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SCE's Comments on the CEC Docket No. 15-IEPR-11: Joint Agency Workshop on Climate Adaptation for the Energy Sector

Second Attempt to Upload Comments. Received rejection notice on first attempt stating: "Document is not OCR compatible"

Additional submitted attachment is included below.

August 10, 2015

California Energy Commission
Docket Office, MS-4
Re: Docket No. 15-IEPR-11
1516 Ninth Street
Sacramento, CA 95814-5512
docket@energy.ca.gov

Re: Southern California Edison Company's Comments on the California Energy
Commission Docket No. 15-IEPR-11: Joint Agency Workshop on Climate
Adaptation for the Energy Sector

Dear Commissioner McAllister:

On July 27, 2015, the California Energy Commission (Energy Commission) and the California Public Utilities Commission (CPUC) (together, the Joint Agencies) held a Joint Agency Workshop on Climate Adaptation Opportunities for the Energy Sector ("the Workshop") as part of the 2015 Integrated Energy Policy Report ("IEPR") Proceeding. Southern California Edison (SCE) participated in the Workshop and appreciates the opportunity to provide these written comments that (1) highlight SCE's ongoing efforts to address the impacts of climate change; and (2) respond to questions the Joint Agencies asked SCE at the Workshop.

A. SCE is Engaging in Efforts to Modernize the Grid to Support Environmental Policy Goals and Mitigate the Adverse Impact of Climate Change on the Grid

At the Workshop, the Joint Agencies identified the energy sector's contribution of greenhouse gas (GHG) emissions and vulnerabilities to the impacts of climate change. SCE strongly supports California's progressive and ambitious environmental policy and goals to significantly reduce emissions and to address and mitigate the impacts of climate change. SCE is actively supporting California's goals and the advancement of clean energy technologies by modernizing its electric grid so that it can accommodate increasing levels of renewable distributed generation, energy storage devices, and electric vehicles.

As part of its grid modernization efforts, SCE is also conducting research and making risk assessments so that the grid will be able to withstand intense weather events and natural disasters. For instance, SCE is working to develop strategies to integrate longer-term climate change impact data into its existing planning processes for addressing wildfire, extreme heat events, and droughts.

SCE looks forward to continuing to collaborate with agencies, utilities, and stakeholders to share best practices, extend planning horizons, and prepare for and adapt to climate change impacts so that the resilience and reliability of the grid is not compromised.

B. SCE Responds to Questions Posed During the Workshop

During the Workshop, the Joint Agencies asked SCE four questions. Each question is presented below followed by SCE's response.

1. Questions 1: In terms of climate change risks, what does SCE report in its 10K Filings to the Securities and Exchange Commission?

SCE reports both weather-related and policy-related climate change risk in its 10K Filings. SCE's latest 10-K filing can be accessed at the following link:

<http://www.sec.gov/Archives/edgar/data/92103/000082705215000035/eix-sce201410k.htm>

An example of a weather-related climate change risk SCE reports is below:

Weather-related incidents and other natural disasters could materially affect SCE's financial condition and results of operations. Weather-related incidents and other natural disasters, including storms, wildfires and earthquakes, can disrupt the generation and transmission of electricity, and can seriously damage the infrastructure necessary to deliver power to SCE's customers. These events can lead to lost revenues and increased expenses, including higher maintenance and repair costs. They can also result in regulatory penalties and disallowances, particularly if SCE encounters difficulties in restoring power to its customers. These occurrences could materially affect SCE's business, financial condition and results of operations, and the inability to restore power to SCE's customers could also materially damage the business reputation of SCE and Edison International.

In addition to weather-related risks, SCE's 2014 10-K included the following passage regarding environmental regulatory legislation to address GHG emissions and climate change:

SCE is subject to extensive environmental regulations that may involve significant and increasing costs and materially affect SCE. SCE is subject to extensive and frequently changing environmental regulations and permitting requirements that involve significant and increasing costs and substantial uncertainty. SCE devotes significant resources to environmental monitoring, pollution control equipment, mitigation projects, and emission allowances to comply with existing and anticipated environmental regulatory requirements. However, the current trend is toward more stringent standards, stricter regulation, and more expansive application of environmental regulations. The adoption of laws and regulations to implement greenhouse gas controls could materially affect operations of power plants, which could in turn impact electricity markets and SCE's purchased power costs. SCE may also be

exposed to risks arising from past, current or future contamination at its former or existing facilities or with respect to offsite waste disposal sites that have been used in its operations. Other environmental laws, particularly with respect to air emissions, disposal of ash, wastewater discharge and cooling water systems, are also generally becoming more stringent. The operation of SCE facilities under such laws and regulations may require substantial capital expenditures for environmental controls or cessation of operations. Current and future state laws and regulations in California also could increase the required amount of energy that must be procured from renewable resources.

2. *Question 2: Does SCE file a Sustainability Report?*

SCE began filing an annual Corporate Responsibility Report (CRR) in 2011. Among other things, SCE's CRR describes the company's progress in serving its customers, supporting its communities, partnering with its employees, and protecting the environment. SCE's 2013 CRR, can be found at the following link, along with details on specific sustainability practices and developments related to corporate responsibility at SCE, including its progress in managing natural resources, and improving the health and quality of life in the communities SCE serves: <https://www.sce.com/wps/portal/home/about-us/who-we-are/corporate-responsibility/> SCE plans to file its 2014 CRR in August. The report will reflect on the SCE's progress and achievements over the past year.

3. *Question 3: Does SCE perform any Climate Risk Assessment studies, including utilizing climate change data from Scripps Institute of Oceanography (SIO), or any other sea-level rise data, in its planning efforts or risk assessment studies? If so, how? If not, why not?*

SCE is currently refining its risk-informed decision-making framework to include direct risk assessments of climate-driven risks. Currently, risk assessments are performed on specific assets or asset classes, which contain inherent climate-related risk drivers. SCE anticipates that the framework it is developing will have the flexibility to accommodate climate risks in the future, understanding, however, that the complexities of climate forecasting may require significant time for SCE develop, refine and validate. SCE's preliminary framework is outlined in the Safety Model Assessment Proceeding (S-MAP), which was submitted in May 2015 to the CPUC in accordance with Decision (D.) 14-12-025.

In addition, in compliance with Public Resources Code Division 20.6 §30961-30968, SCE provides sea level rise assessments to the Sea Level Rise Planning Database. SCE filed responses to a survey designed by the Ocean Protection Council (OPC) and the California Natural Resources Agency, which will be made available by the OPC on January 1, 2016.

SCE also partners with, and seeks guidance from, the California Coastal Commission (CCC) technical staff when assessing the vulnerability of our coastal infrastructure, including, the San Onofre Nuclear Generating Station (SONGS) Independent Spent Fuel Storage Installation and the Spent Fuel Pool Island facilities.

During the Workshop, Energy Commission Chair Weisenmiller asked SCE if it uses SIO sea-level rise data to assess potential future climate change impacts. SCE relies on multiple sources of data to assess infrastructure risk from rising seas. It is critical that SCE identify the correct source of data. SCE therefore supports the CCC's Draft Sea-Level Rise Policy Guidance,¹ which utilizes the "best available science on sea level rise in California." This type of institutional support for climate impact data gives businesses adapting to a changing climate the guidance they need to plan and assures entities that their efforts will not be retroactively deemed unnecessary or excessive if the projected threats fail to materialize. SCE supports CCC's direct approval of specific climate change data and SCE encourages other state agencies to adopt a similar approach for the infrastructure they oversee.

4. How many climate scientists are employed by SCE?

SCE currently employs two climate scientists in its Energy Forecasting and Integration department. SCE has also recently joined the Department of Energy's (DOE's) Climate Resiliency Partnership and is planning to develop a team of cross-functional subject matter experts throughout the company to focus on climate resiliency efforts.

In conclusion, SCE appreciates the Energy Commission's consideration of these comments and looks forward to its continuing collaboration with the Energy Commission. Please do not hesitate to contact me at (916) 441-2369 with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

Very truly yours,

/s/ Manuel Alvarez

Manuel Alvarez

¹ See CCC Draft Sea-Level Rise Policy Guidance at p. 210