45)	(35)	(50)	(45)	(36)
Regulatory adjustment	71	55	51	71	55	51
Total non-service benefit ¹	(20)	(33)	(39)	(20)	(34)	(40)
Total expense	\$ —	\$ 1	\$ 1	\$ —	\$ —	\$ —

¹ Included in "Other income" on Edison International's and SCE's consolidated income statements. For further details, see Note 16.

In accordance with authoritative guidance on rate-regulated enterprises, SCE records amortization of net gains and losses to regulatory assets and liabilities instead of charges and credits to other comprehensive income (loss) for the portion of SCE's postretirement benefit plans that are recoverable in utility rates.

Edison International and SCE used the following weighted average assumptions to determine PBOP expense:

	Years ended December 31,		
	2022	2021	2020
Discount rate	2.95 %	2.67 %	3.32 %
Expected long-term return on plan assets	3.50 %	4.00 %	4.90 %
Assumed health care cost trend rates:			
Current year	6.25 %	6.50 %	6.50 %
Ultimate rate	5.00 %	5.00 %	5.00 %
Year ultimate rate reached	2029	2029	2029

	Years ended December 31,		
	2023	2022	2021
Discount rate	5.43 %	2.95 %	2.67 %
Expected long-term return on plan assets	5.00 %	3.50 %	4.00 %
Assumed health care cost trend rates:			
Current year	6.75 %	6.25 %	6.50 %
Ultimate rate	5.00 %	5.00 %	5.00 %
Year ultimate rate reached	2029	2029	2029

The following benefit payments (net of plan participants' contributions) are expected to be paid:

(in millions)	Edison	
	International	SCE
2023	\$ 78	\$ 78
2024	81	80
2025	82	82
2026	84	84
2027	86	85
2028 – 2032	450	447

(in millions)	Edison	
	International	SCE
2024	\$ 48	\$ 48
2025	49	48
2026	49	49
2027	53	53
2028	54	53
2029 – 2033	276	275

Plan Assets

Description of Pension and Postretirement Benefits Other than Pensions Investment Strategies

The investment of plan assets is overseen by a fiduciary investment committee. Plan assets are invested using a combination of asset classes and may have active and passive investment strategies within asset classes. Target allocations for 2022 2023 pension plan assets were 19.1% 19.2% for U.S. equities, 10.9% 10.8% for non-U.S. equities, 55% for fixed income and 15% for opportunistic and/or alternative investments. Target allocations for 2022 2023 PBOP plan assets (except for Represented VEBA which is 95% for fixed income and 5% for U.S. and non-U.S. equities) are 44% 29% for U.S. and non-U.S. equities, 50% 65% for fixed income and 6% for opportunistic and/or alternative investments. Edison International employs multiple investment management firms. Investment managers within each asset class cover a range of

investment styles and approaches. Risk is managed through diversification among multiple asset classes, managers,

styles and securities. Plan asset classes and individual manager performances are measured against targets. Edison International also monitors the stability of its investment managers' organizations.

Allowable investment types under CPUC investment guidelines include:

- United States equities: common and preferred stocks of large, medium, and small companies which are predominantly United States-based.
- Non-United States equities: equity securities issued by companies domiciled outside the United States and in depository receipts which represent ownership of securities of non-United States companies.
- Fixed income: fixed income securities issued or guaranteed by the United States government, non-United States governments, government agencies and instrumentalities including municipal bonds, mortgage backed securities and corporate debt obligations. A portion of the fixed income positions may be held in debt securities that are below investment grade.
- Opportunistic, alternative and other investments: Opportunistic investments in short to intermediate term market opportunities. Investments may have fixed income and/or equity characteristics and may be either liquid or illiquid. Alternative investments are limited partnerships that invest in non-publicly traded entities. Other investments are diversified among multiple asset classes such as global equity, fixed income currency and commodities markets. Investments are made in liquid or illiquid instruments within and across markets. The investment returns are expected to approximate the plans' expected investment returns.

Asset class portfolio weights are permitted to range within plus or minus 5%. Where approved by the fiduciary investment committee, futures contracts are used for portfolio rebalancing and to reallocate portfolio cash positions. Where authorized, a few of the plans' investment managers employ limited use of derivatives, including futures contracts, options, options on futures and interest rate swaps in place of direct investment in securities to gain efficient exposure to markets. Derivatives are not used to leverage the plans or any portfolios.

Determination of the Expected Long-Term Rate of Return on Assets

The overall expected long-term rate of return on assets assumption is based on the long-term target asset allocation for plan assets and capital markets return forecasts for asset classes employed. A portion of the PBOP trust asset returns is subject to taxation, so the expected long-term rate of return for these assets is determined on an after-tax basis.

Capital Markets Return Forecasts

SCE's Edison International's capital markets return forecast methodologies primarily use a combination of historical market data, current market conditions, proprietary forecasting expertise, complex models to develop asset class return forecasts and a building block approach. The forecasts are developed using variables such as real risk-free interest, inflation and asset class specific risk premiums. For equities, the risk premium is based on an assumed average equity risk premium of 5% over cash. The forecasted return on private equity and opportunistic investments are estimated at a 4% premium above public equity, reflecting a premium for higher volatility and lower liquidity. For fixed income, the risk premium is based on a comprehensive modeling of credit spreads.

Fair Value of Plan Assets

The PBOP Plan and the Southern California Edison Company Retirement Plan Trust assets include investments in equity securities, U.S. treasury securities, other fixed-income securities, common/collective funds, mutual funds, other investment entities, foreign exchange and interest rate contracts, and partnership/joint ventures. Equity securities, U.S. treasury securities, mutual and money market funds are classified as Level 1 as fair value is determined by observable, **unadjusted quoted market prices in active or highly liquid and transparent markets. The fair value of the underlying**

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unadjusted quoted market prices in active or highly liquid and transparent markets. The fair value of the underlying investments in equity mutual funds are based on stock-exchange prices. The fair value of the underlying investments in fixed-income mutual funds and other fixed income securities including municipal bonds are based on evaluated prices that reflect significant observable market information such as reported trades, actual trade information of similar securities, benchmark yields, broker/dealer quotes, issuer spreads, bids, offers and relevant credit information. Foreign exchange and interest rate contracts are classified as Level 2 because the values are based on observable prices but are not traded on an exchange. Futures contracts trade on an exchange and therefore are classified as Level 1. No investment is classified as Level 3 as of December 31, 2022 December 31, 2023 and 2021, 2022. Common/collective funds and partnerships are measured at fair value using the net asset value per share ("NAV") and have not been classified in the fair value hierarchy. Other investment entities are valued similarly to common/collective funds and are therefore classified as NAV. The Level 1 registered investment companies are either mutual or money market funds. The remaining funds in this category are readily redeemable and classified as NAV and are discussed further at note 8 to the pension plan trust investments table below.

Edison International reviews the process/procedures of both the pricing services and the trustee to gain an understanding of the inputs/assumptions and valuation techniques used to price each asset type/class. The trustee and Edison International's validation procedures for pension and PBOP equity and fixed income securities are the same as the nuclear decommissioning trusts. For further discussion, see Note 4. The values of Level 1 mutual and money market funds are publicly quoted. The trustees obtain the values of common/collective and other investment funds from the fund managers. The values of partnerships are based on partnership valuation statements updated for cash flows. SCE's investment managers corroborate the trustee fair values.

Pension Plan

The following table sets forth the investments for Edison International and SCE that were accounted for at fair value as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, respectively, by asset class and level within the fair value hierarchy:

(in millions)	December 31, 2022				December 31, 2023			
	Level 1	Level 2	NAV1	Total	Level 1	Level 2	NAV1	Total
U.S. government and agency securities ²	\$ 281	\$ 293	\$ —	\$ 574	\$ 256	\$ 352	\$ —	\$ 608
Corporate stocks ³	227	3	—	230	176	5	—	181
Corporate bonds ⁴	—	973	—	973	—	1,057	—	1,057
Common/collective funds ⁵	—	—	658	658	—	—	584	584
Partnerships/joint ventures ⁶	—	—	613	613	—	—	657	657
Other investment entities ⁷	—	—	63	63	—	—	58	58
Registered investment companies ⁸	206	—	159	365	212	—	153	365
Interest-bearing cash	14	—	—	14	10	—	—	10
Other	—	48	7	55	—	46	8	54
Total	\$ 728	\$ 1,317	\$ 1,500	\$ 3,545	\$ 654	\$ 1,460	\$ 1,460	\$ 3,574
Receivables and payables, net				(83)				35
Combined net plan assets available for benefits				3,462				3,609
SCE's share of net plan assets				\$ 3,275				\$ 3,415

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(in millions)	December 31, 2021				December 31, 2022			
	Level 1	Level 2	NAV ¹	Total	Level 1	Level 2	NAV ¹	Total
U.S. government and agency securities ²	\$ 217	\$ 918	\$ —	\$ 1,135	\$ 281	\$ 293	\$ —	\$ 574
Corporate stocks ³	466	4	—	470	227	3	—	230
Corporate bonds ⁴	—	815	—	815	—	973	—	973
Common/collective funds ⁵	—	—	964	964	—	—	658	658
Partnerships/joint ventures ⁶	—	—	688	688	—	—	613	613
Other investment entities ⁷	—	—	110	110	—	—	63	63
Registered investment companies ⁸	57	—	31	88	206	—	159	365
Interest-bearing cash	8	—	—	8	14	—	—	14
Other	—	45	—	45	—	48	7	55
Total	\$ 748	\$ 1,782	\$ 1,793	\$ 4,323	\$ 728	\$ 1,317	\$ 1,500	\$ 3,545
Receivables and payables, net				(27)				(83)
Combined net plan assets available for benefits				4,296				3,462
SCE's share of net plan assets				\$ 4,061				\$ 3,275

- ¹ These investments are measured at fair value using the net asset value per share practical expedient and have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the net plan assets available for benefits.
- ² Level 1 U.S. government and agency securities are U.S. treasury bonds and notes. Level 2 primarily relates to the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.
- ³ Corporate stocks are diversified. At December 31, 2022 both December 31, 2023 and 2021, respectively, 2022, performance for actively managed separate accounts is primarily benchmarked against the Russell Indexes (36% and 44%) and Morgan Stanley Capital International (MSCI) index (64% and 56%).
- ⁴ Corporate bonds are diversified. At December 31, 2022 December 31, 2023 and 2021, 2022, respectively, this category includes \$67 million \$78 million and \$61 \$67 million for collateralized mortgage obligations and other asset backed securities.
- ⁵ The common/collective assets are invested in equity index funds that seek to track performance of the Standard and Poor's 500 Index (41% at both December 31, 2022 December 31, 2023 and 2021). 10% are invested on Russell 1000 indexes at December 31, 2021 2022). In addition, at December 31, 2022 December 31, 2023 and 2021, 2022, respectively, 46% 40% and 38% 46% of the assets in this category are in index funds which seek to track performance in the MSCI All Country World Index ex-US and 11% 16% and 9% 11% of this category are in a non-index U.S. equity fund, which is actively managed.
- ⁶ At December 31, 2022 December 31, 2023 and 2021, 2022, respectively, 76% 74% and 62% 76% are invested in private equity funds with investment strategies that include branded consumer products and clean technology companies, 18% 17% and 17% 18% are invested in ABS including distressed mortgages and commercial and residential loans, 2% 5% and 3% 2% are invested in a broad range of financial assets in all global markets. 15% are invested in publicly traded fixed income securities at December 31, 2021.
- ⁷ At December 31, 2022, December 31, 2023 and 2022, respectively, 68% and 64% are invested in domestic mortgage backed securities and 32% and 36% in high yield debt securities, respectively. At December 31, 2021, 71% are invested in emerging market equity securities and 20% in domestic mortgage backed securities, respectively.
- ⁸ At December 31, 2022, December 31, 2023 and 2022, respectively, 57% and 56% are invested in Level 1 corporate bond fund, funds, 13% and 21% in a fixed income fund used for cash management and 28% and 22% in a US equity fund, respectively. At December 31, 2021, 63% were invested in Level 1 registered investment companies that primarily consisted of a global equity mutual fund which seeks to outperform the MSCI World Total Return Index and 35% on fixed income fund used for cash management.
- At December 31, 2022 December 31, 2023 and 2021, 2022, respectively, approximately 61% 62% and 62% 61% of the publicly traded equity investments, including equities in the common/collective funds, were located in the United States.

Postretirement Benefits Other than Pensions

The following table sets forth the VEBA Trust assets for Edison International and SCE that were accounted for at fair value as of **December 31, 2022** December 31, 2023 and **December 31, 2021** December 31, 2022, respectively, by asset class and level within the fair value hierarchy:

(in millions)	December 31, 2022			
	Level 1	Level 2	NAV ¹	Total
U.S. government and agency securities ²	\$ 222	\$ 304	\$ —	\$ 526
Corporate stocks ³	103	2	—	105
Corporate notes and bonds ⁴	—	860	—	860
Common/collective funds ⁵	—	—	413	413
Partnerships ⁶	—	—	119	119
Registered investment companies ⁷	55	—	—	55
Interest bearing cash	—	56	—	56
Other ⁸	—	59	—	59
Total	\$ 380	\$ 1,281	\$ 532	\$ 2,193
Receivables and payables, net				(6)
Combined net plan assets available for benefits				2,187
SCE's share of net plan assets				\$ 2,187

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(in millions)	December 31, 2021			
	Level 1	Level 2	NAV ¹	Total
U.S. government and agency securities ²	\$ 813	\$ 10	\$ —	\$ 823
Corporate stocks ³	145	3	—	148
Corporate notes and bonds ⁴	—	997	—	997
Common/collective funds ⁵	—	—	544	544
Partnerships ⁶	—	—	107	107
Registered investment companies ⁷	44	—	—	44
Interest bearing cash	—	51	—	51
Other ⁸	—	59	—	59
Total	\$ 1,002	\$ 1,120	\$ 651	\$ 2,773
Receivables and payables, net				(1)
Combined net plan assets available for benefits				\$ 2,772
SCE's share of net plan assets				\$ 2,772

(in millions)	December 31, 2023			
	Level 1	Level 2	NAV ¹	Total
U.S. government and agency securities ²	\$ 569	\$ 84	\$ —	\$ 653
Corporate stocks ³	85	2	—	87
Corporate notes and bonds ⁴	—	1,064	—	1,064
Common/collective funds ⁵	—	—	222	222
Partnerships ⁶	—	—	124	124
Registered investment companies ⁷	47	—	—	47

Interest bearing cash	—	29	—	29
Others	2	70	—	72
Total	\$ 703	\$ 1,249	\$ 346	\$ 2,298
Receivables and payables, net				(23)
Net plan assets available for benefits				2,275

(in millions)	December 31, 2022			
	Level 1	Level 2	NAV ¹	Total
U.S. government and agency securities ²	\$ 222	\$ 304	\$ —	\$ 526
Corporate stocks ³	103	2	—	105
Corporate notes and bonds ⁴	—	860	—	860
Common/collective funds ⁵	—	—	413	413
Partnerships ⁶	—	—	119	119
Registered investment companies ⁷	55	—	—	55
Interest bearing cash	—	56	—	56
Others	—	59	—	59
Total	\$ 380	\$ 1,281	\$ 532	\$ 2,193
Receivables and payables, net				(6)
Net plan assets available for benefits				\$ 2,187

- ¹ These investments are measured at fair value using the net asset value per share practical expedient and have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the net plan assets available for benefits.
- ² Level 1 U.S. government and agency securities are U.S. treasury bonds and notes. Level 2 primarily relates to the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association.
- ³ Corporate stock performance for actively managed separate accounts is primarily benchmarked against the Russell Indexes (73%) (74% and 73% for 2023 and 2022, respectively) and the MSCI All Country World Index (27%) (26% and 27% for both 2023 and 2022, and 2021, respectively).
- ⁴ Corporate notes and bonds are diversified and include approximately \$237 million and \$150 million for commercial collateralized mortgage obligations and other asset backed securities at both December 31, 2022 December 31, 2023 and 2021, 2022, respectively.
- ⁵ At December 31, 2022 December 31, 2023 and 2021, 2022, respectively, 53% 45% and 65% 53% of the common/collective assets are invested in index funds which seek to track performance in the MSCI All Country World Index Investable Market Index, Index, 40% and 27% and 25% are invested in a non-index U.S. equity fund which is actively managed. The remaining assets in this category are primarily invested in a fixed income fund and emerging market fund.
- ⁶ At December 31, 2022 December 31, 2023 and 2021, 2022, respectively, 63% 65% and 54% 63% of the partnerships are invested in private equity and venture capital funds. Investment strategies for these funds include branded consumer products, clean and information technology and healthcare. Of the remaining partnerships category, 31% 28% and 35% 31% are invested in asset backed securities including distressed mortgages, distressed companies and commercial and residential loans and debt and equity of banks, 6% 7% and 11% 6% are invested in a broad range of financial assets in all global markets.
- ⁷ At December 31, 2022 and 2021, respectively, registered investment companies were primarily invested in a money market fund (75% and 61%) and exchange rate trade funds which seek to track performance of MSCI Emerging Market Index, Russell 2000 Index and international small cap equities (25% and 39%)
- ⁸ Other includes \$53 million and \$44 million of municipal securities at December 31, 2022 and 2021, respectively.

At December 31, 2022 and 2021, respectively, approximately 70% and 68% of the publicly traded equity investments, including equities in the common/collective funds, were located in the United States.

Stock-Based Compensation

Edison International maintains a shareholder-approved incentive plan (the "2007 Performance Incentive Plan") that includes stock-based compensation. The maximum number of shares of Edison International's common stock authorized to be issued or transferred pursuant to awards under the 2007 Performance Incentive Plan, as amended, is approximately 71 million shares. As of December 31, 2022, Edison International had approximately 16 million shares remaining available for new award grants under its stock-based compensation plans.

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	Years ended December 31,		
	2022	2021	2020
Expected terms (in years)	5.0	5.4	5.2
Risk-free interest rate	1.6% - 4.1%	1.1% - 1.3%	0.4% - 0.6%
Expected dividend yield	4.0% - 5.0%	4.1% - 4.8%	4.2% - 5.0%
Weighted average expected dividend yield	4.0%	4.5%	4.7%
Expected volatility	27.8% - 28.6%	26.9% - 27.1%	24.9% - 26.9%
Weighted average volatility	27.8%	26.9%	25.0%

	Years ended December 31,		
	2023	2022	2021
Expected terms (in years)	4.8	5.0	5.4
Risk-free interest rate	3.6%-4.7%	1.6% - 4.1%	1.1% - 1.3%
Expected dividend yield	4.2% -4.7%	4.0% - 5.0%	4.1% - 4.8%
Weighted average expected dividend yield	4.2%	4.0%	4.5%
Expected volatility	29.0% - 29.6%	27.8% - 28.6%	26.9% - 27.1%
Weighted average volatility	29.1%	27.8%	26.9%

The expected term represents the period of time for which the options are expected to be outstanding and is primarily based on historical exercise and post-vesting cancellation experience and stock price history. The risk-free interest rate for periods within the contractual life of the option is based on a zero-coupon U.S. Treasury STRIPS (separate trading of registered interest and principal of securities) whose maturity corresponds to the option's expected term on the measurement date. Expected volatility is based on the historical volatility of Edison International's common stock for the length of the option's expected term for 2022. The volatility period used was 60 months, 64 months and 63 months at December 31, 2022, 2021 and 2020, respectively.

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for periods within the contractual life of the option is based on a zero-coupon U.S. Treasury STRIPS (separate trading of registered interest and principal of securities) whose maturity corresponds to the option's expected term on the measurement date. Expected volatility is based on the historical volatility of Edison International's common stock for the length of the option's expected term for 2023. The volatility period used was 58 months, 60 months and 64 months at December 31, 2023, 2022 and 2021, respectively.

The following is a summary of the status of Edison International's stock options:

	Shares	Weighted Average		Aggregate Intrinsic Value (in millions)
		Exercise Price	Remaining Contractual Term (years)	
Edison International:				
Outstanding at December 31, 2021	12,354,826	\$ 62.78		
Granted	909,504	63.67		
Forfeited or expired	(223,836)	64.89		
Exercised ¹	(1,156,938)	54.16		
Outstanding at December 31, 2022	11,883,556	63.64	5.43	
Vested and expected to vest at December 31, 2022	11,538,210	63.73	5.35	\$ 30
Exercisable at December 31, 2022	8,074,165	\$ 64.94	4.31	\$ 17
SCE:				
Outstanding at December 31, 2021	6,180,154	\$ 62.03		

Granted	470,852	63.51		
Forfeited or expired	(143,235)	64.83		
Exercised ¹	(810,294)	53.78		
Affiliate transfers, net	100,155	66.09		
Outstanding at December 31, 2022	5,797,632	63.31	5.45	
Vested and expected to vest at December 31, 2022	5,620,440	63.40	5.38	\$ 17
Exercisable at December 31, 2022	3,849,057	\$ 64.64	4.28	\$ 9

	Shares	Weighted Average		Aggregate Intrinsic Value (in millions)
		Exercise Price	Remaining Contractual	
			Term (years)	
Edison International:				
Outstanding at December 31, 2022	11,883,556	\$ 63.64		
Granted	766,167	64.71		
Forfeited or expired	(129,716)	65.61		
Exercised ¹	(1,101,764)	57.36		
Outstanding at December 31, 2023	11,418,243	64.30	4.89	
Vested and expected to vest at December 31, 2023	11,183,196	64.40	4.83	\$ 88
Exercisable at December 31, 2023	8,642,764	\$ 65.24	4.03	\$ 63
SCE:				
Outstanding at December 31, 2022	5,797,632	\$ 63.31		
Granted	393,304	64.81		
Forfeited or expired	(110,560)	66.28		
Exercised ¹	(857,922)	58.07		
Affiliate transfers, net	(30,179)	63.35		
Outstanding at December 31, 2023	5,192,275	64.22	5.04	
Vested and expected to vest at December 31, 2023	5,072,830	64.34	4.97	\$ 41
Exercisable at December 31, 2023	3,808,466	\$ 65.31	4.11	\$ 28

¹ Edison International and SCE recognized tax benefits of \$5 million, \$4 million and \$3 million, respectively, from stock options exercised in 2022, 2023.

At December 31, 2022, December 31, 2023, total unrecognized compensation cost related to stock options and the weighted average period the cost is expected to be recognized are as follows:

	Edison International		SCE	
Unrecognized compensation cost, net of expected forfeitures (in millions)	\$	12	\$	6
Weighted average period (in years)		1.8		1.8

	Edison International		SCE	
Unrecognized compensation cost, net of expected forfeitures (in millions)	\$	10	\$	5
Weighted average period (in years)		1.5		1.5

The following is a summary of supplemental data on stock options:

	Edison International			SCE		
	Years ended December 31,					
(in millions, except per award amounts)	2022	2021	2020	2022	2021	2020
Weighted average grant date fair value per option granted	\$ 9.92	\$ 7.26	\$ 8.18	\$ 9.92	\$ 7.30	\$ 8.16
Fair value of options vested	8	3	2	5	3	2
Value of options exercised	17	8	9	12	6	7

(in millions, except per award amounts)	Edison International			SCE		
	Years ended December 31,					
	2023	2022	2021	2023	2022	2021
Weighted average grant date fair value per option granted	\$ 12.69	\$ 9.92	\$ 7.26	\$ 12.71	\$ 9.92	\$ 7.30
Fair value of options vested	8	8	3	7	5	3
Value of options exercised	14	17	8	11	12	6

Performance Shares

A target number of contingent performance shares were awarded to executives in 2023, 2022, 2021 and 2020, 2021 and vest as of December 31, 2024, December 31, 2025, 2023, 2024 and 2022, 2023, respectively. The vesting of the grants is dependent upon market and financial performance and service conditions as defined in the grants for each of the years. The number of performance shares

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earned from each year's grants could range from zero to twice the target number (plus additional units credited as dividend equivalents).

The fair value of market condition performance shares is determined using a *Monte Carlo* simulation valuation model for the total shareholder return. The fair value of financial performance condition performance shares is determined (i) at

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grant as the target number of shares (which Edison International determined to be the probable outcome) valued at the closing price on the grant date of Edison International common stock and (ii) subsequently using Edison International's earnings per share compared to pre-established targets.

The following is a summary of the status of Edison International's nonvested performance shares:

	Equity Awards	
	Shares	Weighted Average Fair Value
Edison International:		
Nonvested at December 31, 2021	262,808	\$ 61.92
Granted	265,916	67.88
Forfeited	(17,643)	64.68
Vested	(108,251)	67.55
Nonvested at December 31, 2022	402,830	\$ 64.22
SCE:		
Nonvested at December 31, 2021	137,807	\$ 61.50
Granted	138,254	67.74
Forfeited	(12,565)	65.60

Vested	(54,487)	67.37
Affiliate transfers, net	1,064	59.25
Nonvested at December 31, 2022	210,073	\$ 63.93

	Equity Awards	
	Weighted Average	
	Shares	Fair Value
Edison International:		
Nonvested at December 31, 2022	402,830	\$ 64.22
Granted	255,883	76.00
Forfeited	(20,738)	69.32
Vested	(141,134)	57.71
Nonvested at December 31, 2023	496,841	\$ 71.93
SCE:		
Nonvested at December 31, 2022	210,073	\$ 63.93
Granted	131,318	76.18
Forfeited	(14,758)	69.16
Vested	(76,108)	57.68
Affiliate transfers, net	(1,434)	62.85
Nonvested at December 31, 2023	249,091	\$ 71.99

Restricted Stock Units

Restricted stock units were awarded to executives in 2023, 2022, 2021 and 2020, 2021 and vest and become payable on January 2, 2025, January 2, 2026, January 2, 2024, January 2, 2025 and January 3, 2023, January 2, 2024, respectively. Each restricted stock unit awarded includes a dividend equivalent feature and is a contractual right to receive one share of Edison International common stock, if vesting requirements are satisfied. The vesting of Edison International's restricted stock units is dependent upon continuous service through the end of the vesting period, except for awards granted to retirement-eligible participants, which vest on an accelerated basis.

The following is a summary of the status of Edison International's nonvested restricted stock units:

	Edison International		SCE	
	Weighted Average		Weighted Average	
	Grant Date		Grant Date	
	Shares	Fair Value	Shares	Fair Value
Nonvested at December 31, 2021	546,155	\$ 59.44	344,932	\$ 58.45
Granted	298,558	63.58	218,721	63.58
Forfeited	(24,780)	60.42	(19,073)	60.37
Vested	(121,751)	62.76	(62,034)	62.91
Affiliate transfers, net	—	—	5,789	57.64
Nonvested at December 31, 2022	698,182	\$ 60.60	488,335	\$ 60.13

	Edison International		SCE	
	Weighted Average		Weighted Average	
	Grant Date		Grant Date	
	Shares	Fair Value	Shares	Fair Value
Nonvested at December 31, 2022	698,182	\$ 60.60	488,335	\$ 60.13
Granted	324,469	64.84	231,446	64.92
Forfeited	(21,965)	61.73	(15,371)	61.86
Vested	(108,274)	68.16	(55,488)	67.57
Affiliate transfers, net	—	—	(3,373)	60.05
Nonvested at December 31, 2023	892,412	\$ 61.19	645,549	\$ 61.17

The fair value for each restricted stock unit awarded is determined as the closing price of Edison International common stock on the grant date.

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Note
10. Investments
Nuclear Decommissioning Trusts

Future decommissioning costs related to SCE's nuclear assets are expected to be funded from independent decommissioning trusts.

The following table sets forth amortized cost and fair value of the trust investments (see Note 4 for a discussion of fair value of the trust investments):

(in millions)	Longest Maturity Date	Amortized Costs		Fair Value		Longest Maturity Dates	Amortized Costs		Fair Value	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Municipal bonds	2061	\$ 672	\$ 875	\$ 754	\$ 1,033	2067	\$ 636	\$ 672	\$ 757	\$ 1,033
Government and agency securities	2072	1,025	1,095	1,091	1,212	2073	1,072	1,025	1,186	1,212
Corporate bonds	2070	351	386	377	446	2072	361	351	401	446
Short-term investments and receivables/payables ¹	One-year	110	199	116	207	One-year	164	110	171	207
Total debt securities and other		\$ 2,158	\$ 2,555	2,338	2,898		\$ 2,233	\$ 2,158	2,515	2,898
Equity securities				1,610	1,972				1,658	1,972
Total				\$ 3,948	\$ 4,870					
Total²									\$ 4,173	\$ 4,870

¹ Short-term investments include \$41 million \$38 million and \$37 million \$41 million of repurchase agreements payable by financial institutions which earn interest, were 97% and fully and 97% secured by U.S. Treasury securities and mature by January 3, 2023 January 2, 2024 and January 3, 2022 January 3, 2023 as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

² Represents amounts before reduction for deferred tax liabilities on net unrealized gains of \$380 million and \$321 million as of December 31, 2023 and 2022, respectively.

Trust fund earnings (based on specific identification) increase the trust fund balance and the ARO regulatory liability. Unrealized holding gains, net of losses, were \$1.8 billion and \$1.6 billion at December 31, 2023 and \$2.1 billion at December 31, 2022 and 2021, respectively.

Trust assets are used to pay income taxes arising from trust investing activity. Deferred tax liabilities related to net unrealized gains were \$321 million and \$517 million at December 31, 2022 and 2021, respectively. Accordingly, the fair value of trust assets available to pay future decommissioning costs, net of deferred income taxes, totaled \$3.6 billion and \$4.4 billion at December 31, 2022 and 2021, 2022, respectively.

The following table summarizes the gains and losses for the trust investments:

(in millions)	Years ended December 31,			Years ended December 31,		
	2022	2021	2020	2023	2022	2021
Gross realized gains	\$ 150	\$ 339	\$ 255	\$ 323	\$ 150	\$ 339
Gross realized losses	(127)	(24)	(6)	(73)	(127)	(24)
Net unrealized (losses)/gains for equity securities	(369)	103	176			
Net unrealized gains/(losses) for equity securities				103	(369)	103

Due to regulatory mechanisms, changes in the assets of the trusts from income or loss items do not materially affect earnings.

Edison International Parent and Other's Investments

Edison International Parent and Other hold strategic investments in companies focused on developing electric technologies and services. As of December 31, 2022 and December 31, 2021, these investments consist of \$5 million and \$12 million of marketable securities, respectively, and \$12 million and \$3 million of equity investments without readily determinable fair values (included services, included as "Other investments" on Edison International's consolidated balance sheets) sheets. As of December 31, 2023 and December 31, 2022, respectively, these investments include \$12 million of equity investments without readily determinable fair values. For further information on fair value and unrealized gains/(losses) of marketable securities, see Note 4.4 and Note 16, respectively. The equity investments without readily determinable fair values balances included cumulative upward adjustments of \$9 million, resulting primarily from values determined by additional capital infusions, at both December 31, 2023 and \$1 million as of 2022.

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December 31, 2022 and December 31, 2021, respectively. The cumulative upward adjustments resulted primarily from values determined by additional capital infusions.

The following table summarizes unrealized gains/(losses) for equity investments held at the reporting date, recorded as "Other income" on Edison International's consolidated statements of income.

(in millions)	Years ended December 31,		
	2022	2021	2020
Marketable securities	\$ (6)	\$ 3	\$ —
Equity investments without readily determinable fair values - upward adjustments	8	1	—
Total unrealized gains	\$ 2	\$ 4	\$ —

Note 11. Regulatory Assets and Liabilities

Included in SCE's regulatory assets and liabilities are regulatory balancing accounts. CPUC-authorized balancing account mechanisms require SCE to refund or recover any differences between forecasted and actual costs. The CPUC has authorized balancing accounts for specified costs or programs such as fuel, purchased power, demand-side management programs, wildfire related costs, nuclear decommissioning and public purpose programs. Certain of these balancing accounts include a return on rate base of 7.44% and 7.68% in both 2023 and 2022, and 2021, respectively. The CPUC authorizes the use of a balancing account to recover from or refund to customers differences in revenue resulting from actual and forecasted electricity sales.

Amounts included in regulatory assets and liabilities are generally recorded with corresponding offsets to the applicable income statement accounts.

Regulatory Assets

SCE's regulatory assets included on the consolidated balance sheets are:

(in millions)	December 31,		December 31,	
	2022	2021	2023	2022
Current:				
Regulatory balancing and memorandum accounts	\$ 2,400	\$ 1,591	\$ 2,502	\$ 2,400

Power contracts	71	168	—	71
Other	26	19	22	26
Total current	2,497	1,778	2,524	2,497
Long-term:				
Deferred income taxes, net of liabilities	5,178	4,770		
Power contracts	—	71		
Deferred income taxes			5,533	5,178
Unamortized investments, net of accumulated amortization	113	114	110	113
Unamortized loss on reacquired debt	109	121		
Unamortized losses on reacquired debt			99	109
Regulatory balancing and memorandum accounts	1,589	1,897	1,257	1,589
Environmental remediation	241	242	226	241
Recovery assets	834	325	1,558	834
Other	117	120	114	117
Total long-term	8,181	7,660	8,897	8,181
Total regulatory assets	\$ 10,678	\$ 9,438	\$11,421	\$10,678

In accordance with the accounting standards applicable to rate-regulated enterprises, SCE defers costs as regulatory assets that are probable of future recovery from customers and has recorded regulatory assets for these incremental costs

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at **December 31, 2022** **December 31, 2023**. While SCE believes such costs are probable of future recovery, there is no assurance that SCE will collect all amounts currently deferred as regulatory assets.

SCE's regulatory assets related to power contracts primarily represent the pre-existing fair value of derivative contracts that were designated as normal purchases and normal sales contracts, contracts after the contract execution date. The liabilities for these power contracts are were fully amortized over the remaining contract terms, approximately 1 to 4 years, as of December 31, 2023. For further information, see Note 1.

SCE's regulatory assets related to deferred income taxes represent tax benefits passed through to customers. The CPUC requires SCE to flow through certain deferred income tax benefits to customers by reducing electricity rates, thereby deferring recovery of such amounts to future periods. Based on current regulatory ratemaking and income tax laws, SCE expects to recover its regulatory assets related to deferred income taxes over the life of the assets that give rise to the accumulated deferred income taxes, approximately from 1 to 60 years. For further information, see Note 8.

SCE has long-term unamortized investments which include nuclear assets related to Palo Verde and the beyond the meter program. Nuclear assets related to Palo Verde and the beyond the meter program are expected to be recovered by 2046 and 2031, respectively, and both earned returns of 7.44% and 7.68% in 2023 and 2022, and 2021, respectively.

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SCE's net regulatory asset related to its unamortized **loss losses** on reacquired debt will be recovered over the original amortization period of the reacquired debt over periods ranging from 10 to 40 years or the life of the new issuance if the debt is refunded or refinanced.

SCE's regulatory assets related to environmental remediation represent a portion of the costs incurred at certain sites that SCE is allowed to recover through customer rates. See "Environmental Remediation" discussed in Note 12.

Recovery assets represent the balance associated with the **AB 1054 Excluded Capital Expenditures Related Recovery Properties Property** and prudently incurred financing costs securitized with issuance of the associated bond. The recovery period is until **2046, 2047**, when the bonds and interest are paid in full. For further details, see Note 3.

Regulatory Liabilities

SCE's regulatory liabilities included on the consolidated balance sheets are:

(in millions)	December 31,		December 31,	
	2022	2021	2023	2022
Current:				
Regulatory balancing and memorandum accounts	\$ 584	\$ 553	\$ 704	\$ 584
Energy derivatives	338	25	16	338
Other	42	25	43	42
Total current	964	603	763	964
Long-term:				
Costs of removal	2,589	2,552	2,635	2,589
Re-measurement of deferred taxes	2,250	2,315		
Deferred income taxes			2,211	2,250
Recoveries in excess of ARO liabilities	1,231	2,155	1,498	1,231
Regulatory balancing and memorandum accounts	1,116	648	1,395	1,116
Pension and other postretirement benefits	1,007	1,281	1,664	1,007
Other	18	30	17	18
Total long-term	8,211	8,981	9,420	8,211
Total regulatory liabilities	\$ 9,175	\$ 9,584	\$10,183	\$9,175

SCE's regulatory liabilities related to energy derivatives are primarily an offset to unrealized gains on derivatives.

SCE's regulatory liabilities related to costs of removal represent differences between asset removal costs recorded and amounts collected in rates for those costs.

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SCE's regulatory liabilities include excess deferred income taxes resulting from statutory income tax rate changes. The regulatory liabilities are generally expected to be refunded to customers over the lives of the assets and liabilities that gave rise to the deferred income taxes.

SCE's regulatory liabilities related to recoveries in excess of ARO liabilities represents the cumulative differences between ARO expenses and amounts collected in rates primarily for the decommissioning of the SCE's nuclear generation facilities. Decommissioning costs recovered through rates are primarily placed in nuclear decommissioning trusts. This regulatory liability also represents the deferral of realized and unrealized gains and losses on the nuclear decommissioning trust investments. See Note 10 for further discussion.

SCE's regulatory liabilities related to pension and other post-retirement plans represent the **net overfunded net gains and prior service costs status** of the plans. This amount **will is expected to be amortized over the expected future service of the employees (subject to regulatory adjustment) or refunded through rates over time to customers, ratepayers at the termination or completion of the plan.** See "Pension Plans and Postretirement Benefits Other than Pensions" discussion in Note 9.

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Net Regulatory Balancing and Memorandum Accounts

Balancing accounts track amounts that the CPUC or FERC have authorized for recovery. Balancing account over and under collections represent differences between cash collected in current rates for specified forecasted costs and such costs that are actually incurred. Undercollections are recorded as regulatory balancing account assets. Overcollections are recorded as regulatory balancing account liabilities. With some exceptions, SCE seeks to adjust rates on an annual basis or at other designated times to recover or refund the balances recorded in its balancing accounts. Memorandum accounts are authorized to track costs for potential future recovery.

Regulatory balancing and memorandum accounts that SCE does not expect to collect or refund in the next 12 months are reflected in the long-term section of the consolidated balance sheets. Regulatory balancing and memorandum accounts that do not have the right of offset are presented gross in the consolidated balance sheets. Under and over collections in balancing accounts and amounts recorded in memorandum accounts typically accrue interest based on a three-month commercial paper rate published by the Federal Reserve.

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The following table summarizes the significant components of regulatory balancing and memorandum accounts included in the above tables of regulatory assets and liabilities:

(in millions)	December 31,	
	2022	2021
Asset (liability)		
Energy resource recovery account	\$ 1,580	\$ 759
Portfolio allocation balancing account	(73)	(183)
New system generation balancing account	(63)	73
Public purpose programs and energy efficiency programs	(1,577)	(1,066)
Base revenue requirement balancing account	1,108	849
GRC wildfire mitigation balancing accounts ¹	67	12
Greenhouse gas auction revenue and low carbon fuel standard revenue	(289)	(298)
FERC balancing accounts	(123)	55
Wildfire and drought restoration accounts ²	352	299
Wildfire-related memorandum accounts ³	1,168	1,456
COVID-19-related memorandum accounts	67	94
Customer service re-platform memorandum account	64	128
Tax accounting memorandum account and pole loading balancing account	90	171
Excess bond and power charge balancing account	(56)	—
Other	(26)	(62)
Asset	\$ 2,289	\$ 2,287

(in millions)	December 31,	
	2023	2022

Asset (liability)		
Energy procurement related costs	\$ 397	\$ 1,104
Public purpose and energy efficiency	(1,736)	(1,577)
GRC related balancing accounts ¹	1,361	1,034
Wildfire risk mitigation and insurance ²	1,169	1,168
Wildfire and drought restoration ³	417	352
COVID-19 costs	16	67
Other	36	141
Assets, net of liabilities	\$ 1,660	\$ 2,289

¹ The 2021 GRC decision approved related balancing accounts primarily consist of the establishment of base revenue requirement balancing account ("BRRBA"), the vegetation management balancing account ("VMBA") to track vegetation management expenses up to 115% of amounts authorized, the Wildfire Risk Mitigation balancing account ("WRMBA") to track the costs of SCE's Wildfire Covered Conductor Program up to 110% of amounts authorized and the risk management balancing account to track the authorized costs of wildfire insurance. The amount recorded to these balancing accounts represents the difference between costs tracked in the balancing accounts and authorized revenues for those costs recorded to the base revenue requirement balancing account. If spending is less than authorized, SCE will refund those amounts to customers. If spending is within the specified threshold, if any, for each balancing account, SCE will recover those costs from customers. Amounts above the specified threshold, or above amounts authorized if a higher threshold was not established, for each balancing account may be eligible for deferral to wildfire-related memorandum accounts. ("RMBA").

The 2021 GRC decision approved the establishment of the VMBA to track vegetation management expenses up to 115% of amounts authorized, the WRMBA to track the costs of SCE's Wildfire Covered Conductor Program up to 110% of amounts authorized and the RMBA to track the authorized costs of wildfire insurance. If spending is less than authorized, SCE will refund those amounts to customers. If spending is within the specified threshold, if any, for each balancing account, SCE will recover those costs from customers. Amounts above the specified threshold, or above amounts authorized if a higher threshold was not established, for each balancing account may be eligible for deferral to wildfire risk mitigation and insurance accounts.

² The wildfire risk mitigation and drought restoration accounts regulatory assets represent restoration costs that are recorded in a Catastrophic Event Memorandum Account ("CEMA").

³ The wildfire-related memorandum accounts insurance regulatory assets represent wildfire-related costs that are probable of future recovery from customers, subject to a reasonableness review. The Fire Hazard Prevention Memorandum Account ("FHPMA") was used to track costs related to fire safety and to implement fire prevention corrective action measures in extreme and very high fire threat areas. The Wildfire Expense Memorandum Account ("WEMA") is used to track incremental wildfire insurance costs and uninsured wildfire-related financing, legal and claims costs related to the post-2018 wildfires that SCE believes are probable of recovery. See Note 12 for further details. The Wildfire Mitigation Plan Memorandum Account ("WMPMA") is used to track costs incurred to implement SCE's wildfire mitigation plan that are not currently reflected in SCE's revenue requirements. The Fire Risk Mitigation Memorandum Account ("FRMMA") is used to track costs related to the reduction of fire risk that are incremental to costs approved for recovery in SCE's GRCs that are not tracked in any other wildfire-related memorandum account. The balance also includes vegetation management spending in excess of the 115% threshold for the VMBA described above.

³ The wildfire and drought restoration regulatory assets represent restoration costs that are recorded in a Catastrophic Event Memorandum Account.

Note

12. Commitments and Contingencies

Power Purchase Agreements

SCE entered into various agreements to purchase power, electric capacity and other energy products. At December 31, 2022, the undiscounted future expected minimum payments for the SCE PPAs (primarily related to renewable energy

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Note

12. Commitments and Contingencies

Power Purchase Agreements

SCE entered into various agreements to purchase power, electric capacity and other energy products. At December 31, 2023, the undiscounted future expected minimum payments for the SCE PPAs (primarily related to renewable energy contracts), which were approved by the CPUC and met other critical contract provisions (including completion of major milestones for construction), were as follows:

(in millions)	Total	Total
2023	\$ 3,106	
2024	2,596	\$ 2,862
2025	2,409	2,917
2026	2,401	2,732
2027	2,221	2,477
2028		2,261
Thereafter	18,000	17,115
Total future commitments ¹	\$ 30,733	\$30,364

¹ Certain power purchase agreements are treated as operating leases. For further discussion, see Note 13. Includes long-term lease contracts commencing in 2024 with total future minimum lease payments of \$69 million.

Additionally, as of December 31, 2022 December 31, 2023, SCE has executed contracts (including capacity reduction contracts) that have not met the critical contract provisions that would increase contractual obligations by \$29 million in 2023, \$123 \$40 million in 2024, \$171 \$89 million in 2025, \$182 million \$225 million in 2026, \$186 \$386 million in 2027, \$386 million in 2028 and \$1,864 million \$5,752 million thereafter, if all critical contract provisions are completed. These obligations include long-term lease contracts commencing in 2023 with total future minimum lease payments of \$393 million.

Costs incurred for PPAs were \$5.1 billion \$4.5 billion in 2023, \$5.1 billion in 2022 and \$4.7 billion in 2021, and \$3.8 billion in 2020, which include costs associated with contracts with terms of less than one year.

Other Commitments

The following summarizes the estimated minimum future commitments for SCE's other commitments:

(in millions)	2023	2024	2025	2026	2027	Thereafter	Total	2024	2025	2026	2027	2028	Thereafter	Total
Other contractual obligations	\$ 46	\$ 52	\$ 50	\$ 46	\$ 35	\$ 203	\$ 432	\$49	\$36	\$38	\$32	\$33	\$ 161	\$349

Costs incurred for other commitments were \$60 million in 2023, \$58 million in 2022 and \$62 million in 2021 and \$80 million in 2020, 2021.

Other commitments include fuel supply contracts for Palo Verde which require payment only if the fuel is made available for purchase. Also included are commitments related to maintaining reliability and expanding SCE's transmission and distribution system.

The table above does not include asset retirement obligations, which are discussed in Note 1.

Indemnities

Edison International and SCE have various financial and performance guarantees and indemnity agreements which are issued in the normal course of business.

Edison International and SCE have agreed to provide indemnifications through contracts entered into in the normal course of business. These are primarily indemnifications against adverse litigation outcomes in connection with underwriting agreements, indemnities for specified environmental liabilities and income taxes with respect to assets sold or other contractual arrangements. Edison International's and SCE's obligations under these agreements may or may not be limited in terms of time and/or amount, and in some instances Edison International and SCE may have recourse against third parties. Edison International and SCE have not recorded a liability related to these indemnities. The overall maximum amount of the obligations under these indemnifications cannot be reasonably estimated.

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Contingencies

In addition to the matters disclosed in these Notes, Edison International and SCE are involved in other legal, tax, and regulatory proceedings before various courts and governmental agencies regarding matters arising in the ordinary course of business. Edison International and SCE believe the outcome of each of these other proceedings will not materially affect its financial position, results of operations and cash flows.

Southern California Wildfires and Mudslides

California has experienced unprecedented weather conditions in recent years due to climate change and wildfires in SCE's territory, including those where SCE's equipment **may be has been** alleged to be associated with the fire's ignition, have caused loss of life and substantial damage in recent years. SCE's service territory remains susceptible to additional wildfire activity.

Numerous claims related to wildfire events have been initiated against SCE and Edison International. Edison International and SCE have incurred material losses in connection with the 2017/2018 Wildfire/Mudslide Events (defined below), which are described below. In addition, SCE's equipment has been, and may further be, alleged to be associated with **other** wildfires that have originated in Southern **California subsequent to 2018. California.**

Liability Overview

The extent of legal liability for wildfire-related damages in actions against utilities depends on a number of factors, including whether the utility substantially caused or contributed to the damages and whether parties seeking recovery of damages will be required to show negligence in addition to causation. California courts have previously found utilities to be strictly liable for property damage along with associated interest and attorneys' fees, regardless of fault, by applying the theory of inverse condemnation when a utility's facilities were determined to be a substantial cause of a wildfire that caused the property damage. If inverse condemnation is held to be inapplicable to SCE in connection with a wildfire, SCE still could be held liable for property damages and associated interest if the property damages were found to have been proximately caused by SCE's negligence. If SCE were to be found negligent, SCE could also be held liable for, among other things, fire suppression costs, business interruption losses, evacuation costs, clean-up costs, medical expenses, and personal injury/wrongful death claims. Additionally, SCE could potentially be subject to fines and penalties for alleged violations of CPUC rules and state laws investigated in connection with the ignition of a wildfire.

While investigations into the cause of a wildfire event are conducted by one or more fire agencies, fire agency findings do not determine legal causation of or assign legal liability for a wildfire event. Final determinations of legal **causation and** liability for wildfire events, including determinations of whether SCE was negligent, would only be made during lengthy and complex litigation processes and settlements may be reached before determinations of legal liability are ever made. Even when investigations are still pending or legal liability is disputed, an assessment of likely outcomes, including through future settlement of disputed claims, may require estimated losses to be accrued under accounting standards. Each reporting period, management reviews its loss estimates for remaining alleged and potential claims related to wildfire events. The process for estimating losses associated with alleged and potential wildfire related claims requires management to exercise significant judgment based on a number of assumptions and subjective factors, including, but not limited to: estimates of known and expected claims by third parties based on currently available information, opinions of counsel regarding litigation risk, the status of and developments in the course of litigation, and prior experience litigating and settling wildfire litigation claims. As additional information becomes available, management's estimates and assumptions regarding the causes and financial impact of wildfire events may change. Actual losses incurred may be higher or lower than estimated based on several factors, including the uncertainty in estimating damages that have been or may be alleged.

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2017/2018 Wildfire/Mudslide Events

Wildfires in SCE's territory in December 2017 and November 2018 caused loss of life, substantial damage to both residential and business properties, and service outages for SCE customers. The investigating government agencies, the Ventura County Fire Department ("VCFD") and California Department of Forestry and Fire Protection ("CAL FIRE"), have determined that the largest of the 2017 fires in SCE's territory

originated on December 4, 2017, in the Anlauf Canyon area of Ventura County (the investigating agencies refer to this fire as the "Thomas Fire"), followed shortly thereafter by a second fire that originated near Koenigstein Road in the City of Santa Paula (the "Koenigstein Fire"). The December 4, 2017 fires eventually burned substantial acreage in both Ventura and Santa Barbara Counties. According to CAL FIRE, the Thomas and Koenigstein Fires, collectively, burned over 280,000 acres, destroyed or damaged an estimated 1,343 structures and resulted in two confirmed fatalities. The largest of the November 2018 fires in SCE's territory, known as the "Woolsey Fire," originated in Ventura County and burned acreage in both Ventura and Los Angeles Counties. According to CAL FIRE, the Woolsey Fire burned almost 100,000 acres, destroyed an estimated 1,643 structures, damaged an estimated 364 structures and resulted in three confirmed fatalities. Four additional fatalities are alleged to have been associated with the Woolsey Fire.

As described below, multiple lawsuits related to the Thomas and Koenigstein Fires and the Woolsey Fire have been initiated against SCE and Edison International. Some of the Thomas and Koenigstein Fires lawsuits claim that SCE and Edison International have responsibility for the damages caused by debris flows and flooding in Montecito and surrounding areas in January 2018 (the "Montecito Mudslides," and collectively with the Thomas Fire and the Koenigstein Fire, "TKM") based on a theory alleging that SCE has responsibility for the Thomas and/or Koenigstein Fires and further alleging that the Thomas and/or Koenigstein Fires proximately caused the Montecito Mudslides. According to Santa Barbara County initial reports, the Montecito Mudslides destroyed an estimated 135 structures, damaged an estimated 324 structures, and resulted in 21 confirmed fatalities, with two additional fatalities presumed. One of the presumed fatalities has been but not officially confirmed.

The Thomas Fire, the Koenigstein Fire, the Montecito Mudslides (defined below) and the Woolsey Fire are each referred to as a "2017/2018 Wildfire/Mudslide Event," and, collectively, referred to as the "2017/2018 Wildfire/Mudslide Events."

In 2022, SCE accrued estimated losses Management's fourth quarter 2023 review of \$1.3 billion its loss estimates for remaining alleged and potential claims related to the 2017/2018 Wildfire/Mudslide Events included a review of information obtained from settling claims in the 2017/2018 Wildfire/Mudslide Events against which litigations through the filing of this Annual Report. As a result of management's fourth quarter 2023 review, a \$65 million increase in estimated losses for the 2017/2018 Wildfire/Mudslide Events as of December 31, 2023 was recorded. A majority of the increase was driven by a single settlement outcome that was higher than expected. SCE has recorded expected recoveries through FERC electric rates of \$76 million. \$4 million against the charge. The resulting net charge to earnings was \$1.2 billion \$61 million (\$879.44 million after-tax).

As of December 31, 2022 December 31, 2023, SCE had paid \$7.6 billion \$8.7 billion under executed settlements, had \$185 \$78 million to be paid under executed settlements, including \$120 million \$62 million to be paid under the SED Agreement (as defined below), and had \$934 \$637 million of estimated losses for remaining alleged and potential claims reflected on their its consolidated balance sheets related to the 2017/2018 Wildfire/Mudslide Events. As of the same date, SCE had assets for expected recoveries through FERC electric rates of \$142 \$37 million on their its consolidated balance sheets and had exhausted expected insurance recoveries related to the 2017/2018 Wildfire/Mudslide Events.

The estimated losses for the 2017/2018 Wildfire/Mudslide Events do not include an estimate of potential losses related to certain alleged and potential claims made by the California Governor's Office of Emergency Service ("Cal OES") seeking recovery on behalf of itself and 30 state and local government entities that did not pursue their own suits against SCE, but sustained damage in the 2017/2018 Wildfire/Mudslide Events and received funding through the Federal Emergency Management Agency ("FEMA") that was dispersed by the Cal OES. As of the filing of this report, SCE has not concluded that losses related to FEMA funds disbursed by Cal OES are probable.

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Edison International and SCE may incur a material loss in excess of amounts accrued in connection with the remaining alleged and potential claims related to the 2017/2018 Wildfire/Mudslide Events. Due to the number of uncertainties and

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possible outcomes related to the 2017/2018 Wildfire/Mudslide Events litigation, Edison International and SCE cannot estimate the upper end of the range of reasonably possible losses that may be incurred.

Estimated losses for the 2017/2018 Wildfire/Mudslide Events litigation are based on a number of assumptions and are subject to change as additional information becomes available. Actual losses incurred may be higher or lower than estimated based on several factors, including the uncertainty in estimating damages that have been or may be alleged. For instance, SCE will receive additional information with respect to damages claimed as the claims mediation and trial processes progress. Other factors that can cause actual losses incurred to be higher or lower than estimated include the ability to reach settlements and the outcomes of settlements reached through the ongoing claims mediation processes, uncertainties related to the sufficiency of insurance held by plaintiffs, uncertainties related to the litigation processes, including whether plaintiffs will ultimately pursue claims, uncertainty as to the legal and factual determinations to be made during litigation, including uncertainty as to the contributing causes of the 2017/2018 Wildfire/Mudslide Events, the complexities associated with fires that merge and whether inverse condemnation will be held applicable to SCE with respect to damages caused by the Montecito Mudslides, and the uncertainty as to how these factors impact future settlements.

The CPUC and FERC may not allow SCE to recover uninsured losses through electric rates if it is determined that such losses were not reasonably or prudently incurred. SCE will seek rate recovery of prudently incurred losses and related costs realized in connection with the 2017/2018 Wildfire/Mudslide Events in excess of available insurance, other than for any obligations under the SED Agreement (as defined below). See "Loss Estimates for Third Party Claims and Potential Recoveries from Insurance and through Electric Rates" below for additional information.

External Investigations and Internal Review

The VCFD and CAL FIRE have jointly issued reports concerning their findings regarding the causes of the Thomas Fire and the Koenigstein Fire. The reports did not address the causes of the Montecito Mudslides. SCE has also received a non-final redacted draft of a report from the VCFD regarding Woolsey Fire (the "Redacted Woolsey Report"). SCE cannot predict when the VCFD will release its final report regarding the Woolsey Fire. The VCFD and CAL FIRE findings do not determine legal causation of or assign legal liability for the Thomas, Koenigstein or Woolsey Fires; final determinations of legal causation and liability would only be made during lengthy and complex litigation.

The CPUC's Safety and Enforcement Division ("SED") conducted investigations to assess SCE's compliance with applicable rules and regulations in areas impacted by the Thomas, Koenigstein and Woolsey Fires. As discussed below, in October 2021, SCE and the SED executed the SED Agreement (as defined below) to resolve the SED's investigations into the 2017/2018 Wildfire/Mudslide Events.

The California Attorney General's Office has completed its investigation of the Thomas Fire and the Woolsey Fire without pursuing criminal charges.

SCE's internal review into the facts and circumstances of each of the 2017/2018 Wildfire/Mudslide Events is complex and time consuming. SCE expects to obtain and review additional information and materials in the possession of third parties during the course of its internal reviews and the litigation processes.

Thomas Fire

On March 13, 2019, the VCFD and CAL FIRE jointly issued a report concluding, after ruling out other possible causes, that the Thomas Fire was started by SCE power lines coming into contact during high winds, resulting in molten metal falling to the ground. However, the report does not state that their investigation found molten metal on the ground. At this time, based on available information, SCE has not determined whether believes that it is likely that its equipment caused was not associated with the ignition of the Thomas Fire. Based on publicly available radar data showing a smoke plume in the Anlauf Canyon area emerging in advance of the report's indicated start time and other evidence, SCE believes that the Thomas Fire started at least 12 minutes prior to any issue involving SCE's

least 12 minutes prior to any issue involving SCE's system and at least 15 minutes prior to the start time indicated in the report. SCE is continuing to assess the extent of damages that may be attributable to the Thomas Fire.

Koenigstein Fire

On March 20, 2019, the VCFD and CAL FIRE jointly issued a report finding that the Koenigstein Fire was caused when an energized SCE electrical wire separated and fell to the ground along with molten metal particles and ignited the dry vegetation below. SCE believes that its equipment was associated with the ignition of the Koenigstein Fire. SCE is continuing to assess the extent of damages that may be attributable to the Koenigstein Fire.

Montecito Mudslides

SCE's internal review includes inquiry into whether the Thomas and/or Koenigstein Fires proximately caused or contributed to the Montecito Mudslides, whether, and to what extent, the Thomas and/or Koenigstein Fires were responsible for the damages in the Montecito area and other factors that potentially contributed to the losses that resulted from the Montecito Mudslides. Many other factors, including, but not limited to, weather conditions and insufficiently or improperly designed and maintained debris basins, roads, bridges and other channel crossings, could have proximately caused, contributed to or exacerbated the losses that resulted from the Montecito Mudslides.

At this time, based on available information, SCE has not been able to determine whether the Thomas Fire or the Koenigstein Fire, or both, were responsible for the damages in the Montecito area. In the event that SCE is determined to have caused the fire that spread to the Montecito area, SCE cannot predict whether, if fully litigated, the courts would conclude that the Montecito Mudslides were caused by or contributed to by the Thomas and/or Koenigstein Fires or that SCE would be liable for some or all of the damages caused by the Montecito Mudslides.

Woolsey Fire

SCE's internal review into the facts and circumstances of the Woolsey Fire is ongoing. SCE has reported to the CPUC that there was an outage on SCE's electric system in the vicinity of where the Woolsey Fire reportedly began on November 8, 2018. SCE is aware of witnesses who saw fire in the vicinity of SCE's equipment at the time the fire was first reported. While SCE did not find evidence of downed electrical wires on the ground in the suspected area of origin, it observed a pole support wire in proximity to an electrical wire that was energized prior to the outage.

The Redacted Woolsey Report states that the VCFD investigation team determined that electrical equipment owned and operated by SCE was the cause of the Woolsey Fire. Absent additional evidence, SCE believes that it is likely that its equipment was associated with the ignition of the Woolsey Fire. SCE expects to obtain and review additional information and materials in the possession of CAL FIRE and others during the course of its internal review and the Woolsey Fire litigation process, including SCE equipment that has been retained by CAL FIRE.

Litigation

Multiple lawsuits related to the 2017/2018 Wildfire/Mudslide Events naming SCE as a defendant have been filed by three categories of plaintiffs: individual plaintiffs, subrogation plaintiffs and public entity plaintiffs. A number of the lawsuits also name Edison International as a defendant and some of the lawsuits were filed as purported class actions. As of February 15, 2024, in addition to the outstanding claims of approximately 1,500 individual plaintiffs, there were alleged and potential claims of certain public entity plaintiffs, including Cal OES and Cal Fire, outstanding. The litigation could take a number of years to be resolved because of the complexity of the matters and number of plaintiffs.

On October 4, 2018, the Los Angeles Superior Court denied Edison International's and SCE's challenge to the application of inverse condemnation to SCE with respect to the Thomas and Koenigstein Fires and, on February 26, 2019, the California Supreme Court denied SCE's petition to review the Superior Court's decision. In April 2022,

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following a stipulated judgment entered against SCE in the TKM litigation, SCE filed an appeal related to inverse condemnation in the California Court of Appeal.

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In January 2019, SCE filed a cross-complaint against certain local public entities alleging that failures by these entities, such as failure to adequately plan for flood hazards and build and maintain adequate debris basins, roads, bridges and other channel crossings, among other things, caused, contributed to or exacerbated the losses that resulted from the Montecito Mudslides. These cross-claims in the Montecito Mudslides litigation were not released as part of the Local Public Entity Settlements (as defined below).

Settlements

In the fourth quarter of 2019, SCE paid \$360 million to a number of local public entities to resolve those parties' collective claims arising from the 2017/2018 Wildfire/Mudslide Events (the "Local Public Entity Settlements").

In the third quarter of 2020, Edison International and SCE entered into an agreement (the "TKM Subrogation Settlement") under which all of the insurance subrogation plaintiffs' in the Thomas Fire, Koenigstein Fire and Montecito Mudslides litigation (the "TKM Subrogation Plaintiffs") collective claims arising from the Thomas Fire, Koenigstein Fire or Montecito Mudslides have been resolved. Under the TKM Subrogation Settlement, SCE paid the TKM Subrogation Plaintiffs an aggregate of \$1.2 billion in October 2020 and also agreed to pay \$0.555 for each dollar in claims to be paid by the TKM Subrogation Plaintiffs to their policy holders on or before July 15, 2023, up to an agreed upon cap.

In January 2021, Edison International and SCE entered into an agreement (the "Woolsey Subrogation Settlement") under which all of the insurance subrogation plaintiffs' in the Woolsey Fire litigation (the "Woolsey Subrogation Plaintiffs") collective claims arising from the Woolsey Fire have been resolved. Under the Woolsey Subrogation Settlement, SCE paid the Woolsey Subrogation Plaintiffs an aggregate of \$2.2 billion in March and April 2021. SCE has also agreed to pay \$0.67 for each dollar in claims to be paid by the Woolsey Subrogation Plaintiffs to their policy holders on or before July 15, 2023, up to an agreed upon cap.

As of December 31, 2022 February 15, 2024, SCE has also entered into settlements with approximately 9,500 12,000 individual plaintiffs in the 2017/2018 Wildfire/Mudslide Events litigation. In 2020, 2023, 2022 and 2021, and 2022, SCE entered into settlements with individual plaintiffs in the 2017/2018 Wildfire/Mudslide Events litigation under which it agreed to pay an aggregate of approximately \$300 million \$876 million, \$1.7 billion \$1.7 billion and \$1.7 billion, respectively, to those individual plaintiffs. In the first, second, third and fourth quarters of 2022 2023, SCE entered into settlements with individual plaintiffs in the 2017/2018 Wildfire/Mudslide Events litigation under which it agreed to pay an aggregate of approximately \$700 million, \$400 \$148 million, \$350 million \$278 million, \$316 million and \$280 million \$134 million, respectively, to those individual plaintiffs. The statutes of limitations for individual plaintiffs in the 2017/2018 Wildfire/Mudslide Events have expired.

Edison International and SCE did not admit wrongdoing or liability as part of any of the settlements described above. Other claims and potential claims related to the 2017/2018 Wildfire/Mudslide Events remain. SCE continues to explore reasonable settlement opportunities with other plaintiffs in the outstanding 2017/2018 Wildfire/Mudslide Events litigation.

SED Agreement

In October 2021, SCE and the SED executed an agreement (the "SED Agreement") to resolve the SED's investigations into the 2017/2018 Wildfire/Mudslide Events and three other 2017 wildfires for, among other things, aggregate costs of \$550 million. The \$550 million in costs comprised of a \$110 million fine to be paid to the State of California General Fund, \$65 million of shareholder-funded safety measures, and an agreement by SCE to waive its right to seek cost recovery in CPUC-jurisdictional rates for \$375 million of third-party uninsured claims payments. The SED Agreement provides that SCE may, on a permanent basis, exclude from its ratemaking capital structure any after-tax charges to equity or debt borrowed to finance costs incurred under the SED Agreement. The SED Agreement also imposes other obligations on SCE, including reporting requirements and safety-focused studies. SCE's obligations under the SED

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obligations on SCE, including reporting requirements and safety-focused studies. SCE's obligations under the SED Agreement commenced on August 15, 2022, when CPUC approval of the SED Agreement became final and non-appealable. SCE did not admit imprudence, negligence or liability with respect to the 2017/2018 Wildfire/Mudslide Events in the SED Agreement.

Loss Estimates for Third Party Claims and Potential Recoveries from Insurance and through Electric Rates

Management's 2023 reviews of its loss estimates for remaining alleged and potential claims related to the 2017/2018 Wildfire/Mudslide Events included a review of information obtained from settling claims in the 2017/2018 Wildfire/Mudslide Events litigations, including higher than expected costs to settle claims. Management's review also included a review of information obtained regarding the nature of claims remaining in the 2017/2018 Wildfire/Mudslide Events litigations. As a result of management's reviews during 2023, SCE recorded a \$630 million increase in estimated losses for the 2017/2018 Wildfire/Mudslide Events during the year.

At December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, Edison International's and SCE's consolidated balance sheets include included fixed payments to be made under executed settlement agreements and accrued estimated losses of \$1.1 billion \$715 million and \$1.7 \$1.1 billion, respectively, for claims related to the 2017/2018 Wildfire/Mudslide Events. The following table presents changes in estimated losses since December 31, 2021 December 31, 2022:

(in millions)		
Balance at December 31, 2021 ¹	\$ 1,734	
Balance at December 31, 2022 ¹		\$ 1,119
Increase in accrued estimated losses	1,296	630
Amounts paid	(1,911)	(1,034)
Balance at December 31, 2022 ²	\$ 1,119	
Balance at December 31, 2023 ²		\$ 715

¹ At December 31, 2021, \$131 million in current liabilities, wildfire-related claims, on Edison International's and SCE's consolidated balance sheets consists of settlements executed in connection with the 2017/2018 Wildfire/Mudslide Events. At December 31, 2021, the \$1,733 million included in deferred credits and other liabilities, wildfire-related claims, on Edison International's and SCE's consolidated balance sheets includes Edison International's and SCE's best estimate of expected losses for the 2017/2018 Wildfire/Mudslide Events of \$1,603 million and other wildfire-related claims estimates of \$130 million.

² At December 31, 2022, \$121 million in current liabilities, wildfire-related claims, on Edison International's and SCE's consolidated balance sheets consists consisted of \$65 million of settlements executed and \$56 million of a short term payables under the SED Agreement in connection with the 2017/2018 Wildfire/Mudslide Events. At December 31, 2022, the \$1,687 million included in deferred credits and other liabilities, wildfire-related claims, on Edison International's and SCE's consolidated balance sheets includes included Edison International's and SCE's best estimate of expected losses for remaining alleged and potential claims related to the 2017/2018 Wildfire/Mudslide Events of \$934 million, \$64 million of a long term payables under the SED Agreement and other wildfire-related claims estimates of \$689 million.

² At December 31, 2023, \$30 million in current liabilities, wildfire-related claims, on Edison International's and SCE's consolidated balance sheets consisted of \$16 million of settlements executed and \$14 million of short term payables under the SED Agreement in connection with the 2017/2018 Wildfire/Mudslide Events. At December 31, 2023, the \$1,368 million included in deferred credits and other liabilities, wildfire-related claims, on Edison International's and SCE's consolidated balance sheets included Edison International's and SCE's best estimate of expected losses for remaining alleged and potential claims related to the 2017/2018 Wildfire/Mudslide Events of \$637 million, \$48 million of long term payables under the SED Agreement and estimated losses related to other wildfires of \$683 million.

For the years-ended December 31, 2022 December 31, 2023 and 2021, 2022, Edison International's International's and SCE's SCE's consolidated statements of income statements include included charges for the estimated losses, net of expected recoveries from insurance and FERC customers, related to the 2017/2018 Wildfire/Mudslide Events claims as follows:

(in millions)	Years ended December 31,		Years ended December 31,	
	2022	2021	2023	2022
Charge for wildfire-related claims	\$ 1,296	\$ 1,265	\$ 630	\$ 1,296
Expected revenue from FERC customers	(76)	(67)	(37)	(76)
Total pre-tax charge	1,220	1,198	593	1,220
Income tax benefit	(341)	(304)	(165)	(341)
Total after-tax charge	\$ 879	\$ 894	\$ 428	\$ 879

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For events that occurred in 2017 and early 2018, principally the Thomas and Koenigstein Fires and Montecito Mudslides, SCE had \$1.0 billion of wildfire-specific insurance coverage, subject to a self-insured retention of \$10 million per occurrence. For the Woolsey Fire, SCE had an additional \$1.0 billion of wildfire-specific insurance coverage, subject to a self-insured retention of \$10 million per occurrence.

In total, through ~~December 31, 2022~~ December 31, 2023, SCE has accrued estimated losses of ~~\$8.8 billion~~ \$9.4 billion, has paid or is obligated to pay approximately ~~\$7.8 billion~~ \$8.8 billion in settlements, including ~~\$120 million~~ \$62 million to be paid under the SED Agreement, and has recovered \$2.0 billion from its insurance carriers in relation to the ~~claims related to the~~ 2017/2018 Wildfire/Mudslide Events.

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Recovery of SCE's losses realized in connection with the 2017/2018 Wildfire/Mudslide Events in excess of available insurance is subject to approval by regulators. Under accounting standards for rate-regulated enterprises, SCE defers costs as regulatory assets when it concludes that such costs are probable of future recovery in electric rates. SCE utilizes objectively determinable evidence to form its view on probability of future recovery. The only directly comparable precedent in which a California investor-owned utility has sought recovery for uninsured ~~wildfire-related wildfire claims related~~ costs is San Diego Gas & Electric's ("SDG&E") requests for cost recovery related to 2007 wildfire activity, where the FERC allowed recovery of all FERC-jurisdictional ~~wildfire-related wildfire claims related~~ costs while the CPUC rejected recovery of all CPUC-jurisdictional ~~wildfire-related wildfire claims related~~ costs based on a determination that SDG&E did not meet the CPUC's prudence standard. As a result, while SCE does not agree with the CPUC's decision, it believes that the CPUC's interpretation and application of the prudence standard to SDG&E creates substantial uncertainty regarding how that standard will be applied to an investor-owned utility in wildfire cost-recovery proceedings for fires ignited prior to July 12, 2019. SCE will continue to evaluate the probability of recovery based on available evidence, including judicial, legislative and regulatory decisions, including any CPUC decisions illustrating the interpretation and/or application of the prudence standard when making determinations regarding recovery of uninsured wildfire-related costs. While the CPUC has not made a determination regarding SCE's prudence relative to any of the 2017/2018 Wildfire/Mudslide Events, SCE is unable to conclude, at this time, that uninsured CPUC-jurisdictional wildfire-related costs are probable of recovery through electric rates. SCE would record a regulatory asset at the time it obtains sufficient information to support a conclusion that recovery is probable.

In August 2023, SCE filed an application ("TKM Application") with the CPUC to seek rate recovery of \$2.4 billion of prudently incurred losses related to the Thomas Fire, the Koenigstein Fire and the Montecito Mudslides, consisting of \$2.0 billion of uninsured claims and \$0.4 billion of associated costs, including legal fees and financing costs. The TKM Application seeks recovery of amounts paid as of July 31, 2023. In the application, SCE proposed a true-up process for claims payments made after that date, and associated costs.

Through the operation of its FERC Formula Rate, and based upon the precedent established in SDG&E's recovery of FERC-jurisdictional wildfire-related costs, SCE believes it is probable it will recover its FERC-jurisdictional wildfire and mudslide related costs and has recorded total expected recoveries of ~~\$376 million~~ \$413 million within the FERC balancing account. This was the FERC portion of the total estimated losses accrued. As of ~~December 31, 2022~~ December 31, 2023, collections have reduced the regulatory assets remaining in the FERC balancing account to ~~\$142 million~~ \$37 million.

In July 2019, SCE filed a CEMA application with ~~will continue to evaluate the CPUC to seek probability of recovery of among other things, approximately \$60 million FERC-jurisdictional wildfire and mudslide related costs based on available evidence, including any FERC decisions to allow or disallow recovery of capital expenditures and capital FERC-jurisdictional wildfire related expenses incurred costs based on a state regulator's decision on whether to restore service to customers and to repair, replace and restore buildings and SCE's facilities damaged or destroyed as a result permit recovery of six 2017 fires, primarily the Thomas and Koenigstein Fires. In August 2021, the CPUC issued a final decision which denied without prejudice SCE's application to recover a revenue requirement of \$8 million for all six 2017 wildfires on the basis that SCE did not demonstrate that it was prudent in relation to the Thomas and Rye fires and had failed to segregate the costs attributable to the other four fires. Of the \$8 million revenue requirement that was denied, \$6 million was for the Thomas and Rye fires. CAL FIRE has determined that the Thomas and Rye fires were caused by SCE equipment. The decision allows SCE to submit additional applications with the CPUC to recover the costs associated with the Thomas and Rye fires, does not specify a deadline for any such applications, and directs that~~

SCE must prove it was prudent in relation to the Thomas and/or Rye fires, as applicable, in any such future applications. As required by the final decision with respect to the other four fires, SCE filed supplemental testimony in November 2021 segregating the restoration costs attributable to each such fire. In June 2022, the CPUC approved SCE's entire request with respect to the other four fires, related costs.

As of December 31, 2022 December 31, 2023, SCE has \$177 million \$172 million in assets recorded in property, plant and equipment in relation to restoration costs related to the 2017/2018 Wildfire/Mudslide Events which may not be recoverable, Events. These assets would be impaired if the restoration costs are permanently disallowed by the CPUC in future cost recovery proceedings. In its TKM Application, SCE is seeking capital recovery of approximately \$65 million in restoration costs related to the Thomas and Koenigstein Fires. SCE expects to seek to recover the costs incurred for reconstructing its system and restoring service to structures that were damaged or destroyed by the Woolsey Fire in the future.

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Other 2017/2018 Wildfires

In addition to the Thomas, Koenigstein and Woolsey Fires, there were several other wildfires ignited in future applications 2017 and 2018 that impacted portions of SCE's service territory (the wildfires that originated in Southern California in 2017 or 2018, other than the Thomas, Koenigstein and Woolsey Fires, where SCE's equipment has been and may be further alleged to be associated with the CPUC fire's ignition are referred to collectively as the "Other 2017/2018 Wildfires"). Numerous claims related to the Other 2017/2018 Wildfires have been initiated against SCE. The SED is also conducting investigations with respect to some Other 2017/2018 Wildfires. As of December 31, 2023, Edison International and SCE had not accrued material charges for the Other 2017/2018 Wildfires.

2017 Creek Fire

The Creek Fire originated near Sylmar in Los Angeles County in December 2017 and burned approximately 16,000 acres, destroyed an estimated 123 structures, damaged an estimated 81 structures, and resulted in 3 civilian injuries. While the United States Forest Service's ("USFS") report of investigation concludes that the Los Angeles Department of Water and Power long-span transmission lines slapping together in high winds resulted in arcing and ignition of the fire, the USFS filed a claim against SCE to recover over \$40 million for fire-suppression costs incurred by the USFS and environmental damage to U.S. lands. Individual and subrogation plaintiffs have also filed complaints against SCE related to the Creek Fire. An individual plaintiff bellwether jury trial in the Creek Fire litigation is currently set for September 2024 and a trial in the USFS litigation is currently set for July 2025. Based on pending litigation, it is reasonably possible that SCE will incur a material loss in connection with the Creek Fire, but the range of reasonably possible losses that could be incurred cannot be estimated at this time. SCE has not determined that losses in connection with the Creek Fire are probable and consequently has not accrued a charge for potential losses relating to the Creek Fire. SCE's wildfire insurance for the period in which the Creek Fire was ignited has been almost fully exhausted as a result of the TKM litigation.

Post-2018 Wildfires

Several wildfires have significantly impacted portions of SCE's service territory after 2018 (the wildfires that originated in Southern California after 2018 where SCE's equipment has been or may be further alleged to be associated with the fire's ignition are referred to collectively as the "Post-2018 Wildfires"). Numerous claims related to the Post-2018 Wildfires have been initiated against SCE and Edison International. The SED is also conducting investigations with respect to several Post-2018 Wildfires.

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In 2022, 2023, SCE accrued estimated losses of \$572 \$184 million for claims related to the Post-2018 Wildfires, against which SCE has recorded expected recoveries from insurance of \$399 \$149 million and expected recoveries through electric rates of \$162 million. \$2 million. The resulting net charge to earnings was \$11 \$33 million (\$8 \$24 million after-tax).

Through December 31, 2022, 2023, SCE has recorded total estimated losses (established of \$880 million, and expected recoveries from insurance and third parties of \$622 million and expected recoveries through electric rates of \$168 million related to the Post-2018 Wildfires claims. The after-tax net charges to earnings recorded through December 31, 2023 have been \$65 million.

As of December 31, 2023, SCE had paid \$204 million under executed settlements related to the Post-2018 Wildfires, and Edison International's and SCE's estimated losses for remaining alleged and potential claims (established at the lower low end of the estimated range of reasonably possible losses) of \$696 million, and expected recoveries from insurance of \$473 million and expected recoveries through electric rates of \$166 million related to the Post-2018 Wildfires. The after-tax net charges to earnings recorded through December 31, 2022 have been \$41 million. Expected recoveries from insurance recorded for the Post-2018 Wildfires are supported by SCE's insurance coverage for multiple policy years.

As of December 31, 2022, SCE had paid \$13 million under executed settlements related to the Post-2018 Wildfires. After giving effect to all payment obligations under settlements entered into through December 31, 2022, Edison International's and SCE's estimated losses (established at the lower end of the estimated range of reasonably possible losses) for remaining alleged and potential claims related to the Post-2018 Wildfires was \$682 \$676 million. As of the same date, SCE had assets for expected recoveries through insurance and third parties of \$473 million \$512 million and through electric rates of \$166 \$154 million on their its consolidated balance sheets related to the Post-2018 Wildfires.

Expected recoveries from insurance recorded for the Post-2018 Wildfires are supported by SCE's insurance coverage for multiple policy years. While Edison International and SCE may incur material losses in excess of the amounts accrued

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for certain of the Post-2018 Wildfires, Edison International and SCE expect that any losses incurred in connection with any such fire will be covered by insurance, subject to self-insured retentions and co-insurance, and expect that any such losses after expected recoveries from insurance and through electric rates will not be material.

2019 Saddle Ridge Fire

The "Saddle Ridge Fire," originated in Los Angeles County in October 2019 and burned approximately 9,000 acres, destroyed an estimated 19 structures, damaged an estimated 88 structures, and resulted in one fatality and injuries to 8 eight fire fighters. In an unsigned and undated report that August 2023, SCE received in December 2022, a signed report of investigation from the Los Angeles Fire Department ("LAFD"), in which the LAFD stated with respect to the Saddle Ridge Fire that the cause of ignition was unintentional, the form of heat was undetermined, the item first ignited was undetermined and the material type first ignited was undetermined. The Los Angeles Fire Department LAFD report noted that no other competent ignition sources other than SCE's SCE's transmission lines were found in the specific origin area of the Saddle Ridge Fire. SCE has been advised that the Los Angeles Fire Department investigation of A jury trial in the Saddle Ridge Fire remains open. litigation is currently set for May 2024. Based on pending litigation and without considering insurance recoveries, it is reasonably possible that SCE will incur a material loss in connection with the Saddle Ridge Fire, but the range of reasonably possible losses that could be incurred cannot be estimated at this time. SCE has not determined that losses in connection with the Saddle Ridge Fire are probable and consequently has not accrued a charge for potential losses relating to the Saddle Ridge Fire.

2020 Bobcat Fire

The "Bobcat Fire" was reported in the vicinity of Cogswell Dam in Los Angeles County in September 2020. The United States Forest Service ("USFS") USFS has reported that the Bobcat Fire burned approximately 116,000 acres in Los Angeles County, destroyed an estimated 87 homes, 1 one commercial property and 83 minor structures, damaged an estimated 28 homes and 19 minor structures, and resulted in injuries to 6 six firefighters. In addition, fire authorities have estimated suppression costs at \$80 million. While SCE's investigation remains ongoing, SCE's information reflects that a camera in the vicinity of Cogswell Dam captured the initial stages of a fire with the first observed smoke approximately six minutes before a SCE circuit in the area experienced an anomaly (a relay). \$80 million. An investigation into the

cause of the Bobcat Fire **is being** was led by the **USFS, and USFS**. In May 2023, **SCE received a report of investigation from** the USFS, **has taken a specific section of in which the USFS finds that the Bobcat Fire was caused when** an SCE **overhead conductor in the vicinity of Cogswell Dam into possession as part of its investigation**. SCE understands that the USFS has also taken three **electrical wire made contact with a tree branches in the area into possession, limb**. The SED **is also conducting an** has concluded its investigation of the Bobcat Fire and found no violations of its rules and regulations by SCE related to the Bobcat Fire. **A jury trial in the Bobcat Fire litigation is currently set for April 2024**. SCE expects to obtain and review additional information and materials in the possession of third parties during the course of its internal

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reviews and the litigation process. SCE has accrued material charges for potential losses relating to the Bobcat Fire. The accrued charges correspond to the **lower low** end of the estimated range of reasonably possible losses that may be incurred in connection with the Bobcat Fire and **is are** subject to change as additional information becomes available. While Edison International and SCE may incur a material loss in excess of the amount accrued, they cannot estimate the upper end of the range of reasonably possible losses that may be incurred.

2022 Coastal Fire

The "Coastal Fire" originated in Orange County in May 2022 and burned approximately 200 acres. The Orange County Fire Authority ("OCFA") has reported that the Coastal Fire destroyed 20 residential structures and damaged 11 residential structures. Two firefighters also reportedly sustained minor injuries. In addition, fire authorities have estimated suppression costs at approximately \$3 million. While SCE's investigation remains ongoing, SCE's information reflects that a SCE circuit in the area experienced an anomaly (a relay) approximately 2 minutes prior to the reported time of the fire. An investigation into the cause of the Coastal Fire is being led by the OCFA. The OCFA has retained SCE equipment in connection with its investigation. **An inverse condemnation liability bench trial in the Coastal Fire litigation has been set for April 2024**. SCE expects to obtain and review additional information and materials in the possession of third parties during the course of its internal reviews and the litigation process. SCE has accrued material charges for potential losses relating to the Coastal Fire. The accrued charges correspond to the **lower low** end of the estimated range of reasonably possible losses that may be incurred in connection with the Coastal Fire and **is are** subject to change as additional information becomes available. While Edison International and SCE may incur a material loss in excess of the amount accrued, they cannot estimate the upper end of the range of reasonably possible losses that may be incurred.

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2022 Fairview Fire

The "Fairview Fire" originated in Riverside County in September 2022 and burned approximately 28,000 acres. CAL FIRE has reported that the Fairview Fire destroyed 22 residential structures, damaged **5 five** residential structures, and destroyed or damaged 17 minor structures. CAL FIRE also reported **2 two** civilian fatalities, **1 one** civilian injury and **2 two** injuries to responding fire personnel. In addition, fire authorities have estimated suppression costs at \$39 million. While SCE's investigation remains ongoing, SCE's information reflects that a SCE circuit in the area experienced an anomaly (relay) approximately 8 minutes prior to the reported start time of the fire. **An In November 2023, SCE received a report of investigation into the cause of conducted by CAL FIRE, in which CAL FIRE finds that the Fairview Fire is being led by was caused when a sagging SCE electrical conductor came in contact with a communication line, causing sparks to fall and ignite surrounding vegetation. A trial for bellwether plaintiffs in the CAL FIRE. CAL FIRE Fairview Fire litigation has retained SCE equipment in connection with its investigation, been set for September 2024**. SCE expects to obtain and review additional information and materials in the possession of third parties during the course of its internal reviews and the litigation process. SCE has accrued material charges for potential losses relating to the Fairview Fire. The accrued charges correspond to the **lower low** end of the estimated range of reasonably possible losses that may be incurred

in connection with the Fairview Fire and **is are** subject to change as additional information becomes available. While Edison International and SCE may incur a material loss in excess of the amount accrued, they cannot estimate the upper end of the range of reasonably possible losses that may be incurred.

Loss Estimates for Third Party Claims and Potential Recoveries from Insurance and through Electric Rates

At **December 31, 2022** December 31, 2023 and **December 31, 2021** December 31, 2022, Edison International's and SCE's consolidated balance sheets **include included** accrued estimated losses (established at the low end of **\$682 million** the estimated range of reasonably possible losses) of \$676 million and **\$123 million** \$682 million, respectively, for claims related to the Post-2018 Wildfires.

The following table presents changes in estimated losses since **December 31, 2021** December 31, 2022:

(in millions)		
Balance at December 31, 2021	\$	123
Balance at December 31, 2022		\$ 682
Increase in accrued estimated losses		572 184
Amounts paid		(13) (190)
Balance at December 31, 2022	\$	682
Balance at December 31, 2023		\$ 676

For the years-ended December 31, 2023 and 2022, Edison International's and SCE's consolidated statements of income included charges for the estimated losses (established at the low end of the estimated range of reasonably possible losses), net of expected recoveries from insurance and customers, related to the Post-2018 Wildfires as follows, respectively:

(in millions)	Years ended December 31,	
	2023	2022
Edison International:		
Charge for wildfire-related claims ¹	\$ 184	\$ 572
Expected insurance recoveries ²	(147)	(390)
Expected revenue from CPUC and FERC customers	(2)	(162)
Total pre-tax charge	35	20
Income tax benefit	(10)	(6)
Total after-tax charge	\$ 25	\$ 14

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For the years-ended December 31, 2022 and 2021, Edison International's and SCE's income statements include charges for the estimated losses, net of expected recoveries from insurance and customers, related to the Post-2018 Wildfires as follows, respectively:

(in millions)	Years ended December 31,	
	2022	2021
Edison International:		
Charge for wildfire-related claims ¹	\$ 572	\$ 7
Expected insurance recoveries ²	(390)	—
Expected revenue from CPUC and FERC customers	(162)	—
Total pre-tax charge	20	7
Income tax benefit	(6)	(2)
Total after-tax charge	\$ 14	\$ 5

(in millions)	Years ended December 31,		Years ended December 31,	
	2022	2021	2023	2022
SCE:				
Charge for wildfire-related claims ¹	\$ 572	\$ 7	\$ 184	\$ 572
Expected insurance recoveries	(399)	—	(149)	(399)
Expected revenue from CPUC and FERC customers	(162)	—	(2)	(162)
Total pre-tax charge	11	7	33	11
Income tax benefit	(3)	(2)	(9)	(3)
Total after-tax charge	\$ 8	\$ 5	\$ 24	\$ 8

¹ Includes estimated co-insurance payments recorded as operations and maintenance expense.

² In the third quarter of 2022, 2023 and 2022, Edison Insurance Services, Inc. ("EIS"), a wholly-owned subsidiary of Edison International, paid incurred \$3 million and \$9 million insurance which was expenses, respectively. These amounts were included in the insurance recovery of SCE but was were excluded in from that of Edison International.

Recovery of SCE's losses realized in connection with the Post-2018 Wildfires in excess of available insurance is subject to approval by regulators. The CPUC and FERC may not allow SCE to recover uninsured losses through electric rates if it is determined that such losses were not reasonably or prudently incurred. Under accounting standards for rate-regulated enterprises, SCE defers costs as regulatory assets when it concludes that such costs are probable of future recovery in electric rates. SCE utilizes objectively determinable evidence to form its view on the probability of future recovery. As discussed above, there is evidence of a California investor-owned utility seeking recovery for uninsured wildfire-related costs and FERC allowing recovery of all FERC-jurisdictional wildfire-related costs while the CPUC rejected recovery of all CPUC-jurisdictional wildfire-related costs based on a determination that the utility did not meet the CPUC's prudence standard. This evidence was prior to the adoption of AB 1054 on July 12, 2019, after which date AB 1054 clarified that the CPUC must find a utility to be prudent if the utility's conduct related to the ignition was consistent with actions that a reasonable utility would have undertaken in good faith under similar circumstances, at the relevant point in time, and based on the information available at that time. Further, utilities with a valid safety certification at the time of the relevant wildfire will be presumed to have acted prudently related to a wildfire ignition unless a party in the cost recovery proceeding creates serious doubt as to the reasonableness of the utility's conduct, at which time, the burden shifts back to the utility to prove its conduct was prudent. Each of the Post-2018 Wildfires was ignited after July 12, 2019, and SCE has held a valid safety certificate since July 15, 2019. While a California investor-owned utility has not yet sought recovery for uninsured claims and other costs related to wildfires ignited after the adoption of AB 1054, SCE believes that for fires ignited after July 12, 2019, and investor-owned utilities holding a safety certificate at the time of the fire, the CPUC will apply a standard of review similar to that applied by the FERC which presumes all costs requested by an investor-owned utility are reasonable and prudent unless serious doubt as to

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the reasonableness of the utility's utility's conduct is raised. As such, SCE has concluded, at this time, that both uninsured CPUC-jurisdictional and uninsured FERC-jurisdictional wildfire-related costs related to the Post-2018 Wildfires other than for those already authorized for inclusion in electric rates, that it has deferred as regulatory assets are probable of recovery through electric rates. As of December 31, 2022 December 31, 2023, SCE has recorded total expected recoveries related to the Post-2018 Wildfires of \$152 million within the WEMA and risk management balancing account and \$14 million \$16 million within the FERC balancing account. SCE will continue to evaluate the probability of recovery based on available evidence, including regulatory decisions, including any CPUC decisions illustrating the interpretation and/or application of the prudence standard under AB 1054, and, for each applicable fire, evidence that could cast serious doubt as to the reasonableness of SCE's conduct relative to that fire.

Wildfire Insurance Coverage

In May 2023, the CPUC allowed SCE to establish an expanded self-insurance program for wildfire-related costs that will be funded through CPUC-jurisdictional rates, with \$150 million collected for the second half of 2023 and, in the absence of wildfire-related claims, \$300 million collected for 2024. If losses are accrued for wildfire-related claims for wildfires

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that occur between July 1, 2023 and the end of 2024, customer rates will be increased in subsequent years, as needed, to allow for full recovery of the amounts accrued up to \$1.0 billion per policy year, subject to a shareholder contribution of 2.5% of any self-insurance costs ultimately paid exceeding \$500 million in any policy year, up to a maximum annual contribution of \$12.5 million per policy year. If adopted in the 2025 GRC, this self-insurance framework would continue through at least 2028, supporting a self-insurance fund of up to \$1.0 billion per policy year. SCE's self-insurance program meets its obligation to maintain reasonable insurance coverage under AB 1054 for the July 1, 2023 through June 30, 2024 period.

SCE has approximately \$1.0 billion of wildfire-specific insurance coverage for events that may occur occurred during the period July 1, 2022 through June 30, 2023, subject to up to \$100 million of self-insured retention and co-insurance per fire, which results in aggregate net coverage of approximately \$937 million. Of this coverage, approximately \$102 million \$102 million is provided by EIS and approximately \$835 million is provided by other commercial insurance carriers (commercial insurance carriers other than EIS are referred to herein as "Third-Party Commercial Insurers").

SCE has approximately \$1.0 billion of wildfire-specific insurance coverage for events that occurred during the period July 1, 2021 through June 30, 2022, subject to up to \$100 million of self-insured retention and co-insurance per fire, as well as additional co-insurance of up to \$63 million for the policy year, which resulted in net coverage of approximately \$875 \$837 million provided by Third-Party Commercial Insurers and \$28 million provided by EIS for part of the policy year.

SCE believes that its SCE's wildfire insurance coverage expense for the July 1, 2022 through June 30, 2023 policy period meets its obligation was approximately \$450 million, of which \$357 million was paid to maintain reasonable Third-Party Commercial Insurers. The difference between the Third-Party Commercial Insurer cost and total cost for the July 1, 2022 through June 30, 2023 policy period was paid in premiums to EIS. Wildfire insurance coverage under AB 1054. premiums paid for the July 1, 2022 through June 30, 2023 policy period are being recovered through customer rates. See Note 18 for further information.

Edison International and SCE record a receivable for insurance recoveries when recovery of a recorded loss is determined to be probable.

SCE's wildfire insurance expense for the July 1, 2022 through June 30, 2023 policy period will be approximately \$450 million, of which \$357 million is paid to Third-Party Commercial Insurers. SCE's wildfire insurance expense for the July 1, 2021 through June 30, 2022 policy period was approximately \$437 million, of which \$413 million was paid to Third-Party Commercial Insurers. The difference between the Third-Party Commercial Insurer cost and total cost in both policy years was paid in premiums to EIS. Wildfire insurance premiums paid for the July 1, 2021 through June 30, 2022 and July 1, 2022 through June 30, 2023 policy periods are being recovered through customer rates. See Note 18 for further information.

While SCE's cost of obtaining wildfire insurance coverage from Third-Party Commercial Insurers was lower in 2022 compared to 2021, SCE's cost of obtaining wildfire insurance coverage in recent years is significantly higher than costs incurred prior to the 2017/2018 Wildfire/Mudslide Events due to, among other things, the number of significant wildfire events throughout California and the application of inverse condemnation to investor-owned utilities. While SCE is required to maintain reasonable insurance coverage under AB 1054, SCE may not be able to obtain a reasonable amount of wildfire insurance, at a reasonable cost, from Third-Party Commercial Insurers for future policy periods.

Environmental Remediation

SCE records its environmental remediation liabilities when site assessments and/or remedial actions are probable and a range of reasonably likely cleanup costs can be estimated. SCE reviews its sites and measures the liability quarterly, by assessing a range of reasonably likely costs for each identified site using currently available information, including existing technology, presently enacted laws and regulations, experience gained at similar sites, and the probable level of involvement and financial condition of other potentially responsible parties. These estimates include costs for site investigations, remediation, operation and maintenance, monitoring and site closure. Unless there is a single probable

amount, SCE records the **lower low** end of this reasonably likely range of costs (reflected in "Other long-term liabilities") at undiscounted amounts as timing of cash flows is uncertain.

At **December 31, 2022** **December 31, 2023**, SCE's recorded estimated minimum liability to remediate its **26 24** identified material sites (sites with a liability balance as of **December 31, 2022** **December 31, 2023**, in which the upper end of the range of the costs is at least \$1 million) was **\$256 million** **\$244 million**, including **\$164 million** **\$159 million** related to San Onofre. In addition to these sites, SCE also has **15 14** immaterial sites with a liability balance on **December 31, 2022** **December 31, 2023** for which the total minimum recorded liability was \$3 million. Of the **\$259 million** **\$247 million** total environmental remediation liability for SCE, **\$241 million** **\$226 million** has been recorded as a regulatory asset. SCE expects to recover **\$37 million** **\$34 million** through an incentive mechanism that allows SCE to recover 90% of its environmental remediation costs at certain sites (SCE may request to include additional sites in this mechanism), and **\$204 million** **\$192 million** through proceedings that allow SCE to recover up to 100% of the costs incurred at certain sites through customer rates. SCE's identified sites include several sites for which there is a lack of currently available information, including the nature and magnitude of contamination, and the extent, if any, that SCE may be held responsible for

contributing to any costs incurred for remediating these sites. Thus, no reasonable estimate of cleanup costs can be made for these sites.

The ultimate costs to clean up SCE's identified sites may vary from its recorded liability due to numerous uncertainties inherent in the estimation process, such as: the extent and nature of contamination; the scarcity of reliable data for identified sites; the varying costs of alternative cleanup methods; developments resulting from investigatory studies; the possibility of identifying additional sites; and the time periods over which site remediation is expected to occur. SCE believes that, due to these uncertainties, it is reasonably possible that cleanup costs at the identified material sites and immaterial sites could exceed its recorded liability by up to **\$121 million** **\$125 million** and **\$9 million** **\$4 million**, respectively. The upper limit of this range of costs was estimated using assumptions least favorable to SCE among a range of reasonably possible outcomes.

SCE expects to clean up and mitigate its identified sites over a period of up to 40 years. Remediation costs for each of the next 5 years are expected to range from **\$9 million** **\$12 million** to **\$28 million** **\$26 million**. Costs incurred for years ended **December 31, 2022** **December 31, 2023**, **2022** and **2021** were **\$11 million**, **\$7 million** and **2020** were **\$7 million**, **\$9 million** and **\$7 million**, respectively, and were included in the "Operation and maintenance" expense on the consolidated statements of income.

Based upon the CPUC's regulatory treatment of environmental remediation costs incurred at SCE, SCE believes that costs ultimately recorded will not materially affect its results of operations, financial position or cash flows. There can be no assurance, however, that future developments, including additional information about existing sites or the identification of new sites, will not require material revisions to estimates.

Nuclear Insurance

Federal law limits public offsite liability claims for bodily injury and property damage from a nuclear incident to the amount of available financial protection, which is currently approximately **\$13.7 billion for Palo Verde** and **\$560 million for San Onofre**, **Onofre** and **\$16.2 billion for Palo Verde**. As of **January 1, 2021** **January 1, 2023**, SCE and other owners of San Onofre and Palo Verde have purchased the maximum private primary insurance available (\$450 million) through a Facility Form issued by American Nuclear Insurers ("ANI"). In the case of San Onofre, the balance is covered by a US Government indemnity. In the case of Palo Verde, the balance is covered by a loss sharing program among nuclear reactor licensees. If a nuclear incident at any licensed reactor in the United States, which is participating in the loss sharing program, results in claims and/or costs which exceed the primary insurance at that plant site, all participating nuclear reactor licensees could be required to contribute their share of the liability in the form of a deferred premium.

The ANI Facility Form coverage includes broad liability protection for bodily injury or offsite property damage caused by the nuclear energy hazard at San Onofre or Palo Verde, or while radioactive material is in transit to or from San Onofre or Palo Verde. The Facility Form, however, includes several exclusions. First, it excludes onsite property damage

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to the nuclear facility itself and onsite cleanup costs, but as discussed below SCE maintains separate Nuclear Electric Insurance Limited ("NEIL") property damage coverage for such events. Second, tort claims of onsite workers are excluded, but SCE also maintains an ANI Master Worker Form policy that provides coverage for non-licensee workers. This program provides a shared industry aggregate limit of \$450 million. Industry losses covered by this program could reduce limits available to SCE. Third, offsite environmental costs arising out of government orders or directives, including those issued under the Comprehensive Environmental Response, Compensation and Liability Act, also known as CERCLA, are excluded, with minor exceptions from clearly identifiable accidents.

SCE withdrew from participation in the secondary insurance pool for San Onofre for offsite liability insurance effective January 5, 2018. Based on its ownership interests in Palo Verde, SCE could be required to pay a maximum of approximately \$65 million \$79 million per nuclear incident for future incidents. However, it would have to pay no more than approximately \$10 million \$12 million per future incident in any one year. Based on its ownership interests in San Onofre and Palo Verde prior to January 5, 2018, SCE could be required to pay a maximum of approximately \$255 million per nuclear

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incident and a maximum of \$38 million per year per incident for liabilities arising from events prior to January 5, 2018, although SCE is not aware of any such events. If the public liability limit above is insufficient, federal law contemplates that additional funds may be appropriated by Congress. This could include an additional assessment on all licensed reactor operators as a measure for raising further federal revenue.

SCE is a member of NEIL, a mutual insurance company owned by entities with nuclear facilities. NEIL provides insurance for nuclear property damage, including damages caused by acts of terrorism up to specified limits, and for accidental outages for active facilities. The amount of nuclear property damage insurance purchased for San Onofre and Palo Verde exceeds the minimum federal requirement of \$50 million and \$1.1 billion, \$1.1 billion, respectively. These policies include coverage for decontamination liability. Additional outage insurance covers part of replacement power expenses during an accident-related nuclear unit outage. The accidental outage insurance at San Onofre has been canceled as a result of the permanent retirement, but that insurance continues to be in effect at Palo Verde.

If NEIL losses at any nuclear facility covered by the arrangement were to exceed the accumulated funds for these insurance programs, SCE could be assessed retrospective premium adjustments of up to approximately \$30 million \$24 million per year. Insurance premiums are charged to operating expense.

Note

13. Leases

Leases as Lessee

SCE enters into various agreements to purchase power, electric capacity and other energy products that may be accounted for as leases when SCE has dispatch rights that determine when and how a plant runs. SCE also leases property and equipment primarily related to vehicles, office space and other equipment. The terms of the lease contracts included in the table below are primarily 2 15 to 20 years for PPA leases, 3

to 72 years for office leases, and 5 to 13 years for the remaining other operating leases. Finance leases are immaterial to the periods presented.

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The following table summarizes SCE's future lease payments for operating leases as of **December 31, 2022** **December 31, 2023**:

(in millions)	PPA Operating Leases ¹	Other Operating Leases ²	PPA Operating Leases ¹	Other Operating Leases ²
2023	\$ 493	\$ 49		
2024	82	42	\$ 111	\$ 55
2025	73	38	99	50
2026	70	35	89	46
2027	65	31	84	41
2028			84	36
Thereafter	633	117	782	111
Total lease payments	1,416	312	1,249	339
Amount representing interest	227	68	302	72
Lease liabilities	\$ 1,189	\$ 244	\$ 947	\$ 267

¹ Excludes expected purchases from most renewable energy contracts, which do not meet the definition of a lease payment since renewable power generation is contingent on external factors.

² Excludes escalation clauses based on consumer price or other indices and residual value guarantees that are not considered probable at the commencement date of the lease.

The timing of SCE's recognition of the lease expense conforms to ratemaking treatment for SCE's recovery of the cost of electricity and is included in purchased power for operating leases. The following table summarizes the components of SCE's lease expense:

(in millions)	Years ended December 31,			Years ended December 31,		
	2022	2021	2020	2023	2022	2021
PPA leases:						
Operating lease cost	\$ 580	\$ 305	\$ 111	\$ 503	\$ 580	\$ 305
Variable lease cost ¹	2,661	2,098	1,918	2,277	2,661	2,098
Short term lease cost	—	539	—	—	—	539
Total PPA lease cost	3,241	2,942	2,029	2,780	3,241	2,942
Other operating leases cost	52	47	47	56	52	47
Total lease cost	\$ 3,293	\$ 2,989	\$ 2,076	\$2,836	\$3,293	\$2,989

¹ Includes lease costs from renewable energy contracts where payments are based on contingent external factors such as wind, hydro and solar power generation.

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Other information related to leases was as follows:

(in millions, except lease term and discount rate)	Years ended December 31,			Years ended December 31,		
	2022	2021	2020	2023	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:						
Operating cash flows from:						
PPA operating leases	\$ 580	\$ 305	\$ 111	\$ 503	\$ 580	\$ 305
Other operating leases	50	45	44	55	50	45
ROU assets obtained in exchange for lease obligations:						
PPA operating leases	\$ 20	\$ 1,084	\$ 463	\$ 226	\$ 20	\$1,084
Other operating leases	76	71	58	69	76	71
Weighted average remaining lease term (in years):						
PPA operating leases	9.42	8.16	9.75	13.37	9.42	8.16
Other operating leases	10.38	11.14	12.13	9.56	10.38	11.14
Weighted average discount rate:						
PPA operating leases	2.95 %	2.43 %	3.12 %	4.30 %	2.95 %	2.43 %
Other operating leases	3.78 %	3.34 %	3.63 %	4.22 %	3.78 %	3.34 %

Leases as Lessor

SCE also enters into operating leases to rent certain land and facilities as a lessor. These leases primarily have terms that range from 15 to 65 years. During the years ended **December 31, 2022** **December 31, 2023**, **2021 2022** and **2020, 2021**, SCE recognized lease income of **\$18 million** **\$17 million**, **\$16 million** **\$18 million** and **\$17 million** **\$16 million**, respectively, which is included in operating revenue on the consolidated statements of income. At **December 31, 2022** **December 31, 2023**, the undiscounted cash flow expected to be received from lease payments for the remaining years is as follows:

(in millions)		
2023	\$ 13	
2024	12	\$ 13
2025	11	12
2026	6	8
2027	6	8
2028		7
Thereafter	120	124
Total	\$ 168	\$ 172

Note

14. Equity

Common Stock Issuances

Edison International continued to settle its ongoing common stock requirements of various internal programs through issuance of new common stock. During the **twelve months** year ended December 31, 2023, 1,151,964 shares of common stock were issued as stock compensation awards for net cash receipts of \$58 million, 259,109 shares of new common stock were issued in lieu of distributing \$18 million to shareholders opting to receive dividend payments in the form of additional common stock, 144,200 shares of common stock were purchased by employees through the 401(k) defined contribution savings plan for net cash receipts of \$10 million, 105,218 shares of common stock were issued to employees through voluntary cash purchases for net cash receipts of \$7 million and 55,923 shares of common stock were issued to employees through the ESPP for net cash receipts of \$4 million.

During the year ended December 31, 2022, 1,253,049 shares of common stock were issued as stock compensation awards for net cash receipts of \$57 million, 273,642 shares of new common stock were issued in lieu of distributing \$18 million to shareholders opting to receive dividend payments in the form of additional common stock, 157,000 shares

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of common stock were purchased by employees through the 401(k) defined contribution savings plan for net cash receipts of \$10 million as dividend payments, 109,750 shares of common stock were issued related to optional employees through voluntary cash investments purchases for net cash receipts of \$7 million and 36,912 shares of common stock were issued to employees through the ESPP for net cash receipts of \$2 million.

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During the twelve months ended December 31, 2021 December 31, 2023, 629,092 shares of common stock were issued as stock compensation awards for net cash receipts of \$25 million, 522,400 shares of common stock were purchased by employees through the 401(k) defined contribution savings plan for net cash receipts of \$30 million, 293,031 shares of new common stock were issued in lieu of distributing \$17 million to shareholders opting to receive dividend payments in the form of additional common stock and 26,475 shares of common stock were issued related to optional cash investments of \$2 million. Starting July 2021, the 401(k) defined contribution savings plan no longer offered Edison International's stock as an investment option to employees. Subsequent to the change, stock issued through the 401(k) defined contribution savings plan were dividend payments made in the form of additional common stock.

At-the-Market Program

In the third quarter of 2022, Edison International filed a prospectus supplement and executed several distribution agreements with certain sales agents to establish an had not issued any shares through its "at-the-market" ("ATM") program under which it established in August 2022. Under the ATM program, Edison International may sell shares of its common stock having an aggregate sales price of up to \$500 million. As of December 31, 2022, no sales had occurred and Edison International has no obligation to sell the remaining shares available under the ATM program.

Preferred Stock Issuances

In 2021, As of December 31, 2023, Edison International issued 1,250,000 has 1,159,317 shares of 5.375% Fixed-Rate Reset Cumulative Perpetual Preferred Stock, Series A ("Series A Preferred Stock") and 750,000 532,454 shares of its 5.00% Fixed-Rate Reset Cumulative Perpetual Preferred Stock, Series B ("Series B Preferred Stock") outstanding, each with a liquidation value of \$1,000 per share. The dividends are payable on a semi-annual basis commencing

September 15, 2021 and March 15, 2022, respectively. The dividend rate will be reset every five years beginning on March 15, 2026 and March 15, 2027, for Series A Preferred Stock and Series B Preferred Stock, respectively, to equal the then-current five-year U.S. Treasury rate plus a spread spread.

In November 2023, Edison International, through a tender offer, repurchased 61,497 shares of 4.698% its Series A Preferred Stock and 3.901%, respectively, 84,223 shares of its Series B Preferred Stock for an average price of \$925 and \$904 per share, respectively, including accrued and unpaid dividends. The net proceeds aggregate amount paid was \$57 million for Series A Preferred Stock and \$76 million for Series B Preferred Stock. In December 2023, Edison International repurchased 29,186 shares of \$2.0 billion were used to repay commercial paper borrowings its Series A Preferred Stock and 133,323 shares of its Series B Preferred Stock on the open market for general corporate purposes, an average price of \$971 and \$955 per share, respectively, including making accrued and unpaid dividends. The aggregate amount paid was \$28 million for Series A Preferred Stock and \$127 million for Series B Preferred Stock. Edison International recognized a total net gain of \$900 million equity contributions to SCE. \$16 million from the tender offer and open market repurchases, reflected in "Preferred stock dividend requirements of Edison International" on the consolidated statements of income.

Edison International may, at its option, redeem its preferred stock in whole or in part during certain periods of time prior to each of the dividend reset dates at a price equal to \$1,000 per share plus any accumulated and unpaid dividends. Edison International may also, at its option, redeem the preferred stocks in whole but not in part at a price equal to \$1,020 per share plus any accumulated and unpaid dividends within a certain period of time following any change in the criteria rating agencies use that would have adverse effects on the equity credit attributed by rating agencies to the preferred stocks.

The preferred stocks rank senior to Edison International's common stock with respect to dividends rights and distribution rights upon liquidation. The preferred stocks are not subject to any mandatory sinking fund, retirement fund, purchase fund or other similar provisions. Holders of the shares of the preferred stocks do not have the right to require Edison International to repurchase or redeem shares of the preferred stocks.

Preferred and Preference Stock of Utility

SCE's authorized shares are: \$100 cumulative preferred – 12 million shares, \$25 cumulative preferred – 24 million 24 million shares and preference with no par value – 50 million shares. There are were no dividends in arrears for the preferred or preference shares.

During 2020, SCE redeemed \$120 million of cumulative preferred stock consisting of all of the outstanding shares of the 4.32% Series, 4.08% Series, 4.24% Series and the 4.78% Series at a price of \$28.75, \$25.50, \$25.80 and \$25.80, respectively. SCE recorded a \$9 million loss on the redemption of the preferred stock as an adjustment to net income available to common stockholders. No preferred shares were issued or redeemed outstanding in the years ended December 31, 2022 December 31, 2023 and 2021. There is no sinking fund requirement for redemptions or repurchases of preferred shares. 2022.

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Shares of SCE's preference stock rank senior to SCE's SCE's common stock with respect to dividend rights and distribution rights upon liquidation. Shares of SCE's preference stock are not convertible into shares of any other class or series of SCE's capital stock or any other security. SCE's outstanding preference shares are not subject to mandatory redemption

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and there is no sinking fund requirement for redemptions or repurchases of preference shares. There are no dividends in arrears for the preference shares.

Preference The following table summarizes preference stocks are: (dividends declared per share are for 2023):

(in millions, except shares and per share amounts)	Redemption					Dividends				
	Shares	Price	Declared	December 31,		Shares	Price	Declared	December 31,	
	Outstanding	per Share	per Share	2022	2021	Outstanding	per Share	per Share	2023	2022
No par value:										
3-month LIBOR + 4.199% Series E (cumulative)	350,000	\$ 1,000.00	\$ 65.110	\$ 350	\$ 350					

3-month LIBOR+4.199%										
Series E										
(cumulative)						350,000	\$1,000.00	\$ 96.823	\$ 350	\$ 350
5.10% Series G										
(cumulative)	88,004	2,500.00	127.500	220	220	88,004	2,500.00	127.500	220	220
5.75% Series H										
(cumulative)	110,004	2,500.00	143.750	275	275	110,004	2,500.00	143.750	275	275
5.375% Series J										
(cumulative)	130,004	2,500.00	134.375	325	325	130,004	2,500.00	134.375	325	325
5.45% Series K										
(cumulative)	120,004	2,500.00	136.250	300	300	120,004	2,500.00	136.250	300	300
5.00% Series L										
(cumulative)	190,004	2,500.00	125.000	475	475	190,004	2,500.00	125.000	475	475
7.50% Series M										
(cumulative)						220,004	2,500.00	—	550	—
SCE's preference stock						1,945	1,945			
Less issuance costs						(44)	(44)			
Less: issuance costs									(52)	(44)
Edison International's preference stock of utility						\$1,901	\$1,901			
									\$2,443	\$1,901

Shares of Series E, G and L preference stock issued in 2012, 2013 and 2017, respectively, may be redeemed at par, in whole or in part, on or after February 1, 2022. Dividends part. Series E dividends are payable at a floating rate from and including February 1, 2022. Shares of Series G, H, J, K, and M preference stock, issued in 2013, 2014, 2015, 2016, and 2017, 2023, respectively, may be redeemed at par, in whole, but not in part, at any time prior to March 15, 2018, March 15, 2024, September 15, 2025, March 15, 2026, and June 26, 2022 November 22, 2028, respectively, if certain changes in tax or investment company law or interpretation (or applicable rating agency equity credit criteria for Series L and M only) occur and certain other conditions are satisfied. On or after March 15, 2018, March 15, 2024, September 15, 2025, March 15, 2026, and June 26, 2022 November 22, 2028, SCE may redeem the Series G, H, J, K, and M shares, respectively, at par, in whole or in part. For shares of Series H, J and K preference stock, distributions will accrue and be payable at a floating rate from and including March 15, 2024, September 15, 2025 and March 15, 2026, respectively. Shares of Series G, H, J, K, L, and M preference stock were issued to SCE Trust II, SCE Trust III, SCE Trust IV, SCE Trust V, SCE Trust VI, and SCE Trust VI, VII, respectively, special purpose entities formed to issue trust securities as discussed in Note 3. During 2020, SCE redeemed \$180 million of The proceeds from the outstanding shares issuance of the Series G M preference stock. SCE recorded a \$6 million loss on the redemption of the preference stock as an adjustment shares in 2023 were used to net income available to common stockholders. repay commercial paper borrowings and/or for general corporate purposes. No preference stocks were issued or redeemed in the years ended December 31, 2022 December 31, 2023 and 2021, 2022.

Note

15. Accumulated Other Comprehensive Loss

The changes in accumulated other comprehensive loss, net of tax, consist of:

Edison International	SCE	Edison International	SCE
Years ended December 31,			

(in millions)					Years ended December 31,			
	2022	2021	2022	2021	2023	2022	2023	2022
Beginning balance	\$ (54)	\$ (69)	\$ (32)	\$ (41)	\$ (11)	\$ (54)	\$ (8)	\$ (32)
Pension and PBOP:								
Other comprehensive income before reclassifications	35	7	17	4				
Other comprehensive (loss) income before reclassifications					(2)	35	(5)	17
Reclassified from accumulated other comprehensive loss ¹	8	8	7	5	1	8	1	7
Foreign currency translation adjustments					3	—	—	—
Change	43	15	24	9	2	43	(4)	24
Ending Balance	\$ (11)	\$ (54)	\$ (8)	\$ (32)	\$ (9)	\$ (11)	\$ (12)	\$ (8)

¹ These items are included in the computation of net periodic pension and PBOP expenses, including amortization of net loss and settlement costs. See Note 9 for additional information.

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Note

16. Other Income, Net

Other income net of expenses is as follows:

(in millions)	Years ended December 31,			Years ended December 31,		
	2022	2021	2020	2023	2022	2021
SCE other income (expense):						
Equity allowance for funds used during construction	\$ 137	\$ 118	\$ 121	\$ 157	\$ 137	\$ 118
Increase in cash surrender value of life insurance policies and life insurance benefits	42	40	66	37	42	40
Interest income	80	3	20	261	80	3
Net periodic benefit income – non-service components	136	123	102	100	136	123
Civic, political and related activities and donations	(42)	(39)	(42)	(42)	(42)	(39)
Other	(16)	(12)	(12)	(16)	(16)	(12)
Total SCE other income	337	233	255			
Total SCE other income, net				497	337	233
Other income (expense) of Edison International Parent and Other:						
Interest income	9	—	—			
Net periodic benefit costs – non-service components	(2)	(2)	(2)			
Other	4	6	(2)			
Total Edison International other income	\$ 348	\$ 237	\$ 251			
Net (losses) gains on equity securities				(3)	1	3
Interest income and other				6	10	1
Total Edison International other income, net				\$ 500	\$ 348	\$ 237

17. Supplemental Cash Flows Information

	Edison International						SCE					
	Edison International						SCE					
(in millions)	Years ended December 31,						Years ended December 31,					
	2022	2021	2020	2022	2021	2020	2023	2022	2021	2023	2022	2021
Cash payments (receipts):												
Interest, net of amounts capitalized	\$ 1,001	\$ 887	\$ 836	\$ 864	\$ 760	\$ 713	\$1,401	\$1,001	\$887	\$1,155	\$864	\$760
Income taxes, net	(49)	(88)	(34)	(49)	(88)	(50)	—	(49)	(88)	—	(49)	(88)
Non-cash financing and investing activities:												
Dividends declared but not paid:												
Common stock	282	266	251	350	325	—	299	282	266	360	350	325
Preference stock of SCE	8	11	11	8	11	11	9	8	11	9	8	11
Details of debt exchange:												
Pollution-control bonds redeemed (2.625%)							(135)	—	—	(135)	—	—
Pollution-control bonds remarketed (4.50%)							135	—	—	135	—	—

Note 18. Related-Party Transactions

REFINITIV 

employees). Edison International allocates various corporate administrative and general costs to SCE and other subsidiaries using established allocation factors.

For the years ended December 31, 2022, 2021, and 2020, SCE purchased wildfire liability insurance for premiums of \$273 million, \$185 million, and \$176 million respectively, from Edison Insurance Services, Inc. ("EIS"), a wholly-

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owned subsidiary For the year ended December 31, 2023, SCE did not purchase wildfire liability insurance from EIS, except for a policy ending on June 30, 2023, which was purchased in the previous year. For the years ended December 31, 2022 and 2021, SCE purchased wildfire liability insurance for premiums of Edison International. \$273 million and \$185 million, respectively, from EIS. EIS fully reinsured the exposure for these policies through the commercial reinsurance market, with reinsurance limits and premiums equal to those of the insurance purchased by SCE, except for a contract for a premium of \$93 million for the 12 months ending June 30, 2023 under which EIS provided insurance protection to SCE. SCE recorded the premium as insurance expense and recorded an equal amount of revenue due to customer funding through regulatory cost recovery mechanisms, therefore there was no earnings impact on SCE's consolidated statements of income. EIS recorded the premium as insurance revenue. On the Edison International consolidated statements of income, the EIS insurance revenue is eliminated with SCE's insurance expense, therefore the SCE customer revenues increased the earnings of Edison International. The amount of insurance expense and corresponding revenue was \$44 million for the year ended December 31, 2023.

The related-party transactions included in SCE's consolidated balance sheets for wildfire-related insurance purchased from EIS and related expected insurance recoveries were as follows:

(in millions)	December 31,		December 31,	
	2022	2021	2023	2022
Prepaid insurance ¹	\$ 106	\$ 52	\$ —	\$ 106
Long-term insurance receivable due from affiliate	334	—	355	334

¹ Reflected in "Prepaid expenses" on SCE's consolidated balance sheets.

The expense for wildfire-related insurance premiums paid to EIS were \$213 million \$132 million, \$192 million \$213 million, and \$189 \$192 million for the years ended December 31, 2022 December 31, 2023, 2022, and 2021, and 2020, respectively.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Based on an evaluation of Edison International's and SCE's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of December 31, 2022 December 31, 2023, Edison International's and SCE's respective principal executive officers and principal financial officers have concluded that such controls and procedures are effective to ensure that information required to be disclosed by Edison International and SCE in reports that the companies file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms. In addition, Edison International's and SCE's respective principal executive officers and principal financial officers have concluded that such controls and procedures were effective in ensuring that information required to be disclosed by Edison International and SCE in the reports that Edison International and SCE file or submit under the Exchange Act is accumulated and communicated to Edison International's and SCE's management, including Edison International's and SCE's respective principal executive officers and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

Edison International's and SCE's respective management are responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f), for

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Edison International and its subsidiaries and SCE, respectively. Under the supervision and with the participation of their respective principal executive officer and principal financial officer, Edison International's and SCE's management conducted an evaluation of the effectiveness of their respective internal controls over financial reporting based on the framework set forth in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on their evaluations under the COSO framework, Edison

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International's and SCE's respective management concluded that Edison International's and SCE's respective internal controls over financial reporting were effective as of **December 31, 2022** **December 31, 2023**. Edison International's internal control over financial reporting as of **December 31, 2022** **December 31, 2023** has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report included in this filing, which is incorporated herein by this reference. This annual report does not include an attestation report of SCE's independent registered public accounting firm regarding internal control over financial reporting. Management's report for SCE is not subject to attestation by the independent registered public accounting firm.

Changes in Internal Control Over Financial Reporting

There were no changes in Edison International's or SCE's internal control over financial reporting during the fourth quarter of **2022** **2023** that have materially affected, or are reasonably likely to materially affect, Edison International's or SCE's internal control over financial reporting.

Jointly Owned Utility Plant

Edison International's and SCE's respective scope of evaluation of internal control over financial reporting includes their Jointly Owned Utility Projects.

BUSINESS

CORPORATE STRUCTURE, INDUSTRY AND OTHER INFORMATION

Edison International was incorporated in 1987 as the parent holding company of SCE, a California public utility incorporated in 1909. Edison International also owns Edison Energy, **which is engaged in the competitive business of a global energy advisory firm** providing **decarbonization integrated sustainability** and energy solutions to commercial, **industrial and institutional and industrial customers in North America and Europe, customers.**

The principal executive office of Edison International is located at 2244 Walnut Grove Avenue, P.O. Box 976, Rosemead, California 91770, and Edison **International's International's** telephone numbers is (626) 302-2222. The principal executive office of SCE is located at 2244 Walnut Grove Avenue, P.O. Box 800, Rosemead, California 91770, and **SCE's SCE's** telephone numbers is (626) 302-1212.

This is a combined Annual Report on Form 10-K for Edison International and SCE. Edison International and SCE make available at www.edisoninvestor.com: Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statements and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act, as soon as reasonably

practicable after Edison International and SCE electronically file such material with, or furnishes it to, the SEC. Such reports are also available on the SEC's internet website at www.sec.gov. The information contained on, or connected to, the Edison investor website is not incorporated by reference into this report.

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Subsidiaries of Edison International

SCE – Public Utility

SCE is an investor-owned public utility primarily engaged in the business of supplying and delivering electricity through SCE's electrical infrastructure to an approximately 50,000 square-mile area of southern California. SCE serves

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approximately 5 million customers in its service area. **As of December 31, 2023**, SCE's total number of customers by class were as follows:

(in thousands)	2022	2021	2020
Residential	4,541	4,499	4,531
Commercial	609	605	577
Industrial	6	7	9
Public authorities	69	70	46
Agricultural and other	19	20	20
Total	5,244	5,201	5,183

(in thousands)	2023	2022	2021
Residential	4,576	4,541	4,499
Commercial	610	609	605
Industrial	5	6	7
Public authorities	69	69	70
Agricultural and other	19	19	20
Total	5,279	5,244	5,201

In **2022, 2023**, SCE's total operating revenue of **\$17.2 \$16.3** billion was derived as follows: **41.9% 42.8%** commercial customers, **39.9% 37.4%** residential customers, **4.0% 4.1%** public authorities, **3.0% 2.7%** industrial customers, **4.0% 4.3%** agricultural and other, and **7.2% 8.7%** other operating revenue.

CPUC and FERC rates decouple authorized revenue from the volume of electricity sales and the price of energy procured so that SCE has the opportunity to receive revenue equal to amounts authorized by the relevant regulatory agencies. As a result, the volume of electricity sold to customers does not have a direct impact on SCE's financial results. See "SCE—Overview of Ratemaking Process—CPUC" and "—FERC" for further information.

Edison Energy – Energy Service Provider

Edison Energy which is engaged in the competitive business of a global energy advisory firm providing decarbonization integrated sustainability and energy solutions to commercial, industrial and institutional and industrial customers in North America and Europe customers. Edison Energy aims to provide energy solutions that address cost, carbon and complex choices for their its customers. To date, investments in Edison Energy are not material to be reported as a business segment.

Regulation of Edison International as a Holding Company

As a public utility holding company, Edison International is subject to the Public Utility Holding Company Act. The Public Utility Holding Company Act primarily obligates Edison International and its utility subsidiaries to provide access to their books and records to the FERC and the CPUC for ratemaking purposes.

Edison International is not a public utility and its capital structure is not regulated by the CPUC. The 1988 CPUC decision authorizing SCE to reorganize into a holding company structure, however, imposed certain obligations on Edison International and its affiliates. These obligations include a requirement that SCE's dividend policy continue to be established by SCE's Board of Directors as though SCE were a stand-alone utility company, and that the capital requirements of SCE, as deemed to be necessary to meet SCE's electricity service obligations, shall receive first priority from the Boards of Directors of Edison International and SCE. The CPUC has also promulgated Affiliate Transaction Rules, which, among other requirements, prohibit holding companies from (1) being used as a conduit to provide non-public information to a utility's affiliates and (2) causing or abetting a utility's violation of the rules, including providing preferential treatment to its affiliates.

Human Capital

At December 31, 2022 December 31, 2023, Edison International had an aggregate of 13,388 14,375 employees (excluding interns and employees on leaves of absence), of which 12,831 14,316 were full-time employees of SCE or its subsidiaries. In addition to employees, SCE's workforce includes a significant number of contract workers who support SCE's operations. Among these contract

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workers are Safety Tier 1 Contractors. SCE estimates, based on contractors' self-reported hours worked and a 2,080-hour work year, that there were approximately 10,000 9,000 full-time equivalent Safety Tier 1 Contractors supporting SCE operations (other than for decommissioning activities at San Onofre) during 2022, 2023. All Safety Tier 1 Contractors engaged in decommissioning activities at San Onofre are managed by the DGC. In addition to Safety Tier 1 Contractors, SCE also uses other contract workers to support its transmission and distribution, vegetation management, information technology and customer service activities.

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Approximately 3,900 4,200 of SCE's employees are covered represented by collective bargaining agreements with the International Brotherhood of Electrical Workers ("IBEW"). In February 2023, the IBEW membership ratified new collective bargaining agreements for the period January 1, 2023 through December 31, 2025. SCE continues to negotiate agreements with additional employee groups who subsequently certified IBEW as their bargaining representative. In addition, a substantial number of SCE's contract workers are also unionized.

Edison International focuses on various human capital measures and objectives in managing its business, including measures and objectives related to safety, diversity, equity and inclusion and workforce continuity, continuity.

Safety

Safety is the first of Edison International's core values. Edison International is committed to building and maintaining a safe environment for its employees, contract workers, customers and the public. Over the past several years, Edison International's efforts to improve workforce safety have included increased focus on, and investment in, maturing a culture of safety ownership among its workforce that empowers employees and contract workers to own their safety, support their team members' safety and contribute to a safe work environment.

Edison International makes efforts to eliminate fatalities and serious injuries and reduce all injuries. For instance, all full-time employees are provided with regular safety-related training, particularly for those who work in proximity to high-voltage electrical equipment and other high-risk activities. To further strengthen safety culture and performance, SCE implemented more a targeted safety requirements plan in 2023 for both prime contractors certain high hazard organizations resulting in improvements in leader field engagement and subcontractors in 2021 key safety leading indicators. SCE's localized leadership development efforts, which have been expanded to all transmission and continues distribution districts and grids, aim to prioritize safety, drive consistent safety behaviors and safe work practices from job planning to execution. These initiatives aim to further equip leaders with additional skills and tools to improve safety ownership and risk identification and mitigation.

In 2023, SCE also increased oversight of its contracted workforce through hiring of safety advisors and utilization of third-party observers. SCE implemented contractor initiatives to provide additional education on safe work practices, enhance risk awareness and better streamline understanding of SCE expectations.

Edison International uses employee safety culture assessments to measure its progress relative to improving its safety culture. Edison International also uses various measures to assess safety performance, including, without limitation,

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fatalities and serious injury rates for employees and contract workers. The following represents data for 2022: 2023:

Employee work-related fatalities ¹	01
Employee EEI Serious Injuries ¹	11
Employee EEI SIF Rate ^{1,2}	0.0870.088
Employee DART Rate ^{1,3}	1.161.45
Safety Tier 1 Contractor work-related fatalities ⁴	0
Safety Tier 1 Contractor EEI Serious Injuries ⁴	610
Safety Tier 1 Contractor EEI SIF Rate ^{2,4}	0.060.11
Safety Tier 1 Contractor DART Rate ^{3,4}	0.250.42

¹ Excludes employees of Edison Energy's subsidiary Alfa Energy Ltd., an entity acquired by Edison Alfa Energy Ltd.'s workforce is based in October 2022, the United Kingdom.

² EEI SIF Rate is calculated by multiplying the total number of 2022 2023 EEI SIF incidents (classified by SCE on or before January 13, 2023 January 12, 2024) by 200,000 and then dividing by the total number of reported hours worked.

³ DART Rate is calculated by multiplying the number of 2022 2023 DARTs (reported to SCE on or before January 10, 2023 January 10, 2024 for Safety Tier 1 Contractors and classified as a DART by SCE on or before January 13, 2023 January 12, 2024 for employees) by 200,000 and then dividing by the total number of reported hours worked. The 2022 2023 DART Rates will change based on information received by SCE after January 10, 2023 January 10, 2024, for Safety Tier 1 Contractors and after January 13, 2023 January 12, 2024 for employees.

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- 4 Excludes contractors managed Represents SCE contractor safety data and data provided by the DGC engaged by SCE to for contractors that undertake a significant scope of decommissioning activities at San Onofre.

Diversity, Equity and Inclusion

Edison International as part of its business strategy is committed to developing a team that reflects the broad diversity of the customers and communities it serves. At Edison International, on average, employees in the same role receive equal pay for equal work. Similar to broader society, when looking at gender or race/ethnicity-specific groups across Edison International without regard to role, female employees and Black and Hispanic employees do not receive comparable pay to male and White employees, respectively, due to lower representation of female, Black and Hispanic employees in higher paying jobs. Edison International is committed to working towards increasing diversity in its higher paying jobs. jobs to be representative of the communities it serves.

The table below provides Edison International's employee diversity data¹ as of December 31, 2022 December 31, 2023:

	Employees ²	Leaders ³	Executives ⁴	Employees ²	Leaders ³	Executives ⁴
Females	32 %	27 %	37%	32 %	27 %	39%
Racially/ethnically diverse	63 %	53 %	36 %			
Racially/ethnically or gender diverse	71 %	63 %	61 %			
Racially/ethnically diverse ⁵				64 %	54 %	33 %
Racially/ethnically or gender diverse ⁵				72 %	64 %	60 %

- ¹ Calculated using the guidelines SCE uses to calculate the diversity data it reports to the United States Equal Employment Opportunity Commission. Excludes employees of Alfa Energy Ltd., an entity acquired by Edison Energy in October 2022.
- ² Excludes interns and employees on a leave of absence.
- ³ "Leaders" represents all non-executive manager and supervisor level employees.
- ⁴ "Executives" represents all officers and all director level employees.
- ⁵ Excludes employees of Edison Energy's subsidiary Alfa Energy Ltd. Alfa Energy Ltd.'s workforce is based in the United Kingdom and does not track race/ethnicity data.

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To support Edison International's diversity, equity and inclusion efforts, Executives and Leaders are offered training and tools to promote diverse representation throughout their teams. In addition, Edison International evaluates whether hiring processes include diverse candidates and diverse sets of decision makers. In addition to measuring diversity, Edison International also uses various other measures to assess success of diversity, equity and inclusion initiatives, including without limitation, monitoring hiring, promotion and turnover rates for diverse employees.

Workforce Continuity

Edison International is committed to identifying and developing the talents of its workforce and takes a variety of steps to increase employee engagement and provide employees opportunities for growth. Employees are provided with offered training opportunities, including an onboarding program, technical training, required ethics and compliance training and optional trainings to support career development. SCE estimates that over 95% of active SCE employees completed all assigned training required to be completed in 2022 2023 as part of SCE's enterprise-wide training program. Employees may also be required to take additional trainings based on their job function.

Employees receive competitive compensation packages which include a wide selection of health plans, a 401(k) savings plan with a company match, wellness programs and initiatives, tuition reimbursement, competitive vacation/holiday program, professional development, volunteer programs, employee assistance program, and a philanthropy and matching contribution program.

Edison International uses various measures to assess employee engagement and satisfaction, including, without limitation, conducting regular employee engagement surveys and monitoring turnover. Edison International Parent and SCE's combined Turnover Rate was 7.6% 5.4% and

7.5% 7.8% in 2023 and 2022, and 2021, respectively.

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Executives engage in succession planning for leadership positions within the organization. Edison International's and SCE's Boards of Directors also engage in succession planning and talent development discussions for senior officers.

Edison International's Diversity, Equity and Inclusion Report and Sustainability Report are available at <http://www.edison.com/sustainability>. The reports and any other information contained on, or connected to, this website are not deemed part of, and are not incorporated by reference into, this Annual Report on Form 10-K.

Insurance

Edison International maintains a property and casualty insurance program for itself and its subsidiaries and excess liability insurance covering liabilities to third parties for bodily injury or property damage resulting from operations. These policies are subject to specific retentions, sub-limits and deductibles, which are comparable to those carried by other utility companies of similar size. Catastrophic events, such as hurricanes and storms, that do have not impact impacted Edison International or its subsidiaries directly have had an impact, and can have future impacts, on insurance markets overall.

While SCE maintains insurance relating to cybersecurity events, such insurance is subject to a number of exclusions and may be insufficient to offset any losses, costs or damage experienced.

SCE also has separate insurance programs for nuclear property and liability, workers compensation and wildfires. For further information on nuclear and wildfire insurance, see "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies—Contingencies."

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SCE

Regulation

CPUC

The CPUC has the authority to regulate, among other things, retail rates, utility distribution-level equipment and assets, energy purchases on behalf of retail customers, SCE capital structure, rate of return, issuance of securities, disposition of utility assets and facilities, oversight of nuclear decommissioning funding and costs, and aspects of the transmission system planning, site identification and construction, including safety and environmental mitigation. The CPUC can assess penalties on any public utility that violates or fails to comply with its rules and requirements, of up to \$100,000, for each offense, which could be assessed daily for a continuing violation. In November 2020, the CPUC adopted a new Enforcement Policy authorizing The CPUC's enforcement policy authorizes the staff of the CPUC to draft proposed Administrative Consent Orders and Administrative Enforcement Orders, both of which can include fines and serve as alternatives to issuance of a citation or formal investigation proceeding, for CPUC consideration and approval.

FERC

The FERC has the authority to regulate wholesale rates as well as other matters, including unbundled transmission service pricing, rate of return, accounting practices, and licensing of hydroelectric projects. The FERC also has jurisdiction over a portion of the retail rates and

associated rate design.

CAISO

The CAISO operates a wholesale energy market primarily in California through which competing electricity generators offer their electricity output to market participants, including electricity retailers. SCE has placed its transmission system under the operational control of the CAISO.

Major transmission projects required for reliability, economic and other policy reasons are identified and approved through the CAISO's annual transmission planning process. Depending on the nature of the project identified, it may be assigned to SCE or set for competitive bid.

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The CAISO is conducting transmission planning studies to identify transmission needed to meet a 46 million metric ton GHG emissions target by 2030 set by the CPUC for California's electricity sector to support California's target of reducing overall GHG emissions statewide by 40 percent below 1990 levels by 2030.

NERC

The FERC assigned administrative responsibility to the NERC to establish and enforce reliability standards and critical infrastructure protection standards, which protect the bulk power system against potential disruptions from cyber and physical security breaches. The critical infrastructure protection standards focus on controlling access to critical physical and **cyber security cybersecurity** assets, including supervisory control and data acquisition systems for the electric grid. The reliability standards define the requirements for planning and operating the bulk power system. Compliance with these standards is mandatory. As of the date of this filing, the maximum penalty that may be levied for violating a NERC reliability or critical infrastructure protection standard is approximately \$1.5 million per violation, per day.

SCE has formal **cyber security cybersecurity** and physical security programs that cover SCE's information technology and operational technology systems, including customer data. Program staff is engaged with industry groups as well as public-private initiatives to reduce risk and to strengthen the security and reliability of SCE's systems and infrastructure.

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OEIS

Effective July 1, 2021, the OEIS became the successor to the CPUC's Wildfire Safety Division ("WSD"), and was vested with the powers, duties, and responsibilities of the WSD, as well as other statutory authority. OEIS is responsible for, among other things, approving and overseeing compliance with WMPs. As part of overseeing WMP compliance, OEIS can issue notices of violation and recommend that the Commission pursue an enforcement action against an electrical corporation for noncompliance with its approved WMP. Other OEIS tasks include conducting safety culture assessments, approving executive compensation structures, and issuing safety certifications.

Nuclear Power Plant Regulation NRC

The NRC has jurisdiction with respect to the safety of San Onofre and Palo Verde Nuclear Generating Stations. The NRC regulates commercial nuclear power plants through licensing, oversight and inspection, performance assessment, and enforcement of its requirements. In June 2013, SCE decided to permanently retire and decommission San Onofre. The NRC regulates the decommissioning of San Onofre. For further information, see "Liquidity and Capital Resources—SCE—Decommissioning of San Onofre" in the MD&A.

Other Regulatory Agencies

The construction, planning and project site identification of SCE's transmission lines and substation facilities require the compliance with various laws and approval of many governmental agencies in addition to the CPUC and FERC. These include various state regulatory agencies depending on the project location; the CAISO; the U.S. Environmental Protection Agency and other environmental, land management and resource agencies such as the Bureau of Land Management, the U.S. Forest Service, the California Department of Fish and Wildlife, and the California Coastal Commission; and the State Water Resources Control Board. In addition, to the extent that SCE transmission line projects pass through lands owned or controlled by Native American tribes, consent and approval from the affected tribes and the Bureau of Indian Affairs are also necessary for the project to proceed.

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Compliance with Government Regulations

SCE incurs significant costs to comply with government regulations. These costs, which include operation and maintenance expenses and capital expenses, including include without limitation: costs incurred to maintain wildfire insurance coverage required under AB 1054; comply with environmental regulations, including licensing requirements, regulations governing California's renewable energy standards and regulations governing the decommissioning of SONGS; San Onofre; land use and construction regulations; privacy and cybersecurity regulations; and Occupational Safety and Health Administration regulations. SCE also incurs operation and maintenance expenses and capital expenses to comply with requirements set forth in various regulatory decisions, including, costs incurred to implement its approved capital projects and safety programs such as its WMPs.

Most costs incurred by SCE to comply with government regulations are authorized in its CPUC and FERC general rate cases and, are therefore, recovered through electric rates. To the extent SCE incurs costs to comply with government regulations above those that are authorized, or prior to obtaining authorization, for recovery through rates (for instance certain costs incurred in line with SCE's obligations under its WMPs and tracked in wildfire mitigation-related memorandum accounts), SCE will seek recovery of such costs through electric rates, rates to the extent they are eligible for recovery. There is no assurance that SCE will be allowed to fully recover these costs. For further information on wildfire mitigation and wildfire insurance costs, see "Liquidity and Capital Resources—SCE—Regulatory Proceedings—Wildfire Related Regulatory Proceedings."

SCE earns a rate of return on its authorized capital expenditures included in its rate base. Approximately \$1.6 billion of spending by SCE on wildfire risk mitigation capital expenditures made after August 1, 2019 are not included in rate base under the terms of AB 1054.

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Overview of Ratemaking Process

CPUC

Revenue authorized by the CPUC through GRC proceedings is intended to provide SCE a reasonable opportunity to recover its costs and earn a return on its net investments in generation and distribution assets and general plant (also referred to as "rate base") on a forecast basis. Revenue is authorized through quadrennial GRC proceedings where the CPUC sets an annual revenue requirement for the base year which is made up of the operation and maintenance costs, depreciation, taxes and a return consistent with the authorized cost of capital (discussed below). In the GRC proceedings, the CPUC also generally approves the level of capital spending on a forecast basis. Following the base year, the revenue requirements for the remaining three years will be set by a methodology established in the GRC proceeding, which has generally,

among other items, included annual allowances for escalation in operation and maintenance costs and additional changes in capital-related investments.

SCE's 2021 GRC has authorized revenue requirements for 2021, 2022, 2023 and 2023 2024 of \$6.9 billion, \$7.3 billion, \$7.7 billion and \$7.7 billion. In 2022, SCE made additional filings in \$8.4 billion, with the 2021 GRC proceeding seeking a approved revenue requirement of \$8.6 billion for 2024. For further discussion 2024 being subject to adjustments for SCE's 2024 cost of the 2021 GRC, see "Liquidity capital and Capital Resources— SCE—Regulatory Proceedings— 2021 General Rate Case Track 4" in the MD&A, expanded customer-funded self-insurance for wildfire-related claims. In May 2023, SCE expects to file filed its 2025 GRC application with the CPUC in May 2023, for the four-year period of 2025 – 2028. For further discussion of the 2025 GRC, see "Management Overview – 2025 GRC" in the MD&A.

By May 15 in the year preceding each GRC application filing date, SCE is required to file a Risk Assessment and Mitigation Phase ("RAMP") application with the CPUC to provide information about SCE's assessment of its key safety risks and its proposed programs and spending for mitigating those risks. SCE filed its RAMP application for the 2025 GRC in May 2022. The information developed during the RAMP informs SCE's proposed projects and funding requests in the subsequent phase of the GRC.

The CPUC regulates SCE's cost of capital, including its capital structure and authorized rates of return. SCE's currently authorized capital structure is 43% long-term debt, 5% preferred equity and 52% common equity. SCE's authorized capital structure is subject to certain exclusions, for example the waiver of certain expenses and debt related to the 2017/2018 Wildfire/Mudslide Events. For further information on the exclusion related to the 2017/2018 Wildfire/Mudslide Events, see "Notes to Consolidated Financial Statements—Note 1. Summary of Significant Accounting Policies—SCE Dividends."

SCE's currently

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authorized cost of capital for 2023, 2024 and 2025 consists of: cost of long-term debt of 4.39% 4.48%, cost of preferred equity of 6.50% 7.02% and ROE of 10.05% 10.75% and includes an adjustment mechanism set by the CPUC that could adjust authorized cost of capital between SCE's for 2025. Based on these cost of capital proceedings. Based on factors and the capital structure and cost factors discussed above, SCE's SCE's weighted average return on rate base will be 7.44% 7.87% for 2023. The CPUC also continued the cost of capital adjustment mechanism for 2023, 2024, and 2025, but opened a second phase in the proceeding to consider proposed changes to the mechanism. 2024.

The benchmark value for the cost of capital mechanism for SCE beginning in 2023 for 2024 is the 12-month, October 1, 2021 October 1, 2022 through September 30, 2022 September 30, 2023, average Moody's Baa utility bond yield of 4.37% 5.78%. Under the cost of capital adjustment mechanism, if the difference between the benchmark and the average of the same index for the 12-month period from October 1, 2023 to September 30, 2023 September 30, 2024 exceeds 100-basis points, SCE's CPUC-authorized ROE would be adjusted by half the amount of the difference (up or down) and SCE's costs of long-term debt and preferred equity would also be adjusted to reflect the then current embedded costs and projected interest rates effective January 1, 2024 January 1, 2025. The CPUC has an open proceeding in which it will consider proposed modifications to the adjustment mechanism. For further information on an adjustment to SCE's authorized cost of capital triggered in 2023 and reflected in SCE's current cost of capital, see "Management Overview—Cost of Capital Applications. Trigger." Certain parties have sought review or suspension of the 2024 adjustment, which could impact SCE's currently authorized cost of capital.

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CPUC rates decouple authorized revenue from the volume of electricity sales so that SCE receives revenue equal to amounts authorized. Differences between amounts collected and authorized levels are either collected from or refunded to customers, and, therefore, such differences do not impact operating revenue. Accordingly, SCE is neither benefited nor burdened by the volume of retail electricity sales.

Cost-recovery balancing accounts track the difference between actual expenditures associated with the account, revenue authorized for recovery by the CPUC (authorized revenue requirement), and the actual revenues collected within customer rates to cover those specific expenditures. These balancing accounts are used to track and recover, among other things, SCE's decoupled costs of fuel and purchased power, as well as certain operation and maintenance expenses. SCE earns no return on these activities and although differences between forecasted and actual costs do not impact earnings, such differences do impact cash flows and can change rapidly. SCE also has capital-related balancing accounts on which it earns a return, such as the pole loading balancing account. Costs tracked in balancing accounts are not subject to after-the-fact reasonableness review unless the balancing accounts are one-way balancing accounts or otherwise subject to a cost cap. SCE uses balancing accounts for cost recovery of authorized wildfire insurance expenses, WCCP expenditures up to 110% of authorized WCCP amounts and up to 115% of authorized vegetation management expenses. SCE also has memorandum accounts, which track costs above authorized levels eligible for cost recovery upon a future reasonableness review. To the extent SCE does not have a tracking mechanism, SCE cannot recover expenses that exceed authorized amounts. However, every subsequent GRC allows SCE to reflect its prior actual investment in plant as a part of the forecast for the next test year.

Under the 2021 GRC final decision, SCE can recover WCCP expenditures up to 110% of authorized WCCP amounts and up to 115% of authorized vegetation management expenses without being subject to after-the fact reasonableness review. SCE can seek recovery of wildfire insurance expenses above authorized levels, WCCP amounts above 110% of authorized levels and vegetation management expenses above 115% of authorized levels through reasonableness review applications. These incremental amounts are tracked in memorandum accounts. "Liquidity and Capital Resources—SCE—Regulatory Proceedings—Wildfire Related Regulatory Proceedings—2021 GRC Wildfire Mitigation Memorandum Account Balances."

SCE's cost-recovery mechanism for its fuel and purchased power-related costs is facilitated in three main balancing accounts, the ERRA, the PABA, and the NSGBA, new system generation balancing account ("NSGBA"). For all three accounts, SCE sets rates based on an annual forecast of the costs that it expects to incur during the subsequent year. In addition, the CPUC has established a "trigger" mechanism for the ERRA and the PABA. The trigger mechanism requires SCE to request an expeditious rate change if the sum of the ERRA balance and the bundled service customers' pro-rata share of the PABA balance exceeds 4% of SCE's prior year generation rate revenue and SCE does not expect the aggregate overcollection or undercollection to fall below 5% of SCE's prior year generation rate revenue within 120 days. For 2023, 2024, SCE estimates the 4% and 5% trigger amounts to be approximately \$216 million \$258 million and \$270 million \$323 million, respectively.

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For 2022, 2023, the 4% and 5% trigger amounts were approximately \$200 million \$216 million and \$250 million \$270 million, respectively. See "Liquidity As of December 31, 2023, the ERRA was overcollected by approximately \$196 million, the PABA was undercollected by approximately \$617 million, and Capital Resources—SCE—Regulatory Proceedings—ERRA Proceeding" for information regarding SCE filing an application to advise the NSGBA was undercollected by approximately \$225 million. In November 2023, the CPUC that SCE's undercollections had exceeded the trigger amount as of September 30, 2022, approved SCE incorporating these year-end balances into customer rates in January 2024.

The majority of fuel and purchased power procurement-related costs eligible for recovery through cost-recovery rates are pre-approved by the CPUC through specific decisions and a procurement plan with predefined standards that establish the eligibility for cost-recovery. If such costs are subsequently found to be non-compliant with this procurement plan, then this could negatively impact SCE's earnings and cash flows. In addition, the CPUC retrospectively reviews outages associated with utility-owned generation and SCE's power procurement contract administration activities through the annual ERRA review proceeding. A CPUC finding that SCE was unreasonable or imprudent with respect to its utility-owned generation outages and contract administration activities, could negatively impact SCE's earnings and cash flows. The ERRA review proceeding is also used as a venue to review costs in various memorandum and balancing accounts including the Pole Loading and Deteriorated Pole Programs Balancing Account.

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A California law adopted in 2022 has directed the CPUC to develop a definition of energy affordability and to use energy affordability metrics to guide the development of any protections, incentives, discounts, or new programs to assist residential customers facing hardships or disconnections due to electricity or gas bills and to assess the impact of proposed rate increases on different types of residential customers.

FERC

Transmission capital and operating costs that are prudently incurred, including a return on its net investment in transmission assets, are recovered through revenue authorized by the FERC. Since 2012, SCE has used a formula rate to determine SCE's FERC transmission revenue requirement, including its construction work in progress (CWIP) revenue requirement. Under operation of the formula rate, transmission revenue will be updated to actual cost of service annually. The transmission revenue requirement and rates are updated each December, to reflect a forecast of costs for the upcoming rate period, as well as a true up of the transmission revenue to actual costs incurred by SCE in the prior calendar year on its formula rate.

The FERC ROE is currently fixed at 10.3%, and does not separately reflect any adders. The FERC ROE would only change if a different ROE is approved by the FERC in a new proceeding. For further information on the FERC formula rates, related transmission revenue requirements and rate changes, see "Liquidity and Capital Resources—SCE—Regulatory Proceedings—2023 2024 FERC Formula Rate Annual Update" in the MD&A.

Retail Rates Structure and Residential Rate Design

To develop retail rates, the authorized revenue requirements are allocated among all customer classes (residential, commercial, industrial, agricultural and street lighting) on a functional basis (i.e., generation, distribution, transmission, etc.). Specific rate components are designed to recover the authorized revenue allocated to each customer class.

SCE has a two-tier residential rate structure. The first tier is priced at below-average cost and is intended to cover the customer's essential electricity needs. The second tier is priced at 25% 29% more than the first tier. The CPUC has ordered a transition from tiered to time-of-use ("TOU") rates for most residential customers unless they opt to stay on the tiered rate structure. Under a TOU rate structure, rates are based on the time of day and the season. TOU rates are typically lower early in the day, overnight, and on the weekends when energy resources are less in demand. SCE completed a multi-year transition of most customers to TOU rates in June 2022, and, as of December 31, 2022 December 31, 2023, approximately 60 percent of residential customers are on TOU rates. To recover a portion of the fixed costs of serving no- or low-usage residential customers, SCE assesses both fixed charges of less than \$1 per month, and a minimum charge of \$10 per month (\$5 for low-income customers). There is currently an open proceeding pending at the CPUC where the CPUC is considering establishing required to authorize an income-graduated fixed charge for certain residential rates by July 1, 2024. SCE has a financial assistance program that provide significant discounts to customers who qualify for customers of all investor-owned

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electric utilities, bill assistance based on their household size and income. For information on residential rates for customers with renewable generation systems, see "—Competition" below.

Purchased Power and Fuel Supply

SCE obtains the power, energy, and local grid support needed to serve its customers primarily from purchases from external parties. SCE estimates that approximately 20% 21% of power delivered to SCE's customers in 2022 2023 came from SCE's own generating facilities.

Natural Gas Supply

SCE requires natural gas to meet contractual obligations for power tolling agreements (power contracts in which SCE has agreed to provide or pay for the natural gas used to generate electricity) and to fuel its Mountainview and peaker plants, which are generation units that operate in response to wholesale market signals related to power prices and reliability needs. The physical natural gas purchased by SCE is sourced in competitive interstate markets at trading

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points on the SoCalGas local distribution company system and the El Paso pipeline. SoCalGas is the primary provider of intrastate pipeline transportation service to the gas-fueled generation stations that SCE controls. In 2015 – 2016, SoCalGas experienced a significant natural gas fuel leak at its Aliso Canyon underground gas storage facility. As a result, there continue to be limitations on the use facility that resulted in reduced capacity and capability usage of the facility, and the current available inventory at the facility. Currently, Aliso Canyon facility is limited authorized to 60% operate at up to 79% of its maximum capacity. To date, SCE has found that gas storage-use restrictions combined with SoCalGas pipeline maintenance constraints contributed to increased electricity costs for customers but did not impact grid reliability. However, there is no certainty that these restrictions or pipeline constraints will not impact grid reliability in the future. Price increases faced by customers would not affect SCE's earnings because SCE expects recovery of these costs through the ERRR balancing account or other CPUC approved procurement plans. However, these higher prices may impact cash flow due to the timing of those recoveries. For more information on cost-recovery mechanisms, see "—Overview of Ratemaking Process" above. SCE is actively monitoring legislative and regulatory processes that are addressing pipeline and electric grid operations impacted by the Aliso Canyon leak, including an Order Instituting Investigation issued by the CPUC in February 2017 to consider the feasibility of minimizing or eliminating the use of the Aliso Canyon facility. SCE has also made additional procurement efforts to alleviate the impact of the partial closure of Aliso Canyon, including accelerating existing contracts for new capacity, procuring energy storage from third-parties, contracting for design, build, and transfer of utility-owned storage, procuring additional demand response and contracting for firm gas transportation capacity.

CAISO Wholesale Energy Market

The CAISO operates a wholesale energy market primarily in California through which competing electricity generators offer their electricity output to market participants, including electricity retailers. The CAISO schedules power in hourly increments with hourly prices through a day-ahead market in California and schedules power in fifteen-minute and five-minute increments with fifteen-minute and five-minute prices through two real-time markets that cover California and portions of sixteen neighboring states through the Western Energy Imbalance Market. Both markets optimize energy procurement, ancillary service procurement, unit commitment and congestion management. SCE participates in the day-ahead and real-time markets for the sale of its own generation and generation under contract purchases for its load requirements. In February/December 2023, the CAISO Board and the Western Energy Imbalance Market ("Western EIM") Governing Body FERC approved a proposal for an Extended Day-Ahead Market ("EDAM") which, if approved by the FERC, will give, giving utilities in the Western EIM Energy Imbalance Market the option of joining a centralized day-ahead market run by the CAISO. The EDAM if adopted, will give gives utilities an opportunity to lock in energy prices a day in advance, and thereby substantially avoid volatility in the real-time energy market.

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The CPUC's Resource Adequacy program imposes resource adequacy requirements on load-serving entities like SCE that are designed to provide sufficient resources to the CAISO to ensure the safe and reliable operation of the grid in real time. The CPUC has adopted a central procurement structure in SCE's distribution service area for local resource adequacy that transfers the responsibility for procuring local

resource adequacy from other local load-serving entities to SCE, as a central procurement entity ("CPE") for its distribution service area, starting with the 2023 resource adequacy compliance year. Under this structure, while SCE will procure local resource adequacy to meet the local resource adequacy requirement for its distribution service area, other load-serving entities can also procure their own local resources. Load-serving entities that procure their own local resources can: (i) sell the capacity to SCE, (ii) utilize the resources, or (iii) voluntarily show the resources to meet their own needs, thereby reducing the amount of local resource adequacy the CPE will need to procure and reducing the total CPE procurement costs shared by all load-serving entities in that distribution service area. In June 2022, the CPUC reformed the resource adequacy framework by adopting SCE's proposed "24-hour slice of day" structure, which addresses the large variations in renewable generation that result in costly over procurement if utilities assess resource need based on periods longer than one hour.

Following state-wide rotating outages in August 2020 that impacted a significant number of SCE's customers, the CPUC has taken action towards ensuring reliable electric service in the event that an extreme heat events occur during summer. In June 2021, the CPUC has issued a decision requiring at least an aggregate of 11,500 MW of additional net qualifying renewable or zero-emitting capacity to be procured collectively by all of the load-serving entities subject to CAISO. the CPUC's Integrated Resource Planning purview. The aggregate additional capacity is required by 2026, 2028, with 2,000 MW required by 2023, an

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additional 6,000 MW required by 2024, an additional 1,500 MW required by 2025, and an additional 2,000 MW required by 2026. 2026, an additional 2,000 MW required by 2027, and an additional 2,000 MW of long-duration storage and firm zero-emitting resources required by 2028; 2,500 MW of the aggregate procurement requirement through 2025 must be through generation or generation paired with storage. SCE's allocation of the requirements is 705 MW by 2023, 2,114 MW by 2024, 529 MW by 2025, 684 MW by 2026, 684 MW by 2027, and 705 MW of long-duration storage and firm zero-emitting resources by 2026, 2028, for a total of 4,052 MW. In January 2023, the CPUC issued a Proposed Decision which, if adopted, would require all 5,421 MW; 880 MW of the load-serving entities subject to CAISO to collectively procure an additional 4,000 aggregate procurement requirement through 2025 must be through generation or generation paired with storage. SCE met its 2023 capacity requirements. As of December 31, 2023, SCE had procured over 4,440 MW of additional net qualifying renewable or zero-emitting capacity by 2028. SCE's allocation with expected online dates in 2023 through 2028; most of this capacity has not yet come online. SCE has procured approximately 80 percent of the addition 4,000 generation needed to meet its 880 MW aggregate procurement requirement for generation or generation paired with storage by 2025, but that generation is 1,410 MW. not expected to come online until 2026. SCE continues to actively pursue and execute various actions to procure additional capacity. additional capacity and energy. For instance, in January June 2023, the CPUC approved SCE entering into four six lithium-ion battery storage contracts with a total capacity of approximately 619 625 MW, which are expected to provide approximately 562 572 MW of capacity towards SCE's allocation of the 11,500 15,500 MW procurement requirement. The contracts range from 10-15 years and the projects are expected to be in service in 2023 and 2024.

In July 2021, California's Governor issued an Emergency Proclamation related February 2024, the CPUC adopted a decision approving SCE's integrated resource plan identifying the resources needed to accelerating construction meet California's greenhouse gas emissions and reliability targets and authorizing SCE to procure the resources needs identified in its plan. Additionally, the CPUC approved a process to request extensions of the 2028 procurement requirement for long-duration storage and firm zero-emitting resources to no later than 2031. The CPUC also denied SCE's request for extension of the 2025 aggregate procurement requirement for generation or generation paired with storage to 2027.

In May 2023, the CAISO released its 2022 – 2023 Transmission Plan based on the CPUC's projections that it needs to add more than 40 gigawatts of new resources ahead by 2032. As the incumbent transmission owner for a portion of possible summer 2022 shortfalls. Subsequently, the CPUC opened a Phase 2 these transmission projects. SCE expects to construct projects representing at least \$2 billion of its emergency reliability rulemaking proceeding to ensure there is adequate supply and demand management to achieve electrical system reliability in 2022 and 2023. expenditures, most of which will be incurred beyond 2028. In October 2021, of 2023, SCE, contracted in association with Lotus Infrastructure Global Operations, LLC, submitted bids for two transmission projects that were approved as part of the construction of utility owned storage at three sites 2022-2023 CAISO Transmission Planning Process. The CAISO will announce the successful bidders in SCE's service territory with an aggregate capacity of 537.5 MW, which SCE has been advised will be in-service prior to June 2023. See "Management Overview—Capital Program—Utility Owned Storage Projects" in the MD&A. In December 2021, the CPUC issued a final decision in Phase 2 of its emergency reliability rulemaking proceeding adopting several supply- and demand-side measures to help provide

contingency resources with the goal of ensuring that there is adequate electric power in the event of an extreme weather event in the summers of 2022 or 2023, including directing the investor-owned utilities to continue their procurement efforts and endeavor to achieve an effective 20 to 22.5% planning reserve margin for the summers of 2022 and 2023. 2024.

Competition

SCE faces retail competition in the sale of electricity to the extent that federal and California laws permit other sources to provide electricity and related services to retail customers within SCE's service area. While retail competition impacts customer rates it does not impact SCE's earnings activities because the volume of electricity sales is decoupled from authorized revenue. The increased retail competition is from governmental entities formed by cities, counties, and

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certain other public agencies to generate and/or purchase electricity for their local residents and businesses, known as CCAs. While California law provides only limited opportunities for customers in SCE's service area to choose to purchase power directly from an Electric Service Provider, a limited, phased-in expansion of customer choice ("Direct Access") for nonresidential customers was authorized beginning in 2009, and an additional limited expansion of Direct Access was authorized in 2018. When a customer who had previously taken bundled service from SCE converts to taking retail electricity service from an Electric Service Provider or a CCA, SCE remains that customer's transmission and distribution provider. Other forms of departing load include customer generation, and load that departs SCE service entirely to take electricity service from a publicly owned utility or a tribal utility.

California law requires bundled service customers remain financially indifferent to departing load customers and to the mass return of departing load customers in the event of an Electric Service Provider or CCA's failure or other service

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termination. The CPUC has issued a series of decisions designed to avoid cost shifting in the context of departing load, including revising the PCIA power charge indifference adjustment methodology to effectively address the cost shifts to bundled service customers.

Investor-owned utilities serve as the default providers of last resort in their respective service areas and can be significantly impacted by the Electric Service Providers or CCAs failing or otherwise exiting the market. In March 2021, the CPUC initiated a rulemaking to examine the risks of catastrophic failures by Electric Service Providers or CCAs on investor-owned utilities and the need for any changes in the regulatory framework to increase consumer protections and financial security requirements, among other measures.

As of year-end 2022, 2023, SCE had twelve CCAs serving customers in its service territory that represented approximately 27% 21% of SCE's total service load. While one CCA deregistered and exited, two new CCAs implemented and provided its notice to mass return a segment of its customers to SCE's bundled service in 2024, two CCAs expanded in SCE's service territory in 2022. Two 2023. One expanded CCAs have CCA has been approved by the CPUC to serve customers in SCE's service territory in 2023, however one of the implementations is likely to be deregistered. 2024. Based on recent load statistics, SCE anticipates that Direct Access and CCA load will be approximately 44% 37% of its total service load by the end of 2023, 2024.

Customer-owned power generation and storage alternatives, such as rooftop solar facilities and battery systems, are increasingly used by SCE's customers as a result of technological developments, federal and state subsidies, and declining costs of such alternatives. Beginning in 2020, and subject to certain exceptions, all newly built homes in California are required to have solar installations.

California legislation passed in 1995 encouraged private residential and commercial investment in renewable energy resources by requiring SCE and other investor-owned utilities to offer a NEM billing option to customers who install eligible power generation systems to supply all or part of their energy needs. NEM customers are interconnected to SCE's grid and credited for the net difference between the electricity SCE supplied to them through the grid and the electricity the customer exported to SCE over a 12-month period. SCE is required to credit the NEM customer for most of the power they sell back to SCE at the retail rate. Through the credit they receive, NEM customers effectively avoid paying certain grid-related costs. NEM customers are also exempted from some non-bypassable, standby and departing load charges and interconnection fees. Electric Service Providers and CCAs may, but are not required by law to, offer NEM rates.

In January 2016, the CPUC issued a decision adopting a new standard NEM tariff for customers with renewable generation systems. The changes that the CPUC decision made to the existing NEM tariff did not significantly impact the NEM subsidy. Specifically, the decision required customers that take service on SCE's NEM tariff after June 2017 to continue to be compensated at the retail rate, minus certain non-bypassable charges. NEM customers also continued to be exempted from standby and departing load charges but were required to pay a \$75 interconnection fee and to select a time-of-use retail rate.

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The effect of these types of competition on SCE generally is to reduce the amount of electricity purchased from SCE by retail customers. Customers who use alternative electricity sources typically continue to utilize and pay for SCE's transmission and distribution services, however, current NEM customers utilize, but do not pay the full cost for, those services. While changes in volume or rates generally do not impact SCE's earnings activities, decreased retail electricity sales by SCE has the effect of increasing utility rates because the costs of the distribution grid are not currently borne by all customers that benefit from its use. See "Risk Factors—Risks Relating to Southern California Edison Company—Competitive and Market Risks."

In August 2020, the CPUC initiated a rulemaking to develop a successor to the NEM tariffs. In December 2022, the CPUC issued final decision reducing the current NEM subsidy by decoupling export compensation from the retail rate. Under the final decision, the CPUC deferred consideration of whether to assess a grid participation charge to address the costs participating customers avoid by reducing the electricity they purchase from SCE and whether to adopt other mechanisms that would allow SCE to recover its cost of service and the costs of many public policy programs to another pending proceeding. The final decision also provides an enhanced subsidy for lower income customers and customers who pair rooftop solar with energy storage systems. The final decision does not apply to existing NEM customers until after they have completed twenty years on their existing NEM tariff, at which time they will move to the new, reduced tariff.

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transmission and distribution services, however, current NEM customers utilize, but do not pay the full cost for, those services. While changes in volume or rates generally do not impact SCE's earnings activities, decreased retail electricity sales by SCE has the effect of increasing utility rates because the costs of the distribution grid are not currently borne by all customers that benefit from its use. There is currently an open proceeding pending at the CPUC where the CPUC is required to authorize an income-graduated fixed charge for certain residential rates by July 1, 2024. See "Risk Factors—Risks Relating to Southern California Edison Company—Competitive and Market Risks."

In the area of transmission infrastructure, SCE has experienced increased competition from independent transmission providers under the FERC's transmission planning requirements rules, effective in 2011, that removed the incumbent public utility transmission owners' federally-

based right of first refusal to construct certain new transmission facilities and mandated regional and interregional transmission planning. Regional entities, such as independent system operators, have processes for regional and interregional transmission planning and the competitive solicitation and selection of developers (including incumbent utilities) to build and own certain types of new transmission projects. The CAISO has held competitive solicitations pursuant to these rules and independent service providers were selected.

Properties

SCE supplies electricity to its customers through extensive transmission and distribution networks. Its transmission facilities, which are located primarily in California but also in Nevada and Arizona, deliver power from generating sources to the distribution network and consist of approximately 13,000 circuit-miles of lines ranging from 55 kV to 500 kV and approximately 80 transmission substations. SCE's distribution system, which takes power from distribution substations to customers, consists of approximately 38,000 circuit-miles of overhead lines, approximately 31,000 circuit-miles of underground lines and approximately 730 distribution substations.

At [December 31, 2022](#) [December 31, 2023](#), SCE had ownership interests in generating and energy storage facilities, primarily located in California, with approximately 7,000 MW of net physical capacity, of which SCE's pro-rata share is approximately 3,000 MW. SCE's pro rata share includes approximately [73,258](#) MW of capacity from facilities that were not operational or out of service at [December 31, 2022](#), other than for routine maintenance purposes, [December 31, 2023](#) and excludes retired facilities. In addition to its current facilities, in October 2021, SCE contracted for the construction of utility owned storage at three sites in SCE's service territory with an aggregate capacity of 537.5 MW, which SCE has been advised will be in-service prior to June 2023, MW. See "Management Overview—["Liquidity and Capital Program—Resources—Capital Investment Plan—Utility Owned Storage Projects "](#) in the MD&A.

Certain of SCE's substations, and portions of its transmission, distribution and communication systems are located on lands owned by the federal, state or local governments under licenses, permits, easements or leases, or on public streets or highways pursuant to franchises. Certain of the documents evidencing such rights obligate SCE, under specified circumstances and at its expense, to relocate such transmission, distribution, and communication facilities located on lands owned or controlled by federal, state, or local governments.

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SCE owns and operates hydroelectric plants and related reservoirs, the majority of which are located in whole or in part on U.S.-owned lands and are subject to FERC licenses. Slightly over half of these plants have FERC licenses that expire at various times through 2046. FERC licenses impose numerous restrictions and obligations on SCE, including the right of the United States to acquire projects upon payment of specified compensation. When existing licenses expire, the FERC has the authority to issue new licenses to third parties that have filed competing license applications, but only if their license application is superior to SCE's and then only upon payment of specified compensation to SCE. New licenses issued to SCE are expected to contain more restrictions and obligations than the expired licenses because laws enacted since the existing licenses were issued require the FERC to give environmental objectives greater consideration in the licensing process. In addition, SCE expects additional opposition to new licenses by environmental stakeholder groups. If, in the future, SCE decides to, or is forced to, decommission one or more hydroelectric projects, the costs related to the decommissioning will be substantial. The CPUC approved SCE recovering a portion of estimated of decommissioning costs for hydroelectric projects in the 2021 GRC.

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Substantially all of SCE's properties are subject to the lien of a trust indenture securing first and refunding mortgage bonds. See "Notes to Consolidated Financial Statements—Note 5. Debt and Credit Agreements."

Seasonality

Due to warm weather during the summer months and SCE's rate design, operating revenue during the third quarter of each year is generally higher than the other quarters. However, as discussed above, SCE earnings are not affected by changes in retail electricity sales. See "Overview of Ratemaking Process" above.

SOUTHERN CALIFORNIA WILDFIRES

Wildfires in SCE's territory, including those where SCE's equipment **may be has been** alleged to be associated with the fire's ignition, have caused loss of life and substantial damage in recent years. Multiple factors have contributed to increased wildfire activity and faster progression of wildfires across SCE's service territory and in other areas of California. These include the buildup of dry vegetation in areas severely impacted by years of historic drought, lack of adequate clearing of hazardous fuels by responsible parties, higher temperatures, lower humidity, increased incidence of dry lightning, and strong Santa Ana winds. At the same time that wildfire risk has been increasing in Southern California, residential and commercial development has occurred and is occurring in some of the highest-risk areas. Such factors can increase the likelihood and extent of wildfires. SCE has determined that approximately 27% of its service territory is in areas identified as high fire risk.

California has experienced unprecedented weather conditions in recent years due to climate change, and SCE's service territory remains susceptible to additional wildfire activity in **2023 2024** and beyond. The worsening weather and fuel conditions across California increase the likelihood of wildfires, including those where SCE's equipment may be alleged to be associated with the fire's ignition. In response to worsening conditions and **increased** wildfire activity **over in its territory in the recent past, several years**, SCE has been focused on developing and implementing plans aimed at reducing the risk of SCE equipment contributing to the ignition of wildfires, from its 2018 **Gris Grid** Safety and Resiliency Program to its WMPs. In addition, California has increased its investment in wildfire prevention and fire suppression capabilities.

Multiple lawsuits related to wildfire events have been initiated against SCE and Edison International. For further information, see "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies—Contingencies—Southern California Wildfires and Mudslides," "Risk Factors" and "Management Overview—Southern California Wildfires and Mudslides" in the MD&A.

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Recovery of Wildfire-Related Costs

Pre-AB 1054 Cost Recovery

California courts have previously found investor-owned utilities to be strictly liable for property damage, regardless of fault, by applying the theory of inverse condemnation when a utility's facilities were determined to be a substantial cause of a wildfire that caused the property damage. The rationale stated by these courts for applying this theory to investor-owned utilities is that property damages resulting from a public improvement, such as the distribution of electricity, can be spread across the larger community that benefited from such improvement through recovery of uninsured wildfire-related costs in electric rates. However, in November 2017, the CPUC issued a decision denying SDG&E's request to include in its rates uninsured wildfire-related costs arising from several 2007 wildfires, finding that SDG&E did not meet the prudence standard because it did not prudently manage and operate its facilities prior to or at the outset of the 2007 wildfires. In July 2018, the CPUC denied both SDG&E's application for rehearing on its cost recovery request and a joint application for rehearing filed by SCE and PG&E limited to the applicability of inverse condemnation principles in the same proceeding. The California Court of Appeal, the California Supreme Court and the United States Supreme Court **have** denied SDG&E's petitions for review of the CPUC's denial of SDG&E's application.

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2019 Wildfire Legislation

In July 2019, AB 1054 was signed by the Governor of California and became effective immediately. The summary of the wildfire legislation below is based on SCE's interpretation of AB 1054.

AB 1054 Prudency Standard

Under AB 1054, the CPUC must apply a revised standard when assessing the prudency of a utility in connection with a request for recovery of wildfire costs for wildfires ignited after July 12, 2019. Under AB 1054, the CPUC is required to find a utility to be prudent if the utility's conduct related to the ignition was consistent with actions that a reasonable utility would have undertaken under similar circumstances, at the relevant point in time, and based on the information available at that time. Prudent conduct under the AB 1054 standard is not limited to the optimum practice, method, or act to the exclusion of others, but rather encompasses a spectrum of possible practices, methods, or acts consistent with utility system needs, the interest of the ratepayers, and the requirements of governmental agencies. AB 1054 also clarifies that the CPUC may determine that wildfire costs may be recoverable, in whole or in part, by taking into account factors within and outside the utility's control, including humidity, temperature, and winds. Further, utilities with a valid safety certification will be presumed to have acted prudently related to a wildfire ignition unless a party in the cost recovery proceeding creates serious doubt as to the reasonableness of the utility's conduct, at which time, the burden shifts back to the utility to prove its conduct was prudent. If a utility does not have a valid safety certification, it will have the burden to prove, based on a preponderance of evidence, that its conduct was prudent. The new prudency standard will survive the termination of the Wildfire Insurance Fund.

Utilities participating in the Wildfire Insurance Fund that are found to be prudent are not required to reimburse the fund for amounts withdrawn from the fund and can recover wildfire costs through electric rates if the fund has been exhausted.

Wildfire Insurance Fund

AB 1054 provided for the Wildfire Insurance Fund to reimburse a utility for payment of third-party **damage damages** claims arising from certain wildfires that exceed, in aggregate in a calendar year, the greater of \$1.0 billion or the insurance coverage required to be maintained under AB 1054. The Wildfire Insurance Fund was established in September 2019 and is available for claims related to wildfires ignited after July 12, 2019 that are determined by the responsible government investigatory agency to have been caused by a utility.

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SCE and SDG&E collectively made their initial contributions totaling approximately \$2.7 billion (SCE share is \$2.4 billion) to the Wildfire Insurance Fund in September 2019. Upon its emergence from bankruptcy, on July 1, 2020, PG&E made its initial contribution of approximately \$4.8 billion to the Wildfire Insurance Fund. PG&E, SCE and SDG&E are also collectively expected to make aggregate contributions of approximately \$3.0 billion (SCE share is \$950 million) to the Wildfire Insurance Fund through annual contributions to the fund over a 10-year period by no later than January 1 of each year, of which they have made **three five** annual contributions totaling approximately **\$1.2 billion \$1.5 billion** (SCE share is approximately **\$380 million \$475 million**). In addition to PG&E's, SCE's and SDG&E's contributions to the Wildfire Insurance Fund, PG&E, SCE and SDG&E are expected to collect \$6.1 billion, \$6.1 billion and \$1.3 billion, respectively, from their customers over a 15-year period through a dedicated rate component. The amount collected from customers may be directly contributed to the Wildfire Insurance Fund or used to support the issuance of up to \$10.5 billion in bonds by the California Department of Water Resources, the proceeds of which would be contributed to the fund. In addition to funding contributions to the Wildfire Insurance Fund, the amount collected from utility customers will pay for, among other things, any interest and financing costs related to any bonds that are issued by the California Department of Water Resources to support the contributions to the Wildfire Insurance Fund.

SCE's contributions to the Wildfire Insurance Fund will not be recoverable through electric rates and will be excluded from the measurement of SCE's CPUC-jurisdictional authorized capital structure. SCE will also not be entitled to cost

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recovery for any borrowing costs incurred in connection with its contributions to the Wildfire Insurance Fund. For information on the accounting impact of SCE's contributions to the Wildfire Insurance Fund see "Notes to Consolidated Financial Statements—Note 1. Summary of Significant Accounting Policies—Initial and annual contributions to the wildfire insurance fund established pursuant to California Assembly Bill 1054 " in this report.

Reimbursement from Wildfire Insurance Fund and AB 1054 Liability Cap

Participating investor-owned utilities will be reimbursed from the Wildfire Insurance Fund for eligible claims, subject to the fund administrator's review. SCE will reimburse the fund for any withdrawn amounts if SCE receives payment of such amounts under an indemnification agreement or from an insurance provider or other third-party. SCE will also be required to reimburse the fund for withdrawn amounts that the CPUC disallows, subject to the AB 1054 Liability Cap. If the utility has maintained a valid safety certification and its actions or inactions that resulted in the wildfire are not found to constitute conscious or willful disregard of the rights and safety of others, the aggregate requirement to reimburse the fund over a trailing three calendar year period is capped at 20% of the equity portion of the utility's transmission and distribution rate base in the year of the prudence determination. Based on SCE's forecasted weighted-average 2023 2024 transmission and distribution rate base, excluding general plant and intangibles, and using the equity portion of SCE's CPUC authorized capital structure of 52%, SCE's requirement to reimburse the Wildfire Insurance Fund for eligible claims disallowed in 2023 2024 would be capped at approximately \$3.8 billion \$3.9 billion.

SCE will not be allowed to recover borrowing costs incurred to reimburse the fund for amounts that the CPUC disallows. The Wildfire Insurance Fund and, consequently, the AB 1054 Liability Cap will terminate when the administrator determines that the fund has been exhausted.

Safety Certification and Wildfire Mitigation Plan

Under AB 1054, SCE can obtain an annual safety certification upon the submission by September 14th of each year of certain required safety information, including an approved WMP. Under AB 1054, SCE is also required to submit a comprehensive WMP to the CPUC at least once every three years for review and approval. Each such comprehensive plan is now required to cover at least a three-year period. In addition, SCE anticipates updating its comprehensive three-year plans annually in the intervening years.

SCE submitted its 2020 2023 – 2022 2025 WMP in February 2020 and most recently submitted updates to its plan in February 2022 to, among other things, report on implementation of its plan, describe new and ongoing wildfire mitigation activities and

report on its progress on remedying issues identified in an action statement issued by the OEIS in August 2021. In July 2022, the March 2023. The OEIS approved SCE's 2022 updates to its 2020 SCE's 2023 – 2022 2025 WMP in October 2023 and the CPUC ratified the OEIS approval in August 2022. November 2023.

On December 13, 2022 December 7, 2023, SCE obtained a OEIS issued SCE's safety certification, that which will be valid for 12 months. months from the date of issuance. Notwithstanding its 12-month term, if SCE requested requests a new safety certification by September 14, 2023 September 14, 2024, then its current safety certification would will remain valid until OEIS acts on SCE's request for a new safety certification.

SCE expects to file its 2023 – 2025 WMP in March 2023. request.

Public Safety Power Shutoffs

In addition to the investments SCE is making as part of its WMP, SCE also uses Public Safety Power Shutoffs ("PSPS") to proactively de-energize power lines as a last resort to mitigate the risk of catastrophic wildfires during extreme weather events.

SCE initiated PSPS 12 times in 2020 as part of its wildfire mitigation efforts resulting in an aggregate of approximately 268 million customer minutes interrupted. On Since 2020, on a risk informed basis, SCE has made efforts and continues to reduce the frequency make significant

investments and impacts of progress in improving its PSPS in 2021 as compared to 2020 protocols. SCE initiated PSPS ten 8 times in 2021 2023 resulting in approximately 222 million 22 million customer minutes interrupted. The 2021 As of February 15, 2024, SCE had not initiated any PSPS events include a January 2021 event that resulted in approximately 118 million customer minutes interrupted. 2024. While SCE's wildfire mitigation efforts contributed to the reduction in use and impact of PSPS in 2021, since 2020, the use of PSPS also depends on weather and fuel conditions. SCE initiated PSPS six times in 2022 resulting in approximately seven million customer minutes interrupted. As

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[Table of February 16, 2023, SCE had not initiated any PSPS events in 2023, Contents](#)

In January 2021, the President of the CPUC sent SCE a letter expressing her concern regarding SCE's execution of PSPS in 2020 and notifying SCE that it must implement a PSPS action plan to reduce the impacts of PSPS on the customers and communities it serves. SCE has one item left to implement on its PSPS action plan. In June 2021, the CPUC issued a final decision which, among other things, will reduce future authorized revenue for the volumetric reductions in electricity sales resulting from PSPS events initiated after June 2021 until the CPUC determines that improvements in the PSPS program have been made.

In June 2022, the SED issued an Administrative Enforcement Order ("AEO") against SCE proposing penalties of \$10 million \$10 million for alleged noncompliance with customer notification requirements related to PSPS events in 2020. In October 2022, the SED and SCE reached a settlement agreement under which SCE agreed to pay a penalty of \$7 million and , inclusive of a \$6 million disallowance of PSPS program-related costs. SCE also agreed to complete certain corrective actions to resolve the AEO. SCE certified completion of the AEO corrective actions in June 2023. SCE did not admit wrongdoing or liability as part of the settlement. SCE's obligations under the settlement agreement will commence after commenced in August 2023 when CPUC approval of the agreement is became final and non-appealable.

SCE has made may be subject to penalties for noncompliance with customer notification and continues post event reporting requirements related to make significant investments PSPS events initiated after 2020. In April 2023, SCE received a Notice of Violation from the SED on alleged noncompliance with notification and progress post event reporting requirements related to PSPS events in improving its PSPS protocols, including through increased automation of customer notifications. 2021.

ENVIRONMENTAL CONSIDERATIONS

Greenhouse Gas Regulation

Edison International recognizes that its industry and the global economy are in the midst of a profound transformation toward a low-carbon future as a response to climate change. SCE plans to be a key enabler of the adoption of new energy technologies that benefit customers of the electric grid. its customers. See "Management Overview—Electricity Industry Trends" in the MD&A.

Approximately 66% 72% of SCE's sources of utility-owned generation were carbon-free in 2022 2023. SCE estimates that approximately 20% 19% of power delivered to SCE's customers in 2022 2023 came from SCE's own generating facilities, with approximately 9% 10% nuclear, 3% 4% large hydroelectric, less than 1% small hydroelectric, and less than 1% solar generation. Approximately 7% 5% were natural gas sources. Since 2010, SCE has reported its annual GHG emissions from

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utility-owned generation each year to the U.S Environmental Protection Agency by March 31 of the following year. SCE's 2022 2023 GHG emissions from utility-owned generation are estimated to be approximately 1,500,000 1,000,000 metric tons.

California is committed to reducing its GHG emissions, improving local air quality and supporting continued economic growth. California's major initiatives for reducing GHG emissions include a law that targets the reduction of GHG emissions across the entire state economy to 40% below 1990 levels by 2030 and a California cap-and-trade program established by the California Air Resources Board ("CARB"). Other major policy measures include the Low Carbon Fuel Standard program established by CARB. In 2022, the California Climate Crisis Act declared the policy of the state to achieve net zero greenhouse gas emissions as soon as possible, but no later than 2045, to achieve and maintain net negative greenhouse gas emissions thereafter, and to ensure that by 2045, statewide anthropogenic greenhouse gas emissions are reduced to at least 85% below the 1990 levels. Edison International is committed to achieving net-zero GHG emissions by 2045, in alignment with economywide climate actions planned by California. This commitment covers the power SCE delivers to customers and Edison International's enterprise-wide operations.

In the California cap-and-trade program, all covered GHG emitters, including SCE, are subject to an annually declining program "cap" on emissions designed to encourage entities to reduce emissions from their operations. Covered entities must remit a compliance instrument for each ton of carbon dioxide equivalent gas emitted and can do so buying state-issued emission allowances at auction or purchasing them in the secondary allowance market. From 2013 to 2020, GHG emitters could have met up to 8% of their cap-and-trade obligations by procuring GHG offset credits from verified offset programs, such as reforestation, that have recognized effects on reducing atmospheric GHGs. The offset usage limit has decreased to 4% for 2021 – 2025 emissions and will then increase to 6% for 2026 – 2030 emissions. Starting with 2021

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emissions, no more than one-half of the quantitative offset usage limit may be sourced from projects that do not provide direct environmental benefits in California.

California has adopted RPS targets that require California retail sellers of electricity to provide certain percentages of energy sales from renewable resources defined in the statute, including 33% of retail sales by December 2020; 44% of retail sales by December 2024, 52% of retail sales by December 2027, and 60% of retail sales by December 2030. Approximately 35% of SCE's supply portfolio in 2020 came from renewable sources eligible under California's RPS, of which 32% was delivered to customers and 3% was sold for resale. As such, SCE met California's 2020 RPS target. Approximately 39% 40% of SCE's supply portfolio in 2022 2023 came from renewable sources eligible under California's RPS, of which 36% was delivered to customers and 3% 4% was sold for resale. SCE's climate change objectives align with California's requirements, and SCE remains well-positioned to meet California's 2030 and 2045 RPS targets. requirements.

Separate from RPS targets, California requires the following percentages of retail sales of electricity to California end-use customers must be from carbon-free resources by the following deadlines: 90% by December 31, 2035, 95% by December 31, 2040, and 100% by December 31, 2045. California also requires each state agency to ensure that carbon free carbon-free resources supply 100% of electricity procured on its behalf by December 31, 2035. SCE plans to propose for CPUC approval new programs to help state agency customers meet their accelerated 100% clear clean power needs. SCE estimates that approximately 48% 49% of SCE's customer deliveries in 2022 2023 came from carbon-free resources. SCE believes that it is well-positioned to meet California's carbon-free requirements.

Additionally, the CPUC and the California Energy Commission adopted GHG emission performance standards that apply to California investor-owned and publicly owned utilities' long-term arrangements for the purchase of electricity. The standards prohibit these entities, including SCE, from owning or entering into long-term financial commitments with generators, such as coal plants, that emit more GHG than a combined-cycle natural gas turbine generator. California also supports climate action to meet the December 2015 Paris Agreement.

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Edison International supports these California environmental initiatives and has undertaken analysis which, consistent with third-party analysis, shows that electrification across multiple sectors, including transportation and industrial sectors, is among the most cost-effective ways to achieve California's requirements and goals. Edison International and SCE believe that these initiatives will lead to increased electrification across the economy and SCE is investing in grid technologies and charging infrastructure to support California's goals.

Environmental Risks

Climate change has, and continues to, impact California. Southern California has warmed 3 degrees Fahrenheit in the last century, snowpack has declined, and, according to a 2022 study, the drought from 2020 to 2021 in the Western United States and Northern Mexico are experiencing was their driest period in at least 1,200 years. Severe droughts and windstorms contributed to the devastating wildfires that swept through parts of California in recent years, demonstrating the serious threat that weather extremes caused by climate change pose to California's communities and the environment. See "Management Overview—Southern California Wildfires and Mudslides" in the MD&A and "Business—Southern California Wildfires."

Severe weather events, including drought, increasingly severe windstorms and rising sea-levels, pose risks to SCE's infrastructure and SCE and Edison International are investing in building a more resilient grid to reduce climate- and weather-related vulnerabilities. See "Liquidity and Capital Resources—SCE—Regulatory Proceedings—Wildfire Related Regulatory Proceedings" in the MD&A.

In May 2022, SCE provided its climate adaptability vulnerability assessment ("CAVA") to the CPUC. The CAVA addresses the projected climate impacts of temperature, sea level, precipitation, wildfire, and cascading impacts (such as rain on snow or debris flow) on SCE in the 2030, 2050, and 2070 timeframes. SCE's SCE's CAVA will inform planning related

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to SCE assets, operations, and services, with the goal of maintaining a resilient electric grid in the face of climate change and will inform future investment in the grid.

For more information on risks related to climate change, environmental regulation and SCE's business strategy, see "Risk Factors—Risks Relating to Southern California Edison Company—Operating Risks."

UNRESOLVED STAFF COMMENTS

None.

CYBERSECURITY

Overview

Cybersecurity presents an ever-evolving challenge to the electric power industry and Edison International and SCE have identified cybersecurity as a key enterprise risk. SCE's operations require the continuous availability of critical information and operational technology systems, sensitive customer and employee data, and infrastructure information, all of which are targets for malicious actors. Cybersecurity attacks, which can arise from external actors, internal threats, or through SCE's supply chain, are continually becoming more frequent and more sophisticated. SCE's grid modernization efforts and the transition to a more connected grid, including incorporating communication and operating technologies aimed at enabling SCE to respond faster, operate its systems more efficiently and reliably, and incorporate DERs at a greater level, also increases SCE's vulnerability to cybersecurity attacks. To SCE's knowledge it has not experienced a material cybersecurity incident to date.

SCE's increased reliance on technology necessarily increases cybersecurity risk. Cybersecurity incidents that may cause a major disruption of SCE's operations, and therefore may materially affect Edison International and SCE's financial condition, operations, and business reputation, include cyber attacks designed to compromise or exfiltrate data (e.g., ransomware attacks), damage or destroy systems, conduct future malicious actions, and/or gain control of or otherwise interrupt the operation of SCE's electric grid. For additional information on risks from cybersecurity threats that may have a material effect on Edison International and SCE, see the "Risks Relating to Edison International and Southern California Edison Company—Cybersecurity and Physical Security Risks."

Risk Management, Strategy and Oversight

SCE assesses and monitors cybersecurity risks to current infrastructure, new projects, and third parties, including vendors. SCE performs targeted audits, leverages third party assessments and uses the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF) as a guideline to identify, evaluate and manage material risks from cybersecurity threats. SCE also engages consultants to assist in identifying, evaluating and managing its cybersecurity risks, and uses contractual terms to establish cybersecurity requirements with certain third parties. Identified cybersecurity risks are documented and presented to management to review and advise on cybersecurity strategies and mitigation measures. Based on management reviews, cybersecurity strategies and remediation plans are developed or adjusted to address pertinent risks. Edison International and SCE leverage training, policies, technical and procedural controls, and mitigation plans to address risks from cybersecurity threats.

Management has established a cybersecurity oversight group comprised of a multidisciplinary senior management team, including its Vice President of Enterprise Risk Management, to monitor and provide strategic direction for the prevention, detection, mitigation, and remediation of risks from cybersecurity threats. A Boards of Directors' liaison regularly attends meetings of the cybersecurity oversight group and provides reports to the Safety and Operations Committees of the Boards of Directors. Other members of the Boards of Directors are invited to attend meetings and typically attend at least one meeting annually.

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The Edison International and SCE Audit and Finance Committees of the Boards of Directors oversee enterprise risk management, including risks from cybersecurity threats. Annually, Edison International and SCE's enterprise risk management team conducts a review of enterprise risks, including risks from cybersecurity threats, and presents the results of its review to management and the Audit and Finance Committees. In addition, the Boards of Directors have assigned primary responsibility for cybersecurity operations oversight to the Edison International and SCE Safety and Operations Committees, which receive regular cybersecurity updates from SCE's Chief Security Officer on specific topics, including the dynamic cybersecurity landscape and defense and risk mitigation strategies. To inform its oversight over cybersecurity threats, SCE's Chief Security Officer also presents to the full Boards of Directors annually. The Boards of Directors also receive an annual cybersecurity report from an external SCE consultant that includes an assessment of SCE's cybersecurity program and organization.

SCE's Chief Security Officer, Brian Barrios, has primary responsibility for assessing and managing risks from cybersecurity threats, and serves as Edison International and SCE's chief information security officer. Mr. Barrios has extensive experience in the cybersecurity industry, including previous experience in cybersecurity roles at Southern Company, the MITRE Corporation, the National Institute of Standards and Technology (NIST), and the Federal Bureau of Investigation (FBI). Mr. Barrios earned a bachelor's degree in computer information systems from Clemson University and is a Certified Information Systems Security Professional (CISSP).

For additional information on the Edison International Board of Directors cybersecurity related experience and oversight of cybersecurity risk management, see Edison International's Proxy Statement under the headings "Director Skills Matrix" and "Board Oversight of Strategy, Risk and ESG."

PROPERTIES

As a holding company, Edison International does not directly own any significant properties other than the stock of its subsidiaries. The principal properties of SCE are described above under "Business—SCE—Properties."

LEGAL PROCEEDINGS

2017/2018 Wildfire/Mudslide Events

Multiple lawsuits related to the 2017/2018 Wildfire/Mudslide Events naming SCE as a defendant have been filed by three categories of plaintiffs: individual plaintiffs, subrogation plaintiffs and public entity plaintiffs. A number of the lawsuits also name Edison International as a defendant and some of the lawsuits were filed as purported class actions. As of February 15, 2024, in addition to the outstanding claims of approximately 1,500 of the approximately 15,000 initial individual plaintiffs, there were alleged and potential claims of certain public entity plaintiffs, including Cal OES and Cal Fire, outstanding. The litigation could take a number of years to be resolved because of the complexity of the matters and number of plaintiffs.

As of February 16, 2023 February 15, 2024, SCE was aware of approximately 120 currently 70 pending unsettled lawsuits representing approximately 1,000 200 individual plaintiffs related to the Thomas and Koenigstein Fires naming SCE as a defendant. Approximately 95 40 of the approximately 120 pending 70 lawsuits also name Edison International as a defendant based on its ownership and alleged control of SCE. One of the lawsuits was filed as a purported class action. The lawsuits, which have been filed in the superior courts of Ventura, Santa Barbara and Los Angeles Counties allege, among other things, negligence, inverse

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condemnation, trespass, private nuisance, and violations of the public utilities and health and safety codes. SCE and certain of the individual plaintiffs in the Thomas and Koenigstein Fire litigation have been pursuing settlements of claims under a mediation program adopted to promote an efficient and orderly settlement process. Some As of February 15, 2024, trials have been set in 2024 for 4 individual plaintiffs who have opted to pursue trial outside of in the settlement program. TKM litigation.

Approximately 30 20 of the approximately 120 70 pending unsettled individual plaintiff lawsuits mentioned in the paragraph above allege that SCE has responsibility for the Thomas and/or Koenigstein Fires and that the Thomas and/or

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Koenigstein Fires proximately caused the Montecito Mudslides, resulting in the plaintiffs' claimed damages. Many of the Montecito Mudslides lawsuits also name Edison International as a defendant based on its ownership and alleged control of SCE. In addition to other causes of action, some of the Montecito Mudslides lawsuits also allege personal injury and wrongful death. A bellwether jury trial previously scheduled for October 12, 2020 was vacated due to the wide-spread disruption caused by the COVID-19 pandemic.

As of February 16, 2023 February 15, 2024, SCE was aware of approximately 370 230 currently pending unsettled lawsuits representing approximately 3,000 1,300 individual plaintiffs related to the Woolsey Fire naming SCE as a defendant. Approximately 110 200 of the 370 230 lawsuits also name Edison International as a defendant based on its ownership and alleged control of SCE. At least one of the lawsuits was filed as a purported class action. The lawsuits, which have been filed in the superior courts of Ventura and Los Angeles Counties allege, among other things, negligence, inverse condemnation, personal injury, wrongful death, trespass, private nuisance, and violations of the public utilities and health and safety codes. SCE and certain of the individual plaintiffs in the Woolsey Fire litigation have been pursuing settlements of claims under a mediation program adopted to promote an efficient and orderly settlement process. Some SCE anticipates receiving and analyzing claims and damage data from individual plaintiffs may opt who have opted into the settlement program during the first half of 2024. As of February 15, 2024, trials have been set in 2024 for CAL OES, CAL FIRE, and 31 individual plaintiffs who have opted to pursue trial outside of in the settlement program. Woolsey Fire litigation.

The Thomas and Koenigstein Fires and Montecito Mudslides lawsuits are being coordinated in the Los Angeles Superior Court. The Woolsey Fire lawsuits have also been coordinated in the Los Angeles Superior Court.

For further information, including regarding settlement activity related to the 2017/2018 Wildfire/Mudslide Events, see "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies—Contingencies—Southern California Wildfires and Mudslides."

Environmental Proceedings

Each of Edison International and SCE have elected to disclose environmental proceedings described in Item 103(c)(3)(iii) of Regulation SK unless it reasonably believes that such proceeding will result in no monetary sanctions, or in monetary sanctions, exclusive of interest and costs, of less than \$1,000,000.

Mission Canyon

SCE performed 1.6 miles of access road grading and vegetation clearing in the Mission Canyon area of Santa Barbara County in December 2019, resulting in debris moving downslope into a creek bed and other impacts in the area (the "Mission Canyon Incident"). Several state and federal environmental agencies and the County and City of Santa Barbara have investigated the unpermitted grading and discharges to the creek, and SCE has received Notices of Violation from the Army Corps of Engineers, the County of Santa Barbara, the California Department of Fish & Wildlife and the Regional Water Quality Control Board. In December 2020, SCE and the Santa Barbara County District Attorney entered into a settlement regarding alleged criminal and civil violations related to the Mission Canyon Incident. Under the settlement, SCE pled no contest to a single misdemeanor charge for violation of the California Water Code and agreed to pay a \$10,000 fine. SCE also agreed to pay a civil penalty of \$3.5 million and is subject to an injunction compelling it to complete planned remediation work related to the Mission Canyon Incident and not commit similar violations for five years. It is presently unknown whether any regulatory agencies will impose additional fines or penalties on SCE with respect to the Mission Canyon Incident and, if so, in what amounts. SCE does not expect fines or penalties that are

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imposed in connection with the Mission Canyon Incident to be material.

MINE SAFETY DISCLOSURE

Not applicable.

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CERTAIN INFORMATION ABOUT EDISON INTERNATIONAL

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Executive Officer	Age at		Company Position
	February 23, 2023	15, 2024	
Pedro J. Pizarro	57	58	President and Chief Executive Officer
Maria Rigatti	59	60	Executive Vice President and Chief Financial Officer
Adam S. Umanoff	63	64	Executive Vice President, and General Counsel and Corporate Secretary
Caroline Choi	54	55	Senior Vice President, Corporate Affairs
J. Andrew Murphy	62	63	Senior Vice President, Strategy and Corporate Development Chief Executive Officer, Edison Energy
Natalie K. Schilling	63	64	Senior Vice President, Human Resources
Steven D. Powell	44	45	President and Chief Executive Officer, SCE
Jill C. Anderson	42	43	Executive Vice President, Operations, SCE

As set forth in Article IV of Edison International's Bylaws, the elected officers of Edison International are chosen annually by, and serve at the pleasure of, Edison International's Board of Directors and hold their respective offices until their resignation, removal, other disqualification from service, or until their respective successors are elected. All of the officers of Edison International have been actively engaged in the business of Edison International and its subsidiaries for more than five years, except for Ms. Schilling, and have served in their present positions for the periods stated below. Additionally, those officers who have had other or additional principal positions in the past five years had the following business experience during that period:

Executive Officers	Company Position	Effective Dates
Pedro J. Pizarro	Chief Executive Officer, Edison International	October 2016 to present
Maria Rigatti	Executive Vice President and Chief Financial Officer, Edison International	October 2016 to present
Adam S. Umanoff	Corporate Secretary, Edison International and SCE	December 2023 to present
	Executive Vice President and General Counsel, Edison International	January 2015 to present
Caroline Choi	Senior Vice President, Corporate Affairs, Edison International and SCE	February 2019 to present
	Senior Vice President, Regulatory Affairs, SCE	June 2016 to February 2019
J. Andrew Murphy	Chief Executive Officer, Edison Energy	July 2023 to present
	Senior Vice President, Strategy and Corporate Development, Edison International	September 2015 to present July 2023
Natalie K. Schilling	Senior Vice President, Human Resources Edison International and SCE	March 2022 to present
	Vice President, Human Resources, Edison International and SCE	April 2020 to February 2022
	Chief Human Resources Officer, Aerojet Rocketdyne Holdings, Inc. ¹	April 2018 to January 2020
Steven D. Powell	President and Chief Executive Officer, SCE	December 2021 to present
	Executive Vice President, Operations, SCE	September 2019 to December 2021
	Senior Vice President, Strategy, Planning and Operational Performance, SCE	August 2018 to September 2019
	Vice President, Strategy & Integrated Planning, SCE	February 2016 to August 2018
Jill C. Anderson	Executive Vice President, Operations, SCE	December 2021 to present
	Senior Vice President, Customer Service, SCE	March 2020 to December 2021
	Senior Vice President, Strategic Planning and Power Supply, SCE	September 2019 to March 2020
	Vice President, Customer Programs and Services, SCE	January 2018 to September 2019

¹ Aerojet Rocketdyne Holdings, Inc. ~~is was~~ an aerospace and defense firm ~~acquired by L3Harris Technologies, Inc. on July 28, 2023~~, and is not a parent, affiliate or subsidiary of Edison International

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DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information concerning executive officers of Edison International is set forth above under "Information about our Executive Officers." Other information responding to this section will appear in the Edison International Proxy

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Statement under the headings "Our Director Nominees," "Experience, "Director Skills and Attributes on the Board, Matrix," "Director Biographies," and "Delinquent Section 16(a) Reports" and is incorporated herein by this reference.

The Edison International Employee Code of Conduct is applicable to all officers and employees of Edison International and its subsidiaries. The Code is available on Edison International's Internet website at www.edisoninvestor.com at "Corporate Governance." Any amendments or waivers of Code provisions for the Company's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, will be posted on Edison International's Internet website at www.edisoninvestor.com.

EXECUTIVE COMPENSATION

Information responding to this section will appear in the Edison International Proxy Statement under the headings "Compensation Discussion and Analysis," "Executive Compensation" (other than "—Pay Versus Performance") and "Director Compensation" and is incorporated herein by this reference.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information responding to this section will appear in the Edison International Proxy Statement under the heading "Stock Ownership" and is incorporated herein by this reference.

Equity Compensation Plan Information

All of Edison International's equity compensation plans that were in effect as of [December 31, 2022](#) [December 31, 2023](#) have been approved by security holders. The following table sets forth, for each of Edison International's equity compensation plans, the number of shares of Edison International Common Stock subject to outstanding options, warrants and rights to acquire such stock, the weighted average exercise price of those outstanding options, warrants and rights, and the number of shares remaining available for future award grants as of [December 31, 2022](#) [December 31, 2023](#).

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining for future issuance under equity compensation plans (excluding securities reflected in column (a)(c))	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining for future issuance under equity compensation plans (excluding securities reflected in column (a)(c))
	(a)	(b)	(a)(c)	(a)	(b)	(a)(c)
Equity compensation plans approved by security holders	13,355,067 ¹	\$ 63.64	16,244,934 ²	13,144,141 ¹	\$ 64.30	13,146,662 ²

¹ This amount includes [11,883,556](#) [11,418,243](#) shares covered by outstanding stock options, [753,174](#) [899,768](#) shares covered by outstanding restricted stock unit awards, [167,836](#) [180,417](#) shares covered by outstanding deferred stock unit awards, and [550,501](#) [645,713](#) shares covered by outstanding performance share awards (calculated at 100% of the target number of shares subject to each performance share award; the actual payout for each award will be zero to twice the target number of shares for the award, depending on performance), with the outstanding shares covered by outstanding restricted stock unit, deferred stock unit, and performance share awards including the crediting of dividend equivalents through [December 31, 2022](#) [December 31, 2023](#). The weighted average exercise price of awards outstanding under equity compensation plans approved by security holders reflected in column (b) above is calculated based on the outstanding stock options under these plans as the other forms of awards outstanding have no exercise price. Awards payable solely in cash are not reflected in this table.

² This amount is the aggregate number of shares available for new awards under the Edison International 2007 Performance Incentive Plan and the Edison International Employee Stock Purchase Plan as of [December 31, 2022](#) [December 31, 2023](#). The maximum number of shares of Edison International Common Stock that may be issued or transferred pursuant to awards under the Edison International 2007 Performance Incentive Plan is 71,031,524. Shares available under the Edison International 2007 Performance Incentive Plan may generally, subject to certain limits set forth in the plan, be used for any type of award authorized under that plan, including stock options, restricted stock, performance shares, restricted or deferred units, and stock bonuses. The maximum number of shares of Edison International Common Stock that may be acquired under the Edison International

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shares of Edison International Common Stock that may be issued or transferred pursuant to awards under the Edison International 2007 Performance Incentive Plan is 71,031,524. Shares available under the Edison International 2007 Performance Incentive Plan may generally, subject to certain limits set forth in the plan, be used for any type of award authorized under that plan, including stock options, restricted stock, performance shares, restricted or deferred units, and stock bonuses. The maximum number of shares of Edison International Common Stock that may be acquired under the Edison International Employee Stock Purchase Plan is 3,000,000.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information responding to this section will appear in the Edison International Proxy Statement under the headings "Governance Structure and Processes—Certain Relationships and Related Party Transactions," and "Governance Structure and Processes—Director Independence," and is incorporated herein by this reference.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

PricewaterhouseCoopers LLP ("PwC") served as Edison International's and SCE's principal accountant in 2022, 2023. Information responding to this section for Edison International will appear in the Edison International Proxy Statement under the heading "Independent Auditor Fees," and is incorporated herein by this reference.

The following table sets forth the aggregate fees billed by PwC to SCE for the fiscal years ended December 31, 2022, December 31, 2023 and December 31, 2021, December 31, 2022:

SCE (\$000)	
SCE (\$000)	
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balancing the design of an audit scope that will achieve a high-quality audit with driving efficiencies from both SCE and PwC while compensating PwC fairly.	
The SCE Audit and Finance Committee is required to pre-approve all audit and permitted non-audit services performed by PwC to ensure these services will not impair the firm's independence. The SCE Audit and Finance Committee has delegated to the Committee Chair the authority to pre-approve services between committee meetings, provided that any pre-approval decisions are presented to the committee at its next meeting. PwC must assure that all audit and non-audit services provided to SCE have been approved by the SCE Audit and Finance Committee.	
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During the fiscal year ended **December 31, 2022****December 31, 2023**, all services performed by PwC were pre-approved by the SCE Audit and Finance Committee, irrespective of whether the services required pre-approval under the Securities Exchange Act of 1934.

MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Edison International

Edison International Common Stock is traded on the New York Stock Exchange under the symbol "EIX."

There are restrictions on the ability of SCE to transfer funds to Edison International that materially limit the ability of Edison International to pay cash dividends. Such restrictions are discussed in the MD&A under the heading "Liquidity and Capital Resources—SCE—SCE Dividends," and in "Notes to Consolidated Financial Statements—Note 1. Summary of Significant Accounting Policies—SCE Dividends." The number of common stockholders of record of Edison International was **25,645****24,639** on **February 16, 2023****February 15, 2024**. In addition, Edison International cannot pay dividends if it does not meet California law requirements on retained earnings and solvency.

Southern California Edison Company

As a result of the formation of a holding company described under the heading "Business" above, all of the issued and outstanding common stock of SCE is owned by Edison International and there is no market for such stock. There are restrictions on SCE's ability to pay dividends to Edison International and to its preference shareholders. Such restrictions are discussed in the MD&A under the heading "Liquidity and Capital Resources—SCE—SCE Dividends," and in "Notes to Consolidated Financial Statements—Note 1. Summary of Significant Accounting Policies—SCE Dividends."

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Purchases of Equity Securities by Edison International and Affiliated Purchasers

The following table contains information about all purchases of Edison International's Series A Preferred Stock and Series B Preferred Stock made by or on behalf of Edison International in the fourth quarter of 2023. For further information about Series A Preferred Stock and Series B Preferred Stock, see "Notes to Consolidated Financial Statements—Note 14. Equity."

Period	Series	(a) Total Number of Shares (or Units) Purchased	(b) Average Price per Share (or Unit) ¹	(c) Total Approximate Number of Shares (or Units) Purchased as Part of Publicly Announced Plans ²	(d) Maximum Number (or Units) that May Yet Be Purchased Under the Programs
October 1, 2023 to October 31, 2023	-	-	-	-	-
November 1, 2023 to November 30, 2023	Series A Preferred Stock	61,497	\$924.85	61,497	-
	Series B Preferred Stock	84,223	\$904.17	84,223	-
December 1, 2023 to December 31, 2023	Series A Preferred Stock	29,186	\$970.99	-	-
	Series B Preferred Stock	133,323	\$955.11	-	-
Total		308,229		145,720	-

¹ The prices include the liquidation value and accrued dividends per share, respectively.

² On October 11, 2023, Edison International commenced a tender offer to purchase its outstanding 5.00% Fixed-Rate Reset Cumulative Perpetual Preferred Stock, Series B ("Series B Preferred Stock") and its 5.375% Fixed-Rate Reset Cumulative Perpetual Preferred Stock, Series A ("Series A Preferred Stock") for a maximum aggregate purchase price in cash of up to \$750 million, plus accrued dividends ("Tender Offer"). The Tender Offer expired on November 16, 2023 and Edison International purchased, upon the terms and subject to the conditions described in the Schedule TO filed with the SEC on October 11, 2023, as amended, \$84,223,000 aggregate liquidation preference of Series B Preferred Stock shares and \$61,497,000 aggregate liquidation preference of Series A Preferred Stock shares.

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Comparison of Five-Year Cumulative Total Return



Graphic

	At December 31,						At December 31,					
	2017	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022	2023
Edison												
International	\$100	\$ 93	\$128	\$112	\$127	\$124	\$100	\$138	\$120	\$136	\$133	\$156
S & P 500												
Index	\$100	\$ 96	\$126	\$149	\$191	\$157	\$100	\$131	\$156	\$200	\$164	\$207
Philadelphia												
Utility Index	\$100	\$104	\$131	\$135	\$159	\$160	\$100	\$127	\$130	\$154	\$155	\$141

Note: Assumes \$100 invested on **December 31, 2017** December 31, 2018 in stock or index including reinvestment of dividends. Performance of the Philadelphia Utility Index is regularly reviewed by management and the Board of Directors in understanding Edison International's relative performance and is used in conjunction with elements of Edison International's compensation program.

OTHER INFORMATION

Insider Trading Arrangements

The following officer of Edison International, as defined in Rule 16a-1(f) of the Exchange Act, adopted a "Rule 10b5-1 trading arrangement," as defined in Item 408 of Regulation S-K, as follows:

On November 3, 2023, J. Andrew Murphy, Chief Executive Officer of Edison Energy, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Exchange Act for the exercise of stock option awards and sale of up to 199,663 shares of the Edison International's Common Stock. The exercise price and any withholding taxes due shall be remitted to Edison International from the proceeds of any sale under the trading arrangement. The first date that sales of any shares permitted to be sold under the trading arrangement is the later of: (i) February 2, 2024; and (ii) the earlier of the third business day following the filing of Edison International's Form 10-K for the year ended December 31, 2023 with the SEC, and March 3, 2024. Subsequent stock option exercises and sales under the trading arrangement may occur on a regular basis until February 27, 2025.

PART II, ITEM 6. Reserved.

This item no longer requires disclosure.

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FORM 10-K SUMMARY

None.

OTHER INFORMATION

None.

PART II, ITEM 6. Reserved.

This item no longer requires disclosure.

DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) (1) Financial Statements

See Consolidated Financial Statements listed in the Table of Contents of this report.

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(a) (2) Report of Independent Registered Public Accounting Firm and Schedules Supplementing Financial Statements

Edison International

The following documents may be found in this report at the indicated page numbers under the headings "Financial Statements and Supplementary Data—Reports of Independent Registered Accounting Firm" and "Exhibits and Financial Statement Schedules—Schedules Supplementing Financial Statements" in the Table of Contents of this report.

Report of Independent Registered Public Accounting Firm - Edison
Schedule I – Condensed Financial Information of Edison

Schedules II through V, inclusive, for Edison International are omitted as not required or not applicable.

Southern California Edison Company

The following documents may be found in this report at the indicated page numbers under the headings "Financial Statements and Supplementary Data—Reports of Independent Registered Accounting Firm" and "Exhibits and Financial Statement Schedules—Schedules Supplementing Financial Statements" in the Table of Contents of this report.

Report of Independent Registered Public Accounting Firm - SCE

Schedules I through V, inclusive, for SCE are omitted as not required or not applicable.

(a) (3) Exhibits

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EXHIBIT INDEX

Exhibit Number	Description
Edison International	
3.1	Certificate of Restated Articles of Incorporation of Edison International, effective December 19, 2006, together with all Certificates of Determination of Preference of Preferred Stock issued since December 19, 2006 (File No. 1-9936, filed as Exhibit 3.1 to Edison International's International's Form 10-K for the year ended December 31, 2021)*
3.2	Bylaws of Edison International, as amended effective December 8, 2022 (File No. 1-9936, filed as Exhibit No. 3.1 to Edison International's Form 8-K dated December 8, 2022 and filed December 9, 2022)*
Southern California Edison Company	
3.3	Amended and Restated Articles of Incorporation of Southern California Edison Company, SCE, effective March 2, 2006, together with all Certificates of Determination of Preference Stock issued since March 2, 2006 (File August 28, 2023 (Filed No. 1-2313 filed as Exhibit 3.1 to SCE's SCE's Form 10-Q for the quarter ended June 30, 2017 8-K dated September 19, 2023 and filed September 21, 2023)*
3.4	Bylaws of Southern California Edison Company, as amended effective December 8, 2022 (File No. 1-2313, filed as Exhibit No. 3.2 to SCE's SCE's Form 8-K dated December 8, 2022 and filed December 9, 2022)*
Edison International	
4.1	Edison International - Description of Registered Securities (File No. 1-9936, filed as Exhibit 4.1 to Edison International's Form 10-K for the year ended December 31, 2019)*

- 4.2 [Senior Indenture, dated September 10, 2010 \(File No. 1-9936, filed as Exhibit 4.1 to Edison International's Form 10-Q for the quarter ended September 30, 2010\)*](#)
- 4.3 [Form of Certificate representing Series A Preferred Stock \(included as Exhibit A to Certificate of Determination of the 5.375% Fixed Rate Reset Cumulative Perpetual Preferred Stock Series A\) \(File No. 1-9936, filed as Exhibit 3.1 to Edison International's International's Form 10-K for the year ended December 31, 2021\)*December 31, 2021\)*](#)
- 4.4 [Form of Certificate representing Series B Preferred Stock \(included as Exhibit A to Certificate of Determination of the 5.00% Fixed Rate Reset Cumulative Perpetual Preferred Stock Series B\) \(File No. 1-9936, filed as Exhibit 3.1 to Edison International's International's Form 10-K for the year ended December 31, 2021\)*December 31, 2021\)*](#)

Southern California Edison Company

- 4.5 [Southern California Edison Company First Mortgage Bond Trust Indenture, dated as of October 1, 1923 \(File No. 1-2313, filed as Exhibit 4.2 to SCE's Form 10-K for the year ended December 31, 2010\)*](#)

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Exhibit Number	Description
4.6	<u>Southern California Edison Company Indenture, dated as of January 15, 1993 (File No. 1-2313, filed as Exhibit 4.3 to SCE's Form 10-K for the year ended December 31, 2017)*</u>
4.7	<u>Certificate of Determination of Preferences of the Company's Series M Preference Stock (File No. 1-2313, filed as Exhibit 4.1 to SCE's Form 8-K dated November 16, 2023 and filed on November 22, 2023)*</u>

Edison International and Southern California Edison Company

- 10.1** [Edison International 2008 Director Deferred Compensation Plan, as amended and restated effective January 1, 2021 \(File No. 1-9936, filed as Exhibit No. 10.2 to Edison International's Form 10-Q for the quarter ended September 30, 2020\)*](#)

- 10.2** [Edison International Executive Deferred Compensation Plan, as amended and restated effective June 19, 2014 \(as amended\) \(File No. 1-9936, filed as Exhibit No. 10.7 to Edison International's Form 10-Q for the quarter ended March 31, 2018\)*](#)
- 10.3** [Edison International 2008 Executive Deferred Compensation Plan, as amended and restated effective January 1, 2021 \(File No. 1-9936, filed as Exhibit No. 10.3 to Edison International's Form 10-Q for the quarter ended September 30, 2020\)* January 1, 2024](#)
- 10.4** [Southern California Edison Company Executive Retirement Plan, as amended effective June 19, 2014 \(File No. 1-9936, filed as Exhibit 10.7 to Edison International and SCE's Form 10-Q for the quarter ended June 30, 2014\)*](#)
- 10.4.1** [Edison International 2008 Executive Retirement Plan, as amended and restated effective December 8, 2021 \(File No. 1-9936, filed as Exhibit 10.5.1 to Edison International's Form 10-K for the year ended December 31, 2021\)* January 1, 2024](#)
- 10.5** [Edison International Executive Incentive Compensation Plan, as amended and restated effective January 1, 2022 January 1, 2024 \(File No. 1-9936, filed as Exhibit 10.6 10.2 to Edison International's International's Form 10-K 10-Q for the year quarter ended December 31, 2021 September 30, 2023\)*](#)
- 10.6** [Edison International 2008 Executive Disability Plan, as amended and restated effective April 2, 2018 \(File No. 1-9936, filed as Exhibit No. 10.4 to Edison International and SCE's Form 10-Q for the quarter ended March 31, 2018\)*](#)
- 10.7** [Edison International 2007 Performance Incentive Plan as amended and restated effective May 2, 2016 \(File No. 1-9936, filed as Exhibit 10.1 to Edison International's Form 8-K dated April 28, 2016 and filed April 29, 2016\)*](#)
- 10.7.1** [Edison International 2012 Long-Term Incentives Terms and Conditions \(File No. 1-9936, filed as Exhibit 10.2 to Edison International's Form 10-Q for the quarter ended March 31, 2012\)*](#)
- 10.7.2** [Edison International 2013 Long-Term Incentives Terms and Conditions \(File No. 1-9936, filed as Exhibit 10.2 to Edison International's Form 10-Q for the quarter ended March 31, 2013\)*](#)
- 10.7.3** [Edison International 2014 Long-Term Incentives Terms and Conditions \(File No. 1-9936, filed as Exhibit 10.3 to Edison International's Form 10-Q for the quarter ended March 31, 2014\)*](#)
- 10.7.2** [Edison International 2015 Long-Term Incentives Terms and Conditions \(File No. 1-9936, filed as Exhibit 10.2 to Edison International's Form 10-Q for the quarter ended March 31, 2015\)*](#)

10.7.3** [Edison International 2016 Long-Term Incentives Terms and Conditions \(File, No. 1-9936, filed as Exhibit 10.4 to Edison International's Form 10-Q for the quarter ended March 31, 2016\)*](#)

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Exhibit Number	Description
10.7.4**	Edison International 2015 Long-Term Incentives Terms and Conditions (File, No. 1-9936, filed as Exhibit 10.2 to Edison International's Form 10-Q for the quarter ended March 31, 2015)*
10.7.5**	Edison International 2016 Long-Term Incentives Terms and Conditions (File, No. 1-9936, filed as Exhibit 10.4 to Edison International's Form 10-Q for the quarter ended March 31, 2016)*
10.7.6* 10.7.4**	Edison International 2017 Long-Term Incentives Terms and Conditions (File, No. 1-9936, filed as Exhibit 10.2 to Edison International's Form 10-Q for the quarter ended March 31, 2017)*
10.7.7* 10.7.5**	Edison International 2018 Long-Term Incentives Terms and Conditions (File, No. 1-9936, filed as Exhibit 10.3 to Edison International's Form 10-Q for the quarter ended March 31, 2018)*
10.7.8* 10.7.6**	Edison International 2019 Long-Term Incentives Terms and Conditions (File, No. 1-9936, filed as Exhibit 10.3 to Edison International's Form 10-Q for the quarter ended March 31, 2019)*
10.7.9* 10.7.7**	Edison International 2020 Long-Term Incentives Terms and Conditions (File, No. 1-9936, filed as Exhibit 10.4 to Edison International's Form 10-Q for the quarter ended March 31, 2020)*
10.7.10* 10.7.8**	Edison International 2021 Long-Term Incentives Terms and Conditions (File, No. 1-9936, filed as Exhibit 10.1 to Edison International's Form 10-Q for the quarter ended March 31, 2021)*
10.7.11* 10.7.9**	Edison International 2022 Long-Term Incentives Terms and Conditions (File, No. 1-9936, filed as Exhibit 10.1 to Edison International's Form 10-Q for the quarter ended March 31, 2022)*
10.7.10	Edison International 2023 Long-Term Incentives Terms and Conditions (File No. 1-9936, filed as Exhibit 10.1 to Edison International's Form 10-Q for the quarter ended March 31, 2022 March 31, 2023)*

10.8**	Edison International 2008 Executive Severance Plan, as amended and restated effective January 1, 2022 (File No. 1-9936, filed as Exhibit 10.9 to Edison International's Form 10-K for the year ended December 31, 2021)* January 1, 2024
10.9**	Edison International and Southern California Edison Company Director Compensation Schedule, as adopted August 25, 2022 (File No. 1-9936, filed as Exhibit 10.1 to Edison International and SCE's Form 10-Q for the quarter ended September 30, 2022)** December 8, 2023
10.10**	Edison International Director Matching Gifts Program, as revised effective January 1, 2019 (File No. 1-9936, filed as Exhibit 10.1 to Edison International's Form 10-Q for the quarter ended September 30, 2019)*
10.11	Amended and Restated Agreement for the Allocation of Income Tax Liabilities and Benefits among Edison International, Southern California Edison Company and The Mission Group dated September 10, 1996 (File No. 1-9936, filed as Exhibit 10.3 to Edison International's Form 10-Q for the quarter ended September 30, 2002)*
10.12	Amended and Restated Tax-Allocation Agreement among The Mission Group and its first-tier subsidiaries dated September 10, 1996 (File No. 1-9936, filed as Exhibit 10.3.1 to Edison International's Form 10-Q for the quarter ended September 30, 2002)*
10.12.1	Amended and Restated Tax-Allocation Agreement between Mission Energy Holding Company and Edison Mission Energy dated February 13, 2012 (File No. 333-68630, filed as Exhibit 10.11 to Edison Mission Energy's Form 10-K for the year ended December 31, 2011)*

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Exhibit Number	Description
10.12.1	Amended and Restated Tax-Allocation Agreement between Mission Energy Holding Company and Edison Mission Energy dated February 13, 2012 (File No. 333-68630, filed as Exhibit 10.11 to Edison Mission Energy's Form 10-K for the year ended December 31, 2011)*

- 10.12.2 [Modification No. 1 to the Amended and Restated Tax-Allocation Agreement between Mission Energy Holding Company and Edison Mission Energy dated February 13, 2012 \(File No. 333-68630, filed as Exhibit 10.1 to Edison Mission Energy's Form 8-K dated November 15, 2012 and filed November 21, 2012\)*](#)

- 10.12.3 [Amended and Restated Administrative Agreement Re Tax Allocation Payments, dated February 13, 2012, among Edison International and subsidiary parties, \(File No. 333-68630, filed as Exhibit 10.12 to Edison Mission Energy's Form 10-K for the year ended December 31, 2011\)*](#)

- 10.13** [Form of Indemnity Agreement between Edison International and its Directors and any officer, employee or other agent designated by the Board of Directors \(File No. 1-9936, filed as Exhibit 10.5 to Edison International's Form 10-Q for the quarter ended June 30, 2005\)*](#)

- 10.14 [Second Amended and Restated Credit Agreement dated as of May 17, 2018 among Edison International, the several banks and other financial institutions from time to time parties thereto, the several agents parties thereto and JPMorgan Chase Bank, N.A., as administrative agent for the lenders, \(File No. 1-9936, filed as Exhibit 10.1 to Edison International's Form 8-K dated and filed May 18, 2018\)*](#)

- 10.15 [First Amendment, dated as of April 30, 2021, to the Second Amended and Restated Credit Agreement, dated as of May 17, 2018, by and among Edison International, the several banks and other financial institutions party thereto and JPMorgan Chase bank, N.A., as administrative agent, \(File No. 1-9936, filed as Exhibit 10.1 to Edison International's Form 8-K dated April 30, 2021 and filed May 6, 2021\)*](#)

- 10.16 [Second Amendment, dated as of May 4, 2022, to the Second Amended and Restated Credit Agreement, dated as of May 17, 2018, as amended by the First Amendment, dated as of April 30, 2021, by and among Edison International, the several banks and other financial institutions party thereto and JPMorgan Chase Bank, N.A., as administrative agent \(File No. 1-9936, filed as Exhibit 10.1 to Edison International's International's Form 8-K dated and filed May 4, 2022\)*](#)

- 10.17 [Third Amendment, dated as of May 3, 2023, to the Second Amended and Restated Credit Agreement dated as of May 17, 2018, as amended by the First Amendment, dated as of April 30, 2021 and the Second Amendment, dated as of May 4, 2022, by and among Edison International, the several banks and other financial institutions party thereto and JPMorgan Chase Bank, N.A., as administrative agent \(File No. 1-9936, filed as Exhibit 10.1 to Edison International's Form 10-Q for the quarter ended June 30, 2023\)*](#)

10.18 [Second Amended and Restated Credit Agreement dated as of May 17, 2018 among SCE, the several banks and other financial institutions from time to time parties thereto, the several agents parties thereto and JPMorgan Chase Bank, N.A., as administrative agent for the lenders. \(File No. 1-2313, filed as Exhibit 10.2 to SCE's Form 8-K dated and filed May 18, 2018\)*](#)

10.18 10.19 [First Amendment, dated as of April 30, 2021, to the Second Amended and Restated Credit Agreement, dated as of May 17, 2018, by and among Southern California Edison Company, the several banks and other financial institutions party thereto and JPMorgan Chase bank, N.A., as administrative agent. \(File No. 1-2313, filed as Exhibit 10.2 to SCE's Form 8-K dated April 30, 2021 and filed May 6, 2021\)*](#)

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Exhibit Number	Description
10.19	
10.20	<u>Commitment Increase Supplement, by and among Southern California Edison Company and the lenders named therein, and accepted by JPMorgan Chase Bank, N.A., as administrative agent and the issuing lenders named therein. (File No. 1-2313, filed as Exhibit 10.3 to SCE's Form 8-K dated April 30, 2021 and filed May 6, 2021)*</u>
10.20 10.21	<u>Second Amendment, dated as of May 4, 2022, to the Second Amended and Restated Credit Agreement, dated as of May 17, 2018, as amended by the First Amendment, dated as of April 30, 2021, as supplemented by the Commitment Increase Supplement, dated as of April 30, 2021, by and among Southern California Edison Company, the several banks and other financial institutions party thereto and JPMorgan Chase Bank, N.A., as administrative agent (File No. 1-2313, filed as Exhibit 10.2 to SCE's SCE's Form 8-K dated and filed May 4, 2022)*</u>
10.21	<u>Term Loan Credit Agreement dated as of May 10, 2021, among Southern California Edison Company, the several banks and other financial institutions from time to time parties thereto and Royal Bank of Canada, as administrative agent and green loan structuring agent. (File No. 1-2313, filed as Exhibit 10.1 to SCE's Form 8-K dated May 10, 2021 and filed May 11, 2021)*</u>

- 10.22 [Third Amendment, dated as of May 3, 2023, to the Second Amended and Restated Credit Agreement dated as of May 17, 2018, as amended by the First Amendment, dated as of May 9, 2022, to April 30, 2021 and the Term Loan Credit Agreement, Second Amendment, dated as of May 10, 2021 May 4, 2022, by and among Southern California Edison Company, the several banks and other financial institutions from time to time parties party thereto and Royal JPMorgan Chase Bank, of Canada, N.A., as administrative agent \(File No. 1-2313, filed as Exhibit 10.1 10.2 to SCE's Form 8-K dated and filed May 9, 2022 10-Q for the quarter ended June 30, 2023\)*](#)
- 10.23 [Term Loan Credit Agreement, dated as of April 8, 2022, among Edison International, the several banks and other financial institutions from time to time parties thereto \(File No. 1-9936, filed as Exhibit 10.1 to Edison International's Form 8-K dated and filed April 8, 2022\)*](#)
- 10.24 [Term Loan Credit Agreement, dated as of November 7, 2022, among Edison International, the several banks and other financial institutions from time to time party thereto, and PNC Bank, National Association \(File No. 1-9936, filed as Exhibit 10.1 to Edison International's Form 8-K dated and filed November 7, 2022\)*](#)
- 10.25 [Term Loan Credit Agreement, dated as of November 7, 2022, among Southern California Edison Company, the several banks and other financial institutions from time to time party thereto, and Truist Bank \(File No. 1-2313, filed as Exhibit 10.2 to SCE's SCE's Form 8-K dated and filed on November 7, 2022\)*](#)
- 21.21.1 [Subsidiaries of the Registrants](#)
- 23.1 [Consent of Independent Registered Public Accounting Firm \(Edison International\)](#)
- 23.2 [Consent of Independent Registered Public Accounting Firm \(Southern California Edison Company\)](#)
- 24.1 [Powers of Attorney of Edison International and Southern California Edison Company](#)
- 24.2 [Certified copies of Resolutions of Boards of Edison International and Southern California Edison Company Directors Authorizing Execution of SEC Reports](#)

Exhibit Number	Description
31.1	Certifications of the Chief Executive Officer and Chief Financial Officer of Edison International pursuant to Section 302 of the Sarbanes-Oxley Act
31.2	Certifications of the Chief Executive Officer and Chief Financial Officer of Southern California Edison Company pursuant to Section 302 of the Sarbanes-Oxley Act
32.1	Certifications of the Chief Executive Officer and the Chief Financial Officer of Edison International required by Section 906 of the Sarbanes-Oxley Act
32.2	Certifications of the Chief Executive Officer and the Chief Financial Officer of Southern California Edison Company required by Section 906 of the Sarbanes-Oxley Act

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Exhibit Number	Description
97.1	Edison International and Southern California Edison Company Incentive Compensation Recoupment Policy For Accounting Restatements, as amended effective October 2, 2023
101.1	Financial statements from the annual report on Form 10-K of Edison International for the year ended December 31, 2022 December 31, 2023 , filed on February 23, 2023 February 22, 2024 , formatted in Inline XBRL: (i) the Consolidated Statements of Income; (ii) the Consolidated Statements of Comprehensive Income; (iii) the Consolidated Balance Sheets; (iv) the Consolidated Statements of Cash Flows; (v) Consolidated Statements of Changes in Equity and (vi) the Notes to Consolidated Financial Statements
101.2	Financial statements from the annual report on Form 10-K of Southern California Edison Company for the year ended December 31, 2022 December 31, 2023 , filed on February 23, 2023 February 22, 2024 , formatted in Inline XBRL: (i) the Consolidated Statements of Income; (ii) the Consolidated Statements of Comprehensive Income; (iii) the Consolidated Balance Sheets; (iv) the Consolidated Statements of Cash Flows; (v) Consolidated Statements of Changes in Equity and (vi) the Notes to Consolidated Financial Statements

* Incorporated by reference pursuant to Rule 12b-32.

** Indicates a management contract or compensatory plan or arrangement, as required by Item 15(a)(3).

Edison International and SCE will furnish a copy of any exhibit listed in the accompanying Exhibit Index upon written request and upon payment to Edison International or SCE of their reasonable expenses of furnishing such exhibit, which shall be limited to photocopying charges and, if mailed to the requesting party, the cost of first-class postage.

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SCHEDULES SUPPLEMENTING FINANCIAL STATEMENTS

EDISON INTERNATIONAL

SCHEDULE I – CONDENSED FINANCIAL INFORMATION OF PARENT

CONDENSED BALANCE SHEETS

(in millions)	December 31,		December 31,	
	2022	2021	2023	2022
Assets:				
Cash and cash equivalents	\$ 4	\$ 52	\$ 1	\$ 4
Other current assets	447	403	441	447
Total current assets	451	455	442	451
Investments in subsidiaries	19,922	18,924	20,026	19,922
Deferred income taxes	626	697	700	626
Other long-term assets	62	68	58	62
Total assets	\$ 21,061	\$ 20,144	\$ 21,226	\$ 21,061
Liabilities and equity:				
Short-term debt	\$ 1,090	\$ —	\$ 246	\$ 1,090
Current portion of long-term debt	400	700	500	400
Other current liabilities	575	583	598	575
Total current liabilities	2,065	1,283	1,344	2,065
Long-term debt	2,981	2,438	4,019	2,981
Other long-term liabilities	394	535	362	394
Total equity	15,621	15,888	15,501	15,621
Total liabilities and equity	\$ 21,061	\$ 20,144	\$ 21,226	\$ 21,061

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EDISON INTERNATIONAL

SCHEDULE I – CONDENSED FINANCIAL INFORMATION OF PARENT

CONDENSED STATEMENTS OF INCOME

For the Years Ended December 31, 2022 December 31, 2023, 2021 2022 and
2020 2021

(in millions)	2022	2021	2020	2023	2022	2021
Interest income from affiliates	\$ 3	\$ —	\$ 1	\$ 2	\$ 3	\$ —
Operating, interest and other expenses	209	176	189	299	209	176
Loss before equity in earnings of subsidiaries	(206)	(176)	(188)	(297)	(206)	(176)
Equity in earnings of subsidiaries	867	956	851	1,498	867	956
Income before income taxes	661	780	663	1,201	661	780
Income tax benefit	(56)	(39)	(76)	(83)	(56)	(39)
Income from continuing operations	717	819	739			
Net income				1,284	717	819
Preferred stock dividend requirements of Edison International	105	60	—	87	105	60
Net income	\$ 612	\$ 759	\$ 739			
Net income available to Edison International common shareholders				\$1,197	\$ 612	\$ 759

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CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended **December 31, 2022** **December 31, 2023**, **2021** 2022 and
2020 2021

(in millions)	2022	2021	2020	2023	2022	2021
Net income	\$ 717	\$ 819	\$ 739	\$1,284	\$717	\$819
Other comprehensive income, net of tax	43	15	—	2	43	15
Comprehensive income	\$ 760	\$ 834	\$ 739	\$1,286	\$760	\$834

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EDISON INTERNATIONAL

SCHEDULE I – CONDENSED FINANCIAL INFORMATION OF PARENT

CONDENSED STATEMENTS OF CASH FLOWS

For the Years Ended **December 31, 2022** **December 31, 2023**, **2021** 2022 and
2020 2021

(in millions)	2022	2021	2020	2023	2022	2021
Net cash provided by operating activities	\$ 1,133	\$ 817	\$ 1,171	\$ 1,148	\$ 1,133	\$ 817
Cash flows from financing activities:						
Long-term debt issued	945	—	400	1,549	945	—
Long-term debt issuance costs	(6)	—	(3)	(16)	(6)	—
Long-term debt repaid	(700)	—	(400)	(400)	(700)	—
Short-term debt issued	1,000	—	800	370	1,000	—
Short-term debt repaid	—	—	(800)	(1,356)	—	—
Common stock issued	13	32	912	20	13	32
Preferred stock issued	—	1,977	—	—	—	1,977
Preferred stock repurchased				(289)	—	—
Payable due to affiliates	(14)	(13)	135	(3)	(14)	(13)

Commercial paper borrowing						
(repayments), net	89	(130)	129	139	89	(130)
Payments for stock-based compensation	(8)	(3)	(3)	(5)	(8)	(3)
Receipts for stock-based compensation	72	31	21	71	72	31
Common stock dividends paid	(1,050)	(988)	(928)	(1,112)	(1,050)	(988)
Preferred stock dividends paid	(99)	(35)	—	(108)	(99)	(35)
Net cash provided by financing activities	242	871	263			
Net cash (used in) provided by financing activities				(1,140)	242	871
Cash flows from investing activities:						
Capital contributions to affiliate	(1,426)	(1,639)	(1,446)	(15)	(1,426)	(1,639)
Dividends from affiliate	3	—	—	4	3	—
Net cash used in investing activities:	(1,423)	(1,639)	(1,446)	(11)	(1,423)	(1,639)
Net (decrease) increase in cash and cash equivalents	(48)	49	(12)	(3)	(48)	49
Cash and cash equivalents, beginning of year	52	3	15	4	52	3
Cash and cash equivalents, end of year	\$ 4	\$ 52	\$ 3	\$ 1	\$ 4	\$ 52

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Note 1. Basis of Presentation

The accompanying condensed financial statements of Edison International Parent should be read in conjunction with the consolidated financial statements and notes thereto of Edison International and subsidiaries ("Registrant") included in this Form 10-K. Edison International Parent's significant accounting policies are consistent with those of the Registrant, SCE and other wholly owned and controlled subsidiaries.

Dividends Received

Edison International Parent received cash dividends from SCE of **\$1.3 billion** **\$1.4 billion**, **\$1.3 billion** and \$975 million in 2023, 2022 and 2021, and

2020, respectively.

Dividend Restrictions

CPUC holding company rules require that SCE's dividend policy be established by SCE's Board of Directors on the same basis as if SCE were a stand-alone utility company, and that the capital requirements of SCE, as deemed to be necessary to meet SCE's electricity service obligations, shall receive first priority from the Boards of Directors of both Edison International and SCE. In addition, the CPUC regulates SCE's capital structure which limits the dividends it may pay to its shareholders.

The common equity component of SCE's CPUC authorized capital structure is 52% on a weighted average basis over the January 1, 2023 to December 31, 2025 compliance period. This is unchanged from the January 1, 2020 to December 31, 2022 compliance period. **Capital Structure Compliance Period.** The CPUC authorized capital structure differs from the capital structure calculated based on GAAP due to certain exclusions allowed by CPUC, including the impact of SCE's contributions to the Wildfire Insurance Fund under AB 1054. For further information, see "Business—SCE—Overview of Ratemaking Process" and "Business—Southern California Wildfires."

In May 2020, **August 2023**, the CPUC issued a decision on SCE's application to the CPUC for an extension of the waiver of compliance with its equity ratio requirement that allows SCE to exclude from its equity ratio calculations (i) net charges accrued in connection with the 2017/2018 Wildfire/Mudslide Events and (ii) debt issued for the purpose of paying claims, and associated expenses, related to the 2017/2018 Wildfire/Mudslide Events up to an amount equal to the net charges accrued in connection with the 2017/2018 Wildfire/Mudslide Events. With these exclusions, Under the decision, effective as of the beginning of the new cost of capital cycle on January 1, 2023, the CPUC also authorized SCE was to exclude from its equity ratio calculations debt that exceeds the net charges accrued in compliance connection with its authorized capital structure for the compliance period from January 1, 2020 2017/2018 Wildfire/Mudslide Events due to December 31, 2022. the timing difference between the wildfire claims payment and the realization of the cash tax benefits. The temporary exclusion lapsed will lapse on May 7, 2022. In April 2022, **August 31, 2025** or when determinations regarding cost recovery for the 2017/2018 Wildfire/Mudslide Events are made, whichever comes earlier. If the CPUC has not made determinations regarding cost recovery by August 31, 2025, SCE filed is permitted to file another application requesting continued for a waiver of compliance with its equity ratio requirement. Under the CPUC's rules, SCE will not be deemed to be in violation of the equity ratio requirement while the waiver application is pending resolution. While the exclusion is in place, SCE is required to notify the CPUC if an adverse financial event reduces SCE's spot equity ratio by more than one percent from the level most recently filed with the CPUC in the proceeding. The last spot equity ratio SCE filed with the CPUC in the proceeding did not exclude the then \$1.8 billion net charge and was 45.2% as of December 31, 2018 (at the time the common equity component of SCE's CPUC authorized capital structure was required to remain at or above 48% on a weighted average basis over the applicable 37-month period). SCE's spot equity ratio on December 31, 2018 would have been 48.7% had the \$1.8 billion net charge at December 31, 2018 been excluded, therefore SCE will notify the CPUC if its spot ratio drops below 47.7% in any quarter. For further information, see "Notes to Consolidated Financial Statements—Note **Note 12**. Commitments and Contingencies—Contingencies—Southern California Wildfires and Mudslides."

Note 2. Debt and Equity Financing**Long-Term Debt**

At **December 31, 2022** **December 31, 2023**, Edison International Parent had \$400 million of 2.95% senior notes due in 2023, \$500 million of 3.55% senior notes due in 2024, \$400 million of 4.95% senior notes and \$400 million of 4.70% senior notes due in

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2025, \$600 million of 5.75% senior notes due in 2027, \$550 million of 4.125% senior notes and \$600 million of 5.25% senior notes due in 2028, and \$550 million 6.95% senior notes due in 2029. 2029, \$500 million of 8.125% junior subordinated notes due in 2053 and \$450 million of 7.875% junior subordinated notes due in 2054.

Credit Agreements and Short-Term Debt

The following table summarizes the status of the credit facility at **December 31, 2022** **December 31, 2023**:

(in millions)		
Commitment	\$ 1,500	\$ 1,500
Outstanding borrowings	90	246
Amount available	\$ 1,410	\$ 1,254

In May **2022**, **2023**, Edison International Parent amended its revolving credit facility to extend the termination date to May 2026. **2027, with two additional one-year extension options.** The aggregate maximum principal amount under the Edison International Parent revolving credit facility may be increased up to \$2.0 billion, provided that additional lender commitments are obtained.

As of December 31, 2022, Edison International Parent has outstanding term loans of \$600 million due in April 2023 and \$400 million due in November 2023, each bearing interest at either an adjusted term SOFR plus 0.70% and 0.95%, respectively, or a base rate with no applicable margin. Edison International used the proceeds for general corporate purposes.

The debt covenant in Edison International Parent's credit facility requires a consolidated debt to total capitalization ratio of less than or equal to 0.70 to 1. At **December 31, 2022** **December 31, 2023**, Edison International's consolidated debt to total capitalization ratio was **0.64** 0.63 to 1.

Equity Common Stock Issuances

In the third quarter of 2022, Edison International filed a prospectus supplement and executed several distribution agreements with certain sales agents to establish an "at-the-market" ("ATM") program, under which it may sell shares of its common stock having an aggregate sales price of up to \$500 million. As of

December 31, 2022, no sales had occurred and Edison International has no obligation to sell the remaining available shares.

Edison International continued to settle its ongoing common stock requirements of various internal programs through issuance of new common stock. During the twelve months ended December 31, 2023, 1,151,964 shares of common stock were issued as stock compensation awards for net cash receipts of \$58 million, 259,109 shares of new common stock were issued in lieu of distributing \$18 million to shareholders opting to receive dividend payments in the form of additional common stock, 144,200 shares of common stock were purchased by employees through the 401(k) defined contribution savings plan for net cash receipts of \$10 million, 105,218 shares of common stock were issued to employees through voluntary cash purchases for net cash receipts of \$7 million and 55,923 shares of common stock were issued to employees through the ESPP for net cash receipts of \$4 million.

During the twelve months ended December 31, 2022, 1,253,049 shares of common stock were issued as stock compensation awards for net cash receipts of \$57 million, 273,642 shares of new common stock were issued in lieu of distributing \$18 million to shareholders opting to receive dividend payments in the form of additional common stock, 157,000 shares of common stock were purchased by employees through the 401(k) defined contribution savings plan for net cash receipts of \$10 million as dividend payments, 109,750 shares of common stock were issued related to optional employees through voluntary cash investments purchases for net cash receipts of \$7 million and 36,912 shares of common stock were issued to employees through the ESPP for net cash receipts of \$2 million.

As of December 31, 2023, Edison International had not issued any shares through its "at-the-market" ("ATM") program established in August 2022. Under the ATM program, Edison International may sell shares of its common stock having an aggregate sales price of up to \$500 million. Edison International has no obligation to sell the remaining available shares available under the ATM program.

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During the twelve months ended December 31, 2021, 629,092 shares Preferred Stock

As of common stock were issued as stock compensation awards for net cash receipts of \$25 million, 522,400 shares of common stock were purchased by employees through the 401(k) defined contribution savings plan for net cash receipts of \$30 million December 31, 2023, 293,031 shares of new common stock were issued in lieu of distributing \$17 million to shareholders opting to receive dividend payments in the form of additional common stock and 26,475 shares of common stock related to optional cash investments of \$2 million. Starting July 2021, the 401(k) defined contribution savings plan no longer offers Edison International's stock as an investment option to employees. Subsequent to the change, stock issued through the 401(k) defined contribution savings plan were dividend payments made in the form of additional common stock.

Preferred Stock Issuance

In 2021, Edison International issued 1,250,000 has 1,159,317 shares of 5.375% Fixed-Rate Reset Cumulative Perpetual Preferred Stock, Series A ("Series A Preferred

Stock") and 750,000 532,454 shares of its 5.00% Fixed-Rate Reset Cumulative Perpetual Preferred Stock, Series B ("Series B Preferred Stock") outstanding, each with a liquidation value of \$1,000 per share. The dividends are payable on a semi-annual basis commencing September 15, 2021 and March 15, 2022, respectively. The dividend rate will be reset every five years beginning on March 15, 2026 and March 15, 2027, for Series A Preferred Stock and Series B Preferred Stock, respectively, to equal the then-current five-year U.S. Treasury rate plus a spread spread.

In November 2023, Edison International, through a tender offer, repurchased 61,497 shares of 4.698% its Series A Preferred Stock and 3.901%, respectively, 84,223 shares of its Series B Preferred Stock for an average price of \$925 and \$904 per share, respectively, including accrued and unpaid dividends. The net proceeds aggregate amount paid was \$57 million for Series A Preferred Stock and \$76 million for Series B Preferred Stock. In December 2023, Edison International repurchased 29,186 shares of \$2.0 billion were used to repay commercial paper borrowings its Series A Preferred Stock and 133,323 shares of its Series B Preferred Stock on the open market for general corporate purposes, an average price of \$971 and \$955 per share, respectively, including making accrued and unpaid dividends. The aggregate amount paid was \$28 million for Series A Preferred Stock and \$127 million for Series B Preferred Stock. Edison International recognized a total net gain of \$900 \$16 million from the tender offer and open market repurchases, reflected in "Preferred stock dividend requirements of Edison International" on the condensed statements of income.

Edison International may, at its option, redeem its preferred stock in whole or in part during certain periods of time prior to each of the dividend reset dates at a price equal to \$1,000 per share plus any accumulated and unpaid dividends. Edison International may also, at its option, redeem the preferred stocks in whole but not in part at a price equal to \$1,020 per share plus any accumulated and unpaid dividends within a certain period of time following any change in the criteria rating agencies use that would have adverse effects on the equity contribution credit attributed by rating agencies to SCE, the preferred stocks.

The preferred stocks rank senior to Edison International's common stock with respect to dividends rights and distribution rights upon liquidation. The preferred stocks are not subject to any mandatory sinking fund, retirement fund, purchase fund or other similar provisions. Holders of the shares of the preferred stocks do not have the right to require Edison International to repurchase or redeem shares of the preferred stocks.

Note 3. Related-Party Transactions

Edison International's Parent expense from services provided by SCE was \$2 million in 2022, 2023, \$2 million in 2021, 2022 and \$2 million in 2020, 2021. Edison International Parent's interest expense from loans due to affiliates was \$3 million \$2 million in 2023, \$3 million in 2022 \$5 million and \$5 million in 2021 and \$4 million in 2020, 2021. Edison International Parent had current related-party receivables of \$389 \$400 million and \$361 million \$389 million and current related-party payables of \$185 million and \$166 million at December 31, 2023 and \$211 million at December 31, 2022 and 2021, 2022, respectively. Edison International Parent had long-term related-party receivables of \$8 million and \$52 million at December 31, 2022 and 2021, respectively, and long-term related-party payables of \$112 million and \$130 million at December 31, 2023 and \$227 million at December 31, 2022 and 2021, 2022, respectively.

Note 4. Contingencies

For a discussion of material contingencies see "Notes to Consolidated Financial Statements—Note 8. Income Taxes" and "—Note 12. Commitments and Contingencies."

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized.

EDISON INTERNATIONAL	SOUTHERN CALIFORNIA EDISON COMPANY
By: /s/ Kate Sturgess Kara G. Ryan	By: /s/ Kate Sturgess Kara G. Ryan
Kate Sturgess Kara G. Ryan	Kate Sturgess Kara G. Ryan
Vice President, Chief Accounting Officer	Vice President, Chief Accounting Officer and
and Controller	Controller
(Duly Authorized Officer and Principal Accounting Officer)	(Duly Authorized Officer and Principal Accounting Officer)
Date: February 23, 2023 22, 2024	Date: February 23, 2023 22, 2024

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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrants and in the capacities and on the date indicated.

Signature	Title
A. Principal Executive Officers	
Pedro J. Pizarro*	President, Chief Executive Officer and Director (Edison International)
Steven D. Powell*	President and Chief Executive Officer and Director (Southern California Edison Company)
B. Principal Financial Officers	
Maria Rigatti*	Executive Vice President and Chief Financial Officer (Edison International)

Aaron D. Moss*
Senior Vice President and Chief Financial
Officer
(Southern California Edison Company)

C. Principal Accounting Officers

/s/ Kate Sturgess Kara G. Ryan

Kate Sturgess Kara G. Ryan

Vice President, Chief Accounting Officer
and Controller
(Edison International)

/s/ Kate Sturgess Kara G. Ryan

Kate Sturgess Kara G. Ryan

Vice President, Chief Accounting Officer
and Controller
(Southern California Edison Company)

**D. Directors (Edison International and
Southern California Edison
Company, unless otherwise noted)**

Jeanne Beliveau-Dunn*

Director

Michael C. Camuñez*

Director

Vanessa C.L. Chang*

Director

James T. Morris*

Director

Timothy T. O'Toole*

Director

Pedro J. Pizarro*

Director

Steven D. Powell (SCE only)*

Director

Marcy L. Reed*

Director

Carey A. Smith*

Director

Linda G. Stuntz*

Director

Peter J. Taylor*

Chair of the Edison International Board
and Director

Keith Trent*

Director

*By: /s/ Kate Sturgess Kara G. Ryan

Kate Sturgess Kara G. Ryan

Vice President, Chief Accounting
Officer and Controller

(Attorney-in-fact for EIX Directors
and Officers)

*By: /s/ Kate Sturgess Kara G. Ryan

Kate Sturgess Kara G. Ryan

Vice President, Chief Accounting
Officer and Controller

(Attorney-in-fact for SCE Directors
and Officers)

Date: February 23, 2023 22, 2024

Date: February 23, 2023 22, 2024

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Exhibit 10.3

EDISON INTERNATIONAL

**2008 EXECUTIVE DEFERRED COMPENSATION
PLAN**

PREAMBLE

The purpose of this Plan is to provide Eligible Employees of participating Affiliates with the opportunity to defer payment and taxation of some elements of their compensation.

This Plan applies to amounts arising from deferrals of compensation earned or determined after December 31, 2004 and to amounts that vested after December 31, 2004, and is intended to comply with Section 409A of the Internal Revenue Code and the regulations issued thereunder.

ARTICLE 1 DEFINITIONS

Capitalized terms in the text of the Plan are defined as follows:

Administrator means the Compensation and Executive Personnel Committee of the Board of Directors of EIX.

Affiliate means EIX or any corporation or entity which (i) along with EIX, is a component member of a "controlled group of corporations" within the meaning of Section 414(b) of the Code, and (ii) has approved the participation of its Executives in the Plan.

Beneficiary means the person or persons or entity designated as such in accordance with Article 7 of the Plan.

Board means the Board of Directors of EIX.

Bonus means the dollar amount of bonus awarded by the Employer to the Participant pursuant to the terms of the Executive Incentive Compensation Plan, the 2007 Performance Incentive Plan, or a successor plan governing annual executive bonuses, before reductions for deferrals under the Plan.

Change in Control means a Change in Control of EIX as defined in the Severance Plan.

Code means the Internal Revenue Code of 1986, as amended.

Contingent Event means the Participant's Disability or death while employed by an Affiliate or Separation from Service for other reasons if such event occurs prior to the Participant's Retirement.

Contingent Payment Election means an election regarding the time and form of payment made or deemed made in accordance with Section 5.2.

Crediting Rate means the rate at which interest will be credited to Deferral Accounts. The rate will be determined annually in advance of the calendar year and will be equal to the average monthly Moody's Corporate Bond Yield for Baa Public Utility Bonds for the 60 months preceding November 1st of the prior year. Effective with calendar year 2015, the rate will be determined

annually in advance of the calendar year and will be equal to the average monthly Moody's Corporate Bond Yield for Baa Public Utility Bonds for the 60 months preceding September 1st of the prior year.

EIX reserves the right to prospectively change the definition of Crediting Rate.

Deferral Account means the notional account established for record keeping purposes for a Participant pursuant to Article 4 of the Plan.

Deferral Election means the Participant's election to defer amounts under the Plan. Deferral Elections shall be made in the manner prescribed by the Administrator, which may include electronic elections.

Deferral Period means the Plan Year covered by a valid Deferral Election previously submitted by a Participant, or in the case of a newly eligible Participant, the balance of the Plan Year following the date of the Deferral Election.

Disability means the Participant (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve months or (ii) is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, receiving income replacement benefits for a period of not less than three months under a plan covering employees of the Employer.

Dividend Equivalent means an amount equal to the dividend declared by the Board on one share of EIX common stock for any calendar quarter.

EIX means Edison International.

Eligible Employee means an Executive of an Affiliate, who (i) is a U.S. employee or an expatriate who is based and paid in the U.S., (ii) is designated by the Administrator as eligible to participate in the Plan (subject to the restriction in Section 8.2 of the Plan), and (iii) qualifies as a member of a "select group of management or highly compensated employees" under ERISA; provided that an individual first designated as an Executive on or after December 1, 2020 shall not be an Eligible Employee until the first day of the calendar quarter following the calendar quarter in which the Executive satisfies such criteria, except as otherwise specified in writing by the Administrator.

Employer means the Affiliate employing the Participant. Notwithstanding the foregoing, with respect to a particular Participant's benefits under the Plan, for purposes of determining which Affiliate is obligated to pay such benefits, Employer as to such Participant and benefits means the Affiliate employing the Participant upon the Participant's Separation from Service (or, as to any distribution of any benefit under the Plan prior to the Participant's Separation from Service, the Affiliate employing the Participant at the time of such distribution).

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

Executive means an employee of an Affiliate who is designated an Executive by the CEO of that Affiliate or who is elected as a Vice

President or officer of higher rank by the board of that Affiliate or by the Board.

Executive Salary Deferral means the percentage deferred from Salary under this Plan. The Executive Salary Deferral is subtracted from Salary before Savings Plan contributions are calculated.

Matching Credits means the credits added to the Participant's Deferral Account under Article 3.

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Matching Base means the amount of the Executive Salary Deferral plus the amount, if any, by which the Participant's Salary in a calendar year minus the Executive Salary Deferral for that calendar year exceeds the Code Section 401(a)(17) compensation limit.

Participant means an Eligible Employee who has completed a Deferral Election with respect to future payments pursuant to Article 2 of the Plan, or an employee or former employee who has a Deferral Account balance.

Payment Election means a Primary Payment Election or a Contingent Payment Election, or a payment election pursuant to Section 5.1.1 or 5.1.2, as the case may be, subject to change pursuant to Section 5.3. Payment Elections shall be made in the manner prescribed by the Administrator, or its delegate, which may include electronic elections.

Payment Event as to a Participant means: (i) as to amounts deferred for Deferral Periods prior to 2021, the Participant's Separation from Service for any reason other than death or Disability; and (ii) as to amounts deferred for Deferral Periods after 2020, the Participant's Separation from Service for any reason other than death.

Plan means this EIX 2008 Executive Deferred Compensation Plan.

Plan Year means the calendar year.

Primary Payment Election means an election regarding the time and form of payments made or deemed made in accordance with Section 5.1.

Qualifying Award means an award granted to an Eligible Employee under the EIX Management Long-Term Incentive Compensation Plan, the EIX Officer Long-Term Incentive Compensation Plan, the EIX Equity Compensation Plan, or the EIX 2007 Performance Incentive Plan, other than an EIX nonqualified stock option, and evidenced in writing that provides (or is amended to provide) that the award may be deferred under this Plan.

Qualifying Bonus means a Bonus that constitutes "performance-based compensation" within the meaning of Treasury Regulation Section 1.409A-1(e).

Retirement means a Separation from Service under terms constituting a retirement for purposes of the EIX 2008 Executive Retirement Plan.

Salary means the Participant's basic pay from the Employer (excluding Bonuses, Special Awards, commissions, severance pay,

and other non-regular forms of compensation) before reductions for deferrals under the Plan or the Savings Plan. Notwithstanding the foregoing, the Administrator, or its delegate, may prescribe a different definition of Salary for a Plan Year (or part thereof) if such definition is set forth in the form or instructions for the Deferral Election for such Plan Year.

Savings Plan means the Edison 401(k) Savings Plan.

Separation from Service occurs: (i) with respect to an individual who is a Participant on or prior to December 31, 2023, when such Participant dies, retires, or otherwise has a termination of employment from the Employer that constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h)(1), without regard to the optional alternative definitions available thereunder; and (ii) with respect to an individual who becomes a Participant following December 31, 2023, when such Participant dies, retires, or otherwise has a termination of employment from the Employer that constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h)(1), *provided* that a termination of employment from the Employer constituting such a "separation from service" shall be deemed to occur on the date

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on which it is reasonably anticipated that the level of bona fide services that the Participant will perform after such date (whether as an employee or as an independent contractor) will permanently decrease to less than 50 percent of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding 36-month period (or the full period of services to the Employer if the Participant has been providing services to the Employer less than 36 months), all as determined in accordance with Treasury Regulation Section 1.409A-1(h).

Severance Plan means the EIX 2008 Executive Severance Plan (or any similar successor plan).

Similar Plan means a plan required to be aggregated with this Plan under Treasury Regulation Section 1.409A-1(c)(2)(i).

Special Award means an award other than Salary, Bonus or a Qualifying Award that is payable in cash at a future date.

Specified Employee means a Participant who is designated as an elected Vice President or above by the Administrator, using the identification date and methods determined by the Administrator.

Termination of Employment means the voluntary or involuntary Separation from Service for any reason other than Retirement or death.

Unforeseeable Emergency means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's Beneficiary, or the Participant's spouse or dependent (as defined in Code Section 152, without regard to Sections 152(b)(1), (b)(2) and (d)(1)(B)); loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home

not otherwise covered by insurance, for example, as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the Participant's control.

Valuation Date means the last day of the month in which the final day of employment falls prior to Separation from Service, unless distribution is scheduled or required to commence on a date other than the first day of the month following Separation from Service, in which latter case Valuation Date means the day before distribution is scheduled or required to commence.

Years of Service. Years of vesting service credited under the terms of the EIX 2008 Executive Retirement Plan.

ARTICLE 2

DEFERRAL ELECTIONS¹

2.1 Elections

(a) **Salary.** An Eligible Employee may elect to defer Salary under the Plan by submitting a Salary Deferral Election to the Administrator specifying the whole percentage of Salary to be deferred prior to the beginning of the Plan Year during which the Eligible Employee performs the services for which such Salary is to be earned. The maximum Salary Deferral is 75% of Salary

¹ For purposes of clarity, the provisions of this Plan regarding Deferral and Payment Elections for the 2021 Plan Year are effective beginning with Deferral and Payment Elections made in 2020 for the 2021 Plan Year.

(or such other amount as prescribed by the Administrator and set forth in the form or instructions for the applicable Salary Deferral Election).

Once made, a Salary Deferral Election (except as provided below and in Section 2.1(f); including any election regarding time and form of payment) will continue to apply for subsequent Deferral Periods ("Evergreen Salary Election") unless (i) the Eligible Employee submits a new Salary Deferral Election during a subsequent enrollment period changing the deferral amount or revoking the existing election, or (ii) the Participant is not an Eligible Employee on the last day of a subsequent enrollment period. Notwithstanding any provisions of Section 5.1.1 to the contrary, if a Participant who has a Primary Payment Election in effect with respect to Salary deferrals for the 2018 Plan Year (including a deemed election) does not make a new Payment Election for Salary deferrals for the 2019 Plan Year, then the preceding sentence and the payment rules of Sections 5.1 and 5.2 shall continue to apply to such Participant; as a result, the Primary Payment Election and the Contingent Payment Election for Salary deferrals for the 2018 Plan Year (including deemed elections) shall apply for Salary deferrals for the 2019 Plan Year and for subsequent Plan Years unless prior to a subsequent Plan Year the

Participant timely submits a new Payment Election for the subsequent Plan Year. Notwithstanding any provisions to the contrary in this Plan, except as prescribed by the Administrator and set forth in the form or instructions for the applicable Salary Deferral Election, there will be no Evergreen Salary Elections for 2021 and subsequent Plan Years, and any Evergreen Salary Election in effect at the end of 2020 shall not apply as to any Salary for 2021 or any subsequent Plan Year.

Effective with the final payroll period in 2014, Salary paid solely for services performed during a payroll period (as described in Section 3401(b) of the Code) that includes the last day of a Plan Year, and for which payment is made or scheduled to be made in the immediately following Plan Year, shall be treated for purposes of this Plan as compensation for services earned in the immediately following Plan Year.

(b) Bonus. An Eligible Employee may elect to defer a portion of his or her Bonus (up to the maximum noted below) by submitting a Bonus Deferral Election to the Administrator as follows:

(i) With respect to a Bonus that is not a Qualifying Bonus, such a Bonus Deferral Election must be submitted prior to the beginning of the Plan Year during which the Eligible Employee performs the services for which such Bonus is to be earned.

(ii) With respect to a Bonus that is a Qualifying Bonus, such a Bonus Deferral Election must be submitted prior to the date that is six months before the end of the performance period and in no event later than the date the Qualifying Bonus has become readily ascertainable. Notwithstanding the foregoing, either generally or as to a particular Qualifying Bonus, the Administrator may, but need not, require that Bonus Deferral Elections for Qualifying Bonuses be submitted to the Administrator prior to the beginning of the Plan Year during which the Eligible Employee performs the services for which such Qualifying Bonus is to be earned.

The maximum Bonus Deferral is: 100% of Bonus if the Plan Year for which such Bonus is to be earned is the 2018 Plan Year or an earlier Plan Year; or 85% of Bonus (or such other amount as prescribed by the Administrator and set forth in the form or instructions for the applicable Bonus

Deferral Election) if the Plan Year for which such Bonus is to be earned is the 2019 Plan Year or a subsequent Plan Year.

Once made, a Bonus Deferral Election (except as provided below and in Section 2.1(f); including any election regarding time and form of payment) will continue to apply for subsequent Deferral Periods ("Evergreen Bonus Election") unless (i) the Eligible Employee submits a new Bonus Deferral Election during a subsequent

enrollment period changing the deferral amount or revoking the existing election, or (ii) the Participant is not an Eligible Employee on the last day of a subsequent enrollment period. Notwithstanding any provisions of this Section 2.1(b) to the contrary, if a Participant who has a Deferral Election to defer 100% of Bonus, net of taxes, for the 2018 Plan Year does not make a new Deferral Election for Bonus deferrals for the 2019 Plan Year, then the Participant's Deferral Election for the 2019 Plan Year shall be to defer 85% of Bonus for the 2019 Plan Year. Notwithstanding any provisions of Section 5.1.1 to the contrary, if a Participant who has a Primary Payment Election in effect with respect to Bonus deferrals for the 2018 Plan Year (including a deemed election) does not make a new Payment Election for Bonus deferrals for the 2019 Plan Year, then the first sentence of this paragraph and the payment rules of Sections 5.1 and 5.2 shall continue to apply to such Participant; as a result, the Primary Payment Election and the Contingent Payment Election for Bonus deferrals for the 2018 Plan Year (including deemed elections) shall apply for Bonus deferrals for the 2019 Plan Year and for subsequent Plan Years unless prior to a subsequent Plan Year the Participant timely submits a new Payment Election for the subsequent Plan Year. Notwithstanding any provisions to the contrary in this Plan, except as prescribed by the Administrator and set forth in the form or instructions for the applicable Bonus Deferral Election, there will be no Evergreen Bonus Elections for 2021 and subsequent Plan Years, and any Evergreen Salary Election in effect at the end of 2020 shall not apply as to any Bonus for 2021 or any subsequent Plan Year.

(c) Initial Eligibility. Notwithstanding the foregoing, an employee who first becomes an Eligible Employee during a Plan Year may make an initial Deferral Election for the deferral of Salary for such Plan Year and the Administrator may allow any such employee to make an initial Deferral Election for the deferral of Bonus for such Plan Year, provided in each case that such Eligible Employee has not previously become eligible to participate in this or any Similar Plan. Any such initial Salary Deferral Election must be made within thirty days (or such shorter period as may be prescribed by the Administrator) after the date the employee becomes an Eligible Employee and shall apply to Salary earned for services performed on and after the first day of the first payroll period applicable to the Eligible Employee that commences after the last day of such thirty-day period (or such shorter period as may be prescribed by the Administrator). If the employee first becomes an Eligible Employee prior to establishment of the performance criteria for a Qualifying Bonus, the Administrator may allow the Eligible Employee to make the initial Bonus Deferral Election prior to the date that is six months before the end of the performance period but not later than the date the Bonus has become readily ascertainable. Otherwise, or with respect to a Bonus that is not a Qualifying Bonus, any initial Bonus Deferral Election permitted by the Administrator under this Section 2.1(c) must be made within thirty days (or such shorter period as may be prescribed by the Administrator) after the date the employee becomes an Eligible Employee and shall apply to that portion of the Bonus earned during the Plan Year multiplied by the ratio of (i) the number of days remaining in the calendar year after the election is submitted to the Administrator (or if the Administrator specifies in the

form or instructions for such initial Bonus Deferral Election, the number of days remaining in the calendar year after the last day of the thirty-day period—or such shorter period as may be prescribed by the Administrator—for making such

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initial Bonus Deferral Election) to (ii) the total number of days during the Plan Year that such Employee is employed by an Affiliate.

(d) **Qualifying Awards.** An Eligible Employee may elect to defer payment of a portion of his or her Qualifying Awards (up to the Maximum Qualifying Award Deferral as defined below) by submitting a Qualifying Award Deferral Election to the Administrator specifying the whole percentage of his or her Qualifying Awards to be deferred. With respect to a Qualifying Award that was granted on or before December 31, 2012 with respect to a performance period scheduled to end on or after December 31, 2013, and that is “performance-based compensation” within the meaning of Treasury Regulation Section 1.409A-1(e), the Eligible Employee must submit his or her Qualifying Award Deferral Election to the Administrator not later than December 31, 2012. Otherwise, the Participant must submit his or her Qualifying Award Deferral Election to the Administrator prior to the beginning of the Plan Year in which such Qualifying Award is granted. The “Maximum Qualifying Award Deferral” is: 100% of the Qualifying Award if the Qualifying Award was granted in the 2018 Plan Year or an earlier Plan Year; or 85% of the Qualifying Award (or such other amount as prescribed by the Administrator and set forth in the form or instructions for the applicable Qualifying Award Deferral Election) if the Qualifying Award is granted in the 2019 Plan Year or a subsequent Plan Year.

In the circumstances provided in the next two sentences, the Administrator may, but need not, extend the applicable Qualifying Award Deferral Election deadlines either generally or as to a particular Qualifying Award. With respect to any Qualifying Award that qualifies as “performance-based compensation,” within the meaning of Treasury Regulation Section 1.409A-1(e), the Administrator may permit the Qualifying Award Deferral Election to be made prior to the date that is six months before the end of the performance period and in no event later than the date the Qualifying Award has become readily ascertainable. With respect to any Qualifying Award that is subject to a substantial risk of forfeiture at grant, the Administrator may permit the Qualifying Award Deferral Election to be made not more than thirty days following the date the Qualifying Award is granted, provided that the Deferral Election is not made later than the date that is twelve months before the Qualifying Award could cease to be subject to a substantial risk of forfeiture other than due to death, Disability or a change in the ownership or effective control or a change in the ownership of a substantial portion of the assets of EIX within the meaning of Treasury Regulation Section 1.409A-3(i)(5).

Notwithstanding the foregoing, the Administrator may allow an employee who first becomes an Eligible Employee during a Plan Year to make an initial Deferral Election for the deferral of a portion of his or her Qualifying Awards (up to the Maximum Qualifying Award Deferral), provided that such Eligible Employee has not previously become eligible to participate in this or any Similar Plan. Such initial Qualifying Award Deferral Election must be made within thirty days after the date the employee becomes an Eligible Employee. The initial Deferral Election shall apply to the entire specified portion of the Qualifying Award to which it relates if either (i) the Qualifying Award qualifies as "performance-based compensation," within the meaning of Treasury Regulation Section 1.409A-1(e), the Eligible Employee is employed by an Affiliate from the later of the beginning of the performance period applicable to the Qualifying Award or the date the performance criteria are established for the Qualifying Award through the date the initial Qualifying Award Deferral Election is made, and the initial Qualifying Award Deferral Election is made prior to the date that is six months before the end of the performance period and in no event later than the date the Qualifying Award has become readily ascertainable, or (ii) the

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Qualifying Award is subject to a substantial risk of forfeiture at grant and the initial Qualifying Award Deferral Election is made not more than thirty days following the date the Qualifying Award is granted, provided that the initial Deferral Election is not made later than the date that is twelve months before the Qualifying Award could cease to be subject to a substantial risk of forfeiture other than due to death, Disability or a change in the ownership or effective control or a change in the ownership of a substantial portion of the assets of EIX within the meaning of Treasury Regulation Section 1.409A-3(i)(5). If the preceding sentence does not apply, the initial Qualifying Award Deferral Election may not result in a deferral of a portion of the related Qualifying Award greater than that portion of the Qualifying Award determined by dividing the number of days remaining in the applicable performance period (or the number of days remaining in the applicable service period if the Qualifying Award is not a performance-based vesting award) after the election is submitted to the Administrator by the total number of days during that performance period (or that service period, as the case may be) that such Employee is employed by an Affiliate.

The Qualifying Award remains subject to all applicable limitations as to the time or times during which it may become payable or the conditions for payment as provided in the terms and conditions of the Qualifying Award.

Once made, a Qualifying Award Deferral Election (except as provided below and in Section 2.1(f); including any election regarding time and form of payment) will continue to apply for subsequent Deferral Periods ("Evergreen Qualifying Award Election") unless (i) the Eligible Employee submits a new Qualifying Award Deferral Election during a subsequent enrollment period changing the deferral amount or revoking

the existing election, or (ii) the Participant is not an Eligible Employee on the last day of a subsequent enrollment period; provided that a Deferral Election made prior to December 1, 2012 shall not be given effect as to any Qualifying Award to the extent that the Participant had the ability on or after December 1, 2012 to make a new Deferral Election as to that Qualifying Award. Notwithstanding any provisions of Section 5.1.1 to the contrary, if a Participant who has a Primary Payment Election in effect with respect to a Qualifying Award granted in the 2018 Plan Year (including a deemed election) does not make a new Payment Election for a Qualifying Award granted in the 2019 Plan Year, then the preceding sentence and the payment rules of Sections 5.1 and 5.2 shall continue to apply to such Participant; as a result, the Primary Payment Election and the Contingent Payment Election for the Qualifying Award granted in the 2018 Plan Year (including deemed elections) shall apply for the Qualifying Award granted in the 2019 Plan Year and for subsequent Plan Years unless prior to a subsequent Plan Year the Participant timely submits a new Payment Election for the subsequent Plan Year. Notwithstanding any provisions to the contrary in this Plan, except as prescribed by the Administrator and set forth in the form or instructions for the applicable Qualifying Award Deferral Election, there will be no Evergreen Qualifying Award Elections for 2021 and subsequent Plan Years, and any Evergreen Qualifying Award Election in effect at the end of 2020 shall not apply as to any Qualifying Award granted in 2021 or any subsequent Plan Year.

(e) Special Awards. An Eligible Employee may elect to defer payment of a portion of his or her Special Awards (up to the maximum specified prescribed by the Administrator and set forth in the form or instructions for the applicable Special Award Deferral Election) by submitting a Special Award Deferral Election to the Administrator specifying the whole percentage of his or her Special Awards to be deferred. A Special Award Deferral Election shall apply to the Special Award to which it relates if either (i) the Special Award qualifies as "performance-based compensation,"

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within the meaning of Treasury Regulation Section 1.409A-1(e), the Eligible Employee makes the Special Award Deferral Election prior to the date that is six months before the end of the performance period, the Eligible Employee has been employed by an Affiliate from the later of the beginning of the performance period applicable to the Special Award or the date the performance criteria are established for the Special Award through the date the Special Award Deferral Election is made, and the Special Award Deferral Election is made no later than the date the Special Award has become readily ascertainable; (ii) the Special Award is subject to a substantial risk of forfeiture at grant, the Special Award Deferral Election is made within thirty days following the date the Special Award is granted, and the Special Award Deferral Election is made no later than the date that is twelve months before the Special Award could cease to be subject to a substantial risk of forfeiture other than due to death, Disability or a change in the ownership or effective control or a change in the ownership of a substantial portion of the assets of EIX within the

meaning of Treasury Regulation Section 1.409A-3(i)(5); or (iii) the Special Award Deferral Election is made prior to the beginning of the Plan Year in which such Special Award is given.

In addition, an employee who first becomes an Eligible Employee during a Plan Year may make an initial Deferral Election for the deferral of some or all of his or her Special Awards, provided that such Eligible Employee has not previously become eligible to participate in this or any Similar Plan. Such Special Award Deferral Election must either (i) comply with the timing provisions set forth in the preceding paragraph, or (ii) be made within thirty days after the date the employee becomes an Eligible Employee and not result in a deferral of a portion of the related Special Award greater than that portion of the Special Award determined by dividing the number of days remaining in the applicable performance period (or the number of days remaining in the applicable service period if the Special Award is not a performance-based vesting award) after the election is submitted to the Administrator by the total number of days during that performance period (or that service period, as the case may be) that such Employee is employed by an Affiliate.

Notwithstanding the foregoing, either generally or as to a particular Special Award, the Administrator may, but need not, require that Special Award Deferral Elections be submitted to the Administrator prior to the beginning of the Plan Year in which such Special Award is given.

The Special Award remains subject to all applicable limitations as to the time or times during which it may become payable or the conditions for payment as provided in the terms and conditions of the Special Award.

Once made, a Special Award Deferral Election (except as provided below and in Section 2.1(f); including any election regarding time and form of payment) will continue to apply for subsequent Deferral Periods ("Evergreen Special Award Election") unless (i) the Eligible Employee submits a new Special Award Deferral Election during a subsequent enrollment period changing the deferral amount or revoking the existing election, or (ii) the Participant is not an Eligible Employee on the last day of a subsequent enrollment period; provided that a Deferral Election made prior to December 1, 2012 shall not be given effect as to any Special Award to the extent that the Participant had the ability on or after December 1, 2012 to make a new Deferral Election as to that Special Award. Notwithstanding any provisions to the contrary in this Plan, except as prescribed by the Administrator and set forth in the form or instructions for the applicable Special Award Deferral Election, there will be no Evergreen Special Award Elections for 2021 and subsequent Plan Years.

and any Evergreen Special Award Election in effect at the end of 2020 shall not apply as to any Special Award granted in 2021 or any subsequent Plan Year.

(f) Evergreen Specified Date Payout Election. If a Deferral Election in effect with respect to one Plan Year (the first Plan Year) carries over and applies to the next Plan Year (the second Plan Year) pursuant to this Section 2.1, and the Participant's Payment Election in effect with respect to the first Plan Year includes a specified date payout election, then:

(i) if the second Plan Year is a Plan Year before the 2019 Plan Year, one additional year will be added to the specified date when the Payment Election is applied to the second Plan Year; or

(ii) if the second Plan Year is the 2019 Plan Year or a subsequent Plan Year, then (x) an additional year will not be added to the specified date when the Payment Election is applied to the second Plan Year, and (y) if the specified date payout election in effect with respect to the first Plan Year is a date in the first or second Plan Year, the Participant shall be deemed to have made a Payment Election for the second Plan Year of a single lump sum upon the earliest of the Participant's Payment Event or death (or, if the second Plan Year is the 2019 Plan Year or the 2020 Plan Year, the earliest of the Participant's Payment Event, death, or Disability); provided, however, that

(iii) the Administrator, or its delegate, may prescribe a different payout rule that will be applied for the second Plan Year if such different rule is set forth in the form or instructions for the Payment Election for the second Plan Year.

Notwithstanding any provisions in this Section 2.1(f) to the contrary, if the first Plan Year is 2020 or any subsequent year, the Deferral Election and Payment Election in effect for the first Plan Year shall not carry over and apply to the second Plan Year (except as prescribed by the Administrator and set forth in the form or instructions for the Deferral Election and Payment Election for the second Plan Year).

2.2 Vesting

Amounts deferred under this Article 2 and any earnings thereon will be 100% vested at all times. Notwithstanding the foregoing, any Special Award deferred under Section 2.1(e) and any earnings thereon may be subject to vesting terms. Any such deferred Special Award shall fully vest upon the Participant's Separation from Service if the Participant is entitled to receive benefits under the Severance Plan and has satisfied all conditions for such benefits.

Notwithstanding the foregoing or anything in Section 3.2 to the contrary, Plan deferrals and credits (together with any earnings thereon) are subject to forfeiture and/or recoupment in accordance with applicable law, pursuant to any recoupment, "clawback" or similar policy maintained by EIX or its Affiliates, or under the terms of the award to which the deferral relates.

ARTICLE 3 MATCHING CREDITS

3.1 Amount

Matching Credits in each calendar year (through and including Matching Credits for 2017 Salary and 2017 Bonus) will be added by the Employer to the Participant's Deferral Account under this Plan equal to (i) the lesser of the amount of Salary earned in the calendar year and deferred under the Plan or 6% of the Participant's Matching Base for the calendar year, plus (ii) the lesser of one-half of the amount of Bonus deferred under the Plan or 3% of the Bonus. Matching Credits added to the Participant's Deferral Account shall be subject to the payment election provisions of Article 5 (and, for the avoidance of doubt, will become payable pursuant to the Deferral Election made or deemed made in the year prior to the calendar year the Matching Credits are added to the Participant's Deferral Account).

3.2 Vesting

The Participant's Matching Credits and earnings thereon will vest (i) when the Participant has completed five Years of Service with an Affiliate, (ii) upon the Participant's Disability while employed with an Affiliate, (iii) upon the Participant's death while employed with an Affiliate, or (iv) upon the Participant's Separation from Service if the Participant is entitled to benefits under the Severance Plan and has satisfied all conditions for such benefits. A Participant's unvested Matching Credits and earnings thereon will terminate and be forfeited and the Participant will have no right thereto or in respect thereof on the first to occur of:

- (a) any Separation from Service of the Participant not listed in clauses (ii), (iii), or (iv) of the preceding sentence, or
- (b) as to any Matching Credits (and earnings thereon) with respect to Salary or Bonus deferred for any Plan Year after 2013, any specified payment date elected by the Participant as to the deferrals to which such Matching Credits (and earnings thereon) relate.

3.3 Cessation of Matching Credits

Effective January 1, 2018, the Matching Credits feature of the Plan will terminate, and no Matching Credits will be made to any Participant's Deferral Account at any time thereafter (other than any amounts still to be credited as Matching Credits for 2017 Salary or 2017 Bonus). Matching Credits added to a Participant's Deferral Account with respect to a calendar year prior to 2018 shall continue to be subject to applicable Plan provisions, including without limitation provisions pertaining to vesting, crediting of interest, and payment.

ARTICLE 4 DEFERRAL ACCOUNTS

4.1 Deferral Accounts

Solely for record keeping purposes, the Administrator will maintain a Deferral Account for each Participant with such subaccounts as the

Administrator or its record keeper finds necessary or

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convenient in the administration of the Plan. For Deferral Periods after 2020, the subaccounts shall be the Payment Accounts described in Section 5.1.2.

4.2 Timing of Credits

(a) **Salary, Bonus and Special Award Deferrals.** The Administrator will credit to the Participant's Deferral Account the Salary, Bonus and Special Award deferrals under Article 2 at the time such amounts would otherwise have been paid to the Participant but for the Deferral Election.

(b) **Matching Credits.** Matching Credits under Article 3 will be credited (conditionally until vested) to the Deferral Account at the same time the related deferrals are credited to the Deferral Account.

(c) **Qualifying Awards.** As of the first day immediately following the vesting or performance period of a Qualifying Award that the New York Stock Exchange is open for trading, or as of the ex-dividend date in the case of Dividend Equivalents, a Participant's Deferral Account will be credited with the deferred amount.

(d) **Interest Crediting Dates.** The Administrator will credit interest at the Crediting Rate to the Participant's Deferral Account on a daily basis, compounded annually.

4.3 Statement of Accounts

The Administrator will periodically either provide or make available to each Participant a statement setting forth the balance of the Deferral Account maintained for the Participant.

ARTICLE 5 PAYMENT ELECTIONS

5.1 Primary Payment Election for Deferral Periods Prior to 2019 (except as otherwise provided)

(a) As part of a Deferral Election for Deferral Periods prior to 2019, a Participant may make a Primary Payment Election specifying the payment schedule for each subaccount that will be created as a result of the Deferral Election. The choices available for a Primary Payment Election are as follows:

- (i) Monthly installments for 60 to 180 months, as provided in the applicable Primary Payment Election form; or
- (ii) A single lump sum; or
- (iii) Two to fifteen installments paid annually, as provided in the applicable Primary Payment Election form; or

(iv) Any combination of the preceding three choices, as provided in the applicable Primary Payment Election form.

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Payments under this Primary Payment Election may commence upon (i) the first day of a specified month and year that may be no later than the month and year in which the Participant attains age 75; (ii) the Participant's Retirement; or (iii) the first day of the month that is a specified number of months following the Participant's Retirement or the first day of a specified month a specified number of years following the calendar year in which Retirement occurs (provided that if the date otherwise determined pursuant to this clause (iii) is later than the month and year in which the Participant attains age 75, the date pursuant to this clause (iii) shall be the later of the Participant's Retirement or the month and year in which the Participant attains age 75).

(b) Subject to Section 5.5, lump sum payments or initial installment payments will be made within 90 days (60 days in the case of a payment triggered by a specified payment date) of the scheduled dates. Interest will be added to the payment amount for the days elapsed between the scheduled payment date and the actual date of payment. Notwithstanding anything to the contrary in a Participant Deferral Election, payments from a Participant's Deferral Account will be subject to the following earliest payment date rules: (i) no subaccount relating to a Bonus Deferral Election may be scheduled to commence payment or be paid until the first day of the fourth month in the Plan Year immediately following the Plan Year for which the Bonus was awarded (for example, April 1, 2014 as to a Bonus awarded for 2013); and (ii) no subaccount relating to a Qualifying Award Deferral Election or Special Award Deferral Election with respect to "performance-based compensation" within the meaning of Treasury Regulation Section 1.409A-1(e) may be scheduled to commence payment or be paid until the first day of the fourth month in the Plan Year immediately following the Plan Year in which the corresponding performance period is scheduled to end. If the foregoing earliest payment date rules apply to any payment to be paid in installments, the first installment shall be paid on the applicable earliest payment date and subsequent installments shall be paid over the applicable installment period. The foregoing earliest payment date rules shall apply to payments under both Primary Payment Elections and Contingent Payment Elections. If the Participant's delivery of a release would change the amount of his or her Plan benefit that is payable, and the period for the Participant to consider, execute and revoke such release spans two different Plan Years, and the 90- or 60-day period, as applicable, specified above for the payment of any benefit contingent on such release also spans those two Plan Years, payment of the portion of the benefit contingent upon such release (and earnings thereon) shall be made in the time period otherwise specified above but in the second of those two Plan Years.

If paid in installments, the installments will be paid as follows:

(i) For purposes of calculating installments, the Deferral Account or subaccount will be valued as of the Valuation Date and subsequently as of December 31 each year, with installments for the next calendar year adjusted according to procedures established by the Administrator.

(ii) For Deferral Periods prior to 2021, the installments will be paid in amounts that will amortize the Deferral Account or subaccount balance with interest credited at the Crediting Rate over the period of time benefits are to be paid.

(iii) For Deferral Periods after 2020, annual installment amounts shall be determined by dividing (a) by (b), where (a) equals the Payment Account as of the last valuation under clause (i) above and (b) equals the remaining number of installment payments. The Payment

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Account balance will continue to be credited with interest at the Crediting Rate until the last installment payment is made.

Notwithstanding anything herein to the contrary, distribution in installments shall be treated as a single payment as of the date of the initial installment for purposes of Section 409A of the Code. If paid in monthly installments, the installments may be paid in a single check each month or in more than one check for any given month, provided that in either such case the total amount of the monthly payment shall not change.

(c) If no Primary Payment Election has been made, the Primary Payment Election shall be deemed to be a single lump sum upon the Participant's Retirement (or, if earlier, the Participant's death or Disability).

5.1.1 Payment Election for 2019 and 2020 Deferral Periods

(a) As part of a Deferral Election for Deferral Periods after 2018, a Participant may elect, subject to the conditions set forth in this paragraph, that payment of amounts deferred pursuant to such Deferral Election will be scheduled to commence upon: (i) January 1 of a specified year that may be no later than the year in which the Participant attains age 75; (ii) the Participant's Payment Event; (iii) January 1 of the year following the Payment Event; or (iv) January 1 of the fifth year following the Payment Event. If a Participant dies or, while employed by an Affiliate, becomes Disabled before payments have commenced, then payment shall be made in a lump sum upon (or within 90 days following) the Participant's death or Disability. If a Participant dies or, while employed by an Affiliate, becomes Disabled after payments have commenced but before all payments have been completed, then all of the Participant's remaining benefits shall be paid in a lump sum upon (or within 90 days following) the Participant's death or Disability. If a Participant elects payment to

commence pursuant to clause (iii) or clause (iv) above, the Payment Event occurs, and the date otherwise determined pursuant to clause (iii) or clause (iv), as applicable under the Deferral Election, would be later than the month and year in which the Participant attains age 75, then the commencement date shall instead be the later of the Participant's Payment Event or the month and year in which the Participant attains age 75.

Unless otherwise provided by the Administrator, or its delegate, in the applicable Deferral Election form, the choices available for a Payment Election are a single lump sum or five, ten or fifteen installments paid annually.

(b) The provisions in Section 5.1(b) also apply to this Section 5.1.1.

(c) If no Payment Election has been made by a Participant with respect to a Deferral Period, the Participant's Payment Election for that Deferral Period shall be deemed to be a single lump sum upon the earliest of the Participant's Payment Event, death, or Disability.

(d) Notwithstanding anything to the contrary in this Section 5.1.1, the Administrator, or its delegate, may prescribe rules in the form or instructions for any Payment Election that are different than the rules set forth in this Section 5.1.1 as to the benefits covered by such Payment Election, including expanding or limiting the forms of payment and payment commencement dates available for the Payment Election and prescribing different payment rules for death and Disability.

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5.1.2 Payment Election for Deferral Periods After 2020

(a) Unless otherwise provided by the Administrator, or its delegate, in the applicable Deferral Election form or instructions for a Deferral Period after 2020, each Participant may establish up to six "Payment Accounts" for the payment of amounts deferred for Deferral Periods after 2020, with each Payment Account specifying a Payment Start Date and a Form of Payment from among the following choices:

- (i) Payment Start Date Choices: (x) the later of January 1 of the year following the Participant's Payment Event or the first day of the seventh month following the Participant's Payment Event; or (y) January 1 of a specified year ("Specified Date"). At least one of a Participant's Payment Accounts must specify a Payment Start Date that commences payment pursuant to clause (x). If a Payment Account specifies a Specified Date pursuant to clause (y), then that Payment Account shall no longer count against the Participant's maximum number of Payment Accounts after that Specified Date has occurred and all Plan benefits have been paid to the Participant with respect to that Payment Account.
- (ii) Form of Payment Choices: (x) a single lump sum; or (y) two to ten installments paid annually.

As part of a Deferral Election for a Deferral Period after 2020, the Participant may elect, subject to the conditions set forth in this paragraph, that payment of amounts deferred pursuant to such Deferral Election be paid pursuant to Payment Account(s) established by the Participant; provided, however, that a Participant may not select a Specified Date Payment Account for a Deferral Period that is the Plan Year prior to the Specified Date corresponding to that Payment Account (for example, a January 1, 2025 Specified Date Payment Account could not be elected as a Payment Account for the 2024 Deferral Period). If a Participant elects more than one Payment Account for the payment of amounts deferred pursuant to a Deferral Election, the Participant must specify the portion of such deferrals to be allocated to each Payment Account elected by the Participant and the total of such allocations must equal one hundred percent (100%).

Notwithstanding any provisions of the preceding two paragraphs in this Section 5.1.2(a) to the contrary, benefits accrued with respect to the 2021 Deferral Period or any subsequent Deferral Period shall be subject to the following payment rules: (i) if the Participant dies before payments have commenced for a Payment Account, then payment of the Payment Account shall be made in a lump sum upon (or within 90 days following) the Participant's death; and (ii) if the Participant dies after payments have commenced for a Payment Account but before all payments have been completed, then the remainder of the Payment Account shall be paid in a lump sum upon (or within 90 days following) the Participant's death.

(b) The provisions in Section 5.1(b), with the exception of the earliest payment date rules in Section 5.1(b), also apply to this Section 5.1.2.

(c) Notwithstanding anything to the contrary in this Section 5.1.2, the Administrator, or its delegate, may prescribe rules in the form or instructions for any Payment Election that are different than the rules set forth in this Section 5.1.2 as to the benefits covered by such Payment Election, including expanding or limiting Payment Start Date Choices and Form of Payment Choices

available for the Payment Election, prescribing different payment rules for death, or prescribing a deemed Payment Election if a Participant is allowed to make a Deferral Election for a Deferral Period after 2020 without specifying a Payment Election.

5.2 Contingent Payment Election for Deferral Periods Prior to 2019 (except as otherwise provided)

As part of a Deferral Election for Deferral Periods prior to 2019, a Participant may make a Contingent Payment Election for each of the Contingent Events of (1) the Participant's death while employed by an Affiliate, (2) the Participant's Disability while employed by an Affiliate, and (3) Termination of Employment, for each subaccount that will be created as a result of the Deferral Election, which Contingent Payment Election will take effect upon the first Contingent Event, if any, that occurs before the Participant's Retirement (if the Participant specified a payment schedule determined by reference to Retirement in Section 5.1) or the first day of a specified month and year elected by the Participant pursuant to Section 5.1. The choices available for the Contingent Payment Election are those specified in Section 5.1 except that the references to Retirement shall instead refer to the applicable Contingent Event.

If the Participant has made no Contingent Payment Election and a Contingent Event occurs prior to Retirement (if the Participant specified a payment schedule determined by reference to Retirement in Section 5.1) or the first day of a specified month and year elected by the Participant pursuant to Section 5.1, the Administrator will pay the benefit as specified in the Participant's Primary Payment Election, except that payments scheduled for payment or commencement of payment "upon Retirement," or with a payment date determined by reference to "Retirement," will be paid, commence, or have payment determined by a reference to, the first day of the month following the month in which the Contingent Event occurs. If the Participant has made neither a Contingent Payment Election nor a Primary Payment Election and a Contingent Event occurs prior to Retirement, the Payment Election shall be deemed to be a single lump sum upon the Participant's Contingent Event, subject to the earliest payment date rules in Section 5.1.

5.3 Changes to Payment Elections

A Participant may change an existing Payment Election, including a deemed Payment Election, after the period allowed for the related Deferral Election by submitting a new written Payment Election to the Administrator in the manner prescribed by the Administrator, subject to the following conditions: (1) the new Payment Election shall not be effective unless made at least twelve months before the payment or commencement date scheduled under the prior Payment Election; (2) the new Payment Election must defer a lump sum payment or commencement of installment payments for a period of at least five years from the date that the lump sum would have been paid or installment payments would have commenced under the prior Payment Election; and (3) the election shall not be effective until twelve months after it is submitted to the Administrator. For Payment

Election changes submitted before 2021, a Payment Election change will not be effective if, at the time such new Payment Election is made, the imposition of the five-year delay would require that the benefits to be paid pursuant to such Payment Election would not begin until after the Participant's 75th birthday. Except as otherwise provided by the Administrator, or its delegate, in the form or instructions for a Payment Election change submitted after 2020, any such Payment Election change as to a Payment Event or (in the case of a change to a Contingent Payment Election) death (or, in either case, a date determined with reference to a Payment Event

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or death) will not be effective unless the new Payment Election defers the applicable payment start date by exactly five years from the start date under the prior Payment Election (for clarity, to the extent a Payment Election provides for payment to commence upon a specified date, rather than a date determined with reference to a Payment Event or death, the new Payment Election may defer the specified date by five or more years). After 2018, a Participant will only be given one opportunity per Deferral Account to change the Payment Election for that Deferral Account (for Deferral Periods after 2020, a Participant will only be given one opportunity per Payment Account to change the Payment Election for that Payment Account), and the payment schedules available for such new Payment Election are those prescribed by the Administrator, or its delegate, in the form or instructions for the Payment Election change, subject to the conditions specified in this paragraph.

5.4 Small Benefit Exception

Notwithstanding the foregoing, the Administrator may, in its sole discretion and as determined by it in writing, pay the benefits in a single lump sum if the sum of all benefits payable to the Participant under this Plan and all Similar Plans is less than or equal to the applicable dollar amount under Section 402(g)(1)(B) of the Code.

5.5 Six-Month Delay in Payment for Specified Employees

Notwithstanding anything herein to the contrary, in the event that a Participant who is a Specified Employee is entitled to a distribution from the Plan due to the Participant's Separation from Service, the lump sum payment or the commencement of installment payments, as the case may be, may not be scheduled to occur or occur before the date that is the earlier of (1) six months following the Participant's Separation from Service for reasons other than death or (2) the Participant's death.

5.6 Conflict of Interest Exception, Etc.

Notwithstanding the foregoing, the Administrator may, in its sole discretion, pay benefits in a single lump sum if permitted under Treasury Regulation Section 1.409A-3(j)(4)(iii). In addition, the Administrator may, in its sole discretion, accelerate the payment of benefits, and pay such benefits in a single lump sum, if and to the

extent permitted under any of the other exceptions specified in Treasury Regulation Section 1.409A-3(j)(4) to the general rule in Section 409A of the Code prohibiting accelerated payments, provided that the terms of Section 5.4 of the Plan shall govern whether benefits will be paid in a single lump sum pursuant to the small benefit exception contained in Treasury Regulation Section 1.409A-3(j)(4)(v).

ARTICLE 6

SURVIVOR BENEFITS

Following the Participant's death, payment of the Participant's Deferral Account will be made to the Participant's Beneficiary or Beneficiaries according to the payment schedule elected or deemed elected according to Article 5, subject to the payment provisions (if applicable) of Sections 5.1.1 and 5.1.2.

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ARTICLE 7

BENEFICIARY DESIGNATION

The Participant will have the right, at any time, to designate any person or persons or entity as Beneficiary (both primary and contingent) to whom payment under the Plan will be made in the event of the Participant's death. The Beneficiary designation will be effective when it is submitted to the Administrator during the Participant's lifetime in accordance with procedures established by the Administrator.

The submission of a new Beneficiary designation will cancel all prior Beneficiary designations. Any finalized divorce or marriage of a Participant subsequent to the date of a Beneficiary designation will revoke such designation, unless in the case of divorce the previous spouse was not designated as a Beneficiary, and unless in the case of marriage the Participant's new spouse has previously been designated as the sole primary Beneficiary. The spouse of a married Participant must consent in writing to any designation of a Beneficiary other than the spouse.

If a Participant fails to designate a Beneficiary as provided above, or if the Beneficiary designation is revoked by marriage, divorce, or otherwise without execution of a new designation, or if every person designated as Beneficiary predeceases the Participant (and no entity is named as a Beneficiary, or an entity was named but no longer exists at the time of the Participant's death), then the Administrator will direct the distribution of the benefits to the Participant's estate. If a primary Beneficiary dies after the Participant's death but prior to completion of benefits under this Plan, and no contingent Beneficiary has been designated by the Participant, any remaining payments will be paid to the primary Beneficiary's Beneficiary, if one has been designated, or to the Beneficiary's estate.

ARTICLE 8
CONDITIONS RELATED TO BENEFITS

8.1 Nonassignability

The benefits provided under the Plan may not be alienated, assigned, transferred, pledged or hypothecated by or to any person or entity, at any time or any manner whatsoever. These benefits will be exempt from the claims of creditors of any Participant or other claimants and from all orders, decrees, levies, garnishment or executions against any Participant to the fullest extent allowed by law. Notwithstanding the foregoing, the benefit payable to a Participant may be assigned in full or in part, pursuant to a domestic relations order of a court of competent jurisdiction.

8.2 Unforeseeable Emergency Distribution

A Participant may submit a hardship distribution request to the Administrator in writing setting forth the reasons for the request. The Administrator (or its delegate) will have the sole authority to approve or deny such requests. Upon a finding that the Participant has suffered an Unforeseeable Emergency, the Administrator (or its delegate) may in its discretion, permit the Participant to cease any on-going deferrals and accelerate distributions of benefits under the Plan in the amount reasonably necessary to alleviate the Unforeseeable Emergency. If a distribution is to be made to a Participant on account of an Unforeseeable Emergency, the Participant may not

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make deferrals under the Plan until one entire Plan Year following the Plan Year in which a distribution based on an Unforeseeable Emergency was made has elapsed.

8.3 No Right to Assets

A Participant's benefits paid under the Plan will be paid from the general funds of the Participant's Employer, and the Participant and any Beneficiary will be no more than unsecured general creditors of that Employer with no special or prior right to any assets of the Employer for payment of any obligations hereunder. Neither the Participant nor the Beneficiary will have a claim to benefits from any other Affiliate. Plan benefits are available to Eligible Employees of EIX and its participating Affiliates. Amounts of compensation deferred by Participants pursuant to this Plan accrue as liabilities of the Employer under the terms and conditions set forth herein. By electing to defer compensation under the Plan, Participants consent to EIX sponsorship of the Plan, but acknowledge that EIX is not a guarantor of the benefit obligations of other participating Affiliates. Each Affiliate is responsible for payment of the accrued benefits under the Plan with respect to its own Eligible Employees subject to the terms and conditions set forth herein. Notwithstanding the foregoing or anything in the definition of "Employer" to the contrary,

and at the sole discretion of EIX, EIX may determine that for purposes of benefits payable under the Plan, EIX shall be deemed to be the Employer obligated to pay such benefits. Such an election by EIX may be made, in EIX's sole discretion, as to all Plan benefits, as to only certain benefits, and/or as to only certain Affiliates or Participants, and will be deemed an assumption of the specified benefit obligations of the applicable Affiliates. Subject to the further provisions hereof, EIX will be solely obligated to pay any such benefits and no Participant (or Beneficiary) will have a claim as to any other Affiliate with respect to such benefits. Upon an election by EIX under this Section 8.3, benefits covered by the election will be paid from the general funds of EIX (and not the Affiliate that would otherwise pay the benefits), provided that EIX may require that as between EIX and the Affiliate that would otherwise pay such benefits, the Affiliate will be responsible to pay EIX for the assumption of such obligations in accordance with funding arrangements determined by EIX at the time of election or any time thereafter. To the extent such Affiliate fails to comply with such funding arrangements or obtains any refund or offset of payments made from the Affiliate to EIX without the consent of EIX, the Affiliate that would otherwise be responsible for payment of benefits to the applicable Participant will remain responsible for such benefits. EIX will effectuate any such election pursuant to this Section 8.3 by providing written notice to the Administrator and the applicable Affiliates regarding the effective date of such election, and the benefits, Affiliates and Participants for which the election is applicable. The funding arrangements established by EIX at the time of its election, or from time to time thereafter, will set forth the method by which the Affiliates will remit funds to EIX in consideration of compensation that would otherwise be paid by the Affiliate but which has been deferred and is or becomes a Plan benefit obligation of EIX or other Plan benefit obligations that are assumed by EIX. Such a method may include, but is not limited to, lump sum payment by an Affiliate to EIX of relevant benefits accrued through the date of EIX's election with regular periodic payments to EIX of continuing accruals; regular periodic payments by an Affiliate to EIX beginning with the date of EIX's election through the date such benefits become due under the Plan; lump sum payment by an Affiliate to EIX at the time benefits become due under the Plan; or intercompany payables and receivables used with funding on a "pay-as-you-go" basis.

8.4 Protective Provisions

The Participant will cooperate with the Administrator by furnishing any and all information requested by the Administrator, in order to facilitate the payment of benefits hereunder, taking such physical examinations as the Administrator may deem necessary and signing such consents to insure or taking such other actions as may be requested by the Administrator. If the Participant refuses to cooperate, the Administrator and the Employer will have no further obligation to the Participant under the Plan.

8.5 Constructive Receipt

Notwithstanding anything to the contrary in this Plan, in the event the Administrator determines that amounts deferred under the Plan have failed to comply with Section 409A and must be recognized as income for federal income tax purposes, distribution of the amounts included in a Participant's income will be made to such Participant. The determination of the Administrator under this Section 8.5 will be binding and conclusive.

8.6 Withholding

The Participant or the Beneficiary will make appropriate arrangements with the Administrator for satisfaction of any federal, state or local income tax withholding requirements and Social Security or other employee tax requirements applicable to the accrual or payment of benefits under the Plan. If no other arrangements are made, the Administrator may provide, at its discretion, for such withholding and tax payments as may be required.

8.7 Incapacity

If any person entitled to payments under this Plan is incapacitated and unable to use such payments in his or her own best interest, EIX may direct that payments (or any portion) be made to that person's legal guardian or conservator, or that person's spouse, as an alternative to payment to the person unable to use the payments. EIX will have no obligation to supervise the use of such payments, and court-appointed guardianship or conservatorship may be required.

ARTICLE 9 PLAN ADMINISTRATION

9.1 Plan Interpretation

The Administrator will administer the Plan and interpret, construe and apply its provisions in accordance with its terms and will provide direction and oversight as necessary to management, staff, or contractors to whom day-to-day Plan operations may be delegated. The Administrator will establish, adopt or revise such rules and regulations as it may deem necessary or advisable for the administration of the Plan. The Administrator will interpret and construe the Plan and the prior version of the Plan to comply with Section 409A of the Code. All decisions of the Administrator will be final and binding.

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9.2 Limited Liability

Neither the Administrator, nor any of its members or designees, will be liable to any person for any action taken or omitted in connection with the interpretation and administration of this Plan.

ARTICLE 10
AMENDMENT OR TERMINATION OF PLAN

10.1 Amendment of Plan

Subject to the terms of Section 10.3, EIX may at any time amend the Plan in whole or in part, provided, however, that the amendment (i) will not decrease the balance of the Participant's Deferral Account at the time of the amendment and (ii) will not retroactively decrease the applicable Crediting Rates of the Plan prior to the time of the amendment. EIX may amend the Crediting Rates of the Plan prospectively, in which case the Administrator will notify the Participant of the amendment in writing within 30 days after the amendment.

10.2 Termination of Plan

Subject to the terms of Section 10.3, EIX may at any time terminate the Plan. If EIX terminates the Plan, distributions to the Participants or their Beneficiaries shall be made on the dates on which the Participants or Beneficiaries would receive benefits hereunder without regard to the termination of the Plan except that payments may be made upon termination of the Plan if the requirements for accelerated payment under Treasury Regulation Section 1.409A-3(j)(4)(ix)(C) are satisfied.

10.3 Amendment or Termination after Change in Control

Notwithstanding the foregoing, EIX will not amend or terminate the Plan without the prior written consent of affected Participants for a period of two calendar years following a Change in Control and will not thereafter amend or terminate the Plan in any manner which affects any Participant (or Beneficiary of a deceased Participant) who commences receiving payment of benefits under the Plan prior to the end of the two year period following a Change in Control.

10.4 Exercise of Power to Amend or Terminate

EIX's power to amend or terminate the Plan will be exercisable by the Compensation and Executive Personnel Committee of the EIX Board of Directors.

ARTICLE 11
CLAIMS AND REVIEW PROCEDURES

11.1 Claims Procedure for Claims Other Than due to Disability

(a) Except for claims due to Disability, the Administrator will notify a Participant or his or her Beneficiary (or person submitting a claim on behalf of the Participant or Beneficiary) (a "claimant") in writing, within 90 days after his or her written application for benefits, of his or her eligibility

or noneligibility for benefits under the Plan. If the Administrator determines that a claimant is not eligible for benefits or full benefits, the notice will set forth (1) the specific reasons for the denial, (2) a specific reference to the provisions of the Plan on which the denial is based, (3) a description of any additional information or material necessary for the claimant to perfect his or her claim, and a description of why it is needed, and (4) an explanation of the Plan's claims review procedure and other appropriate information as to the steps to be taken if the claimant wishes to have the claim reviewed.

If the Administrator determines that there are special circumstances requiring additional time to make a decision, the Administrator will notify the claimant of the special circumstances and the date by which a decision is expected to be made, and may extend the time for up to an additional 90-day period.

(b) If a claimant is determined by the Administrator not to be eligible for benefits, or if the claimant believes that he or she is entitled to greater or different benefits, the claimant will have the opportunity to have the claim reviewed by the Administrator by filing a petition for review with the Administrator within 60 days after receipt of the notice issued by the Administrator. Said petition will state the specific reasons which the claimant believes entitle him or her to benefits or to greater or different benefits. Within 60 days after receipt by the Administrator of the petition, the Administrator will afford the claimant (and counsel, if any) an opportunity to present his or her position to the Administrator in writing, and the claimant (or counsel) will have the right to review the pertinent documents. The Administrator will notify the claimant of its decision in writing within the 60-day period, stating specifically the basis of its decision, written in a manner calculated to be understood by the claimant and the specific provisions of the Plan on which the decision is based. If, due to special circumstances (for example, because of the need for a hearing), the 60-day period is not sufficient, the decision may be deferred for up to another 60-day period at the election of the Administrator, but notice of this deferral will be given to the claimant. In the event of the death of the Participant, the same procedures will apply to the Participant's Beneficiaries.

11.2 Claims Procedure for Claims due to Disability

(a) For purposes of Section 11.1, this Section 11.2 and Section 11.3, a claim shall not be considered to be due to Disability if the existence of the Participant's Disability is determined by reference to whether the Participant is eligible for benefits under his or her Employer's long-term disability plan applicable to the Participant, as determined by the Employer. A claim due to Disability will be approved or denied by the Administrator or its delegate, as it deems appropriate in its discretion, based on its interpretation of the Plan, medical evidence, and the analysis and conclusions of a physician selected by the Administrator or its delegate. Within a reasonable period of time, but not later than 45 days after receipt of a claim due to Disability, the Administrator or its delegate shall notify the claimant of any adverse benefit determination on the claim, unless circumstances beyond the Plan's control require an extension of time for processing the claim. Except as contemplated by this Section 11.2, in no event may the extension period exceed 30 days from the end of the initial 45-day period. If an extension is necessary, the

Administrator or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 45-day period. The notice shall describe the circumstances requiring the extension and the date by which the Administrator or its delegate expects to render a determination on the claim. If, prior to the end of the first 30-day extension period, the Administrator or its delegate determines that, due to circumstances beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for an additional

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30 days, so long as the Administrator or its delegate notifies the claimant, prior to the expiration of the first 30-day extension period, of the circumstances requiring the extension and the date as of which the Administrator or its delegate expects to render a decision. This notice of extension shall specifically describe the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and that the claimant has at least 45 days within which to provide the specified information. Furthermore, in the event that a period of time is extended as permitted due to a claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination shall be tolled from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information.

(b) In the case of an adverse benefit determination, the Administrator or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant in a culturally and linguistically appropriate manner: (i) the specific reason or reasons for the adverse benefit determination; (ii) reference to the specific Plan provisions on which the adverse benefit determination is based; (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why the material or information is necessary; (iv) a description of the Plan's claim review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 11.2(c) below; (v) either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist; (vi) if the determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation shall be provided free of charge upon request; (vii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and

other information relevant to the claimant's claim for benefits; and (viii) a discussion of the decision, including an explanation of the basis for disagreeing with or not following: (a) the views presented by the claimant to the Plan of health care professionals treating the claimant and vocational professionals who evaluated the claimant; (b) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and (c) a disability determination made by the Social Security Administration regarding the claimant presented by the claimant to the Plan.

(c) Any good-faith determination by the Administrator or its delegate will be final and binding on the Plan and the claimant unless appealed in accordance with this Section 11.2(c). Within 180 days after receipt by the claimant of notification of the adverse benefit determination, the claimant or the claimant's duly authorized representative, upon written application to the Administrator, may request that the Plan fully and fairly review the adverse benefit determination (also sometimes referred to herein as an "appeal"). Upon request and free of charge, the claimant pursuing an appeal shall have reasonable access to, and be provided copies of, all documents, records and other information relevant to the claimant's claim for benefits. The claimant shall have the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits. The review: (i) shall take into account all comments, documents, records, and other

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information submitted regardless of whether the information was previously submitted or considered in the initial adverse benefit determination; (ii) shall not afford deference to the initial adverse benefit determination; (iii) shall be conducted, at the direction of the Administrator, by an appropriate fiduciary of the Plan who is neither the individual who made the adverse benefit determination that is the subject of the review, nor the subordinate of such individual; (iv) shall identify medical and vocational experts whose advice was obtained on behalf of the Plan in connection with the initial adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and (v) where based in whole or in part on medical evidence or medical judgment, including determinations with regard to whether a particular treatment, drug, or other item is experimental, investigational, or not medically necessary or appropriate, shall include consultation with a physician, with appropriate training and experience in the field of medicine involved in the medical judgment, who was neither consulted in connection with the initial adverse benefit determination, nor the subordinate of any such professional.

The appeal will then be approved or denied by the Administrator or its delegate, as it deems appropriate, based on its interpretation of the Plan in light of the medical evidence.

Before an adverse benefit determination on review of a claim due to Disability is issued, the claimant shall be provided, free of charge, with any new or additional evidence considered, relied upon, or generated by the Administrator or its delegate making the benefit determination (or at the direction of the Administrator) in connection with the claim; such evidence will be provided as soon as possible and sufficiently in advance of the date on which the notice of adverse benefit determination on review is required to be provided to give the claimant a reasonable opportunity to respond prior to that date.

Also before an adverse benefit determination on review based on a new or additional rationale is issued, the claimant shall be provided, free of charge, the rationale; the rationale must be provided as soon as possible and sufficiently in advance of the date on which the notice of adverse benefit determination on review is required to be provided to give the claimant a reasonable opportunity to respond prior to that date.

A final benefit determination will be made by the Administrator or its delegate, and the Administrator or its delegate shall provide the claimant with written or electronic notification of the final benefit determination within a reasonable period of time, but no later than 45 days immediately following receipt of claimant's request for review, unless special circumstances require a further extension of time for processing the claim, which extension may be up to an additional 45 days. If such an extension of time for review is required because of special circumstances, the Administrator or its delegate shall provide the claimant with a written notice of the extension prior to the commencement of the extension. The notice shall describe the special circumstances requiring the extension and the date as of which the final benefit determination shall be made. In the event that a period of time is extended due to a claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination on review shall be tolled from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information. In the case of an adverse final benefit determination, the Administrator or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant and in a culturally and linguistically appropriate manner: (i) the specific reason or reasons for the adverse final benefit determination; (ii) reference to the specific Plan provisions on

which the adverse final benefit determination is based; (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits; (iv) a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and mandatory arbitration in accordance with Section 11.3 below; (v) either the specific internal rules,

guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist; (vi) if the determination is based on a medical necessity or experimental treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation shall be provided free of charge upon request; (vii) a discussion of the decision, including an explanation of the basis for disagreeing with or not following: (a) the views presented by the claimant to the Plan of health care professionals treating the claimant and vocational professionals who evaluated the claimant; (b) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and (c) a disability determination made by the Social Security Administration regarding the claimant presented by the claimant to the Plan; and (viii) the following statement: "You and your plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency." As described above, there shall be only one level of review of an adverse benefit determination, followed by mandatory arbitration under Section 11.3, before a claimant may bring a civil action pursuant to Section 502 of ERISA.

11.3 Dispute Arbitration

(a) Effective as to any claims filed on or after June 19, 2014, final and binding arbitration under this Section 11.3 shall be the sole remedy available to a claimant after he or she has exhausted the claim and review procedures set forth in Section 11.1. Furthermore, exhaustion by the claimant of the claim and review procedures set forth in Section 11.1 is a mandatory prerequisite for binding arbitration under this Section 11.3. Any arbitration or civil action brought prior to the exhaustion of the claim and review procedures set forth in Section 11.1 shall be remanded to the Administrator to permit the claim and review procedures to be exhausted.

(b) After a claimant has exhausted the claim and review procedures set forth in Section 11.1, if the claimant is determined by the Administrator not to be eligible for benefits, or if the claimant believes that he or she is entitled to greater or different benefits, the claimant may submit his or her claim to final and binding arbitration under this Section 11.3.

Any arbitration under this Section 11.3 will be held in Los Angeles County, California, in accordance with the then-current JAMS Arbitration Rules and Procedures for Employment Disputes ("JAMS Rules") and under the Federal Arbitration Act. The arbitration shall be before a single neutral arbitrator licensed to practice law and experienced employee benefits law as well as the laws governing nonqualified deferred compensation plans, selected by mutual agreement of the parties. If the parties are unable to agree upon an arbitrator, the arbitrator shall be selected by striking in accordance with the then-current JAMS Rules from a list of arbitrators supplied by

JAMS. Any and all claims and/or defenses that would otherwise be available in a court of law will

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be fully available to the parties. The arbitrator selected pursuant to this paragraph (the "Arbitrator") may order such discovery as is necessary for a full and fair exploration of the issues and dispute, consistent with the expedited nature of arbitration. The Arbitrator shall apply applicable substantive law to resolve the dispute. To the fullest extent provided by federal law, the decision rendered by the Administrator pursuant to the claim and review procedures set forth in Section 11.1 shall be upheld by the Arbitrator unless the Arbitrator determines that the Administrator abused its discretion.

Notwithstanding the preceding sentence, if a Change in Control occurs, then a claim review decision rendered by the Administrator within the three years following the Change in Control shall, if it is challenged by the claimant in accordance with this Section 11.3, be subject to *de novo* review by the Arbitrator. Subject to the applicable standard of review in the preceding two sentences, the Arbitrator may grant any award or relief available under applicable law that the Arbitrator deems just and equitable.

At the conclusion of the arbitration, the Arbitrator shall issue a written decision that sets forth the essential findings and conclusions upon which the Arbitrator's award or decision is based. Any award or relief granted by the Arbitrator hereunder shall be final and binding on the parties hereto, and may be enforced by any court of competent jurisdiction. The Administrator will pay the Arbitrator's fee and arbitration forum fees, to the extent required by law. Otherwise, each party shall be solely responsible for paying his/her/their/its own costs/fees for the arbitration, including but not limited to attorneys' fees. However, the Arbitrator in his or her discretion may allow reasonable attorney's fees and costs of action to either party to the same extent as would be permissible if the claim(s) were filed in a court of law in lieu of arbitration.

(c) Notwithstanding any contrary provisions of this Section 11.3, if the claim is due to Disability, the following rules apply: (1) arbitration under this Section 11.3 shall be the mandatory second level of appeal following the exhaustion by the claimant of the claim and review procedures set forth in Section 11.2, and such exhaustion is a mandatory prerequisite for arbitration under this Section 11.3—any arbitration or civil action brought with respect to a claim due to Disability prior to the exhaustion of the claim and review procedures set forth in Section 11.2 shall be remanded to the Administrator to permit the claim and review procedures to be exhausted; (2) arbitration of a claim due to Disability under this Section 11.3 shall not be binding, and the claimant shall not be precluded from challenging the decision of the Arbitrator in a civil action brought pursuant to Section 502(a) of ERISA; and (3) except as specifically set forth in this Section 11.3(c), if the claim is due to Disability, the arbitration shall be conducted as set forth in Section 11.3(b).

(d) Effective as to any claims filed on or after January 1, 2024, the Eligible Employee, Participant, or Beneficiary must bring any dispute in arbitration on an individual basis only, and not on a class, collective or representative basis and must waive the right to commence, be a party to, or be an actual or putative class member of any class, collective or representative action arising out of or relating to the Plan, including, but not limited to, any claims related to the Plan ("class action waiver"). However, if this class action waiver is found to be unenforceable by a court of competent jurisdiction, then any claim on a class, collective or representative basis shall be filed and adjudicated in a court of competent jurisdiction, and not in arbitration. Except as provided in the preceding sentence, this Section 11.3 is intended to make mandatory individual arbitration apply, as described above, to the maximum extent permissible under ERISA; if any feature of this arbitration requirement is impermissible under ERISA, arbitration as described above shall remain required with the minimum change necessary to allow the arbitration requirement to be permissible under ERISA. This Section 11.3(d) shall only apply with respect

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to an Eligible Employee or Participant hired (including those rehired) by an Employer on or after January 1, 2024 and to any Beneficiary thereof.

ARTICLE 12

MISCELLANEOUS

12.1 Successors

The rights and obligations of each Employer under the Plan will inure to the benefit of, and will be binding upon, the successors and assigns of the Employer.

12.2 Trust

The Employers will be responsible for the payment of all benefits under the Plan. At their discretion, the Employers may establish one or more grantor trusts for the purpose of providing for payment of benefits under the Plan. The trust or trusts may be irrevocable, but an Employer's share of the assets thereof will be subject to the claims of the Employer's creditors. Benefits paid to the Participant from any such trust will be considered paid by the Employer for purposes of meeting the obligations of the Employer under the Plan.

12.3 Employment Not Guaranteed

Nothing contained in the Plan nor any action taken hereunder will be construed as a contract of employment or as giving any Participant any right to continue in employment with the Employer or any other Affiliate.

12.4 Gender, Singular and Plural

All pronouns and variations thereof will be deemed to refer to the masculine, feminine, or neuter, as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.

12.5 Captions

The captions of the articles and sections of the Plan are for convenience only and will not control or affect the meaning or construction of any of its provisions.

12.6 Validity

If any provision of the Plan is held invalid, void or unenforceable, the same will not affect, in any respect whatsoever, the validity of any other provisions of the Plan.

12.7 Waiver of Breach

The waiver by EIX or the Administrator of any breach of any provision of the Plan by the Participant will not operate or be construed as a waiver of any subsequent breach by the Participant.

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12.8 Applicable Law

The Plan will be governed and construed in accordance with the laws of California except where the laws of California are preempted by ERISA.

12.9 Notice

Any notice or filing required or permitted to be given to the Administrator under the Plan will be sufficient if in writing and hand-delivered, or sent by first class mail to the principal office of EIX, directed to the attention of the Administrator. The notice will be deemed given as of the date of delivery, or, if delivery is made by mail, as of the date shown on the postmark.

12.10 ERISA Plan

The Plan is intended to be an unfunded plan maintained primarily to provide deferred compensation benefits for "a select group of management or highly compensated employees" within the meaning of Sections 201, 301 and 401 of ERISA and therefore to be exempt from Parts 2, 3 and 4 of Title I of ERISA. EIX is the named fiduciary.

12.11 Statutes and Regulations

Any reference to a statute or regulation herein shall include any successor to such statute or regulation.

IN WITNESS WHEREOF, EIX has amended and restated this Plan on the 20th day of December, 2023.

EDISON INTERNATIONAL

/s/ Natalie Schilling

Natalie Schilling

Senior Vice President,
Human Resources

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Exhibit 10.4.1

EDISON INTERNATIONAL

2008 EXECUTIVE RETIREMENT PLAN

Amended and Restated Effective
January 1, 2024 (except as otherwise provided)

PREAMBLE

The purpose of this Plan is to provide supplemental retirement benefits to Participants and surviving spouses or other designated Beneficiaries of such Participants.

This Plan applies to benefits that are accrued or vested after December 31, 2004, and is intended to comply with Section 409A of the Internal Revenue Code and the regulations promulgated thereunder. Benefits that were accrued and vested prior to 2005 shall be paid under the Predecessor Plan in accordance with the terms therein, and shall not be subject to any of the terms of this Plan. In no event shall a Participant receive benefits under this Plan and the Predecessor Plan with respect to the same years of service.

ARTICLE 1
DEFINITIONS

Capitalized terms in the text of the Plan are defined as follows:

401(k) Earnings means the Participant's "Earnings" taken into account for purposes of determining "Deferrals" under the Savings Plan, with "Earnings" and "Deferrals" having the meanings set forth in the Savings Plan, provided however, that as to a Non-Cash Balance Participant who first commences participation in the Plan on or after January 1, 2021 and as to a True-Up Participant who first commences participation in the Plan on or after January 1, 2019, the Participant's 401(k) Earnings taken into account as to the first Plan Year the individual is a Participant shall be limited to 401(k) Earnings earned by the Participant on and after the first day of the first payroll period applicable to the Participant that commences after the last day of the thirty-day period (or such shorter period as may be prescribed

by the Administrator) for the individual to make an initial Payment Election after first becoming a Participant.

Administrator means the Compensation and Executive Personnel Committee of the Board of Directors of EIX.

Affiliate means EIX or any corporation or entity which (i) along with EIX, is a component member of a “controlled group of corporations” within the meaning of Section 414(b) of the Code, and (ii) has approved the participation of its Executives in the Plan.

Beneficiary means the person or persons or entity designated as such in accordance with Article 6 of the Plan.

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Benefit Feature means one of the levels of benefit under the Plan as described in Section 3.2(a).

Board means the Board of Directors of EIX.

Bonus means (i) the dollar amount of bonus (if any) awarded by the Employer to the Participant pursuant to the terms of the Executive Incentive Compensation Plan, the 2007 Performance Incentive Plan, or a successor plan governing annual executive bonuses (collectively, the “Executive Bonus Plan”) and (ii) for a Qualifying Severance in connection with a Separation from Service that occurs on or after January 1, 2023, the dollar amount of the Participant’s target bonus under the Executive Bonus Plan for the calendar year preceding the year of the Separation from Service if a bonus is not paid to the Participant under the Executive Bonus Plan for such preceding calendar year because the Separation from Service occurs before the vesting date under the Executive Bonus Plan for such bonus. Notwithstanding the foregoing, effective for any Bonus for 2018 or a later year, the Administrator shall have discretion to provide that, for purposes of determining benefits under this Plan, a Participant shall be treated as having received (i) the Bonus that would otherwise be taken into account pursuant to the preceding sentence or (ii) such other amount as determined by the Administrator that is no greater than the Participant’s target bonus for the year under the Executive Bonus Plan. As to a Non-Cash Balance Participant who first commences participation in the Plan on or after January 1, 2021 and as to a True-Up Participant who first commences participation in the Plan on or after January 1, 2019, the Participant’s Bonus taken into account as to the first Plan Year the individual is a Participant shall be the Participant’s Bonus earned during the Plan Year multiplied by the ratio of (i) the number of full payroll periods remaining in the Plan Year after the last day of the thirty-day period (or such shorter period as may be prescribed by the Administrator) for the individual to make an initial Payment Election after first becoming a Participant to (ii) the total number of full payroll periods during the Plan Year that such individual is an Executive.

Cash Balance Pay Credits means the Participant's "Pay Credits" for purposes of the Qualified Plan, as defined in the Qualified Plan. As to an individual who first commences participation in the Plan on or after January 1, 2019, the Participant's Cash Balance Pay Credits taken into account as to the first Plan Year the individual is a Participant shall equal the Participant's Pay Credits for purposes of the Qualified Plan for that Plan Year multiplied by the ratio of (i) the number of full payroll periods remaining in the Plan Year after the last day of the thirty-day period (or such shorter period as may be prescribed by the Administrator) for the individual to make an initial Payment Election after first becoming a Participant to (ii) the total number of full payroll periods during the Plan Year that such individual is employed by an Affiliate.

Change in Control means a Change in Control of EIX as defined in the Severance Plan.

Code means the Internal Revenue Code of 1986, as amended.

Contingent Event means the Participant's Disability or death while employed by an Affiliate or Separation from Service for other reasons if such event occurs prior to the Participant's Retirement.

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Contingent Payment Election means an election regarding the time and form of payment made or deemed made in accordance with Section 4.2.

Crediting Rate means the rate at which interest will be credited when interest at the "Crediting Rate" is specified pursuant to the Plan. If the Valuation Date for a Participant is before 2018, the Crediting Rate will be the interest crediting rate in effect for the Qualified Plan. If the Valuation Date for a Participant is after 2017, the Crediting Rate will be determined annually in advance of the calendar year and will be equal to the average monthly Moody's Corporate Bond Yield for Baa Public Utility Bonds for the 60 months preceding September 1st of the prior year. Notwithstanding the foregoing, EIX reserves the right to prospectively change the definition of Crediting Rate.

Disability means the Participant (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve months or (ii) is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, receiving income replacement benefits for a period of not less than three months under a plan covering employees of the Employer.

EIX means Edison International.

Employer means the Affiliate employing the Participant. Notwithstanding the foregoing, with respect to a particular Participant's benefits under the Plan, for purposes of determining which Affiliate is obligated to pay such benefits, Employer as to such Participant and benefits means the Affiliate employing the Participant upon the Participant's Separation from Service (or, as to any distribution of any benefit under the Plan prior to the Participant's Separation from Service, the Affiliate employing the Participant at the time of such distribution).

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

Executive means an employee of an Affiliate who is designated an Executive by the Chief Executive Officer ("CEO") of that Affiliate or who is elected as a Vice President or officer of higher rank by the board of that Affiliate or by the Board.

Executive Profit Sharing Credits mean the amounts the Employer would have contributed to the Savings Plan if the Participant were not subject to Sections 415 and 401(a)(17) of the Code and if the Participant's elective deferrals under the EIX 2008 Executive Deferred Compensation Plan or predecessor or successor plans governing nonqualified deferrals were included in the definition of Earnings under the Savings Plan.

Executive Retirement Account or **ERA** means the notional cash balance account established for record keeping purposes for a Participant pursuant to Section 3.4 of the Plan.

Executive Retirement Account Credits or **ERA Credits** means the amounts credited to a Participant's Executive Retirement Account under Section 3.4 of the Plan.

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Executive Retirement Account Salary Base or **ERA Salary Base** means (i) for a Non-Cash Balance Participant, the amount (if any) by which the Participant's Salary for the applicable calendar year exceeds his or her 401(k) Earnings for that year, and (ii) for any other Participant, the amount (if any) by which the Participant's Salary for the applicable calendar year exceeds the compensation limit for that year set by the Secretary of the Treasury for purposes of Section 401(a)(17) of the Internal Revenue Code.

Executive Retirement Account Salary Base Differential or **ERA Salary Base Differential** means (i) for a Non-Cash Balance Participant, the amount (if any) by which (1) the Participant's annual rate of Salary in effect immediately prior to the Participant's Separation from Service exceeds (2) the Participant's annual rate of 401(k) Earnings in effect immediately prior to the Participant's Separation from Service, and (ii) for any other Participant, the amount (if any) by which (1) the Participant's annual rate of Salary in effect immediately prior to the Participant's Separation from Service

exceeds (2) the compensation limit set by the Secretary of the Treasury for purposes of Section 401(a)(17) of the Internal Revenue Code for the year in which the Participant's Separation from Service occurs.

Non-Cash Balance Participant means a Participant who is described either in Section 3.1(c) below (other than a Participant who was employed by an Affiliate before January 1, 2018 but is not described in Section 3.1(d)) or in Section 3.1(d) below.

Officer means the CEOs, Presidents, Executive Vice Presidents, Senior Vice Presidents and elected Vice Presidents of EIX and its Affiliates. Other employees of EIX and its Affiliates, including officers who are not elected Vice Presidents or above, shall not be treated as Officers for purposes of the Plan, unless the Administrator specifically designates any such employee as an Officer for purposes of the Plan.

Participant means an individual who either (1) is an employee of an Affiliate, who (i) is a U.S. employee or an expatriate and is based and paid in the U.S.; (ii) has been designated as an Executive by the Administrator, the Affiliate's board or the Affiliate's CEO for purposes of the Plan; and (iii) qualifies as a member of the "select group of management or highly compensated employees" under ERISA, provided that an individual first designated as an Executive on or after December 1, 2020 shall not be a Participant until the first day of the calendar quarter following the calendar quarter in which the Executive satisfies such criteria, except as otherwise specified in writing by the Administrator; or (2) is a person who has a vested benefit under the Plan by virtue of prior employment as an Executive of an Affiliate, which vested benefit has not yet been completely distributed.

Payment Election means a Primary Payment Election or a Contingent Payment Election, or a payment election pursuant to Section 4.1.1, as the case may be, subject to change pursuant to Section 4.3. Payment Elections shall be made in the manner prescribed by the Administrator, or its delegate, which may include electronic elections.

Payment Event means: (i) as to an individual who first commenced participation in the Plan prior to 2021, the Participant's Separation from Service for any reason other than death or Disability; and (ii) as to an individual who first commenced participation in the Plan after 2020, the Participant's Separation from Service for any reason other than death.

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Plan means the EIX 2008 Executive Retirement Plan.

Predecessor Plan means the Southern California Edison Company Executive Retirement Plan.

Primary Payment Election means an election regarding the time and form of payments made or deemed made in accordance with Section 4.1.

Profit Sharing means the programs under which some Affiliates have made profit sharing or gain sharing contributions to the Savings Plan.

Qualified Plan means the Southern California Edison Company Retirement Plan, or a successor plan, intended to qualify under Section 401(a) of the Code.

Qualifying Severance means a Participant is entitled to benefits under the Severance Plan or any similar successor plan as in effect upon the Participant's Separation from Service, and has satisfied all conditions for such benefits.

Retirement means Separation from Service upon attainment of at least age 55 with at least five Years of Service.

Salary means (i) for purposes of determining the ERA Salary Base on a payroll period basis for (x) a Non-Cash Balance Participant for any Plan Year or (y) for any other Executive for the 2018 Plan Year, the product of the Executive's hourly Basic Pay (determined by dividing annualized Basic Pay by 2,080 hours) on the last day of the payroll period on which the Executive is employed by the Employer, times 80 hours, (ii) for purposes of True-Up Participants, the sum of the True-Up Participant's Salary for the payroll periods for the Plan Year in which he or she serves at least one day as an Executive, with the Salary for each such payroll period determined in the same manner as clause (i) above, and (iii) for other purposes, the Executive's Basic Pay. "Basic Pay" means the Executive's basic pay from the Employer (excluding Bonuses, special awards, commissions, severance pay, and other non-regular forms of compensation) before reductions for deferrals under the Savings Plan or the EIX 2008 Executive Deferred Compensation Plan or predecessor or successor plans governing deferral of salary. As to a Non-Cash Balance Participant who first commences participation in the Plan on or after January 1, 2021 and as to a True-Up Participant who first commences participation in the Plan on or after January 1, 2019, the Participant's Salary taken into account as to the first Plan Year the individual is a Participant shall be limited to the Salary earned by the Participant on and after the first day of the first payroll period applicable to the Participant that commences after the last day of the thirty-day period (or such shorter period as may be prescribed by the Administrator) for the individual to make an initial Payment Election after first becoming a Participant. Notwithstanding the foregoing, the Administrator, or its delegate, may prescribe a different definition of Salary for a Plan Year (or part thereof) if such definition is set forth in the form or instructions for the Payment Election for such Plan Year.

Savings Plan means the Edison 401(k) Savings Plan, or a successor plan.

Separation from Service occurs: (i) with respect to an individual who is a Participant on or prior to December 31, 2023, when such Participant dies, retires, or otherwise has a termination

of employment from the Employer that constitutes a “separation from service” within the meaning of Treasury Regulation Section 1.409A-1(h)(1), without regard to the optional alternative definitions available thereunder; and (ii) with respect to an individual who becomes a Participant following December 31, 2023, when such Participant dies, retires, or otherwise has a termination of employment from the Employer that constitutes a “separation from service” within the meaning of Treasury Regulation Section 1.409A-1(h)(1), *provided* that a termination of employment from the Employer constituting such a “separation from service” shall be deemed to occur on the date on which it is reasonably anticipated that the level of bona fide services that the Participant will perform after such date (whether as an employee or as an independent contractor) will permanently decrease to less than 50 percent of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding 36-month period (or the full period of services to the Employer if the Participant has been providing services to the Employer less than 36 months), all as determined in accordance with Treasury Regulation Section 1.409A-1(h).

Severance Plan means the EIX 2008 Executive Severance Plan (or any similar successor plan).

Similar Plan means a plan required to be aggregated with this Plan under Treasury Regulation Section 1.409A-1(c)(2)(i).

Specified Employee means a Participant who is designated as an elected Vice President or above by the Administrator, using the identification date and methods determined by the Administrator.

Target Bonus Amount means, as to a particular Participant, the amount obtained by multiplying (1) the stated target bonus percentage (as a percentage of salary) in effect immediately prior to the Participant's Separation from Service (or, if the Participant first commenced participation in the Plan prior to 2021, the earlier of the Participant's Separation from Service or Disability) for the bonus to be awarded to the Participant pursuant to the terms of the Executive Bonus Plan, multiplied by (2) the Participant's annual rate of Salary in effect immediately prior to the Participant's Separation from Service (or, if the Participant first commenced participation in the Plan prior to 2021, the earlier of the Participant's Separation from Service or Disability).

Termination of Employment means the voluntary or involuntary Separation from Service for any reason other than Retirement or death.

Total Compensation means (i) for Participants not eligible for Benefit Feature (iii), the monthly average Salary based on the Participant's 36 highest consecutive months of Salary, and (ii) for Participants eligible for Benefit Feature (iii), the monthly average Salary plus Bonus based on the 36 consecutive months in which the Participant had the highest combination of Salary and Bonus. The 36

months need not be consecutive for individuals who were Participants in the Predecessor Plan and eligible for Benefit Feature (iii) before January 1, 2008. For purposes of determining the highest 36 months for Participants eligible for Benefit Feature (iii), each of the Participant's annual Bonuses will be spread evenly over the months worked in the years in which the Bonuses were earned. If a vested individual terminates prior to Retirement

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and was no longer an Officer or designated Executive at the time employment was terminated, the Plan benefit described in Section 3.3(a) will be based on the Participant's Total Compensation and service determined as of the last date of the Participant's status as an Officer or designated Executive.

True-Up Participant means a Participant who is an Officer or other designated Executive on or after January 1, 2019, but is not a Non-Cash-Balance Participant.

Unforeseeable Emergency means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's Beneficiary, or the Participant's spouse or dependent (as defined in Code Section 152, without regard to Sections 152(b)(1), (b)(2) and (d)(1)(B)); loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the Participant's control.

Valuation Date means the date as of which the Participant's benefit will be calculated, and is the first day of the month following the month in which the final day of employment falls prior to Separation from Service (or if the Participant first commenced participation in the Plan prior to 2021, the earlier of the Participant's Separation from Service or Disability), except that if the Participant's Separation from Service is a Termination of Employment, the Valuation Date is the later of (1) the first day of the month of the Participant's 55th birthday or (2) the first day of the month following the month in which the Participant's final day of employment occurs prior to Termination of Employment.

Year of Service means a year of service as determined in accordance with the terms of the Qualified Plan (in the case of a Participant who does not actually participate in the Qualified Plan, determined in accordance with the terms of the Qualified Plan as though the Participant was a participant in the Qualified Plan). For Participants grandfathered in the defined-benefit final average pay benefit feature of the Qualified Plan (other than any such grandfathered Participants who were hired by an Affiliate or its subsidiaries in 1999 from Commonwealth Edison Company), years of service will be determined according to the same rules applicable to such benefit. For all other Participants, years of service will be

determined according to the rules applicable to the cash-balance feature of the Qualified Plan. A Participant's prior service with Commonwealth Edison Company will be recognized for purposes of this Plan if the individual was a Participant on or before April 1, 2012 and was hired by an Affiliate (or its subsidiaries) in 1999 from Commonwealth Edison Company in connection with an acquisition transaction involving Edison Mission Energy. A Participant's prior service with Citizens Power LLC will be recognized for purposes of this Plan if the individual was a Participant on or before April 1, 2012 and was hired by an Affiliate (or its subsidiaries) in 2000 in connection with the acquisition of Citizens Power LLC by Edison Mission Energy.

ARTICLE 2 PARTICIPATION

Individuals are eligible to participate in the Plan when they become Officers or are designated as Executives by the Affiliate's board or the Affiliate's CEO for purposes of this

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Plan. Participation in the Plan will continue as long as the individual remains an Officer or a designated Executive (subject to any applicable Plan restrictions) or has a vested benefit under the Plan that has not been completely paid out.

ARTICLE 3 BENEFIT DETERMINATION AND VESTING

3.1 Overview

(a) Benefits under the Plan will be payable with respect to any vested Participant following Retirement or the occurrence of a Contingent Event to the extent a benefit under the Plan is determined to exist by calculations as provided under the applicable provisions of this Article 3. Effective January 1, 2018, an ERA Credits feature has been added to the Plan as provided in Section 3.4 below. Prior to such date, a Participant's benefit under the Plan will be determined as provided in Sections 3.2 and 3.3 hereof. From and after such date, a Participant's benefit under the Plan will be determined as provided below in this Section 3.1. In each case, the Participant's benefit will be subject to vesting, as provided in Section 3.5, and to the provisions of Sections 3.6 and 3.7.

(b) If a Participant was an Officer or a designated Executive at any time prior to January 1, 2018, the Participant's benefit under the Plan (subject to vesting as provided in Section 3.5) will be equal to the lesser of the amounts determined under paragraphs (i) and (ii) of this Section 3.1(b), determined based on lump sum values as of the applicable Valuation Date.

(i) The Participant's total benefit as determined under Sections 3.2 and 3.3 below, taking into account the Participant's Total Compensation and Years of Service

accrued at any time (whether before or after January 1, 2018). Such determination will be made without regard to Section 3.3(c) and will not include any ERA Credits under Section 3.4.

(ii) The Participant's total benefit determined as the sum of (x) the Participant's total benefit as determined under Sections 3.2 and 3.3 below (giving effect to Section 3.3(c) below), and (y) the amounts credited to the Participant's Executive Retirement Account.

(c) If a Participant first becomes an Officer or a designated Executive on or after January 1, 2018, the Participant will be eligible only to receive ERA Credits (and earnings thereon) to the Participant's Executive Retirement Account as provided in Section 3.4 and will not be eligible for any benefits under Sections 3.2 and 3.3.

(d) Notwithstanding any Plan provisions to the contrary, if a Participant who has experienced a Separation from Service is rehired on or after January 1, 2018 and becomes an Officer or designated Executive, the Participant will be treated for additional benefit accrual purposes as if he or she was a new participant in the Plan: he or she will be eligible to receive additional ERA Credits (and earnings thereon) as provided in Section 3.4, but will not be eligible for any additional benefit accruals under Sections 3.2 and 3.3.

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3.2 Benefit Features

(a) The Plan provides a supplemental retirement benefit calculated in accordance with Section 3.3 below. This supplemental retirement benefit incorporates the following Benefit Features:

(i) Recognition of the amount of Salary that is not recognized for purposes of calculating benefits under the Qualified Plan or Profit Sharing contributions to the Savings Plan due to limits imposed by the Code under Sections 415(b) or 401(a)(17).

(ii) Recognition of deferred Salary that is not recognized for purposes of calculating benefits under the Qualified Plan or Profit Sharing contributions to the Savings Plan.

(iii) Recognition of Bonuses that are not recognized for purposes of calculating benefits under the Qualified Plan.

(b) Participants who are Officers on the date of their termination of employment are eligible for all three Benefit Features. Other Participants are eligible for Benefit Features (i) and (ii) only; provided, however, as to a Participant who was once an Officer but who is not described in the immediately preceding sentence, such Participant shall be eligible for Benefit Features (i) and (ii) only, but his or her benefits shall not be less than if the Participant had

terminated employment on December 11, 2012 and had Bonuses recognized for purposes of determining his or her benefits as of December 11, 2012.

(c) Participants in the Predecessor Plan on December 31, 1994 and Participants who were CEOs, Presidents, Executive Vice Presidents or Senior Vice Presidents of EIX or its Affiliates or elected Vice Presidents of EIX, Southern California Edison Company or Edison Capital prior to January 1, 2006, are also eligible for all three Benefit Features and an additional 0.75% benefit accrual for each Year of Service up to ten Years of Service (this additional 0.75% benefit accrual is taken into account when calculating the value of the single life annuity benefit for purposes of Section 3.3(b)), unless they were participants in the Predecessor Plan on December 31, 1992 and elected not to participate in the Executive Disability and Survivor Benefit Program, in which case they are eligible for all three Benefit Features but not for the additional 0.75% benefit accrual.

(d) Notwithstanding the above, elected Vice Presidents of Edison Mission Energy, Edison Mission Marketing and Trading, and Midwest Generation whose Separation from Service occurred prior to January 1, 2006, are eligible for Benefit Features (i) and (ii) only.

(e) Notwithstanding anything to the contrary in this Section 3.2, the three Benefit Features in this Section 3.2 and the additional 0.75% benefit accrual in Section 3.2(c) are subject to the provisions of Section 3.1.

3.3 Benefit Computation

(a) EIX will calculate at the time of a Participant's Disability (if the Participant first commenced participation in the Plan prior to 2021) or Separation from Service the amount of

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any benefit payable under the Plan. The benefit payable under this Section 3.3 will be the greater of (1) the value of the single life annuity calculated pursuant to Section 3.3(b), reduced by (i) the value of the single life annuity (unreduced for a contingent annuitant) payable to the Participant under the terms of the Qualified Plan, or other Affiliate defined benefit plan, after taking into account any applicable restrictions or limitations as to such payments required by the Code or other applicable law or the terms of the Qualified Plan, or other applicable Affiliate defined benefit plan; (ii) the actuarial single life annuity value, as defined in the Qualified Plan, of the Participant's Profit Sharing Account under the Savings Plan, or a successor plan; and

(iii) the portion of the Participant's Social Security benefit specified in the Qualified Plan or

(2) the actuarial single life annuity value of the notional account derived from any Executive Profit Sharing Credits allocated to the Participant plus earnings thereon.

(b) The Participant's Total Compensation and Years of Service will be used to calculate the value of the single life annuity benefit based on the "Supplemental A" formula set forth in Section 4.02(a) of the Qualified Plan, including Subsection (1) but excluding Subsection (2), and Section 4.12(b) of the Qualified Plan (provided, however, that individuals who become Participants after December 31, 2016 shall not be entitled to a benefit in this Plan based on the benefit formula in Section 4.12(b) of the Qualified Plan), and also, in the case of Disability or Death, Exhibit B of the Qualified Plan, or, in the case of Termination of Employment, Exhibit G of the Qualified Plan, notwithstanding the Participant's eligibility for such benefits under the terms of the Qualified Plan.

(c) Notwithstanding the foregoing, for purposes of determining a Participant's benefit under clause (x) of Section 3.1(b) (ii), the "Supplemental A" formula set forth in Section 4.02(a) of the Qualified Plan used to determine the value of the Participant's single life annuity benefit as provided in Section 3.3(b) with respect to any Years of Service accrued after December 31, 2017 shall be modified as follows: "one percent (1%)" shall replace "one and three-quarters percent (1-3/4%)" as applied to the Participant's Total Compensation for each of the Participant's first thirty (30) Years of Service; and "one-half of one percent (0.5%)" shall replace "one percent (1%)" as applied to the Participant's Total Compensation for each of the Participant's Years of Service in excess of thirty (30).

(d) If a Participant who was an Executive prior to January 1, 2022 (for clarity, this Section 3.3(d) does not apply to any Participant who first became an Executive on or after January 1, 2022) experiences a Qualifying Severance, then an additional Year of Service credit (in the case of a Qualifying Termination Event associated with a Change in Control as defined in the Severance Plan, two years for Senior Vice Presidents and Executive Vice Presidents of EIX or Southern California Edison Company, but three years for the most senior officer of EIX, the most senior officer of Southern California Edison Company, the General Counsel of EIX, and the Chief Financial Officer of EIX) and an additional year of age (in the case of a Qualifying Termination Event associated with a Change in Control as defined in the Severance Plan, two years for Senior Vice Presidents and Executive Vice Presidents of EIX or Southern California Edison Company, but three years for the most senior officer of EIX, the most senior officer of Southern California Edison Company, the General Counsel of EIX, and the Chief Financial Officer of EIX) shall be included for purposes of the benefit calculation under Section 3.3(b), including in applying the benefit formula under the Qualified Plan for grandfathered employees who are not yet age 55 but who have 68 points. The value added by this severance enhancement

shall be the difference between (i) the gross benefit calculated as described in Section 3.3(b) but with the additional age and service credits, before any reduction for benefits under other plans pursuant to Section 3.3(a), and (ii) the unenhanced gross benefit calculated under Section 3.3(b). Notwithstanding anything to the contrary in this Section 3.3(d), if a Participant becomes entitled to benefits under the Severance Plan or any similar successor plan and is subsequently rehired as an Executive prior to the date lump sum payments or initial installment or annuity payments commence, the Participant shall not be entitled to any additional Year of Service or age credits under this Section 3.3.

(e) Participants who are also eligible for Profit Sharing may receive Executive Profit Sharing Credits. If any Profit Sharing contribution is reduced because a portion of the Participant's Salary is excluded either because of nonqualified Salary deferrals or the limits imposed by Sections 415 and 401(a)(17) of the Code, the amount by which the contribution was reduced will be credited to a notional Executive Profit Sharing Credit account under the Plan as of the date of the Profit Sharing contribution. Amounts in this notional account will earn notional interest at the rates in effect for cash balance interest credits in the Qualified Plan, credited daily and compounded annually. The resulting notional Executive Profit Sharing Credit amount will be taken into account in calculating the benefit described in Section 3.3(a).

(f) The lump sum value of the benefit payable under Sections 3.3 as of the Valuation Date will be actuarially determined as the present value of the Participant's single life annuity benefit under Section 3.3 as of that date, using the discount rate and mortality table then in effect for lump sum determination in the Qualified Plan, except that the lump sum value may not be less than the value of the notional Executive Profit Sharing Credit account balance as of that date.

(g) A vested Participant who remains employed with an Affiliate until Retirement but is no longer an Officer or designated Executive will retain a Section 3.3 benefit based on the Participant's Total Compensation and service determined as of the last date of the Participant's eligible status and reduced by the amounts specified in Section 3.3(a) determined upon the Participant's Retirement.

(h) As to a Participant whose Separation from Service (or if earlier, Disability) occurs after December 31, 2016, the following additional rules shall apply in calculating the amount of any benefit payable under the Plan with respect to the Participant's accrued but unused Sick Time Allowance Credits (as that term is used in the Qualified Plan):

(i) In applying the benefit formula set forth in Section 4.12(b) of the Qualified Plan, the Participant's accrued but unused Sick Time Allowance Credits taken into account for purposes of this Section 3.3 shall be the lesser of (a) the Participant's accrued but unused Sick Time Allowance Credits as of December 31, 2016, or (b) the Participant's accrued but unused Sick Time Allowance Credits as of the Participant's Separation from Service (or if earlier, Disability).

(ii) The form and timing of payment of the benefit attributable to such accrued but unused Sick Time Allowance Credits shall be deemed to be calculated under Section 4.12(b) of the Qualified Plan as in effect on January 1, 2015 (disregarding, for example,

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any change in the Qualified Plan that takes effect after that date to provide for such benefit to be paid in a single lump sum).

(i) Notwithstanding anything to the contrary in this Section 3.3, the benefits calculated pursuant to this Section 3.3 are subject to the provisions of Section 3.1.

3.4 Executive Retirement Account Credits

This Section 3.4 shall be effective January 1, 2018.

(a) ERA Credits for Non-Cash-Balance Participants. For each calendar year (commencing with 2018), ERA Salary Credits will be added by the Administrator to the Non-Cash-Balance Participant's Executive Retirement Account in an amount equal to twelve percent (12%) of the Non-Cash-Balance Participant's ERA Salary Base for the calendar year. Beginning with the 2018 Bonus (which is payable in 2019), ERA Bonus Credits will be added by the Administrator to the Non-Cash-Balance Participant's Executive Retirement Account in an amount equal to twelve percent (12%) of the Non-Cash-Balance Participant's Bonus. ERA Credits will be credited (conditionally until vesting and subject to Section 3.4(c)) to the Executive Retirement Account effective as of the time the ERA Salary Base or Bonus to which the ERA Credits relate is actually paid. If a Non-Cash-Balance Participant has his or her employment transferred from an Affiliate to a non-participating affiliate of EIX, then ERA Bonus Credits will be added for the Non-Cash-Balance Participant's Bonus with respect to the Non-Cash-Balance Participant's employment by the Affiliate during the year in which the transfer occurred. As to a Non-Cash Balance Participant who is first employed by an Affiliate on or after January 1, 2021 and who commences participation in the Plan in the calendar year the individual is first employed by an Affiliate, ERA Salary Credits will be added by the Administrator to the Non-Cash-Balance Participant's Executive Retirement Account for the calendar year in which the Participant is first employed by an Affiliate, in an amount equal to the result of the following formula, but only if the result is a positive number: (i) six percent (6%) of the Participant's 401(k) Earnings for that calendar year, minus (ii) the maximum matching contribution that could be made to the Participant under the Savings Plan for that calendar year assuming that the Participant maximized the Participant's "Deferrals" to the Savings Plan for that calendar year and taking into account, without limitation, (x) the limits under Section 402(g) of the Code and (y) the Participant's substantiated elective deferrals for that calendar year to any plan sponsored by an entity

that is not a component member of EIX's "controlled group of corporations" within the meaning of Section 414(b) of the Code. Any ERA Credits pursuant to the preceding sentence will be credited (conditionally until vesting and subject to Section 3.4(c)) to the Participant's Executive Retirement Account effective as of the last day of the calendar year with respect to which such amounts are being credited.

ERA Credits for 2018 for Other Participants. For purposes of the 2018 calendar year for Participants who are not Non-Cash-Balance Participants, ERA Credits will be added by the Administrator to the Participant's Executive Retirement Account in an amount equal to twelve percent (12%) of the Participant's ERA Salary Base for 2018. In addition, ERA Credits will be added by the Administrator to the Participant's Executive Retirement Account in an amount equal to twelve percent (12%) of the Participant's 2018 Bonus (which is payable in 2019). ERA Credits will be credited (conditionally until vesting and subject to Section 3.4(c)) to

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the Executive Retirement Account effective as of the time the ERA Salary Base or Bonus to which the ERA Credits relate is actually paid. If a Participant has his or her employment transferred from an Affiliate to a non-participating affiliate of EIX, then ERA Bonus Credits will be added for the Participant's Bonus with respect to the Participant's employment by the Affiliate during the year in which the transfer occurred.

ERA Credits for True-Up Participants. For True-Up Participants, the amount of ERA Salary Credits for a calendar year after 2018 will be the result of the following formula: twelve percent (12%) of the Participant's Salary for the calendar year, minus the sum of (i) the Participant's Cash Balance Pay Credits for the calendar year and (ii) six percent (6%) of the Participant's 401(k) Earnings for the calendar year. The amount of ERA Bonus Credits for a calendar (beginning with the 2019 Bonus payable in 2020) will equal twelve percent (12%) of the Participant's Bonus for the calendar year, subject to the following reduction: if the equation for a Participant's ERA Salary Credits for a calendar year results in a negative number (the "Adjustment"), then the Participant's ERA Salary Credits for that calendar year will be zero and the Adjustment will be applied to the Participant's ERA Bonus Credits for that calendar year, thereby reducing the ERA Bonus Credits; if the Adjustment would reduce the Participant's ERA Bonus Credits for that calendar year below zero, then the Participant's ERA Bonus Credits for that calendar year will be zero and the remainder of the Adjustment (i.e., the amount of the Adjustment remaining when ERA Bonus Credits are reduced to zero) will be disregarded. ERA Credits will be added by the Administrator to the True-Up Participant's Executive Retirement Account by April 30 of the following year. ERA Salary Credits for a calendar year will be credited (conditionally until vesting and subject to Section 3.4(c)) to the True-Up Participant's Executive Retirement Account effective as of December 31 of the calendar year; provided, however, for a

calendar year in which a True-Up Participant experiences a Separation from Service or Disability, the True-Up Participant's ERA Salary Credits for that calendar year will be added to his or her Executive Retirement Account within 60 days of, and will be credited effective as of, the Separation from Service or Disability. ERA Bonus Credits for a calendar year will be credited (conditionally until vesting and subject to Section 3.4(c)) to the True-Up Participant's Executive Retirement Account effective as of the date the Bonus to which the ERA Credits relate is actually paid. If a Participant has his or her employment transferred from an Affiliate to a non-participating affiliate of EIX, then ERA Credits will be added to the Participant's Executive Retirement Account with respect to Salary and Bonus attributable to the Participant's employment by the Affiliate during the year in which the transfer occurred.

(b) ERA Interest Credits for Non-Cash-Balance Participants. The Administrator will credit interest at the Crediting Rate (conditionally until vesting and subject to Section 3.4(c)) to a Non-Cash-Balance Participant's Executive Retirement Account on a daily basis, compounded annually, until the Valuation Date. No interest will be credited on ERA Credits for any date on or before the date when the ERA Salary Base or Bonus to which the ERA Credit relates is actually paid (for example, if a Participant's 2018 Bonus is paid on February 28, 2019, the related ERA Credits will be credited as of that date and interest will begin being credited on those ERA Credits on a go-forward basis as of March 1, 2019). After the Valuation Date, interest will be credited in accordance with Section 3.7.

ERA Interest Credits for 2018 Salary and Bonus for Other Participants. With respect to ERA Credits for Salary and Bonus for 2018 for a Participant who is not a Non-Cash

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Balance Participant, the Administrator will credit interest at the Crediting Rate (conditionally until vesting and subject to Section 3.4(c)) to the Participant's Executive Retirement Account on a daily basis, compounded annually, commencing on the date described in the next sentence and continuing until the Valuation Date. Interest will be credited commencing the day following the date when the ERA Salary Base or Bonus to which the ERA Credit relates is actually paid (for example, if a Participant's 2018 Bonus is paid on February 28, 2019, the related ERA Credits will be credited as of that date and interest will begin being credited on those ERA Credits on a go-forward basis as of March 1, 2019). After the Valuation Date, interest will be credited in accordance with Section 3.7.

ERA Interest Credits for True-Up Participants. With respect to ERA Credits for Salary and Bonus for 2019 and subsequent years for True-Up Participants, the Administrator will credit interest (conditionally until vesting and subject to Section 3.4(c)) in the manner described in this paragraph. With respect to ERA Salary Credits for a Plan Year, the Administrator will credit interest as follows: the ERA Salary Credits for the Plan Year (after the

Adjustment, if any) will be multiplied by the annual Crediting Rate (converted into a decimal format) and the result will be multiplied by a fraction, the numerator of which is the number of months in the Plan Year during which the True-Up Participant served at least one day as an Executive, and the denominator of which is twenty-four (24); the resulting simplified interest will be credited on the "Simplified Interest Crediting Date," which shall be December 31 of the Plan Year or, if earlier, the last day of the month in which the Participant's Separation from Service or Disability occurs; commencing the day after the Simplified Interest Crediting Date, interest will be credited at the Crediting Rate on a daily basis, compounded annually, until the Valuation Date. With respect to ERA Bonus Credits for a Plan Year, no interest will be credited for the date as of which the ERA Bonus Credits (after the Adjustment, if any) are credited, but commencing as of the following day, the Administrator will credit interest at the Crediting Rate on a daily basis, compounded annually, until the Valuation Date. After the Valuation Date, all interest will be credited in accordance with Section 3.7.

Prospective Changes. Notwithstanding anything to the contrary in this Section 3.4(b), the Administrator, or its delegate, may prospectively change the methodology for calculating ERA Interest Credits.

(c) In the event a Participant is entitled to the benefit specified in Section 3.1(b)(i), the Participant's Executive Retirement Account shall be disregarded and automatically cancelled.

(d) In the event a Participant is entitled to the benefit specified in Section 3.1(b)(ii) or Section 3.1(c), the benefit attributable to the Participant's Executive Retirement Account shall be subject to the payment election provisions of Article 4 and, if the Participant's benefit is determined under Section 3.1(b)(ii), the Participant's Executive Retirement Account shall be paid on the same schedule as the Participant's benefit determined under Sections 3.2 and 3.3.

(e) If a Participant who was an Executive prior to January 1, 2022 (for clarity, this Section 3.4(e) does not apply to any Participant who first became an Executive on or after January 1, 2022) experiences a Qualifying Severance, then ERA Credits will be added by the Administrator to the Participant's Executive Retirement Account in an amount equal to twelve

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percent (12%) times the sum of (i) the Participant's ERA Salary Base Differential plus (ii) the Participant's Target Bonus Amount. In the case of a Qualifying Termination Event associated with a Change in Control as defined in the Severance Plan, "twelve percent (12%)" in the preceding sentence will be replaced by: "twenty-four percent (24%)" if the Participant is a Senior Vice President or Executive Vice President of EIX or Southern California Edison Company; "thirty-six percent (36%)" if the Participant is the most senior officer of EIX, the most senior officer of Southern California Edison Company, the

General Counsel of EIX, or the Chief Financial Officer of EIX. Such ERA credits will be credited effective as of the date of the Separation from Service. Notwithstanding anything to the contrary in this Section 3.4(e), if a Participant becomes entitled to benefits under the Severance Plan or any similar successor plan and is subsequently rehired as an Executive prior to the date lump sum payments or initial installment or annuity payments commence, any additional ERA credits under this Section 3.4(e) shall be disregarded and automatically cancelled.

(f) Notwithstanding anything to the contrary in this Section 3.4, the Administrator, or its delegate, may prescribe rules in the form or instructions for any Payment Election for a Plan Year that are different than the rules set forth in this Section 3.4 for purposes of determining Executive Retirement Account credits for the Plan Year. For clarity, no ERA Credits will be credited with respect to a Participant for any Plan Year prior to the Plan Year in which the individual is first a Participant.

3.5 Vesting

Subject to the provisions of Section 3.4, the right to receive benefits under the Plan (including any amounts credited to a Participant's Executive Retirement Account, if a Participant is entitled to such amounts under Section 3.1) will vest (i) when the Participant has completed five Years of Service with an Affiliate, (ii) upon the Participant's Disability while employed with an Affiliate, (iii) upon the Participant's death while employed with an Affiliate, or (iv) upon the Participant's Separation from Service if the Participant experiences a Qualifying Severance. Notwithstanding the foregoing, credits and benefits under the Plan (together with any earnings or interest credited thereon pursuant to the Plan) shall be subject to recoupment and/or forfeiture to the extent that they are calculated or based upon a Bonus or other incentive-based compensation that is subject to forfeiture and/or recoupment in accordance with applicable law, pursuant to any recoupment, "clawback" or similar policy maintained by EIX or its Affiliates, or pursuant to the terms of the Bonus award or incentive-based compensation award to which the credits or benefits relate.

3.6 Adjustment for Final Bonus

If the final Bonus is determined after benefits under the Plan are paid or commenced, the benefit will be recalculated from inception (as a point of clarity, ERA Credits for the final Bonus will be credited, in accordance with and subject to Section 3.4, as of the date the Bonus is actually paid, but for purposes of Section 3.1(b) the value of those ERA Credits will be calculated as of the Valuation Date using the discount rate in effect for lump sum determination in the Qualified Plan as of the Valuation Date) and a one-time adjustment will be made to true-up payments already made, and future payments, if any, will be adjusted accordingly. Any true-

up payment will be made within two and one-half months of the date the final Bonus is determined.

3.7 Valuation Date Notional Account

A notional account will be established as the Plan benefit as of the Valuation Date, with an initial value equal to the lump sum value calculated pursuant Article 3. The account will be credited with interest at the Crediting Rate on a daily basis, compounded annually, until the account has been fully paid out (or annuity payments commence, as the case may be) according to the terms of the Plan and the Participant's Payment Election.

ARTICLE 4 PAYMENT ELECTIONS¹

4.1 Primary Payment Election for Plan Years Prior to 2019 (except as otherwise provided)

(a) Each year (through December 31, 2017), a Participant may make a Primary Payment Election specifying the payment schedule for the benefits to be accrued in the following Plan Year (concluding with the 2018 Plan Year) by submitting an election to the Administrator in such time and manner established by the Administrator. By way of example, benefits attributable to Bonus compensation will be treated as accrued during the Plan Year when the relevant services are performed (and not any later year when the Bonus is actually paid), and any benefits attributable to additional Year of Service or age credits triggered by a Participant's Separation from Service under the Severance Plan will be treated as accrued during the Plan Year when the Participant's Separation from Service occurs.

(b) Except as otherwise provided in this paragraph, a Primary Payment Election made for one Plan Year shall apply for subsequent Plan Years unless prior to a subsequent Plan Year the Participant submits a new Primary Payment Election for the subsequent Plan Year. If (i) a Primary Payment Election in effect with respect to one Plan Year (the first Plan Year) carries over and applies to the next Plan Year (the second Plan Year) pursuant to the preceding sentence, and (ii) the Participant's Primary Payment Election in effect with respect to the first Plan Year is that payments shall commence upon the later of the Participant's Retirement or the first day of a specific month and year, then the same Primary Payment Election (including the same specified date) will apply to the second Plan Year; provided that if the specified date payout election in effect with respect to the first Plan Year is a date in the first or second Plan Year, the Participant shall be deemed to have made a Primary Payment Election for the second Plan Year that the benefits accrued in the second Plan Year shall commence payment upon the Participant's Retirement.

(c) On or before December 31, 2008, Participants may make a special Primary Payment Election in accordance with the transition rule under Section 409A of the Code for Plan

¹ For purposes of clarity, the provisions of this Plan regarding Payment Elections for the 2021 Plan Year are effective beginning with Payment Elections made in 2020

for the 2021 Plan Year.

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benefits previously scheduled to commence payment after the calendar year in which the special Primary Payment Election is made.

(d) The choices available for a Primary Payment Election are as provided in the applicable Primary Payment Election form, but may include the following:

- (i) Joint and survivor life annuity paid in monthly installments; or
- (ii) Contingent life annuity paid in monthly installments; or
- (iii) Monthly installments for 60 to 180 months; or
- (iv) A single lump sum; or
- (v) Two to fifteen installments paid annually; or
- (vi) Any combination of the choices listed in (iii), (iv) and (v).

Payments under a Primary Payment Election may commence upon (i) the Participant's Retirement, (ii) the later of the Participant's Retirement or the first day of a specific month and year, or (iii) the first day of the month that is a specified number of months and/or years following the Participant's Retirement or the first day of a specified month a specified number of years following the calendar year in which the Participant's Retirement occurs (provided that if the date otherwise determined pursuant to clauses (ii) and (iii) is later than the later of the Participant's Retirement or the month and year in which the Participant attains age 75, the date pursuant to clauses (ii) and (iii) shall be the later of the Participant's Retirement or the month and year in which the Participant attains age 75). If the Participant elects under a Primary Payment Election to receive payment pursuant to clause (ii) and the Participant dies prior to the later of Retirement or the specified payment date, payment shall be made pursuant to the Participant's Contingent Payment Election (if any) for the Participant's death (regardless of whether the Participant's death occurs while the Participant is employed by an Affiliate or thereafter).

(e) If no Primary Payment Election has been made, the Primary Payment Election shall be deemed to be a joint and survivor annuity paid in monthly installments commencing upon the Participant's Retirement (or, if earlier, the Participant's death or Disability); provided, however, that if a Participant first becomes an Officer or a designated Executive on or after January 1, 2018, the Primary Payment Election shall be deemed (if no Primary Payment Election has been made) to be a lump sum payable upon Retirement (or, if earlier, the Participant's death or Disability).

(f) Subject to Section 4.5, lump sum payments or initial installment or annuity payments will be made within 90 days (60 days in the case of a payment triggered by a specified payment date) of the scheduled dates, and interest will be added at the Crediting Rate to the payment amount for the days elapsed between the scheduled payment date and the actual date of payment. If the Participant's delivery of a release would change the amount of his or her Plan benefit, and the period for the Participant to consider, execute, and revoke such release spans two different calendar years, and the 90- or 60-day period, as applicable, specified above for the payment of any benefit contingent on such release also spans those two years, payment of the

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portion of the benefit contingent upon such release (and earnings thereon) shall be made in the time period otherwise specified above but in the second of those two years.

If paid in installments, the installments will be paid as follows:

(i) For purposes of calculating installments, the account will be valued as of the Valuation Date and subsequently as of December 31 each year, with installments for the next calendar year adjusted according to procedures established by the Administrator.

(ii) For individuals who first commenced participation in the Plan prior to 2021, the installments will be paid in amounts that will amortize the balance with interest credited at the Crediting Rate on a daily basis, compounded annually, over the period of time benefits are to be paid.

(iii) For individuals who first commenced participation in the Plan after 2020, annual installment amounts shall be determined by dividing (a) by (b), where (a) equals the account value as of the last valuation under clause (i) above and (b) equals the remaining number of installment payments. The balance will continue to be credited with interest at the Crediting Rate until the last installment payment is made.

Notwithstanding anything herein to the contrary, distribution in installments shall be treated as a single payment as of the date of the initial installment for purposes of Section 409A of the Code. If paid in monthly installments, the installments may be paid in a single check or in more than one check for any given month, provided that in either such case the total amount of the monthly payment shall not change.

If the applicable Payment Election or deemed Payment Election is for payment in the form of an annuity, the annuity value of the Plan benefit will be calculated in a manner consistent with the provisions of the Qualified Plan except that this Plan will govern

where its provisions under Section 3.3 (which shall also apply to Section 3.4(d) for purposes of calculating the applicable annuity value of any benefit derived from an Executive Retirement Account) are inconsistent with those of the Qualified Plan.

4.1.1 Payment Election for 2019 and Later Plan Years

(a) If a Participant first commenced participation in the Plan prior to 2021, the Participant may elect, as part of a Payment Election for each Plan Year from 2019 through 2021, and subject to the conditions set forth in this Section 4.1.1, that payments commence upon: (i) the Participant's Payment Event; (ii) the later of the Participant's Payment Event or January 1 of a specified year that may be no later than the year in which the Participant attains age 75; (iii) January 1 of the year following the Payment Event; or (iv) January 1 of the fifth year following the Payment Event. If the date otherwise determined pursuant to clauses (iii) and (iv) above is later than the later of the Participant's Payment Event or the month and year in which the Participant attains age 75, the commencement date pursuant to clauses (iii) and (iv) shall be the later of the Participant's Payment Event or the month and year in which the Participant attains age 75. If the Payment Event is a Separation from Service prior to Retirement (other than

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due to death), the commencement date pursuant to clauses (i) through (iv) above shall be determined as if the Payment Event was the later of the Participant's Separation from Service or the first day of the month of the Participant's 55th birthday.

If a Participant first commenced participation in the Plan after 2020, the Participant may elect, as part of a Payment Election that applies to all Plan benefits accrued by the Participant in the Plan Year of initial participation and all subsequent Plan Years, and subject to the conditions set forth in this Section 4.1.1, that payments commence upon: (i) the later of January 1 of the year following the Participant's Payment Event or the first day of the seventh month following the Participant's Payment Event; or (ii) the later of the first day of the seventh month following the Participant's Payment Event or January 1 of a specified year; provided, however, that if the Payment Event is a Separation from Service prior to Retirement (other than due to death), the commencement date shall be determined as if the Payment Event was the later of the Participant's Separation from Service or the first day of the month of the Participant's 55th birthday.

Notwithstanding any provisions to the contrary in this Plan, a Participant's Payment Election for the 2021 Plan Year (or for the first Plan Year that the individual participates in the Plan, if the individual is not a Participant for the 2021 Plan Year) shall also apply to all benefits accrued by the Participant under the Plan in all subsequent Plan Years (the "Single Payment Election for 2021 and Later Years").

Unless otherwise provided by the Administrator, or its delegate, in the applicable Payment Election form or instructions, the choices available for a Payment Election are as follows: a single lump sum; five, ten or fifteen installments paid annually; a joint and survivor life annuity paid in monthly installments; or Contingent life annuity paid in monthly installments.

Notwithstanding any provisions of the preceding paragraphs in this Section 4.1.1(a) to the contrary, benefits accrued with respect to the 2019 Plan Year or any subsequent Plan Year by an individual who first commenced participation in the Plan prior to 2021 shall (except as provided in the next paragraph) be subject to the following payment rules: (i) if a Participant dies or, while employed by an Affiliate, becomes Disabled before payments have commenced, then payments shall be made in a lump sum upon (or within 90 days following) the Participant's death or Disability; (ii) if a Participant dies or, while employed by an Affiliate, becomes Disabled after payments have commenced but before all payments have been completed, then all of the Participant's remaining benefits shall be made in a lump sum upon (or within 90 days following) the Participant's death or Disability; provided, however, that (iii) if a Participant who dies had elected either a joint and survivor annuity or a Contingent life annuity with a survivor benefit, then the survivor benefit shall be paid in accordance with the terms of the Participant's Payment Election. Notwithstanding any provisions of the preceding paragraphs in this Section 4.1.1(a) to the contrary, benefits accrued by an individual who first commenced participation in the Plan after 2020 shall (except as provided in the next paragraph) be subject to the following payment rules: (i) if a Participant dies before payments have commenced, then payments shall be made in a lump sum upon (or within 90 days following) the Participant's death; (ii) if a Participant dies after payments have commenced but before all payments have been completed, then all of the Participant's remaining benefits shall be made in a lump sum upon (or within 90 days following)

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the Participant's death; provided, however, that (iii) if a Participant who dies had elected either a joint and survivor annuity or a Contingent life annuity with a survivor benefit, then the survivor benefit shall be paid in accordance with the terms of the Participant's Payment Election.

Notwithstanding any provisions of this Section 4.1.1 to the contrary, if a Participant who has a Primary Payment Election in effect with respect to the 2018 Plan Year (including a deemed election) does not make a new Payment Election for benefits accrued for the 2019 Plan Year, then Sections 4.1(b) and 4.2(b) (and not the preceding provisions of this Section 4.1.1) shall continue to apply to such Participant and the Primary Payment Election (including a deemed election) for the 2018 Plan Year and the Contingent Payment Election (including a deemed election) for the 2018 Plan Year (such Primary Payment Election and Contingent Payment Election, the "2018 Elections") shall apply for the 2019 Plan Year and then for the

2020 Plan Year and then for the Single Payment Election for 2021 and Later Years, unless prior to such subsequent Plan Year (but no later than 2020 for the Single Payment Election for 2021 and Later Years) the Participant submits a new Payment Election pursuant to this Section 4.1.1 for the subsequent Plan Year. For clarity, as to any benefits accrued for a Plan Year as to which a Participant's 2018 Elections apply, such benefits shall be paid in accordance with Sections 4.1(b) and 4.2(b) and such 2018 Elections, and the preceding paragraphs of this Section 4.1.1 (including, without limitation, the death and Disability payment rules of the preceding paragraph) shall not apply.

(b) Except as otherwise provided in this Section 4.1.1, a Payment Election made for one Plan Year shall apply for subsequent Plan Years unless prior to such subsequent Plan Year (but no later than 2020 for the Single Payment Election for 2021 and Later Years) the Participant submits a new Payment Election for the subsequent Plan Year. If a Payment Election in effect with respect to one Plan Year (the first Plan Year) carries over and applies to the next Plan Year (the second Plan Year) pursuant to this paragraph, and the Participant's Payment Election in effect with respect to the first Plan Year includes a specified date payout election pursuant to clause (ii) of Section 4.1.1(a), that date will apply to the second Plan Year; provided that if the specified date payout election in effect with respect to the first Plan Year is a date in the first or second Plan Year, the Participant shall be deemed to have made a Payment Election for the second Plan Year that the benefits accrued in the second Plan Year shall commence payment upon the Participant's Payment Event.

(c) A Payment Election with respect to a Plan Year shall be made in such time and manner established by the Administrator, but in all events (except as provided in the next sentence) prior to the start of the Plan Year with respect to which the election is made. An individual who is first selected as a Participant in this Plan may make a Payment Election within thirty days (or such shorter period as may be prescribed by the Administrator) after the date the individual first becomes a Participant. In each case, if no Payment Election has been made by the Participant, the Participant's Payment Election shall be deemed to be a lump sum payable, for Participants who first commenced participation in the Plan prior to 2021, upon the earliest of the Participant's Payment Event, death, or Disability, and for Participants who first commenced participation in the Plan after 2020, upon the earlier of (i) death or (ii) the later of January 1 of the year following the Participant's Payment Event or the first day of the seventh month following the Participant's Payment Event; provided, however, that if the Payment Event is a

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Separation from Service prior to the first day of the month of the Participant's 55th birthday, the commencement date shall be the first day of the month of the Participant's 55th birthday.

(d) The provisions in Section 4.1(f) also apply to this Section 4.1.1.

(e) Notwithstanding anything to the contrary in this Section 4.1.1, the Administrator, or its delegate, may prescribe rules in the form or instructions for any Payment Election that are different than the rules set forth in this Section 4.1.1 as to the benefits covered by such Payment Election, including expanding or limiting the forms of payment and payment commencement dates available for the Payment Election and prescribing different payment rules for death and Disability.

4.2 Contingent Payment Elections for Plan Years Prior to 2019 (except as otherwise provided)

(a) Each year (through December 31, 2017), a Participant may make Contingent Payment Elections for each of the Contingent Events of (1) the Participant's death while employed by an Affiliate, (2) the Participant's Disability while employed by an Affiliate, and (3) Termination of Employment for the benefits to be accrued in the following Plan Year (concluding with the 2018 Plan Year), which election will take effect upon the first Contingent Event that occurs before the Participant's Retirement, by submitting an election to the Administrator in such time and manner established by the Administrator.

(b) Except as otherwise provided in this paragraph, a Contingent Payment Election made for one Plan Year shall apply for subsequent Plan Years unless prior to a subsequent Plan Year the Participant submits a new Contingent Payment Election for the subsequent Plan Year. If (i) a Contingent Payment Election in effect with respect to one Plan Year (the first Plan Year) carries over and applies to the next Plan Year (the second Plan Year) pursuant to the preceding sentence, and (ii) the Participant's Contingent Payment Election in effect with respect to the first Plan Year is that payments shall commence upon the later of the Participant's Contingent Event or the first day of a specific month and year, then the same Contingent Payment Election (including the same specified date) will apply to the second Plan Year; provided that if the specified date payout election in effect with respect to the first Plan Year is a date in the first or second Plan Year, the Participant shall be deemed to have made a Contingent Payment Election for the Second Plan Year that the benefits accrued in the second Plan Year shall commence payment upon the Participant's Contingent Event.

(c) The choices available for the Contingent Payment Elections are those specified in Section 4.1 except that the references to Retirement shall instead be the applicable Contingent Event if the event is death or Disability or the first day of the month of the Participant's 55th birthday (or, if later, Termination of Employment) if the Contingent Event is Termination of Employment.

If the Participant has made no Contingent Payment Election and a Contingent Event occurs prior to Retirement, the Administrator will pay the benefit as specified in the Participant's Primary Payment Election, except that payments scheduled for payment or commencement of payment "upon Retirement," or with a payment date determined by reference to Retirement, will

be paid, commence or have payment determined by reference to the first day of the month following the date of the Contingent Event if the Contingent Event is the Participant's death or Disability, but will be the first day of the month of the Participant's 55th birthday (or, if later, Termination of Employment) if the Contingent Event is Termination of Employment. If a Contingent Event occurs prior to Retirement and the Participant has made neither a Primary Payment Election nor a Contingent Payment Election, the Payment Election shall be deemed to be a joint and survivor life annuity payable on the first day of the month following the date of the Contingent Event if the Contingent Event is the Participant's death or Disability, but payable on the first day of the month of the Participant's 55th birthday (or, if later, the first day of the month following the month in which the Participant's final day of employment occurs prior to Termination of Employment) if the Contingent Event is Termination of Employment. Notwithstanding the foregoing, if a Participant first becomes an Officer or a designated Executive in 2018, the Contingent Payment Election shall be deemed to be a lump sum payable upon on the first day of the month following the date of the Contingent Event if the Contingent Event is the Participant's death or Disability, but payable on the first day of the month of the Participant's 55th birthday (or, if later, Termination of Employment) if the Contingent Event is Termination of Employment.

4.3 Changes to Payment Elections

Participants may change an existing Payment Election, including a deemed Payment Election, by submitting a new written Payment Election to the Administrator, subject to the following conditions: (1) the new Payment Election shall not be effective unless made at least twelve months before the payment or commencement date scheduled under the prior Payment Election, (2) the new Payment Election must defer a lump sum payment or commencement of installment or life annuity payments for a period of at least five years from the date that the lump sum would have been paid or installment or life annuity payments would have commenced under the prior Payment Election, and (3) the election shall not be effective until twelve months after it is filed with the Administrator. For Payment Election changes submitted before 2021, a Payment Election change will not be effective if at the time such new Payment Election is made, the imposition of the five-year delay would require that the benefits to be paid pursuant to such Payment Election would not begin until Participant's 75th birthday. Except as otherwise provided by the Administrator, or its delegate, in the form or instructions for a Payment Election change submitted after 2020, any such Payment Election change as to a Payment Event or (in the case of a change to a Contingent Payment Election) death (or, in either case, a date determined with reference to a Payment Event or death) will not be effective unless the new Payment Election defers the applicable payment start date by exactly five years from the start date under the prior Payment Election (for clarity, to the extent a Payment Election provides for payment to commence upon a specified date, rather than a date determined with reference to a Payment Event or

death, the new Payment Election may defer the specified date by five or more years). After 2018, the payment schedules available under a new Payment Election are those prescribed by the Administrator, or its delegate, in the form or instructions for the Payment Election change, subject to the conditions specified in this paragraph. After 2018, a Participant will only be given one opportunity to change a Payment Election for benefit accruals with respect to each of the following (i) each Plan Year prior to 2021 and (ii) the Single Payment Election for 2021 and Later Years.

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Participants who have elected a form of life annuity as their Primary Payment Election or Contingent Payment Election (including any deemed Payment Election) may change such election from one form of life annuity to another form of life annuity otherwise permitted by the Plan (to the extent applicable) by submitting a new written Payment Election to the Administrator, subject to the following conditions: (1) the new Payment Election shall not be effective unless made before the payment or commencement date scheduled under the prior Payment Election, (2) the payment or commencement date under the prior Payment Election is not changed (or the change is made pursuant to the provisions of the preceding paragraph), and (3) the annuities are actuarially equivalent (within the meaning of Treasury Regulation Section 1.409A-2(b)(2)(ii).

4.4 Small Benefit Exception

Notwithstanding the foregoing, the Administrator may, in its sole discretion and as determined by it in writing, pay the benefits in a single lump sum if the sum of all benefits payable to the Participant under this Plan and all Similar Plans is less than or equal to the applicable dollar amount under Section 402(g)(1)(B) of the Code.

4.5 Six-Month Delay in Payment for Specified Employees

Notwithstanding anything herein to the contrary, in the event that a Participant who is a Specified Employee is entitled to a distribution from the Plan due to the Participant's Separation from Service, the lump sum payment or the commencement of installment or life annuity payments, as the case may be, may not be scheduled to occur or occur before the date that is the earlier of (1) six months following the Participant's Separation from Service for reasons other than death or (2) the Participant's death.

4.6 Conflict of Interest Exception, Etc.

Notwithstanding the foregoing, the Administrator may, in its sole discretion, pay benefits in a single lump sum if permitted under Treasury Regulation Section 1.409A-3(j)(4)(iii). In addition, the Administrator may, in its sole discretion, accelerate benefits, and pay such benefits in a single lump sum, if and to the extent permitted under any of the other exceptions specified in Treasury Regulation

Section 1.409A-3(j)(4) to the general rule in Section 409A of the Code prohibiting accelerated payments, provided that the terms of Section 4.4 of the Plan shall govern whether benefits will be paid in a single lump sum pursuant to the small benefit exception contained in Treasury Regulation Section 1.409A-3(j)(4)(v).

ARTICLE 5

SURVIVOR BENEFITS

5.1 Payment

Following the Participant's death, payment of the Participant's benefit will be made to the Participant's Beneficiary or Beneficiaries according to the payment schedule elected or deemed elected according to Article 4, subject to the payment provisions (if applicable) of Section 4.1.1.

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5.2 Benefit Computation

In addition, if the applicable Payment Election or deemed Payment Election is for a joint and survivor life annuity, the survivor benefit is 50% of the Participant's annuity amount, payable only to the spouse married to the Participant at the earlier of the commencement of Plan benefit payments to the Participant or the Participant's death, but actuarially reduced if that spouse is more than five years younger than the Participant. If the election is for a contingent life annuity, the survivor benefit will be as elected. The survivor benefit associated with a life annuity will be calculated in a manner consistent with the survivor benefit provisions of the Qualified Plan except that this Plan will govern where its provisions under Sections 3.3 and 3.4(d) are inconsistent with those of the Qualified Plan. Notwithstanding the preceding provisions of this Section 5.2, if the Payment Election or deemed Payment Election is for a joint and survivor annuity, or a contingent life annuity, and the Participant dies on or after December 8, 2021 and while employed by an Affiliate, the survivor benefit as to any distribution of Plan benefits triggered by such Separation from Service will equal 100% of the Participant's benefit (i.e., not reduced to 50% or 75% of the Participant's annuity amount), but such benefit shall still be actuarially reduced (as otherwise provided above) for the age of the spouse or contingent annuitant, as applicable.

ARTICLE 6

BENEFICIARY DESIGNATION

The Participant will have the right, at any time, to designate any person or persons or entity as Beneficiary (both primary and contingent) to whom payment under the Plan will be made in the event of the Participant's death; provided that if the Participant has elected (or is deemed to have elected) a Payment Election in the form of a joint and survivor life annuity or a contingent life annuity and designates a new person or entity as Beneficiary after annuity

payments have commenced, the annuity payments to such newly designated Beneficiary must be made in the same amounts and at the same times as payments would have been made to the designated Beneficiary immediately preceding the commencement of payments. The Beneficiary designation will be effective when it is submitted to the Administrator during the Participant's lifetime in accordance with procedures established by the Administrator.

The submission of a new Beneficiary designation will cancel all prior Beneficiary designations. Any finalized divorce or marriage of a Participant subsequent to the date of a Beneficiary designation will revoke such designation, unless in the case of divorce the previous spouse was not designated as a Beneficiary, and unless in the case of marriage the Participant's new spouse has previously been designated as the sole primary Beneficiary. The spouse of a married Participant must consent in writing to any designation of a Beneficiary other than the spouse.

If a Participant fails to designate a Beneficiary as provided above, or if the Beneficiary designation is revoked by marriage, divorce, or otherwise without execution of a new designation, or if every person designated as Beneficiary predeceases the Participant, then the Administrator will direct the distribution of the benefits to the Participant's estate. If a primary Beneficiary dies after the Participant's death but prior to completion of the distribution of benefits under this Plan, and no contingent Beneficiary has been designated by the Participant,

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any remaining payments will be made to the primary Beneficiary's Beneficiary, if one has been designated, or to the Beneficiary's estate.

ARTICLE 7

CONDITIONS RELATED TO BENEFITS

7.1 Nonassignability

The benefits provided under the Plan may not be alienated, assigned, transferred, pledged or hypothecated by or to any person or entity, at any time or any manner whatsoever. These benefits will be exempt from the claims of creditors of any Participant or other claimants and from all orders, decrees, levies, garnishment or executions against any Participant to the fullest extent allowed by law. Notwithstanding the foregoing, the benefit payable to a Participant may be assigned in full or in part, pursuant to a domestic relations order of a court of competent jurisdiction.

7.2 Unforeseeable Emergency

A Retired Participant, a Participant who has a Disability, or a Participant who is age 55 or older may submit a hardship distribution request to the Administrator in writing setting forth the reasons for the request. The Administrator will have the sole authority to approve or

deny such requests. Upon a finding that the Participant has suffered an Unforeseeable Emergency, the Administrator may in its discretion, permit the Participant to accelerate distributions of benefits under the Plan in the amount reasonably necessary to alleviate the Unforeseeable Emergency.

7.3 No Right to Assets

A Participant's benefits paid under the Plan will be paid from the general funds of the Participant's Employer, and the Participant and any Beneficiary will be no more than unsecured general creditors of that Employer with no special or prior right to any assets of the Employer for payment of any obligations hereunder. Neither the Participant nor the Beneficiary will have a claim to benefits from any other Affiliate. Notwithstanding the foregoing or anything in the definition of "Employer" to the contrary, and at the sole discretion of EIX, EIX may determine that for purposes of benefits payable under the Plan, EIX shall be deemed to be the Employer obligated to pay such benefits. Such an election by EIX may be made, in EIX's sole discretion, as to all Plan benefits, as to only certain benefits, and/or as to only certain Affiliates or Participants, and will be deemed an assumption of the specified benefit obligations of the applicable Affiliates. Subject to the further provisions hereof, EIX will be solely obligated to pay any such benefits and no Participant (or Beneficiary) will have a claim as to any other Affiliate with respect to such benefits. Upon an election by EIX under this Section 7.3, benefits covered by the election will be paid from the general funds of EIX (and not the Affiliate that would otherwise pay the benefits), provided that EIX may require that as between EIX and the Affiliate that would otherwise pay such benefits, the Affiliate will be responsible to pay EIX for the assumption of such obligations in accordance with funding arrangements determined by EIX at the time of election or any time thereafter. To the extent such Affiliate fails to comply with such funding arrangements or obtains any refund or offset of payments made from the Affiliate to EIX without the consent of EIX, the Affiliate that would otherwise be responsible for payment

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of benefits to the applicable Participant will remain responsible for such benefits. EIX will effectuate any such election pursuant to this Section 7.3 by providing written notice to the Administrator and the applicable Affiliates regarding the effective date of such election, and the benefits, Affiliates and Participants for which the election is applicable. The funding arrangements established by EIX at the time of its election, or from time to time thereafter, will set forth the method by which the Affiliates will remit funds to EIX in consideration of Plan benefit obligations that are assumed by EIX. Such a method may include, but is not limited to, lump sum payment by an Affiliate to EIX of relevant benefits accrued through the date of EIX's election based on the Projected Benefit Obligation ("PBO") with regular periodic payments to EIX of continuing accruals; regular periodic payments by an Affiliate to EIX of benefits accrued based on the PBO beginning with the date of EIX's election through the date such benefits become

due under the Plan; lump sum payment by an Affiliate to EIX at the time benefits become due under the Plan; or intercompany payables and receivables used with funding on a "pay-as-you-go" basis.

7.4 Protective Provisions

The Participant will cooperate with the Administrator by furnishing any and all information requested by the Administrator, in order to facilitate the payment of benefits hereunder, taking such physical examinations as the Administrator may deem necessary and signing such consents to insure or taking such other actions as may be requested by the Administrator. If the Participant refuses to cooperate, the Administrator and the Employer will have no further obligation to the Participant under the Plan.

7.5 Constructive Receipt

Notwithstanding anything to the contrary in this Plan, in the event the Administrator determines that amounts deferred under the Plan have failed to comply with Section 409A and must be recognized as income for federal income tax purposes, distribution of the amounts included in a Participant's income will be made to such Participant. The determination of the Administrator under this Section 7.5 will be binding and conclusive.

7.6 Withholding

The Participant or the Beneficiary will make appropriate arrangements with the Administrator for satisfaction of any federal, state or local income tax withholding requirements and Social Security or other employee tax requirements applicable to the accrual or payment of benefits under the Plan. If no other arrangements are made, the Administrator may provide, at its discretion, for such withholding and tax payments as may be required.

7.7 Incapacity

If any person entitled to payments under this Plan is incapacitated and unable to use such payments in his or her own best interest, EIX may direct that payments (or any portion) be made to that person's legal guardian or conservator, or that person's spouse, as an alternative to payment to the person unable to use the payments. EIX will have no obligation to supervise the use of such payments, and court-appointed guardianship or conservatorship may be required.

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ARTICLE 8 PLAN ADMINISTRATION

8.1 Plan Interpretation

The Administrator will administer the Plan and interpret, construe and apply its provisions in accordance with its terms and will provide direction and oversight as necessary to management, staff,

or contractors to whom day-to-day Plan operations may be delegated. The Administrator will establish, adopt or revise such rules and regulations as it may deem necessary or advisable for the administration of the Plan. The Administrator will interpret and construe the Plan to comply with Section 409A of the Code. All decisions of the Administrator will be final and binding.

8.2 Limited Liability

Neither the Administrator, nor any of its members or designees, will be liable to any person for any action taken or omitted in connection with the interpretation and administration of this Plan.

ARTICLE 9

AMENDMENT OR TERMINATION OF PLAN

9.1 Authority to Amend or Terminate

The Administrator will have full power and authority to prospectively modify or terminate this Plan, and the Administrator's interpretations, constructions and actions, including any determination of the Participant's account or benefits, or the amount or recipient of the payment to be made, will be binding and conclusive on all persons for all purposes. Absent the consent of the Participant, however, the Administrator will in no event have any authority to modify this section. However, no such amendment or termination will apply to any person who has then qualified for or is receiving benefits under this Plan.

9.2 Limitations

In the event of Plan amendment or termination which has the effect of eliminating or reducing a benefit under the Plan, the benefit payable on account of a retired Participant or Beneficiary will not be impaired, and the benefits of other Participants will not be less than the benefit to which each such Participant would have been entitled if he or she had retired immediately prior to such amendment or termination.

ARTICLE 10

CLAIMS AND REVIEW PROCEDURES

10.1 Claims Procedure for Claims Other Than Due to Disability

(a) Except for claims due to Disability, the Administrator will notify a Participant or his or her Beneficiary (or person submitting a claim on behalf of the Participant or Beneficiary) (a "claimant") in writing, within 90 days after his or her written application for benefits, of his or

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her eligibility or noneligibility for benefits under the Plan. If the Administrator determines that a claimant is not eligible for benefits or full benefits, the notice will set forth (1) the specific reasons for the denial, (2) a specific reference to the provisions of the Plan on which

the denial is based, (3) a description of any additional information or material necessary for the claimant to perfect his or her claim, and a description of why it is needed, and (4) an explanation of the Plan's claims review procedure and other appropriate information as to the steps to be taken if the claimant wishes to have the claim reviewed. If the Administrator determines that there are special circumstances requiring additional time to make a decision, the Administrator will notify the claimant of the special circumstances and the date by which a decision is expected to be made, and may extend the time for up to an additional 90-day period.

(b) If a claimant is determined by the Administrator not to be eligible for benefits, or if the claimant believes that he or she is entitled to greater or different benefits, the claimant will have the opportunity to have the claim reviewed by the Administrator by filing a petition for review with the Administrator within 60 days after receipt of the notice issued by the Administrator. Said petition will state the specific reasons which the claimant believes entitle him or her to benefits or to greater or different benefits. Within 60 days after receipt by the Administrator of the petition, the Administrator will afford the claimant (and counsel, if any) an opportunity to present his or her position to the Administrator in writing, and the claimant (or counsel) will have the right to review the pertinent documents. The Administrator will notify the claimant of its decision in writing within the 60-day period, stating specifically the basis of its decision, written in a manner calculated to be understood by the claimant and the specific provisions of the Plan on which the decision is based. If, due to special circumstances (for example, because of the need for a hearing), the 60-day period is not sufficient, the decision may be deferred for up to another 60-day period at the election of the Administrator, but notice of this deferral will be given to the claimant. In the event of the death of the Participant, the same procedures will apply to the Participant's Beneficiaries.

10.2 Claims Procedure for Claims Due to Disability

(a) For purposes of Section 10.1, this Section 10.2 and Section 10.3, a claim shall not be considered to be due to Disability if the existence of the Participant's Disability is determined by reference to whether the Participant is eligible for benefits under his or her Employer's long-term disability plan applicable to the Participant, as determined by the Employer. A claim due to Disability will be approved or denied by the Administrator or its delegate, as it deems appropriate in its discretion, based on its interpretation of the Plan, medical evidence, and the analysis and conclusions of a physician selected by the Administrator or its delegate. Within a reasonable period of time, but not later than 45 days after receipt of a claim due to Disability, the Administrator or its delegate shall notify the claimant of any adverse benefit determination on the claim, unless circumstances beyond the Plan's control require an extension of time for processing the claim. Except as contemplated by this Section 10.2, in no event may the extension period exceed 30 days from the end of the initial 45-day period. If an extension is necessary, the Administrator or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 45-day period. The notice shall describe the circumstances requiring the extension and the date by which the

Administrator or its delegate expects to render a determination on the claim. If, prior to the end of the first 30-day extension period, the Administrator or its delegate determines that, due to circumstances beyond the

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control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for an additional 30 days, so long as the Administrator or its delegate notifies the claimant, prior to the expiration of the first 30-day extension period, of the circumstances requiring the extension and the date as of which the Administrator or its delegate expects to render a decision. This notice of extension shall specifically describe the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and that the claimant has at least 45 days within which to provide the specified information. Furthermore, in the event that a period of time is extended as permitted due to a claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination shall be tolled from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information.

(b) In the case of an adverse benefit determination, the Administrator or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant in a culturally and linguistically appropriate manner: (i) the specific reason or reasons for the adverse benefit determination; (ii) reference to the specific Plan provisions on which the adverse benefit determination is based; (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why the material or information is necessary; (iv) a description of the Plan's claim review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 10.2(c) below; (v) either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist; (vi) if the determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation shall be provided free of charge upon request; (vii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits; and (viii) a discussion of the decision, including an explanation of the

basis for disagreeing with or not following: (a) the views presented by the claimant to the Plan of health care professionals treating the claimant and vocational professionals who evaluated the claimant; (b) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and (c) a disability determination made by the Social Security Administration regarding the claimant presented by the claimant to the Plan.

(c) Any good-faith determination by the Administrator or its delegate will be final and binding on the Plan and the claimant unless appealed in accordance with this Section 10.2(c). Within 180 days after receipt by the claimant of notification of the adverse benefit determination, the claimant or the claimant's duly authorized representative, upon written application to the Administrator, may request that the Plan fully and fairly review the adverse benefit determination (also sometimes referred to herein as an "appeal"). Upon request and free

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of charge, the claimant pursuing an appeal shall have reasonable access to, and be provided copies of, all documents, records and other information relevant to the claimant's claim for benefits. The claimant shall have the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits. The review: (i) shall take into account all comments, documents, records, and other information submitted regardless of whether the information was previously submitted or considered in the initial adverse benefit determination; (ii) shall not afford deference to the initial adverse benefit determination; (iii) shall be conducted, at the direction of the Administrator, by an appropriate fiduciary of the Plan who is neither the individual who made the adverse benefit determination that is the subject of the review, nor the subordinate of such individual; (iv) shall identify medical and vocational experts whose advice was obtained on behalf of the Plan in connection with the initial adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and (v) where based in whole or in part on medical evidence or medical judgment, including determinations with regard to whether a particular treatment, drug, or other item is experimental, investigational, or not medically necessary or appropriate, shall include consultation with a physician, with appropriate training and experience in the field of medicine involved in the medical judgment, who was neither consulted in connection with the initial adverse benefit determination, nor the subordinate of any such professional.

The appeal will then be approved or denied by the Administrator or its delegate, as it deems appropriate, based on its interpretation of the Plan in light of the medical evidence.

Before an adverse benefit determination on review of a claim due to Disability is issued, the claimant shall be provided, free of charge, with any new or additional evidence considered, relied upon, or generated by the Administrator or its delegate making the benefit determination (or at the direction of the Administrator) in connection with the claim; such evidence will be provided as soon as possible and sufficiently in advance of the date on which the notice of adverse benefit determination on review is required to be provided to give the claimant a reasonable opportunity to respond prior to that date.

Also before an adverse benefit determination on review based on a new or additional rationale is issued, the claimant shall be provided, free of charge, the rationale; the rationale must be provided as soon as possible and sufficiently in advance of the date on which the notice of adverse benefit determination on review is required to be provided to give the claimant a reasonable opportunity to respond prior to that date.

A final benefit determination will be made by the Administrator or its delegate, and the Administrator or its delegate shall provide the claimant with written or electronic notification of the final benefit determination within a reasonable period of time, but no later than 45 days immediately following receipt of claimant's request for review, unless special circumstances require a further extension of time for processing the claim, which extension may be up to an additional 45 days. If such an extension of time for review is required because of special circumstances, the Administrator or its delegate shall provide the claimant with a written notice of the extension prior to the commencement of the extension. The notice shall describe the special circumstances requiring the extension and the date as of which the final benefit determination shall be made. In the event that a period of time is extended due to a claimant's failure to submit information necessary to decide a claim, the period for making the benefit

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determination on review shall be tolled from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information. In the case of an adverse final benefit determination, the Administrator or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant and in a culturally and linguistically appropriate manner: (i) the specific reason or reasons for the adverse final benefit determination; (ii) reference to the specific Plan provisions on which the adverse final benefit determination is based; (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits; (iv) a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and mandatory arbitration in accordance with Section 10.3

below; (v) either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist; (vi) if the determination is based on a medical necessity or experimental treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation shall be provided free of charge upon request; (vii) a discussion of the decision, including an explanation of the basis for disagreeing with or not following: (a) the views presented by the claimant to the Plan of health care professionals treating the claimant and vocational professionals who evaluated the claimant; (b) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and (c) a disability determination made by the Social Security Administration regarding the claimant presented by the claimant to the Plan; and (viii) the following statement: "You and your plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency." As described above, there shall be only one level of review of an adverse benefit determination, followed by mandatory arbitration under Section 10.3, before a claimant may bring a civil action pursuant to Section 502 of ERISA.

10.3 Dispute Arbitration

(a) Effective as to any claims filed on or after June 19, 2014, final and binding arbitration under this Section 10.3 shall be the sole remedy available to a claimant after he or she has exhausted the claim and review procedures set forth in Section 10.1. Furthermore, exhaustion by the claimant of the claim and review procedures set forth in Section 10.1 is a mandatory prerequisite for binding arbitration under this Section 10.3. Any arbitration or civil action brought prior to the exhaustion of the claim and review procedures set forth in Section 10.1 shall be remanded to the Administrator to permit the claim and review procedures to be exhausted.

(b) After a claimant has exhausted the claim and review procedures set forth in Section 10.1, if the claimant is determined by the Administrator not to be eligible for benefits, or if the claimant believes that he or she is entitled to greater or different benefits, the claimant may submit his or her claim to final and binding arbitration under this Section 10.3.

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Any arbitration under this Section 10.3 will be held in Los Angeles County, California, in accordance with the then-current

JAMS Arbitration Rules and Procedures for Employment Disputes ("JAMS Rules") and under the Federal Arbitration Act. The arbitration shall be before a single neutral arbitrator licensed to practice law and experienced in employee benefits law as well as the laws governing nonqualified deferred compensation plans, selected by mutual agreement of the parties. If the parties are unable to agree upon an arbitrator, the arbitrator shall be selected by striking in accordance with the then-current JAMS Rules from a list of arbitrators supplied by JAMS. Any and all claims and/or defenses that would otherwise be available in a court of law will be fully available to the parties. The arbitrator selected pursuant to this paragraph (the "Arbitrator") may order such discovery as is necessary for a full and fair exploration of the issues and dispute, consistent with the expedited nature of arbitration. The Arbitrator shall apply applicable substantive law to resolve the dispute. To the fullest extent provided by federal law, the decision rendered by the Administrator pursuant to the claim and review procedures set forth in Section 10.1 shall be upheld by the Arbitrator unless the Arbitrator determines that the Administrator abused its discretion. Notwithstanding the preceding sentence, if a Change in Control occurs, then a claim review decision rendered by the Administrator within the three years following the Change in Control shall, if it is challenged by the claimant in accordance with this Section 10.3, be subject to *de novo* review by the Arbitrator. Subject to the applicable standard of review in the preceding two sentences, the Arbitrator may grant any award or relief available under applicable law that the Arbitrator deems just and equitable.

At the conclusion of the arbitration, the Arbitrator shall issue a written decision that sets forth the essential findings and conclusions upon which the Arbitrator's award or decision is based. Any award or relief granted by the Arbitrator hereunder shall be final and binding on the parties hereto, and may be enforced by any court of competent jurisdiction. The Administrator will pay the Arbitrator's fee and arbitration forum fees, to the extent required by law. Otherwise, each party shall be solely responsible for paying his/her/their/its own costs/fees for the arbitration, including but not limited to attorneys' fees. However, the Arbitrator in his or her discretion may allow reasonable attorney's fees and costs of action to either party to the same extent as would be permissible if the claim(s) were filed in a court of law in lieu of arbitration.

(c) Notwithstanding any contrary provisions of this Section 10.3, if the claim is due to Disability, the following rules apply: (1) arbitration under this Section 10.3 shall be the mandatory second level of appeal following the exhaustion by the claimant of the claim and review procedures set forth in Section 10.2, and such exhaustion is a mandatory prerequisite for arbitration under this Section 10.3—any arbitration or civil action brought with respect to a claim due to Disability prior to the exhaustion of the claim and review procedures set forth in Section 10.2 shall be remanded to the Administrator to permit the claim and review procedures to be exhausted; (2) arbitration of a claim due to Disability under this Section 10.3 shall not be binding, and the claimant shall not be precluded from challenging the decision of the Arbitrator in a civil action brought pursuant to Section 502(a) of ERISA; and (3) except as specifically set forth in this Section 10.3(c),

if the claim is due to Disability, the arbitration shall be conducted as set forth in Section 10.3(b).

(d) Effective as to any claims filed on or after January 1, 2024, the Officer, Executive, Participant, or Beneficiary must bring any dispute in arbitration on an individual basis only, and not on a class, collective or representative basis and must waive the right to commence,

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be a party to, or be an actual or putative class member of any class, collective or representative action arising out of or relating to the Plan, including, but not limited to, any claims related to the Plan ("class action waiver"). However, if this class action waiver is found to be unenforceable by a court of competent jurisdiction, then any claim on a class, collective or representative basis shall be filed and adjudicated in a court of competent jurisdiction, and not in arbitration. Except as provided in the preceding sentence, this Section 10.3 is intended to make mandatory individual arbitration apply, as described above, to the maximum extent permissible under ERISA; if any feature of this arbitration requirement is impermissible under ERISA, arbitration as described above shall remain required with the minimum change necessary to allow the arbitration requirement to be permissible under ERISA. This Section 10.3(d) shall only apply with respect to an Officer, Executive or Participant hired (including those rehired) by an Employer on or after January 1, 2024 and to any Beneficiary thereof.

ARTICLE 11 MISCELLANEOUS

11.1 Participation in Other Plans

Participation in this Plan will not limit a Participant's ability to continue to participate in any other employee benefit program of an Employer, subject to and in accordance with the terms of the applicable employee benefit program.

11.2 Relationship to Qualified Plan

This Plan will to the fullest extent possible under currently applicable law be administered in accordance with, and where practicable according to the terms of the Qualified Plan and/or Savings Plan. Notwithstanding the foregoing, the terms of this Plan shall control benefits payable under this Plan whenever the terms of the Qualified Plan and/or Savings Plan differ from this Plan.

11.3 Forfeiture

The payments to be made pursuant to the Plan require the Participant, for so long as the Participant remains in the active employ of the Employer, to devote substantially all of his or her time, skill, diligence and attention to the business of the Employer and not to actively engage, either directly or indirectly, in any business or other activity adverse to the best interests of the business of the Employer. In addition, the Participant will remain available during

Retirement for consultation in any matter related to the affairs of the Employer. Any breach of these conditions by a Participant will result in complete forfeiture by the Participant of any further benefits under the Plan. If the Participant fails to observe any of the above conditions, or if he or she is discharged by the Employer for malfeasance or willful neglect of duty, then in any of said events, the Participant's benefits under this Plan will terminate and will not be paid, and EIX and the Employer will have no further liability therefor.

11.4 Successors

The rights and obligations of each Employer under the Plan will inure to the benefit of, and will be binding upon, the successors and assigns of the Employer.

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11.5 Trust

The Employers will be responsible for the payment of all benefits under the Plan. At their discretion, the Employers may establish one or more grantor trusts for the purpose of providing for payment of benefits under the Plan. The trust or trusts may be irrevocable, but an Employer's share of the assets thereof will be subject to the claims of the Employer's creditors. Benefits paid to the Participant from any such trust will be considered paid by the Employer for purposes of meeting the obligations of the Employer under the Plan.

11.6 Employment Not Guaranteed

Nothing contained in the Plan nor any action taken hereunder will be construed as a contract of employment or as giving any Participant any right to continue in employment with the Employer or any other Affiliate.

11.7 Gender, Singular and Plural

All pronouns and variations thereof will be deemed to refer to the masculine, feminine, or neuter, as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.

11.8 Captions

The captions of the articles and sections of the Plan are for convenience only and will not control or affect the meaning or construction of any of its provisions.

11.9 Validity

If any provision of the Plan is held invalid, void or unenforceable, the same will not affect, in any respect whatsoever, the validity of any other provisions of the Plan.

11.10 Waiver of Breach

The waiver by EIX or the Administrator of any breach of any provision of the Plan by the Participant will not operate or be construed as a waiver of any subsequent breach by the Participant.

11.11 Applicable Law

The Plan will be governed and construed in accordance with the laws of California except where the laws of California are preempted by ERISA.

11.12 Notice

Any notice or filing required or permitted to be given to the Administrator under the Plan will be sufficient if in writing and hand-delivered, or sent by first class mail to the principal office of EIX, directed to the attention of the Administrator. The notice will be deemed given as of the date of delivery, or, if delivery is made by mail, as of the date shown on the postmark.

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11.13 ERISA Plan

The Plan is intended to be an unfunded plan maintained primarily to provide deferred compensation benefits for "a select group of management or highly compensated employees" within the meaning of Sections 201, 301 and 401 of ERISA and therefore to be exempt from Parts 2, 3 and 4 of Title I of ERISA. EIX is the named fiduciary.

11.14 Statutes and Regulations

Any reference to a statute or regulation herein shall include any successor to such statute or regulation.

IN WITNESS WHEREOF, EIX has amended and restated this Plan on the 20th day of December, 2023.

EDISON INTERNATIONAL

/s/ Natalie Schilling
Natalie Schilling
Senior Vice President,
Human Resources

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Exhibit 10.8

EDISON INTERNATIONAL

2008 EXECUTIVE SEVERANCE PLAN

Amended and Restated Effective January 1, 2024

PREAMBLE

Edison International hereby amends and restates the Edison International Executive Severance Plan effective January 1, 2024. This Plan is intended to be an "employee benefit plan" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended.

The purpose of this Plan is to provide for continuity in the management and operations of the Employers by offering Eligible Employees of the Affiliates employment protection and financial security.

ARTICLE 1 DEFINITIONS

Capitalized terms in the text of the Plan are defined as follows:

Administrator means the Compensation and Executive Personnel Committee of the Board of Directors of EIX.

Affiliate means EIX or any corporation or entity which (i) along with EIX, is a component member of a "controlled group of corporations" within the meaning of Section 414(b) of the Code, and (ii) has approved the participation of its Executives in the Plan.

Beneficiary means the person or persons or entity designated as such in accordance with Article 5 of the Plan.

Board means the Board of Directors of EIX.

Cause means the occurrence of either or both of the following:

(1) The Eligible Employee's conviction for, or pleading guilty or nolo contendere to, committing an act of fraud, embezzlement, theft, or other act constituting a felony; or

(2) The willful engaging by the Eligible Employee in misconduct that:

i. if the event giving rise to the termination of the Eligible Employee's employment does not occur during a Protected Period, is in violation of EIX's and/or the Eligible Employee's Employer's policies and practices applicable to the Eligible Employee from time to time; or

ii. if the event giving rise to the termination of the Eligible Employee's employment occurs during a Protected Period, would have resulted in the termination of the Eligible Employee's employment by EIX or the Eligible Employee's Employer under EIX's

and/or the Eligible Employee's Employer's policies and practices applicable to the Eligible Employee in effect immediately prior to the start of the Protected Period.

However, no act or failure to act, on the Eligible Employee's part, shall be considered "willful" unless done, or omitted to be done, by the Eligible Employee not in good faith and without reasonable belief that his or her action or omission was in the best interest of EIX and his or her Employer.

CEO means the Chief Executive Officer of EIX.

Change in Control means a change in control shall be deemed to have occurred as of the first day that any one or more of the following conditions shall have been satisfied:

(1) Any Person (other than a trustee or other fiduciary holding securities under an employee benefit plan of an Affiliate) becomes the Beneficial Owner, directly or indirectly, of securities of EIX representing thirty percent (30%) or more of the combined voting power of EIX's then outstanding securities. For purposes of this clause, "Person" shall mean any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), except that such term shall not include one or more underwriters acquiring newly-issued voting securities (or securities convertible into voting securities) directly from EIX with a view towards distribution; and the term "Beneficial Owner" shall mean as defined under Rule 13d-3 promulgated under the Exchange Act.

(2) On any day after the Effective Date (the "Reference Date") Continuing Directors cease for any reason to constitute a majority of the Board. A director is a "Continuing Director" if he or she either:

- i. was a member of the Board on the applicable Initial Date (an "Initial Director"); or
- ii. was elected to the Board, or was nominated for election by EIX's shareholders, by a vote of at least two-thirds (2/3) of the Initial Directors then in office.

A member of the Board who was not a director on the applicable Initial Date shall be deemed to be an Initial Director for purposes of clause (ii) above if his or her election, or nomination for election by EIX's shareholders, was approved by a vote of at least two-thirds (2/3) of the Initial Directors (including directors elected after the applicable Initial Date who are deemed to be Initial Directors by application of this provision) then in office. For these purposes, "Initial Date" means the later of (i) the Effective Date or (ii) the date that is two years before the Reference Date.

(3) EIX is liquidated; all or substantially all of EIX's assets are sold in one or a series of related transactions; or EIX is merged, consolidated, or reorganized with or involving any other corporation, other than a merger, consolidation, or reorganization that results in the voting securities of EIX outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more

than fifty percent (50%) of the combined voting power of the voting securities of EIX (or such surviving entity) outstanding immediately after such merger, consolidation, or reorganization. Notwithstanding the foregoing, a bankruptcy of EIX or a sale or spin-off of an affiliate of EIX (short of a dissolution of EIX or a liquidation of substantially all of EIX's assets, determined on an aggregate basis) will not constitute a Change in Control of EIX.

(4) The consummation of such other transaction that the Board may, in its discretion in the circumstances, declare to be a Change in Control of EIX for purposes of this Plan.

COBRA means the health care continuation coverage requirements set forth in Section 4980B of the Code.

Code means the Internal Revenue Code of 1986, as amended.

Disability means the Eligible Employee (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve months or (ii) is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, receiving income replacement benefits for a period of not less than three months under a plan covering employees of the Employer.

Effective Date means December 31, 2008.

EIX means Edison International, or any successor thereto as provided in Section 8.1.

Eligible Employee means (i) an Executive of an Affiliate or (ii) an employee of an Affiliate who was an Executive of an Affiliate after a Potential Change in Control (unless and until the Board declares in good faith that the circumstances giving rise to the Potential Change in Control will not result in an actual Change in Control or an actual Change in Control occurs) or during a Protected Period.

Employer means the Affiliate employing the Eligible Employee. As the context may require, an Eligible Employee's Employer means the Employer that employs or last employed the Eligible Employee.

Exchange Act means the United States Securities Exchange Act of 1934, as amended.

Executive means an Employee of an Affiliate who is designated an Executive by the chief executive officer of that Affiliate or who is elected as a Vice President or officer of higher rank by the board of that Affiliate or the Board of EIX.

Executive Bonus Plan means the Executive Incentive Compensation Plan, the 2007 Performance Incentive Plan, or a successor plan governing annual bonuses for Executives of the Employer.

Executive Retirement Plan means the EIX 2008 Executive Retirement Plan, as amended from time to time, or any similar or successor plan sponsored by an Employer.

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Good Reason means, without the Eligible Employee's express written consent, the occurrence of any one or more of the following during the Protected Period:

- (1) A material diminution in the Eligible Employee's authorities, duties, and/or responsibilities.
- (2) A material diminution by the Eligible Employee's Employer of the Eligible Employee's Salary as in effect on the Effective Date, or as the same shall be increased from time to time.
- (3) The relocation of the Eligible Employee's principal office more than 50 miles from the Eligible Employee's principal office and which results in an increased commute for the Eligible Employee.
- (4) Any other action or inaction that constitutes a material breach by the Employer of the agreement under which the Eligible Employee provides services.

The foregoing events shall only constitute "Good Reason" if the Eligible Employee provides notice to the Employer of the existence of the condition within 90 days of its initial existence and the Employer does not remedy the condition within 30 days.

Person shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a group as contemplated by Sections 13(d)(3) and 14(d)(2) thereof.

Plan means the EIX 2008 Executive Severance Plan.

Potential Change in Control shall be deemed to have occurred as of the first day that any one or more of the following conditions shall have been satisfied:

- (1) Any Person (other than a trustee or other fiduciary holding securities under an employee benefit plan of EIX or of an EIX affiliate):
 - i. announces an intention to take action which, if consummated, would result in a Change in Control; or
 - ii. becomes the Beneficial Owner, directly or indirectly, of securities of EIX representing fifteen percent (15%) or more of the

combined voting power of EIX's then outstanding securities. For purposes of this clause, "Person" (and "group" as used in the definition of Person) shall not include one or more underwriters acquiring newly-issued voting securities (or securities convertible into voting securities) directly from EIX with a view towards distribution.

(2) EIX enters into an agreement that, if consummated, would result in a Change in Control.

(3) The Board declares that a Potential Change in Control has occurred for purposes of this Plan.

Prior Calendar Year means the calendar year immediately preceding the Termination Year.

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Protected Period means the period related to a Change in Control that is deemed to commence on the date that is six months before the date of the actual Change in Control and end on the date that is two years after the Change in Control.

Qualifying Termination Event means, as to an Eligible Employee, the occurrence of one or both of the following events within the Protected Period corresponding to a Change in Control:

(1) A termination of the Eligible Employee's employment by his or her Employer, without the Eligible Employee's consent, for reasons other than Cause or Disability; or

(2) A termination of employment by the Eligible Employee for Good Reason; provided that the termination of employment is in no event later than two years following the initial existence of the Good Reason condition.

Retiree Health Care Program means, as to an Eligible Employee, the Eligible Employee's Employer's retiree health care program (if any).

Salary means the Eligible Employee's basic pay from the Employer (excluding bonuses, long-term incentives, special awards, commissions, severance pay, and other non-regular forms of compensation).

SCE means Southern California Edison Company.

Separation from Service occurs when an Eligible Employee dies, retires, or otherwise has a termination of employment from the Employer that constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h)(1), without regard to the optional alternative definitions available thereunder.

Target Bonus Percentage means the target, stated as a percentage of salary, fixed by the Administrator (or by a board, committee, or officer with applicable authority under the terms of the Executive

Bonus Plan) for the bonus that may be awarded to the Eligible Employee pursuant to the terms of the Executive Bonus Plan.

Termination Date means, in the case of an Eligible Employee who becomes entitled to benefits under this Plan, the day on which the Eligible Employee incurs a Separation from Service in connection with the event that entitles the Eligible Employee to such benefits.

Termination Year means the calendar year in which the Termination Date occurs.

ARTICLE 2

SEVERANCE BENEFITS

2.1 Right to Severance Benefits

Subject to Sections 2.6, 8.2, 10.1, and 10.9, an Eligible Employee shall be entitled to receive from his or her Employer the benefits described in Section 2.3 if the Eligible Employee's

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employment by his or her Employer is terminated by the Employer without Cause (and other than due to the Eligible Employee's Disability). Notwithstanding anything else contained herein to the contrary, an Eligible Employee shall not be entitled to receive the benefits described in Section 2.3 if the Eligible Employee is entitled to benefits under or as described in Section 2.2.

2.2 Right to Change in Control Severance Benefits

Subject to Sections 2.6, 8.2, 10.1, and 10.9, an Eligible Employee shall be entitled to receive the benefits described in Section 2.4 if the Eligible Employee incurs a Qualifying Termination Event. If more than one Qualifying Termination Event occurs with respect to an Eligible Employee, such events shall constitute a single Qualifying Termination Event and the provisions of Section 2.4 shall apply with respect to the Eligible Employee only once. An Eligible Employee's continued employment shall not constitute a consent to, or a waiver of rights with respect to, any circumstances constituting Good Reason for purposes of determining if a Qualifying Termination Event has occurred with respect to the Eligible Employee.

2.3 Severance Benefit - Termination by Employer Without Cause (Other than a Qualifying Termination Event or Termination due to the Eligible Employee's Disability)

In the event that an Eligible Employee becomes entitled to receive benefits in accordance with Section 2.1, then the Eligible Employee shall be entitled to the benefits described in Sections 2.3.1 through 2.3.6 below.

2.3.1 Cash Benefit

The Eligible Employee's Employer shall pay to the Eligible Employee a non-discounted cash amount equal to the sum of the following:

- (a) an amount equal to one times the annualized rate of the Eligible Employee's Salary in effect on the Eligible Employee's Termination Date;
- (b) as to an Eligible Employee who is covered by the Executive Bonus Plan for the Prior Calendar Year, but is not eligible to receive an award for the Prior Calendar Year under the Executive Bonus Plan (the "Prior Year Bonus") because the Termination Date occurs before the vesting date for the Prior Year Bonus under the Executive Bonus Plan, then the cash benefit under this Section 2.3.1 shall include an amount equal to the Eligible Employee's Salary earned for the Prior Calendar Year times the Eligible Employee's Target Bonus Percentage for the Prior Calendar Year under the Executive Bonus Plan;
- (c) as to an Eligible Employee who is covered by the Executive Bonus Plan for the Termination Year, but is not eligible to receive an award for the Termination Year under the Executive Bonus Plan (the "Termination Year Bonus") because the Termination Date occurs before the vesting date for the Termination Year Bonus under the Executive Bonus Plan, then the cash benefit under this Section 2.3.1 shall include a pro rata portion (based on the number of calendar days that elapsed in the calendar year in which the Eligible Employee's Termination Date occurs between the start of that calendar year and the Eligible Employee's Termination Date) of the Eligible Employee's Target Bonus Percentage in effect on the Eligible Employee's

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Termination Date multiplied by the Eligible Employee's annualized Salary in effect on the Eligible Employee's Termination Date; and

- (d) an amount equal to one times the Eligible Employee's annualized Salary in effect on the Eligible Employee's Termination Date times the Eligible Employee's Target Bonus Percentage in effect on the Eligible Employee's Termination Date.

The amount determined under this Section 2.3.1 shall be paid as a lump sum without notice or demand within 65 days following the date of the Eligible Employee's Separation from Service, but only if EIX has timely received from the Eligible Employee the agreement referenced in Section 10.1.

2.3.2 Health Care Coverage Benefit

- (a) The Eligible Employee will be eligible to participate in the Retiree Health Care Program if, under the terms of the non-executive severance plan (if any) maintained by the Eligible Employee's Employer and as in effect on the Eligible Employee's Termination Date, the Eligible Employee would otherwise have been eligible (if he

or she had not been an Executive) for participation in the Retiree Health Care Program by virtue of his or her age and service. For purposes of clarity, any healthcare benefits and subsidy (as opposed to eligibility) will be determined under the Retiree Health Care Program and not the non-executive severance plan.

(b) If the Eligible Employee is not eligible for the Retiree Health Care Program in accordance with Section 2.3.2(a), is not otherwise eligible for the Retiree Health Care Program, or his or her Employer does not maintain a retiree health care program, the Eligible Employee will receive an extension of health care coverage for a period following the Eligible Employee's Termination Date that is the greater of 12 months or the extension period for which the Eligible Employee would have been eligible (if he or she had not been an Executive) under the non-executive severance program (if any) maintained by the Eligible Employee's Employer and as in effect on the Eligible Employee's Termination Date but in no event longer than the maximum period the Eligible Employee would be entitled to continuation coverage under COBRA. Any continued coverage in accordance with the preceding sentence shall be on terms similar to those as in effect under the Eligible Employee's Employer's health care program in effect with respect to the Eligible Employee immediately before the termination of his or her employment and based on the Eligible Employee's coverage elections in effect at such time, provided that the actual healthcare benefits and subsidy will be determined under the Eligible Employee's Employer's healthcare program as it may be amended from time to time. Notwithstanding Section 6.3 to the contrary, EIX and/or the Eligible Employee's Employer, as applicable, shall not be obligated to continue such coverage if the Eligible Employee obtains similar coverage from any successor employer or from a health insurance exchange. EIX and/or the Eligible Employee's Employer, as applicable, shall give the Eligible Employee the required COBRA benefit continuation notice prior to (and the Eligible Employee's eligibility for continuation benefits under COBRA shall commence as of) the end of the applicable period determined as set forth above.

(c) An Eligible Employee's coverage under the Retiree Health Care Program pursuant to Section 2.3.2(a) is subject to the Eligible Employee's Employer's ability to amend and/or terminate coverage under its Retiree Health Care Program from time to time. In the event that an

Eligible Employee is covered under a Retiree Health Care Program pursuant to Section 2.3.2(a) and, in the period of time contemplated by Section 2.3.2(b) for the extension of health care coverage pursuant to such section, the Eligible Employee's Employer terminates its Retiree Health Care Program, the Eligible Employee shall be entitled to an extension of coverage under and pursuant to Section 2.3.2(b) for the balance of the extension period contemplated

by Section 2.3.2(b) and following the cessation of the Eligible Employee's coverage under the Retiree Health Care Program.

2.3.3 [Reserved]

2.3.4 [Reserved]

2.3.5 Outplacement Benefit

The Eligible Employee shall be entitled to reimbursement of up to \$20,000 for reasonable outplacement costs incurred in the two-year period commencing on his or her Termination Date. Any such reimbursements shall be paid to the Eligible Employee by the end of the third taxable year of the Eligible Employee following the taxable year in which the Eligible Employee's Separation from Service occurred.

2.3.6 Educational Assistance Benefit

The Eligible Employee shall be entitled to the educational assistance benefit to which he or she would have been entitled (if he or she had not been an executive) under the non-executive severance plan, if any, maintained by his or her Employer and as in effect on the Eligible Employee's Termination Date. To the extent any educational assistance benefits or reimbursements are taxable to the Eligible Employee and provide for a deferral of compensation within the meaning of Section 409A of the Code, any such reimbursements or benefits shall be paid to the Eligible Employee on or before the last day of the Eligible Employee's taxable year following the taxable year in which the expense was incurred, shall not be subject to liquidation or exchange for other benefits and the reimbursements or benefits that the Eligible Employee receives in one taxable year shall not affect the amount of reimbursements or benefits that the Eligible Employee receives in any other taxable year.

2.3.7 [Reserved]

2.4 Change in Control Severance Benefits

If an Eligible Employee incurs a Qualifying Termination Event, the Eligible Employee shall be entitled to the benefits described in Sections 2.3.1 through 2.3.6 above, subject to the following subsections of this Section 2.4.

2.4.1 Senior Officer Enhanced Benefit

If the Eligible Employee was a Senior Vice President or an officer of higher rank of EIX or SCE within the 12 month period preceding his or her Termination Date but is not covered by Section 2.4.2, then the Eligible Employee will be entitled to the benefit modifications described in this Section 2.4.1. "Two times" will be substituted for "one times" in Section 2.3.1(a) and Section

2.3.1(d). "\$30,000" will be substituted for "\$20,000" in Section 2.3.5. Benefits under Section 2.3.2 will be extended to the maximum period permitted under COBRA.

2.4.2 Certain Additional Enhanced Benefits

If the Eligible Employee was the most senior officer of EIX, the most senior officer of SCE, the General Counsel of EIX, or the Chief Financial Officer of EIX within the 12 month period preceding his or her Termination Date, then the Eligible Employee will be entitled to the benefit modifications described in this Section 2.4.2. "Three times" will be substituted for "one times" in Section 2.3.1(a) and Section 2.3.1(d). "\$50,000" will be substituted for "\$20,000" in Section 2.3.5. Benefits under Section 2.3.2 will be extended to the maximum period permitted under COBRA.

2.5 Termination for Other Reasons

Except as expressly provided below, EIX and an Eligible Employee's Employer shall have no obligations (or no further obligations, as the case may be) to the Eligible Employee under this Plan if:

- (a) the Eligible Employee's employment is terminated by his or her Employer for Cause;
- (b) the Eligible Employee terminates his or her employment with his or her Employer during a Protected Period other than for Good Reason;
- (c) the Eligible Employee's employment by his or her Employer terminates due to the Eligible Employee's Disability or death;
- (d) the Eligible Employee terminates his or her employment with his or her Employer for any reason if the termination occurs outside of a Protected Period; or
- (e) the Eligible Employee is employed by an Employer that is sold, spun off, or liquidated and the Eligible Employee is no longer covered by this Plan as provided in Section 8.2 or the Eligible Employee does not timely comply with Section 10.1.

Notwithstanding anything else contained herein to the contrary, a termination of an Eligible Employee's employment on account of the Eligible Employee reaching mandatory retirement age, as such age may be defined from time to time in policies adopted by EIX or his or her Employer prior to the commencement of the Protected Period, to the extent such policies are applicable to the Eligible Employee immediately prior to the commencement of the Protected Period and to the extent such policies are consistent with applicable law, shall not entitle the Eligible Employee to the benefits described in Section 2.3 and shall not be a Qualifying Termination Event unless the Eligible Employee was otherwise able to terminate employment for Good Reason immediately prior to his or her retirement and his or her retirement occurred during a Protected Period.

2.6 Termination and Repayment of Benefits

EIX or the Eligible Employee's Employer may terminate (or cause there to be terminated, as the case may be) any benefits otherwise payable or to be paid (or to be provided, as the case may be) to the Eligible Employee under this Plan, and/or may require the Eligible Employee to repay any benefits previously paid or provided to the Eligible Employee under this Plan, and EIX and the Eligible Employee's Employer shall have no obligations (or no further obligations, as the case may be) to the Eligible Employee with respect thereto, if:

- (a) at the time of the termination of the Eligible Employee's employment, there existed Cause for the Eligible Employee's Employer to terminate the Eligible Employee's employment (regardless of whether such Employer knew of the circumstances that constituted Cause at the time of such termination or first became aware of such circumstances after such termination, and regardless of whether the termination of employment was characterized as being for Cause at the time of such termination); or
- (b) during the period of the Eligible Employee's employment by his or her Employer or at any time thereafter, the Eligible Employee committed or engaged in a breach of confidentiality, or an unauthorized disclosure or use of inside information, trade secrets or other confidential information of EIX or any of its affiliates; or
- (c) during the period of the Eligible Employee's employment by his or her Employer or at any time thereafter, the Eligible Employee breached any no-solicitation obligation owed to EIX or any of its affiliates. (For purposes of clarity, the no-solicitation obligations covered by this Section 2.6(c) include, without limitation, those obligations set forth in Section 7 of the form of Severance Agreement attached hereto as Exhibit A, as those obligations are set forth in the Eligible Employee's Severance Agreement.)

Any determination by EIX or the Eligible Employee's Employer that the Eligible Employee's benefits are to be terminated and/or repaid pursuant to this Section 2.6 shall be communicated to the Eligible Employee in writing. Such writing shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for such determination.

However, as to an Eligible Employee who is otherwise eligible for benefits pursuant to Section 2.3 or 2.4, and who satisfies the requirements of Section 10.1, the Eligible Employee's minimum aggregate benefit pursuant to Section 2.3.1 ("Minimum Benefit") shall be the lesser of (i) Ten Thousand Dollars (\$10,000), or (ii) the amount of the Eligible Employee's benefit otherwise determined pursuant to Section 2.3.1 (giving effect to any adjustment thereto pursuant to Section 2.4, if applicable in the circumstances). A termination of benefits pursuant to this Section 2.6 shall not cause the Eligible Employee's aggregate benefit pursuant to Section 2.3.1 to be less than the applicable Minimum Benefit, nor shall a repayment of benefits required under this Section 2.6 require the Eligible Employee to repay the amount of his or her Minimum Benefit.

The provisions of this Section 2.6 are not in any way in limitation of any other right or remedy, (at law or otherwise, to obtain specific performance, injunctive relief, other appropriate relief and/or damages) otherwise available to EIX or any of its affiliates in the circumstances. Furthermore, the provisions of this Section 2.6 do not in any way limit any obligation

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(confidentiality, no-solicitation or otherwise) owed by any Eligible Employee to EIX or any of its affiliates.

2.7 Notice of Termination

Any termination of an Eligible Employee's employment by his or her Employer for Cause or by an Eligible Employee for Good Reason shall be communicated by Notice of Termination. For purposes of this Plan, a "Notice of Termination" shall mean a written notice which shall indicate the specific termination provision in this Plan relied upon, and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Eligible Employee's employment under the provision so indicated. The Notice of Termination shall be effective on the date specified in Section 10.7 of this Plan. Any Notice of Termination remains subject to the provisions of Section 2.6.

ARTICLE 3 TAXES

EIX and/or the Eligible Employee's Employer, as applicable, has the right to withhold from any amount otherwise payable to an Eligible Employee under or pursuant to this Plan the amount of any taxes that EIX or such Employer may legally be required to withhold with respect to such payment (including, without limitation, any United States Federal taxes, and any other state, city, or local taxes). In the event that tax withholding is required with respect to amounts or benefits payable or deliverable by EIX or the Eligible Employee's Employer to an Eligible Employee and EIX or the Employer cannot satisfy its tax withholding obligations in the manner described in the preceding sentence, EIX or the Employer may require the Eligible Employee to pay or provide for the payment of such required tax withholding as a condition to the payment or delivery of such amounts or benefits. Each Eligible Employee, former Eligible Employee and Beneficiary shall be solely responsible for all income and employment taxes arising in connection with participation in this Plan or benefits hereunder.

ARTICLE 4 [RESERVED]

ARTICLE 5 BENEFICIARY DESIGNATION

The Eligible Employee will have the right, at any time, to designate any person or persons as Beneficiary (both primary and contingent) to whom payment under the Plan will be made in the event of the Eligible Employee's death. The Beneficiary designation will be effective when it is submitted to the Administrator during the Eligible Employee's lifetime in accordance with procedures established by the Administrator.

The submission of a new Beneficiary designation will cancel all prior Beneficiary designations. Any finalized divorce or marriage of an Eligible Employee subsequent to the date of a Beneficiary designation will revoke such designation, unless in the case of divorce the previous spouse was not designated as a Beneficiary, and unless in the case of marriage the Eligible Employee's new spouse has previously been designated as Beneficiary. The spouse of a married

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Eligible Employee must consent in writing to any designation of a Beneficiary other than the spouse.

If an Eligible Employee fails to designate a Beneficiary as provided above, or if the Beneficiary designation is revoked by marriage, divorce, or otherwise without execution of a new designation, or if every person designated as Beneficiary predeceases the Eligible Employee, then the Administrator will direct the distribution of the benefits to the Eligible Employee's estate. If a primary Beneficiary dies after commencement of payments to the Beneficiary but prior to completion of benefits under this Plan, and no contingent Beneficiary has been designated by the Eligible Employee, any remaining payments will be paid to the primary Beneficiary's Beneficiary, if one has been designated, or to the Beneficiary's estate.

ARTICLE 6

CONDITIONS RELATED TO BENEFITS

6.1 Nonassignability

The benefits provided under the Plan may not be alienated, assigned, transferred, pledged or hypothecated by or to any person or entity, at any time or any manner whatsoever. These benefits will be exempt from the claims of creditors of any Eligible Employee or other claimants and from all orders, decrees, levies, garnishment or executions against any Eligible Employee to the fullest extent allowed by law.

6.2 No Right to Assets

The benefits paid under the Plan will be paid from the general funds of the Employer who last employs the Eligible Employee immediately prior to the time that the Eligible Employee becomes entitled to benefits hereunder, and the Eligible Employee and any Beneficiary will be no more than unsecured general creditors of the Employer

with no special or prior right to any assets of the Employer for payment of any obligations hereunder. Neither the Eligible Employee nor the Beneficiary will have a claim to benefits from any other Affiliate. EIX is not a guarantor of the benefit obligations of other participating Affiliates. By participating in, and by accepting any benefits under, this Plan, Eligible Employees consent to EIX sponsorship of this Plan, but acknowledge that EIX is not a guarantor of the benefit obligations of other participating Affiliates. Each Affiliate is responsible for payment of the accrued benefits under this Plan with respect to its own Eligible Employees subject to the terms and conditions set forth herein. Notwithstanding the foregoing or anything in the definition of "Employer" to the contrary, and at the sole discretion of EIX, EIX may determine that for purposes of benefits payable under this Plan, EIX shall be deemed to be the Employer obligated to pay such benefits. Such an election by EIX may be made, in EIX's sole discretion, as to all Plan benefits, as to only certain benefits, and/or as to only certain Affiliates or Eligible Employees, and will be deemed an assumption of the specified benefit obligations of the applicable Affiliates. Subject to the further provisions hereof, EIX will be solely obligated to pay any such benefits and no Eligible Employee (or Beneficiary) will have a claim as to any other Affiliate with respect to such benefits. Upon an election by EIX under this Section 6.2, benefits covered by the election will be paid from the general funds of EIX (and not the Affiliate that would otherwise pay the benefits), provided that EIX may require that as between EIX and the Affiliate that would otherwise pay such benefits,

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the Affiliate will be responsible to pay EIX for the assumption of such obligations in accordance with funding arrangements determined by EIX at the time of election or any time thereafter. To the extent such Affiliate fails to comply with such funding arrangements or obtains any refund or offset of payments made from the Affiliate to EIX without the consent of EIX, the Affiliate that would otherwise be responsible for payment of benefits to the applicable Eligible Employee will remain responsible for such benefits. EIX will effectuate any such election pursuant to this Section 6.2 by providing written notice to the Administrator and the applicable Affiliates regarding the effective date of such election, and the benefits, Affiliates and Eligible Employees for which the election is applicable. The funding arrangements established by EIX at the time of its election, or from time to time thereafter, will set forth the method by which the Affiliates will remit funds to EIX in consideration of benefit obligations that are assumed by EIX.

6.3 Payment of Obligations Absolute

Subject to the Eligible Employee's timely compliance with Section 10.1 and the agreement contemplated thereby, each Employer's obligation to make the payments and the arrangements provided for herein shall be absolute and unconditional, and shall not

be affected by any circumstances, including, without limitation, any offset, counterclaim, recoupment, defense, or other right which the Employer may have against the Eligible Employee or anyone else. Each and every payment made hereunder by an Employer shall be final, and the Employer shall not seek to recover all or any part of such payment from the Eligible Employee or from whomsoever may be entitled thereto, for any reasons whatsoever, except as otherwise provided in Article 7 and subject to the Eligible Employee's timely compliance with Section 10.1 and the agreement contemplated thereby. Eligible Employees shall not be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Plan, and the obtaining of any such other employment shall in no event effect any reduction of an Employer's obligations to make the payments and arrangements required to be made under this Plan except as provided in Section 2.3.2(b). The foregoing provisions of this Section 6.3 are subject to the provisions of Section 2.6 and Section 10.9.

6.4 Other Benefit Plans

All payments, benefits and amounts provided under this Plan shall be in addition to and not in substitution for any pension rights under EIX's or other Employer's tax-qualified pension plans in which the Eligible Employee participates, and any disability, workers' compensation or EIX or other Employer benefit plan distribution that an Eligible Employee is entitled to, under the terms of any such plan, at the time his or her employment by his or her Employer terminates. Notwithstanding the foregoing, this Plan shall not create an inference that any duplicate payments shall be required, and notwithstanding anything else contained herein to the contrary, any severance benefits otherwise payable or deliverable under this Plan to a Participant shall be offset or reduced by the amount of severance benefits payable or deliverable to the Participant under any other plan, program, or agreement of or with EIX, the Participant's Employer, or their respective Affiliates. Payments received by a person under this Plan shall not be deemed a part of the person's compensation for purposes of determining the person's benefits under any employee welfare, pension or other benefit plan or arrangement, if any, provided by an Employer, except where explicitly provided under the terms of such plan or arrangement.

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6.5 Incapacity

If any person entitled to payments under this Plan is incapacitated and unable to use such payments in his or her own best interest, EIX may direct that payments (or any portion) be made to that person's legal guardian or conservator, or that person's spouse, as an alternative to payment to the person unable to use the payments. EIX will have no obligation to supervise the use of such payments, and court-appointed guardianship or conservatorship may be required.

6.6 Six Month Delay

Notwithstanding any other provisions of this Plan, any payment or benefit otherwise required to be made after an Eligible Employee's Separation from Service that the Employer reasonably determines is subject to Section 409A(a)(2)(B)(i) of the Code shall be subject to a six-month delay so that it is paid as soon as practicable for the Employer (and in all events within ninety (90) days) after the date that is six (6) months after the Eligible Employee's Separation From Service (or, if earlier, the date of the Eligible Employee's death). The provisions of this Section 6.6 shall only apply if, and to the extent, required to comply with Section 409A of the Code.

6.7 Termination of Employment

Notwithstanding anything else contained herein to the contrary, a Participant shall not be deemed to have terminated employment or had a Separation from Service if his or her employment by an Employer terminates but he or she continues as an employee of another Affiliate.

6.8 Re-Employment

Notwithstanding anything else contained herein to the contrary, a Participant shall have no right to severance benefits hereunder (pursuant to Sections 2.3 or 2.4 or otherwise) with respect to a termination of his or her employment if, in connection with such termination, he or she is otherwise entitled to severance benefits under this Plan but, prior to the payment or delivery (or commencement of payment or delivery, as the case may be) of such benefits, the Participant becomes re-employed by his or her Employer or by another Affiliate. Notwithstanding anything else contained herein to the contrary, a Participant's right to continuing or additional benefits under this Plan (including any right to continue participating in or receive benefits under a plan as provided for in Section 2.3) shall automatically terminate (but the Participant shall have no obligation to re-pay benefits previously paid) if the Participant becomes re-employed by his or her Employer or by another Affiliate. If a Participant is re-employed and his or her employment is subsequently terminated and the Participant again becomes entitled to severance benefits under the terms of this Plan in connection with such later termination of employment, the amount of cash severance payments otherwise payable to the Participant pursuant to Section 2.3.1 in connection with such later termination of employment shall be reduced by the amount of any severance payments paid under this Plan to the Participant within the 24 months prior to such later termination of employment in connection with any prior termination of his or her employment.

ARTICLE 7

CLAIMS AND REVIEW PROCEDURES

7.1 Claims Procedure for Claims Other Than Due to Disability

(a) Except for claims due to Disability, the Administrator will notify an Eligible Employee or his or her Beneficiary (or person submitting a claim on behalf of an Eligible Employee or Beneficiary) (a "claimant") in writing, within 90 days after his or her written application for benefits, of his or her eligibility or noneligibility for benefits under the Plan. If the Administrator determines that a claimant is not eligible for benefits or full benefits, the notice will set forth (1) the specific reasons for the denial, (2) a specific reference to the provisions of the Plan on which the denial is based, (3) a description of any additional information or material necessary for the claimant to perfect his or her claim, and a description of why it is needed, and (4) an explanation of the Plan's claims review procedure and other appropriate information as to the steps to be taken if the claimant wishes to have the claim reviewed. If the Administrator determines that there are special circumstances requiring additional time to make a decision, the Administrator will notify the claimant of the special circumstances and the date by which a decision is expected to be made, and may extend the time for up to an additional 90-day period.

(b) If a claimant is determined by the Administrator not to be eligible for benefits, or if the claimant believes that he or she is entitled to greater or different benefits, the claimant will have the opportunity to have the claim reviewed by the Administrator by filing a petition for review with the Administrator within 60 days after receipt of the notice issued by the Administrator. Said petition will state the specific reasons which the claimant believes entitle him or her to benefits or to greater or different benefits. Within 60 days after receipt by the Administrator of the petition, the Administrator will afford the claimant (and counsel, if any) an opportunity to present his or her position to the Administrator in writing, and the claimant (or counsel) will have the right to review the pertinent documents. The Administrator will notify the claimant of its decision in writing within the 60-day period, stating specifically the basis of its decision, written in a manner calculated to be understood by the claimant and the specific provisions of the Plan on which the decision is based. If, due to special circumstances (for example, because of the need for a hearing), the 60-day period is not sufficient, the decision may be deferred for up to another 60-day period at the election of the Administrator, but notice of this deferral will be given to the claimant. In the event of the death of the Eligible Employee, the same procedures will apply to the Eligible Employee's Beneficiaries.

7.2 Claims Procedure for Claims Due to Disability

(a) For purposes of Section 7.1, this Section 7.2 and Section 7.3, a claim shall not be considered to be due to Disability if the existence of the Eligible Employee's Disability is determined by reference to whether the Eligible Employee is eligible for benefits under his or her Employer's long-term disability plan applicable to the Eligible Employee, as determined by the Employer. A claim due to Disability will be approved or denied by the Administrator or its delegate, as it deems appropriate in its discretion, based on its interpretation of the Plan, medical evidence, and the analysis and conclusions of a physician selected by the Administrator or its delegate. Except as contemplated by this Section 7.2, in no event may the extension

period exceed 30 days from the end of the initial 45-day period. If an extension is necessary, the

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Administrator or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 45-day period. The notice shall describe the circumstances requiring the extension and the date by which the Administrator or its delegate expects to render a determination on the claim. If, prior to the end of the first 30-day extension period, the Administrator or its delegate determines that, due to circumstances beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for an additional 30 days, so long as the Administrator or its delegate notifies the claimant, prior to the expiration of the first 30-day extension period, of the circumstances requiring the extension and the date as of which the Administrator or its delegate expects to render a decision. This notice of extension shall specifically describe the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and that the claimant has at least 45 days within which to provide the specified information. Furthermore, in the event that a period of time is extended as permitted due to a claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination shall be tolled from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information.

(b) In the case of an adverse benefit determination, the Administrator or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant in a culturally and linguistically appropriate manner: (i) the specific reason or reasons for the adverse benefit determination; (ii) reference to the specific Plan provisions on which the adverse benefit determination is based; (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why the material or information is necessary; (iv) a description of the Plan's claim review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 7.2(c) below; (v) either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist; (vi) if the determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a

statement that such explanation shall be provided free of charge upon request; (vii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits; and (viii) a discussion of the decision, including an explanation of the basis for disagreeing with or not following: (a) the views presented by the claimant to the Plan of health care professionals treating the claimant and vocational professionals who evaluated the claimant; (b) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and (c) a disability determination made by the Social Security Administration regarding the claimant presented by the claimant to the Plan.

(c) Any good-faith determination by the Administrator or its delegate will be final and binding on the Plan and the claimant unless appealed in accordance with this Section 7.2(c).

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Within 180 days after receipt by the claimant of notification of the adverse benefit determination, the claimant or the claimant's duly authorized representative, upon written application to the Administrator, may request that the Plan fully and fairly review the adverse benefit determination (also sometimes referred to herein as an "appeal"). Upon request and free of charge, the claimant pursuing an appeal shall have reasonable access to, and be provided copies of, all documents, records and other information relevant to the claimant's claim for benefits. The claimant shall have the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits. The review: (i) shall take into account all comments, documents, records, and other information submitted regardless of whether the information was previously submitted or considered in the initial adverse benefit determination; (ii) shall not afford deference to the initial adverse benefit determination; (iii) shall be conducted, at the direction of the Administrator, by an appropriate fiduciary of the Plan who is neither the individual who made the adverse benefit determination that is the subject of the review, nor the subordinate of such individual; (iv) shall identify medical and vocational experts whose advice was obtained on behalf of the Plan in connection with the initial adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and (v) where based in whole or in part on medical evidence or medical judgment, including determinations with regard to whether a particular treatment, drug, or other item is experimental, investigational, or not medically necessary or appropriate, shall include consultation with a physician, with appropriate training and experience in the field of medicine involved in the medical judgment, who was neither consulted in connection

with the initial adverse benefit determination, nor the subordinate of any such professional.

The appeal will then be approved or denied by the Administrator or its delegate, as it deems appropriate, based on its interpretation of the Plan in light of the medical evidence.

Before an adverse benefit determination on review of a claim due to Disability is issued, the claimant shall be provided, free of charge, with any new or additional evidence considered, relied upon, or generated by the Administrator or its delegate making the benefit determination (or at the direction of the Administrator) in connection with the claim; such evidence will be provided as soon as possible and sufficiently in advance of the date on which the notice of adverse benefit determination on review is required to be provided to give the claimant a reasonable opportunity to respond prior to that date.

Also before an adverse benefit determination on review based on a new or additional rationale is issued, the claimant shall be provided, free of charge, the rationale; the rationale must be provided as soon as possible and sufficiently in advance of the date on which the notice of adverse benefit determination on review is required to be provided to give the claimant a reasonable opportunity to respond prior to that date.

A final benefit determination will be made by the Administrator or its delegate, and the Administrator or its delegate shall provide the claimant with written or electronic notification of the final benefit determination within a reasonable period of time, but no later than 45 days immediately following receipt of claimant's request for review, unless special circumstances require a further extension of time for processing the claim, which extension may be up to an additional 45 days. If such an extension of time for review is required because of special circumstances, the Administrator or its delegate shall provide the claimant with a written notice

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of the extension prior to the commencement of the extension. The notice shall describe the special circumstances requiring the extension and the date as of which the final benefit determination shall be made. In the event that a period of time is extended due to a claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination on review shall be tolled from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information. In the case of an adverse final benefit determination, the Administrator or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant and in a culturally and linguistically appropriate manner: (i) the specific reason or reasons for the adverse final benefit determination; (ii) reference to the specific Plan provisions on which the adverse

final benefit determination is based; (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits; (iv) a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and mandatory arbitration in accordance with Section 10.3 below; (v) either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist; (vi) if the determination is based on a medical necessity or experimental treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation shall be provided free of charge upon request; (vii) a discussion of the decision, including an explanation of the basis for disagreeing with or not following: (a) the views presented by the claimant to the Plan of health care professionals treating the claimant and vocational professionals who evaluated the claimant; (b) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and (c) a disability determination made by the Social Security Administration regarding the claimant presented by the claimant to the Plan; and (viii) the following statement: "You and your plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency." As described above, there shall be only one level of review of an adverse benefit determination, followed by mandatory arbitration under Section 10.3, before a claimant may bring a civil action pursuant to Section 502 of ERISA.

7.3 Dispute Arbitration

(a) Effective as to any claims filed on or after June 19, 2014, final and binding arbitration under this Section 7.3 shall be the sole remedy available to a claimant after he or she has exhausted the claim and review procedures set forth in Section 7.1. Furthermore, exhaustion by the claimant of the claim and review procedures set forth in Section 7.1 is a mandatory prerequisite for binding arbitration under this Section 7.3. Any arbitration or civil action brought prior to the exhaustion of the claim and review procedures set forth in Section 7.1 shall be remanded to the Administrator to permit the claim and review procedures to be exhausted.

(b) After a claimant has exhausted the claim and review procedures set forth in Section 7.1, if the claimant is determined by the Administrator not to be eligible for benefits, or if the claimant believes that he or she is entitled to greater or different benefits, the claimant may submit his or her claim to final and binding arbitration under this Section 7.3.

Any arbitration under this Section 7.3 will be held in Los Angeles County, California, in accordance with the then-current JAMS Arbitration Rules and Procedures for Employment Disputes ("JAMS Rules") and under the Federal Arbitration Act. The arbitration shall be before a sole arbitrator, selected by mutual agreement of the parties. If the parties are unable to agree upon an arbitrator, the arbitrator shall be selected by striking in accordance with the then-current JAMS Rules from a list of arbitrators supplied by JAMS. Any and all claims and/or defenses that would otherwise be available in a court of law will be fully available to the parties. The arbitrator selected pursuant to this paragraph (the "Arbitrator") may order such discovery as is necessary for a full and fair exploration of the issues and dispute, consistent with the expedited nature of arbitration. The Arbitrator shall apply applicable substantive law to resolve the dispute. To the fullest extent provided by federal law, the decision rendered by the Administrator pursuant to the claim and review procedures set forth in Section 7.1 shall be upheld by the Arbitrator unless the Arbitrator determines that the Administrator abused its discretion. Notwithstanding the preceding sentence, if (1) a Change in Control occurs, then a claim review decision rendered by the Administrator within the three years following the Change in Control shall, if it is challenged by the claimant in accordance with this Section 7.3, be subject to *de novo* review by the Arbitrator, or (2) if the claimant is determined by the Administrator not to be eligible for benefits on account of the Administrator's determination as to whether Cause, Disability or Good Reason exists, then such decision rendered by the Administrator as to whether Cause, Disability or Good Reason exists shall, if it is challenged by the claimant in accordance with this Section 7.3, be subject to *de novo* review by the Arbitrator. Subject to the applicable standard of review in the preceding two sentences, the Arbitrator may grant any award or relief available under applicable law that the Arbitrator deems just and equitable.

At the conclusion of the arbitration, the Arbitrator shall issue a written decision that sets forth the essential findings and conclusions upon which the Arbitrator's award or decision is based. Any award or relief granted by the Arbitrator hereunder shall be final and binding on the parties hereto, and may be enforced by any court of competent jurisdiction. All costs unique to arbitration (e.g., the Arbitrator's fees and room fees) shall be paid by the Administrator. The parties shall otherwise bear their own costs (e.g., attorneys' fees, expert fees, witness fees, etc.). If, however, any party prevails on a statutory claim that affords the prevailing party attorneys' fees and costs, then the Arbitrator may award reasonable fees and costs to the prevailing party.

(c) Notwithstanding any contrary provisions of this Section 7.3, if the claim is due to Disability, the following rules apply: (1) arbitration under this Section 7.3 shall be the mandatory second level of appeal

following the exhaustion by the claimant of the claim and review procedures set forth in Section 7.2, and such exhaustion is a mandatory prerequisite for arbitration under this Section 7.3—any arbitration or civil action brought with respect to a claim due to Disability prior to the exhaustion of the claim and review procedures set forth in Section 7.2 shall be remanded to the Administrator to permit the claim and review procedures to be exhausted; (2) arbitration of a claim due to Disability under this Section 7.3 shall not be binding, and the claimant shall not be precluded from challenging the decision of the Arbitrator in a civil

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action brought pursuant to Section 502(a) of ERISA; and (3) except as specifically set forth in this Section 7.3(c), if the claim is due to Disability, the arbitration shall be conducted as set forth in Section 7.3(b).

ARTICLE 8

SUCCESSORS AND ASSIGNMENT

8.1 Successors to an Employer

Subject to Section 8.2, each Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) of all or substantially all of the business and/or assets of the Employer or of any division or subsidiary thereof (the business and/or assets of which constitute at least fifty percent (50%) of the total business and/or assets of the Employer) to expressly assume and agree to perform the Employer's obligations under this Plan in the same manner and to the same extent that the Employer would be required to perform them if such succession had not taken place.

8.2 Sale, Spin-Off, or Liquidation of an Employer

Except as provided in the following two sentences, if EIX sells (regardless of whether pursuant to a stock sale or sale of all or substantially all of the business and/or assets of the Employer), spins-off or liquidates an Employer (other than EIX), this Plan shall be deemed to have been terminated as to all Eligible Employees employed by that Employer and such Eligible Employees shall have no further rights under this Plan and shall have no right to any payment or benefits under this Plan in respect of such termination. If such a sale, spin-off or liquidation occurs after a Potential Change in Control has occurred (and the Board has not declared in good faith that the circumstances giving rise to the Potential Change in Control will not result in an actual Change in Control) or during a Protected Period, the preceding sentence shall not apply with respect to any Eligible Employee who was employed immediately prior to the Potential Change in Control or start of the Protected Period, as applicable, by EIX or an Employer other than the Employer that is sold, spun off, or liquidated. The first sentence of this Section 8.2 will not apply to an Eligible Employee if (i) the Employer has entered a

written agreement with the Eligible Employee, (ii) the agreement has been approved by the CEO or the senior officer of EIX responsible for Human Resources (or by EIX's director responsible for executive compensation if EIX does not have an officer responsible for Human Resources other than the CEO), (iii) the agreement provides specific conditions under which the Eligible Employee will be eligible for the benefits described in Section 2.3 in connection with the sale or spin-off of the Employer, and (iv) those conditions are met.

ARTICLE 9

ADMINISTRATION OF THE PLAN

9.1 Administrator Action

The Administrator shall act at meetings by affirmative vote of a majority of the members of the Administrator. Any action permitted to be taken at a meeting may be taken without a meeting if, prior to such action, a written consent to the action is signed by all members of the Administrator and such written consent is filed with the minutes of the proceedings of the Administrator. A

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member of the Administrator shall not vote or act upon any matter which relates solely to himself or herself as an Eligible Employee. The Chair of the Administrator or any other member or members of the Administrator designated by the Chair of the Administrator may execute any certificate or other written direction on behalf of the Administrator.

9.2 Powers and Duties of the Administrator

The Administrator shall enforce this Plan in accordance with its terms, shall be charged with the general administration of this Plan, and shall have all powers necessary to accomplish its purposes, including, but not by way of limitation, the power and authority to do the following:

- (a) To determine eligibility for and participation in this Plan;
- (b) To construe and interpret the terms and provisions of this Plan;
- (c) To compute and certify to the amount and kind of benefits payable to Eligible Employees and their Beneficiaries, and to determine the amount of withholding taxes to be deducted pursuant to Article 3;
- (d) To maintain all records that may be necessary for the administration of this Plan;
- (e) To provide for the disclosure of all information and the filing or provision of all reports and statements to Eligible Employees, Beneficiaries or governmental agencies as shall be required by law;
- (f) To make and publish such rules for the regulation of this Plan and procedures for the administration of this Plan as are not

inconsistent with the terms hereof; and

(g) To appoint a plan administrator or any other agent (which may include, without limitation, one or more employees of EIX), and to delegate to them such powers and duties in connection with the administration of this Plan as the Administrator may from time to time prescribe.

9.3 Plan Interpretation

The Administrator will administer the Plan and interpret, construe and apply its provisions in accordance with its terms and will provide direction and oversight as necessary to management, staff, or contractors to whom day-to-day Plan operations may be delegated. The Administrator will establish, adopt or revise such rules and regulations as it may deem necessary or advisable for the administration of the Plan. The Administrator will interpret and construe the Plan to comply with Section 409A of the Code. All decisions of the Administrator will be final and binding.

9.4 Information

To enable the Administrator to perform its functions, each Employer shall supply full and timely information to the Administrator on all matters relating to the compensation of all Eligible

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Employees, their death or other cause of termination, and such other pertinent facts as the Administrator may require.

9.5 Compensation, Expenses and Indemnity

The members of the Administrator shall serve without additional compensation for their services hereunder beyond that which they are entitled as authorized by the Board. The Administrator is authorized at the expense of EIX to employ such legal counsel as it may deem advisable to assist in the performance of its duties hereunder. EIX shall pay expenses and fees in connection with the administration of this Plan. To the extent permitted by applicable law, EIX shall indemnify and save harmless the Administrator and each member thereof, the Board and each member thereof, and delegates of the Administrator who are employees of EIX against any and all expenses, liabilities and claims, including legal fees to defend against such liabilities and claims arising out of their discharge in good faith of responsibilities under or incident to this Plan, other than expenses and liabilities arising out of willful misconduct. This indemnity shall not preclude such further indemnities as may be available under insurance purchased by EIX or provided by EIX under any bylaw, agreement or otherwise, as such indemnities are permitted under state law.

ARTICLE 10 MISCELLANEOUS

10.1 Release and Agreement

Notwithstanding anything else contained herein to the contrary, each Employer's obligation to pay benefits to an Eligible Employee is subject to the condition precedent that the Eligible Employee execute, not later than 45 days after the Eligible Employee's receipt of the Severance Agreement, a valid and effective Severance Agreement in the form attached hereto as Exhibit A (or such other form, which is substantially the same as the form attached hereto as Exhibit A, as the Administrator may require) and such executed agreement is received by EIX and the Eligible Employee's Employer no later than 52 days after the Eligible Employee's receipt of the Severance Agreement and is not revoked by the Eligible Employee or otherwise rendered unenforceable by the Eligible Employee. EIX will provide the applicable form of Severance Agreement to the Eligible Employee on or before the seventh day following the Eligible Employee's Termination Date. EIX may modify the form of Severance Agreement from time to time to comply with applicable laws, rules and regulations. If the 45-day period for the Eligible Employee to consider the Severance Agreement plus any revocation period afforded by applicable law (together, the "Release Period") spans two different calendar years, payment of the cash severance benefits pursuant to Section 2.3.1 (including any enhancement thereto pursuant to Section 2.4.1), shall be made within the period of time prescribed by Section 2.3.1 but in the second of those two calendar years and, to the extent required to avoid any tax, penalty or interest under Section 409A of the Code, any benefit payment or reimbursement pursuant to Sections 2.3.2 through 2.3.6 (including any enhancement thereto pursuant to Sections 2.4.1 and 2.4.2) that would otherwise be paid in the first of those two years shall not be paid until the second of those two years.

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10.2 Term of the Plan

(a) This Plan will commence on the Effective Date and shall continue in effect through December 31, 2009. However, at the end of such initial period and, if extended, at the end of each additional year thereafter, the term of this Plan shall be extended automatically for one additional year, unless the Administrator (or the Board) delivers written notice at least six months prior to the end of such term, or extended term, to each Eligible Employee that this Plan will not be extended, and if such notice is timely given this Plan will terminate at the end of the term then in progress; provided, however, that this provision for automatic extension shall have no application following a Potential Change in Control (unless and until the Board declares in good faith that the circumstances giving rise to the Potential Change in Control will not result in an actual Change in Control) or a Change in Control, in which case the provisions of Section 10.2(b) or Section 10.2(c), respectively, shall apply.

(b) If a Potential Change in Control occurs, the Administrator (or the Board) may not give notice that the term of this Plan will not be extended, or will not be further extended, as the case may be, unless and until the Board declares in good faith that the circumstances giving rise to the Potential Change in Control will not result in an actual Change in Control or an actual Change in Control occurs.

(c) In the event a Change in Control occurs during the initial or any extended term, this Plan will remain in effect for the longer of: twenty-four months beyond the month in which such Change in Control occurred; or

(1) as to any Eligible Employee who incurs a Qualifying Termination Event, until all obligations of each Employer hereunder to that Eligible Employee have been fulfilled. Any subsequent Change in Control ("Subsequent Change in Control") that occurs during the initial or any extended term shall also continue the term of this Plan until the later of:

(i) twenty-four months beyond the month in which such Subsequent Change in Control occurred; or

(ii) as to any Eligible Employee who incurs a Qualifying Termination Event, until all obligations of each Employer hereunder have been fulfilled to that Eligible Employee; provided, however, that if a Subsequent Change in Control occurs, it shall only be considered a Change in Control under this Plan if it occurs no later than twenty-four months after the immediately preceding Change in Control or Subsequent Change in Control.

(d) The foregoing provisions of this Section 10.2 are subject to the provisions of Section 8.2 as to any Eligible Employee that is employed by an Employer that is sold or spun-off by EIX.

10.3 Employment Status

Except as may be provided under any other written agreement between an Eligible Employee and his or her Employer, the employment of the Eligible Employee by his or her Employer is "at will," and may be terminated by either the Eligible Employee or the Employer at any time, subject to applicable law. Payments made under this Plan shall not give any person the right to

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any benefits provided to persons retained in an Employer's employ (such as, without limitation, health and dental benefits). Except as may otherwise be required by law or set forth specifically in such plans or as otherwise expressly provided in this Plan, such benefits shall terminate as of the date the Eligible Employee's employment by an Employer terminates.

10.4 Gender, Singular and Plural

All pronouns and variations thereof will be deemed to refer to the masculine, feminine, or neuter, as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.

10.5 Validity

If any provision of the Plan is held invalid, void or unenforceable, the same will not affect, in any respect whatsoever, the validity of any other provisions of the Plan.

10.6 Modification

The Administrator or the Board may from time to time amend this Plan in any way it determines to be advisable; provided, however, that no such amendment shall be effective without the consent of each affected Eligible Employee (or the Eligible Employee's legal representative) if it is adopted (a) after a Potential Change in Control (unless and until the Board determines in good faith that the circumstances giving rise to the Potential Change in Control will not result in an actual Change in Control or an actual Change in Control occurs), or (b) during a Protected Period. No provision of this Plan may be waived unless as to an Eligible Employee such waiver is agreed to in writing and signed by the Eligible Employee (or the Eligible Employee's legal representative) and by an authorized member of the Administrator (or the Board) or its designee or legal representative.

10.7 Notice

For purposes of this Plan, notices, including Notice of Termination, and all other communications provided for in this Plan shall be in writing and shall be deemed to have been duly given when delivered or on the date stamped as received by the U.S. Postal Service for delivery by certified or registered mail, postage prepaid and addressed:

- (a) if to the Eligible Employee, to his or her latest address as reflected on the records of EIX or his or her Employer, and
- (b) if to an Employer, to the attention of EIX's Corporate Secretary at the address of EIX's principal executive offices; or to such other address as either party may furnish to the other in writing for the delivery of notices to that party, with specific reference to this Plan and the importance of the notice, except that a notice of change of address shall be effective only upon receipt by the other party.

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10.8 Applicable Law

The Plan will be governed and construed in accordance with the laws of California except where the laws of California are preempted by ERISA.

10.9 WARN Act

Benefits payable under this Plan are intended to satisfy, where applicable, any EIX or other Employer's obligations under the Federal Worker Adjustment and Retraining Notification Act ("WARN") and any similar obligations that EIX or any other Employer may have under any successor or other federal or state severance pay or pay continuation benefit statute ("Similar Severance Pay Law"). If it is determined that severance or pay continuation obligations to or for the benefit of the Eligible Employee exist under WARN or Similar Severance Pay Law that are in addition to benefits payable under this Plan (the "Additional Payments"), then the Eligible Employee's entitlement to benefits payable in cash pursuant to Section 2.3 or 2.4 shall be reduced by an aggregate amount equal to the aggregate Additional Payments that it is determined the Eligible Employee is entitled to receive, provided that the reduction shall not cause the Eligible Employee's aggregate benefit pursuant to Section 2.3.1 (giving effect to any adjustment thereto pursuant to Section 2.4, if applicable under the circumstances) to be less than the applicable Minimum Benefit. The Eligible Employee shall repay any amounts paid under this Plan to which he or she was not entitled after giving effect to the preceding sentence.

10.10 Statutes and Regulations

Any reference to a statute or regulation herein shall include any successor to such statute or regulation.

IN WITNESS WHEREOF, EIX has caused its duly authorized executive to execute this amended and restated Plan on the 21st day of December, 2023.

EDISON INTERNATIONAL

/s/ Natalie Schilling

Natalie Schilling

Senior Vice President,
Human Resources

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EXHIBIT A

SEVERANCE AGREEMENT

This Severance Agreement (this "Agreement") is made as of the _____ day of _____, 20____, by and between [name], an individual (the "Individual"), and Edison International, a California corporation (the "Company"), it provides for a termination date of

[date—usually the day after the last day on payroll] (the “Termination Date”), and it is a severance agreement that includes a release, a confidentiality agreement, and an agreement not to solicit employees, and certain other terms and conditions.

RECITALS

A. The Individual and the Company have reached agreement on the termination of the Individual's employment by the Company and/or one or more of its current or former subsidiaries or affiliates, including but not limited to Southern California Edison Company (collectively, the Company and its current or former subsidiaries and affiliates are referred to herein as the “Company Group”).

B. The Individual and the Company further desire to resolve all pending and potential actions and issues between the Individual and each member of the Company Group without the further expenditure of time and expense of litigation and, for that reason, have entered into this Agreement.

C. The Company maintains the Edison International 2008 Executive Severance Plan (the “Plan”). The Company's (and/or another member of the Company Group's) obligation to pay or continue paying severance benefits to the Individual under and in accordance with the terms of the Plan, which benefits are summarized and attached to this Agreement as Exhibit A (the “Severance Benefits”), is subject to the requirement that the Company timely receive this Agreement from the Individual and that the Individual does not revoke or otherwise render this Agreement unenforceable.

AGREEMENT

In consideration of the covenants undertaken and the releases contained in this Agreement, and the Individual's right to receive the Severance Benefits, the Individual and the Company agree as follows:

1. Termination of Employment

The Individual and the Company agree that the Individual's employment by the Company and/or one or more of the other members of the Company Group is terminated effective the Termination Date. Accordingly, the Individual hereby resigns any and all of his or her positions, offices, and/or directorships with each entity in the Company Group and any employment agreement(s) between the Individual and one or more members of the Company Group be, and they hereby are, terminated effective the Termination Date.

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2. Severance Benefit

The Company and/or the appropriate member of the Company Group will pay to the Individual the Severance Benefits in accordance with the terms of the Plan.

3. Release by the Individual

Except for those obligations created by or arising out of this Agreement, the Individual on behalf of himself or herself, his or her descendants, dependents, heirs, executors, administrators, assigns, and successors, and each of them, hereby covenants not to sue and fully releases and discharges the Company, its parent (if any), the Company's subsidiaries and affiliates, past and present, and each of them, as well as its and their trustees, directors, officers, agents, attorneys, insurers, employees, benefit plans, benefit plan fiduciaries, stockholders, representatives, assigns, and successors, past and present, and each of them, hereinafter together and collectively referred to as "Releasees," with respect to and from any and all claims, wages, demands, rights, liens, agreements, contracts, covenants, actions, suits, causes of action, obligations, debts, costs, expenses, attorneys' fees, damages, judgments, orders and liabilities of whatever kind or nature in law, equity or otherwise, whether now known or unknown, suspected or unsuspected, and whether or not concealed or hidden, which he or she now owns or holds or he or she has at any time heretofore owned or held or may in the future hold as against said Releasees, arising out of or in any way connected with the Individual's employment relationship with any member of the Company Group, or the termination of his or her employment or any other transactions, occurrences, acts or omissions or any loss, damage or injury whatever, known or unknown, suspected or unsuspected, resulting from any act or omission by or on the part of said Releasees, or any of them, committed or omitted prior to the date of this Agreement including, without limiting the generality of the foregoing, any claim under Section 1981 of the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Family and Medical Leave Act of 1993, the Worker Adjustment and Retraining Notification Act, the California Fair Employment and Housing Act, the California Family Rights Act, the California Worker Adjustment and Retraining Notification Act, the California Labor Code, any other claim under any other federal, state or local law or regulation, and any other claim for severance pay, bonus or incentive pay, sick leave, holiday pay, vacation pay, life insurance, health or medical insurance or any other fringe benefit, medical expenses, or disability (except vested benefits that the Individual may be entitled to receive as outlined in Exhibit A hereto, or vested benefits that the Individual may be entitled to receive, if any, under and in accordance with the terms of the Southern California Edison Company Retirement Plan or other qualified Company Group pension plan, Edison 401(k) Savings Plan, Medical Program, Dental Program, Vision Care Plan, Health Care Reimbursement Account Program, Dependent Care Reimbursement Account Program, and Employee Assistance Program). Exhibit A is incorporated herein by this reference. Without limiting the generality of the foregoing release, the Individual agrees that effective as of the Termination Date (i) he or she is not eligible for benefits under the Southern California Edison

Company Comprehensive Disability Plan (the "CDP") except to the extent (if any) the Individual is entitled to benefits under the CDP in the same amount and payable at the same time as would otherwise be payable under California State Disability Insurance, and (ii) he or she is not eligible for benefits under the Edison International 2008 Executive Disability Plan (the "Executive Disability Plan") unless the Individual qualifies for and receives long-term disability benefits

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under the Southern California Edison Company Long Term Disability Plan (the "LTD Plan"), and the amount and duration of CDP, LTD or Executive Disability Plan benefits provided to the Individual on and after the Termination Date (if any) shall be determined under the terms of the respective disability plan. Nothing in this Agreement should be construed to release claims that cannot be released as a matter of law.

4. Known and Unknown Claims

It is the intention of the Individual and the Company in executing this instrument that the same shall be effective as a bar to each and every claim, demand and cause of action hereinabove specified. In furtherance of this intention, the Individual hereby expressly waives any and all rights and benefits conferred upon him or her by the provisions of SECTION 1542 OF THE CALIFORNIA CIVIL CODE and expressly consents that this Agreement shall be given full force and effect according to each and all of its express terms and provisions, including those related to unknown and unsuspected claims, demands and causes of action, if any, as well as those relating to any other claims, demands and causes of action hereinabove specified. SECTION 1542 provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

The Individual acknowledges that he or she may hereafter discover claims or facts in addition to or different from those which he or she now knows or believes to exist with respect to the subject matter of this Agreement and which, if known or suspected at the time of executing this Agreement, may have materially affected this settlement. Nevertheless, the Individual hereby waives any right, claim or cause of action that might arise as a result of such different or additional claims or facts. The Individual acknowledges that he or she understands the significance and consequence of such release and such specific waiver of SECTION 1542.

5. Other Waiver by the Individual

The Individual expressly acknowledges and agrees that, by entering into this Agreement, he or she is waiving any and all rights or claims that he or she may have arising under the Age Discrimination in Employment Act of 1967, as amended, which have arisen on or before the date of execution of this Agreement.

6. Confidentiality

The Individual represents and covenants that he or she has not previously and that he or she will not at any time, unless compelled by process of law, disclose or use for his or her own benefit or purposes or the benefit or purposes of any other person, firm, partnership, joint venture, association, corporation or other business organization, entity or enterprise other than the Company, any trade secrets, or other confidential data or information relating to customers, development programs, costs, marketing, trading, investment, sales activities, promotion, credit

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and financial data, financing methods, or plans of any member of the Company Group; provided that the foregoing shall not apply to information which is generally known to the industry or the public other than as a result of the Individual's breach of this covenant. The Individual agrees that he or she will return to the Company immediately all memoranda, books, papers, plans, information, letters and other data, and all copies thereof or therefrom, in any way relating to the business of any entity within the Company Group, except that he or she may retain personal notes, notebooks and diaries that do not contain confidential information of the type described in the preceding sentence. The Individual further agrees that he or she will not retain or use for his or her account at any time any trade names, trademark or other proprietary business designation used or owned in connection with the business of any entity within the Company Group. Nothing in this Agreement shall be construed to prohibit the Individual from discussing the terms, wages, and working conditions of the Individual's employment to the extent such communication is protected by applicable labor law. Furthermore, nothing in this Agreement shall be construed to prevent the Individual from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that the Individual has reason to believe is unlawful. In addition, nothing in this Agreement shall be construed to prohibit the Individual from filing a complaint or reporting any concern (including any safety concern) to any federal or state agency or legislature, including, but not limited to, the United States Nuclear Regulatory Commission, the Equal Employment Opportunity Commission, the Securities and Exchange Commission, and the National Labor Relations Board, or prohibit the Individual from

communicating with or otherwise participating in any proceeding or investigation by a federal or state agency or legislature regarding such concern, without notice to the Company. The Individual acknowledges, however, his or her release shall remain effective and binding, and Individual shall take nothing from the Company as a result of any such investigation or proceeding from any person or entity released in paragraph 3. This Agreement does not limit the Individual's right to receive an award from a government agency for information provided to that agency. Further, this Section 6 does not, in any way, restrict or impede the Individual from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order.

Pursuant to the Defend Trade Secrets Act of 2016, the Individual acknowledges that he or she may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of confidential information that: (a) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed in a lawsuit or other proceeding, provided that such filing is made under seal. Further, the Individual understands that the Company Group will not retaliate against the Individual in any way for any such disclosure made in accordance with the law. In the event a disclosure is made, and the Individual files any type of proceeding against any member of the Company Group alleging that a member of the Company Group retaliated against the Individual because of the Individual's disclosure, the Individual may disclose the relevant confidential information to the Individual's attorney and may use the confidential information in the proceeding if (x) the Individual files any document containing the confidential information under

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seal, and (y) the Individual does not otherwise disclose the confidential information except pursuant to court or arbitral order.

7. No Solicitation

The Individual represents and covenants that he or she has not previously and that he or she will not at any time during the period commencing on the date hereof and ending on the first anniversary of the date hereof (the "Limitation Period") directly or indirectly solicit any person who is then, or at any time within six months prior to the Limitation Period was, an employee of an entity within the Company Group (as it may now or in the future be composed) who earned annually \$25,000 or more as an employee of such entity during the last six months of his or her own employment, to work

for any business, individual, partnership, firm, corporation, or other entity then in competition in the Specified Counties with the business of any entity within the Company Group. The Specified Counties are the counties of Los Angeles, Orange, Riverside, San Bernardino, Ventura, Santa Barbara, Kern, Tulare, Inyo, Mono, and Fresno.

8. Representations by the Individual

The Individual further expressly acknowledges, represents, and agrees that:

a. He or she was not otherwise entitled to the Severance Benefits (in the event that the Individual is entitled to severance or pay continuation benefits under any federal or state law, including without limitation the Worker Adjustment and Retraining Notification Act ("WARN") or similar state law, the Individual acknowledges, represents and agrees that he or she was not otherwise entitled the level of Severance Benefits being offered and that such benefits exceed the minimum required statutory level of benefits that he or she may have otherwise been entitled to);

b. His or her right to receive the Severance Benefits is consideration for his or her agreements herein and the Severance Benefits (to the extent that they exceed any minimum required statutory level of benefits under WARN or otherwise) would not be paid if he or she did not execute and deliver this Agreement;

c. If, despite the Individual's release of claims as stated herein, it is determined that other severance or pay continuation obligations to or for the benefit of the Individual exist under WARN or similar state law (the "Additional Payments"), the Individual's entitlement to the Severance Benefits payable in cash shall be reduced by an aggregate amount equal to the aggregate Additional Payments that it is determined the Individual is entitled to receive, provided that the Individual will be entitled to the Minimum Benefit specified in Section 2.6 of the Plan, which Minimum Benefit the Individual agrees is, in and of itself, good and sufficient consideration for the Individual's agreements and releases set forth in this Agreement;

d. To the extent the Individual receives cash Severance Benefits that the Individual was not entitled to receive for any reason (including, without limitation, due to reduction for the Additional Payments), the Individual acknowledges, represents and agrees that he or she will promptly return the full amount of the excess payments;

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e. The restrictions on him or her which are set forth in Sections 6 and 7 are reasonable;

f. The Severance Benefits are subject to termination or reduction pursuant to Sections 2.6 and 10.9 of the Plan, provided that in all cases the Individual will be entitled to the Minimum Benefit specified in Section 2.6 of the Plan, which Minimum Benefit the Individual agrees is, in and of itself, good and sufficient consideration for the Individual's agreements and releases set forth in this Agreement;

g. He or she was orally advised by the Company and is hereby advised in writing by this Agreement to consult with an attorney before signing this Agreement;

h. He or she was given a copy of this Agreement prior to the date of its execution, and informed that he or she had up to forty-five (45) days within which to consider the Agreement; if he or she signs this Agreement before the end of such forty-five (45) day period, he or she will have done so voluntarily and with full knowledge that he or she is waiving his or her right to have forty-five (45) days to consider this Agreement; and in the event that there are any changes to this Agreement, he or she agrees that no changes, whether material or immaterial, will restart the running of the forty-five (45) day period;

i. He or she was informed that he or she has seven (7) days following the date of execution of the Agreement in which to revoke the Agreement; and

j. He or she has had the opportunity to consult with his or her advisors and attorneys regarding this Agreement (including, without limitation, its terms, conditions, and effects) and represents that he or she has so consulted with such advisors and attorneys.

9. Confidentiality of the Agreement

The Individual shall not disclose this Agreement, or any of its terms and conditions, including but not limited to the consideration for this Agreement, to any person other than the Individual's spouse, attorneys, medical providers, accountants, tax preparers, financial advisors, and tax advisors (collectively, the "Confidants"). Before the Individual discloses to a Confidant this Agreement, or any of its terms or conditions, the Confidant must explicitly state in writing to the Individual that the Confidant will keep such information confidential as required by this Agreement. The Individual or his/her counsel may also disclose information concerning the financial terms of this Agreement to the Internal Revenue Service and/or California Franchise Tax Board, as may be necessary to support or explain any tax return that may be filed with either agency by the Individual or his/her counsel.

Except as set forth in Section 6 and above in this Section 9, any inquiry made to the Individual or the Confidants about this Agreement, or the settlement terms and conditions referred to herein, shall be met only by a statement that the claim has been resolved.

The Individual hereby agrees that disclosure by the Individual or any Confidant of any of the terms and conditions of this

Agreement in violation of the foregoing shall constitute and be treated as a material breach of this Agreement by the Individual.

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10. No Prior Assignment or Transfer

The Individual warrants and represents to the Company that he or she has not heretofore assigned or transferred to any person not a party to this Agreement any released matter or any part or portion thereof and he or she shall defend, indemnify and hold harmless the Releasees from and against any claim (including the payment of attorneys' fees and costs actually incurred whether or not litigation is commenced) based on or in connection with or arising out of any such assignment or transfer made, purported or claimed.

11. No Right to Reinstatement; Inquiries from Prospective Employers

The Individual and the Company acknowledge that any employment relationship between the Individual and the Company Group terminated on the Termination Date, and that they have no further employment or contractual relationship except as may arise out of this Agreement and that the Individual waives any right or claim to reinstatement as an employee of any member of the Company Group. In the event any member of the Company Group receives inquiries about the Individual from prospective employers, such member shall provide to such persons or entities only the following information: confirmation of the Individual's employment dates; position history; that the Individual's employment with the Company Group was mutually terminated; and salary history if the Individual approves the provision of salary history information.

12. Taxes

The Individual agrees that he or she shall be exclusively liable for the payment of all federal and state taxes which may be due as the result of the consideration that he or she receives pursuant to this Agreement and the Individual hereby represents that he or she shall make payments on such taxes at the time and in the amount required of him or her. In addition, the Individual hereby agrees fully to defend, indemnify and hold harmless Releasees and each of them from payment of taxes or penalties that are required of them by any government agency at any time as the result of payment of the consideration set forth herein. The Individual further agrees to provide the Releasees and each of them with any tax information that they or it may reasonably request.

13. Beneficiaries and Successors

Each Releasee shall be deemed to be a beneficiary of the Individual's promises and representations made herein. In the event

of a merger, consolidation, or transfer or sale of all or substantially all of the assets of the Company with or to any other individual(s) or entity, this Agreement shall inure to the benefit of such successor. In the event of a merger, transfer or sale of the stock or assets of an entity in the Company Group that results in such entity not continuing as a member of the Company Group, the Individual's promises and representations made herein shall continue to inure to the benefit of such entity as well as the Company.

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14. Entire Agreement

This instrument constitutes and contains the entire agreement and understanding concerning the Individual's relationship with the Company Group, the termination of the Individual's employment, and the other subject matters addressed herein between the parties, and supersedes and replaces all prior negotiations and all agreements proposed or otherwise, whether written or oral, concerning the subject matters hereof. This is an integrated document.

Notwithstanding the foregoing paragraph, any obligations of the Individual regarding confidentiality, trade secrets, inventions, no solicitation, or similar matters under an existing agreement or policy to which the Individual is a party or otherwise bound ("Additional Obligations") shall continue in effect and, to that end, such Additional Obligations are outside of the scope of the foregoing paragraph. The provisions of this Agreement pertaining to confidentiality, trade secrets, inventions, no solicitation, or similar matters are in addition to (and not in lieu of) any such Additional Obligations.

15. Revocability

The Individual may revoke this Agreement in its entirety during the seven (7) days following execution of this Agreement by the Individual. Any revocation of this Agreement must be in writing, clearly state that it is a revocation of this Agreement, and be hand delivered to, or delivered in such a manner to ensure receipt by, the General Counsel of the Company during the revocation period. This Agreement will become effective, enforceable, and irrevocable upon seven (7) days following its execution by the Individual, unless it is revoked during the seven-day period.

16. Severability

If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provisions or applications and to this end the provisions of this Agreement are declared to be severable.

17. Governing Law

This Agreement shall be deemed to have been executed and delivered within the State of California, and the rights and obligations of the parties hereunder shall be construed and enforced in accordance with, and governed by, the laws of the State of California without regard to principles of conflict of laws.

18. Mandatory Arbitration

Except for the injunctive relief provided for in the last paragraph of this Section 18, any dispute or controversy between the Individual, on the one hand, and the Company (or any other Releasee), on the other hand, in any way arising out of, related to, or connected with this Agreement or the subject matter thereof, or arising out of or related to any other dispute between the Individual and the Company or any other member of the Company Group, now or in the future, shall be resolved through: (a) the claims and arbitration provisions contained in

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Article 7 of the Plan, to the extent the dispute or controversy involves the Severance Benefits or any other benefits under the Plan; (b) the claims and dispute resolution provisions of the applicable benefit plan, to the extent the dispute or controversy involves any claim not released under this Agreement with respect to a benefit plan that is (i) sponsored or maintained by the Company or any other member of the Company Group and (ii) subject to the Employee Retirement Income Security Act of 1974; or (c) final and binding arbitration in accordance with the arbitration provisions in the following paragraph, for other disputes or controversies.

Any arbitration under this Section 18 will be held in Los Angeles County, California, in accordance with the then-current JAMS Arbitration Rules and Procedures for Employment Disputes ("JAMS Rules"); the JAMS Rules are currently available at <https://www.jamsadr.com/rules-employment-arbitration/english> and under the Federal Arbitration Act. The arbitration shall be before a sole arbitrator, selected by mutual agreement of the parties. If the parties are unable to agree upon an arbitrator, the arbitrator shall be selected by striking in accordance with the then-current JAMS Rules from a list of arbitrators supplied by JAMS. Any and all claims and/or defenses that would otherwise be available in a court of law will be fully available to the parties. The arbitrator selected pursuant to this paragraph (the "Arbitrator") may order such discovery as is necessary for a full and fair exploration of the issues and dispute, consistent with the expedited nature of arbitration. The Arbitrator shall apply applicable substantive law to resolve the dispute. At the conclusion of the arbitration, the Arbitrator shall issue a written decision that sets forth the essential findings and conclusions upon which the Arbitrator's award or decision is based. Any award or relief granted by the Arbitrator hereunder shall be final and binding on the parties

hereto, and may be enforced by any court of competent jurisdiction. All costs unique to arbitration (e.g., the Arbitrator's fees and room fees) shall be paid by the Company. The parties shall otherwise bear their own costs (e.g., attorneys' fees, expert fees, witness fees, etc.). If, however, any party prevails on a statutory claim that affords the prevailing party attorneys' fees and costs, then the Arbitrator may award reasonable fees and costs to the prevailing party.

It is further agreed that the Company will or would suffer irreparable injury if the Individual were to breach Section 6 or 7 of this Agreement and that, regardless of the dispute resolution provisions set forth in the foregoing paragraphs, the Company would by reason of such breach or potential breach be entitled to injunctive relief in a court of appropriate jurisdiction, and the Individual further consents and stipulates to the entry of such injunctive relief in such a court prohibiting the Individual from engaging in any act, conduct, or relationship in violation of, or that would reasonably result in a violation of, this Agreement.

19. Counterparts, Headings

This Agreement may be executed in counterparts, and each counterpart, when executed, shall have the efficacy of a signed original. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose. The headings in this Agreement are only for convenience and ease of reference and are not to be considered in construction or interpretation.

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20. Waiver, Amendment

Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times. No waiver shall be binding unless in writing and signed by the party waiving the breach. No amendment of any term or provision of this Agreement shall be binding unless in writing and signed by all parties to this Agreement.

21. No Presumption

In entering this Agreement, the parties represent that they have had full opportunity to consult with attorneys of their own choice, that the parties have completely read and understood the terms of this Agreement and voluntarily accepted such terms. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or

burden of proof will arise favoring or disfavoring any party because it or its representatives drafted any of the provisions of this Agreement.

22. Additional Acts

All parties agree to cooperate fully and to execute any and all supplementary documents and to take all additional actions that may be necessary or appropriate to give full force to the basic terms and intent of this Agreement and which are not inconsistent with its terms.

[The remainder of this page has intentionally been left blank.]

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I have read the foregoing Agreement and I accept and agree to the provisions it contains and hereby execute it voluntarily with full understanding of its consequences.

EXECUTED on this _____ day of _____ at _____ (County and State where agreement is signed).

The Individual Signature:

Print Name:

EXECUTED on this _____ day of _____ at _____ (County and State where agreement is signed).

Edison International

By:

Print Name:

Title:

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Exhibit 10.9

EDISON INTERNATIONAL AND SOUTHERN CALIFORNIA
EDISON COMPANY
DIRECTOR COMPENSATION SCHEDULE

As Adopted December 8, 2023

Effective December 8, 2023, except as otherwise provided below, non-employee Directors of Edison International ("EIX") and/or Southern California Edison Company ("SCE") will receive the annual retainers, expense reimbursements and equity-based awards described below as compensation for serving as a Director. The equity-based award provisions described below are effective as to awards in connection with the election or reelection of Directors on or after August 24, 2023.

Directors who are employees of EIX or SCE shall not receive additional compensation for serving as Directors (other than participation in the EIX Director Matching Gifts Program). Directors who serve on both the EIX Board and the SCE Board, and their corresponding Board Committees, will not receive additional compensation for serving on two Boards.

Annual Retainers

Board Retainer – Each Director will receive an annual board retainer of \$127,500 to be paid in advance in quarterly installments of \$31,875 for any calendar quarter or portion thereof during which the individual serves as a Director.

Board Committee Chair Retainer – The Director who serves as the Chair of the Audit and Finance Committee will receive an additional annual retainer of \$25,000. Each Director who serves as the Chair of the Compensation and Executive Personnel Committee, the Nominating and Governance Committee, or the Safety and Operations Committee will receive an additional annual retainer of \$20,000. The Committee Chair retainers shall be paid in advance in equal quarterly installments for any calendar quarter or portion thereof during which the Director serves as a Committee Chair.

Chair of EIX Board Retainer – A non-employee Director who serves as the Chair of the EIX Board shall receive an additional annual retainer of \$92,500. The retainer shall be paid in advance in equal quarterly installments for any calendar quarter or portion thereof during which the Director serves as the Chair of the EIX Board.

The quarterly retainer installments will be paid on the first business day of the calendar quarter. Initial quarterly retainer installments will be paid as soon as possible following the effective date of the election.

Meeting Fees

Except as may otherwise be approved by the Board, no meeting fees shall be paid to Directors.

Expense Reimbursement

A Director will promptly be reimbursed after submitting to the Corporate Secretary a statement of expenses, supported by receipts and any other requested documentation, for (i) reasonable expenses incurred by the Director to attend Board meetings, Committee meetings, or business meetings attended on behalf of the corporation in his or her capacity as a Director, (ii) reasonable expenses incurred by the Director in connection with his or her spouse's or partner's travel to attend an event sponsored by EIX and/or SCE if such attendance is at the invitation of EIX or SCE, and (iii) reasonable program fees and expenses incurred by the Director to attend director education programs that are relevant to service on the Board.¹ For the avoidance of doubt, a Director may decline to seek reimbursement for any of the fees and expenses set forth in the preceding sentence.

Equity-Based Awards²

Equity-based awards ("Awards") will be granted under and subject to the terms of the EIX 2007 Performance Incentive Plan or a successor plan (the "Plan"), except that any award payable in cash will be deemed paid outside of the Plan. The Awards consist of fully vested Edison International deferred stock units ("DSUs") and/or Edison International common stock ("Common Stock"). Each DSU represents the value of one share of Common Stock and will be credited to the Director's account under the EIX 2008 Director Deferred Compensation Plan (the "DDCP") and subject to its terms. DSUs include dividend equivalent rights that are converted to additional DSUs. The number of DSUs or shares of Common Stock awarded to a Director in any particular instance will be calculated by dividing the applicable equity award amount to be granted on that date (expressed in dollars and determined as set forth below, the "Award Amount") by the fair market value of a share of Common Stock as of that date, rounded up to the nearest whole share. Fair market value for these purposes shall be determined in accordance with the Plan. Each Award will be subject to terms and conditions approved in advance by the Board.

Initial Election and Annual Reelection Awards – Each Director initially elected or reelected to the Board will receive Common Stock and/or DSUs with an aggregate Award Amount of \$177,500, except that Initial Election Awards will be subject to

- 1 To the extent any expense reimbursements provided for in this Director Compensation Schedule are taxable to a Director and provide for a deferral of compensation within the meaning of Section 409A of the Internal Revenue Code, the Director shall complete all steps required for reimbursement so as to facilitate payment, and any such reimbursements shall be paid to the Director on or before December 31 of the calendar year following the calendar year in which the expense was incurred. Such reimbursements shall not be subject to liquidation or exchange for other benefits, and the expenses eligible for reimbursement in one calendar year shall not affect the expenses eligible for reimbursement in any other calendar year.
- 2 With respect to equity-based awards approved and granted by the EIX Board under current and prior compensation plans of EIX, this Director Compensation Schedule does not alter the intent of the EIX Board to have the awards and subsequent transactions by the Directors occurring pursuant to the awards continue to comply with and be exempt under Section 16(b) of the Securities Exchange Act of 1934, as amended, pursuant to Rule 16b-3 promulgated thereunder (or any successor provision thereto).

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proration as provided below. The date of grant shall be the date of such initial election or reelection. The portion of the award to be granted in Common Stock and/or DSUs shall be determined in accordance with the DDCP.

Additional Award to Chair of EIX Board – Upon the initial appointment of a non-employee Director as Chair of the EIX Board, the Director will receive an Additional Award of Common Stock and/or DSUs with an Award Amount of \$92,500 subject to proration as provided below, the date of grant of which shall be the effective date of such appointment.

If a non-employee Director serving as Chair of the EIX Board is reelected to the EIX Board and is reappointed or otherwise remains Chair of the EIX Board following such reelection, then that Director will receive an Additional Award of Common Stock and/or DSUs with an Award Amount of \$92,500 (in addition to the Annual Reelection Award Amount of \$177,500, for a total Award Amount of \$270,000), the grant date of which shall be the date of such reelection.

The portion of the Additional Award to be granted in Common Stock and/or DSUs shall be determined in accordance with the DDCP.

Proration of Certain Awards. The Initial Election and first Additional Award amounts provided for above are subject to proration if the grant date of the Award occurs (i) in the second quarter of EIX's fiscal year and after the date of EIX's annual meeting of shareholders for that year, (ii) in the third quarter of

EIX's fiscal year, or (iii) in the fourth quarter of EIX's fiscal year. In determining the Award Amount as to any such Award, the applicable dollar amount set forth above will be multiplied by a percentage determined in accordance with the table set forth below.

<i>If the grant date of the award occurs:</i>	<i>Then the applicable percentage is:</i>
In the first quarter of EIX's fiscal year, or in the second quarter of EIX's fiscal year and on or before the date of EIX's annual meeting of shareholders for that year	100% (no proration)
In the second quarter of EIX's fiscal year and after the date of EIX's annual meeting of shareholders for that year	75%
In the third quarter of EIX's fiscal year	50%
In the fourth quarter of EIX's fiscal year	25%

However, if a non-employee Director receives an Initial Election and/or first Additional Award during a particular EIX fiscal year before the date of EIX's annual meeting of

3

shareholders for that year, the Director will not receive that same Award Amount again if he or she is reelected as a Director in that fiscal year.³

EIX Affiliate Boards – SCE non-employee Directors who do not serve on the EIX Board will receive Awards equal in amount to EIX non-employee Directors if the SCE Board authorizes such compensation. Differing amounts of SCE Awards, and Awards for non-employee directors of other EIX affiliates, may only be made with additional approval of the EIX Board.

Director Deferred Compensation Plan

Each non-employee Director of EIX or SCE is eligible to participate in the DDCP in accordance with its terms. The DDCP allows participating Directors the opportunity to make pre-tax deferrals from annual retainers, meeting fees (if any), and equity-based awards. The DDCP sets forth the terms of

participation, including, if applicable, mandatory deferral of compensation that is otherwise payable to the Director for the year of initial election.

Matching Gift Program

Directors of EIX and SCE are eligible to participate in the EIX Director Matching Gifts Program.

³ For example, if a non-employee Director is initially elected to the Board in the first quarter of EIX's fiscal year or in the second quarter before the date of EIX's annual meeting of shareholders for that year, and is then reelected to the Board on the date of EIX's annual meeting of shareholders for that year, the Director would receive an Initial Award in connection with his or her initial election to the Board, but would not receive an Annual Reelection Award in connection with that annual meeting. If that Director is initially appointed as Chair of the EIX Board at that annual meeting, he or she would receive the first Additional Award.

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Exhibit **21** 21.1

SIGNIFICANT SUBSIDIARIES

Parent of Significant Subsidiary	Name of Significant Subsidiary	Jurisdiction of	Names under which Significant
Edison International	Southern California Edison Company	CA	Southern California Edison Company;

Exhibit **23** 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on FormS-3 (No. 333-249721, 333- 275248, and 333-258265) and Form S-8 (No. 333-162989, 333-176108, 333-211070 and 333-255759) of Edison International of our report dated February 23, 2023 February 22, 2024 relating to the financial

statements, financial statement scheduleschedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Los Angeles, California
February 23, 2023 22, 2024

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-258266) of Southern California Edison Company of our report dated February 23, 2023 February 22, 2024 relating to the financial statements, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Los Angeles, California
February 23, 2023 22, 2024

Exhibit 24.1

**2023 2024 EDISON INTERNATIONAL
10-K, 10-Q, AND 8-K POWER OF ATTORNEY**

The undersigned, EDISON INTERNATIONAL, a California corporation, and each of its undersigned officers and directors do each hereby constitute and appoint, ADAM S. UMANOFF, MARIA RIGATTI, KATE STURGEES, ALISA DO, KARA G. RYAN, BRENDAN BOND, TRICIA YOUNG, MICHAEL A. HENRY, WILLIAM E. CANO, and RUSHIKA DE SILVA, and DIETRICK MILLER, or any of them, to act as attorney-in-fact, for and in their respective names, places, and steads, to execute, sign, and file or cause to be filed an Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023, Quarterly Reports on Form 10-Q for each of the first three quarters of fiscal year 2023, 2024, any Current Reports on Form 8-K from time to time during 2023 2024 from the date hereof through December 31, 2023 December 31, 2024, or in the event this Board of Directors does not hold a regular meeting in December 2023, 2024, through the last day of the month in which this Board holds the next succeeding regular meeting, and any and all supplements and amendments thereto, to be filed by Edison International with the Securities and Exchange Commission, under the Securities Exchange Act of 1934, as amended, (the "Act"), for the purpose of complying with Sections 13 or 15(d) of the Act, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform all and every act and thing whatsoever requisite, necessary and appropriate to be done in and about the premises as

fully and to all intents and purposes as the undersigned or any of them might or could do if personally present, hereby ratifying and approving the acts of each of said attorneys-in-fact.

Executed as of this 28th day of December, 2022, 2023.

EDISON INTERNATIONAL

By: /s/ Pedro J. Pizarro _____
Pedro J. Pizarro
President and Chief Executive Officer

Attest:

/s/ Alisa Do Michael A. Henry _____
Alisa Do Michael A. Henry
Vice President Assistant General Counsel and Corporate Assistant
Secretary

**2023 2024 Edison International
10-K, 10-Q, and 8-K Power of Attorney**

Principal Executive Officer: Controller and Principal
Accounting Officer:

/s/ Pedro J. Pizarro

Pedro J. Pizarro
Chief Executive Officer, President
and Director

/s/ Kate Sturgess Kara G. Ryan _____
Kate Sturgess Kara G. Ryan
Vice President, Chief
Accounting Officer and
Controller

Principal Financial Officer:

/s/ Maria Rigatti

Maria Rigatti
Senior Vice President and Chief
Financial Officer

Additional Directors:

/s/ Jeanne M. Beliveau-Dunn

Jeanne M. Beliveau-Dunn
Director

/s/ Marcy L. Reed

Marcy L. Reed
Director

/s/ Michael C. Camuñez

Michael C. Camuñez
Director

/s/ Carey A. Smith

Carey A. Smith
Director

/s/ Vanessa C.L. Chang

Vanessa C.L. Chang
Director

/s/ Linda G. Stuntz

Linda G. Stuntz
Director

/s/ James T. Morris

James T. Morris
Director

/s/ Peter J. Taylor

Peter J. Taylor
Director

/s/ Timothy T. O'Toole

Timothy T. O'Toole
Director

/s/ Keith Trent

Keith Trent
Director

**2023 2024 SOUTHERN CALIFORNIA EDISON COMPANY
10-K, 10-Q, AND 8-K POWER OF ATTORNEY**

The undersigned, SOUTHERN CALIFORNIA EDISON COMPANY, a California corporation, and each of its undersigned officers and directors do each hereby constitute and appoint, JENNIFER R. HASBROUCK, AARON D. MOSS, KATE STURGESS, ALISA DO, KARA G. RYAN, NATALIA WOODWARD, TRICIA YOUNG, MICHAEL A. HENRY, WILLIAM E. CANO, and RUSHIKA DE SILVA,

and DIETRICK MILLER, or any of them, to act as attorney-in-fact, for and in their respective names, places, and steads, to execute, sign, and file or cause to be filed an Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023, Quarterly Reports on Form 10-Q for each of the first three quarters of fiscal year 2023, 2024, any Current Reports on Form 8-K from time to time during 2023 2024 from the date hereof through December 31, 2023 December 31, 2024, or in the event this Board of Directors does not hold a regular meeting in December 2023, 2024, through the last day of the month in which this Board holds the next succeeding regular meeting, and any and all supplements and amendments thereto, to be filed by Southern California Edison Company with the Securities and Exchange Commission, under the Securities Exchange Act of 1934 as amended, (the "Act"), for the purpose of complying with Sections 13 or 15(d) of the Act, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform all and every act and thing whatsoever requisite, necessary and appropriate to be done in and about the premises as fully and to all intents and purposes as the undersigned or any of them might or could do if personally present, hereby ratifying and approving the acts of each of said attorneys-in-fact.

Executed as of this 28th day of December, 2022, 2023.

SOUTHERN CALIFORNIA EDISON
COMPANY

By: /s/ Steven D. Powell

Steven D. Powell
President and Chief
Executive Officer

Attest:

/s/ Alisa Do Michael A. Henry

Alisa Do Michael A. Henry
Vice President Assistant General Counsel and Corporate Assistant
Secretary

2023 2024 Southern California Edison Company
10-K, 10-Q, and 8-K Power of Attorney

Principal Executive Officer:

Controller and Principal
Accounting Officer:

/s/ Steven D. Powell

Steven D. Powell
Chief Executive Officer, President
and Director

/s/ Kate Sturgess Kara G. Ryan
Kate Sturgess Kara G. Ryan
Vice President, Chief
Accounting Officer and
Controller

Principal Financial Officer:

/s/ Aaron D. Moss

Aaron D. Moss
Senior Vice President and Chief
Financial Officer

Additional Directors:

/s/ Jeanne M. Beliveau-Dunn

Jeanne M. Beliveau-Dunn
Director

/s/ Marcy L. Reed

Marcy L. Reed
Director

/s/ Michael C. Camuñez

Michael C. Camuñez
Director

/s/ Carey A. Smith

Carey A. Smith
Director

/s/ Vanessa C.L. Chang

Vanessa C.L. Chang
Director

/s/ Linda G. Stuntz

Linda G. Stuntz
Director

/s/ James T. Morris

James T. Morris
Director

/s/ Peter J. Taylor

Peter J. Taylor
Director

/s/ Timothy T. O'Toole

Timothy T. O'Toole
Director

/s/ Keith Trent

Keith Trent
Director

/s/ Pedro J. Pizarro

Pedro J. Pizarro
Director

RESOLUTIONS OF THE BOARD OF DIRECTORS OF
EDISON INTERNATIONAL

Adopted: ~~December 8, 2022~~ December 14, 2023

RE: FORMS 10-K, 10-Q, AND 8-K

WHEREAS, the Securities Exchange Act of 1934, as amended, and regulations thereunder, require that Annual, Quarterly, and Current Reports be filed by this corporation with the Securities and Exchange Commission ("Commission"), and it is desirable to effect such filings utilizing the signatures of attorneys-in-fact; NOW, THEREFORE, BE IT RESOLVED, that each of the officers of this corporation is hereby authorized to execute and file or cause to be filed with the Commission the Annual Report on Form 10-K of this corporation for the fiscal year ended ~~December 31, 2022~~ December 31, 2023, Quarterly Reports on Form 10-Q for each of the first three quarters of fiscal year ~~2023~~ 2024, Current Reports on Form 8-K from time to time during ~~2023~~ 2024 through ~~December 31, 2023~~ December 31, 2024, or in the event this Board of Directors does not hold a regular meeting in December ~~2023~~ 2024, through the last day of the month in which this Board holds the next succeeding regular meeting, and any required or appropriate supplements or amendments to such reports, all in such forms as the officer acting or counsel for this corporation considers appropriate. BE IT FURTHER RESOLVED, that each of the officers of this corporation is hereby authorized to execute and deliver on behalf of this corporation a power or powers of attorney appointing Adam S. Umanoff, Maria Rigatti, Kate Sturgess, Alisa Do, ~~Kara G. Ryan~~, Brendan Bond, Tricia Young, Michael A. Henry, William E. Cano, and Rushika de Silva, ~~and Dietrick Miller, and each of~~

and each of them, to act severally as attorney-in-fact in their respective names, places and steads, and on behalf of this corporation, for the purpose of executing and filing with the Commission the above-described reports and any amendments and supplements ~~thereto~~.

ADOPTED:

/s/ Alisa Do
Corporate Secretary

RESOLUTIONS OF THE BOARD OF DIRECTORS OF

SOUTHERN CALIFORNIA EDISON COMPANY

Adopted: December 8, 2022 December 14, 2023

RE: FORMS 10-K, 10-Q, AND 8-K

WHEREAS, the Securities Exchange Act of 1934, as amended, and regulations thereunder, require that Annual, Quarterly, and Current Reports be filed by this corporation with the Securities and Exchange Commission ("Commission"), and it is desirable to effect such filings utilizing the signatures of attorneys-in-fact; NOW, THEREFORE, BE IT RESOLVED, that each of the officers of this corporation is hereby authorized to execute and file or cause to be filed with the Commission the Annual Report on Form 10-K of this corporation for the fiscal year ended December 31, 2022 December 31, 2023, Quarterly Reports on Form 10-Q for each of the first three quarters of fiscal year 2023, 2024, Current Reports on Form 8-K from time to time during 2023 2024 through December 31, 2023 December 31, 2024, or in the event this Board of Directors does not hold a regular meeting in December 2023, 2024, through the last day of the month in which this Board holds the next succeeding regular meeting, and any required or appropriate supplements or amendments to such reports, all in such forms as the officer acting or counsel for this corporation considers appropriate. BE IT FURTHER RESOLVED, that each of the officers of this corporation is hereby authorized to execute and deliver on behalf of this corporation a power or powers of attorney appointing Jennifer R. Hasbrouck, Aaron D. Moss, Kate Sturgess, Alisa Do, Kara G. Ryan, Natalia Woodward, Tricia Young, Michael A. Henry, William E. Cano, Rushika de Silva, and Rushika de Dietrick Miller, and

Silva, and each of them, to act severally as attorney-in-fact in their respective names, places and steads, and on behalf of this corporation, for the purpose of executing and filing with the Commission the above-described reports and any amendments and supplements thereto.

ADOPTED:

/s/ Alisa Do _____
Corporate Secretary

CERTIFICATION

I, PEDRO J. PIZARRO, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023** of Edison International;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely

affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 23, 2023 February 22, 2024

/s/ PEDRO J. PIZARRO

PEDRO J. PIZARRO
Chief Executive Officer

CERTIFICATION

I, MARIA RIGATTI, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 of Edison International;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 23, 2023 February 22, 2024

/s/ MARIA RIGATTI

MARIA RIGATTI
Chief Financial Officer

Exhibit 31.2

CERTIFICATION

I, STEVEN D. POWELL, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 of Southern California Edison Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 23, 2023 February 22, 2024

/s/ STEVEN D. POWELL

STEVEN D. POWELL
Chief Executive Officer

CERTIFICATION

I, AARON D. MOSS, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023** of Southern California Edison Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 23, 2023 February 22, 2024

/s/ AARON D. MOSS

AARON D. MOSS
Chief Financial Officer

Exhibit 32.1

STATEMENT PURSUANT TO 18 U.S.C. SECTION 1350, AS
ENACTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 (the "Annual Report"), of Edison International (the "Company"), and pursuant to 18 U.S.C. Section 1350, as enacted by Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned certifies, to the best of his or her knowledge, that:

1. The Annual Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 23, 2023 February 22, 2024

/s/ PEDRO J. PIZARRO

PEDRO J. PIZARRO
Chief Executive Officer

/s/ MARIA RIGATTI

MARIA RIGATTI
Chief Financial Officer

This statement accompanies the Annual Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

STATEMENT PURSUANT TO 18 U.S.C. SECTION 1350, AS
ENACTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Annual Report on Form 10-K for the year ended ~~December 31, 2022~~ December 31, 2023 (the "Annual Report"), of Southern California Edison Company (the "Company"), and pursuant to 18 U.S.C. Section 1350, as enacted by Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned certifies, to the best of his knowledge, that:

1. The Annual Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: ~~February 23, 2023~~ February 22, 2024

/s/ STEVEN D. POWELL
STEVEN D. POWELL
Chief Executive Officer
Southern California Edison Company

/s/ AARON D. MOSS
AARON D. MOSS
Chief Financial Officer
Southern California Edison Company

This statement accompanies the Annual Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 97.1

**EDISON INTERNATIONAL AND SOUTHERN CALIFORNIA
EDISON COMPANY**

INCENTIVE COMPENSATION RECOUPMENT POLICY

FOR ACCOUNTING RESTATEMENTS

(as amended effective October 2, 2023)

I. Overview

Edison International ("EIX") and Southern California Edison Company ("SCE") (each, a "Company" and together, the "Companies") have adopted this incentive compensation recoupment policy (this "Policy") intended to be consistent with Rule 10D-1 of the Securities Exchange Act of 1934, as amended (the "Act") and Section 303A.14 of the New York Stock Exchange ("NYSE") Listed Company Manual. The Board of Directors (the "Board") and the Compensation and Executive Personnel Committee of the Board (the "Committee") of each Company have full authority to interpret and enforce this Policy on behalf of that Company as to all Covered Executives (as defined below) in a manner consistent with Rule 10D-1 of the Act and Section 303A.14 of the NYSE Listed Company Manual. Any determination by the applicable Board or the Committee (or by any officer of the applicable Company to whom enforcement authority has been delegated) with respect to this Policy shall be final, conclusive and binding on all interested parties. This policy applies to any affiliate trusts established by SCE for financing purposes to the extent such application is required by Rule 10D-1 of the Act and Section 303A.14 of the NYSE Listed Company Manual.

II. Key Definitions. For purposes of this Policy, the following definitions will apply:

"Covered Executive" means: (1) each current and former officer of each Company who is or was subject to Section 16 of the Act; (2) each current and former "executive officer" (within the meaning of Securities and Exchange Commission Rule 3b-7) of SCE; and (3) each current and former Controller of SCE.

"Financial Reporting Measures" means measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures (including, for purposes of this Policy, stock price and total shareholder return). A Financial Reporting Measure need not be presented within the Company's financial statements or included in a filing with the Securities and Exchange Commission.

"Incentive-Based Compensation" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

III. Recoupment in Connection with Accounting Restatement

A. Mandatory Recoupment. Recoupment shall be required under this Policy in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued

financial statements that is material to the previously issued financial statements or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. For purposes of this Policy, the date that the Company is

“required” to prepare the accounting restatement is the earlier to occur of (a) the date the Board (or the appropriate committee thereof) of the Company, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare such accounting restatement, or (b) the date a court, regulator, or other legally authorized body directs the Company to prepare such accounting restatement.

B. Compensation Subject to Recoupment. This Policy shall only apply to Incentive-Based Compensation that is received by a Covered Executive:

- (1) After beginning service as a Covered Executive;
- (2) Who served as a Covered Executive at any time during the performance period for that Incentive-Based Compensation;
- (3) On or after October 2, 2023 and while the Company has a class of securities listed on a national securities exchange or a national securities association; and
- (4) During the three completed fiscal years immediately preceding the date that the Company is required to prepare the accounting restatement (and any transition period applicable to a change in the Company's fiscal year as required by NYSE listing rules).

For purposes of this Policy, Incentive-Based Compensation is considered “received” by a Covered Executive in the Company's fiscal period during which the Financial Reporting Measure applicable to the Incentive-Based Compensation is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that fiscal period.

The Incentive-Based Compensation described in this Section B shall be referred to herein as the “Covered Incentive-Based Compensation.”

C. Determination of Recoupment Amount. In the event recoupment is required under this Policy, the Company shall recover reasonably promptly the amount of any erroneously awarded Covered Incentive-Based Compensation from each Covered Executive unless an exception (set forth below) applies. Covered Incentive-Based Compensation shall be considered “erroneously awarded” under this Policy to the extent that the amount of such received Covered Incentive-Based Compensation exceeds the amount of the Covered Incentive-Based Compensation that would have been received by the Covered Executive had it been determined based on the restated financial results (with such Covered Incentive-Based Compensation computed in each case without regard to any taxes paid).

D. Special Rules for Calculating the Recoupment Amount.

- (1) **Stock Price and Total Shareholder Return.** For Covered Incentive-Based Compensation based on stock price or total shareholder return, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly

from the information in an accounting restatement, the amount of erroneously awarded compensation will be

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determined by the Committee of the Company based on a reasonable estimate of the effect of the accounting restatement on the stock price or total shareholder return upon which the Covered Incentive-Based Compensation was received. The Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to the NYSE as required by NYSE listing rules.

(2) Shares or Options. If the erroneously awarded Covered Incentive-Based Compensation consists of shares (including share-denominated equity awards) or options that are still held by the Covered Executive at the time of recovery, the recoverable amount is the number of shares or options received in excess of the number of shares or options that would have been received based on the accounting restatement (or the value of that excess number). If the options have been exercised but the underlying shares have not been sold, the recoverable amount is the number of shares underlying the excess options based on the restatement (or the value thereof). If the shares have been sold, the recoverable amount is the proceeds that were received in connection with the sale of the excess number of shares. Amounts credited under plans (other than tax-qualified plans for which the exception set forth below applies) based on erroneously awarded Covered Incentive-Based Compensation and any accrued earnings thereon are also recoverable under this Policy.

E. Exceptions. The Company shall not be required under this Policy to recover erroneously awarded Covered Incentive-Based Compensation if the Committee has made a determination that recovery would be impracticable and either of the following conditions are met: (1) after making a reasonable attempt to recover such erroneously awarded Covered Incentive-Based Compensation, the Committee of the Company determines that the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered (documentation evidencing the reasonable attempt to recover the erroneously awarded Covered Incentive-Based Compensation must be maintained and provided to the NYSE as required by NYSE listing rules), or (2) the recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Internal Revenue Code Section 401(a)(13) or Internal Revenue Code Section 411(a) and the regulations thereunder.

IV. Other Laws; No Indemnification

This Policy shall be construed and interpreted to comply with Rule 10D-1 of the Act and Section 303A.14 of the NYSE Listed Company Manual. This Policy does not limit any other remedies a Company may have available to it in the circumstances, which may

include, without limitation, dismissing an employee or initiating other disciplinary procedures or enforcing the recoupment terms (which may include provisions for recoupment that are more expansive than the provisions of this Policy) included in any other plan, policy, arrangement, or contract entered into, maintained or administered by the Company and its affiliates (the "Other Recoupment Terms"). In addition, the provisions of this Policy are in addition to (and not in lieu of) any rights to repayment the Company may have under Section 304 of the Sarbanes-Oxley Act of 2002 (applicable to the Chief Executive Officer and Chief Financial Officer only) and other applicable laws. A Company shall not recoup amounts pursuant to the Other Recoupment Terms to the extent such amounts are recouped under this Policy or as required by Section 304 of the Sarbanes-Oxley Act of 2002 (applicable to the Chief Executive Officer and Chief Financial Officer only) or other applicable laws. The Company shall not indemnify any Covered

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Executive against the loss of erroneously awarded Covered Incentive-Based Compensation that is recovered by the Company pursuant to this Policy.

V. Amendment; Termination

The Board or the Committee may amend or terminate this Policy at any time.

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