

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

(Mark One)

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

For the quarterly period ended **September 30, 2020**

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

For the transition period from _____ to _____

Commission File Number	Exact Name of Registrant as specified in its charter	State or Other Jurisdiction of Incorporation or Organization	IRS Employer Identification Number
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.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Edison International Yes No Southern California Edison Company Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Edison International Yes No Southern California Edison Company Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-12 of the Exchange Act.

	Large Accelerated Filer	Accelerated Filer	Non-accelerated Filer	Smaller Reporting Company	Emerging growth company
Edison International	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Southern California Edison Company	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Edison International Southern California Edison Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Edison International Yes No Southern California Edison Company Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Common Stock outstanding as of October 20, 2020:

Edison International	378,513,912 Shares
Southern California Edison Company	434,888,104 Shares

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This is a combined Form 10-Q separately filed by Edison International and Southern California Edison Company. Information contained herein relating to an individual company is filed by such company on its own behalf.

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
2019 Form 10-K	Edison International's and SCE's combined Annual Report on Form 10-K for the year ended December 31, 2019
AB 1054	California Assembly Bill 1054, executed by the governor of California on July 12, 2019
AB 1054 Excluded Capital Expenditures	approximately \$1.6 billion in wildfire risk mitigation capital expenditures that SCE will exclude 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 in the year of the applicable prudency determination
ARO(s)	asset retirement obligation(s)
Bcf	billion cubic feet
BRRA	Base Revenue Requirement Balancing Account
CAISO	California Independent System Operator
CAL FIRE	California Department of Forestry and Fire Protection
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
Cost of Capital Compliance Period	January 1, 2020 to December 31, 2022, the current compliance period for SCE's CPUC authorized capital structure
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
DERs	distributed energy resources
Edison Energy	Edison Energy, LLC, a wholly-owned subsidiary of Edison Energy Group that is engaged in the competitive business of providing energy services to commercial and industrial customers
Edison Energy Group	Edison Energy Group, Inc., a wholly-owned subsidiary of Edison International, is a holding company for subsidiaries engaged in competitive businesses
EME	Edison Mission Energy
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
FERC 2018 Settlement Period	January 1, 2018 through November 11, 2019
FERC 2019 Settlement Period	November 12, 2019 through at least December 31, 2021
FHPMA	Fire Hazard Prevention Memorandum Account
Fitch	Fitch Ratings, Inc.
GAAP	generally accepted accounting principles
GHG	greenhouse gas
GRC	general rate case

GS&RP	Grid Safety and Resiliency Program
GWh	gigawatt-hours
Joint Proxy Statement	Edison International's and SCE's definitive Proxy Statement filed with the SEC in connection with Edison International's and SCE's Annual Shareholders' Meeting held on April 23, 2020
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
kV	unit of electrical potential equal to 1000 volts
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
Montecito Mudslides	the mudslides and flooding in Montecito, Santa Barbara County, California, that occurred in January 2018
Moody's	Moody's Investors Service, Inc.
NEM	net energy metering
NERC	North American Electric Reliability Corporation
NRC	Nuclear Regulatory Commission
PABA	Portfolio Allocation Balancing Account
Palo Verde	nuclear electric generating facility located near Phoenix, Arizona in which SCE holds a 15.8% ownership interest
PBOP(s)	postretirement benefits other than pension(s)
PCIA	Power Charge Indifference Adjustment
PG&E	Pacific Gas & Electric Company
ROE	return on common equity
RPS	Renewables portfolio standard
S&P	Standard & Poor's Financial Services LLC
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
SDG&E	San Diego Gas & Electric
SEC	U.S. Securities and Exchange Commission
SED	Safety and Enforcement Division of the CPUC
September 2020 Subrogation Settlement	a settlement entered into in September 2020 among Edison International, SCE and the Settling Subrogation Plaintiffs
Settling Subrogation Plaintiffs	the plaintiffs party to the September 2020 Subrogation Settlement, representing all the insurance subrogation plaintiffs in the Thomas Fire, Koenigstein Fire and Montecito Mudslides litigation
SoCalGas	Southern California Gas Company
SoCore Energy	SoCore Energy LLC, a former subsidiary of Edison Energy Group that was sold in April 2018
TAMA	Tax Accounting Memorandum Account
Tax Reform	Tax Cuts and Jobs Act signed into law on December 22, 2017
Thomas Fire	a wind-driven fire that originated in the Anlauf Canyon area of Ventura County, California, on December 4, 2017
TOU	Time-Of-Use
US EPA	U.S. Environmental Protection Agency
VCFD	The Ventura County Fire Department
WEMA	Wildfire Expense Memorandum Account
WMP	a wildfire mitigation plan required to be filed at least once every three years 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
WSD	Wildfire Safety Division of the CPUC

FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q 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," 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, including costs related to uninsured wildfire-related and mudslide-related liabilities, costs incurred to mitigate the risk of utility equipment causing future wildfires, costs incurred to implement SCE's new customer service system and costs incurred as a result of the COVID-19 pandemic;
- ability of SCE to implement its WMP, including effectively implementing Public Safety Power Shutoffs when appropriate;
- ability to obtain sufficient insurance at a reasonable cost, including insurance relating to SCE's nuclear facilities and 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 from customers or other parties;
- risks associated with AB 1054 effectively mitigating the significant risk 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 SCE's ability to maintain a valid safety certification, SCE's ability to recover uninsured wildfire-related costs from the Wildfire Insurance Fund, the longevity of the Wildfire Insurance Fund, and the CPUC's interpretation of and actions under AB 1054, including their interpretation of the new prudence standard established under AB 1054;
- 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 mudslide-related costs, issuance of SCE's wildfire safety certification, wildfire mitigation efforts, and delays in executive, regulatory and legislative actions;
- 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, 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;
- extreme weather-related incidents and other natural disasters (including earthquakes and events caused, or exacerbated, by climate change, such as wildfires and extreme heat waves), which could cause, among other things, public safety issues, property damage, operational issues (such as rotating outages) and 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 transmission and distribution infrastructure investment program, including those related to project site identification, public opposition, environmental mitigation, construction, permitting, power curtailment costs (payments due under power contracts in the event there is insufficient transmission to enable acceptance of power delivery), changes in the CAISO's transmission plans, and governmental approvals;

- risks associated with the operation of transmission and distribution assets and power generating 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;
- actions by credit rating agencies to downgrade Edison International or SCE's credit ratings or to place those ratings on negative watch or 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 and effective tax rate;
- 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 rates of inflation, including escalation rates (which may be adjusted by public utility regulators);
- 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 Council, and similar regulatory bodies in adjoining regions, and changes in the United States' and California's environmental priorities that lessen the importance the state places on GHG reduction;
- 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;
- cost and availability of labor, equipment and materials;
- potential for penalties or disallowance for non-compliance with applicable laws and regulations; 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 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 and in the 2019 Form 10-K, including the "Risk Factors" section. Readers are urged to read this entire report, including information incorporated by reference, as well as the 2019 Form 10-K, 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 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 other information that may be of interest to investors in a section titled "Events and Presentations" at www.edisoninvestor.com in order to publicly disseminate such information. The information contained on, or connected to, the Edison investor website is not incorporated by reference into this report.

The MD&A for the nine months ended September 30, 2020 discusses material changes in the consolidated financial condition, results of operations and other developments of Edison International and SCE since December 31, 2019 and as compared to the nine months ended September 30, 2019. This discussion presumes that the reader has read or has access to Edison International's and SCE's MD&A for the calendar year 2019 (the "2019 MD&A"), which was included in the 2019 Form 10-K.

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

MANAGEMENT OVERVIEW

Highlights of Operating Results

Edison International is the parent holding company of SCE and Edison Energy Group. SCE is an investor-owned public utility primarily engaged in the business of supplying and delivering electricity to customers in an approximately 50,000 square mile area of southern California. Edison Energy Group is a holding company for Edison Energy which is engaged in the competitive business of providing energy services to commercial and industrial customers. Edison Energy's business activities are currently not material to report as a separate business segment. Except when otherwise stated, references to each of Edison International, SCE, or Edison Energy Group mean each such company with its subsidiaries on a consolidated basis. 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. Unless otherwise described, all the information contained in this report relates to both filers.

(in millions)	Three months ended September 30,			Nine months ended September 30,		
	2020	2019	Change	2020	2019	Change
Net (loss) income attributable to Edison International						
SCE	\$ (264)	\$ 503	\$ (767)	\$ 336	\$ 1,215	\$ (879)
Edison International Parent and Other	(24)	(32)	8	(123)	(74)	(49)
Edison International	(288)	471	(759)	213	1,141	(928)
Less: Non-core items						
SCE						
2017/2018 Wildfire/Mudslide Events claims and expenses, net of recoveries	(880)	—	(880)	(889)	—	(889)
Wildfire Insurance Fund expense	(61)	(48)	(13)	(181)	(48)	(133)
Disallowed historical capital expenditures in SCE's 2018 GRC decision	—	—	—	—	(123)	123
Sale of San Onofre nuclear fuel	21	—	21	58	3	55
Re-measurement of tax assets and liabilities	—	—	—	18	69	(51)
Edison International Parent and Other						
Goodwill impairment	—	—	—	(25)	—	(25)
Re-measurement of tax liabilities	—	—	—	(3)	—	(3)
Total non-core items	(920)	(48)	(872)	(1,022)	(99)	(923)
Core earnings (losses)						
SCE	656	551	105	1,330	1,314	16
Edison International Parent and Other	(24)	(32)	8	(95)	(74)	(21)
Edison International	\$ 632	\$ 519	\$ 113	\$ 1,235	\$ 1,240	\$ (5)

Edison International's earnings are prepared in accordance with GAAP. Management uses core earnings (losses) internally for financial planning and for analysis of performance. Core earnings (losses) 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) are a non-GAAP financial measure and may not be comparable to those of other companies. Core earnings (losses) 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.

Edison International's third quarter 2020 earnings decreased \$759 million from the third quarter of 2019, resulting from a decrease in SCE's earnings of \$767 million and a decrease in Edison International Parent and Other's losses of \$8 million. SCE's lower earnings consisted of \$872 million of higher non-core losses and \$105 million of higher core earnings. Edison International's earnings for the nine months ended September 30, 2020 decreased \$928 million from the nine months ended September 30, 2019, resulting from a decrease in SCE's earnings of \$879 million and an increase in Edison International Parent and Other's losses of \$49 million. SCE's lower earnings consisted of \$895 million of higher non-core losses and \$16 million of higher core earnings.

The increase in SCE's core earnings in both periods was primarily due to higher CPUC-related revenue due to the escalation mechanism as set forth in the 2018 GRC decision and lower expenses from regulatory deferrals related to wildfire mitigation activities, partially offset by higher operation and maintenance expenses, including customer uncollectibles resulting from the COVID-19 pandemic and SCE's response to it. In the nine month period, SCE's higher core earnings were also partially offset by the adoption of the 2018 GRC decision in the second quarter of 2019.

Edison International Parent and Other's decrease in losses for the three months ended September 30, 2020 was primarily due to increased tax benefits. Edison International Parent and Other's increased net loss for the nine months ended September 30, 2020 was due to higher core losses of \$21 million and higher non-core losses of \$28 million. Edison International's increase in core losses for the nine months ended September 30, 2020 was primarily due to higher interest expense, partially offset by increased tax benefits.

Consolidated non-core items for the nine months ended September 30, 2020 and 2019 primarily included:

- A charge of \$1.2 billion (\$889 million after-tax) in 2020 for 2017/2018 Wildfire/Mudslide Events claims and expenses, net of expected recoveries from FERC customers.
- Charges of \$252 million (\$181 million after-tax) recorded in 2020 and \$67 million (\$48 million after-tax) recorded in 2019 from the amortization of SCE's contributions to the Wildfire Insurance Fund. See "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies" for further information.
- Gains of \$80 million (\$58 million after-tax) recorded in 2020 and \$4 million (\$3 million after-tax) recorded in 2019 for SCE's sale of San Onofre nuclear fuel.
- A goodwill impairment charge of \$34 million (\$25 million after-tax) recorded in 2020 for Edison International Parent and Other related to Edison Energy stemming from the economic impact of COVID-19.
- An income tax benefit of \$18 million and income tax expense of \$3 million recorded in 2020 for SCE and Edison International Parent and Other, respectively, due to re-measurement of uncertain tax positions related to the 2010 – 2012 California state tax filings currently under audit.
- An impairment charge of \$170 million (\$123 million after-tax) recorded in 2019 for SCE related to disallowed historical capital expenditures in SCE's 2018 GRC decision.
- Income tax benefits of \$69 million recorded in 2019 for SCE related to changes in the allocation of deferred tax re-measurement between customers and shareholders as a result of a CPUC resolution issued in February 2019 to provide guidance on the implementation of Tax Reform. The resolution determined that customers are only entitled to excess deferred taxes which were included when setting rates and other deferred tax re-measurement belongs to shareholders.

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

Southern California Wildfires and Mudslides

Multiple factors have contributed to increased wildfire activity, and faster progression of and increased damage from wildfires across SCE's service territory and throughout California in 2020 and the past several years. 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 2020 and SCE's service territory remains susceptible to additional wildfire activity during the remainder of 2020 and beyond. The worsening weather and fuel conditions across

California increase the likelihood of significant damage from 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 the past several years, SCE has developed and is implementing its 2020 – 2022 WMP to reduce the risk of SCE equipment contributing to the ignition of wildfires.

Over the past several years, wildfires have impacted portions of SCE's service territory, with wildfires in December 2017 and November 2018 causing loss of life, substantial damage to both residential and business properties, and service outages for SCE customers. Several wildfires have originated in Southern California subsequent to 2018, however, Edison International and SCE expect that any losses incurred in connection with these fires will be covered by insurance, subject to self-insured retentions and co-insurance, and expect that any such losses after insurance recoveries will not be material.

2017/2018 Wildfire/Mudslide Events

The investigating government agencies, the VCFD and CAL FIRE, have determined that the largest of the 2017 fires 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 the Koenigstein Fire. While SCE continues to review the progression of these two fires, the December 4, 2017 fires eventually burned substantial acreage in both Ventura and Santa Barbara Counties. The largest of the November 2018 fires, known as the Woolsey Fire, originated in Ventura County and burned acreage in both Ventura and Los Angeles Counties.

In March 2019, the VCFD and CAL FIRE jointly issued separate reports finding that the Thomas Fire and the Koenigstein Fire were each caused by SCE equipment. At this time, based on available information, SCE has not determined whether its equipment caused the Thomas Fire. Based on publicly available radar data showing a smoke plume in the Anlauf Canyon area emerging in advance of the start time of the Thomas Fire indicated in the Thomas Fire report, SCE believes that the Thomas Fire started at 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 has previously disclosed that SCE believed its equipment was associated with the ignition of the Koenigstein Fire. SCE is continuing to assess the progression of the Thomas and Koenigstein Fires and the extent of damages that may be attributable to each fire.

SCE has received a non-final redacted draft of a report from the VCFD subject to a protective order in the litigation related to the Woolsey fire and, other than the information disclosed in this Form 10-Q, is not authorized to release the report or its contents to the public at this time. The draft report states that the VCFD investigation team determined that electrical equipment owned and operated by SCE was the cause of the Woolsey Fire. Based on information received at hearings in the Woolsey Fire litigation, SCE anticipates that the VCFD will release its final report regarding the Woolsey Fire in the fourth quarter of 2020. Absent additional evidence, SCE believes that it is likely that its equipment was associated with the ignition of the Woolsey Fire.

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 the Montecito Mudslides based on a theory alleging that SCE has responsibility for the Thomas and/or Koenigstein Fires and that the Thomas and/or Koenigstein Fires proximately caused the Montecito Mudslides.

In the third quarter of 2020, SCE entered into the September 2020 Subrogation Settlement with the Settling Subrogation Plaintiffs to resolve those parties' collective claims arising from the Thomas Fire, Koenigstein Fire or Montecito Mudslides. Under the terms of the September 2020 Subrogation Settlement, SCE paid the Settling 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 Settling Subrogation Plaintiffs to their policy holders before July 15, 2023, up to an agreed upon cap. In the second and third quarters of 2020, SCE entered into settlements with several hundred of the several thousand individual plaintiffs in the 2017/2018 Wildfire/Mudslide Events litigation under which it agreed to pay an aggregate of approximately \$73 million to those individual plaintiffs. 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.

Final determinations of liability for the 2017/2018 Wildfire/Mudslide Events, including determinations of whether SCE was negligent, would only be made during lengthy and complex litigation processes. Even when investigations are still pending or 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. Based on information available to SCE and consideration of the risks associated with litigation, Edison International and SCE expect to incur a material loss in connection with the remaining alleged and potential claims related to the 2017/2018 Wildfire/Mudslide Events.

At June 30, 2020, Edison International and SCE were unable to determine a best estimate of expected losses within a reasonably estimated range and therefore Edison International's and SCE's balance sheets included estimated losses, established at the lower end of the reasonably estimated range of expected losses, of \$4.5 billion for the 2017/2018 Wildfire/Mudslide Events. In light of recent developments, including the 2020 Subrogation Settlement and increased settlement activity with individual plaintiffs in the 2017/2018 Wildfire/Mudslide Events litigation, management established a best estimate of expected potential losses for alleged and potential claims related to the 2017/2018 Wildfire/Mudslide Events litigation in the third quarter of 2020. As a result, Edison International and SCE recorded a charge of \$1.3 billion as of September 30, 2020 related to the 2017/2018 Wildfire/Mudslide Events, against which SCE recorded expected recoveries through FERC electric rates of \$84 million. The resulting net charge to earnings was \$1.2 billion (\$874 million after-tax).

As of September 30, 2020, Edison International and SCE had estimated liabilities of \$5.8 billion reflected on their consolidated balance sheets related to the 2017/2018 Wildfire/Mudslide Events, consisting of \$1.2 billion of fixed payments to be made under executed settlements and \$4.6 billion in estimated losses for remaining alleged and potential claims. As of the same date, Edison International and SCE also had assets for remaining expected recoveries from insurance of \$1.6 billion, consisting of \$0.8 billion reflected as a short-term asset and \$0.8 billion reflected in other long-term assets, and through FERC electric rates of \$125 million on their consolidated balance sheets related to the 2017/2018 Wildfire/Mudslide Events. The estimated losses for the 2017/2018 Wildfire/Mudslide Events do not include an estimate of any potential fines or penalties that could be levied against SCE in connection with the 2017/2018 Wildfire/Mudslide Events. Edison International and SCE are currently unable to reasonably estimate the magnitude of any such fines or penalties, or the associated timing if they were to be imposed. 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 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, whether inverse condemnation will be held applicable to SCE with respect to damages caused by the Montecito Mudslides, the preliminary nature of the litigation processes, the uncertainty in estimating damages that may be alleged, and the uncertainty as to how these factors impact future settlements.

Edison International and SCE will seek to offset any actual losses realized in connection with the 2017/2018 Wildfire/Mudslide Events in excess of available insurance through electric rates. 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 future wildfire cost-recovery proceedings for fires ignited prior to 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 are probable of recovery through electric rates.

Edison International and SCE continue to pursue regulatory and legal strategies, and anticipate pursuing legislative strategies in the longer term, to address the application of a strict liability standard to wildfire-related property damages without the guaranteed ability to recover resulting costs in electric rates.

Current Wildfire Insurance Coverage

SCE has \$1.0 billion of wildfire-specific insurance coverage for events that may occur during the period July 1, 2020 through June 30, 2021, subject to up to \$80 million of co-insurance and \$50 million of self-insured retention, which results in net coverage of approximately \$870 million. Various coverage limitations within the policies that make up SCE's wildfire insurance coverage could result in additional material self-insured costs, for instance in the event of multiple wildfire occurrences during a policy period or with a single wildfire with damages in excess of the policy limits. SCE believes that its insurance coverage for the July 1, 2020 through June 30, 2021 period meets its obligation to maintain reasonable insurance coverage under AB 1054.

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 in this report is based on SCE's interpretation of the legislation and is qualified in its entirety by, and should be read together with, AB 1054 and companion Assembly Bill 111.

Wildfire Insurance Fund

AB 1054 provided for the Wildfire Insurance Fund to reimburse a utility for payment of third-party damage 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.

SCE and SDG&E collectively made their initial contributions totaling approximately \$2.7 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 to the Wildfire Insurance Fund through annual contributions to the fund over a 10-year period, of which they have made their initial annual contributions totaling approximately \$300 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 made an initial contribution of approximately \$2.4 billion to the Wildfire Insurance Fund in September 2019 and has committed to make ten annual contributions of approximately \$95 million per year to the fund, by no later than January 1 of each year. SCE made its first annual contribution to the Wildfire Insurance Fund in December 2019. Edison International supported SCE's initial contribution to the Wildfire Insurance Fund by raising \$1.2 billion from the issuance of Edison International equity. SCE raised the remaining \$1.2 billion from the issuance of long-term debt. 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 recovery for any borrowing costs incurred in connection with its contributions to the Wildfire Insurance Fund.

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, in some instances, to the AB 1054 Liability Cap. A utility will not be eligible for the AB 1054 Liability Cap if it does not maintain a valid safety certification or its actions or inactions that resulted in the wildfire are found to constitute conscious or willful disregard of the rights and safety of others. Based on SCE's 2020 rate base 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 2020 would be capped at approximately \$3.0 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.

AB 1054 Prudency Standard

As a result of the establishment of the Wildfire Insurance Fund, AB 1054 created a new standard that the CPUC must apply 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. 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 reasonable. 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 are not required to reimburse the fund for amounts withdrawn from the fund that the CPUC finds were prudently incurred and can recover such prudently incurred wildfire costs through electric rates if the fund has been exhausted.

Safety Certification and Wildfire Mitigation Plan

Under AB 1054, SCE can obtain an annual safety certification upon the submission of certain required safety information, including an approved wildfire mitigation plan. On September 17, 2020, SCE obtained a safety certification that will be valid for 12 months. Notwithstanding its 12-month term, if SCE requests a new safety certification prior to the expiration of its

current safety certification, then its current safety certification will remain valid until the CPUC's WSD acts on SCE's request for a new safety certification.

In June 2020 the CPUC ratified the WSD's conditional approval of SCE's 2020 – 2022 WMP. The approval is conditioned on SCE providing requested information to the WSD, including additional descriptions of how SCE is implementing, and will implement, certain requirements imposed by the WSD. The WSD issued a draft resolution in October 2020 that, if adopted, will require SCE to update its 2020 – 2022 WMP by February 5, 2021.

Capital Expenditure Requirement

Under AB 1054, approximately \$1.6 billion of spending by SCE on wildfire risk mitigation capital expenditures made after August 1, 2019 cannot be included in the equity portion of SCE's rate base. SCE can apply for irrevocable orders from the CPUC to finance these AB 1054 Excluded Capital Expenditures, including through the issuance of securitized bonds, and can recover any prudently incurred financing costs. In July 2020, SCE applied for an irrevocable order from the CPUC to finance \$337 million, comprised of AB 1054 Excluded Capital Expenditures incurred in connection with GS&RP and prudently incurred financing costs, through the issuance of securitized bonds. The CPUC issued a proposed decision approving SCE's application in October 2020 and is expected to issue the irrevocable financing order in November 2020. As of September 30, 2020, SCE has spent \$1.1 billion on AB 1054 Excluded Capital Expenditures. SCE expects to seek additional irrevocable orders from the CPUC to finance the remaining AB 1054 Excluded Capital Expenditures.

For further information, see in the 2019 Form 10-K "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 in this report "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies—Contingencies—Southern California Wildfires and Mudslides" and "Legal Proceedings."

COVID-19

Southern California began experiencing the impacts of the COVID-19 pandemic in the first quarter of 2020. The total impacts of the pandemic are still emerging and will vary depending on the severity of impacts on society and the economy of the US and California. As a result of the pandemic, SCE has experienced increased costs, but the pandemic has not had a pervasive impact on SCE's ability to operate its business. However, as the impacts of the pandemic continue to unfold, areas that may be impacted in the future include: SCE's ability to execute its planned work, including wildfire mitigation and capital projects and the liquidity, cash flows and results of operations of Edison International and SCE. Factors that may increase in severity or that may emerge to cause these impacts include lack of availability of company and contractor employees to perform their job functions, supply chain disruptions, stop-work orders and limitations on the ability to obtain permits for work from local governments, reduced electricity usage by commercial and industrial customers partially offset by increased electricity usage by residential customers, non-payment due to the economic impacts on the customers served by SCE and narrower access to, or increased costs of accessing, bank and capital markets.

Decoupling revenue mechanisms allow for differences in revenue resulting from actual and forecast volumetric electricity sales to be collected from or refunded to ratepayers and therefore insulate SCE's earnings from reductions in electricity usage.

In March 2020, the governor of California announced a statewide emergency as part of the state's response to address the COVID-19 pandemic. As a result SCE established memorandum accounts with CPUC approval, effective March 2020, to track incremental costs associated with the emergency for recovery, subject to CPUC reasonableness reviews.

As a direct result of the pandemic, as of September 30, 2020, SCE has recognized net costs of \$166 million primarily related to increased estimates of customer uncollectibles, sequestering certain SCE employees at essential work locations and coordination of SCE's response to the emergency. As of September 30, 2020, SCE had recorded \$107 million of those costs above amounts authorized for related activities in the 2018 GRC as CPUC regulatory assets and a further \$6 million has been deferred for collection from FERC customers. For further information see "Notes to the Consolidated Financial Statements—Note 11. Regulatory Assets and Liabilities" and "Risk Factors." Legislation was passed in California in September 2020 allowing for securitization of revenue shortfalls associated with the economic effects of the COVID-19 pandemic, subject to approval of a financing order by the CPUC.

The pandemic has also affected the operations of Edison International and SCE with all employees who, in the companies' assessment, can work remotely and perform their job functions effectively, directed to do so. Some employees and contract workers continue to work at SCE facilities or in the field to maintain operations and perform critical work to protect public safety and reduce the risk of wildfires.

Regulatory Proceedings

2021 General Rate Case

The 2021 GRC will consist of four separate tracks. Track 1 is similar to previous GRCs and addresses revenue requirements for the three-year period 2021-2023. Tracks 2 and 3 address the reasonableness of 2018-2019 and 2020 wildfire mitigation costs that were incremental to amounts authorized in the 2018 GRC, respectively. In January 2020, a CPUC decision introduced a third attrition year in current and future GRCs. As a result, track 4 will address the revenue requirement for 2024. SCE is scheduled to submit its testimony for track 4 in May 2022.

For more information on tracks 2 and 3 of the 2021 GRC, see "*—Wildfire Mitigation and Wildfire Insurance Expenses—2021 General Rate Case Wildfire Mitigation Memorandum Account Balances.*"

Track 1 of 2021 GRC

In August 2019, SCE filed its 2021 GRC application for the three-year period 2021 – 2023 and submitted rebuttal to intervenors' testimony in June 2020. Following amendments and other revisions to the rebuttal testimony in August and September 2020, SCE has requested a revenue requirement of \$7.6 billion, an approximately \$1.3 billion increase over the 2020 revenue requirement authorized in the 2018 GRC as updated for post test-year ratemaking changes. The amended and revised rebuttal testimony proposed post test-year increases in 2022 and 2023 of \$452 million and \$524 million, respectively. SCE's request excludes the revenue requirement associated with the approximately \$1.6 billion of AB 1054 Excluded Capital Expenditures.

In April and May 2020, intervenors to the 2021 GRC proceeding, including the CPUC Public Advocates Office ("Cal Advocates") and The Utility Reform Network ("TURN"), submitted testimony in response to SCE's August 2019 application as revised and amended. Cal Advocates proposed reductions to 2021 operation and maintenance spending of \$423 million or 15% of the total, and reductions to 2021 capital spending of \$445 million or 9% of the total. TURN proposed reductions to 2021 operation and maintenance spending of \$556 million or 17% of the total, and reductions to 2021 capital spending of \$714 million or 14% of the total. The reductions to capital expenditures proposed by both parties included significant proposed reductions to SCE's Wildfire Covered Conductor Program. If adopted, the proposals of Cal Advocates and TURN would result in a 2021 revenue requirement of approximately \$6.9 billion and \$6.7 billion, respectively.

SCE expects a final decision on the application for the 2021 test year in the first quarter of 2021. If the final decision is received after January 1, 2021, SCE will request the CPUC to approve establishment of a memorandum account making the authorized revenue requirement changes effective January 1, 2021. SCE cannot predict the revenue requirement the CPUC will ultimately authorize or forecast the timing of a final decision.

FERC Formula Rate

2019 FERC Formula Rate Settlement

In September 2020, the FERC approved a settlement of SCE's formula rates for the 2019 Formula Rate case ("2019 Formula Rate Settlement"). The settlement establishes SCE's FERC transmission revenue requirement for the 2019 FERC Settlement Period. SCE is permitted to request a new formula rate after December 31, 2021, the end of the 2019 FERC Settlement Period. The settlement provides for a total ROE of 10.30% inclusive of CAISO and transmission incentive adders. The settlement also provides that SCE's capital structure for purposes of its formula rate will reflect the higher of SCE's actual equity ratio or 47.50%. The transmission revenue requirement and rates that have been billed to customers prior to the implementation of the 2019 Formula Rate Settlement utilized a base ROE of 11.97%. SCE expects to refund the excess amounts billed to customers through the operation of the Formula Rate in 2021 and 2022. SCE had been recognizing revenue based on the expected outcome of this settlement and the impact of recording the settlement was not material.

In December 2019, the CPUC filed a protest with the FERC alleging that \$419 million of costs associated with SCE's Tehachapi Transmission Project are imprudent and should be disallowed from SCE's FERC rate base because these costs exceeded the maximum reasonable costs identified by the CPUC when it granted the project's certificate of public convenience and necessity. As part of the 2019 Formula Rate Settlement, the CPUC withdrew its protest effective as of July 27, 2020.

In July 2020, SCE provided its preliminary 2021 annual transmission revenue requirement update to interested parties. The update reflects an increase in SCE's transmission revenue requirement of \$123 million or 12.8% higher than amounts included in the 2020 annual rates. The increase is primarily due to growth in rate base and the effect of refunds from the annual FERC Formula Rate true-up mechanism on 2020 rates. SCE expects to file its 2021 annual update with the FERC by December 1, 2020 with the proposed rates effective January 1, 2021.

Phase I Decision in Residential Rates OIR

In June 2020, the CPUC issued a final decision on the first phase of the ongoing proceeding Order Instituting Rulemaking to Consider New Approaches to Disconnections and Reconnections to Improve Energy Access and Contain Costs ("Residential Rates OIR"). This decision applies only to SCE's residential customers and requires the creation of an arrearage management program to forgive a portion of certain low income customers' past arrears as long as they remain current on monthly billing, prohibits use of establishment of credit or reestablishment of service deposits, and caps SCE's disconnection rate. SCE's disconnection rate will be capped at 8% in 2020 and will reduce by 1% each year until 2024.

The decision requires SCE to establish a two-way balancing account to reflect the actual costs of disconnections in customer rates and to establish a memorandum account to track the costs of implementing the decision.

Wildfire Mitigation and Wildfire Insurance Expenses

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 is currently incurring wildfire mitigation and wildfire insurance related spending at levels significantly exceeding amounts authorized in its 2018 GRC. Several regulatory mechanisms, including but not limited to the GS&RP balancing account, the FHPMA, the WMP memorandum account and the WEMA, exist to allow SCE to track and seek recovery of these incremental costs. 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. For certain wildfire mitigation and wildfire insurance expenses SCE performs its assessment of future recovery after its year to date spending exceeds the amounts authorized for the full calendar year under its current revenue requirement. As of September 30, 2020, SCE has recognized \$797 million of regulatory assets related to incremental wildfire mitigation expenses, including depreciation expense from \$1.4 billion of total incremental capital expenditures. As of September 30, 2020, SCE has \$110 million of regulatory assets related to incremental wildfire insurance expenses in the WEMA. 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 has recorded a further \$175 million of incremental wildfire mitigation expenses, including \$10 million for the quarter ended September 30, 2020, that are subject to reasonableness reviews through the 2021 GRC proceeding. As discussed below, the CPUC has approved recovery of certain incremental wildfire mitigation and wildfire insurance expenses through SCE's GS&RP and WEMA proceedings. As of September 30, 2020, SCE has wildfire-related regulatory assets totaling \$1,061 million including wildfire mitigation, wildfire insurance, and wildfire and drought restoration costs. Of this amount, \$119 million has been approved. The remaining \$942 million of wildfire-related regulatory assets will be reviewed through ongoing or future proceedings.

Grid Safety and Resiliency Program

In April 2020, the CPUC approved a settlement agreement between SCE and certain parties to SCE's GS&RP proceeding. Under the settlement, SCE is authorized to spend approximately \$599 million (\$476 million capital) between 2018 and 2020. Upon approval by the CPUC in July 2020, SCE established a balancing account to track the difference between actual GS&RP costs and amounts authorized. SCE included the authorized revenue requirement (other than for AB 1054 Excluded Capital Expenditures) in rates on October 1, 2020. If spending is less than authorized, SCE will refund those amounts to customers. If spending is in excess of authorized amounts, SCE will present those costs for reasonableness review in track 3 of the 2021 GRC. Additionally, SCE's recovery of tree removal costs is capped at a specific average authorized unit cost and a total volume of trees.

Through September 30, 2020, SCE has incurred \$819 million of capital expenditures, of which \$343 million will be subject to a reasonableness review, and \$90 million of incremental operations and maintenance expenses, all of which is within the amount authorized in the settlement agreement.

In July 2020, SCE applied for an irrevocable order from the CPUC to finance \$337 million, comprised of AB 1054 Excluded Capital Expenditures incurred in connection with GS&RP and prudently incurred financing costs, through the issuance of securitized bonds. The CPUC issued a proposed decision approving SCE's application in October 2020 and is expected to issue the irrevocable financing order in November 2020.

2021 General Rate Case Wildfire Mitigation Memorandum Account Balances

In March 2020, SCE made its 2021 GRC track 2 filing with the CPUC. After updates included in SCE's September 2020 rebuttal testimony, SCE's track 2 request was \$302 million of capital expenditures and \$491 million of operation and maintenance expenses from 2018 and 2019 that were incremental to amounts authorized in SCE's 2018 GRC and not associated with SCE's GS&RP application. The GRC track 2 expenditures predominantly related to enhanced overhead inspections, an expanded vegetation management program and expert consultant contract labor costs supporting SCE's wildfire mitigation activities. The majority of these expenditures are recorded in the WMP memorandum account and the FHPMA. The capital revenue requirement recorded in memorandum accounts mainly represents depreciation expense, taxes, and return. After flow through tax effects and excluding the revenue requirement associated with AB 1054 Excluded Capital Expenditures, SCE's GRC track 2 filing rebuttal testimony resulted in a requested revenue requirement of \$482 million.

In October 2020, SCE and all the parties to track 2 of the 2021 GRC proceeding (collectively, the "Track 2 Parties") reached a confidential settlement-in-principle regarding all issues in track 2. Once a definitive settlement is executed by the Track 2 Parties, the parties will file a motion with the CPUC seeking approval of the settlement. While SCE cannot predict the revenue requirement the CPUC will ultimately authorize or forecast the timing of a final decision, SCE does not expect the settlement-in-principle, if approved by the CPUC, to have a negative impact on SCE's results of operations.

Incremental wildfire mitigation costs from 2020, and all GS&RP costs above settled amounts, are to be reviewed in track 3 of the 2021 GRC proceeding, which will be filed in March 2021. The schedule for SCE's 2021 GRC includes a proposed decision on track 3 in the first quarter of 2022.

Wildfire Expense Memorandum Account

In September 2020, the CPUC approved SCE's WEMA application to recover \$478 million in wildfire insurance premium costs to June 30, 2020 incurred in excess of premiums approved in the 2018 GRC and corresponding financing costs. The decision authorized SCE to collect a total revenue requirement of \$505 million over a two-year period. SCE included the authorized revenue requirement in rates in October 2020 and the related costs previously deferred in WEMA were transferred to the BRBBA. As of September 30, 2020, the \$110 million of regulatory assets in the WEMA is for wildfire insurance premium costs from July 1, 2020 to September 30, 2020.

Capital Program

Total capital expenditures (including accruals) were \$3.7 billion and \$3.3 billion for the first nine months of 2020 and 2019, respectively.

SCE forecasts capital expenditures within a range of \$4.9 billion to \$5.1 billion in 2020. The forecast has increased in the third quarter of 2020 as a result of telecommunications network and wildfire restoration expenditures not previously forecasted and may increase further as a result of the ongoing wildfire restoration work.

Reflected below is SCE's weighted average annual rate base forecast for 2020 – 2023 which has been updated since the 2019 Form 10-K to reflect SCE's 2021 GRC rebuttal testimony, the approval of SCE's Charge Ready 2 Program and the FERC approval to include Construction Work In Progress associated with the Riverside Transmission Reliability Project in transmission rate base.

The table below excludes AB 1054 Excluded Capital Expenditures and does not reflect rate base associated with non-GRC projects or programs that have not yet been approved by the CPUC, including CSRP. In addition, a third-party holds an option to invest up to \$400 million in the West of Devers Transmission project at the estimated in-service date of 2021. The rate base in the table below is reduced to reflect this option.

Based on management judgment using historical precedent of previously authorized amounts and potential permitting delays and other operational considerations, a range case has been provided in the table below reflecting a 10% reduction on the total capital forecast for 2021 – 2023 and a 10% reduction on FERC capital spending and non-GRC programs for 2020.

(in billions)	2020	2021	2022	2023
Rate base for expected capital expenditures	\$ 33.6	\$ 36.0	\$ 38.4	\$ 41.2
Rate base for expected capital expenditures (using range case described above)	\$ 33.3	\$ 35.1	\$ 37.0	\$ 39.2

For further information regarding the capital program see "Liquidity and Capital Resources—SCE—Capital Investment Plan."

RESULTS OF OPERATIONS

SCE

SCE's results of operations are derived mainly through two 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 reasonableness review or compliance with upfront standards. 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) and certain operation and maintenance expenses. SCE earns no return on these activities.

Impact of 2018 GRC

In May 2019, the CPUC approved a decision in SCE's 2018 GRC. The revenue requirements in the 2018 GRC decision were retroactive to January 1, 2018. SCE recorded the prior period impact of the 2018 GRC decision in the second quarter of 2019 including an increase to earnings of \$131 million from the application of the decision to revenue, depreciation expense and income tax expense, of which \$65 million was attributable to 2018 and \$66 million was attributable to first quarter of 2019 and an impairment of utility property, plant and equipment of \$170 million (\$123 million after-tax) related to disallowed historical capital expenditures.

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

Three months ended September 30, 2020 versus September 30, 2019

(in millions)	Three months ended September 30, 2020			Three months ended September 30, 2019		
	Earning Activities	Cost-Recovery Activities	Total Consolidated	Earning Activities	Cost-Recovery Activities	Total Consolidated
Operating revenue	\$ 2,126	\$ 2,509	\$ 4,635	\$ 1,832	\$ 1,900	\$ 3,732
Purchased power and fuel	—	1,817	1,817	—	1,708	1,708
Operation and maintenance	515	711	1,226	542	210	752
Wildfire-related claims, net of insurance recoveries	1,297	—	1,297	—	—	—
Wildfire Insurance Fund expense	85	—	85	67	—	67
Depreciation and amortization	489	—	489	459	—	459
Property and other taxes	113	—	113	98	—	98
Impairment and other	(28)	—	(28)	—	—	—
Other operating income	—	—	—	(1)	—	(1)
Total operating expenses	2,471	2,528	4,999	1,165	1,918	3,083
Operating (loss) income	(345)	(19)	(364)	667	(18)	649
Interest expense	(178)	(10)	(188)	(182)	(1)	(183)
Other income	54	29	83	39	19	58
(Loss) income before income taxes	(469)	—	(469)	524	—	524
Income tax benefit	(251)	—	(251)	(10)	—	(10)
Net (loss) income	(218)	—	(218)	534	—	534
Preferred and preference stock dividend requirements	46	—	46	31	—	31
Net (loss) income available for common stock	\$ (264)	\$ —	\$ (264)	\$ 503	\$ —	\$ 503
Net (loss) income available for common stock			\$ (264)			\$ 503
Less: Non-core expense			(920)			(48)
Core earnings¹			\$ 656			\$ 551

¹ See use of non-GAAP financial measures in "Management Overview—Highlights of Operating Results."

Earning Activities

Earning activities were primarily affected by the following:

- Higher operating revenue of \$294 million primarily due to the following:
 - An increase in CPUC-related revenue of \$230 million primarily due to the 2018 GRC decision's escalation mechanism and higher operating costs subject to balancing account treatment as a result of the approval of the GS&RP balancing account.
 - An increase in FERC-related revenue of \$69 million primarily due to \$84 million of expected recoveries from customers for the FERC portion of wildfire related claims (see "Management Overview—Southern California Wildfires and Mudslides—2017/2018 Wildfire/Mudslide Events"), partially offset by an increase in revenue in the third quarter 2019 due to the settlement of SCE's 2018 FERC Formula Rate proceeding in 2019.
- Lower operation and maintenance costs of \$27 million primarily due to the following:
 - Decreased expenses of \$148 million due to increased regulatory deferrals related to wildfire mitigation activities, including inspections, preventive maintenance, and vegetation management costs. Although higher wildfire-mitigation

costs were incurred in 2020, a higher proportion of these costs were deferred to wildfire mitigation memorandum accounts.

- Increased expenses of \$93 million subject to balancing account treatment primarily due to the approval of the GS&RP balancing account.
- Increased expenses of \$28 million primarily due to employee benefit expenses of \$7 million, customer uncollectibles expense of \$7 million as a result of the COVID-19 pandemic, and higher support function expenses.
- Charge of \$1.3 billion recorded in 2020 for wildfire-related claims 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 Wildfire Insurance Fund expense of \$18 million for amortization of contributions to the Wildfire Insurance Fund for insurance protection. See "Management Overview—Southern California Wildfires and Mudslides" for further information.
- Higher depreciation and amortization expense of \$30 million primarily due to increased plant balances in 2020.
- Higher property and other taxes of \$15 million primarily due to higher property assessed values in 2020.
- Lower impairment and other of \$28 million due to a gain related to the sale of San Onofre nuclear fuel in 2020. Under the terms of the January 2018 settlement of the San Onofre Order Instituting Investigation proceeding, the gain on sale of the nuclear fuel will not be returned to customers.
- Higher other income of \$15 million primarily due to higher AFUDC equity income and higher insurance benefits.
- Higher income tax benefit of \$241 million primarily due to the impact of lower pre-tax income from the charge for wildfire-related claims related to the 2017/2018 Wildfire/Mudslide Events.
- Higher preferred and preference stock dividends of \$15 million primarily due to a loss on redemption of preferred securities in 2020.

Cost-Recovery Activities

Cost-recovery activities were primarily affected by the following:

- Higher purchased power and fuel costs of \$109 million primarily due to higher energy purchase volume and higher power price, partially offset by higher congestion revenue rights credits.
- Higher operation and maintenance costs of \$501 million driven by the authorization to recover 2018 through June 2020 wildfire insurance costs above GRC authorized that had been deferred as regulatory assets increasing expenses. See "Management Overview—Wildfire Mitigation and Wildfire Insurance Expenses—Wildfire Expense Memorandum Account" for further information.
- Higher interest expense of \$9 million primarily driven by the authorization to recover financing costs associated with incremental 2018 through June 2020 wildfire insurance expenses.
- Higher other income of \$10 million primarily driven by higher net periodic benefit income related to the non-service cost components for SCE's other post-retirement benefit plans. See "Notes to Consolidated Financial Statements—Note 9. Compensation and Benefit Plans" for further information.

Nine months ended September 30, 2020 versus September 30, 2019

(in millions)	Nine months ended September 30, 2020			Nine months ended September 30, 2019		
	Earning Activities	Cost-Recovery Activities	Total Consolidated	Earning Activities	Cost-Recovery Activities	Total Consolidated
Operating revenue	\$ 5,642	\$ 4,753	\$ 10,395	\$ 4,919	\$ 4,429	\$ 9,348
Purchased power and fuel	2	3,811	3,813	—	3,848	3,848
Operation and maintenance	1,801	1,019	2,820	1,555	637	2,192
Wildfire-related claims, net of insurance recoveries	1,303	—	1,303	—	—	—
Wildfire Insurance Fund expense	252	—	252	67	—	67
Depreciation and amortization	1,461	—	1,461	1,259	—	1,259
Property and other taxes	326	—	326	300	—	300
Impairment and other	(80)	—	(80)	166	—	166
Other operating income	—	—	—	(4)	—	(4)
Total operating expenses	5,065	4,830	9,895	3,343	4,485	7,828
Operating income	577	(77)	500	1,576	(56)	1,520
Interest expense	(565)	(10)	(575)	(548)	(1)	(549)
Other income	130	87	217	95	57	152
Income before income taxes	142	—	142	1,123	—	1,123
Income tax benefit	(300)	—	(300)	(183)	—	(183)
Net income	442	—	442	1,306	—	1,306
Preferred and preference stock dividend requirements	106	—	106	91	—	91
Net income available for common stock	\$ 336	\$ —	\$ 336	\$ 1,215	\$ —	\$ 1,215
Net income available for common stock			\$ 336			\$ 1,215
Less: Non-core expense			(994)			(99)
Core earnings¹			\$ 1,330			\$ 1,314

¹ See use of non-GAAP financial measures in "Management Overview—Highlights of Operating Results."

Earning Activities

Earning activities were primarily affected by the following:

- Higher operating revenue of \$723 million primarily due to the following:
 - An increase in CPUC-related revenue of \$590 million primarily due to the 2018 GRC's decision escalation mechanism and the reduction to revenue in the second quarter of 2019 due to recording the 2018 impacts of the 2018 GRC decision and higher operating costs subject to balancing account treatment primarily as a result of the approval of the GS&RP balancing account.
 - An increase in FERC-related revenue of \$127 million primarily due to the \$84 million of expected recoveries from customers for the FERC portion of wildfire-related claims (see "Management Overview—Southern California Wildfires and Mudslides—2017/2018 Wildfire/Mudslide Events") and higher operating costs subject to balancing account treatment, partially offset by an increase in revenue in the third quarter 2019 due to the settlement of SCE's 2018 FERC Formula Rate proceeding in 2019.
- Higher operation and maintenance costs of \$246 million primarily due to:
 - Increased expenses of \$128 million subject to balancing account treatment primarily as a result of the approval of GS&RP balancing account.
 - Increased expenses related to COVID-19 of \$49 million, consisting of \$16 million in labor and other expenses resulting from SCE's response to the COVID-19 pandemic and \$33 million of customer uncollectibles expense.

- Higher employee benefit expenses of \$36 million resulting primarily from the payout of 2019 short-term incentive compensation and other employee benefit programs.
- The \$25 million reduction to expenses primarily from the 2018 impact of adopting the 2018 GRC decision's change in capitalization rates, recorded in the second quarter of 2019.
- Higher wildfire insurance expenses of \$23 million primarily due to the authorization to recover certain 2018 wildfire insurance expenses reducing expenses in 2019.
- Increased other expenses of \$64 million including environmental remediation, legal costs and worker's compensation costs.
- Decreased expenses of \$79 million due to increased regulatory deferrals related to wildfire-mitigation costs including inspections, preventive maintenance and vegetation management costs. Although higher wildfire-mitigation costs were incurred in 2020, a higher proportion of these costs were deferred to wildfire mitigation memorandum accounts.
- Charge of \$1.3 billion recorded in 2020 for wildfire-related claims 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 Wildfire Insurance Fund expense of \$185 million for amortization of contributions to the Wildfire Insurance Fund for insurance protection. See "Management Overview—Southern California Wildfires and Mudslides" for further information.
- Higher depreciation and amortization expense of \$202 million primarily due to the 2018 impact of a change in depreciation rates and disallowed historical capital expenditures from adoption of the 2018 GRC decision, recorded in the second quarter of 2019, and increased plant balances in 2020.
- Higher property and other taxes of \$26 million primarily due to higher property assessed values in 2020.
- Lower impairment and other of \$246 million primarily due to an impairment of \$170 million related to the disallowed historical capital expenditures as a result of 2018 GRC decision in 2019, discussed above, and a gain of \$76 million related to the sale of San Onofre nuclear fuel in 2020. As noted above, the gain on the sale of nuclear fuel will not be returned to customers.
- Higher interest expense of \$17 million primarily due to increased borrowings, partially offset by lower interest rates.
- Higher other income of \$35 million primarily due to higher insurance benefits and higher AFUDC equity income.
- Higher income tax benefit of \$117 million primarily due to the impact of lower pre-tax income from the charge for wildfire-related claims related to the 2017/2018 Wildfire/Mudslide Events, partially offset by the 2018 tax benefit of \$80 million recorded in 2019 as a result of the 2018 GRC decision and a \$69 million tax benefit recorded in 2019 related to changes in the allocation of deferred tax re-measurement between customers and shareholders.
- Higher preferred and preference stock dividends of \$15 million primarily due to a loss on redemption of preferred securities in 2020.

Cost-Recovery Activities

Cost-recovery activities were primarily affected by the following:

- Lower purchased power and fuel costs of \$37 million driven by higher congestion revenue right credits and contract amendments, partially offset by higher energy purchase volume. In addition, CAISO issued invoices that revised FERC tariffs for interest costs associated with scheduling coordinator activities, resulting in a generation surcharge of \$59 million reflected as an additional purchased power expense and a transmission refund of \$66 million as a reduction in operation and maintenance expense.
- Higher operation and maintenance costs of \$382 million driven by the authorization to recover 2018 through June 2020 wildfire insurance costs above GRC authorized that had been deferred as regulatory assets increasing expenses (see "Management Overview—Wildfire Mitigation and Wildfire Insurance Expenses—Wildfire Expense Memorandum Account") and higher transmission access charges, partially offset by the CAISO refund of \$66 million mentioned above.

- Higher interest expense of \$9 million primarily driven by the authorization to recover financing costs associated with incremental 2018 through June 2020 wildfire insurance expenses.
- Higher other income of \$30 million primarily driven by higher net periodic benefit income related to the non-service cost components for SCE's other post-retirement benefit plans. See "Notes to Consolidated Financial Statements—Note 9. Compensation and Benefit Plans" for further information.

Supplemental Operating Revenue Information

SCE's retail billed and unbilled revenue (excluding wholesale sales) was \$4.3 billion and \$3.5 billion for the three months ended September 30, 2020 and 2019, respectively, and \$9.6 billion and \$8.6 billion for the nine months ended September 30, 2020 and 2019, respectively.

The increase for the three months and nine months ended September 30, 2020 compared to the same periods in 2019 is primarily due to higher CPUC revenue due to the 2018 GRC decision's escalation mechanism and the approval of the GS&RP balancing account, higher FERC revenue due to expected recoveries from customers for the FERC portion of wildfire-related claims and higher cost-recovery activities related to authorization to recover 2018-2020 wildfire insurance costs that had been deferred as regulatory assets increasing expenses. See "—Earnings Activities" and "—Cost-Recovery Activities" for further details.

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

Income Taxes

SCE's income tax benefit increased by \$241 million and \$117 million for the three and nine months ended September 30, 2020 compared to the same period in 2019.

The effective tax rates were (53.5)% and (1.9)% for the three months ended September 30, 2020 and 2019, respectively. The effective tax rates were (211.3)% and (16.3)% for the nine months ended September 30, 2020 and 2019, respectively. SCE's effective tax rate is below the federal statutory rate of 21% primarily due to 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. The effective tax rate decrease for the three months ended September 30, 2020 compared to the same period in 2019 is primarily due to the impact of lower pre-tax income resulting from the charge of \$1.2 billion for wildfire-related claims. The effective tax rate decrease for the nine months ended September 30, 2020 compared to the same period in 2019 is primarily due to the impact of lower pre-tax income, partially offset by the absence of tax benefit from the adoption of the 2018 GRC final decision and the absence of the 2019 changes in the allocation of deferred tax re-measurement between customers and shareholders that resulted from a CPUC resolution.

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 Edison International subsidiaries that are not significant as a reportable segment, as well as intercompany eliminations.

Loss from Operations

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

(in millions)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Edison Energy Group and subsidiaries	\$ (3)	\$ —	\$ (32)	\$ (4)
Corporate expenses and other subsidiaries	(21)	(32)	(91)	(70)
Total Edison International Parent and Other	\$ (24)	\$ (32)	\$ (123)	\$ (74)
Less: Non-core expense	—	—	(28)	—
Core losses¹	\$ (24)	\$ (32)	\$ (95)	\$ (74)

¹ See use of non-GAAP financial measures in "Management Overview - Highlights of Operating Results."

The loss from operations of Edison International Parent and Other decreased \$8 million for the three months ended September 30, 2020 and increased \$49 million for the nine months ended September 30, 2020 compared to the same period in 2019.

The decrease of losses for the three months ended September 30, 2020 is primarily due to increased tax benefits. The increase of losses for the nine months ended September 30, 2020 is primarily due to a goodwill impairment charge, stemming from the economic impact of COVID-19, of \$34 million (\$25 million after-tax) recorded in 2020 for Edison International Parent and Other related to Edison Energy and higher interest expense as a result of increased borrowings, partially offset by increased tax benefits.

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 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.

The COVID-19 pandemic may cause narrower access to, or increased costs of accessing, bank and capital markets. As a precaution, SCE brought forward debt issuances that had been planned for later in the year to provide additional financing flexibility given possible future market uncertainty. For further details, see "Management Overview—COVID-19" and "—Available Liquidity."

In the next 12 months, SCE expects to fund its cash requirements through operating cash flows, capital market financings, and equity contributions from Edison International Parent, as needed. SCE also has availability under its credit facilities to fund cash requirements.

SCE expects to finance the approximately \$1.6 billion of AB 1054 Excluded Capital Expenditures by issuing securitized bonds. For further information, see "Management Overview—Southern California Wildfires and Mudslides." Prior to issuance of such bonds, other debt instruments are being used to temporarily finance the expenditures, including a term loan of \$475 million and a 364-day \$800 million revolving credit facility entered into during the first quarter of 2020.

In October 2020, SCE issued \$350 million of refunding mortgage bonds. For further details, see "Notes to Consolidated Financial Statements—Note 5. Debt and Credit Agreements." The proceeds were used to fund the payment of wildfire claims exceeding insurance proceeds, including \$1.2 billion paid under the September 2020 Subrogation Settlement. For further information, see "Management Overview—Southern California Wildfires and Mudslides."

SCE expects to issue additional debt to finance payments for future resolutions of claims related to the 2017/2018 Wildfire/Mudslide Events that exceed insurance. Edison International anticipates issuing approximately \$1.0 billion of equity to invest in SCE, dependent on the timing of such payments, to enable SCE to issue the necessary debt and maintain investment grade credit ratings.

In the third quarter of 2020, SCE redeemed \$120 million of cumulative preferred stock, which were all of the outstanding shares of SCE's preferred stock, and \$180 million of SCE's Series G Preference Stock. For further details, see "Notes to Consolidated Financial Statements—Note 14. Equity." The redemption reduces the preferred equity component of SCE's capital structure from 9% to 5%, bringing it in line with the capital structure authorized in the 2020 Cost of Capital decision. For further information, see "Management Overview—2020 Cost of Capital Application" in the 2019 MD&A.

SCE's long-term issuer credit ratings are at investment grade levels. However, during the third quarter of 2020, the S&P rating outlooks for all three investor-owned utilities in California were revised to negative due to unprecedented wildfire activity throughout California in August and September of 2020. Despite 2020 wildfire activity, SCE's ratings outlook from Moody's and Fitch has remained stable as of September 2020, due to the reduced financial risk that wildfires pose to SCE following the enactment of AB 1054. For further information, see "Management Overview—Southern California Wildfires and Mudslides."

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
Long-term Issuer Credit Rating	Baa2	BBB-	BBB
Outlook	Stable	Stable	Negative

SCE's credit ratings may be further 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. The broad economic impacts of the COVID-19 pandemic may also affect SCE's credit rating. For further information see "Management Overview—COVID-19" and "Risk Factors." 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 require SCE to pay related liabilities or post additional collateral if SCE's credit rating were to fall below investment grade from the major credit rating agencies. Incremental collateral requirements for power procurement contracts resulting from a potential downgrade of SCE's credit rating to below investment grade are \$53 million as of September 30, 2020. In addition, if SCE's credit rating falls below investment grade, it may 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 downgrade occurs. Furthermore, if SCE was downgraded below investment grade, counterparties may also institute new collateral requirements for future transactions. For further details, see "—Margin and Collateral Deposits."

Available Liquidity

At September 30, 2020, SCE had cash on hand of \$30 million.

At September 30, 2020, SCE had approximately \$2.2 billion available under its \$3.0 billion revolving credit facility. The credit facility is available for borrowing needs until May 2024 and may be extended for one additional year with the lenders' approval. The aggregate maximum principal amount under the credit facility may be increased up to \$4.0 billion, provided additional lender commitments are obtained.

In the first quarter of 2020, SCE entered into a 364-day revolving credit facility for \$800 million. The credit facility is available for borrowing needs until March 2021 and may be extended for two 364-day periods, at the lenders' discretion. The aggregate maximum principal amount under the revolving credit facility may be increased up to \$1.1 billion, provided that additional lender commitments are obtained. At September 30, 2020, SCE had \$146 million available under the facility. The facility was used to fund AB 1054 Excluded Capital Expenditures until issuance of securitized bonds. In the first quarter of 2020, SCE also borrowed \$475 million under a term loan agreement due in March 2021 to repay commercial paper borrowings temporarily used to fund AB 1054 Excluded Capital Expenditures.

In the second quarter of 2020, SCE entered into a 364-day revolving credit facility for \$1.5 billion. The credit facility is available for borrowing needs until May 2021. At September 30, 2020, there were no borrowings under the revolving credit facility. The revolving credit facility is available for general corporate purposes, including to support liquidity needs that may arise as a result of undercollections due to the COVID-19 pandemic and related consumer protection measures that SCE has put in place.

In the first quarter of 2020, SCE issued a total of \$1.7 billion of first and refunding mortgage bonds. The proceeds were used to repay SCE's commercial paper borrowings and repurchase tax-exempt pollution control bonds that were subject to mandatory redemption. SCE continues to hold the tax-exempt pollution control bonds and plans to re-market them subject to market conditions. In the second quarter of 2020, SCE issued \$600 million of first and refunding mortgage bonds due in 2025. The proceeds were used to finance undercollections of revenues SCE is authorized to recover from customers through regulatory balancing accounts. For further details, see "Notes to Consolidated Financial Statements—Note 5. Debt and Credit Agreements."

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 any potential 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 September 30, 2020, SCE's debt to total capitalization ratio was 0.51 to 1.

At September 30, 2020, SCE was in compliance with all financial covenants that affect access to capital.

Capital Investment Plan

Major Transmission Projects

Riverside Transmission Reliability Project

In October 2018, the CPUC issued an environmental report that identified a new route alternative, as the environmentally preferred project and proposed an additional underground section of the proposed 220-kV power line. In March 2020, the alternative project with revised scope and an updated cost of \$584 million was approved by CPUC. The scheduled in-service date of the project has been extended from 2024 to 2026.

In June 2020, SCE filed a petition with the FERC seeking authorization to recover SCE's prudently incurred costs if the project is cancelled or abandoned for reasons beyond SCE's control, and inclusion of 100% of the project's network transmission Construction Work In Progress in transmission rate base during the construction period. In September 2020, the FERC issued orders granting SCE's requests. SCE is allowed to seek recovery of 100% of all prudently incurred costs after September 17, 2020 and 50% of prudently incurred costs prior to that date.

Eldorado-Lugo-Mohave Upgrade

In April 2019, as directed by the CPUC, SCE filed an amended application for a certificate of public convenience and necessity ("CPCN") with the CPUC, which included total project costs of \$257 million. A subsequent change to the project work scope reduced the project total cost to \$246 million. In August 2020, the CPUC approved the CPCN for the project. The project is expected to be operational by 2022.

Grid Development - Transportation Electrification

Charge Ready Program

In August 2020, the CPUC issued a final decision approving SCE's Charge Ready 2 application with certain modifications. The final decision authorized a budget of \$436 million (\$314 million capital) in 2018 dollars for a four-year program to support approximately 37,800 light-duty electric vehicle charging ports through an infrastructure program, rebates for charging infrastructure in new multi-unit dwelling construction, and marketing, education, and outreach. The program is expected to add approximately \$400 million to SCE's rate base by 2026.

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.

Effective January 1, 2020, the common equity component of SCE's CPUC authorized capital structure was increased from 48% to 52% on a weighted average basis over the January 1, 2020 to December 31, 2022 compliance period ("the Capital Structure Compliance Period"). For further information, see "Management Overview—2020 Cost of Capital Application" in the 2019 MD&A. Under AB 1054, the impact of SCE's contributions to the Wildfire Insurance Fund are excluded from the measurement of SCE's CPUC-jurisdictional authorized capital structure. For further information, see "Management Overview—Southern California Wildfires and Mudslides."

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. The temporary exclusion will lapse on May 7, 2022 or when a determination regarding cost recovery for the 2017/2018 Wildfire/Mudslide Events is made, whichever comes earlier. If the CPUC has not made a determination regarding cost recovery by May 7, 2022, SCE is permitted to file another application for a waiver of compliance with its equity ratio

requirement. In the interim, 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 December 31, 2022.

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 that the California law requirements for the declarations are met.

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, its ability to access the capital markets, and generate operating cash flows and earnings. If SCE incurs significant costs related to catastrophic wildfires, including the 2017/2018 Wildfire/Mudslide Events, 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 September 30, 2020 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 September 30, 2020 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 energy procurement contracts.

(in millions)

Collateral posted as of September 30, 2020 ¹	\$	201
Incremental collateral requirements for purchase power and fuel contracts resulting from a potential downgrade of SCE's credit rating to below investment grade ²		53
Incremental collateral requirements for purchase power and fuel contracts resulting from adverse market price movement ³		14
Posted and potential collateral requirements	\$	268

¹ Net collateral provided to counterparties and other brokers consisted of \$201 million in letters of credit and surety bonds.

² Power and fuel contract counterparties may also institute new collateral requirements, applicable to future transactions, at the time of a downgrade not reflected above. 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 downgrade occurs.

³ Incremental collateral requirements were based on potential changes in SCE's forward positions as of September 30, 2020 due to adverse market price movements over the remaining lives of existing power contracts using a 95% confidence level.

Decommissioning of San Onofre

In August 2020, SCE completed the transfer of spent nuclear fuel to dry cask storage in the Independent Spent Fuel Storage Installation and commenced major decommissioning activities at San Onofre.

In March 2020, the CPUC approved disbursements from SCE's nuclear decommissioning trusts to cover forecasted 2020 decommissioning costs, of which SCE's share is \$406 million.

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, including by issuing additional debt and equity. Edison International may finance its ongoing cash requirements, including common stock 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.

The COVID-19 pandemic may cause narrower access to, or increased costs of accessing, bank and capital markets. As a precaution, Edison International brought forward debt and equity issuances that had been planned for later in the year to provide additional financing flexibility given possible future market uncertainty. For further details, see "Management Overview—COVID-19."

At September 30, 2020, Edison International Parent had cash on hand of \$62 million and no borrowings on its \$1.5 billion revolving credit facility. The credit facility is available for borrowing needs until May 2024, and may be extended for one additional year with the lenders' approval. Under certain circumstances, the aggregate maximum principal amount under the credit facility may be increased up to \$2.0 billion, provided additional lender commitments are obtained.

In the first quarter 2020, Edison International Parent borrowed \$800 million under a term loan agreement. The proceeds were used for general corporate purposes. In May 2020, Edison International issued approximately \$800 million of common stock in a registered direct offering. The proceeds were used to pay off the outstanding balance of the \$800 million term loan mentioned above and for general corporate purposes. For further details, see "Notes to Consolidated Financial Statements—Note 14. Equity."

In the second quarter of 2020, Edison International Parent issued \$400 million of senior notes due 2025. The proceeds were used to repay all \$400 million of Edison International Parent's outstanding Senior Notes due 2020. For further details, see "Notes to Consolidated Financial Statements—Note 5. Debt and Credit Agreements."

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 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—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 Parent expects to make further capital contributions to SCE in 2020 to increase the common equity component of SCE's capital structure, after deducting CPUC allowed exclusions, to 52% on a weighted average basis over the Capital Structure Compliance Period. For further information, see "—SCE—SCE Dividends."

In addition to the capital contributions described above, Edison International anticipates issuing approximately \$1.0 billion of equity to invest in SCE. The timing of such issuance will correspond to SCE's future resolutions of claims related to the 2017/2018 Wildfire/Mudslide Events. Such transactions are expected to enable SCE to issue the necessary debt and maintain investment grade credit ratings at SCE and Edison International.

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 September 30, 2020, Edison International Parent's consolidated debt to total capitalization ratio was 0.58 to 1.

At September 30, 2020, Edison International Parent was in compliance with all financial covenants that affect access to capital.

Edison International Parent's long-term issuer credit ratings are at investment grade levels. However, during the third quarter of 2020, the S&P rating outlooks for all three investor-owned utilities in California were revised to negative due to

unprecedented wildfire activity throughout California in August and September of 2020. Edison International Parent's ratings outlook from Moody's and Fitch has remained stable despite 2020 wildfire activity due to the reduced financial risk that wildfires pose to SCE following enactment of AB 1054. For further information, see "Management Overview—Southern California Wildfires and Mudslides."

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
Long-term Issuer Credit Rating	Baa3	BBB-	BBB
Outlook	Stable	Stable	Negative

Edison International Parent's credit ratings may be further 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. The broad economic impacts of the COVID-19 pandemic may also affect Edison International's credit rating. For further information see "Management Overview—COVID-19" and "Risk Factors." 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.

Historical Cash Flows

SCE

(in millions)	Nine months ended September 30,	
	2020	2019
Net cash provided by (used in) operating activities	\$ 1,162	\$ (639)
Net cash provided by financing activities	2,530	4,039
Net cash used in investing activities	(3,686)	(3,336)
Net increase in cash, cash equivalents and restricted cash	\$ 6	\$ 64

Net Cash Provided by (Used in) 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 the nine months ended September 30, 2020 and 2019.

(in millions)	Nine months ended September 30,		Change in cash flows
	2020	2019	2020/2019
Net income	\$ 442	\$ 1,306	
Non-cash items ¹	1,325	1,277	
Subtotal	1,767	2,583	\$ (816)
Contributions to Wildfire Insurance Fund	—	(2,363)	2,363
Changes in cash flow resulting from working capital ²	(720)	(247)	(473)
Regulatory assets and liabilities	(1,074)	(470)	(604)
Wildfire related claims ³	1,267	—	1,267
Other noncurrent assets and liabilities ⁴	(78)	(142)	64
Net cash provided by (used in) operating activities	\$ 1,162	\$ (639)	\$ 1,801

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

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

³ Represents an increase in estimated wildfire-related claims of \$1.3 billion in the third quarter of 2020.

⁴ Includes changes in wildfire-related insurance receivables. Also includes nuclear decommissioning trusts. See "Nuclear Decommissioning Activities" below for further information.

Net cash provided by (used in) operating activities was impacted by the following:

Net income and non-cash items decreased in 2020 by \$816 million primarily due to recognizing a net \$1.2 billion charge (\$874 million after-tax) related to wildfire-related claims in September 2020, partially offset by higher CPUC-related revenue due to the escalation mechanism as set forth in the 2018 GRC decision. Net cash used in operating activities was also impacted by cash outflow of \$2.4 billion related to SCE's contribution to the Wildfire Insurance Fund in September 2019.

Net cash outflow for working capital was \$720 million and \$247 million during the nine months ended September 30, 2020 and 2019, respectively. Net cash outflow for working capital increased from 2019 to 2020 primarily due to increases in receivables from customers and accrued unbilled revenue of \$779 million in 2020 and \$533 million in 2019, respectively, partially offset by increases in payables of \$156 million in 2020 and \$270 million in 2019. Net cash outflow for working capital in both periods was impacted by insurance premium payments of \$470 million and \$453 million for wildfire-related coverage in 2020 and 2019, respectively.

Net cash used in regulatory assets and liabilities, including changes in net undercollections of balancing accounts was \$1.1 billion and \$470 million during the nine months ended September 30, 2020 and 2019, respectively. SCE has a number of balancing and memorandum accounts, which impact cash flows based on differences between timing of collection of amounts through rates and accrual expenditures. Cash flows were primarily impacted by the following:

2020

- Net undercollections of BRRBA were \$420 million at September 30, 2020, compared to net overcollections of \$328 million at December 31, 2019. Net undercollections increased by \$748 million primarily due to refunds of prior overcollections (including incremental tax benefits and overcollections of distribution revenue that are being refunded over an 18-month period, starting in July 2019, as part of SCE's 2018 GRC decision) and reclassification of approximately \$500 million in undercollections from WEMA to be collected over a two-year period, starting October 2020, partially offset by current year overcollections due to higher distribution revenue primarily driven by higher residential usage.
- Undercollections of \$193 million related to wildfire-related expenses that are probable of future recovery from customers, including wildfire risk mitigation costs, insurance premiums, service restoration and damage repair costs, partially offset by an approximately \$500 million reclassification to BRRBA as discussed above. See "Notes to Consolidated Financial Statements—Note 11. Regulatory Assets and Liabilities" for further information.

- Net overcollections of FERC balancing accounts decreased by \$94 million primarily due to a refund of prior year overcollections, \$84 million expected recoveries from FERC customers related to 2017/2018 Wildfire/Mudslide Events and higher expenses related to wildfire and vegetation management, partially offset by overcollections due to current year billing at a higher ROE than approved in the 2019 Formula Rate Settlement.
- Net undercollections for ERRA, PABA and the New System Generation Balancing Account decreased by \$154 million primarily due to recovery of prior ERRA and PABA undercollections, partially offset by undercollections in 2020 due to higher than forecasted power purchase price, lower than forecasted sales volume in current year, and refunds of prior overcollections from the New System Generation Balancing Account.
- Undercollections of \$107 million related to incremental costs associated with COVID-19, primarily related to customer uncollectibles, sequestering certain SCE employees and coordination of SCE's response to the emergency. See "Notes to Consolidated Financial Statements—Note 11. Regulatory Assets and Liabilities" for further information.

2019

- BRRBA overcollections decreased by \$33 million primarily due to refunds of prior overcollections (including incremental tax benefits), offset by distribution revenue previously collected from customers in 2019 and 2018 that began being refunded over an 18-month period, starting in July 2019, as part of SCE's 2018 GRC final decision.
- The portfolio allocation balancing account was established in May 2019 to determine and pro-ratably recover from responsible bundled service and departing load customers the "above-market" costs of all generation resources that are eligible for cost recovery. Net undercollections for ERRA, PABA and the new system generation program decreased by \$93 million primarily due to recovery of prior ERRA undercollections and overcollections of generation revenue occurring in 2019 and 2018 that began being refunded over an 18-month period, starting in July 2019, as part of SCE's 2018 GRC final decision. The cash inflow was partially offset by lower sales than forecasted in rates, higher than forecasted power and gas prices experienced in 2019, charges from CPUC-authorized contract terminations and refunds of prior overcollections from the new system generation program.
- Elimination of approximately \$360 million in a regulatory liability that was established in 2018 to record adjustments associated with the delay in the 2018 GRC decision. In May 2019, the CPUC approved the final decision in SCE's 2018 GRC, resulting in 2019 and 2018 overcollections being refunded to customers through BRRBA and PABA, as discussed above.
- Undercollections of \$234 million related to wildfire-related expenses that are probable of future recovery from customers, including risk mitigation costs and insurance premiums. See "Notes to Consolidated Financial Statements—Note 11. Regulatory Assets and Liabilities" for further information.
- Higher cash due to \$141 million of overcollections related to the timing of greenhouse gas auction revenue and low carbon fuel standard credits sales, and the related refunds and rebates to eligible customers.

Cash flows used in other noncurrent assets and liabilities were primarily related to SCE's payments of decommissioning costs (\$164 million in 2020 and \$126 million in 2019, respectively), partially offset by net earnings from nuclear decommissioning trust investments (\$23 million in 2020 and \$19 million in 2019, respectively). See "Nuclear Decommissioning Activities" below for further discussion. Also includes wildfire related insurance recovery of \$73 million in 2020.

Net Cash Provided by Financing Activities

The following table summarizes cash provided by financing activities for the nine months ended September 30, 2020 and 2019. Issuances of debt are discussed in "Notes to Consolidated Financial Statements—Note 5. Debt and Credit Agreements."

(in millions)	Nine months ended September 30,	
	2020	2019
Issuances of first and refunding mortgage bonds, plus premium and net of discount and issuance costs	\$ 2,330	\$ 2,306
Long-term debt repaid or repurchased	(698)	(81)
Term loan and revolving credit facility borrowing, net of repayment	1,129	—
Redemptions of preferred and preference stock	(308)	—
Short-term debt financing, net	73	(721)
Capital contribution from Edison International Parent	1,107	3,050
Payment of common stock dividends to Edison International	(1,007)	(400)
Payment of preferred and preference stock dividends	(97)	(96)
Other	1	(19)
Net cash provided by financing activities	\$ 2,530	\$ 4,039

Net Cash Used in Investing Activities

Cash flows used in investing activities are primarily due to capital expenditures related to transmission and distribution investments (\$3.9 billion and \$3.5 billion for the nine-month periods ended September 30, 2020 and 2019, respectively). In addition, SCE had a net redemption of nuclear decommissioning trust investments of \$123 million and \$114 million during the nine months ended September 30, 2020 and 2019, respectively. See "Nuclear Decommissioning Activities" below for further discussion.

Nuclear Decommissioning Activities

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

(in millions)	Nine months ended September 30,	
	2020	2019
Net cash used in operating activities:		
Net earnings from nuclear decommissioning trust investments	\$ 23	\$ 19
SCE's decommissioning costs	(164)	(126)
Net cash provided by investing activities:		
Proceeds from sale of investments	4,754	3,354
Purchases of investments	(4,631)	(3,240)
Net cash impact	\$ (18)	\$ 7

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. The net cash impact reflects timing of decommissioning payments (\$164 million in 2020 and \$126 million in 2019, respectively) and reimbursements to SCE from the nuclear decommissioning trust (\$146 million and \$133 million in 2020 and 2019, 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)	Nine months ended September 30,	
	2020	2019
Net cash used in operating activities	\$ (91)	\$ (178)
Net cash provided by financing activities	117	519
Net cash used in investing activities	(8)	(9)
Net increase in cash and cash equivalents	\$ 18	\$ 332

Net Cash Used in Operating Activities

Net cash used in operating activities was impacted by the following:

- \$91 million and \$77 million cash outflow from operating activities in 2020 and 2019, respectively, primarily due to payments relating to interest and operating costs.
- \$101 million cash outflow related to intercompany tax allocation payments in 2019.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was as follows:

(in millions)	Nine months ended September 30,	
	2020	2019
Dividends paid to Edison International common shareholders	\$ (691)	\$ (594)
Dividends received from SCE	1,007	400
Capital contributions to SCE	(1,107)	(3,050)
Issuance of long-term debt, net of discount and issuance costs	396	596
Repayment of long-term debt	(400)	—
Issuance of common stock	896	2,165
Issuance of term loan, net of repayment	—	1,000
Other	16	2
Net cash provided by financing activities	\$ 117	\$ 519

Contingencies

SCE has contingencies related to wildfire and mudslide events, wildfire insurance, environmental remediation, nuclear insurance, spent nuclear fuel and the Tehachapi Transmission Project, which are discussed in "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies."

MARKET RISK EXPOSURES

Edison International's and SCE's primary market risks are described in the 2019 Form 10-K. For a further discussion of market risk exposures, including commodity price risk, credit risk, and interest rate risk, see "Notes to Consolidated Financial Statements—Note 4. Fair Value Measurements" and "—Note 6. Derivative Instruments."

Commodity Price Risk

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 fair value of outstanding derivative instruments used to mitigate exposure to commodity price risk was reflected as a net asset of \$48 million and \$86 million on SCE's consolidated balance sheets at September 30, 2020 and December 31, 2019, respectively. For further discussion of fair value measurements and the fair value hierarchy, see "Notes to Consolidated Financial Statements—Note 4. Fair Value Measurements" and "—Note 6. Derivative Instruments."

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 setoff. 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 September 30, 2020, SCE's power and gas trading counterparty credit risk exposure was \$47 million, of which \$44 million is associated with entities that have an investment grade rating of A or higher. SCE assigns a credit rating to counterparties based on the lower of a counterparty's S&P or Moody's rating. At September 30, 2020, the majority of SCE's power and gas trading counterparty credit risk exposure was to CAISO market participants. The broad economic impacts of the COVID-19 pandemic are still emerging and may increase credit risk across CAISO market participants, as of September 30, 2020, no impacts had been noted.

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

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

For a discussion of Edison International's and SCE's critical accounting policies, see "Critical Accounting Estimates and Policies" in the year-ended 2019 MD&A.

NEW ACCOUNTING GUIDANCE

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

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information responding to this section is included in the MD&A under the heading "Market Risk Exposures" and is incorporated herein by reference.

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FINANCIAL STATEMENTS

(in millions, except per-share amounts, unaudited)	Edison International			
	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Total operating revenue	\$ 4,644	\$ 3,741	\$ 10,421	\$ 9,377
Purchased power and fuel	1,817	1,708	3,813	3,848
Operation and maintenance	1,248	774	2,885	2,251
Wildfire-related claims, net of insurance recoveries	1,297	—	1,303	—
Wildfire Insurance Fund expense	85	67	252	67
Depreciation and amortization	490	459	1,463	1,260
Property and other taxes	114	99	328	302
Impairment and other	(28)	—	(46)	166
Other operating income	—	(2)	—	(5)
Total operating expenses	5,023	3,105	9,998	7,889
Operating (loss) income	(379)	636	423	1,488
Interest expense	(222)	(214)	(676)	(619)
Other income	84	58	217	151
(Loss) income before income taxes	(517)	480	(36)	1,020
Income tax benefit	(275)	(22)	(355)	(212)
Net (loss) income	(242)	502	319	1,232
Preferred and preference stock dividend requirements of SCE	46	31	106	91
Net (loss) income attributable to Edison International common shareholders	\$ (288)	\$ 471	\$ 213	\$ 1,141
Basic (loss) earnings per share:				
Weighted average shares of common stock outstanding	378	347	371	333
Basic (loss) earnings per common share attributable to Edison International common shareholders	\$ (0.76)	\$ 1.36	\$ 0.57	\$ 3.43
Diluted (loss) earnings per share:				
Weighted average shares of common stock outstanding, including effect of dilutive securities	378	349	372	334
Diluted (loss) earnings per common share attributable to Edison International common shareholders	\$ (0.76)	\$ 1.35	\$ 0.57	\$ 3.42

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

Consolidated Statements of Comprehensive Income**Edison International**

(in millions, unaudited)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Net (loss) income	\$ (242)	\$ 502	\$ 319	\$ 1,232
Other comprehensive income, net of tax:				
Pension and postretirement benefits other than pensions:				
Amortization of net loss included in net income	2	2	6	5
Other comprehensive income, net of tax	2	2	6	5
Comprehensive (loss) income	(240)	504	325	1,237
Less: Comprehensive income attributable to noncontrolling interests	46	31	106	91
Comprehensive (loss) income attributable to Edison International	\$ (286)	\$ 473	\$ 219	\$ 1,146

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

Consolidated Balance Sheets
Edison International

(in millions, unaudited)	September 30, 2020	December 31, 2019
ASSETS		
Cash and cash equivalents	\$ 92	\$ 68
Receivables, less allowances of \$142 and \$50 for uncollectible accounts at respective dates	1,399	788
Accrued unbilled revenue	708	488
Insurance receivable	843	—
Income tax receivables	72	118
Inventory	387	364
Prepaid expenses	338	214
Regulatory assets	1,530	1,009
Wildfire Insurance Fund contributions	323	323
Other current assets	163	188
Total current assets	5,855	3,560
Nuclear decommissioning trusts	4,650	4,562
Other investments	85	64
Total investments	4,735	4,626
Utility property, plant and equipment, less accumulated depreciation and amortization of \$10,561 and \$9,958 at respective dates	46,294	44,198
Nonutility property, plant and equipment, less accumulated depreciation of \$92 and \$86 at respective dates	176	87
Total property, plant and equipment	46,470	44,285
Regulatory assets	6,446	6,088
Wildfire Insurance Fund contributions	2,525	2,767
Operating lease right-of-use assets	1,112	693
Other long-term assets	1,413	2,363
Total long-term assets	11,496	11,911
Total assets	\$ 68,556	\$ 64,382

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

Consolidated Balance Sheets

Edison International

(in millions, except share amounts, unaudited)	September 30, 2020	December 31, 2019
LIABILITIES AND EQUITY		
Short-term debt	\$ 1,751	\$ 550
Current portion of long-term debt	1,029	479
Accounts payable	1,691	1,752
Customer deposits	259	302
Regulatory liabilities	801	972
Current portion of operating lease liabilities	210	80
Wildfire-related claims	1,192	—
Other current liabilities	1,683	1,388
Total current liabilities	8,616	5,523
Long-term debt	18,958	17,864
Deferred income taxes and credits	5,161	5,078
Pensions and benefits	641	674
Asset retirement obligations	2,988	3,029
Regulatory liabilities	8,089	8,385
Operating lease liabilities	902	613
Wildfire-related claims	4,643	4,568
Other deferred credits and other long-term liabilities	2,909	3,152
Total deferred credits and other liabilities	25,333	25,499
Total liabilities	52,907	48,886
Commitments and contingencies (Note 12)		
Common stock, no par value (800,000,000 shares authorized; 378,512,829 and 361,985,133 shares issued and outstanding at respective dates)	5,930	4,990
Accumulated other comprehensive loss	(63)	(69)
Retained earnings	7,881	8,382
Total Edison International's common shareholders' equity	13,748	13,303
Noncontrolling interests – preferred and preference stock of SCE	1,901	2,193
Total equity	15,649	15,496
Total liabilities and equity	\$ 68,556	\$ 64,382

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

Consolidated Statements of Cash Flows
Edison International

(in millions, unaudited)	Nine months ended September 30,	
	2020	2019
Cash flows from operating activities:		
Net income	\$ 319	\$ 1,232
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	1,512	1,316
Allowance for equity during construction	(87)	(75)
Impairment and other	(46)	166
Deferred income taxes	(344)	(221)
Wildfire Insurance Fund amortization expense	252	67
Other	31	21
Nuclear decommissioning trusts	(123)	(114)
Contributions to Wildfire Insurance Fund	—	(2,363)
Changes in operating assets and liabilities:		
Receivables	(556)	(383)
Inventory	(24)	(68)
Accounts payable	7	284
Tax receivables and payables	197	163
Other current assets and liabilities	(311)	(340)
Regulatory assets and liabilities, net	(1,074)	(470)
Wildfire-related insurance receivable	73	—
Wildfire-related claims	1,267	—
Other noncurrent assets and liabilities	(22)	(32)
Net cash provided by (used in) operating activities	1,071	(817)
Cash flows from financing activities:		
Long-term debt issued, plus premium and net of discount and issuance costs of \$26 and \$2 for the respective periods	2,726	2,902
Long-term debt repaid or repurchased	(1,098)	(81)
Term loan and revolving credit facility borrowing	1,929	1,750
Term loan repaid	(800)	(750)
Common stock issued	896	2,165
Preferred and preference stock redeemed	(308)	—
Short-term debt financing, net	73	(722)
Payments for stock-based compensation	(3)	(64)
Receipts from stock option exercises	14	51
Dividends and distribution to noncontrolling interests	(97)	(96)
Dividends paid	(691)	(594)
Other	6	(3)
Net cash provided by financing activities	2,647	4,558
Cash flows from investing activities:		
Capital expenditures	(3,897)	(3,497)
Proceeds from sale of nuclear decommissioning trust investments	4,754	3,354
Purchases of nuclear decommissioning trust investments	(4,631)	(3,240)
Proceeds from sale of San Onofre nuclear fuel	86	4
Other	(6)	34
Net cash used in investing activities	(3,694)	(3,345)
Net increase in cash, cash equivalents and restricted cash	24	396
Cash, cash equivalents and restricted cash at beginning of period	70	152
Cash, cash equivalents and restricted cash at end of period	\$ 94	\$ 548

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

Consolidated Statements of Income
Southern California Edison Company

(in millions, unaudited)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Operating revenue	\$ 4,635	\$ 3,732	\$ 10,395	\$ 9,348
Purchased power and fuel	1,817	1,708	3,813	3,848
Operation and maintenance	1,226	752	2,820	2,192
Wildfire-related claims, net of insurance recoveries	1,297	—	1,303	—
Wildfire Insurance Fund expense	85	67	252	67
Depreciation and amortization	489	459	1,461	1,259
Property and other taxes	113	98	326	300
Impairment and other	(28)	—	(80)	166
Other operating income	—	(1)	—	(4)
Total operating expenses	4,999	3,083	9,895	7,828
Operating (loss) income	(364)	649	500	1,520
Interest expense	(188)	(183)	(575)	(549)
Other income	83	58	217	152
(Loss) income before taxes	(469)	524	142	1,123
Income tax benefit	(251)	(10)	(300)	(183)
Net (loss) income	(218)	534	442	1,306
Less: Preferred and preference stock dividend requirements	46	31	106	91
Net (loss) income available for common stock	\$ (264)	\$ 503	\$ 336	\$ 1,215

Consolidated Statements of Comprehensive Income
Southern California Edison Company

(in millions, unaudited)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Net (loss) income	\$ (218)	\$ 534	\$ 442	\$ 1,306
Other comprehensive income, net of tax:				
Pension and postretirement benefits other than pensions:				
Amortization of net loss included in net income	1	1	4	3
Other comprehensive income, net of tax	1	1	4	3
Comprehensive (loss) income	\$ (217)	\$ 535	\$ 446	\$ 1,309

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

Consolidated Balance Sheets
Southern California Edison Company

(in millions, unaudited)	September 30, 2020	December 31, 2019
ASSETS		
Cash and cash equivalents	\$ 30	\$ 24
Receivables, less allowances of \$141 and \$49 for uncollectible accounts at respective dates	1,396	777
Accrued unbilled revenue	708	488
Insurance receivable	395	—
Insurance receivable from affiliate	448	—
Income tax receivables	90	148
Inventory	387	364
Prepaid expenses	338	213
Regulatory assets	1,530	1,009
Wildfire Insurance Fund contributions	323	323
Other current assets	153	184
Total current assets	5,798	3,530
Nuclear decommissioning trusts	4,650	4,562
Other investments	66	46
Total investments	4,716	4,608
Utility property, plant and equipment, less accumulated depreciation and amortization of \$10,561 and \$9,958 at respective dates	46,294	44,198
Nonutility property, plant and equipment, less accumulated depreciation of \$85 and \$80 at respective dates	170	83
Total property, plant and equipment	46,464	44,281
Regulatory assets	6,446	6,088
Wildfire Insurance Fund contributions	2,525	2,767
Operating lease right-of-use assets	1,109	689
Long-term insurance receivables due from affiliate	354	803
Other long-term assets	1,041	1,507
Total long-term assets	11,475	11,854
Total assets	\$ 68,453	\$ 64,273

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

Consolidated Balance Sheets

Southern California Edison Company

(in millions, except share amounts, unaudited)	September 30, 2020	December 31, 2019
LIABILITIES AND EQUITY		
Short-term debt	\$ 1,751	\$ 550
Current portion of long-term debt	1,029	79
Accounts payable	1,690	1,779
Customer deposits	259	302
Regulatory liabilities	801	972
Current portion of operating lease liabilities	210	79
Wildfire-related claims	1,192	—
Other current liabilities	1,373	1,298
Total current liabilities	8,305	5,059
Long-term debt	15,826	15,132
Deferred income taxes and credits	6,600	6,451
Pensions and benefits	215	237
Asset retirement obligations	2,988	3,029
Regulatory liabilities	8,089	8,385
Operating lease liabilities	899	610
Wildfire-related claims	4,643	4,568
Other deferred credits and other long-term liabilities	2,709	2,975
Total deferred credits and other liabilities	26,143	26,255
Total liabilities	50,274	46,446
Commitments and contingencies (Note 12)		
Preferred and preference stock	1,945	2,245
Common stock, no par value (560,000,000 shares authorized; 434,888,104 shares issued and outstanding at respective dates)	2,168	2,168
Additional paid-in capital	5,058	3,939
Accumulated other comprehensive loss	(35)	(39)
Retained earnings	9,043	9,514
Total equity	18,179	17,827
Total liabilities and equity	\$ 68,453	\$ 64,273

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

Consolidated Statements of Cash Flows
Southern California Edison Company

(in millions, unaudited)	Nine months ended September 30,	
	2020	2019
Cash flows from operating activities:		
Net income	\$ 442	\$ 1,306
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	1,506	1,312
Allowance for equity during construction	(87)	(75)
Impairment and other	(80)	166
Deferred income taxes	(285)	(207)
Wildfire Insurance Fund amortization expense	252	67
Other	19	14
Nuclear decommissioning trusts	(123)	(114)
Contributions to Wildfire Insurance Fund	—	(2,363)
Changes in operating assets and liabilities:		
Receivables	(564)	(392)
Inventory	(24)	(68)
Accounts payable	(19)	275
Tax receivables and payables	208	279
Other current assets and liabilities	(321)	(341)
Regulatory assets and liabilities, net	(1,074)	(470)
Wildfire-related insurance receivable	73	—
Wildfire-related claims	1,267	—
Other noncurrent assets and liabilities	(28)	(28)
Net cash provided by (used in) operating activities	1,162	(639)
Cash flows from financing activities:		
Long-term debt issued, plus premium and net of discount and issuance costs of \$30 and \$6 for the respective periods	2,330	2,306
Long-term debt repaid or repurchased	(698)	(81)
Term loan and revolving credit facility borrowing	1,129	750
Term loan repaid	—	(750)
Capital contributions from Edison International Parent	1,107	3,050
Preferred and preference stock redeemed	(308)	—
Short-term debt financing, net	73	(721)
Payments for stock-based compensation	(5)	(39)
Receipts from stock option exercises	—	22
Dividends paid	(1,104)	(496)
Other	6	(2)
Net cash provided by financing activities	2,530	4,039
Cash flows from investing activities:		
Capital expenditures	(3,894)	(3,495)
Proceeds from sale of nuclear decommissioning trust investments	4,754	3,354
Purchases of nuclear decommissioning trust investments	(4,631)	(3,240)
Proceeds from sale of San Onofre nuclear fuel	86	4
Other	(1)	41
Net cash used in investing activities	(3,686)	(3,336)
Net increase in cash, cash equivalents and restricted cash	6	64
Cash, cash equivalents and restricted cash at beginning of period	24	22
Cash, cash equivalents and restricted cash at end of period	\$ 30	\$ 86

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Summary of Significant Accounting Policies

Organization and Basis of Presentation

Edison International is the parent holding company of Southern California Edison Company ("SCE") and Edison Energy Group, Inc. ("Edison Energy Group"). SCE is an investor-owned public utility primarily engaged in the business of supplying and delivering electricity to customers in an approximately 50,000 square mile area of southern California. Edison Energy Group is a holding company for Edison Energy, LLC ("Edison Energy") which is engaged in the competitive business of providing energy services to commercial and industrial 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 and its wholly owned and controlled subsidiaries. All intercompany transactions have been eliminated from the consolidated financial statements.

Edison International's and SCE's significant accounting policies were described in the "Notes to Consolidated Financial Statements" included in Edison International's and SCE's combined Annual Report on Form 10-K for the year ended December 31, 2019 (the "2019 Form 10-K"). This quarterly report should be read in conjunction with the financial statements and notes included in the 2019 Form 10-K.

In the opinion of management, all adjustments, consisting only of adjustments of a normal recurring nature, have been made that are necessary to fairly state the consolidated financial position, results of operations, and cash flows in accordance with accounting principles generally accepted in the United States ("GAAP") for the periods covered by this quarterly report on Form 10-Q. The results of operations for the three-month and nine-month periods ended September 30, 2020 are not necessarily indicative of the operating results for the full year. Certain prior period amounts have been conformed to the current period's presentation.

The December 31, 2019 financial statement data was derived from audited financial statements but does not include all disclosures required by GAAP.

Cash, Cash Equivalents and Restricted Cash

Cash equivalents include 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:

(in millions)	Edison International	
	September 30, 2020	December 31, 2019
Money market funds	\$ 56	\$ 31

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 as follows:

(in millions)	Edison International		SCE	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Book balances reclassified to accounts payable	\$ 51	\$ 75	\$ 50	\$ 74

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

(in millions)	September 30, 2020		December 31, 2019	
Edison International:				
Cash and cash equivalents	\$	92	\$	68
Short-term restricted cash ¹		2		2
Total cash, cash equivalents, and restricted cash	\$	94	\$	70

¹ Reflected in "Other current assets" on Edison International's consolidated balance sheets.

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 September 30, 2020, this included the estimated impacts of the COVID-19 pandemic.

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

(in millions)	Three months ended September 30, 2020		Nine months ended September 30, 2020	
	Customers	All others	Customers	All others
Beginning balance	\$ 75	\$ 15	\$ 35	\$ 14
Plus: current period provision for uncollectible accounts				
Included in operation and maintenance expenses	11	4	39	11
Deferred to regulatory assets	43	—	64	—
Less: write-offs, net of recoveries	5	2	14	8
Ending balance	\$ 124	\$ 17	\$ 124	\$ 17

Revenue Recognition

Regulatory Proceedings

2018 General Rate Case

In May 2019, the CPUC approved a decision in SCE's 2018 GRC.

The revenue requirements in the 2018 GRC final decision were retroactive to January 1, 2018. SCE recorded the prior period impact of the 2018 GRC decision in the second quarter of 2019, including:

- An increase to earnings of \$131 million from the application of the decision to revenue, depreciation expense and income tax expense, of which \$65 million was attributable to 2018 and \$66 million was attributable to first quarter of 2019. Depreciation expense decreased as a result of lower authorized depreciation rates. An increase in the authorized revenue requirement for income tax expenses offsets income tax expenses recognized during 2018 and the first quarter of 2019. The reduction of revenue of \$265 million reflects \$289 million of lower authorized revenue related to 2018 and \$24 million of higher authorized revenue in 2019.
- An impairment of utility property, plant and equipment of \$170 million (\$123 million after-tax) related to disallowed historical capital expenditures, primarily the write-off of specific pole replacements the CPUC determined were performed prematurely.

2019 FERC Formula Rate

In September 2020, the FERC approved a settlement on SCE's formula rates for the 2019 Formula Rate case ("2019 Formula Rate Settlement"), which established SCE's FERC transmission revenue requirement for the settlement period. The settlement period is extended through December 31, 2021, at which time SCE is permitted to request a new formula rate. The settlement provides for a total ROE of 10.30% inclusive of CAISO and transmission incentive adders. The settlement also provides that SCE's capital structure for purposes of its formula rate will reflect the higher of SCE's actual equity ratio or 47.50%. The transmission revenue requirement and rates that have been billed to customers prior to the implementation of the 2019 Formula Rate Settlement utilized a base ROE of 11.97%. SCE expects to refund the excess amounts billed to customers through the operation of the Formula Rate in 2021 and 2022. SCE had been recognizing revenue based on the expected outcome of this settlement and the impact of recording the settlement was not material.

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 14 for further information.

EPS attributable to Edison International common shareholders was computed as follows:

(in millions, except per-share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Basic (loss) earnings per share:				
Net (loss) income attributable to common shareholders	\$ (288)	\$ 471	\$ 213	\$ 1,141
Net (loss) income available to common shareholders	\$ (288)	\$ 471	\$ 213	\$ 1,141
Weighted average common shares outstanding	378	347	371	333
Basic (loss) earnings per share	\$ (0.76)	\$ 1.36	\$ 0.57	\$ 3.43
Diluted (loss) earnings per share:				
Net (loss) income attributable to common shareholders	\$ (288)	\$ 471	\$ 213	\$ 1,141
Net (loss) income available to common shareholders	\$ (288)	\$ 471	\$ 213	\$ 1,141
Net (loss) income available to common shareholders and assumed conversions	\$ (288)	\$ 471	\$ 213	\$ 1,141
Weighted average common shares outstanding	378	347	371	333
Incremental shares from assumed conversions ¹	—	2	1	1
Adjusted weighted average shares – diluted	378	349	372	334
Diluted (loss) earnings per share	\$ (0.76)	\$ 1.35	\$ 0.57	\$ 3.42

¹ Due to the loss reported for the quarter ended September 30, 2020, incremental shares were not included as the effect would be antidilutive.

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 9,158,974 and 1,398,884 shares of common stock for the three months ended September 30, 2020 and 2019, respectively, and 9,079,789 and 5,997,917 shares for the nine months ended September 30, 2020 and 2019, respectively, were outstanding, but were not included in the computation of diluted earnings per share because the effect would have been antidilutive.

New Accounting Guidance

Accounting Guidance Adopted

In June 2016, the Financial Accounting Standards Board ("FASB") issued an accounting standards update to require the use of the current expected credit loss model to measure impairment of financial assets measured at amortized cost, including trade and other receivables, and the use of an allowance to record estimated credit losses on available-for-sale debt securities. Edison International and SCE adopted this guidance on January 1, 2020 using the prospective adoption approach to available-for-sale debt securities and the modified retrospective approach to all other financial assets. Edison International and SCE hold available-for-sale debt securities in nuclear decommissioning trusts and 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 impairments, increase or decrease the trust assets and the related regulatory asset or liability and have no impact on electric utility revenue or decommissioning expense. Upon adoption of this guidance, 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. See Note 10 for further information. The adoption of this guidance did not have a material impact on Edison International's and SCE's other financial assets including receivables.

In August 2018, the FASB issued an accounting standards update which aligns the requirement for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing costs incurred to develop or obtain internal use software. The guidance also clarified presentation requirements for reporting implementation costs in the financial statements. Edison International and SCE adopted the standard on January 1, 2020 using the prospective adoption approach. The adoption of this guidance did not have a material impact on Edison International's and SCE's financial position or result of operations.

In March 2020, the FASB issued an accounting standards update to provide optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions that reference London Inter-Bank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform. Edison International and SCE have adopted the standard as of April 1, 2020 prospectively. SCE generally does not use hedge accounting for derivative transactions. SCE has a term loan with a variable interest rate based on LIBOR. In addition, both Edison International and SCE have revolving credit facilities with a variable interest rate based on LIBOR. These agreements contain provisions that require an amendment if LIBOR can no longer be used. SCE also has certain preference stocks, for which the distributions will be payable at a floating rate referenced to LIBOR from 2022. As of September 30, 2020, both Edison International and SCE have not utilized any of the expedients and therefore there is no impact on adoption of the guidance, however, if contract amendments are made where LIBOR is no longer valid, both Edison International and SCE expect to utilize the expedients through the allowed period of December 31, 2022.

In August 2018, the FASB issued an accounting standards update to remove, modify and add certain disclosure requirements related to employer-sponsored defined benefit pension or other postretirement plans. The guidance removes disclosure requirements that are no longer considered cost beneficial, clarifies certain specific disclosure requirements and adds disclosure requirements identified as relevant. The modifications only affect annual period disclosures and must be applied on a retrospective basis to all periods presented. Edison International and SCE have adopted this guidance for the year ending December 31, 2020. The adoption of this guidance will not materially affect the annual disclosures related to employer-sponsored defined benefit pension or other postretirement plans.

Accounting Guidance Not Yet Adopted

In August 2020, the FASB issued an accounting standards update to simplify the accounting for certain financial instruments with characteristics of liabilities and equity. The amendments in this update affect entities that issue convertible instruments indexed to or potentially settled in an entity's own equity. This guidance also simplifies an entity's application of the derivatives scope exception for contracts in its own equity and amends certain aspects of the EPS guidance. The guidance is effective January 1, 2022 with early adoption permitted after January 1, 2021. Edison International and SCE are currently evaluating the impact of the guidance.

Note 2. Consolidated Statements of Changes in Equity

The following table provides Edison International's changes in equity for the nine months ended September 30, 2020:

(in millions, except per share amounts)	Equity Attributable to Common Shareholders				Noncontrolling Interests	
	Common Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Subtotal	Preferred and Preference Stock	Total Equity
Balance at December 31, 2019	\$ 4,990	\$ (69)	\$ 8,382	\$ 13,303	\$ 2,193	\$ 15,496
Net income	—	—	183	183	30	213
Other comprehensive income	—	2	—	2	—	2
Common stock issued, net of issuance cost	88	—	—	88	—	88
Common stock dividends declared (\$0.6375 per share)	—	—	(232)	(232)	—	(232)
Dividends to noncontrolling interests (\$0.255 - \$0.299 per share for preferred stock; \$15.625 - \$35.936 per share for preference stock)	—	—	—	—	(30)	(30)
Noncash stock-based compensation	7	—	—	7	—	7
Balance at March 31, 2020	\$ 5,085	\$ (67)	\$ 8,333	\$ 13,351	\$ 2,193	\$ 15,544
Net income	—	—	318	318	30	348
Other comprehensive income	—	2	—	2	—	2
Common stock issued, net of issuance cost	815	—	—	815	—	815
Common stock dividends declared (\$0.6375 per share)	—	—	(241)	(241)	—	(241)
Dividends to noncontrolling interests (\$0.255 - \$0.299 per share for preferred stock; \$15.625 - \$35.936 per share for preference stock)	—	—	—	—	(30)	(30)
Noncash stock-based compensation	8	—	—	8	—	8
Balance at June 30, 2020	\$ 5,908	\$ (65)	\$ 8,410	\$ 14,253	\$ 2,193	\$ 16,446
Net loss	—	—	(288)	(288)	46	(242)
Other comprehensive income	—	2	—	2	—	2
Common stock issued, net of issuance cost (Note 14)	15	—	—	15	—	15
Common stock dividends declared (\$0.6375 per share)	—	—	(241)	(241)	—	(241)
Dividends to noncontrolling interests (\$0.247 - \$0.289 per share for preferred stock; \$15.625 - \$35.936 per share for preference stock)	—	—	—	—	(31)	(31)
Noncash stock-based compensation and other	7	—	—	7	1	8
Redemption of preferred and preference stock	—	—	—	—	(308)	(308)
Balance at September 30, 2020	\$ 5,930	\$ (63)	\$ 7,881	\$ 13,748	\$ 1,901	\$ 15,649

The following table provides Edison International's changes in equity for the nine months ended September 30, 2019:

(in millions, except per share amounts)	Equity Attributable to Common Shareholders				Noncontrolling Interests	
	Common Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Subtotal	Preferred and Preference Stock	Total Equity
Balance at December 31, 2018	\$ 2,545	\$ (50)	\$ 7,964	\$ 10,459	\$ 2,193	\$ 12,652
Net income	—	—	278	278	30	308
Other comprehensive income	—	2	—	2	—	2
Cumulative effect of accounting changes ¹	—	(10)	10	—	—	—
Common stock dividends declared (\$0.6125 per share)	—	—	(200)	(200)	—	(200)
Dividends to noncontrolling interests (\$0.255 - \$0.299 per share for preferred stock; \$15.625 - \$35.936 per share for preference stock)	—	—	—	—	(30)	(30)
Stock-based compensation	—	—	(18)	(18)	—	(18)
Noncash stock-based compensation	5	—	—	5	—	5
Balance at March 31, 2019	\$ 2,550	\$ (58)	\$ 8,034	\$ 10,526	\$ 2,193	\$ 12,719
Net income	—	—	392	392	30	422
Other comprehensive income	—	1	—	1	—	1
Common stock dividends declared (\$0.6125 per share)	—	—	(200)	(200)	—	(200)
Dividends to noncontrolling interests (\$0.255 - \$0.299 per share for preferred stock; \$15.625 - \$35.936 per share for preference stock)	—	—	—	—	(30)	(30)
Stock-based compensation	—	—	(4)	(4)	—	(4)
Noncash stock-based compensation	5	—	—	5	—	5
Balance at June 30, 2019	\$ 2,555	\$ (57)	\$ 8,222	\$ 10,720	\$ 2,193	\$ 12,913
Net income	—	—	471	471	31	502
Other comprehensive income	—	2	—	2	—	2
Common stock issued, net of issuance cost	2,185	—	—	2,185	—	2,185
Common stock dividends declared (\$0.6125 per share)	—	—	(219)	(219)	—	(219)
Dividends to noncontrolling interests (\$0.255 - \$0.299 per share for preferred stock; \$15.625 - \$35.936 per share for preference stock)	—	—	—	—	(31)	(31)
Stock-based compensation	—	—	(5)	(5)	—	(5)
Noncash stock-based compensation	6	—	—	6	—	6
Balance at September 30, 2019	\$ 4,746	\$ (55)	\$ 8,469	\$ 13,160	\$ 2,193	\$ 15,353

¹ Edison International recognized a cumulative effect adjustment to the opening balance of retained earnings and accumulated other comprehensive loss on January 1, 2019 related to the adoption of the accounting standards update on the reclassification of stranded tax effects resulting from Tax Cuts and Jobs Act ("Tax Reform.")

The following table provides SCE's changes in equity for the nine months ended September 30, 2020:

(in millions, except per share amounts)	Preferred and Preference Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity
Balance at December 31, 2019	\$ 2,245	\$ 2,168	\$ 3,939	\$ (39)	\$ 9,514	\$ 17,827
Net income	—	—	—	—	249	249
Other comprehensive income	—	—	—	2	—	2
Capital contribution from Edison International Parent	—	—	269	—	—	269
Dividends declared on common stock (\$0.6185 per share)	—	—	—	—	(269)	(269)
Dividends declared on preferred stock (\$0.255 - \$0.299 per share) and preference stock (\$15.625 - \$35.936 per share)	—	—	—	—	(30)	(30)
Stock-based compensation	—	—	(5)	—	—	(5)
Noncash stock-based compensation	—	—	4	—	(1)	3
Balance at March 31, 2020	\$ 2,245	\$ 2,168	\$ 4,207	\$ (37)	\$ 9,463	\$ 18,046
Net income	—	—	—	—	411	411
Other comprehensive income	—	—	—	1	—	1
Capital contribution from Edison International Parent	—	—	619	—	—	619
Dividends declared on common stock (\$0.6185 per share)	—	—	—	—	(269)	(269)
Dividends declared on preferred stock (\$0.255 - \$0.299 per share) and preference stock (\$15.625 - \$35.936 per share)	—	—	—	—	(30)	(30)
Noncash stock-based compensation	—	—	3	—	—	3
Balance at June 30, 2020	\$ 2,245	\$ 2,168	\$ 4,829	\$ (36)	\$ 9,575	\$ 18,781
Net loss	—	—	—	—	(218)	(218)
Other comprehensive income	—	—	—	1	—	1
Capital contribution from Edison International Parent	—	—	219	—	—	219
Dividends declared on common stock (\$0.6185 per share)	—	—	—	—	(269)	(269)
Dividends declared on preferred stock (\$0.247 - \$0.289 per share) and preference stock (\$15.625 - \$35.936 per share)	—	—	—	—	(31)	(31)
Noncash stock-based compensation and other	—	—	3	—	1	4
Redemption of preferred and preference stock	\$ (300)	\$ —	\$ 7	\$ —	\$ (15)	(308)
Balance at September 30, 2020	\$ 1,945	\$ 2,168	\$ 5,058	\$ (35)	\$ 9,043	\$ 18,179

The following table provides SCE's changes in equity for the nine months ended September 30, 2019:

(in millions, except per share amounts)	Preferred and Preference Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity
Balance at December 31, 2018	\$ 2,245	\$ 2,168	\$ 680	\$ (23)	\$ 8,715	\$ 13,785
Net income	—	—	—	—	323	323
Other comprehensive income	—	—	—	1	—	1
Cumulative effect of accounting change ¹	—	—	—	(5)	5	—
Dividends declared on common stock (\$0.4599 per share)	—	—	—	—	(200)	(200)
Dividends declared on preferred stock (\$0.255 - \$0.299 per share) and preference stock (15.625 - \$35.936 per share)	—	—	—	—	(30)	(30)
Stock-based compensation	—	—	—	—	(12)	(12)
Noncash stock-based compensation	—	—	3	—	—	3
Balance at March 31, 2019	\$ 2,245	\$ 2,168	\$ 683	\$ (27)	\$ 8,801	\$ 13,870
Net income	—	—	—	—	449	449
Other comprehensive income	—	—	—	1	—	1
Capital contribution from Edison International Parent	—	—	1,200	—	—	1,200
Dividends declared on preferred and preference stock (\$0.255 - \$0.299 per share for preferred stock; \$15.625 - \$35.936 per share for preference stock)	—	—	—	—	(30)	(30)
Stock-based compensation	—	—	—	—	(1)	(1)
Noncash stock-based compensation	—	—	3	—	—	3
Balance at June 30, 2019	\$ 2,245	\$ 2,168	\$ 1,886	\$ (26)	\$ 9,219	\$ 15,492
Net income	—	—	—	—	534	534
Other comprehensive income	—	—	—	1	—	1
Capital contribution from Edison International Parent	—	—	1,850	—	—	1,850
Dividends declared on common stock (\$0.4599 per share)	—	—	—	—	(200)	(200)
Dividends declared on preferred and preference stock (\$0.255 - \$0.299 per share for preferred stock; \$15.625 - \$35.936 per share for preference stock)	—	—	—	—	(31)	(31)
Stock-based compensation	—	—	(2)	—	(2)	(4)
Noncash stock-based compensation	—	—	3	—	—	3
Balance at September 30, 2019	\$ 2,245	\$ 2,168	\$ 3,737	\$ (25)	\$ 9,520	\$ 17,645

¹ SCE recognized a cumulative effect adjustment to the opening balance of retained earnings and accumulated other comprehensive loss on January 1, 2019 related to the adoption of the accounting standards update on the reclassification of stranded tax effects resulting from Tax Reform.

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 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 not Consolidated

Power Purchase Agreements ("PPAs")

SCE has PPAs that are classified as variable interests in VIEs, including tolling agreements through which SCE provides the natural gas to fuel the plants, contracts with qualifying facilities ("QF") and combined heat and power facilities that contain variable pricing provisions based on the price of natural gas and fixed price contracts for renewable energy. 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.

As of the balance sheet date, the carrying amount of assets and liabilities in SCE's consolidated balance sheet that relate to involvement with VIEs 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 of the 2019 Form 10-K. As a result, there is no significant potential exposure to loss to SCE from its variable interest in these VIEs. The aggregate contracted capacity dedicated to SCE from these VIE projects was 5,356 megawatts ("MW") and 4,894 MW at September 30, 2020 and 2019, respectively, and the amounts that SCE paid to these projects were \$360 million and \$353 million for the three months ended September 30, 2020 and 2019, respectively, and \$661 million and \$628 million for the nine months ended September 30, 2020 and 2019, 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, and Trust VI were formed in 2013, 2014, 2015, 2016, and 2017, respectively, for the exclusive purpose of issuing the 5.10%, 5.75%, 5.375%, 5.45%, and 5.00% 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 and Trust VI issued trust securities to the public in the face amounts of \$400 million, \$275 million, \$325 million, \$300 million, and \$475 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, and Series L Preference Stock issued by SCE in the principal amounts of \$400 million, \$275 million, \$325 million, \$300 million, and \$475 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, and Series L 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, or Series L Preference Stock, a corresponding dollar amount of trust securities will be redeemed by the applicable trust. 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 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.

In September 2020, SCE Trust II redeemed \$180 million of its trust securities from the public. The Trust II balance sheets as of September 30, 2020 and December 31, 2019 consisted of investments of \$220 million and \$400 million in the Series G Preference Stock, respectively, \$220 million and \$400 million of trust securities, respectively, and \$10,000 each of common stock. The Trust III, Trust IV, Trust V and Trust VI balance sheets as of September 30, 2020 and December 31, 2019 consisted of investments of \$275 million, \$325 million, \$300 million, and \$475 million in the Series H, Series J, Series K and Series L Preference Stock, respectively, \$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)	Three months ended September 30,				
	Trust II	Trust III	Trust IV	Trust V	Trust VI
2020					
Dividend income	\$ 5	\$ 4	\$ 4	\$ 4	\$ 6
Dividend distributions	5	4	4	4	6
2019					
Dividend income	\$ 5	\$ 4	\$ 4	\$ 4	\$ 6
Dividend distributions	5	4	4	4	6

(in millions)	Nine months ended September 30,				
	Trust II	Trust III	Trust IV	Trust V	Trust VI
2020					
Dividend income	\$ 15	\$ 12	\$ 13	\$ 12	\$ 18
Dividend distributions	15	12	13	12	18
2019					
Dividend income	\$ 15	\$ 12	\$ 13	\$ 12	\$ 18
Dividend distributions	15	12	13	12	18

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 September 30, 2020 and December 31, 2019, 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 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 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 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 an income approach through various models and techniques that require significant unobservable inputs. This level includes derivative contracts that trade infrequently such as congestion revenue rights ("CRRs"). 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)	September 30, 2020					Total
	Level 1	Level 2	Level 3	Netting and Collateral ¹		
Assets at fair value						
Derivative contracts	\$ —	\$ 26	\$ 30	\$ (8)	\$ 48	
Money market funds and other	1	23	—	—	24	
Nuclear decommissioning trusts:						
Stocks ²	1,753	—	—	—	1,753	
Fixed Income ³	518	2,133	—	—	2,651	
Short-term investments, primarily cash equivalents	377	45	—	—	422	
Subtotal of nuclear decommissioning trusts ⁴	2,648	2,178	—	—	4,826	
Total assets	2,649	2,227	30	(8)	4,898	
Liabilities at fair value						
Derivative contracts	—	6	2	(8)	—	
Total liabilities	—	6	2	(8)	—	
Net assets	\$ 2,649	\$ 2,221	\$ 28	\$ —	\$ 4,898	

(in millions)	December 31, 2019					Total
	Level 1	Level 2	Level 3	Netting and Collateral ¹		
Assets at fair value						
Derivative contracts	\$ —	\$ 19	\$ 83	\$ (15)	\$ 87	
Money market funds and other	4	14	—	—	18	
Nuclear decommissioning trusts:						
Stocks ²	1,765	—	—	—	1,765	
Fixed Income ³	738	2,024	—	—	2,762	
Short-term investments, primarily cash equivalents	98	48	—	—	146	
Subtotal of nuclear decommissioning trusts ⁴	2,601	2,072	—	—	4,673	
Total assets	2,605	2,105	83	(15)	4,778	
Liabilities at fair value						
Derivative contracts	—	11	5	(15)	1	
Total liabilities	—	11	5	(15)	1	
Net assets	\$ 2,605	\$ 2,094	\$ 78	\$ —	\$ 4,777	

¹ Represents the netting of assets and liabilities under master netting agreements and cash collateral.

² Approximately 72% of SCE's equity investments were in companies located in the United States at September 30, 2020 and December 31, 2019.

³ Includes corporate bonds, which were diversified by the inclusion of collateralized mortgage obligations and other asset backed securities, of \$31 million and \$46 million at September 30, 2020 and December 31, 2019, respectively.

⁴ Excludes net payables of \$176 million and \$111 million at September 30, 2020 and December 31, 2019, respectively, which consist of payables and receivables related to SCE's pending securities purchases and sales as well as interest and dividend receivables.

Edison International Parent and Other

Edison International Parent and Other assets measured at fair value and classified as Level 1 consisted of money market funds of \$56 million and \$31 million at September 30, 2020 and December 31, 2019, respectively. Edison International Parent and Other assets measured at fair value and classified as Level 2 consisted of short-term investments of \$5 million at September 30, 2020. Edison International Parent and Other had no short-term investments as of December 31, 2019.

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)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Fair value of net assets at beginning of period	\$ 34	\$ 63	\$ 78	\$ 141
Total realized/unrealized losses ¹	(6)	—	(50)	(78)
Fair value of net assets at end of period ²	28	63	28	63
Change during the period in unrealized gains and losses related to assets and liabilities held at the end of the period	\$ 13	\$ 30	\$ 8	\$ 27

¹ Due to regulatory mechanisms, SCE's realized and unrealized gains and losses are recorded as regulatory assets and liabilities.

² There were no material transfers into or out of Level 3 during 2020 and 2019.

The following table sets forth SCE's valuation techniques and 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	Weighted Average
	Assets	Liabilities				
Congestion revenue rights						
September 30, 2020	\$ 30	\$ 2	Auction prices	CAISO CRR auction prices	\$(7.72) - \$9.91	\$1.72
December 31, 2019	83	5	Auction prices	CAISO CRR auction prices	(3.59) - 25.32	1.97

Level 3 Fair Value Uncertainty

For CRRs, increases or decreases in CAISO auction prices would result in higher or lower fair value as of September 30, 2020, 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.

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:

(in millions)	September 30, 2020		December 31, 2019	
	Carrying Value ¹	Fair Value ²	Carrying Value ¹	Fair Value ²
Edison International	\$ 19,987	\$ 22,313	\$ 18,343	\$ 20,137
SCE	16,855	18,995	15,211	16,892

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

During the first quarter of 2020, SCE issued \$100 million of 2.85% first and refunding mortgage bonds due in 2029, \$500 million of 3.65% first and refunding mortgage bonds due in 2050, \$400 million of 2.25% first and refunding mortgage bonds due in 2030 and \$700 million of 3.65% first and refunding mortgage bonds due in 2050. The proceeds were primarily used to repay SCE's commercial paper borrowings and for general corporate purposes, including the re-purchase of SCE tax exempt pollution control bonds.

During the second quarter of 2020, SCE issued \$600 million of 3.70% first and refunding mortgage bonds due in 2025. The proceeds were used to finance undercollections of revenues that SCE is authorized to recover from customers through regulatory balancing accounts. Additionally, SCE purchased \$373 million of its tax-exempt pollution control bonds that were subject to mandatory redemption. SCE is the holder of these bonds and plans to re-market them subject to market conditions.

In September 2020, SCE purchased \$244 million of its tax-exempt pollution control bonds that were subject to optional redemption. SCE is the holder of these bonds and plans to re-market them subject to market conditions.

During the second quarter of 2020, Edison International Parent issued \$400 million of 4.95% senior notes due 2025. The proceeds were used to repay all \$400 million of Edison International Parent's outstanding 2.125% Senior Notes due in 2020.

Credit Agreements and Short-Term Debt

In May 2020, SCE entered into a revolving credit facility in an amount not to exceed \$1.5 billion with a variable interest rate linked to changes in SCE's credit rating, which is currently LIBOR plus 150 basis points on drawn funds. The credit facility is available for borrowing needs until May 2021. As of September 30, 2020, there were no amounts drawn against the revolving credit facility. SCE's revolving credit facility is available for general corporate purposes, including to support liquidity needs that may arise as a result of undercollections due to the COVID-19 pandemic and related consumer protection measures.

In March 2020, SCE borrowed \$475 million under a term loan agreement due in March 2021, with a variable interest rate based on the LIBOR plus 60 basis points. The proceeds were used to repay commercial paper borrowings temporarily used to fund a portion of the approximately \$1.6 billion in wildfire risk mitigation capital expenditures that SCE will exclude from the equity portion of SCE's rate base as required under AB 1054 ("AB 1054 Excluded Capital Expenditures"). Additionally, in March 2020, SCE entered into a revolving credit facility in an amount not to exceed \$800 million with a variable interest rate linked to changes in SCE's credit rating, which is currently LIBOR plus 65 basis points on drawn funds. The credit facility is available for borrowing needs until March 2021, and may be extended for two, 364-day periods, at the lenders' discretion. The aggregate maximum principal amount under the revolving credit facility may be increased up to \$1.1 billion, provided that additional lender commitments are obtained. As of September 30, 2020, there was \$654 million drawn against the revolving credit facility. The proceeds were used to finance AB 1054 Excluded Capital Expenditures.

SCE and Edison International Parent have separate multi-year revolving credit facilities of \$3.0 billion and \$1.5 billion, respectively, both maturing in May 2024, with an option to extend for an additional year, which may be exercised upon agreement between SCE or Edison International Parent and their respective lenders. 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, respectively, provided that additional lender commitments are obtained. SCE's credit facility is generally used to support commercial paper borrowings and letters of credit issued for procurement-related collateral requirements, balancing account undercollections and for general corporate purposes, including working capital requirements to support operations and capital expenditures. Edison International Parent's credit facility is used to support commercial paper borrowings and for general corporate purposes. At September 30, 2020 and December 31, 2019, SCE had \$623 million and \$550 million outstanding commercial paper, net of discount, at a weighted-average interest rate of 0.25% and 2.24%, respectively. At September 30, 2020 and December 31, 2019, letters of credit issued under SCE's credit facility aggregated \$200 million and \$152 million, respectively, substantially all of which are scheduled to expire in 12 months or less. Edison International Parent had no outstanding commercial paper at both September 30, 2020 and December 31, 2019.

In March 2020, Edison International Parent borrowed \$800 million under a term loan agreement due in March 2021 with a variable interest rate based on LIBOR plus 1.125%. The proceeds were used for general corporate purposes. In May 2020, Edison International repaid the outstanding balance of the term loan using the proceeds from issuance of common stock in a registered direct offering. Refer to Note 14 for details of the common stock issuance.

Financing Subsequent to September 30, 2020

In October 2020, SCE issued \$350 million of 1.20% first and refunding mortgage bonds due in 2026. The proceeds were used to fund the payment of wildfire claims settlements exceeding insurance proceeds, including as a result of \$1.2 billion paid under a settlement agreement entered into in September 2020 among Edison International, SCE and all the insurance subrogation plaintiffs in the Thomas Fire, Koenigstein Fire and Montecito Mudslides litigation. See Note 12 for further discussion.

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 plant and peaker plants, QF

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 or selling excess power. In addition, SCE would be exposed to the risk of non-payment of accounts receivable, primarily related to the sales of excess power and realized gains on derivative instruments.

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 each of the major credit rating agencies, 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 and \$1 million as of September 30, 2020 and December 31, 2019, respectively, for which SCE posted no collateral to its counterparties for its derivative liabilities and related outstanding payables at both September 30, 2020 and December 31, 2019. If the credit-risk-related contingent features underlying these agreements were triggered on September 30, 2020, SCE would be required to post \$13 million of collateral, and all of the \$13 million is related to outstanding payables.

Fair Value of Derivative Instruments

SCE presents its derivative assets and liabilities 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)	September 30, 2020						Net Assets
	Derivative Assets			Derivative Liabilities			
	Short-Term ¹	Long-Term ²	Subtotal	Short-Term ³	Long-Term	Subtotal	
Commodity derivative contracts							
Gross amounts recognized	\$ 52	\$ 4	\$ 56	\$ 7	\$ 1	\$ 8	\$ 48
Gross amounts offset in the consolidated balance sheets	(7)	(1)	(8)	(7)	(1)	(8)	—
Cash collateral posted ⁴	—	—	—	—	—	—	—
Net amounts presented in the consolidated balance sheets	\$ 45	\$ 3	\$ 48	\$ —	\$ —	\$ —	\$ 48

December 31, 2019

(in millions)	Derivative Assets			Derivative Liabilities			Net Assets
	Short-Term ¹	Long-Term ²	Subtotal	Short-Term ³	Long-Term	Subtotal	
Commodity derivative contracts							
Gross amounts recognized	\$ 94	\$ 8	\$ 102	\$ 14	\$ 2	\$ 16	\$ 86
Gross amounts offset in the consolidated balance sheets	(13)	(2)	(15)	(13)	(2)	(15)	—
Cash collateral posted ⁴	—	—	—	—	—	—	—
Net amounts presented in the consolidated balance sheets	\$ 81	\$ 6	\$ 87	\$ 1	\$ —	\$ 1	\$ 86

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 September 30, 2020, SCE did not post any cash collateral. At December 31, 2019, SCE posted \$24 million of cash, which was not offset against net derivative liabilities and 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 and fuel 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 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 consolidated statements of cash flows.

The following table summarizes the components of SCE's economic hedging activity:

(in millions)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Realized gains (losses)	\$ 128	\$ (47)	\$ 68	\$ (17)
Unrealized gains (losses)	75	24	(39)	(104)

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	
		September 30, 2020	December 31, 2019
Electricity options, swaps and forwards	GWh	2,338	3,155
Natural gas options, swaps and forwards	Bcf	30	43
Congestion revenue rights	GWh	43,229	48,170

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 reasonableness review or compliance with upfront standards. 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) and certain operation and maintenance expenses. SCE earns no return on these activities.

The following table is a summary of SCE's revenue:

(in millions)	Three months ended September 30, 2020			Three months ended September 30, 2019		
	Earning Activities	Cost-Recovery Activities	Total Consolidated	Earning Activities	Cost-Recovery Activities	Total Consolidated
Revenues from contracts with customers ^{1,2}	\$ 1,893	\$ 2,327	\$ 4,220	\$ 1,862	\$ 2,022	\$ 3,884
Alternative revenue programs and other operating revenue ³	233	182	415	(30)	(122)	(152)
Total operating revenue	\$ 2,126	\$ 2,509	\$ 4,635	\$ 1,832	\$ 1,900	\$ 3,732

(in millions)	Nine months ended September 30, 2020			Nine months ended September 30, 2019		
	Earning Activities	Cost-Recovery Activities	Total Consolidated	Earning Activities	Cost-Recovery Activities	Total Consolidated
Revenues from contracts with customers ^{1,2}	\$ 5,175	\$ 4,265	\$ 9,440	\$ 4,896	\$ 3,746	\$ 8,642
Alternative revenue programs and other operating revenue ³	467	488	955	23	683	706
Total operating revenue	\$ 5,642	\$ 4,753	\$ 10,395	\$ 4,919	\$ 4,429	\$ 9,348

¹ In the absence of a 2018 GRC decision, SCE recognized CPUC revenue in the first quarter of 2019 based on the 2017 authorized revenue requirement adjusted mainly for the July 2017 cost of capital decision and Tax Reform. SCE recorded the impact of the 2018 GRC decision in the second quarter of 2019.

² At September 30, 2020 and December 31, 2019, SCE's receivables related to contracts from customers were \$1.9 billion and \$1.1 billion, respectively, which include accrued unbilled revenue of \$708 million and \$488 million, respectively.

³ Includes differences between amounts billed and authorized levels for both the CPUC and FERC.

Note 8. Income Taxes

Effective Tax Rate

The table below provides a reconciliation of income tax expense computed at the federal statutory income tax rate to the income tax provision:

(in millions)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Edison International:				
(Loss) income from operations before income taxes	\$ (517)	\$ 480	\$ (36)	\$ 1,020
Provision for income tax at federal statutory rate of 21%	(108)	101	(7)	214
Increase (decrease) in income tax from:				
State tax, net of federal benefit	(67)	5	(74)	—
Property-related	(81)	(124)	(228)	(267)
Change related to uncertain tax position ¹	—	—	(15)	—
Deferred tax re-measurement ²	—	—	—	(69)
2018 GRC Decision	—	—	—	(80)
Other	(19)	(4)	(31)	(10)
Total income tax benefit	\$ (275)	\$ (22)	\$ (355)	\$ (212)
Effective tax rate	(53.2)%	(4.6)%	(986.1)%	(20.8)%
SCE:				
(Loss) income from operations before income taxes	\$ (469)	\$ 524	\$ 142	\$ 1,123
Provision for income tax at federal statutory rate of 21%	(98)	110	30	236
Increase (decrease) in income tax from:				
State tax, net of federal benefit	(61)	8	(62)	6
Property-related	(81)	(124)	(228)	(267)
Change related to uncertain tax positions ¹	—	—	(18)	—
Deferred tax re-measurement ²	—	—	—	(69)
2018 GRC Decision	—	—	—	(80)
Other	(11)	(4)	(22)	(9)
Total income tax benefit	\$ (251)	\$ (10)	\$ (300)	\$ (183)
Effective tax rate	(53.5)%	(1.9)%	(211.3)%	(16.3)%

¹ Primarily relates to the re-measurement of uncertain tax positions related to the 2010 – 2012 California state tax filings currently under audit.

² Relates to changes in the allocation of deferred tax re-measurement between customers and shareholders as a result of a CPUC resolution issued in February 2019. The resolution determined that customers are only entitled to excess deferred taxes which were included when setting rates, while other deferred tax re-measurement belongs to the shareholders.

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.

Unrecognized Tax Benefits

The following table provides a reconciliation of unrecognized tax benefits:

(in millions)	Edison International		SCE	
	2020	2019	2020	2019
Balance at January 1,	\$ 370	\$ 338	\$ 282	\$ 249
Tax positions taken during the current year:				
Increases	38	32	39	32
Tax positions taken during a prior year:				
Increases ¹	273	—	4	—
Decreases	(18)	(11)	(21)	(11)
Balance at September 30,	\$ 663	\$ 359	\$ 304	\$ 270

¹ Edison International recorded favorable tax positions for the quarter ended September 30, 2020, in connection with the Edison Mission Energy ("EME") bankruptcy that required a revaluation of the reserve for uncertain tax positions.

As of September 30, 2020, if recognized, \$446 million of unrecognized tax benefits would impact Edison International's effective tax rate and \$87 million of the unrecognized tax benefits would impact SCE's effective tax rate.

Tax Disputes

Tax years that remain open for examination by the IRS and the California Franchise Tax Board are 2016 – 2019 and 2013 – 2019, respectively. Tax years 2007 – 2012 are currently subject to a settlement proceeding with the California Franchise Tax Board. Edison International does not expect to resolve these tax years within the next 12 months. Any impacts cannot be reasonably estimated until further progress is made.

Note 9. Compensation and Benefit Plans

Pension Plans

Net periodic pension expense components are:

(in millions)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Edison International:				
Service cost	\$ 31	\$ 31	\$ 93	\$ 95
Non-service cost (benefit)				
Interest cost	31	38	92	116
Expected return on plan assets	(55)	(52)	(163)	(156)
Amortization of prior service cost	—	—	1	1
Amortization of net loss ¹	3	2	9	6
Regulatory adjustment	2	(4)	6	(12)
Total non-service benefit ²	\$ (19)	\$ (16)	\$ (55)	\$ (45)
Total expense recognized	\$ 12	\$ 15	\$ 38	\$ 50
SCE:				
Service cost	\$ 31	\$ 31	\$ 91	\$ 93
Non-service cost (benefit)				
Interest cost	29	35	85	106
Expected return on plan assets	(51)	(48)	(153)	(146)
Amortization of prior service cost	—	—	1	1
Amortization of net loss ¹	2	1	6	4
Regulatory adjustment	2	(4)	6	(12)
Total non-service benefit ²	\$ (18)	\$ (16)	\$ (55)	\$ (47)
Total expense recognized	\$ 13	\$ 15	\$ 36	\$ 46

¹ Represents the amount of net loss reclassified from other comprehensive loss.

² Included in "Other income" on Edison International's and SCE's consolidated statement of income.

Postretirement Benefits Other Than Pensions ("PBOP")

Net periodic PBOP expense components for Edison International and SCE are:

(in millions)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Service cost	\$ 10	\$ 8	\$ 28	\$ 24
Non-service cost (benefit)				
Interest cost	17	21	51	63
Expected return on plan assets	(29)	(28)	(89)	(84)
Amortization of prior service cost	(1)	(1)	(1)	(1)
Amortization of net gain	(5)	—	(13)	(2)
Regulatory adjustment	8	5	24	17
Total non-service benefit ¹	\$ (10)	\$ (3)	\$ (28)	\$ (7)
Total expense	\$ —	\$ 5	\$ —	\$ 17

¹ Included in "Other income" on Edison International's and SCE's consolidated statement of income.

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 Dates	Amortized Cost		Fair Value	
		September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Stocks	—	N/A	N/A	\$ 1,753	\$ 1,765
Municipal bonds	2057	\$ 1,048	\$ 822	1,240	970
U.S. government and agency securities	2067	707	996	846	1,115
Corporate bonds	2070	479	597	565	679
Short-term investments and receivables/payables ¹	One-year	236	32	246	33
Total		\$ 2,470	\$ 2,447	\$ 4,650	\$ 4,562

¹ Short-term investments include \$122 million and \$41 million of repurchase agreements payable by financial institutions which earn interest, are fully secured by U.S. Treasury securities and mature by October 1, 2020 and January 2, 2020 as of September 30, 2020 and December 31, 2019, respectively.

Trust fund earnings (based on specific identification) increase the trust fund balance and the asset retirement obligation ("ARO") regulatory liability. Unrealized holding gains, net of losses, were \$1.9 billion and \$1.8 billion at September 30, 2020 and December 31, 2019, respectively.

Trust assets are used to pay income taxes arising from trust investing activity. Deferred tax liabilities related to net unrealized gains were \$495 million and \$449 million at September 30, 2020 and December 31, 2019, respectively. Accordingly, the fair value of trust assets available to pay future decommissioning costs, net of deferred income taxes, totaled \$4.2 billion and \$4.1 billion at September 30, 2020 and December 31, 2019, respectively.

The following table summarizes the gains and losses for the trust investments:

(in millions)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Gross realized gains	\$ 51	\$ 19	\$ 165	\$ 64
Gross realized loss	(2)	(1)	(5)	(1)
Net unrealized gains for equity securities	110	3	5	209

Due to regulatory mechanisms, changes in assets of the trusts from income or loss items have no impact on operating revenue or earnings.

Note 11. Regulatory Assets and Liabilities

Regulatory Assets

SCE's regulatory assets included on the consolidated balance sheets are:

(in millions)	September 30, 2020	December 31, 2019
Current:		
Regulatory balancing and memorandum accounts	\$ 1,315	\$ 798
Power contracts	194	189
Other	21	22
Total current	1,530	1,009
Long-term:		
Deferred income taxes, net of liabilities	4,349	4,026
Pensions and other postretirement benefits	81	87
Power contracts	271	434
Unamortized investments, net of accumulated amortization	115	119
Unamortized loss on reacquired debt	136	142
Regulatory balancing and memorandum accounts	1,133	981
Environmental remediation	248	237
Other	113	62
Total long-term	6,446	6,088
Total regulatory assets	\$ 7,976	\$ 7,097

Regulatory Liabilities

SCE's regulatory liabilities included on the consolidated balance sheets are:

(in millions)	September 30, 2020	December 31, 2019
Current:		
Regulatory balancing and memorandum accounts	\$ 744	\$ 883
Energy derivatives	45	80
Other	12	9
Total current	801	972
Long-term:		
Cost of removal	2,585	2,674
Re-measurement of deferred taxes	2,318	2,424
Recoveries in excess of ARO liabilities ¹	1,677	1,569
Regulatory balancing and memorandum accounts	1,047	1,261
Other postretirement benefits	427	416
Other	35	41
Total long-term	8,089	8,385
Total regulatory liabilities	\$ 8,890	\$ 9,357

¹ Represents the cumulative differences between ARO expenses and amounts collected in rates primarily for the decommissioning of 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.

Net Regulatory Balancing and Memorandum Accounts

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)	September 30, 2020	December 31, 2019
Asset (liability)		
Energy resource recovery account	\$ (264)	\$ (23)
Portfolio allocation balancing account	684	537
New system generation balancing account	25	85
Public purpose programs and energy efficiency programs	(1,221)	(1,244)
Base revenue requirement balancing account	420	(328)
Greenhouse gas auction revenue and low carbon fuel standard revenue	(104)	(196)
FERC balancing accounts	(33)	(127)
Wildfire-related memorandum and balancing accounts ¹	1,061	868
COVID-19-related memorandum accounts ²	107	—
Other	(18)	63
Asset (liability)	\$ 657	\$ (365)

¹ The wildfire-related memorandum accounts 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") is used to track costs related to fire safety and to implement fire prevention corrective action measures in extreme and very high fire threat areas. A Catastrophic Event Memorandum Account ("CEMA") is used to track costs related to restoring service and damage repair, upon declaration of disasters by state or federal authorities. The Wildfire Expense Memorandum Account ("WEMA") is used to track incremental wildfire insurance costs and uninsured wildfire-related financing, legal and claims costs. During 2019, the CPUC approved a Wildfire Mitigation Plan memorandum account to track costs incurred to implement SCE's Wildfire Mitigation Plan that are not currently reflected in SCE's revenue requirements, a Grid Safety and Resiliency Program Memorandum Account ("GSRPMA") to track the costs of SCE's GS&RP that are incremental to costs approved for recovery in SCE's 2018 GRC and a fire risk mitigation memorandum account to track costs related to the reduction of fire risk that are incremental to costs approved for recovery in SCE's 2018 GRC that are not tracked in any other wildfire-related memorandum account.

² In July 2020, the CPUC approved establishment of the COVID-19 Pandemic Protection Memorandum Account ("CPPMA"), to track incremental consumer protection costs for residential and small commercial customers. A CEMA is used to track other incremental COVID-19 costs, including costs of sequestering employees at essential work locations. Both memorandum accounts were effective beginning March 2020.

Note 12. Commitments and Contingencies

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, and 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.

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 these other proceedings will not, individually or in the aggregate, materially affect its financial position, results of operations and cash flows.

Southern California Wildfires and Mudslides

Multiple factors have contributed to increased wildfire activity, and faster progression of and increased damage from wildfires across SCE's service territory and throughout California in 2020 and the past several years. 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 2020 and SCE's service territory remains susceptible to additional wildfire activity during the remainder of 2020 and beyond. The worsening conditions across California increase the likelihood of significant damage from wildfires, including those where SCE's equipment may be alleged to be associated with the fire's ignition. In response to worsening weather and fuel conditions and increased wildfire activity over the past several years, SCE has developed and is implementing its 2020-2022 Wildfire Mitigation Plan ("WMP") to reduce the risk of SCE equipment contributing to the ignition of wildfires.

Over the past several years, wildfires have impacted portions of SCE's service territory, with wildfires in December 2017 and November 2018 causing 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 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"). While SCE continues to review the progression of these two fires, 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, 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. Two additional fatalities have been associated with the Woolsey Fire. The Thomas Fire, the Koenigstein Fire, the Montecito Mudslides 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").

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 mudslides and flooding in Montecito and surrounding areas in January 2018 (the "Montecito Mudslides") based on a theory alleging that SCE has responsibility for the Thomas and/or Koenigstein Fires and 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. Based on information available to SCE and consideration of the risks associated with litigation, Edison International and SCE expect to incur a material loss in connection with the remaining alleged and potential claims related to the 2017/2018 Wildfire/Mudslide Events. The 2017/2018 Wildfire/Mudslide Events are discussed further below.

Wildfires have continued to impact portions of SCE's service territory in 2019 and 2020 (the fires that have originated in Southern California are referred to collectively as the "2019/2020 Fires"). Edison International and SCE expect that any losses incurred in connection with the 2019/2020 Fires will be covered by insurance, subject to self-insured retentions and co-insurance, and expect that any such losses after insurance recoveries will not be material.

One of the 2019/2020 Fires, 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 injuries to 8 individuals and one fatality. Based on currently available information and without considering insurance recoveries, it is reasonably possible that SCE will incur a material liability in connection with the Saddle Ridge Fire, but the range of possible losses that could be incurred cannot be estimated at this time. SCE has not recorded a charge for potential liabilities relating to the Saddle Ridge Fire because, based on currently available information, it has not determined that a loss is probable.

The "Bobcat Fire" was reported in the vicinity of Cogswell Dam in Los Angeles County, California on September 6, 2020. Although containment and damage assessments continue, the United States Forest Service ("USFS") has reported as of October 19, 2020, that the Bobcat Fire had burned approximately 116,000 acres in Los Angeles County, destroyed an estimated 87 homes, 1 commercial property and 83 minor structures, damaged an estimated 28 homes and 19 minor

structures, and resulted in injuries to 6 firefighters. In addition, the USFS has estimated suppression costs at \$80 million. A camera in the vicinity of Cogswell Dam captured the initial stages of a fire with the first observed smoke approximately six minutes before an SCE circuit in the area experienced an anomaly (a relay). An investigation into the cause of the Bobcat Fire is being led by the USFS, and the USFS has taken a specific section of 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 tree branches in the area into possession. The SED is conducting an investigation of the Bobcat Fire. Given the preliminary stage of SCE's own review of the Bobcat Fire, SCE is unable at this time to determine if it will incur a material liability as a result of the fire. Edison International and SCE expect that any liabilities incurred in connection with the Bobcat Fire will be covered by insurance, subject to self-insured retentions and co-insurance, and expect that any such losses after insurance recoveries will not be material.

2017/2018 Wildfire/Mudslide Events

The extent of 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 for alleged violations of CPUC rules and state laws in connection with the ignition of a wildfire.

Final determinations of liability for wildfire events, including determinations of whether SCE was negligent, would only be made during lengthy and complex litigation processes. Even when investigations are still pending or 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, including the 2017/2018 Wildfire/Mudslide Events, may change.

At June 30, 2020, Edison International and SCE were unable to determine a best estimate of expected losses within a reasonably estimated range and therefore Edison International's and SCE's balance sheets included estimated losses, established at the lower end of the reasonably estimated range of expected losses, of \$4.5 billion for the 2017/2018 Wildfire/Mudslide Events. In light of recent developments, including the 2020 Subrogation Settlement (defined and described below) and increased settlement activity with individual plaintiffs in the 2017/2018 Wildfire/Mudslide Events litigation, management established a best estimate of expected potential losses for alleged and potential claims related to the 2017/2018 Wildfire/Mudslide Events litigation in the third quarter of 2020. As a result, Edison International and SCE recorded a charge of \$1.3 billion as of September 30, 2020 related to the 2017/2018 Wildfire/Mudslide Events, against which SCE recorded expected recoveries through FERC electric rates of \$84 million. The resulting net charge to earnings was \$1.2 billion (\$874 million after-tax).

As of September 30, 2020, Edison International and SCE had estimated liabilities of \$5.8 billion reflected on their consolidated balance sheets related to the 2017/2018 Wildfire/Mudslide Events, consisting of \$1.2 billion of fixed payments to be made under executed settlements and \$4.6 billion in estimated losses for remaining alleged and potential claims. As of the same date, Edison International and SCE also had assets for remaining expected recoveries from insurance of \$1.6 billion, consisting of \$0.8 billion reflected as a short-term asset and \$0.8 billion reflected in other long-term assets, and through FERC electric rates of \$125 million on their consolidated balance sheets related to the 2017/2018 Wildfire/Mudslide Events. The estimated losses for the 2017/2018 Wildfire/Mudslide Events do not include an estimate of any potential fines or penalties that could be levied against SCE in connection with the 2017/2018 Wildfire/Mudslide Events. Edison International and SCE are currently unable to reasonably estimate the magnitude of any such fines or penalties, or the associated timing if they were to be imposed. 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 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, whether inverse condemnation will be held applicable to SCE with respect to damages caused by the Montecito Mudslides, the preliminary nature of the litigation processes, the uncertainty in estimating damages that may be alleged, and the uncertainty as to how these factors impact future settlements.

Edison International and SCE will seek to offset any actual losses realized in connection with the 2017/2018 Wildfire/Mudslide Events in excess of available insurance through electric rates. 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. 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 received the Redacted Woolsey Report subject to a protective order in the litigation related to the Woolsey fire and, other than the information disclosed in this Form 10-Q, is not authorized to release the report or its contents to the public at this time. Based on information received at hearings in the Woolsey Fire litigation, SCE anticipates that the VCFD will release its final report regarding the Woolsey Fire in the fourth quarter of 2020. 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") is also conducting investigations to assess SCE's compliance with applicable rules and regulations in areas impacted by the Thomas, Koenigstein and Woolsey Fires and the CPUC may initiate proceedings to investigate these matters after the SED's investigations are completed. Edison International and SCE understand that the California Attorney General's Office has completed its investigation of the Thomas Fire without pursuing criminal charges. Edison International and SCE are aware of an ongoing investigation by the California Attorney General's Office of the Woolsey Fire for the purpose of determining whether any criminal violations have occurred. SCE could be subject to material fines, penalties, or restitution if it is determined that it failed to comply with applicable laws and regulations. SCE is not aware of any basis for felony liability with regards to the Thomas Fire, the Koenigstein Fire or the Woolsey Fire.

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 its equipment caused 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, SCE believes that the Thomas Fire started at 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 progression of the Thomas Fire and the extent of damages that may be attributable to that 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. As previously disclosed, SCE believes that its equipment was associated with the ignition of the Koenigstein Fire. SCE is continuing to assess the progression of the Koenigstein Fire and the extent of damages that may be attributable to that 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 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. The lawsuits, which have been filed in the superior courts of Ventura, Santa Barbara and Los Angeles Counties in the case of the Thomas and Koenigstein Fires and the Montecito Mudslides, and in Ventura and Los Angeles Counties in the case of the Woolsey Fire, allege, among other things, negligence, inverse condemnation, trespass, private nuisance, personal injury, wrongful death, and violations of the California Public Utilities and Health and Safety Codes. Because potential plaintiffs can still timely file claims related to the 2017/2018 Wildfire/Mudslide Events, SCE expects to be the subject of additional lawsuits related to the 2017/2018 Wildfire/Mudslide Events. The litigation could take a number of years to be resolved because of the complexity of the matters and number of plaintiffs.

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. On October 4, 2018, the 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 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).

Additionally, in September 2018, a derivative lawsuit for breach of fiduciary duties and unjust enrichment was filed in the Los Angeles Superior Court against certain current and former members of the Boards of Directors of Edison International and SCE. Edison International and SCE are identified as nominal defendants in the action. The derivative lawsuit generally alleges that the individual defendants violated their fiduciary duties by causing or allowing SCE to operate in an unsafe manner in violation of relevant regulations, resulting in substantial liability and damage from the Thomas and Koenigstein Fires and the Montecito Mudslides. The lawsuit is currently stayed.

In November 2018, a purported class action lawsuit alleging securities fraud and related claims was filed in federal court against Edison International, SCE and certain current and former officers of Edison International and SCE. The plaintiff alleges that Edison International and SCE made false and/or misleading statements in filings with the Securities and Exchange Commission by failing to disclose that SCE had allegedly failed to maintain its electric transmission and distribution networks in compliance with safety regulations, and that those alleged safety violations led to fires that occurred in 2017 and 2018, including the Thomas Fire and the Woolsey Fire.

In January 2019, two separate derivative lawsuits alleging breach of fiduciary duties, securities fraud, misleading proxy statements, unjust enrichment, and related claims were filed in federal court against certain current and former members of the Boards of Directors and certain current and former officers of Edison International and SCE. Edison International and SCE are named as nominal defendants in those actions. The derivative lawsuits generally allege that the individual defendants breached their fiduciary duties and made misleading statements or allowed misleading statements to be made (i) between March 21, 2014 and August 10, 2015, with respect to certain *ex parte* communications between SCE and CPUC decision-makers concerning the settlement of the San Onofre Order Instituting Investigation proceeding (the "San Onofre OII") and (ii) from February 23, 2016 to the present, concerning compliance with applicable laws and regulations concerning electric system maintenance and operations related to wildfire risks. The lawsuits generally allege that these breaches of duty and misstatements led to substantial liability and damage resulting from the disclosure of SCE's *ex parte* communications in connection with the San Onofre OII settlement, and from the 2017/2018 Wildfire/Mudslide Events. The lawsuits are currently stayed.

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, SCE entered into an agreement (the "September 2020 Subrogation Settlement") with all the insurance subrogation plaintiffs in the Thomas Fire, Koenigstein Fire and Montecito Mudslides litigation (the "Settling Subrogation Plaintiffs") to resolve those parties' collective claims arising from the Thomas Fire, Koenigstein Fire or Montecito Mudslides. Under the terms of the September 2020 Subrogation Settlement, SCE paid the Settling 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 Settling Subrogation Plaintiffs to their policy holders before July 15, 2023, up to an agreed upon cap (the "Future Settlement Payments"). In the second and third quarters of 2020, SCE entered into settlements with several hundred of the several thousand individual plaintiffs in the 2017/2018 Wildfire/Mudslide Events litigation under which it agreed to pay an aggregate of approximately \$73 million to those individual plaintiffs. 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.

Loss Estimates for Third Party Claims and Potential Recoveries from Insurance and through Electric Rates

At September 30, 2020 and December 31, 2019, Edison International's and SCE's balance sheets include accrued estimated losses of \$4.6 billion and \$4.5 billion for the 2017/2018 Wildfire/Mudslide Events, respectively. The following table presents changes in the estimated losses since December 31, 2019, and estimated total liabilities for the 2017/2018 Wildfire/Mudslide Events as of September 30, 2020:

(in millions)

Loss estimate balance at December 31, 2019	\$	4,541
Increase in accrued estimated losses to reflect best estimate ¹		1,297
Amounts paid		(37)
Fixed payments to be made under executed settlement agreements		(1,192)
Loss estimate balance at September 30, 2020 ²		4,609
Fixed payments to be made under executed settlement agreements ³		1,192
Estimated total liabilities at September 30, 2020	\$	5,801

¹ Includes an estimate of the Future Settlement Payments.

² Reflects Edison International and SCE's best estimate of expected losses for remaining alleged and potential claims related to the 2017/2018 Wildfire/Mudslide Events at September 30, 2020. Does not include an estimate of any potential fines or penalties that could be levied against SCE in connection with the 2017/2018 Wildfire/Mudslide Events.

³ Included in current "Wildfire-related claims" on Edison International's and SCE's consolidated balance sheets.

For the three and nine months ended September 30, 2020 and 2019, Edison International's and SCE's income statements include charges for the estimated losses, net of expected recoveries from insurance and FERC customers, related to the 2017/2018 Wildfire/Mudslide Events as follows:

(in millions)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Charge for wildfire-related claims	\$ 1,297	\$ —	\$ 1,297	\$ —
Expected insurance recoveries	—	—	—	—
Expected revenue from FERC customers	(84)	—	(84)	—
Total pre-tax charge	1,213	—	1,213	—
Income tax benefit	(339)	—	(339)	—
Total after-tax charge	\$ 874	\$ —	\$ 874	\$ —

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. Edison International and SCE record a receivable for insurance recoveries when recovery of a recorded loss is determined to be probable. The following table presents changes in expected insurance recoveries associated with the estimated losses for the 2017/2018 Wildfire/Mudslide Events since December 31, 2019:

(in millions)	
Balance at December 31, 2019	\$ 1,710
Insurance recoveries	(73)
Balance at September 30, 2020	\$ 1,637

At September 30, 2020, SCE had remaining expected recoveries from insurance for the Thomas Fire, Koenigstein Fire and Montecito Mudslides of approximately \$843 million, recorded as current "Insurance receivable" and "Insurance receivable from affiliate" on the consolidated balance sheets of SCE and as current "Insurance receivable" on the consolidated balance sheets of Edison International. SCE expects that this insurance will be exhausted after expected recoveries for the September 2020 Subrogation Settlement and prior settlements entered into through September 30, 2020. As of September 30, 2020, SCE had approximately \$794 million remaining in expected recoveries from insurance for the Woolsey Fire litigation, included in "Long-term insurance receivables due from affiliate" and "Other long-term assets" on the consolidated balance sheets of SCE and "Other long-term assets" on the consolidated balance sheets of Edison International.

In total, SCE has accrued estimated losses of \$6.2 billion, has paid or agreed to pay \$1.6 billion in settlements and has recovered \$363 million from its insurance carriers through September 30, 2020 in relation to the 2017/2018 Wildfire/Mudslide Events.

SCE will seek to recover uninsured costs resulting from the 2017/2018 Wildfire/Mudslide Events through electric rates. Recovery of these costs 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 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 costs while the CPUC rejected recovery of all CPUC-jurisdictional wildfire-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 future 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. SCE will seek recovery of the CPUC portion of any

uninsured wildfire-related costs through its WEMA or its CEMA. In July 2019, SCE filed a CEMA application with the CPUC to seek recovery of, among other things, approximately \$6 million in costs incurred to restore service to customers and to repair, replace and restore buildings and SCE's facilities damaged or destroyed as a result of the Thomas and Koenigstein Fires. SCE continues to incur costs for reconstructing its system and restoring service to structures that were damaged or destroyed by these two fires and plans to file additional applications with the CPUC to recover such costs. See "Recovery of Wildfire-Related Costs" below.

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 recorded total regulatory assets of \$233 million within the FERC balancing account. This was the FERC portion of the estimated losses accrued. As of September 30, 2020, collections have reduced the amount remaining in the FERC balancing account to \$125 million.

Current Wildfire Insurance Coverage

SCE had approximately \$1.2 billion of wildfire-specific insurance coverage for events that occurred during the period June 1, 2019 through June 30, 2020, subject to up to \$115 million of co-insurance and \$50 million of self-insured retention, which resulted in net coverage of approximately \$1.0 billion. SCE has approximately \$1.0 billion of wildfire-specific insurance coverage for events that may occur during the period July 1, 2020 through June 30, 2021, subject to up to \$80 million of co-insurance and \$50 million of self-insured retention, which results in net coverage of approximately \$870 million. Various coverage limitations within the policies that make up SCE's wildfire insurance coverage could result in additional material self-insured costs, for instance in the event of multiple wildfire occurrences during a policy period or with a single wildfire with damages in excess of the policy limits. SCE believes that its insurance coverage for the July 1, 2020 through June 30, 2021 period meets its obligation to maintain reasonable insurance coverage under AB 1054.

Based on policies currently in effect, SCE anticipates that its wildfire insurance expense in 2020, prior to any regulatory deferrals, will total approximately \$450 million. Wildfire insurance expense in 2019, prior to any regulatory deferrals, was approximately \$400 million. Calendar year insurance expense reflects the portion of premiums attributable to policy coverage in that calendar year.

SCE tracks incremental insurance premium, self-insured retention and co-insurance costs related to wildfire liability insurance policies as well as other wildfire-related costs, including claims and legal costs, in its WEMA. In July 2019, SCE filed a WEMA application with the CPUC to seek recovery of \$478 million in wildfire insurance premium costs that have been incurred or will be incurred before July 1, 2020, in excess of premiums approved in the 2018 GRC and the corresponding financing costs. In September 2020, the CPUC approved SCE's WEMA application and authorized SCE to collect a total revenue requirement of \$505 million over a two-year period. SCE included the authorized revenue requirement in rates in October 2020.

SCE's cost of obtaining wildfire insurance coverage has increased significantly in recent years as a result of, among other things, the number of recent and significant wildfire events throughout California and the application of inverse condemnation to investor-owned utilities. As such, 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, for future policy periods.

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.

Edison International and SCE continue to pursue regulatory and legal strategies, and anticipate pursuing legislative strategies in the longer term, to address the application of a strict liability standard to wildfire-related property damages without the guaranteed ability to recover resulting costs in electric rates.

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. A lawsuit challenging the validity of AB 1054 was filed in federal court on July 19, 2019. Edison International and SCE are unable to predict the outcome of this lawsuit.

Wildfire Insurance Fund

AB 1054 provided for the Wildfire Insurance Fund to reimburse a utility for payment of third-party damage 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.

SCE and SDG&E collectively made their initial contributions totaling approximately \$2.7 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 to the Wildfire Insurance Fund through annual contributions to the fund over a 10-year period, of which they have made their initial annual contributions totaling approximately \$300 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 made an initial contribution of approximately \$2.4 billion to the Wildfire Insurance Fund in September 2019 and has committed to make ten annual contributions of approximately \$95 million per year to the fund, by no later than January 1 of each year. SCE amortizes its contributions to the Wildfire Insurance Fund over 10 years and continues to evaluate the fund's expected life based on actual fire experience. SCE made its first annual contribution to the Wildfire Insurance Fund in December 2019. Edison International supported SCE's initial contribution to the Wildfire Insurance Fund by raising \$1.2 billion from the issuance of Edison International equity. SCE raised the remaining \$1.2 billion from the issuance of long-term debt. 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 recovery for any borrowing costs incurred in connection with its contributions to the Wildfire Insurance Fund.

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, in some instances, to the AB 1054 Liability Cap (as defined below). 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 ("AB 1054 Liability Cap"). Based on SCE's 2020 rate base 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 2020 would be capped at approximately \$3.0 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.

AB 1054 Prudence Standard

As a result of the establishment of the Wildfire Insurance Fund, AB 1054 created a new standard that the CPUC must apply when assessing the prudence 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 provides 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 reasonable. 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 prudence standard will survive the termination of the Wildfire Insurance Fund.

Utilities participating in the Wildfire Insurance Fund are not required to reimburse the fund for amounts withdrawn from the fund that the CPUC finds were prudently incurred and can recover such prudently incurred wildfire costs through electric rates if the fund has been exhausted.

Safety Certification and Wildfire Mitigation Plan

Under AB 1054, SCE can obtain an annual safety certification upon the submission of certain required safety information, including an approved wildfire mitigation plan ("WMP"). On September 17, 2020, SCE obtained a safety certification that will be valid for 12 months. Notwithstanding its 12-month term, if SCE requests a new safety certification prior to the expiration of its current safety certification, then its current safety certification will remain valid until the CPUC's Wildfire Safety Division ("WSD") acts on SCE's request for a new safety certification.

Under AB 1054, SCE is required to submit a WMP to the CPUC at least once every three years for review and approval. Beginning in 2020, each such plan is required to cover at least a three-year period. SCE filed its 2020 – 2022 WMP in February 2020. In June 2020 the CPUC ratified the WSD's conditional approval of SCE's 2020 – 2022 WMP. The approval is conditioned on SCE providing requested information to the WSD, including additional descriptions of how SCE is implementing, and will implement, certain requirements imposed by the WSD. The WSD issued a draft resolution in October 2020 that, if adopted, will require SCE to update its 2020-2022 WMP by February 5, 2021.

Capital Expenditure Requirement

Under AB 1054, approximately \$1.6 billion of spending by SCE on wildfire risk mitigation capital expenditures made after August 1, 2019 cannot be included in the equity portion of SCE's rate base ("AB 1054 Excluded Capital Expenditures"). SCE can apply for irrevocable orders from the CPUC to finance these AB 1054 Excluded Capital Expenditures, including through the issuance of securitized bonds, and can recover any prudently incurred financing costs. In July 2020, SCE applied for an irrevocable order from the CPUC to finance \$337 million, comprised of AB 1054 Excluded Capital Expenditures incurred in connection with GS&RP and prudently incurred financing costs, through the issuance of securitized bonds. The CPUC issued a proposed decision approving SCE's application in October 2020 and is expected to issue the irrevocable financing order in November 2020. As of September 30, 2020, SCE has spent \$1.1 billion on AB 1054 Excluded Capital Expenditures. SCE expects to seek additional irrevocable orders from the CPUC to finance the remaining AB 1054 Excluded Capital Expenditures.

Environmental Remediation

SCE records its environmental remediation and restoration 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 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 September 30, 2020, SCE's recorded estimated minimum liability to remediate its 25 identified material sites (sites with a liability balance at September 30, 2020, in which the upper end of the range of the costs is at least \$1 million) was \$256 million, including \$174 million related to San Onofre. In addition to these sites, SCE also has 14 immaterial sites with a liability balance as of September 30, 2020, for which the total minimum recorded liability was \$3 million. Of the

\$259 million total environmental remediation liability for SCE, \$248 million has been recorded as a regulatory asset. SCE expects to recover \$40 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) and \$208 million through a mechanism that allows SCE to recover 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 \$123 million and \$8 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 30 years. Remediation costs for each of the next five years are expected to range from \$9 million to \$19 million. Costs incurred for the nine months ended September 30, 2020 and 2019 were \$5 million and \$4 million, respectively.

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

SCE is a member of Nuclear Electric Insurance Limited ("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, respectively. 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 per year.

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 \$13.8 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 through a Facility Form issued by American Nuclear Insurers. 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 per nuclear incident for future incidents. However, it would have to pay no more than approximately \$10 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 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.

Spent Nuclear Fuel

Under federal law, the 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. Currently, both San Onofre and Palo Verde have interim storage for spent nuclear fuel on site sufficient for their current license period.

In June 2010, the United States Court of Federal Claims issued a decision granting SCE and the San Onofre co-owners damages of approximately \$142 million (SCE's share \$112 million) to recover costs incurred through December 31, 2005 for the DOE's failure to meet its obligation to begin accepting spent nuclear fuel from San Onofre. SCE received payment from the federal government in the amount of the damage award. In April 2016, SCE, as operating agent, settled a lawsuit on behalf of the San Onofre owners against the DOE for \$162 million (SCE's share \$124 million, which included reimbursement for approximately \$2 million in legal and other costs), to compensate for damages caused by the DOE's failure to meet its obligation to begin accepting spent nuclear fuel for the period from January 1, 2006 to December 31, 2013. In August 2018, the CPUC approved SCE's proposal to return the SCE share of the award to customers based on the amount that customers

actually contributed for fuel storage costs; resulting in approximately \$106 million of the SCE share being returned to customers and the remaining \$17 million being returned to shareholders. Of the \$106 million, \$72 million was applied against the remaining San Onofre Regulatory Asset in accordance with the Revised San Onofre Settlement Agreement.

The April 2016 settlement also provided for a claim submission/audit process for expenses incurred from 2014 – 2016, where SCE may submit a claim for damages caused by the DOE failure to accept spent nuclear fuel each year, followed by a government audit and payment of the claim. This process made additional legal action to recover damages incurred in 2014 –2016 unnecessary. The first such claim covering damages for 2014 – 2015 was filed on September 30, 2016 for approximately \$56 million. In February 2017, the DOE reviewed the 2014 – 2015 claim submission and reduced the original request to approximately \$43 million (SCE's share was approximately \$34 million). SCE accepted the DOE's determination, and the government paid the 2014 – 2015 claim under the terms of the settlement. In October 2017, SCE filed a claim covering damages for 2016 for approximately \$58 million. In May 2018, the DOE approved reimbursement of approximately \$45 million (SCE's share was approximately \$35 million) of SCE's 2016 damages, disallowing recovery of approximately \$13 million. SCE accepted the DOE's determination, and the government paid the 2016 claim under the terms of the settlement. The damages awards are subject to CPUC review as to how the amounts will be refunded among customers, shareholders, or to offset other costs.

In November 2019, SCE filed a new complaint against the DOE to recover damages incurred from January 1, 2017 through July 31, 2018.

Tehachapi Transmission Project

The Tehachapi Transmission Project consists of new and upgraded electric transmission lines and substations between eastern Kern County and San Bernardino County and was undertaken to bring renewable resources in Kern County to energy consumers in the Los Angeles basin and the California energy grid. The project consists of eleven segments. Segments 1-3 were placed in service beginning in 2009 through 2013. Segments 4-11 were placed in service in December 2016.

In December 2019, the CPUC filed a protest alleging that \$419 million of costs associated with the Tehachapi Transmission Project are imprudent and should be disallowed from SCE's FERC rate base because these costs exceeded the maximum reasonable cost identified by the CPUC when it granted the project's certificate of public convenience and necessity. As part of the 2019 Formula Rate Settlement, the CPUC withdrew its protest effective as of July 27, 2020. Refer to Note 1 for further details related to 2019 FERC Formula Rate.

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 contracts included in the table below are primarily 3 to 20 years for PPA leases, 5 to 72 years for office leases, and 5 to 12 years for the remaining other operating leases.

The following table summarizes SCE's lease payments for operating and finance leases as of September 30, 2020:

(in millions)	PPA Operating Leases ¹	Other Operating Leases ^{2,3}	PPA Finance Leases ¹
2020	\$ 37	\$ 10	\$ —
2021	205	36	1
2022	208	30	1
2023	159	24	2
2024	47	19	2
Thereafter	489	114	8
Total lease payments	1,145	233	14
Amount representing interest ³	209	60	5
Lease liabilities	\$ 936	\$ 173	\$ 9

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.

³ Lease payments are discounted to their present value using SCE's incremental borrowing rates.

Supplemental balance sheet information related to SCE's leases was as follows:

(in millions)	September 30, 2020		December 31, 2019	
Operating leases:				
Operating lease right-of-use ("ROU") assets ¹	\$	1,109	\$	689
Current portion of operating lease liabilities		210		79
Operating lease liabilities		899		610
Total operating lease liabilities¹	\$	1,109	\$	689
Finance leases included in:				
Utility property, plant and equipment, gross	\$	10	\$	14
Accumulated depreciation		(1)		(5)
Utility property, plant and equipment, net		9		9
Other current liabilities		1		1
Other long-term liabilities		8		8
Total finance lease liabilities	\$	9	\$	9

¹ During the third quarter of 2020, a PPA operating lease contract commenced and one PPA contract was amended that resulted in a total of \$463 million additions in ROU assets and lease liabilities.

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 and interest and amortization expense for finance leases. The following table summarizes the components of SCE's lease expense:

(in millions)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
PPA leases:				
Operating lease cost	35	38	74	98
Finance lease cost	1	1	2	1
Variable lease cost ¹	676	751	1,582	1,742
Total PPA lease cost	712	790	1,658	1,841
Other operating leases cost	11	12	35	35
Total lease cost	\$ 723	\$ 802	\$ 1,693	\$ 1,876

¹ Includes lease costs from renewable energy contracts where payments are based on contingent external factors such as wind, hydro and solar power generation.

Other information related to leases was as follows:

(in millions, except lease term and discount rate)	Nine month ended September 30, 2020	Nine month ended September 30, 2019
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases		
PPA leases	\$ 74	\$ 98
Other leases	33	34
ROU assets obtained in exchange for lease obligations:		
PPA operating leases	463	—
Other operating leases	42	23
Weighted average remaining lease term (in years):		
Operating leases		
PPA leases	9.83	16.03
Other leases	12.35	12.75
PPA Finance leases	10.90	11.71
Weighted average discount rate:		
Operating leases		
PPA leases	3.08 %	4.44 %
Other leases	3.74 %	3.89 %
PPA Finance leases	8.83 %	8.74 %

Leases as lessor

EME is a wholly-owned subsidiary of Edison International. EME emerged from bankruptcy in 2014 and retained a lease investment in a hydroelectric power plant in Vidalia, Louisiana. During 2020, the lessee exercised an option in the lease agreement to purchase the asset upon expiration of the lease term in November 2020. Edison International has no remaining investment balance as of September 30, 2020 related to the lease investment. Upon completion of the sale, Edison International expects to receive net proceeds of approximately \$131 million. The revenue recognized for the lease in 2020 is immaterial to Edison International's consolidated financial statements.

Note 14. Equity

In May 2020, Edison International issued 14,181,882 shares of common stock in a registered direct offering and received approximately \$800 million in proceeds, before deducting fees and offering expenses of \$14 million. The proceeds were used to pay off debt outstanding under a term loan agreement and for general corporate purposes. Refer to Note 5 for details of the term loan.

In May 2019, 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 \$1.5 billion. During the three months ended September 30, 2020, Edison International did not issue any shares through the ATM program. During the nine months ended September 30, 2020, Edison International issued 391,501 shares through the ATM program and received proceeds of \$27 million, net of fees and offering expenses of \$0.3 million. The proceeds from the sales were used for equity contributions to SCE and for general corporate and working capital purposes. As of September 30, 2020, shares of common stock having an aggregate offering price of \$1.3 billion remained available to be sold under the ATM program. 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 three and nine months ended September 30, 2020, 206,900 and 1,378,700 shares of common stock were purchased by employees through the 401(k) defined contribution savings plan for net cash receipts of \$11 million and \$83 million, 4,749 and 338,442 shares of common stock were issued as stock compensation awards for net

cash receipts of \$1 million and \$14 million and 77,250 and 206,269 shares of new common stock were issued in lieu of distributing \$4 million and \$13 million to shareholders opting to receive dividend payments in the form of additional common stock, respectively.

In the three and nine months ended September 30, 2020, SCE received a total of \$219 million and \$1.1 billion in capital contributions, respectively, from Edison International Parent to support SCE's capital program, maintain the equity portion of SCE's capital structure at authorized levels and for general corporate purposes.

During third quarter of 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 also redeemed \$180 million of the outstanding shares of the Series G Preference Stock. SCE recorded a \$15 million loss on the redemption of the preferred and preference stock.

Note 15. Accumulated Other Comprehensive Loss

Edison International's accumulated other comprehensive loss, net of tax, consist of:

(in millions)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Beginning balance	\$ (65)	\$ (57)	\$ (69)	\$ (50)
Pension and PBOP – net loss:				
Reclassified from accumulated other comprehensive loss ¹	2	2	6	5
Other ²	—	—	—	(10)
Change	2	2	6	(5)
Ending Balance	\$ (63)	\$ (55)	\$ (63)	\$ (55)

¹ These items are included in the computation of net periodic pension and PBOP Plan expense. See Note 9 for additional information.

² Edison International recognized cumulative effect adjustments to the opening balance of retained earnings and accumulated other comprehensive loss on January 1, 2019 related to the adoption of the accounting standards update on the reclassification of stranded tax effects resulting from Tax Reform.

SCE's accumulated other comprehensive loss, net of tax, consist of:

(in millions)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Beginning balance	\$ (36)	\$ (26)	\$ (39)	\$ (23)
Pension and PBOP – net loss:				
Reclassified from accumulated other comprehensive loss ¹	1	1	4	3
Other ²	—	—	—	(5)
Change	1	1	4	(2)
Ending Balance	\$ (35)	\$ (25)	\$ (35)	\$ (25)

¹ These items are included in the computation of net periodic pension and PBOP Plan expense. See Note 9 for additional information.

² SCE recognized cumulative effect adjustments to the opening balance of retained earnings and accumulated other comprehensive loss on January 1, 2019 related to the adoption of the accounting standards update on the reclassification of stranded tax effects resulting from Tax Reform.

Note 16. Other Income

Other income net of expenses is as follows:

(in millions)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
SCE other income (expense):				
Equity allowance for funds used during construction	\$ 36	\$ 26	\$ 87	\$ 75
Increase in cash surrender value of life insurance policies and life insurance benefits	27	9	60	27
Interest income	2	13	18	29
Net periodic benefit income – non-service components	28	19	83	54
Civic, political and related activities and donations	(7)	(5)	(22)	(26)
Other	(3)	(4)	(9)	(7)
Total SCE other income	83	58	217	152
Other income (expense) of Edison International Parent and Other:				
Net periodic benefit costs – non-service components	—	—	(1)	(2)
Other	1	—	1	1
Total Edison International other income	\$ 84	\$ 58	\$ 217	\$ 151

Note 17. Supplemental Cash Flows Information

Supplemental cash flows information is:

(in millions)	Edison International		SCE	
	Nine months ended September 30,			
	2020	2019	2020	2019
Cash payments (receipts):				
Interest, net of amounts capitalized	\$ 689	\$ 582	\$ 607	\$ 518
Income taxes, net	(30)	(65)	(29)	(166)
Non-cash financing and investing activities:				
Dividends declared but not paid:				
Common stock	241	220	—	—

SCE's accrued capital expenditures at September 30, 2020 and 2019 were \$490 million and \$486 million, respectively. Accrued capital expenditures will be included as an investing activity in the consolidated statements of cash flow in the period paid.

Note 18. Related-Party Transactions

In the second quarter of 2020, SCE purchased wildfire liability insurance with premiums of \$176 million from Edison Insurance Services, Inc. ("EIS"), a wholly-owned subsidiary of Edison International. SCE purchased wildfire liability insurance with premiums of \$186 million and \$74 million in the first and second quarter of 2019, respectively. 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)	September 30, 2020	December 31, 2019
Current insurance receivable due from affiliate	\$ 448	\$ —
Long-term insurance receivable due from affiliate	354	803
Prepaid insurance ¹	85	10

¹ Reflected in "Prepaid expenses" on SCE's consolidated balance sheets.

The expense for wildfire-related insurance premiums paid to EIS was \$45 million and \$51 million for the three months ended September 30, 2020 and 2019, respectively, and \$145 million and \$123 million for the nine months ended September 30, 2020 and 2019, respectively.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The management of Edison International and SCE, under the supervision and with the participation of Edison International's and SCE's respective Chief Executive Officers and Chief Financial Officers, have evaluated the effectiveness of Edison International's and SCE's disclosure controls and procedures (as that term is defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended), respectively, as of the end of the third quarter of 2020. Based on that evaluation, Edison International's and SCE's respective Chief Executive Officers and Chief Financial Officers have each concluded that, as of the end of the period, Edison International's and SCE's disclosure controls and procedures, respectively, were effective.

Changes in Internal Control Over Financial Reporting

There were no changes in Edison International's or SCE's internal control over financial reporting, respectively, during the third quarter of 2020 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 as discussed in Notes to Consolidated Financial Statements—Note 2. Property, Plant and Equipment in the 2019 Form 10-K.

LEGAL PROCEEDINGS

Thomas Fire and Koenigstein Fire Litigation

In December 2017, wind-driven wildfires impacted portions of SCE's service territory, causing loss of life, substantial damage to both residential and business properties, and service outages for SCE customers. The VCFD and CAL FIRE have determined that the largest of the 2017 fires 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 the Koenigstein Fire. According to CAL FIRE, the Thomas and Koenigstein Fires burned over 280,000 acres, destroyed or damages an estimated 1,343 structures and resulted in two fatalities.

As of October 20, 2020, SCE was aware of at least 319 lawsuits, representing approximately 5,000 plaintiffs, related to the Thomas and Koenigstein Fires naming SCE as a defendant. One hundred and fifty-five of the 319 lawsuits also name Edison International as a defendant based on its ownership and alleged control of SCE. At least four of the lawsuits were filed as purported class actions. The lawsuits, which have been filed in the superior courts of Ventura, Santa Barbara and Los Angeles Counties allege, among other things, negligence, inverse condemnation, trespass, private nuisance, and violations of the public utilities and health and safety codes. The lawsuits have been coordinated in the Los Angeles Superior Court. Three categories of plaintiffs have filed lawsuits against SCE and Edison International relating to the Thomas Fire, Koenigstein Fire and Montecito Mudslides: individual plaintiffs, subrogation plaintiffs and public entity plaintiffs. An initial trial for a limited number of plaintiffs, sometimes referred to as a bellwether trial, on certain fire only matters is currently scheduled for February 16, 2021.

In November 2019, SCE and Edison International reached a settlement with certain local public entity plaintiffs in the Thomas Fire, Koenigstein Fire and Montecito Mudslides litigation under which SCE paid those local public entity plaintiffs parties an aggregate of \$150 million and, other than as set forth below, the plaintiffs released SCE and Edison International from all claims and potential claims in the Thomas Fire, Koenigstein Fire and Montecito Mudslides litigation and/or related to or arising from the Thomas Fire, Koenigstein Fire or Montecito Mudslides. Certain of the local public entity plaintiffs will retain the right to pursue certain indemnity claims against SCE and Edison International.

In September 2020, SCE reached the September 2020 Subrogation Settlement with the Settling Subrogation Plaintiffs to resolve those parties' collective claims arising from the Thomas Fire, Koenigstein Fire or Montecito Mudslides. Under the terms of the September 2020 Subrogation Settlement, SCE paid the Settling 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 Settling Subrogation Plaintiffs to their policy holders before July 15, 2023, up to an agreed upon cap.

In the second and third quarters of 2020, SCE entered into settlements with several hundred of the several thousand individual plaintiffs in the 2017/2018 Wildfire/Mudslide Events litigation under which it agreed to pay an aggregate of approximately \$73 million to those individual plaintiffs.

Edison International and SCE did not admit liability as part of any of the settlements described above.

For further information, see "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies—Contingencies—Southern California Wildfires and Mudslides."

Montecito Mudslides Litigation

In January 2018, torrential rains in Santa Barbara County produced mudslides and flooding in Montecito and surrounding areas. According to Santa Barbara County initial reports, the Montecito Mudslides destroyed an estimated 135 structures, damaged an estimated 324 structures, and resulted in at least 21 fatalities, with two additional fatalities presumed.

Seventy-two of the 319 lawsuits mentioned under "Thomas Fire and Koenigstein Fire Litigation" above allege that SCE has responsibility for the Thomas and/or Koenigstein Fires and that the Thomas and/or Koenigstein Fires proximately caused the Montecito Mudslides, resulting in the plaintiffs' claimed damages. Forty-two of the 72 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. The Thomas and Koenigstein Fires lawsuits and the Montecito Mudslides lawsuits have been coordinated in the Los Angeles Superior Court. Three categories of plaintiffs have filed lawsuits against SCE and Edison International relating to the Thomas Fire, Koenigstein Fire and Montecito Mudslides: individual plaintiffs, subrogation plaintiffs and public entity plaintiffs. An initial jury trial for a limited number of plaintiffs, sometimes referred to as a bellwether jury trial, previously scheduled for October 12, 2020 was vacated due to the wide-spread disruption being caused by the COVID-19 pandemic.

In November 2019, SCE and Edison International reached a settlement with certain local public entity plaintiffs in the Thomas Fire, Koenigstein Fire and Montecito Mudslides litigation under which SCE paid those local public entity plaintiffs parties an aggregate of \$150 million and, other than as set forth below, the plaintiffs released SCE and Edison International from all claims and potential claims in the Thomas Fire, Koenigstein Fire and Montecito Mudslides litigation and/or related to or arising from the Thomas Fire, Koenigstein Fire or Montecito Mudslides. SCE and Edison International did not release their cross-claims against the public entity plaintiffs in the Montecito Mudslides litigation, and certain of the public entity plaintiffs will retain the right to pursue certain indemnity claims against SCE and Edison International.

In September 2020, SCE reached the September 2020 Subrogation Settlement with the Settling Subrogation Plaintiffs to resolve those parties' collective claims arising from the Thomas Fire, Koenigstein Fire or Montecito Mudslides. Under the terms of the September 2020 Subrogation Settlement, SCE paid the Settling 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 Settling Subrogation Plaintiffs to their policy holders before July 15, 2023, up to an agreed upon cap.

In the second and third quarters of 2020, SCE entered into settlements with several hundred of the several thousand individual plaintiffs in the 2017/2018 Wildfire/Mudslide Events litigation under which it agreed to pay an aggregate of approximately \$73 million to those individual plaintiffs.

Edison International and SCE did not admit liability as part of any of the settlements described above.

For further information, see "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies—Contingencies—Southern California Wildfires and Mudslides."

Woolsey Fire Litigation

In November 2018, wind-driven wildfires impacted portions of SCE's service territory and caused substantial damage to both residential and business properties and service outages for SCE customers. The largest of these fires, known as the Woolsey Fire, originated in Ventura County and burned acreage located 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 fatalities. Two additional fatalities have also been associated with the Woolsey Fire.

As of October 20, 2020, SCE was aware of at least 261 lawsuits, representing approximately 4,908 plaintiffs, related to the Woolsey Fire naming SCE as a defendant. One hundred ninety-one of the 261 lawsuits also name Edison International as a defendant based on its ownership and alleged control of SCE. At least two of the lawsuits were filed as purported class actions. 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. The Woolsey Fire lawsuits have been coordinated in the Los Angeles Superior Court. Three categories of plaintiffs have filed lawsuits against SCE and Edison International relating to the Woolsey Fire: individual plaintiffs, subrogation plaintiffs and public entity plaintiffs. An initial jury trial for a limited number of plaintiffs, sometimes referred to as a bellwether jury trial, is currently scheduled for June 1, 2021.

In November 2019, SCE and Edison International reached a settlement with certain local public entity plaintiffs in the Woolsey Fire litigation under which SCE paid the local public entity plaintiffs an aggregate of \$210 million and those local public entity plaintiffs released SCE and Edison International from all claims and potential claims in the Woolsey Fire litigation and/or related to or arising from the Woolsey Fire.

In the second and third quarters of 2020, SCE entered into settlements with several hundred of the several thousand individual plaintiffs in the 2017/2018 Wildfire/Mudslide Events litigation under which it agreed to pay an aggregate of approximately \$73 million to those individual plaintiffs.

Edison International and SCE did not admit liability as part of any of the settlements described above.

For further information, see "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies—Contingencies—Southern California Wildfires and Mudslides."

Environmental Proceedings

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. Several state and federal environmental agencies and the County and City of Santa Barbara are investigating 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. The Santa Barbara County District Attorney is also conducting an investigation for the purpose of determining whether any criminal violations have occurred. It is presently unknown whether any of these agencies will impose fines or penalties on SCE and, if so, in what amounts. SCE does not expect any fines or penalties that are imposed to be material.

RISK FACTORS

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

Edison International and SCE could be materially and adversely impacted by events, such as the widespread outbreak of a communicable disease, that result in, among other things, significant disruption to economies, societies or workforces on a regional, statewide, national or global basis. The global spread of COVID-19, which was declared a pandemic by the World Health Organization in March 2020, has created significant uncertainty, volatility and disruption globally and has impacted the operations of Edison International and SCE. The total impacts of the COVID-19 pandemic on Edison International and SCE are still emerging, and the extent to which the pandemic affects Edison International's and SCE's business, operations, cash flows, liquidity and financial results will depend on numerous evolving factors that Edison International and SCE are unable to accurately predict at this time, including, without limitation: the duration and scope of the pandemic; governmental, business and individual actions that have been and continue to be taken in response to the pandemic; the impact of the pandemic on economic activity; and the impact of the pandemic on Edison International's and SCE's employees, customers, contractors, insurers and service providers.

Many of the risks and uncertainties identified in the 2019 Form 10-K are, and will be, exacerbated by the impacts of the COVID-19 pandemic and the actions being taken by governmental entities, businesses, individuals and others in response to the pandemic. Some examples follow. Similar to other companies in California, a large portion of Edison International's and SCE's workforce, including employees of their contractors, may be unable to perform their job functions effectively due to illness, family illness, quarantine requirements, social-distancing, telework requirements and other impacts of the COVID-19 pandemic. In addition, as a result of actions being taken in response to the pandemic, SCE's supply chains have faced constraints and SCE has faced challenges from local permitting authorities. If a significant portion of SCE's workforce cannot effectively perform their job functions, SCE is unable to procure required materials, SCE does not timely obtain any required permits and/or local authorities prohibit SCE from conducting previously permitted work, SCE will likely be unable to effectively and timely complete planned work and projects, including its WMP and capital projects. Further, SCE may be unable to effectively execute its Public Safety Power Shutoff program due to, among other things, requests from local and State authorities not to shut off the power during the pandemic, and thereby may increase the risk of SCE equipment being associated with the ignition of wildfires.

In addition, impacts of the COVID-19 pandemic 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. Edison International and SCE could also face payment delays and/or defaults from insurers and other counterparties. Furthermore, capital markets have been impacted by the pandemic and this has increased Edison International's and SCE's costs of accessing those markets. 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 the pandemic, 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 the pandemic, including costs being incurred to maintain its operations and assist its employees who are required to telework or are otherwise impacted by the pandemic. SCE could also face delays in important legal and 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.

UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of Equity Securities by Southern California Edison Company and Affiliated Purchasers

The following table contains information about all purchases of SCE's series of preferred stock made by or on behalf of SCE in the third quarter of 2020.

Period	Series	(a) Total Number of Shares (or Units Purchased)	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs ¹	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
July 1, 2020 to July 31, 2020		—	—	—	—
August 1, 2020 to August 31, 2020		—	—	—	—
September 1, 2020 to September 30, 2020	4.08% Preferred Stock	650,000	\$25.5765	650,000	—
	4.24% Preferred Stock	1,200,000	\$25.8795	1,200,000	—
	4.32% Preferred Stock	1,653,429	\$29.011	1,653,429	—
	4.78% Preferred Stock	1,296,769	\$25.889625	1,296,769	—
Total		4,800,198		4,800,198	—

¹ On September 28, 2020, SCE repurchased all of its outstanding series of preferred stock. The prices include the liquidation value and accrued dividends per share, respectively. The redemption of the preferred stock was announced by an SCE press release on August 28, 2020.

EXHIBITS

Exhibit Number	Description
10.1**	Edison International and Southern California Edison Company Director Compensation Schedule, as adopted on August 27, 2020
10.2**	Edison International 2008 Director Deferred Compensation Plan, as amended and restated effective January 1, 2021
10.3**	Edison International 2008 Executive Deferred Compensation Plan, as amended and restated effective January 1, 2021
10.4**	Edison International 2008 Executive Retirement Plan, as amended and restated effective January 1, 2021
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
101.1	Financial statements from the quarterly report on Form 10-Q of Edison International for the quarter ended September 30, 2020, filed on October 27, 2020, formatted in 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; and (v) the Notes to Consolidated Financial Statements
101.2	Financial statements from the quarterly report on Form 10-Q of Southern California Edison Company for the quarter ended September 30, 2020, filed on October 27, 2020, formatted in 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; and (v) the Notes to Consolidated Financial Statements
104	The cover page of this report formatted in Inline XBRL (included as Exhibit 101)

** Indicates a management contract or compensatory plan or arrangement, as required by Item 15(a)(3) of Form 10-K

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.

EDISON INTERNATIONAL AND SOUTHERN CALIFORNIA EDISON COMPANY
DIRECTOR COMPENSATION SCHEDULE

As Adopted August 27, 2020

Effective October 1, 2020, 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.

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 \$122,500 to be paid in advance in quarterly installments of \$30,625 for any calendar quarter or portion thereof during which the individual serves as a Director.

Board Committee Chair Retainer – Each Director who serves as the Chair of a Board Committee will receive an additional annual retainer of \$15,000, except the Director who serves as the Chair of the Audit and Finance Committee will receive an additional annual retainer of \$25,000 and the Director who serves as the Chair of the Compensation and Executive Personnel 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 \$75,000. 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, and (ii) reasonable program fees and expenses incurred by the Director to attend director education programs that are relevant to service on the Board.¹

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”). DSUs represent 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 \$152,500, except that Initial Election Awards will be subject to 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.

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 under current and prior compensation plans by the EIX Board, 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).

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 Common Stock and/or DSUs with an Award Amount of \$75,000 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 \$75,000 (in addition to the Annual Reelection Award Amount of \$152,500, for a total Award Amount of \$227,500), 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 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

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.

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.

EDISON INTERNATIONAL

2008 DIRECTOR DEFERRED COMPENSATION PLAN

Amended and Restated Effective January 1, 2021

PREAMBLE

The purpose of this Plan is to provide Eligible Directors of participating Affiliates with the opportunity to defer payment and taxation of some elements of their compensation.

This Plan applies to amounts arising from board compensation earned 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 directors in the Plan.

Beneficiary means the person or persons or entity designated as such in accordance with Article 6 of the Plan.

Board means the Board of Directors of EIX.

Code means the Internal Revenue Code of 1986, as amended.

Company means the Affiliate the Participant serves as a director.

Contingent Event means the Participant's Disability or death while serving on an Affiliate board 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 4.2.

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 3 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.

Deferred Stock Unit means a bookkeeping entry linked to shares of EIX Common Stock on a one-for-one basis. Deferred Stock Units may be credited to a Participant's Deferral Account as a result of an award under the Equity Compensation Plan, 2007 Performance Incentive Plan or any successor plan or Dividend Equivalents on such an award. Deferred Stock Units will be payable in shares of EIX Common Stock on a one-for-one basis, or to the extent determined by the Board in the terms applicable to a particular Deferred Stock Unit award, in cash equal to the value of such shares of EIX Common Stock.

Disability means the Participant 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.

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 Director means a non-employee director of an Affiliate who (i) is a U.S. director or an expatriate who is based and paid in the U.S., and (ii) is designated by the Company as eligible to participate in the Plan (subject to the restrictions in Section 7.2 of the Plan).

Participant means an Eligible Director who has completed a Deferral Election with respect to future payments (or who is subject to mandatory deferral of future payments) pursuant to Article 2 of the Plan, or a director or former director 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 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 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 the EIX 2008 Director 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 4.1.

Retainers and Fees means retainers and meeting fees which would be paid to a Participant as an Eligible Director for the Plan Year before reductions for deferrals under the Plan.

Retirement means a Separation from Service after attaining age 55 with at least 5 years of board service.

Separation from Service occurs when a Participant dies, retires, or otherwise has a termination of service from all Affiliate boards of directors that constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h), without regard to the optional alternative definitions available thereunder.

Similar Plan means a plan required to be aggregated with this Plan under Treasury Regulation Section 1.409A-1(c)(2)(i).

Termination of Service 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 board service 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 a distribution is scheduled or required to commence.

ARTICLE 2
DEFERRAL ELECTIONS¹

2.1 Elections

(a) **Retainers and Fees.** An Eligible Director may elect to defer Retainers and Fees by submitting a Deferral Election to the Administrator specifying the whole percentage of Retainers and Fees to be deferred prior to the beginning of the Plan Year during which the Eligible Director performs the services for which such Retainers and Fees are to be earned. Notwithstanding the foregoing, for an individual who first becomes an Eligible Director during a Plan Year, the Administrator may:

- (i) allow the individual to make an initial Deferral Election for deferral of Retainers and Fees under this Plan within thirty days after the date the individual becomes an Eligible Director, provided (1) that such Eligible Director has not previously become eligible to participate in this or any Similar Plan and (2) any such initial election will apply to Retainers and Fees earned for services performed after the election is submitted to the Administrator; or
- (ii) require the deferral of all Retainers and Fees payable to the Eligible Director for services performed during the Plan Year in which the Eligible Director is first elected to the Board, with any such mandatory deferral treated as the Eligible Director's Deferral Election and specified in writing to the individual before the individual first becomes an Eligible Director.

Once made, a Deferral Election (including any election regarding time and form of payment) will continue to apply for subsequent Deferral Periods ("Evergreen Retainer/Fee Election") unless (i) the Eligible Director submits a new Deferral Election during a subsequent enrollment period changing the deferral amount or revoking the existing election, or (ii) the Participant is not an Eligible Director on the last day of a subsequent enrollment period. 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 Deferral Election, there will be no Evergreen Retainer/Fee Elections for 2021 and subsequent Plan Years and any Evergreen Retainer/Fee Election in effect at the end of 2020 shall not apply as to any Retainers or Fees for 2021 or any subsequent Plan Year.

(b) **Deferred Stock Units.** An Eligible Director may elect to receive Deferred Stock Units under the 2007 Performance Incentive Plan or any successor plan, with such Deferred Stock Units credited to this Plan, rather than to receive shares of Common Stock that would otherwise be awarded to the Director for a Plan Year, by submitting a Deferral Election to the Administrator prior to the beginning of the Plan Year specifying the whole percentage of Common Stock to be deferred as Deferred Stock Units. If a fractional share would result from a deferral election of less than 100%, then the Common Stock portion will be rounded up to the next whole share and the Deferred Stock Unit portion will be rounded down to the next whole Deferred Stock Unit. Notwithstanding the foregoing, for an individual who first becomes an

¹For 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.

Eligible Director during a Plan Year, the Administrator may require the deferral of all equity payable to the individual for the Plan Year in which the Eligible Director is first elected to the Board, with any such mandatory deferral treated as the Eligible Director's Deferral Election and specified in writing to the individual before the individual first becomes an Eligible Director. Once made, a Deferral Election (including any election regarding time and form of payment) will continue to apply for subsequent Deferral Periods ("Evergreen DSU Election") unless (i) the Eligible Director submits a new Deferral Election during a subsequent enrollment period changing the deferral percentage or revoking the existing election or (ii) the Participant is not an Eligible Director on the last day of a subsequent enrollment period. 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 Deferral Election, there will be no Evergreen DSU Elections for 2021 and subsequent Plan Years and any Evergreen DSU Election in effect at the end of 2020 shall not apply as to any shares of Common Stock to be awarded to the Director for 2021 or any subsequent Plan Year.

2.2 Vesting

Amounts deferred under this Article 2 and any earnings thereon will be 100% vested at all times.

ARTICLE 3

DEFERRAL ACCOUNTS

3.1 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 convenient in the administration of the Plan. For Deferral Periods after 2020, the subaccounts shall be the Payment Accounts described in Section 4.1.1.

3.2 Timing of Credits

- (a) Retainer and Fee Deferrals. The Administrator will credit to the Participant's Deferral Account the Retainer and Fee Deferrals at the time such amounts would otherwise have been paid to the Participant but for the Deferral Election.
- (b) Deferred Stock Units. The Administrator will credit Deferred Stock Units to the Participant's Deferral Account as of the effective date of any award of Deferred Stock Units under the 2007 Performance Incentive Plan or any successor plan.
- (c) Earnings Crediting Dates.
 - (i) The Administrator will credit interest at the Crediting Rate to the Participant's Deferral Account on a daily basis, compounded annually.
 - (ii) The Administrator will credit a Dividend Equivalent for each Deferred Stock Unit credited to the Participant's Deferral Account on the EIX common stock ex-dividend date each quarter. Dividend Equivalents so credited will be converted into additional Deferred Stock Units based on the closing price of EIX Common Stock on that date as reported by Bloomberg Professional Service. Fractional Dividend Equivalents and Deferred Stock Units will be credited.

3.3 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 4

PAYMENT ELECTIONS

4.1 Primary Payment Election for Deferral Periods Prior to 2021 (except as otherwise provided)

(a) As part of a Deferral Election for Deferral Periods prior to 2021, 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; or
- (ii) A single lump sum; or
- (iii) Two to fifteen installments paid annually; or
- (iv) Any combination of the preceding three choices.

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 4.5, lump sum payments or initial installment payments will be made within 60 days 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.

If a Deferral Account or subaccount for Retainer and Fee Deferrals is 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 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).

4.1.1 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) January 1 of the year 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 4.1.1(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 4.1(b) also apply to this Section 4.1.1.

(c) If no Payment Election has been made by a Participant with respect to a Deferral Period (including, without limitation and unless otherwise provided by the Administrator before the individual first becomes an Eligible Director, as to any mandatory deferrals for the Plan Year in which the Eligible Director is first elected to the Board), the Participant's Payment Election for that Deferral Period shall be deemed to be a Payment Start Date of January 1 of the year following the Participant's Payment Event and a Form of Payment of a single lump sum, and such deemed Payment Election shall constitute one of the Participant's Payment Accounts.

(d) 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 Payment Start Date Choices and Form of Payment Choices available for the Payment Election and prescribing different payment rules for death.

4.2 Contingent Payment Election for Deferral Periods Prior to 2021 (except as otherwise provided)

As part of a Deferral Election for Deferral Periods prior to 2021, a Participant may make a Contingent Payment Election for each of the Contingent Events of (1) the Participant's death during service on an Affiliate board, (2) the Participant's Disability during service on an Affiliate board and (3) Termination of Service, 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 4.1) or the first day of a specified month and year elected by the Participant pursuant to Section 4.1. The choices available for the Contingent Payment Election are those specified in Section 4.1 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 4.1) or the first day of a specified month and year elected by the Participant pursuant to Section 4.1, 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 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.

4.3 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 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 2020, 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.

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 any provision of this Plan to the contrary, if a Participant is reasonably determined to be a "specified employee" as defined in Code Section 409A and 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.

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 the payment of benefits 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 Code Section 409A 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

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 4, subject to the payment provisions (if applicable) of Section 4.1.1.

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. 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 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 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 Distribution

A Participant 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 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 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.

7.3 No Right to Assets

The benefits paid under the Plan will be paid from the general funds of the Company, and the Participant and any Beneficiary will be no more than unsecured general creditors of the Company with no special or prior right to any assets of the Company for payment of any obligations hereunder. Neither the Participant nor the Beneficiary will have a claim to benefits from any other Affiliate. Amounts of compensation deferred by Participants pursuant to this Plan accrue as liabilities of the participating Affiliate at the time of the deferral 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 participating Affiliate is responsible for payment of the accrued benefits under the Plan with respect to its own Eligible Directors subject to the terms and conditions set forth herein.

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 Company 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 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.

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 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.

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 Amendment of Plan

Subject to the terms of Section 9.3, 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.

9.2 Termination of Plan

Subject to the terms of Section 9.3, 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.

9.3 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 of EIX (as defined in the EIX 2008 Executive Severance Plan) 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.

9.4 Exercise of Power to Amend or Terminate

EIX's power to amend or terminate the Plan will be exercisable by the Board.

ARTICLE 10

CLAIMS AND REVIEW PROCEDURES

10.1 Claims Procedure

(a) 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.

10.2 Dispute Arbitration

(a) Effective as to any claims filed on or after June 19, 2014, final and binding arbitration under this Section 10.2 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 10.2. 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 10.2.

Any arbitration under this Section 10.2 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 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 (as defined in the EIX 2008 Executive Severance Plan) 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 10.2, 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.

ARTICLE 11

MISCELLANEOUS

11.1 Successors

The rights and obligations of EIX and the Companies under the Plan will inure to the benefit of, and will be binding upon, the successors and assigns of EIX and the Companies, respectively.

11.2 Trust

The Companies will be responsible for the payment of all benefits under the Plan. At their discretion, the Companies 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 a Company's share of the assets thereof will be subject to the claims of the Company's creditors. Benefits paid to the Participant from any such trust will be considered paid by the Company for purposes of meeting the obligations of the Company under the Plan.

11.3 Service Not Guaranteed

Nothing contained in the Plan nor any action taken hereunder will be construed as a contract of service or as giving any Participant any right to continue in service as a director of EIX or any other Affiliate.

11.4 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.

11.5 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.

11.6 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.

11.7 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.

11.8 Applicable Law

The Plan will be governed and construed in accordance with the laws of California.

11.9 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.

11.10 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 amended and restated this Plan on the 23rd day of October, 2020.

EDISON INTERNATIONAL

/s/ Jacqueline Trapp
Jacqueline Trapp
Senior Vice President, Human Resources

EDISON INTERNATIONAL

2008 EXECUTIVE DEFERRED COMPENSATION PLAN

Amended and Restated Effective
January 1, 2021 (except as otherwise provided)

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, provided such award constitutes "performance-based compensation" within the meaning of Treasury Regulation Section 1.409A-1(e).

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.

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 the 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.

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 when a 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.

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 (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

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.

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 prior to the date that is six months before the end of the performance period and in no event later than the date the Bonus has become readily ascertainable. Notwithstanding the foregoing, either generally or as to a particular Bonus, the Administrator may, but need not, require that Bonus Deferral Elections be submitted to the Administrator prior to the beginning of the Plan Year during which the Eligible Employee performs the services for which such 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 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, 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 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 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,” 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.

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 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.

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 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.

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 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 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.

**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 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 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.

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 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 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 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 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. 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 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).

**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.

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 21st day of October, 2020.

EDISON INTERNATIONAL

/s/ Jacqueline Trapp
Jacqueline Trapp
Senior Vice President, Human Resources

EDISON INTERNATIONAL
2008 EXECUTIVE RETIREMENT PLAN

Amended and Restated Effective
January 1, 2021 (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. 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 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.

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 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. 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 applicable plan governing annual executive bonuses. 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 employed by an Affiliate (the "Initial Year Ratio").

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 Initial Year Ratio.

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 4.2.

Crediting Rate means the rate at which interest will be credited when interest at the "Crediting Rate" is specified pursuant 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.

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.

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 when a 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.

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 Incentive Compensation Plan, the 2007 Performance Incentive Plan, or a successor plan governing annual executive bonuses, 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 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. 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 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.

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 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 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, 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.

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 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 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 for which the True-Up Participant received a Cash Balance Pay Credit while 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 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 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, the 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.

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 benefits previously scheduled to commence payment after the calendar year in which the special Primary Payment Election is made.

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.

(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 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 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) 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 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.

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 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.

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.

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 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, 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 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.

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 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 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 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 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.

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 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 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. 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 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).

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.

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.

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 21st day of October, 2020.

EDISON INTERNATIONAL

/s/ Jacqueline Trapp
Jacqueline Trapp
Senior Vice President, Human Resources

CERTIFICATION

I, PEDRO J. PIZARRO, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 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: October 27, 2020

/s/ PEDRO J. PIZARRO

PEDRO J. PIZARRO
Chief Executive Officer

CERTIFICATION

I, MARIA RIGATTI, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 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: October 27, 2020

/s/ MARIA RIGATTI

MARIA RIGATTI
Chief Financial Officer

CERTIFICATION

I, KEVIN M. PAYNE, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 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: October 27, 2020

/s/ KEVIN M. PAYNE

KEVIN M. PAYNE
Chief Executive Officer

CERTIFICATION

I, WILLIAM M. PETMECKY III, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 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: October 27, 2020

/s/ WILLIAM M PETMECKY III

WILLIAM M. PETMECKY III
Chief Financial Officer

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 Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 (the “Quarterly 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 Quarterly 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 Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 27, 2020

/s/ PEDRO J. PIZARRO

PEDRO J. PIZARRO
Chief Executive Officer
Edison International

/s/ MARIA RIGATTI

MARIA RIGATTI
Chief Financial Officer
Edison International

This statement accompanies the Quarterly 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 Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 (the "Quarterly 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 Quarterly 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 Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 27, 2020

/s/ KEVIN M. PAYNE

KEVIN M. PAYNE
Chief Executive Officer
Southern California Edison Company

/s/ WILLIAM M. PETMECKY III

WILLIAM M. PETMECKY III
Chief Financial Officer
Southern California Edison Company

This statement accompanies the Quarterly 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.