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<b>Project Title:</b>	SB 100 Joint Agency Report
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<b>Document Title:</b>	SCE Comments on April 16, 2024 2025 Senate Bill 100 Report Non-Energy Benefits Workshop
<b>Description:</b>	23-SB-100 SCE Comments on April 16, 2024 2025 Senate Bill 100 Report Non-Energy Benefits Workshop
<b>Filer:</b>	Southern California Edison Company
<b>Organization:</b>	Southern California Edison
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April 30, 2024

California Energy Commission  
Docket Office, MS-4  
Re: Docket No. 23-SB-100  
1516 Ninth Street  
Sacramento, CA 95814-5512  
docket@energy.ca.gov

Re: Southern California Edison Company's Comments on the California Energy Commission's 2025 Senate Bill 100 Report Non-Energy Benefits Workshop in Docket No. 23-SB-100

Dear Commissioners:

Southern California Edison Company (SCE) appreciates the collaborative workshop held on April 16, 2024, by the California Energy Commission (CEC), the California Public Utilities Commission (CPUC), and the California Air Resources Board (CARB) to discuss the approaches and implications of examining the non-energy benefits and social costs of potential resource scenarios to meet Senate Bill (SB) 100 targets. The CEC, CPUC, and CARB provided an overview of considerations in energy resource and climate planning and a proposed approach to evaluating non-energy benefits and social costs in the 2025 SB 100 Report. Representatives from environmental and other stakeholder groups also participated in a panel on priorities for non-energy benefits related to SB 100 analyses. SCE recognizes the contributions of various stakeholders in the workshop and appreciates the opportunity to submit comments for consideration.

### **Inclusion of Non-Energy Benefits in Cost Effectiveness Tests Can Increase Electricity Rates**

The state must balance affordability concerns, reliability, safety, and policy objectives on its path to achieving carbon neutrality by 2045. The CPUC has appropriately relied primarily on ratepayer benefits and avoided ratepayer costs to evaluate supply- and demand-side resources because, as Dan Buch of the CPUC explained, "prudent investments reduce system costs and other investments that don't reduce system costs need to be considered very closely."<sup>1</sup> SCE agrees, and cautions that placing too much emphasis on non-energy benefits in the evaluation of demand-side programs<sup>2</sup> that are funded by utility customers will increase rates.<sup>3</sup> Indeed,

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<sup>1</sup> Recording at 1:05.

<sup>2</sup> For example, certain parties in the CPUC's Distributed Energy Resource Program Cost-Effectiveness Issues rulemaking, R.22-11-013, have proposed to use the Societal Cost Test (SCT) instead of the Total Resource Cost (TRC) test for evaluation of demand-side programs because the SCT considers the non-energy benefits provided by the programs to society.

<sup>3</sup> See the CPUC Staff Report titled "Societal Cost Test Impact Evaluation" at p. 31, released January 2022. Specifically, it cautions how "it is important to keep in mind that any increased benefits shown by an SCT relative to a TRC are societal benefits, rather than ratepayer benefits, and therefore basing cost effectiveness on an SCT could cause an increase to rates."

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establishing programs that are found to be cost-effective from a societal perspective because of the consideration of non-energy benefits, but are not cost-effective from a ratepayer perspective, will impede the clean energy transition because they increase electricity affordability pressures and create disincentives for customers to adopt electrification options.<sup>4</sup> SCE maintains non-energy benefits should only be considered qualitatively and should not be used as the primary basis for policy, procurement, program adoption, or budgetary decisions. SCE supports the Natural Resources Defense Council's recommendation that the state should focus on identifying alternate sources of funding for programs that achieve critical social objectives but are not "cost-effective" from a utility ratepayer perspective.<sup>5</sup>

### **Conclusion**

SCE thanks the CEC for consideration of the above comments. Please do not hesitate to contact me at (626) 302-0905 or [Dawn.Anaiscourt@sce.com](mailto:Dawn.Anaiscourt@sce.com) or [Curt.Roney@sce.com](mailto:Curt.Roney@sce.com) with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

Very truly yours,

/s/

Dawn Anaiscourt

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<sup>4</sup> Recording at 1:06. Lower electric rates will generally support electrification efforts by encouraging customers to replace emitting gas appliances with fully electric appliances.

<sup>5</sup> Recording at 2:57.