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 March 31, 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	SOUTHERN CALIFORNIA EDISON COMPANY
2244 Walnut Grove Avenue	**2244 Walnut Grove Avenue**
(P.O. Box 976)	**(P.O. Box 800)**
Rosemead, California 91770	**Rosemead, California 91770**
(Address of principal executive offices)	(Address of principal executive offices)
(626) 302-2222	**(626) 302-1212**
(Registrant's telephone number, including area code)	(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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Cumulative Preferred Stock, 4.08% Series	SCEpB	NYSE American LLC
Cumulative Preferred Stock, 4.24% Series	SCEpC	NYSE American LLC
Cumulative Preferred Stock, 4.32% Series	SCEpD	NYSE American LLC
Cumulative Preferred Stock, 4.78% Series	SCEpE	NYSE American LLC

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 o Southern California Edison Company Yes ☑ No o

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 o 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	☑	☐	☐	☐	☐
Southern California Edison Company		☐	☑	☐	☐

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 April 27, 2020:

Edison International	363,560,677 shares
Southern California Edison Company	434,888,104 shares

TABLE OF CONTENTS

		SEC Form 10-Q Reference Number
GLOSSARY	iv	
FORWARD-LOOKING STATEMENTS	1	
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	3	Part I, Item 2
MANAGEMENT OVERVIEW	3	
Highlights of Operating Results	3	
COVID-19	4	
Wildfire Mitigation and Wildfire Insurance Expenses	5	
Southern California Wildfires and Mudslides	6	
Capital Program	8	
RESULTS OF OPERATIONS	9	
Southern California Edison Company	9	
Three months ended March 31, 2020 versus March 31, 2019	9	
Earning Activities	10	
Cost-Recovery Activities	10	
Supplemental Operating Revenue Information	11	
Income Taxes	11	
Edison International Parent and Other	11	
Loss from Operations	11	
LIQUIDITY AND CAPITAL RESOURCES	12	
Southern California Edison Company	12	
Available Liquidity	13	
Capital Investment Plan	13	
SCE Dividends	13	
Margin and Collateral Deposits	14	
Decommissioning of San Onofre	15	
Edison International Parent and Other	15	
Historical Cash Flows	16	
Southern California Edison Company	16	
Edison International Parent and Other	19	
Contingencies	20	
MARKET RISK EXPOSURES	20	
Commodity Price Risk	20	

Credit Risk	20	
CRITICAL ACCOUNTING ESTIMATES AND POLICIES	20	
NEW ACCOUNTING GUIDANCE	20	
QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	20	Part I, Item 3
FINANCIAL STATEMENTS	22	Part I, Item 1
Edison International Consolidated Statements of Income	22	
Edison International Consolidated Statements of Comprehensive Income	23	
Edison International Consolidated Balance Sheets	24	
Edison International Consolidated Statements of Cash Flows	26	
SCE Consolidated Statements of Income	27	
SCE Consolidated Statements of Comprehensive Income	27	
SCE Consolidated Balance Sheets	28	
SCE Consolidated Statements of Cash Flows	30	
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	31	
Note 1. Summary of Significant Accounting Policies	31	
Note 2. Consolidated Statements of Changes in Equity	34	
Note 3. Variable Interest Entities	36	
Note 4. Fair Value Measurements	37	
Note 5. Debt and Credit Agreements	40	
Note 6. Derivative Instruments	41	
Note 7. Revenue	43	
Note 8. Income Taxes	44	
Note 9. Compensation and Benefit Plans	45	
Note 10. Investments	46	
Note 11. Regulatory Assets and Liabilities	47	
Note 12. Commitments and Contingencies	48	
Note 13. Equity	58	
Note 14. Accumulated Other Comprehensive Loss	58	
Note 15. Other Income	59	
Note 16. Supplemental Cash Flows Information	59	
Note 17. Related-Party Transactions	60	
CONTROLS AND PROCEDURES	61	Part I, Item 4
Disclosure Controls and Procedures	61	
Changes in Internal Control Over Financial Reporting	61	
Jointly Owned Utility Plant	61	
LEGAL PROCEEDINGS	61	Part II, Item 1

Thomas Fire and Koenigstein Fire Litigation	61	
Montecito Mudslides Litigation	62	
Woolsey Fire Litigation	62	
Environmental Proceedings	63	
RISK FACTORS	63	Part II, Item 1A
EXHIBITS	64	Part II, Item 6
SIGNATURES	65	

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
BRRBA	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
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 advises and provides energy solutions to large energy users
Edison Energy Group	Edison Energy Group, Inc., a wholly-owned subsidiary of Edison International, is a holding company for subsidiaries engaged in competitive businesses that provide energy services to commercial and industrial customers
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
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 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, 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
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 Ventura County 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 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

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 Shut-Offs 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 prudency standard established under AB 1054;
- decisions and other actions by the CPUC, the FERC, the NRC and other regulatory and legislative authorities, including decisions and actions related to 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 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 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;
- extreme weather-related incidents and other natural disasters (including earthquakes and events caused, or exacerbated, by climate change, such as wildfires), which could cause, among other things, public safety issues, property damage and operational issues;
- 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 public and employee 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 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;
- 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; and
- ability of Edison International to develop competitive businesses, manage new business risks, and recover and earn a return on its investment in newly developed or acquired businesses.

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 three months ended March 31, 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 three months ended March 31, 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 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.

	Three months ended March 31,		
(in millions)	2020	2019	Change
Net income (loss) attributable to Edison International			
SCE	$ 219	$ 293	$ (74)
Edison International Parent and Other	(36)	(15)	(21)
Edison International	183	278	(95)
Less: Non-core items			
SCE	(42)	72	(114)
Edison International Parent and Other	(3)	—	(3)
Total non-core items	(45)	72	(117)
Core earnings (losses)			
SCE	261	221	40
Edison International Parent and Other	(33)	(15)	(18)
Edison International	$ 228	$ 206	$ 22

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 first quarter 2020 earnings decreased $95 million from the first quarter of 2019, resulting from a decrease in SCE's earnings of $74 million and an increase in Edison International Parent and Other's losses of $21 million. SCE's lower earnings consisted of $114 million of higher non-core losses and $40 million of higher core earnings. The increase in core earnings was primarily due to timing of the receipt of the 2018 GRC final decision in the second quarter of 2019 and higher FERC revenue, partially offset by higher operation and maintenance expenses primarily from higher vegetation management expenses.

Edison International Parent and Other's increase in losses for the three months ended March 31, 2020 was primarily due to higher interest expense.

Consolidated non-core items for the three months ended March 31, 2020 and 2019 primarily included:

- A charge of $84 million ($60 million after-tax) recorded in 2020 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.
- 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.
- 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.

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 the society and economy of the US and California, but it may have a material impact on SCE's ability to execute its planned work, including wildfire mitigation and capital projects and on 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 community served by SCE and restricted access to, or increased costs of accessing, banking 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 short-term earnings from reductions in electricity usage.

The ongoing pandemic has already 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 will 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.

In March 2020, to protect customers during the statewide emergency caused by the COVID-19 pandemic, SCE suspended disconnections for nonpayment and implemented flexible payment plans for all residential and non-residential customers. For the quarter ending March 31, 2020, the COVID-19 pandemic caused an increase in the estimated allowance for uncollectible accounts of $8 million. Edison International and SCE anticipate a heightened level of bad expense to continue as a result of the economic impact of the pandemic and the consumer protections put in place. SCE expects to request recovery of any 2020 bad debt expense above amounts authorized in the 2018 GRC as a result of the customer protection measures taken through a COVID-19 pandemic protections memorandum account, established in accordance with the April 2020 emergency authorization of the CPUC. Recoveries for uncollectible accounts are calculated as a percentage of revenue in rates; the 2018 GRC set the uncollectible factor as 0.211%. In 2019, SCE recovered $23 million of uncollectible accounts. For the quarter ending March 31, 2020, the uncollectible account expense was $17 million. It is likely that the level of uncollectible expense will exceed 2020 authorized levels in the second quarter of 2020.

A catastrophic event memorandum account has been established to track the costs associated with complying with governmental agency orders due to the COVID-19 pandemic and SCE expects to seek recovery of incremental costs incurred as a direct result of the COVID-19 pandemic through this or other regulatory mechanisms.

For further information see "Risk Factors."

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 memorandum 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 and has recorded regulatory assets for these incremental costs. 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 March 31, 2020, SCE has recognized $434 million of regulatory assets related to incremental wildfire mitigation expenses, including depreciation expense from $900 million of total incremental capital expenditures, and $375 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 $164 million of incremental expenses that will be subject to reasonableness reviews through the GS&RP and the 2021 GRC 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 $526 million ($407 million capital) in 2018 dollars between 2018 and 2020. SCE will include the authorized revenue requirement in rates and establish a balancing account to track the difference between actual GS&RP costs and amounts authorized. If spending is less than authorized, SCE will refund those amounts to customers. If spending is in excess of forecasted amounts, or in excess of 115% of forecasted amounts for certain activities, SCE will present those costs for reasonableness review in 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 March 31, 2020, SCE has incurred $466 million of capital expenditures, of which $21 million will be subject to a reasonableness review, and $49 million of operations and maintenance expenses.

2021 General Rate Case Wildfire Mitigation Memorandum Account Balances

For purposes of evaluating SCE's recovery of 2018-2020 wildfire mitigation costs, the CPUC has incorporated additional tracks into the 2021 GRC proceeding. Under the adopted schedule, most incremental wildfire mitigation costs from 2018 and 2019 are to be reviewed in track 2 and 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.

In March 2020, SCE made its 2021 GRC track 2 filing with the CPUC for review and approval of $302 million of capital expenditures and $509 million of operation and maintenance expenses 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 associated with 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, the GRC track 2 filing resulted in an additional requested revenue requirement of $500 million.

The schedule for SCE's 2021 GRC includes proposed decisions on track 2 and track 3 in the first quarters of 2021 and 2022, respectively.

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. 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, 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.

Over the past several years, wind-driven wildfires 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. In 2019, several wind-driven wildfires originated in Southern California. SCE does not expect any of these 2019 fires to have a material adverse effect on its financial condition, results of operations or cash flows.

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 the progression of these two fires remains under review, 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. 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.

SCE's internal review into the facts and circumstances of each of the 2017/2018 Wildfire/Mudslide Events is ongoing, and 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. 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 a liability 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 2017/2018 Wildfire/Mudslide Events.

At both March 31, 2020 and December 31, 2019, Edison International's and SCE's balance sheets include accrued liabilities of $4.5 billion for the 2017/2018 Wildfire/Mudslide Events. The accrued liability corresponds to the lower end of the reasonably estimated range of expected losses that may be incurred in connection with the 2017/2018 Wildfire/Mudslide Events and is subject to change as additional information becomes available. Each reporting period, management reviews its loss estimates for remaining alleged and potential claims related to the 2017/2018 Wildfire/Mudslide Events. The process for estimating losses associated with wildfire litigation 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.

Edison International and SCE will seek to offset any actual losses realized in connection with the 2017/2018 Wildfire/Mudslide Events with recoveries from insurance policies in place at the time of the events and, to the extent actual losses exceed insurance, through electric rates. As of March 31, 2020, Edison International and SCE have remaining expected recoveries from insurance of $1.7 billion and through FERC electric rates of $113 million on their consolidated balance sheets related to the 2017/2018 Wildfire/Mudslide Events. 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 prudency 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 prudency 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.

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 utilities 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 utility's insurance coverage. The Wildfire Insurance Fund was established in September 2019 when both SCE and SDG&E made their initial contributions to the fund. The Wildfire Insurance Fund is available for claims related to wildfires ignited after July 12, 2019 that are determined to have been caused by a utility by the responsible government investigatory agency.

SCE and SDG&E have collectively made their initial contributions totaling approximately $2.7 billion to the Wildfire Insurance Fund. While PG&E has committed to make an initial contribution of approximately $4.8 billion to the Wildfire Insurance Fund upon emergence from bankruptcy, its participation in, and contributions to the fund are subject to it resolving its bankruptcy proceeding and meeting certain other conditions prior to June 30, 2020. SCE and SDG&E are also collectively expected to make aggregate contributions of approximately $1.1 billion to the Wildfire Insurance Fund through annual contributions to the fund over a 10-year period, of which SCE and SDG&E have made their initial annual contributions totaling approximately $107 million. If PG&E participates in the Wildfire Insurance Fund, it is expected to make aggregate contributions of approximately $1.9 billion to the fund through annual contributions over the same 10-year period. 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 ratepayers over a 15-year period through a dedicated rate component. Based on a decision adopted by the CPUC in October 2019 in the Order Instituting Rulemaking to Consider Authorization of a Non-Bypassable Charge to Support the Wildfire Insurance Fund, PG&E's ratepayers will not be required to contribute to the fund if PG&E does not participate in the Wildfire Insurance Fund. The amount collected from ratepayers 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 ratepayers 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. On July 25, 2019, SCE obtained its initial safety certification that will be valid for twelve months. Based on SCE's 2020 rate base and assuming the equity portion of SCE's capital structure is 52% (SCE's CPUC authorized capital structure), 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.

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 an irrevocable order 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. SCE expects to finance this capital requirement by issuing securitized bonds. As of March 31, 2020, SCE has spent $601 million on 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."

Capital Program

Total capital expenditures (including accruals) were $1.0 billion and $856 million for the first three months of 2020 and 2019, respectively. The 2020 actual capital spending may be affected by changes in regulatory, environmental and engineering design requirements, permitting and project delays, cost and availability of labor, equipment and materials and other factors. SCE's 2020 capital program has experienced delays due to the COVID-19 pandemic as a result of efforts to minimize outages for customers subject to stay home orders. SCE is currently assessing the impact of this and the broader potential impacts of the COVID-19 pandemic on its ability to execute the 2020 capital program as planned. For further information regarding the COVID-19 pandemic see "— COVID-19." 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.

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

Three months ended March 31, 2020 versus March 31, 2019

	Three months ended March 31, 2020			Three months ended March 31, 2019		
(in millions)	Earning Activities	Cost-Recovery Activities	Total Consolidated	Earning Activities	Cost-Recovery Activities	Total Consolidated
Operating revenue	$ 1,741	$ 1,039	$ 2,780	$ 1,550	$ 1,266	$ 2,816
Purchased power and fuel	2	926	928	—	1,005	1,005
Operation and maintenance	717	142	859	589	280	869
Wildfire insurance fund expense	84	—	84	—	—	—
Depreciation and amortization	483	—	483	480	—	480
Property and other taxes	110	—	110	109	—	109
Other operating income	—	—	—	(5)	—	(5)
Total operating expenses	1,396	1,068	2,464	1,173	1,285	2,458
Operating income (loss)	345	(29)	316	377	(19)	358
Interest expense	(194)	—	(194)	(178)	—	(178)
Other income	23	29	52	19	19	38
Income before income taxes	174	—	174	218	—	218
Income tax benefit	(75)	—	(75)	(105)	—	(105)
Net income	249	—	249	323	—	323
Preferred and preference stock dividend requirements	30	—	30	30	—	30
Net income available for common stock	$ 219	$ —	$ 219	$ 293	$ —	$ 293
Net income available for common stock			$ 219			$ 293
Less: Non-core (expense)/income			(42)			72
Core earnings[1]			$ 261			$ 221

[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 $191 million primarily due to the following:
  - An increase in CPUC-related revenue of $166 million primarily due the adoption of the 2018 GRC final decision. This increase is due to SCE recording revenue in 2020 based on the 2018 GRC final decision in comparison to recording revenue in the first quarter of 2019 based on 2017 adjusted authorized revenue.
  - An increase in FERC-related revenue of $23 million primarily due to favorable earnings from a higher proportion of equity in SCE's actual capital structure used in setting FERC rates, higher FERC rate base and higher operating costs subject to balancing account treatment.
- Higher operation and maintenance costs of $128 million primarily due to:
  - Increased expenses of $66 million due to higher vegetation management costs and other wildfire mitigation costs, partially offset by lower inspection and preventative maintenance costs. Vegetation management costs were higher in 2020 due to higher prevailing wages required by California Senate Bill 247 and increased scope of work.
  - Higher wildfire insurance expenses of $20 million due to the authorization to recover certain 2018 wildfire insurance expenses reducing expenses in the first quarter of 2019.
  - Higher employee benefit expenses of $20 million resulting primarily from the payout of 2019 short-term incentive compensation.
  - Other increased expenses of $35 million primarily due to higher expense from the allowance for doubtful accounts primarily due to the COVID-19 pandemic, higher workers' compensation costs and expenses subject to balancing account treatment.
- Higher wildfire insurance fund expense of $84 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 interest expense of $16 million primarily due to increased borrowings.
- Lower income tax benefit of $30 million primarily due to the absence of 2019 income tax benefits of $69 million related to changes in the allocation of deferred tax re-measurement between customers and shareholders, partially offset by 2020 income tax benefits of $18 million due to re-measurement of uncertain tax positions related to the 2010 – 2012 California state tax filings currently under audit and lower pre-tax income.

Cost-Recovery Activities

Cost-recovery activities were primarily affected by the following:

- Lower purchased power and fuel costs of $79 million driven by lower power and gas prices, lower load related to energy efficiency and customer departures to CCAs and lower charges from contract amendments, partially offset by lower congestion revenue right credits. In addition, CAISO issued invoices that revised FERC tariffs for interest costs associated with scheduling coordinator activities. This resulted 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.
- Lower operation and maintenance costs of $138 million driven by the authorization to recover 2018 wildfire insurance costs that had been deferred as regulatory assets increasing expenses in 2019, the CAISO refund of $66 million mentioned above and lower transmission access charges.
- 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.

Supplemental Operating Revenue Information

SCE's retail billed and unbilled revenue (excluding wholesale sales) was $2.5 billion and $2.6 billion for the three months ended March 31, 2020 and 2019 respectively.

The decrease for the three months ended March 31, 2020 compared to the same period in 2019 is primarily due to lower cost-recovery activities related to wildfire insurance expenses, partially offset by higher CPUC revenue due to the adoption of the 2018 GRC final decision. See "—Cost-Recovery Activities" and "—Earnings 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 decreased by $30 million for the three months ended March 31, 2020 compared to the same period in 2019.

The effective tax rates were (43.1)% and (48.2)% for the three months ended March 31, 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 increase for the three months ended March 31, 2020 is primarily due to absence of the 2019 excess deferred tax re-measurement between customers and shareholders that resulted from a CPUC resolution, partially offset by tax benefits from re-measurement of uncertain tax positions related to the 2010 – 2012 California state tax filings currently under audit and higher tax benefits on property-related items recorded in 2020 as a result of 2018 GRC final decision.

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:

	Three months ended March 31,	
(in millions)	2020	2019
Edison Energy Group and subsidiaries	$ (2)	$ (3)
Corporate expenses and other subsidiaries	34	12
Total Edison International Parent and Other	$ (36)	$ (15)

The loss from operations of Edison International Parent and Other increased $21 million for the three months ended March 31, 2020 compared to the same period in 2019.

The increase for the three months ended March 31, 2020 is primarily driven by higher interest expense as a result of increased borrowings, higher corporate expenses and a charge of $3 million due to re-measurement of uncertain tax positions related to the 2010 – 2012 California state tax filings currently under audit.

LIQUIDITY AND CAPITAL RESOURCES

SCE

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

The COVID-19 pandemic may cause restricted access to, or increased costs of accessing, bank and capital markets. As a precaution, in March and April 2020, 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 facility 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 revolving credit facility for $800 million entered into during the first quarter of 2020.

SCE's long-term issuer credit ratings remain at investment grade levels after downgrade actions taken by the major credit agencies in the first quarter of 2019. SCE's rating outlook has remained stable, after the passage of AB 1054 and the establishment of the Wildfire Insurance Fund, which provided the Liability Cap and the new standard that the CPUC must apply when assessing the prudency of a utility. 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	Stable

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 $39 million as of March 31, 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 March 31, 2020, SCE had approximately $2.8 billion available under its $3.0 billion credit facility and cash on hand of $451 million. 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 SCE revolving credit facility may be increased up to $4.0 billion, provided that 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 March 31, 2020, SCE had no borrowings under the facility. The facility is expected to fund future AB 1054 Excluded Capital Expenditures until an anticipated 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 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 re-marketing. SCE continues to hold the tax-exempt pollution control bonds and plans to re-market them subject to market conditions. In April 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 March 31, 2020, SCE's debt to total capitalization ratio was 0.49 to 1.

At March 31, 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.

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.

Prior to January 1, 2020, under SCE's interpretation of CPUC regulations and capital structure decisions, the common equity component of SCE's capital structure was required to remain at or above 48% on a weighted average basis over the 37-month period that SCE's capital structure was in effect for ratemaking purposes and SCE was required to file an application for a waiver of the 48% equity ratio condition discussed above if an adverse financial event reduces its spot equity ratio below 47%. Effective January 1, 2020, the common equity component of SCE's authorized capital structure was increased from 48% to 52% on a weighted average basis over the period that SCE's capital structure is in effect for ratemaking purposes. 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 February 2019, SCE submitted an application to the CPUC for waiver of compliance with the equity ratio requirement applicable at that time, describing that while the initial $1.8 billion net charge accrued as of December 31, 2018 in connection with the 2017/2018 Wildfire/Mudslide Events caused its equity ratio to fall below 47% on a spot basis as of December 31, 2018, SCE remained in compliance with the 48% equity ratio over the applicable 37-month average basis. In April 2020, the CPUC issued a proposed decision on SCE's application that, if adopted, would allow 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 two years from the issuance of a final decision 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 within two years of issuance of a final decision, SCE is permitted to file another application for a waiver of compliance with its equity ratio requirement. If the proposed decision is adopted, SCE will be 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 $1.8 billion net charge and was 45.2% as of December 31, 2018. For further information, see "Notes to Consolidated Financial Statements—Note 12. Commitments and Contingencies—Contingencies—Southern California Wildfires and Mudslides."

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. On February 27, 2020, SCE declared a dividend to Edison International of $269 million.

The timing and amount of future dividends are also dependent on a number of other factors including SCE's requirements to fund other obligations and capital expenditures, 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 access capital markets on reasonable terms, SCE may be limited in its ability to pay future dividends to Edison International and its preferred and 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 March 31, 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 March 31, 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 March 31, 2020[1]	$	228
Incremental collateral requirements for purchase power and fuel contracts resulting from a potential downgrade of SCE's credit rating to below investment grade[2]		39
Incremental collateral requirements for purchase power and fuel contracts resulting from adverse market price movement[3]		23
Posted and potential collateral requirements	$	290

1 Net collateral provided to counterparties and other brokers consisted of $176 million in letters of credit and surety bonds and $52 million of cash collateral, of which $30 million was offset against net derivative liabilities and $22 million was reflected in "Other current assets" on the consolidated balance sheets.

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 March 31, 2020 due to adverse market price movements over the remaining lives of existing power contracts using a 95% confidence level.

Decommissioning of San Onofre

Due to the emergency circumstances involving the COVID-19 pandemic and related governmental orders restricting non-essential work activities, SCE has decided to delay commencing major decommissioning activities at San Onofre. SCE will assess the appropriate timing for commencing major decommissioning activities based in part on when governmental restrictions are relaxed. As of the date of this report, SCE is continuing fuel transfer operations and other critical work 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, as needed. 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 restricted access to, or increased costs of accessing, bank and capital markets. As a precaution, in March and April 2020, Edison International 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."

At March 31, 2020, Edison International Parent had no borrowings on its $1.5 billion credit facility and cash on hand of $886 million. 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 Edison International Parent revolving credit facility may be increased up to $2.0 billion, provided that 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 April 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 its capital structure to 52% on a weighted average basis over the period that SCE's capital structure is in effect for ratemaking purposes, factoring in the CPUC waiver of compliance with the equity ratio requirement to the extent it is approved by the CPUC. For further information, see "—SCE—SCE Dividends."

Edison International Parent's credit facility and term loan require a consolidated debt to total capitalization ratio as defined in the applicable agreements of less than or equal to 0.70 to 1. At March 31, 2020, Edison International Parent's consolidated debt to total capitalization ratio was 0.58 to 1.

At March 31, 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 remain at investment grade levels. Edison International Parent's rating outlook has remained stable, after the passage of AB 1054 and the establishment of the Wildfire Insurance Fund, which provided the Liability Cap and the new standard that the CPUC must apply when assessing the prudency of a utility. 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	Stable

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

	Three months ended March 31,	
(in millions)	2020	2019
Net cash provided by operating activities	$ 334	$ 247
Net cash provided by financing activities	1,368	1,063
Net cash used in investing activities	(1,274)	(986)
Net increase in cash, cash equivalents and restricted cash	$ 428	$ 324

Net Cash Provided by Operating Activities

The following table summarizes major categories of net cash provided by operating activities as provided in more detail in SCE's consolidated statements of cash flows for the three months ended March 31, 2020 and 2019.

	Three months ended March 31,		Change in cash flows
(in millions)	2020	2019	2020/2019
Net income	$ 249	$ 323	
Non-cash items[1]	535	370	
Subtotal	784	693	$ 91
Changes in cash flow resulting from working capital[2]	(107)	(271)	164
Regulatory assets and liabilities	(372)	(96)	(276)
Other noncurrent assets and liabilities[3]	29	(79)	108
Net cash provided by operating activities	$ 334	$ 247	$ 87

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, inventory, accounts payable, tax receivables and payables, and other current assets and liabilities.

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

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

Net income and non-cash items increased in 2020 by $91 million primarily due to timing of the receipt of the 2018 GRC final decision in the second quarter of 2019, higher FERC revenue and changes in the non-cash adjustment of deferred income taxes of $(47) million and $(109) million in 2020 and 2019, respectively, partially offset by higher operation and maintenance expenses primarily from higher vegetation management expenses.

Net cash outflow for working capital was $107 million and $271 million during the three months ended March 31, 2020 and 2019, respectively. Net cash outflow in 2020 is primarily due to timing of disbursements of $226 million. Net cash for working capital in both periods was impacted by insurance premium payments of $72 million and $413 million for wildfire-related coverage in 2020 and 2019, respectively, partially offset by a change in receivables from customers of $70 million and $32 million in 2020 and 2019, respectively.

Net cash used in regulatory assets and liabilities, including changes in undercollections of balancing accounts was $(372) million and $(96) million during the three months ended March 31, 2020 and 2019, respectively. SCE has a number of balancing 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 $101 million at March 31, 2020, compared to net overcollections of $328 million at December 31, 2019. Net undercollections increased by $429 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 final decision) and current year undercollections due to lower than forecasted sales volumes.
- Additional undercollections of $79 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. See "Notes to Consolidated Financial Statements—Note 11. Regulatory Assets and Liabilities" for further information.
- Higher cash due to $110 million of overcollections related to the timing of receiving GHG auction revenue and low carbon fuel standard credit sales, and the related refunds and rebates to eligible customers. SCE is accelerating the semi-annual payment of California climate credits to customers, normally made in the fourth quarter, into the second quarter of 2020 pursuant to an April 2020 CPUC decision.
- Net undercollections for ERRA, PABA and the New System Generation Balancing Account decreased by $45 million primarily due to recovery of prior ERRA undercollections, partially offset by lower sales than forecasted in rates in ERRA, refunds of prior overcollections from the New System Generation Balancing Account and refund of 2019 and 2018

overcollections of generation revenue over an 18-month period, starting in July 2019, as part of SCE's 2018 GRC final decision.

2019

- BRRBA overcollections decreased by $346 million primarily due to a $163 million reclassification from the pole loading balancing account to BRRBA to recover 2017 undercollections, authorization to recover $107 million of premiums related to a wildfire insurance policy purchased in 2017, lower sales than forecasted in rates and a refund of prior TAMA overcollections.
- Net undercollections for ERRA and the new system generation program were $831 million and $741 million at March 31, 2019 and December 31, 2018, respectively. Net undercollections increased $90 million primarily due to higher than forecasted power and gas prices experienced in 2019, partially offset by an increase in cash due to recovery of prior ERRA undercollections.
- Net overcollections for TAMA and pole loading balancing account were $128 million at March 31, 2019 compared to net undercollections of $28 million at December 31, 2018. Net overcollections increased by $156 million primarily due to a $163 million reclassification from the pole loading balancing account to BRRBA as discussed above.
- Higher cash due to $104 million of overcollections for the public purpose and energy efficiency programs resulting from lower program spending.
- Higher cash from increased regulatory liabilities of approximately $90 million primarily due to the delay in the 2018 GRC decision. Amounts billed to customers during first three months of 2019 were based on the 2017 authorized GRC revenue requirement, however, the amount of revenue recognized has been adjusted mainly for the July 2017 cost of capital decision and Tax Reform pending the outcome of the 2018 GRC and therefore, a regulatory liability has been established to record any associated adjustments.

Cash flows provided by (used in) other noncurrent assets and liabilities were primarily related to net earnings from nuclear decommissioning trust investments ($27 million in both 2020 and 2019) and SCE's payments of decommissioning costs ($43 million and $73 million in 2020 and 2019, respectively). See "Nuclear Decommissioning Activities" below for further discussion. Also includes wildfire related insurance recovery of $58 million in 2020.

Net Cash Provided by Financing Activities

The following table summarizes cash provided by financing activities for the three months ended March 31, 2020 and 2019. Issuances of debt are discussed in "Notes to Consolidated Financial Statements—Note 5. Debt and Credit Agreements."

	Three months ended March 31,	
(in millions)	2020	2019
Issuances of first and refunding mortgage bonds, net of discount and issuance costs	$ 1,719	$ 1,087
Issuance of term loan	475	750
Capital contribution from Edison International Parent	269	—
Long-term debt matured	(40)	(40)
Short-term debt repayments, net of borrowings and discount	(550)	(691)
Payments of common stock dividends to Edison International	(469)	—
Payments of preferred and preference stock dividends	(36)	(36)
Other	—	(7)
Net cash provided by financing activities	$ 1,368	$ 1,063

Net Cash Used in Investing Activities

Cash flows used in investing activities are primarily due to capital expenditures related to transmission and distribution investments ($1.3 billion and $1.1 billion for the three-month periods ended March 31, 2020 and 2019, respectively). In addition, SCE had a net (purchase) redemption of nuclear decommissioning trust investments of $(14) million and $73 million during the three months ended March 31, 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:

	Three months ended March 31,	
(in millions)	2020	2019
Net cash used in operating activities:		
Net earnings from nuclear decommissioning trust investments	$ 27	$ 27
SCE's decommissioning costs	(43)	(73)
Net cash provided by investing activities:		
Proceeds from sale of investments	1,407	1,208
Purchases of investments	(1,421)	(1,135)
Net cash impact	$ (30)	$ 27

Net cash used in operating activities relates to interest and dividends less administrative expenses, taxes and SCE's decommissioning costs. See "Notes to Consolidated Financial Statements—Note 10. Investments" for further information. 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 ($43 million and $73 million in 2020 and 2019, respectively) and reimbursements to SCE from the nuclear decommissioning trust ($13 million and $100 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.

	Three months ended March 31,	
(in millions)	2020	2019
Net cash used in operating activities	$ (19)	$ (37)
Net cash provided by (used in) financing activities	863	(54)
Net cash used in investing activities	(4)	—
Net increase (decrease) in cash and cash equivalents	$ 840	$ (91)

Net Cash Used in Operating Activities

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

- $19 million and $37 million cash outflow from operating activities in 2020 and 2019, respectively, primarily due to payments relating to interest and operating costs.

Net Cash Provided by (Used in) Financing Activities

Net cash provided by (used in) financing activities was as follows:

	Three months ended March 31,	
(in millions)	2020	2019
Dividends paid to Edison International common shareholders	$ (226)	$ (200)
Dividends received from SCE	469	—
Capital contribution to SCE	(269)	—
Issuance of common stock	74	—
Issuance of term loan	800	—
Short-term debt borrowings, net of repayments and discount	—	153
Other	15	(7)
Net cash provided by (used in) financing activities	$ 863	$ (54)

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 $33 million and $86 million on SCE's consolidated balance sheets at Mach 31, 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 March 31, 2020, SCE's power and gas trading counterparty credit risk exposure was $53 million, which is associated with entities that have an investment grade rating of A or higher. SCE assigns a credit rating to counterparties based on the lower of a counterparty's S&P or Moody's rating. At March 31, 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 March 31, 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.

(This page has been left blank intentionally.)

FINANCIAL STATEMENTS

Consolidated Statements of Income **Edison International**

(in millions, except per-share amounts, unaudited)	Three months ended March 31, 2020		2019	
Total operating revenue	$	2,790	$	2,824
Purchased power and fuel		928		1,005
Operation and maintenance		881		882
Wildfire Insurance Fund expense		84		—
Depreciation and amortization		484		480
Property and other taxes		111		110
Other operating income		—		(5)
Total operating expenses		2,488		2,472
Operating income		302		352
Interest expense		(225)		(194)
Other income		52		38
Income before taxes		129		196
Income tax benefit		(84)		(112)
Net income		213		308
Preferred and preference stock dividend requirements of SCE		30		30
Net income attributable to Edison International common shareholders	$	183	$	278
Basic earnings per share:				
Weighted average shares of common stock outstanding		363		326
Basic earnings per common share attributable to Edison International common shareholders	$	0.50	$	0.85
Diluted earnings per share:				
Weighted average shares of common stock outstanding, including effect of dilutive securities		364		327
Diluted earnings per common share attributable to Edison International common shareholders	$	0.50	$	0.85

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

(in millions, unaudited)	Three months ended March 31, 2020	2019
Net income	$ 213	$ 308
Other comprehensive income, net of tax:		
Pension and postretirement benefits other than pensions:		
Amortization of net loss included in net income	2	2
Other comprehensive income, net of tax	2	2
Comprehensive income	215	310
Less: Comprehensive income attributable to noncontrolling interests	30	30
Comprehensive income attributable to Edison International	$ 185	$ 280

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

Consolidated Balance Sheets		**Edison International**
(in millions, unaudited)	March 31, 2020	December 31, 2019
ASSETS		
Cash and cash equivalents	$ 1,337	$ 68
Receivables, less allowances of $60 and $50 for uncollectible accounts at respective dates	795	788
Accrued unbilled revenue	409	488
Inventory	363	364
Income tax receivables	131	118
Prepaid expenses	158	214
Derivative assets	51	81
Regulatory assets	1,225	1,009
Wildfire Insurance Fund contributions	323	323
Other current assets	119	107
Total current assets	4,911	3,560
Nuclear decommissioning trusts	4,267	4,562
Other investments	74	64
Total investments	4,341	4,626
Utility property, plant and equipment, less accumulated depreciation and amortization of $10,147 and $9,958 at respective dates	44,733	44,198
Nonutility property, plant and equipment, less accumulated depreciation of $88 and $86 at respective dates	87	87
Total property, plant and equipment	44,820	44,285
Regulatory assets	6,294	6,088
Wildfire Insurance Fund contributions	2,687	2,767
Operating lease right-of-use assets	683	693
Other long-term assets	2,290	2,363
Total long-term assets	11,954	11,911
Total assets	$ 66,026	$ 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)	March 31, 2020	December 31, 2019
LIABILITIES AND EQUITY		
Short-term debt	$ 1,275	$ 550
Current portion of long-term debt	901	479
Accounts payable	1,454	1,752
Customer deposits	298	302
Regulatory liabilities	764	972
Current portion of operating lease liabilities	74	80
Other current liabilities	1,482	1,388
Total current liabilities	6,248	5,523
Long-term debt	19,125	17,864
Deferred income taxes and credits	5,173	5,078
Pensions and benefits	664	674
Asset retirement obligations	3,027	3,029
Regulatory liabilities	8,113	8,385
Operating lease liabilities	609	613
Wildfire-related claims	4,568	4,568
Other deferred credits and other long-term liabilities	2,955	3,152
Total deferred credits and other liabilities	25,109	25,499
Total liabilities	50,482	48,886
Commitments and contingencies (Note 12)		
Common stock, no par value (800,000,000 shares authorized; 363,476,346 and 361,985,133 shares issued and outstanding at respective dates)	5,085	4,990
Accumulated other comprehensive loss	(67)	(69)
Retained earnings	8,333	8,382
Total Edison International's common shareholders' equity	13,351	13,303
Noncontrolling interests – preferred and preference stock of SCE	2,193	2,193
Total equity	15,544	15,496
Total liabilities and equity	$ 66,026	$ 64,382

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

Consolidated Statements of Cash Flows — Edison International

(in millions, unaudited)	Three months ended March 31, 2020	2019
Cash flows from operating activities:		
Net income	$ 213	$ 308
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	501	498
Allowance for equity during construction	(21)	(17)
Deferred income taxes	(58)	(114)
Wildfire Insurance Fund amortization expense	84	—
Other	23	1
Nuclear decommissioning trusts	14	(73)
Changes in operating assets and liabilities:		
Receivables	(30)	9
Inventory	1	(30)
Accounts payable	(129)	31
Tax receivables and payables	31	82
Other current assets and liabilities	41	(381)
Regulatory assets and liabilities, net	(372)	(96)
Wildfire-related insurance receivable	58	—
Other noncurrent assets and liabilities	(41)	(8)
Net cash provided by operating activities	315	210
Cash flows from financing activities:		
Long-term debt issued, net of premium, discount and issuance costs of $19 and $(13) for the respective periods	1,719	1,087
Long-term debt repaid	(40)	(40)
Term loan issued	1,275	750
Common stock issued	74	—
Short-term debt financing, net	(550)	(538)
Payments for stock-based compensation	(3)	(41)
Receipts from stock option exercises	13	22
Dividends and distribution to noncontrolling interests	(36)	(36)
Dividends paid	(226)	(200)
Other	5	5
Net cash provided by financing activities	2,231	1,009
Cash flows from investing activities:		
Capital expenditures	(1,268)	(1,074)
Proceeds from sale of nuclear decommissioning trust investments	1,407	1,208
Purchases of nuclear decommissioning trust investments	(1,421)	(1,135)
Other	4	15
Net cash used in investing activities	(1,278)	(986)
Net increase in cash, cash equivalents and restricted cash	1,268	233
Cash, cash equivalents and restricted cash at beginning of period	70	152
Cash, cash equivalents and restricted cash at end of period	$ 1,338	$ 385

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 March 31, 2020	2019
Operating revenue	$ 2,780	$ 2,816
Purchased power and fuel	928	1,005
Operation and maintenance	859	869
Wildfire Insurance Fund expense	84	—
Depreciation and amortization	483	480
Property and other taxes	110	109
Other operating income	—	(5)
Total operating expenses	2,464	2,458
Operating income	316	358
Interest expense	(194)	(178)
Other income	52	38
Income before taxes	174	218
Income tax benefit	(75)	(105)
Net income	249	323
Less: Preferred and preference stock dividend requirements	30	30
Net income available for common stock	$ 219	$ 293

Consolidated Statements of Comprehensive Income | **Southern California Edison Company**

(in millions, unaudited)	Three months ended March 31, 2020	2019
Net income	$ 249	$ 323
Other comprehensive income, net of tax:		
Pension and postretirement benefits other than pensions:		
Amortization of net loss included in net income	2	1
Other comprehensive income, net of tax	2	1
Comprehensive income	$ 251	$ 324

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

Consolidated Balance Sheets		**Southern California Edison Company**
(in millions, unaudited)	March 31, 2020	December 31, 2019
ASSETS		
Cash and cash equivalents	$ 451	$ 24
Receivables, less allowances of $60 and $49 for uncollectible accounts at respective dates	785	777
Accrued unbilled revenue	409	488
Inventory	363	364
Income tax receivables	158	148
Prepaid expenses	158	213
Derivative assets	51	81
Regulatory assets	1,225	1,009
Wildfire Insurance Fund contributions	323	323
Other current assets	114	103
Total current assets	4,037	3,530
Nuclear decommissioning trusts	4,267	4,562
Other investments	55	46
Total investments	4,322	4,608
Utility property, plant and equipment, less accumulated depreciation and amortization of $10,147 and $9,958 at respective dates	44,733	44,198
Nonutility property, plant and equipment, less accumulated depreciation of $81 and $80 at respective dates	82	83
Total property, plant and equipment	44,815	44,281
Regulatory assets	6,294	6,088
Wildfire Insurance Fund contributions	2,687	2,767
Operating lease right-of-use assets	679	689
Long-term insurance receivables due from affiliate	803	803
Other long-term assets	1,434	1,507
Total long-term assets	11,897	11,854
Total assets	$ 65,071	$ 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)	March 31, 2020	December 31, 2019
LIABILITIES AND EQUITY		
Short-term debt	$ 475	$ 550
Current portion of long-term debt	901	79
Accounts payable	1,454	1,779
Customer deposits	298	302
Regulatory liabilities	764	972
Current portion of operating lease liabilities	73	79
Other current liabilities	1,193	1,298
Total current liabilities	5,158	5,059
Long-term debt	15,991	15,132
Deferred income taxes and credits	6,559	6,451
Pensions and benefits	228	237
Asset retirement obligations	3,027	3,029
Regulatory liabilities	8,113	8,385
Operating lease liabilities	606	610
Wildfire-related claims	4,568	4,568
Other deferred credits and other long-term liabilities	2,775	2,975
Total deferred credits and other liabilities	25,876	26,255
Total liabilities	47,025	46,446
Commitments and contingencies (Note 12)		
Preferred and preference stock	2,245	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	4,207	3,939
Accumulated other comprehensive loss	(37)	(39)
Retained earnings	9,463	9,514
Total equity	18,046	17,827
Total liabilities and equity	$ 65,071	$ 64,273

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

Consolidated Statements of Cash Flows		**Southern California Edison Company**
	Three months ended March 31,	
(in millions, unaudited)	2020	2019
Cash flows from operating activities:		
Net income	$ 249	$ 323
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	499	497
Allowance for equity during construction	(21)	(17)
Deferred income taxes	(47)	(109)
Wildfire Insurance Fund amortization expense	84	—
Other	20	(1)
Nuclear decommissioning trusts	14	(73)
Changes in operating assets and liabilities:		
Receivables	(30)	5
Inventory	1	(30)
Accounts payable	(156)	37
Tax receivables and payables	35	83
Other current assets and liabilities	43	(366)
Regulatory assets and liabilities, net	(372)	(96)
Wildfire-related insurance receivable	58	—
Other noncurrent assets and liabilities	(43)	(6)
Net cash provided by operating activities	334	247
Cash flows from financing activities:		
Long-term debt issued, net of premium, discount and issuance costs of $19 and $(13) for the respective periods	1,719	1,087
Long-term debt repaid	(40)	(40)
Term loan issued	475	750
Capital contributions from Edison International Parent	269	—
Short-term debt financing, net	(550)	(691)
Payments for stock-based compensation	(5)	(26)
Receipts from stock option exercises	—	14
Dividends paid	(505)	(36)
Other	5	5
Net cash provided by financing activities	1,368	1,063
Cash flows from investing activities:		
Capital expenditures	(1,267)	(1,074)
Proceeds from sale of nuclear decommissioning trust investments	1,407	1,208
Purchases of nuclear decommissioning trust investments	(1,421)	(1,135)
Other	7	15
Net cash used in investing activities	(1,274)	(986)
Net increase in cash, cash equivalents and restricted cash	428	324
Cash, cash equivalents and restricted cash at beginning of period	24	22
Cash, cash equivalents and restricted cash at end of period	$ 452	$ 346

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 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 periods ended March 31, 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:

	Edison International		SCE	
(in millions)	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Money market funds	$ 1,305	$ 31	$ 427	$ —

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:

	Edison International		SCE	
(in millions)	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Book balances reclassified to accounts payable	$ 60	$ 75	$ 60	$ 74

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

(in millions)	March 31, 2020		December 31, 2019	
Edison International:				
Cash and cash equivalents	$	1,337	$	68
Short-term restricted cash[1]		1		2
Total cash, cash equivalents, and restricted cash	$	1,338	$	70
SCE:				
Cash and cash equivalents	$	451	$	24
Short-term restricted cash[1]		1		—
Total cash, cash equivalents, and restricted cash	$	452	$	24

[1] Reflected in "Other current assets" on Edison International's and SCE'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 March 31, 2020, this included the estimated impacts of the COVID-19 pandemic.

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 13 for further information.

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

	Three months ended March 31,			
(in millions, except per-share amounts)	2020		2019	
Basic earnings per share:				
Net income attributable to common shareholders	$	183	$	278
Participating securities dividends		—		—
Net income available to common shareholders	$	183	$	278
Weighted average common shares outstanding		363		326
Basic earnings per share	$	0.50	$	0.85
Diluted earnings per share:				
Net income attributable to common shareholders	$	183	$	278
Participating securities dividends		—		—
Net income available to common shareholders	$	183	$	278
Income impact of assumed conversions		—		—
Net income available to common shareholders and assumed conversions	$	183	$	278
Weighted average common shares outstanding		363		326
Incremental shares from assumed conversions		1		1
Adjusted weighted average shares – diluted		364		327
Diluted earnings per share	$	0.50	$	0.85

In addition to the participating securities discussed above, Edison International also may award stock options, which are payable in common shares and are included in the diluted earnings per share calculation. Stock option awards to purchase 3,362,329 and 7,719,306 shares of common stock for the three months ended March 31, 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 January 2017, the FASB issued an accounting standards update to simplify the accounting for goodwill impairment by changing the procedural steps to apply the goodwill impairment test. Edison International adopted this guidance on January 1, 2020 and any goodwill impairment will be measured as the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. At March 31, 2020, Edison International has $34 million of goodwill related to its Edison Energy reporting unit. Adoption of this guidance did not have an effect on Edison International's financial position or results of operating.

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.

Accounting Guidance Not Yet Adopted

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 is effective January 1, 2021 with early adoption permitted. Edison International and SCE are currently evaluating the impact of the guidance and do not expect the adoption of this standard will materially affect disclosures.

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 or another reference rate expected to be discontinued because of reference rate reform. The guidance may be adopted as of March 12, 2020 through December 31, 2022, and if elected, will apply to contract modifications made before December 31, 2022. SCE does not use hedge accounting for derivative transactions. Edison International and SCE are currently evaluating the remaining impact of the guidance.

Note 2. Consolidated Statements of Changes in Equity

The following table provides Edison International's changes in equity for the three months ended March 31, 2020:

	Equity Attributable to Common Shareholders				Noncontrolling Interests	
(in millions, except per share amounts)	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

The following table provides Edison International's changes in equity for the three months ended March 31, 2019:

	Equity Attributable to Common Shareholders				Noncontrolling Interests	
(in millions, except per share amounts)	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

[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 three months ended March 31, 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

The following table provides SCE's changes in equity for the three months ended March 31, 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

[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

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 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 4,996 megawatts ("MW") and 4,722 MW at March 31, 2020 and 2019, respectively, and the amounts that SCE paid to these projects were $151 million and $153 million for the three months ended March 31, 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 to the public trust securities 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.

The Trust II, Trust III, Trust IV, Trust V and Trust VI balance sheets as of March 31, 2020 and March 31, 2019, consisted of investments of $400 million, $275 million, $325 million, $300 million, and $475 million in the Series G, Series H, Series J, Series K and Series L Preference Stock, respectively, $400 million, $275 million, $325 million, $300 million, and $475 million of trust securities, respectively, and $10,000 each of common stock.

The following table provides a summary of the trusts' income statements:

	Three months ended March 31,				
(in millions)	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

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 March 31, 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:

	March 31, 2020				
(in millions)	Level 1	Level 2	Level 3	Netting and Collateral[1]	Total
Assets at fair value					
Derivative contracts	$ —	$ 4	$ 54	$ (6)	$ 52
Money market funds and other	431	14	—	—	445
Nuclear decommissioning trusts:					
Stocks[2]	1,393	—	—	—	1,393
Fixed Income[3]	569	2,209	—	—	2,778
Short-term investments, primarily cash equivalents	198	2	—	—	200
Subtotal of nuclear decommissioning trusts[4]	2,160	2,211	—	—	4,371
Total assets	2,591	2,229	54	(6)	4,868
Liabilities at fair value					
Derivative contracts	—	53	2	(36)	19
Total liabilities	—	53	2	(36)	19
Net assets	$ 2,591	$ 2,176	$ 52	$ 30	$ 4,849

	December 31, 2019				
(in millions)	Level 1	Level 2	Level 3	Netting and Collateral[1]	Total
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 73% and 72% of SCE's equity investments were in companies located in the United States at March 31, 2020 and December 31, 2019, respectively.

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 March 31, 2020 and December 31, 2019, respectively.

4 Excludes net payables of $104 million and $111 million at March 31, 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 $878 million and $31 million at March 31, 2020 and December 31, 2019, respectively.

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:

	Three months ended March 31,	
(in millions)	2020	2019
Fair value of net assets at beginning of period	$ 78	$ 141
Total realized/unrealized losses[1]	(26)	(46)
Fair value of net assets at end of period[2]	52	95
Change during the period in unrealized gains and losses related to assets and liabilities held at the end of the period	$ (6)	$ (2)

[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	Significant		Weighted
	Assets	Liabilities	Technique	Unobservable Input	Range	Average
Congestion revenue rights						
March 31, 2020	$ 55	$ 3	Auction prices	CAISO CRR auction prices	$(3.59) - $16.30	$1.71
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 March 31, 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:

	March 31, 2020		December 31, 2019	
(in millions)	Carrying Value[1]	Fair Value[2]	Carrying Value[1]	Fair Value[2]
Edison International	$ 20,026	$ 21,169	$ 18,343	$ 20,137
SCE	16,892	18,062	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

In January 2020, SCE issued $100 million of 2.85% first and refunding mortgage bonds due in 2029 and $500 million of 3.65% first and refunding mortgage bonds due in 2050. The proceeds were used to repay SCE's commercial paper borrowings and for general corporate purposes.

In March 2020, SCE issued $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.

Credit Agreements and Short-Term Debt

In March 2020, SCE borrowed $475 million under a term loan agreement due in March 2021, with a variable interest rate based on the London Interbank Offered Rate plus 60 basis points. The proceeds were used to repay commercial paper borrowings temporarily used to fund 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 based on the London Interbank Offered Rate 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 March 31, 2020, there were no amounts drawn against the revolving credit facility. SCE plans to use the proceeds to finance future AB 1054 Excluded Capital Expenditures.

SCE and Edison International Parent have 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 March 31, 2020, SCE had no outstanding commercial paper. At December 31, 2019, SCE had $550 million outstanding commercial paper, net of discount, at a weighted-average interest rate of 2.24%. At March 31, 2020 and December 31, 2019, letters of credit issued under SCE's credit facility aggregated $175 million and $152 million, respectively, substantially all of which are scheduled to expire in twelve months or less.

Edison International Parent had no outstanding commercial paper at both March 31, 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 the London Interbank Offered Rate plus 1.125%. The proceeds were used for general corporate purposes.

Financing Subsequent to March 31, 2020

In April 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.

In April 2020, SCE purchased $373 million of its tax-exempt pollution control bonds that were subject to re-marketing and also converted these bonds to a variable rate structure. SCE is the holder of these bonds and plans to re-market them subject to market conditions.

In April 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.

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 $18 million and $1 million as of March 31, 2020 and December 31, 2019, respectively, for which SCE posted $25 million and no collateral to its counterparties for its derivative liabilities and related outstanding payables. If the credit-risk-related contingent features underlying these agreements were triggered on March 31, 2020, SCE would be required to post $17 million of collateral.

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:

	March 31, 2020						
	Derivative Assets			Derivative Liabilities			Net Assets
(in millions)	Short-Term	Long-Term[1]	Subtotal	Short-Term[2]	Long-Term	Subtotal	
Commodity derivative contracts							
Gross amounts recognized	$ 57	$ 1	$ 58	$ 55	$ —	$ 55	$ 3
Gross amounts offset in the consolidated balance sheets	(6)	—	(6)	(6)	—	(6)	—
Cash collateral posted[3]	—	—	—	(30)	—	(30)	30
Net amounts presented in the consolidated balance sheets	$ 51	$ 1	$ 52	$ 19	$ —	$ 19	$ 33

	December 31, 2019						
	Derivative Assets			Derivative Liabilities			Net Assets
(in millions)	Short-Term	Long-Term[1]	Subtotal	Short-Term[2]	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[3]	—	—	—	—	—	—	—
Net amounts presented in the consolidated balance sheets	$ 81	$ 6	$ 87	$ 1	$ —	$ 1	$ 86

[1] Included in "Other long-term assets" on Edison International's and SCE's consolidated balance sheets.

[2] Included in "Other current liabilities" on Edison International's and SCE's consolidated balance sheets.

[3] At March 31, 2020, SCE posted $52 million of cash, of which $30 million was offset against net derivative liabilities and $22 million was reflected in "Other current assets" on the consolidated balance sheets. 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.

Income Statement Impact of Derivative Instruments

SCE recognizes realized gains and losses on derivative instruments as purchased power expense and expects that such gains or losses will be part of the purchased power costs recovered from customers. As a result, realized gains and losses do not affect earnings, but may temporarily affect cash flows. Due to 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:

	Three months ended March 31,	
(in millions)	2020	2019
Realized (losses) gains	$ (44)	$ 32
Unrealized losses	(83)	(50)

Notional Volumes of Derivative Instruments

The following table summarizes the notional volumes of derivatives used for SCE's economic hedging activities:

		Economic Hedges	
Commodity	Unit of Measure	March 31, 2020	December 31, 2019
Electricity options, swaps and forwards	GWh	4,469	3,155
Natural gas options, swaps and forwards	Bcf	50	43
Congestion revenue rights	GWh	40,736	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:

	Three months ended March 31, 2020			Three months ended March 31, 2019		
(in millions)	Earning Activities	Cost-Recovery Activities	Total Consolidated	Earning Activities	Cost-Recovery Activities	Total Consolidated
Revenues from contracts with customers[1,2]	$ 1,624	$ 718	$ 2,342	$ 1,502	$ 957	$ 2,459
Alternative revenue programs and other operating revenue[3]	117	321	438	48	309	357
Total operating revenue	$ 1,741	$ 1,039	$ 2,780	$ 1,550	$ 1,266	$ 2,816

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.

2 At March 31, 2020 and December 31, 2019, SCE's receivables related to contracts from customers were $1.0 billion and $1.1 billion, respectively, which include accrued unbilled revenue of $409 million and $488 million, respectively.

3 Includes differences between amounts billed and authorized levels for both 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:

	Edison International		SCE	
	Three months ended March 31,			
(in millions)	2020	2019	2020	2019
Income from operations before income taxes	$ 129	$ 196	$ 174	$ 218
Provision for income tax at federal statutory rate of 21%	27	41	37	46
Decrease in income tax from:				
State tax, net of federal benefit	(13)	(7)	(12)	(5)
Property-related	(78)	(69)	(78)	(69)
Change related to uncertain tax position[1]	(15)	—	(17)	—
Deferred tax re-measurement[2]	—	(69)	—	(69)
Other	(5)	(8)	(5)	(8)
Total income tax benefit	$ (84)	$ (112)	$ (75)	$ (105)
Effective tax rate	(65.1)%	(57.1)%	(43.1)%	(48.2)%

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 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, 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.

Tax Disputes

Tax years that remain open for examination by the IRS and the California Franchise Tax Board are 2016 – 2018 and 2010 – 2018, respectively. Tax years 2007 – 2012 are currently under protest with the California Franchise Tax Board.

Note 9. Compensation and Benefit Plans

Pension Plans

Net periodic pension expense components are:

	Three months ended March 31,	
(in millions)	2020	2019
Edison International:		
Service cost	$ 31	$ 32
Non-service cost (benefit)		
Interest cost	31	39
Expected return on plan assets	(54)	(52)
Amortization of net loss[1]	3	2
Regulatory adjustment	2	(4)
Total non-service benefit[2]	(18)	(15)
Total expense recognized	$ 13	$ 17
SCE:		
Service cost	$ 30	$ 31
Non-service cost (benefit)		
Interest cost	28	35
Expected return on plan assets	(51)	(49)
Amortization of net loss[1]	2	1
Regulatory adjustment	2	(4)
Total non-service benefit[2]	(19)	(17)
Total expense recognized	$ 11	$ 14

1 Includes the amount of net loss reclassified from other comprehensive loss. The amount reclassified for Edison International and SCE was $3 million and $2 million respectively, for the three months ended March 31, 2020. The amount reclassified for Edison International and SCE was $2 million and $1 million, respectively, for the three months ended March 31, 2019.

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:

	Three months ended March 31,	
(in millions)	2020	2019
Service cost	$ 9	$ 8
Non-service cost (benefit)		
Interest cost	17	21
Expected return on plan assets	(30)	(28)
Amortization of net gain	(4)	(1)
Regulatory adjustment	8	6
Total non-service benefit[1]	(9)	(2)
Total expense	$ —	$ 6

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 March 31, 2020	Amortized Cost December 31, 2019	Fair Value March 31, 2020	Fair Value December 31, 2019
Stocks	—	N/A	N/A	$ 1,393	$ 1,765
Municipal bonds	2057	$ 1,063	$ 822	1,214	970
U.S. government and agency securities	2067	745	996	928	1,115
Corporate bonds	2068	575	597	636	679
Short-term investments and receivables/payables[1]	One-year	91	32	96	33
Total		$ 2,474	$ 2,447	$ 4,267	$ 4,562

[1] Short-term investments include $56 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 April 1, 2020 and January 2, 2020 as of March 31, 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 $1.5 billion and $1.8 billion at March 31, 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 $357 million and $449 million at March 31, 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 $3.9 billion and $4.1 billion at March 31, 2020 and December 31, 2019, respectively.

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

(in millions)	Three months ended March 31, 2020	Three months ended March 31, 2019
Gross realized gains	$ 39	$ 23
Gross realized loss	2	—
Net unrealized (losses) gains for equity securities	(376)	168

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)	March 31, 2020	December 31, 2019
Current:		
Regulatory balancing and memorandum accounts	$ 993	$ 798
Power contracts	210	189
Other	22	22
Total current	1,225	1,009
Long-term:		
Deferred income taxes, net of liabilities	4,145	4,026
Pensions and other postretirement benefits	85	87
Power contracts	387	434
Unamortized investments, net of accumulated amortization	118	119
Unamortized loss on reacquired debt	139	142
Regulatory balancing and memorandum accounts	1,129	981
Environmental remediation	235	237
Other	56	62
Total long-term	6,294	6,088
Total regulatory assets	$ 7,519	$ 7,097

Regulatory Liabilities

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

(in millions)	March 31, 2020	December 31, 2019
Current:		
Regulatory balancing and memorandum accounts	$ 749	$ 883
Energy derivatives	3	80
Other	12	9
Total current	764	972
Long-term:		
Cost of removal	2,670	2,674
Re-measurement of deferred taxes	2,388	2,424
Recoveries in excess of ARO liabilities[1]	1,245	1,569
Regulatory balancing and memorandum accounts	1,356	1,261
Other postretirement benefits	420	416
Other	34	41
Total long-term	8,113	8,385
Total regulatory liabilities	$ 8,877	$ 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)	March 31, 2020	December 31, 2019
Asset (liability)		
Energy resource recovery account	$ (120)	$ (23)
Portfolio allocation balancing account	599	537
New system generation balancing account	75	85
Public purpose programs and energy efficiency programs	(1,330)	(1,235)
Tax accounting memorandum account and pole loading balancing account	(7)	17
Base revenue requirement balancing account	101	(328)
DOE litigation memorandum account	(35)	(35)
Greenhouse gas auction revenue and low carbon fuel standard revenue	(234)	(196)
FERC balancing accounts	(58)	(127)
Wildfire-related memorandum accounts[1]	947	868
Other	79	72
Asset (liability)	$ 17	$ (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. The 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 the amount in SCE's any other revenue requirement.

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. 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, 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.

Over the past several years, wind-driven wildfires 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 the progression of these two fires remains under review, 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.

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.

In 2019, several wind-driven wildfires, including the "Saddle Ridge Fire," originated in Southern California (the "2019 Fires"). Based on currently available information and without considering insurance recoveries, it is reasonably possible that SCE will incur a material loss in connection with the Saddle Ridge Fire, but the range of possible losses that could be incurred cannot be estimated at this time. Edison International and SCE expect that any losses incurred will be covered by insurance, subject to a self-insured retention and co-insurance, and that the amount of any such loss after insurance recoveries will not be material. After expected insurance recoveries, SCE does not expect any of the 2019 Fires to have a material adverse effect on its financial condition, results of operations or cash flows. 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.

Liability Overview

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 the Thomas Fire, the Koenigstein Fire, the Montecito Mudslides and the Woolsey Fire (each a "2017/2018 Wildfire/Mudslide Event," and, collectively, 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 a liability 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 2017/2018 Wildfire/Mudslide Events.

As of March 31, 2020, Edison International and SCE have estimated liabilities of $4.5 billion, remaining expected recoveries from insurance of $1.7 billion and through FERC electric rates of $113 million on their consolidated balance sheets related to the 2017/2018 Wildfire/Mudslide Events. The accrued liability corresponds to the lower end of the reasonably estimated range of expected potential losses that may be incurred in connection with the 2017/2018 Wildfire/Mudslide Events and is subject to change as additional information becomes available. Edison International and SCE will seek to offset any actual losses realized with recoveries from insurance policies in place at the time of the events and, to the extent actual losses exceed 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 a filing made by Ventura County in the Woolsey Fire litigation, SCE previously anticipated that the VCFD would release the final non-redacted report from the VCFD regarding the Woolsey Fire on or about April 1, 2020. SCE is currently uncertain as to when the final non-redacted report will be released. 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. SCE cannot predict when the SED's investigations will be 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.

Wildfire-related 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. 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.

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").

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

At both March 31, 2020 and December 31, 2019, Edison International's and SCE's balance sheets include accrued liabilities (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 total, SCE has accrued estimated losses of $4.9 billion and paid $360 million in settlements and recovered $348 million from its insurance carriers through March 31, 2020 in relation to the 2017/2018 Wildfire/Mudslide Events.

Each reporting period, management reviews its loss estimates for remaining alleged and potential claims related to the 2017/2018 Wildfire/Mudslide Events. The process for estimating losses associated with wildfire litigation 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 the 2017/2018 Wildfire/Mudslide Events may change further. Such additional information is expected to become available from multiple external sources during the course of litigation and settlement discussions and from SCE's ongoing internal review, including, among other things, information regarding the extent of damages that may be attributable to any fire determined to have been substantially caused by SCE's equipment, information that may be obtained from the equipment in CAL FIRE's possession, and information pertaining to fire progression, suppression activities, damages alleged by plaintiffs and insurance claims made by third parties.

As described above, the accrued liability as of March 31, 2020 corresponds to the lower end of the reasonably estimated range of expected losses that may be incurred in connection with the 2017/2018 Wildfire/Mudslide Events and is subject to change as additional information becomes available. Edison International and SCE currently believe that it is reasonably possible that the amount of the actual loss will be greater than the amount accrued. However, Edison International and SCE are currently unable to reasonably estimate an upper end of the range of expected losses given 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, and the preliminary nature of the litigation processes.

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[1]		(58)
Balance at March 31, 2020	$	1,652

[1] Additional insurance recoveries of $15 million were received in April 2020.

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 prudency 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 prudency 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 prudency standard when making determinations regarding recovery of uninsured wildfire-related costs. While the CPUC has not made a determination regarding SCE's prudency 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 $149 million within the FERC balancing account. This was the FERC portion of the estimated losses accrued. As of March 31, 2020, collections have reduced the amount remaining in the FERC balancing account to $113 million.

Current Wildfire Insurance Coverage

SCE has approximately $1.2 billion of wildfire-specific insurance coverage for events that may occur 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 results in net coverage of approximately $1.0 billion. Various coverage limitations within the policies that make up SCE's wildfire insurance coverage could result in additional material self-insured costs 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 is in the process of procuring wildfire-specific insurance coverage for the period that will begin on July 1, 2020. SCE's cost of obtaining wildfire insurance coverage has increased significantly 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. In addition, disruptions in the insurance or capital markets, resulting from COVID-19 or other causes, could result in reduced insurance and reinsurance capacity, or constrain insurance companies from offering Edison International and/or SCE acceptable premiums and/or limits. 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 the next policy period or future policy periods.

As of March 31, 2020, SCE had regulatory assets of approximately $375 million related to wildfire insurance costs and believes that such amounts are probable of recovery. While SCE believes that amounts deferred are probable of recovery, there is no assurance that SCE will be allowed to recover costs that have been incurred, or costs incurred in the future for additional wildfire insurance, in electric rates.

SCE tracks insurance premium costs related to wildfire liability insurance policies as well as other wildfire-related 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. The application also seeks recovery of the corresponding financing costs.

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 prudency 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 utilities 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 utility's insurance coverage. The Wildfire Insurance Fund was established in September 2019 when both SCE and SDG&E made their initial contributions to the fund. The Wildfire Insurance Fund is available for claims related to wildfires ignited after July 12, 2019 that are determined to have been caused by a utility by the responsible government investigatory agency.

SCE and SDG&E have collectively made their initial contributions totaling approximately $2.7 billion to the Wildfire Insurance Fund. While PG&E has committed to make an initial contribution of approximately $4.8 billion to the Wildfire Insurance Fund upon emergence from bankruptcy, its participation in, and contributions to, the fund are subject to it resolving its bankruptcy proceeding and meeting certain other conditions prior to June 30, 2020. SCE and SDG&E are also collectively expected to make aggregate contributions of approximately $1.1 billion to the Wildfire Insurance Fund through annual contributions to the fund over a 10-year period, of which SCE and SDG&E have made their initial annual contributions totaling approximately $107 million. If PG&E participates in the Wildfire Insurance Fund, it is expected to make aggregate contributions of approximately $1.9 billion to the fund through annual contributions over the same 10-year period. 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 ratepayers over a 15-year period through a dedicated rate component. Based on a decision adopted by the CPUC in October 2019 in the Order Instituting Rulemaking to Consider Authorization of a Non-Bypassable Charge to Support the Wildfire Insurance Fund, PG&E's ratepayers will not be required to contribute to the fund if PG&E does not participate in the Wildfire Insurance Fund. The amount collected from ratepayers 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 ratepayers 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 (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 prudency determination ("AB 1054 Liability Cap"). Based on SCE's 2020 rate base and assuming the equity portion of SCE's capital structure is 52% (SCE's CPUC authorized capital structure), 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. 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 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.

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 an irrevocable order 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. SCE expects to finance this capital requirement by issuing securitized bonds. As of March 31, 2020, SCE has spent $601 million on AB 1054 Excluded Capital Expenditures.

Wildfire Mitigation Plan and Safety Certification

Under AB 1054, SCE is required to submit a wildfire mitigation plan to the CPUC annually for review and approval. Beginning in 2020, each such plan is required to cover at least a three-year period. SCE filed its 2020 Wildfire Mitigation Plan in February 2020.

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 July 25, 2019, SCE obtained its initial safety certification that will be valid for twelve months. Notwithstanding its twelve month term, if SCE requests a new safety certification prior to the expiration of its initial safety certification, then its initial safety certification will remain valid until the CPUC acts on its request for a new safety certification.

Environmental Remediation

SCE records its environmental remediation liabilities when site assessments and/or remedial actions are probable and a range of reasonably likely cleanup costs can be estimated. SCE reviews its sites and measures the liability quarterly, by assessing a range of reasonably likely costs for each identified site using currently available information, including existing technology, presently enacted laws and regulations, experience gained at similar sites, and the probable level of involvement and financial condition of other potentially responsible parties. These estimates include costs for site investigations, remediation, operation and maintenance, monitoring, and site closure. Unless there is a single probable amount, SCE records the lower 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 March 31, 2020, SCE's recorded estimated minimum liability to remediate its 23 identified material sites (sites with a liability balance at March 31, 2020, in which the upper end of the range of the costs is at least $1 million) was $241 million, including $176 million related to San Onofre. In addition to these sites, SCE also has 14 immaterial sites with a liability balance as of March 31, 2020, for which the total minimum recorded liability was $3 million. Of the $244 million total environmental remediation liability for SCE, $235 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 $195 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 $109 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 $7 million to $18 million. Costs incurred for both the three months ended March 31, 2020 and 2019 were $2 million.

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 $52 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 $13.9 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. The CPUC requested that FERC set this issue for hearings.

Note 13. Equity

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 quarter ended March 31, 2020, Edison International issued 0.4 million 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 March 31, 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 quarter ended March 31, 2020, 0.7 million shares of common stock were purchased by employees through the 401(k) defined contribution savings plan for net cash receipts of $46 million, 0.3 million shares of common stock were issued as stock compensation awards for net cash receipts of $13 million and 0.1 million shares of new common stock were issued in lieu of distributing $4 million to shareholders opting to receive dividend payments in the form of additional common stock.

In February 2020, SCE received a $269 million capital contribution 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.

Note 14. Accumulated Other Comprehensive Loss

The changes in accumulated other comprehensive loss, net of tax, consist of:

	Edison International		SCE	
	Three months ended March 31,			
(in millions)	2020	2019	2020	2019
Beginning balance	$ (69)	$ (50)	$ (39)	$ (23)
Pension and PBOP – net loss:				
Reclassified from accumulated other comprehensive loss[1]	2	2	2	1
Other[2]	—	(10)	—	(5)
Change	2	(8)	2	(4)
Ending Balance	$ (67)	$ (58)	$ (37)	$ (27)

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 and 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 15. Other Income

Other income net of expenses is as follows:

	Three months ended March 31,	
(in millions)	2020	2019
SCE other income (expense):		
Equity allowance for funds used during construction	$ 21	$ 17
Increase in cash surrender value of life insurance policies and life insurance benefits	10	9
Interest income	9	9
Net periodic benefit income – non-service components	28	19
Civic, political and related activities and donations	(11)	(13)
Other	(5)	(3)
Total SCE other income	52	38
Other income (expense) of Edison International Parent and Other:		
Net periodic benefit costs – non-service components	(1)	(2)
Other	1	2
Total Edison International other income	$ 52	$ 38

Note 16. Supplemental Cash Flows Information

Supplemental cash flows information is:

	Edison International		SCE	
	Three months ended March 31,			
(in millions)	2020	2019	2020	2019
Cash payments:				
Interest, net of amounts capitalized	$ 233	$ 200	$ 210	$ 177
Income taxes, net	—	—	—	—
Non-cash financing and investing activities:				
Dividends declared but not paid:				
Common stock	232	200	—	200
Preferred and preference stock	—	1	—	1

SCE's accrued capital expenditures at March 31, 2020 and 2019 were $451 million and $392 million, respectively. Accrued capital expenditures will be included as an investing activity in the consolidated statements of cash flow in the period paid.

Note 17. Related-Party Transactions

For the three months ended March 31, 2020, SCE did not purchase wildfire liability insurance from Edison Insurance Services, Inc. ("EIS"), a wholly-owned subsidiary of Edison International. For the three months ended March 31, 2019, SCE purchased wildfire liability insurance with premiums of $186 million from EIS. The related-party transactions included in SCE's consolidated balance sheets for wildfire-related insurance purchased from EIS were as follows:

(in millions)	March 31, 2020	December 31, 2019
Long-term insurance receivable due from affiliate	$ 803	$ 803
Prepaid insurance[1]	32	10

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

The amortization expense for wildfire-related insurance premiums paid to EIS was $50 million and $31 million for the three months ended March 31, 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 first 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 first 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 April 27, 2020, SCE was aware of at least 330 lawsuits, representing approximately 5,000 plaintiffs, related to the Thomas and Koenigstein Fires naming SCE as a defendant. One hundred and forty-three of these 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 jury trial for a limited number of plaintiffs, sometimes referred to as a bellwether jury trial, on certain fire only matters previously scheduled for June 15, 2020 was vacated due to the wide-spread disruption being caused by the COVID-19 pandemic and is expected to be rescheduled after the courtrooms in the Los Angeles Superior Court open for non-essential functions. The judge assigned to the litigation has suggested that the revised date for the initial bellwether trial could be as early as August 24, 2020.

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. Edison International and SCE did not admit liability as part of the settlement.

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.

Eighty-one of the 330 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 of the 81 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 and is expected to be rescheduled after the courtrooms in the Los Angeles Superior Court open for non-essential functions.

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. Edison International and SCE did not admit liability as part of the settlement.

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 April 27, 2020, SCE was aware of at least 226 lawsuits, representing approximately 4,400 plaintiffs, related to the Woolsey Fire naming SCE as a defendant. One hundred and forty five of these 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.

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. Edison International and SCE did not admit liability as part of the settlement.

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. It is presently unknown whether any of these agencies will impose fines on SCE and, if so, in what amounts. SCE does not expect any fines 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 are facing constraints and SCE is facing 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.

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 counter-parties. 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 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.

EXHIBITS

Exhibit Number	Description
10.1	364-Day Revolving Credit Agreement dated as of March 11, 2020 among Southern California Edison, the several banks and other financial institutions from time to time parties thereto, and Royal Bank of Canada, as administrative agent for the lenders (File No. 1-2313, filed as Exhibit 10.1 to Southern California Edison's Form 8-K dated and filed March 11, 2020)*
10.2	Term Loan Credit Agreement, dated as of March 11, 2020, among Southern California Edison Company, the several banks and other financial institutions from time to time parties thereto, and Royal Bank of Canada, as administrative agent for the lenders (File No. 1-2313, filed as Exhibit 10.2 to Southern California Edison's Form 8-K dated and filed March 11, 2020)*
10.3	Term Loan Credit Agreement, dated as of March 20, 2020, among Edison International, the several banks and other financial institutions from time to time parties thereto, JPMorgan Chase Bank, N.A., as administrative agent for the lenders, and Citibank, N.A., as syndication agent (File No. 1-09936, filed as Exhibit 10.1 to Edison International's Form 8-K dated March 20, 2020 and filed March 24, 2020)*
10.4**	Edison International 2020 Long-Term Incentives Terms and Conditions
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 March 31, 2020, filed on April 30, 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 March 31, 2020, filed on April 30, 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)

* Incorporated by reference pursuant to Rule 12b-32.

** Indicates a management contract or compensatory plan or arrangement, as required by Item 15(a)(3).

Edison International and SCE will furnish a copy of any exhibit listed in the accompanying Exhibit Index upon written request and upon payment to Edison International or SCE of their reasonable expenses of furnishing such exhibit, which shall be limited to photocopying charges and, if mailed to the requesting party, the cost of first-class postage.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized.

EDISON INTERNATIONAL		SOUTHERN CALIFORNIA EDISON COMPANY	
By:	/s/ Aaron D. Moss	By:	/s/ Aaron D. Moss
	Aaron D. Moss **Vice President and Controller** **(Duly Authorized Officer and** **Principal Accounting Officer)**		**Aaron D. Moss** **Vice President and Controller** **(Duly Authorized Officer and** **Principal Accounting Officer)**
Date:	April 30, 2020	Date:	April 30, 2020

EDISON INTERNATIONAL
2020 Long-Term Incentives
Terms and Conditions

1. LONG-TERM INCENTIVES

The long-term incentive awards granted in 2020 (“**LTI**”) for eligible persons (each, a “**Holder**”) employed by Edison International (“**EIX**”) or its participating affiliates include the following:

- Nonqualified stock options to purchase shares of EIX Common Stock (“**EIX Options**”) as described in Section 3;
- Contingent EIX performance units (“**Performance Shares**”) as described in Section 4; and
- Restricted EIX stock units (“**Restricted Stock Units**”) as described in Section 5.

Each of the LTI awards will be granted under the EIX 2007 Performance Incentive Plan (the “**Plan**”) and will be subject to adjustment as provided in Section 7.1 of the Plan.

The LTI shall be subject to these 2020 Long-Term Incentives Terms and Conditions (these “**Terms**”). The LTI shall be administered by the Compensation and Executive Personnel Committee of the EIX Board of Directors (the “**Committee**”). The Committee shall have the administrative powers with respect to the LTI set forth in Section 3.2 of the Plan.

In the event EIX grants LTI to a Holder, the number of EIX Options, Performance Shares and Restricted Stock Units granted to the Holder will be set forth in a written award certificate delivered by EIX to the Holder.

2. VESTING OF LTI

Subject to Sections 8 and 9 the following vesting and payment rules shall apply to the LTI:

2.1 ***EIX Options***. The EIX Options will vest over a four-year period as described in this Section 2 (the “**Vesting Period**”). The effective “**initial vesting date**” will be January 4, 2021, or six months after the date of the grant, whichever date is later. The EIX Options will vest as follows:

- On the initial vesting date, one-fourth of the award will vest.
- On January 3, 2022, an additional one-fourth of the award will vest.
- On January 3, 2023, an additional one-fourth of the award will vest.
- On January 2, 2024, the balance of the award will vest.

2.2 ***Performance Shares***. The Performance Shares will vest and become payable to the extent earned as determined at the end of the three-calendar-year period commencing on January 1, 2020, and ending December 31, 2022 (the “**Performance Period**”), subject to the provisions of Section 4.

2.3 ***Restricted Stock Units***. The Restricted Stock Units will vest and become payable on January 3, 2023.

2.4 ***Continuance of Employment/Service Required***. The vesting schedule requires continued employment or service through each applicable vesting date as a condition for the vesting of the applicable installment of the LTI and the rights and benefits thereunder. Employment or service for only a portion of the vesting period, even if a substantial portion, will not entitle the Holder to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or services except as provided in Sections 8 and 9 below.

3. EIX OPTIONS

3.1 ***Exercise Price***. The exercise price of an EIX Option stated in the award certificate is the closing price (in regular trading) of a share of EIX Common Stock on the New York Stock Exchange for the effective date of the grant.

3.2 ***Cumulative Exercisability; Term of Option***. The vested portions of the EIX Options will accumulate to the extent not exercised, and be exercisable by the Holder subject to the provisions of this Section 3 and Sections 8 and 9, in whole or in part, in any subsequent period but not later than January 2, 2030.

3.3 ***Method of Exercise***. The Holder may exercise an EIX Option by providing written notice to EIX on the form prescribed by the Committee for this purpose, or completion of such other EIX Option exercise procedures as EIX may prescribe, accompanied by full payment of the applicable exercise price. Payment must be in cash or its equivalent acceptable to EIX. At the discretion of the Holder, EIX Common Stock valued on the exercise date at a per-share price equal to the closing price of EIX Common Stock on the New York Stock Exchange may be used to pay the exercise price, provided the Company can comply with any legal requirements. ("Companies" or "Company" means EIX and its affiliates, or any of them, as the context may require.) A broker-assisted "cashless" exercise may be accommodated for EIX Options at the discretion of EIX. Until payment is accepted, the Holder will have no rights in the optioned stock. The provisions of Section 10 must be satisfied as a condition precedent to the effectiveness of any purported exercise.

3.4 ***Automatic Exercise***. Except as may otherwise be determined by the Committee in advance of the applicable exercise date and subject to the conditions below, the Holder's then-outstanding vested EIX Options shall automatically be exercised by EIX on behalf of the Holder on the last day of the term of such options (including any shortened term as a result of a termination of employment or in connection with a Change in Control of EIX as provided in Sections 8 and 9), to the extent such options are not otherwise exercised on or before that date. In connection with any automatic exercise of outstanding vested EIX Options, EIX shall satisfy the exercise price of the EIX Options and the applicable withholding obligation by withholding that number of EIX shares of Common Stock otherwise issuable pursuant to the options having a value (based on the closing price of EIX Common Stock on the New York Stock Exchange on the exercise date, or if no sales of EIX Common Stock were reported on the New York Stock Exchange on that date, the closing price of EIX Common Stock on the New York Stock Exchange on the next preceding day on which sales of EIX Common Stock were reported) equal to the exercise price of the EIX Options and the applicable withholding obligation. Outstanding vested EIX Options shall only be automatically exercised by EIX on behalf of the Holder if (i) the EIX Options have an exercise price that is lower than the price of a share of EIX Common Stock on the New York Stock Exchange at the time of exercise so that the options are "in-the-money," and (ii) the exercise by EIX complies with all legal requirements applicable to EIX.

4. PERFORMANCE SHARES

4.1 ***Performance Shares***. Performance Shares are EIX Common Stock-based units subject to a performance vesting requirement. A target number of contingent Performance Shares will be awarded on the initial grant date. Fifty percent (50%) of the grant date value (based on EIX's valuation methodology for the award) of the contingent Performance Shares will be a target number of contingent Performance Shares subject to a performance measure based on the percentile ranking of EIX total shareholder return ("**TSR**") among the TSRs for the stocks comprising the Comparison Group (as defined below) over the Performance Period (these contingent Performance Shares are referred to as the "**TSR Performance Shares**"). The other fifty percent (50%) of the grant date value (based on EIX's valuation methodology for the award) of the contingent Performance Shares will be a target number of contingent Performance Shares subject to a performance measure based on EIX's average core earnings per share ("**EPS**") over the Performance Period (these contingent Performance Shares are referred to as the "**EPS Performance Shares**"). The TSR Performance Shares and EPS Performance Shares will be increased by any additional Performance Shares created by "reinvestment" of dividend equivalents as provided in Section 4.5.

4.2 ***TSR Performance Shares***. The actual amount of TSR Performance Shares to be paid will depend on EIX's TSR percentile ranking ("**TSR Percentile Rank**") on the Performance Measurement Date (as defined herein). If EIX's TSR Percentile Rank is below the 25^{th} percentile, no TSR Performance Shares will be paid. Twenty-five percent (25%) of the target number of TSR Performance Shares will be paid if EIX's TSR Percentile Rank is at the 25^{th} percentile. The target number of TSR Performance Shares will be paid if EIX's TSR Percentile Rank is at the 50^{th} percentile. The payment multiple is interpolated on a straight-line basis if EIX's TSR Percentile Rank is between the 25^{th} percentile and the 50^{th} percentile. Two times the target number of TSR Performance Shares will be paid if EIX's TSR Percentile Rank is at the 75th percentile or higher. The payment multiple is interpolated on a straight-line basis if EIX's TSR Percentile Rank is between the 50^{th} percentile and the 75^{th} percentile.

EIX's TSR Percentile Rank among the Comparison Group is determined as of the Performance Measurement Date using the following formula:

$$\left[1 - \left(\frac{R - 1}{N - 1}\right)\right] * 100\%$$

In the formula:

- R is EIX's rank among the Comparison Group, where the companies in the Comparison Group (including EIX) are ranked in order of TSR over the entire Performance Period, and the rank of one represents the highest TSR, two the next highest TSR, etc.;
- N is the total number of companies in the Comparison Group on the Performance Measurement Date.

For example, if EIX is ranked 8^{th} in order of highest TSR among 20 companies in the Comparison Group (including EIX), EIX's TSR Percentile Rank would be the 63.16^{th} percentile and the payment multiple would be 152.63% of the target number of TSR Performance Shares.

TSR is calculated using (i) the average of the closing stock prices for the relevant stocks for the 20-trading-day period ending with the last day on which the New York Stock Exchange is open for trading preceding the first day of the Performance Period, and (ii) the average of the closing stock prices for the relevant stocks for the 20-trading-day period ending with the Performance Measurement Date. In making such determination, stock prices will be equitably and proportionately adjusted to the extent (if any) necessary to preserve the intended incentives of the awards and mitigate the impact of any stock split, stock dividend or reverse stock split occurring during the applicable period. Dividends with ex-dividend dates falling inside the Performance Period will be included in the TSR calculations using the assumption that reinvestment occurs on the ex-dividend date.

The "**Comparison Group**" means EIX and each other company that: is included in the Philadelphia Utility Index on the first day of the Performance Period (each, an "**Initial Peer**"); and, except as provided below, the common stock (or similar equity security) of which continues through the last trading day of the Performance Period to be listed or traded on an Eligible National Securities Exchange. "**Eligible National Securities Exchange**" means: the national securities exchange on which the Initial Peer's common stock (or similar equity security) was listed or traded on the first day of the Performance Period; the New York Stock Exchange; or The Nasdaq Stock Market. If any of the following events occur during the Performance Period, then the following rules apply:

- In the event of a merger or other business combination that closes during the Performance Period and involves two Initial Peers (including, without limitation, the acquisition of one Initial Peer, or all or substantially all of its assets, by another Initial Peer), then the surviving (or parent, as the case may be) Initial Peer (if any) shall continue to be treated as a member of the Comparison Group but the merged (or subsidiary, as the case may be) Initial Peer shall not continue to be treated as a member of the Comparison Group; however, if a successor entity is established that is an entirely new company, that new company shall be a member of the Comparison Group only if the Committee determines that including the new company in the Comparison group is necessary to preserve the intended incentives and benefits of the awarded TSR Performance Shares.
- In the event of a merger or other business combination that closes during the Performance Period and involves an Initial Peer and a company that is not an Initial Peer, then if the Initial Peer is the surviving entity, it shall continue to be treated as a member of the Comparison Group; otherwise, the

surviving, resulting, or successor entity, as the case may be, shall not be a member of the Comparison Group.

- If an Initial Peer sells, spins-off, or disposes of a portion of its business, the Initial Peer shall continue to be treated as a member of the Comparison Group unless such disposition(s) results in the disposition (other than to one or more subsidiaries of the Initial Peer) of more than 50% of the Initial Peer's total assets determined as of the first day of the Performance Period.
- With respect to the preceding bullets, the applicable stock prices shall be equitably and proportionately adjusted to the extent (if any) necessary to preserve the intended incentives of the awarded TSR Performance Shares and mitigate the impact of the transaction.
- If an Initial Peer (or a successor, survivor or parent pursuant to the preceding bullet points) would otherwise continue to be treated as a member of the Comparison Group, but it no longer has a class of equity securities listed on an Eligible National Securities Exchange, it will be removed from the Comparison Group.
- If an Initial Peer files for bankruptcy or liquidates due to an insolvency, such company shall continue to be treated as a Comparison Group member and its TSR for the Performance Period shall be deemed to be negative 100%.

The "**Performance Measurement Date**" for the TSR Performance Shares will be the last day of the Performance Period on which the New York Stock Exchange is open for trading. As of that date, the applicable payment multiple will be determined as provided above in this Section 4.2 based on the EIX TSR Percentile Rank achieved during the Performance Period.

4.3 ***EPS Performance Shares***. The Committee shall establish an EIX EPS target for each of calendar 2020, 2021, and 2022, which are the three calendar years comprising the Performance Period. The Committee shall establish the EIX EPS target for each calendar year no later than during the first 90 days of the applicable calendar year.

The actual amount of EPS Performance Shares to be paid will depend on EIX's actual EPS performance achieved as a percentage of the EIX EPS target established for the calendar year. If EIX's actual EPS for any calendar year is less than eighty percent (80%) of the EIX EPS target amount for the year, the EPS performance multiple for the calendar year will be zero (0). If EIX's actual EPS for any calendar year is equal to eighty percent (80%) of the EIX EPS target amount for the year, the EPS performance multiple for the calendar year will be 0.25x. If EIX's actual EPS for any calendar year is equal to one hundred percent (100%) of the EIX EPS target amount for the year, the EPS performance multiple for the calendar year will be 1.0x. If EIX's actual EPS for any calendar year is equal to or greater than one hundred twenty percent (120%) of the EIX EPS target amount for the year, the EPS performance multiple for the calendar year will be 2.0x. Each year's EPS performance multiple is interpolated for performance between the points indicated in the preceding three sentences on a straight-line basis with discrete intervals at every 4th percentage point, however, the performance multiple will be equal to the lowest multiple within each interval.

Following the end of the Performance Period, the EPS performance multiples achieved for each of calendar 2020, 2021, and 2022 will be averaged (determined by including zero (0) for any year in which the EPS achieved was less than eighty percent (80%) of the applicable target for that year), and the resulting average EPS performance multiple achieved for the Performance Period is referred to as the "**Performance Period EPS Multiple**." The actual amount of EPS Performance Shares to be paid will be determined by multiplying the Performance Period EPS Multiple times the target number of EPS Performance Shares.

EPS is defined as "Core" earnings per share, a non-GAAP financial measure derived from basic GAAP earnings per share by excluding income or loss from discontinued operations and income or loss from significant discrete items that are not representative of ongoing earnings. For purposes of EPS Performance Shares, the number of shares used to determine the EPS target level for a year shall also be used to calculate the level of EPS obtained for that year. In addition to the Adjustment set forth in the preceding sentence, the Committee shall make additional Adjustments to the EPS target levels established and/or the level of EPS otherwise obtained for purposes of the EPS Performance Shares to the extent (if any) it determines that such Adjustment is necessary to preserve the incentives and benefits intended at the time the Committee established the applicable EPS target level for the applicable calendar year. In addition to the Adjustment in the sentence before the preceding sentence, “Adjustments” means: (1) excluding the impact of a change in tax rates and other aspects of comprehensive changes to tax laws or regulations; (2) excluding the dilutive effects of acquisitions or joint ventures; (3) assuming that any business divested by EIX or its subsidiaries achieved performance objectives at targeted levels during the balance of the Performance Period following such divestiture; (4) excluding the effect of any event or transaction referenced in Section 7.1 of the Plan; (5) excluding costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under GAAP; (6) excluding the effect of current-year costs recovered through litigation, arbitration, or mediation; (7) excluding the effects of changes to GAAP and changes in our accounting practices with respect to non-GAAP items; (8) mitigation of the unbudgeted impact of unusual or nonrecurring gains or losses, or other extraordinary events not foreseen at the time the Committee established the applicable EPS target level; and (9) any other Adjustments set forth in the applicable Committee resolutions establishing the applicable EPS target level for the applicable calendar year. “GAAP” means generally accepted accounting principles.

4.4 ***Payment of Performance Shares***. The total number of Performance Shares that are earned pursuant to Sections 4.2 and 4.3 will be determined by the Committee. Whole Performance Shares that are earned pursuant to Sections 4.2 and 4.3, and taking dividend equivalents into account pursuant to Section 4.5, will be paid on a one-for-one basis in EIX Common Stock under the Plan. Any fractional Performance Shares earned will be paid in cash based on the closing price per share of EIX Common Stock on the New York Stock Exchange for the date of the Committee’s determination of the number of Performance Shares that are earned pursuant to Section 4.2 and 4.3. The stock and cash payable for the earned Performance Shares will be delivered as soon as practicable for EIX following such determination by the Committee, and in all events no later than March 15, 2023. The Performance Shares are subject to termination and other conditions specified in Sections 8 and 9, and to the provisions of Section 10.

4.5 ***Dividend Equivalent Reinvestment***. For each dividend on EIX Common Stock for which the ex-dividend date falls within the Performance Period and after the date of grant of the Performance Shares, the Holder of the Performance Shares will be credited with an additional number of target Performance Shares. The additional number of shares added on each ex-dividend date will be equal to (i) the per-share cash dividend paid by EIX on its Common Stock with respect to the related ex-dividend date, multiplied by (ii) the Holder’s number of target Performance Shares (including any additional target Performance Shares previously credited under this Section 4.5), divided by (iii) the closing price of a share of EIX Common Stock on the related ex-dividend date, with the result rounded to six decimal places. Any target Performance Shares added pursuant to the foregoing provisions of this Section 4.5 will be subject to the same vesting, payment, termination and other terms, conditions and restrictions as the original target Performance Shares to which they relate (including, as applicable, application of the TSR payment multiple as contemplated by Section 4.2 or the EPS performance payment multiple as contemplated by Section 4.3). No target Performance Shares will be added pursuant to this Section 4.5 with respect to any target Performance Shares which, as of the related ex-dividend date, have either become payable pursuant to Section 4.4 or terminated pursuant to Section 8.

5. RESTRICTED STOCK UNITS

5.1 ***Restricted Stock Units***. Restricted Stock Units are EIX Common Stock-based units that vest based on the passage of time. As soon as practicable for EIX following January 3, 2023 (and in all events within 90 days after such date), EIX will pay Restricted Stock Units that have vested, except that if the Restricted Stock Units vest pursuant to Section 8.2, 8.3, 8.4, 8.5 or 9, the Restricted Stock Units will become payable as provided in the applicable section below and as follows. Whole Restricted Stock Units that have vested will be paid on a one-for-one basis in EIX Common Stock under the Plan. Any fractional Restricted Stock Unit will be paid in cash based on the closing price per share of EIX Common Stock on January 3, 2023 or, as to any fractional Restricted Stock Units that have vested pursuant to Section 8.3, 8.4, 8.5 or 9 (including any payment made pursuant to Section 14.7, but excluding any payment where the time for payment is determined by reference to Section 8.2(C)), the closing price per share of EIX Common Stock on the New York Stock Exchange for the business day immediately preceding the day of payment. The Restricted Stock Units are subject to termination and other conditions specified in Sections 8 and 9, and to the provisions of Section 10.

5.2 ***Dividend Equivalent Reinvestment***. For each dividend declared on EIX Common Stock with an ex-dividend date on or after the date an award of Restricted Stock Units is granted and before all of such Restricted Stock Units either have been paid (or converted into a cash amount, as the case may be) pursuant to Section 5.1 (including any payment made pursuant to Section 14.7) or have terminated pursuant to Section 8 or 9, the Holder of such award will be credited with an additional number of Restricted Stock Units equal to (i) the per-share cash dividend paid by EIX on its Common Stock with respect to the related ex-dividend date, multiplied by (ii) the total number of outstanding and unpaid Restricted Stock Units (including any Restricted Stock Units previously credited under this Section 5.2) subject to such award as of such ex-dividend date, divided by (iii) the closing price of a share of EIX Common Stock on the related ex-dividend date, with the result rounded to six decimal places. Any additional Restricted Stock Units credited pursuant to the foregoing provisions of this Section 5.2 will be subject to the same vesting, payment, termination and other terms, conditions and restrictions as the original Restricted Stock Units to which they relate; provided, however, that the Committee shall retain discretion to pay any Restricted Stock Units in cash rather than shares of EIX Common Stock if and to the extent that payment in shares would exceed the applicable share limits of the Plan. No crediting of Restricted Stock Units will be made pursuant to this Section 5.2 with respect to any Restricted Stock Units which, as of the related ex-dividend date, have either been paid pursuant to Section 5.1 or terminated pursuant to Section 8 or 9.

6. DELAYED PAYMENT OR DELIVERY OF LTI GAINS

Holders are not eligible to defer any of their LTI granted in 2020, including the payment thereof, into the EIX 2008 Executive Deferred Compensation Plan or any other deferred compensation plan.

7. TRANSFER AND BENEFICIARY

7.1 ***Limitations on Transfers***. Except as provided below and in Section 10, the LTI will not be transferable by the Holder and, during the lifetime of the Holder, the LTI will be exercisable only by him or her. The Holder may designate a beneficiary who, upon the death of the Holder, will be entitled to exercise the then vested portion of the LTI during the remaining term subject to the provisions of the Plan and these Terms.

7.2 ***Exceptions***. Notwithstanding the foregoing, the LTI of the most senior officer of EIX, the most senior officer of Southern California Edison Company ("SCE"), the General Counsel of EIX, and the Chief Financial Officer of EIX, are transferable to a spouse, children or grandchildren, or trusts or other vehicles established exclusively for their benefit. Any transfer request must specifically be authorized by EIX in writing and shall be subject to any conditions, restrictions or requirements as the Committee may determine. Restricted Stock Units may not, however, be transferred to the extent the transfer would violate (and result in any tax, penalty or interest under) Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**").

8. TERMINATION OF EMPLOYMENT

8.1 ***General***. In the event of termination of the employment of the Holder for any reason other than those specified in Sections 8.2, 8.3, 8.4 or 9, the LTI will terminate as follows: (i) the Holder's unvested EIX Options will terminate for no value as of the Holder's Termination Date (as defined below), (ii) the Holder's vested EIX Options will terminate for no value 180 days from the Holder's Last Day Worked (as defined below) (or, if earlier, on the last day of the applicable EIX Option term) to the extent not theretofore exercised, (iii) the Holder's unearned Performance Shares will terminate for no value as of the Holder's Termination Date, and (iv) the Holder's unvested Restricted Stock Units will terminate for no value as of the Holder's Termination Date. Any fractional vested EIX Options will be rounded up to the next whole share. The vested and unvested portions of any LTI will be determined as of the Holder's Last Day Worked after giving effect to any vesting required on such date. For purposes of the LTI, "**Last Day Worked**" means the last day the Holder is treated as employed on a Company payroll system, subject to the provisions of Section 8.5, and "**Termination Date**" means the day after the Last Day Worked. The provisions of this paragraph, as well as the other references to Last Day Worked and Termination Date in Sections 8 and 9, shall apply similarly to any previously-granted and currently outstanding LTI and such provisions shall control as to any inconsistency with the Terms and Conditions applicable to such previously-granted LTI regarding such subject matter.

8.2 ***Retirement***. If the Holder's Last Day Worked is on or after the first day of the month in which he or she (i) attains age 65 or (ii) attains age 61 with five "years of service," as that term is defined in the Edison 401(k) Savings Plan (a "**Retirement**"), then the vesting and exercise or payment provisions of this Section 8.2 will apply.

(A) EIX Options. The EIX Options will remain outstanding and eligible to vest; provided, however, that in the event the Holder's Retirement occurs within calendar 2020, the portion of the option that remains outstanding and eligible to vest following the Holder's Retirement will be prorated by multiplying the total number of shares subject to the option by a fraction (not greater than 1), the numerator of which shall be the number of whole months in calendar 2020 that the Holder was employed by one or more of the Companies, and the denominator of which shall be twelve (12). In no event shall the Holder be credited with services performed during any portion of a calendar month (even if a substantial portion) if the Holder is not employed by one or more of the Companies as of the last day of such calendar month. The portion of the option not eligible to vest following the Holder's Retirement after giving effect to the proration described in the preceding two sentences shall terminate as of the Holder's Retirement, and the Holder shall have no further rights with respect to such terminated portion. Any fractional EIX Options eligible to vest under this Section 8.2 will be rounded up to the next whole number. EIX Options that remain outstanding and eligible to vest following Retirement will vest and become exercisable on the schedule under which they would have been vested had the Holder not retired (one-fourth of the option grant on the effective initial vesting date (January 4, 2021 or six months after the date of grant, whichever is later) and an additional one-fourth on each of January 3, 2022, January 3, 2023 and January 2, 2024), except that if the Holder dies, the then-outstanding portion of the option will immediately vest and become exercisable as of the date of the Holder's death. In the event prorated vesting is required in connection with the Holder's Retirement, the portion of the option that remains outstanding and eligible to vest will vest and become exercisable first on the effective initial vesting date (up to the maximum number of shares that would have vested and become exercisable on that date had no termination of employment occurred) and so on until the portion of the option that remains outstanding and eligible to vest becomes vested and exercisable, except that if the Holder dies, the then-outstanding portion of the option will immediately vest and become exercisable as of the date of the Holder's death. Once exercisable, EIX Options will remain exercisable as provided in Section 3 for the remainder of the original EIX Option term.

(B) Performance Shares. The Performance Shares will vest and become payable at the end of the Performance Period to the extent they would have vested and become payable if the Holder's employment had continued through the last day of the Performance Period; provided, however, that if the Holder's Retirement occurs within calendar 2020, the number of each of the TSR Performance Shares and EPS Performance Shares that remain outstanding and eligible to vest following the Holder's Retirement will be prorated by multiplying the number of TSR Performance Shares or EPS Performance Shares, respectively, subject to the award by a fraction (not greater than 1), the numerator of which shall be the number of whole months in calendar 2020 that the Holder was employed by one or more of the Companies, and the denominator of which shall be twelve (12). For this purpose, the number of "whole months" shall be calculated as provided in Section 8.2(A) above. Performance Shares will be payable to the Holder on the payment date specified in Section 4.4 to the extent, as applicable, of the EIX TSR ranking achieved as specified in Section 4.2 or the Performance Period EPS Multiple achieved as specified in Section 4.3. Any unvested Performance Shares (after application of the foregoing vesting provisions) will terminate for no value.

(C) Restricted Stock Units. The Restricted Stock Units will remain outstanding and eligible to vest following the Holder's Retirement and will vest and be payable on or as soon as practicable for EIX following January 3, 2023 (and in all events within 90 days after such date); provided, however, that in the event the Holder's Retirement occurs within calendar 2020, the number of Restricted Stock Units that remain outstanding and eligible to vest following the Holder's Retirement will be prorated by multiplying the total number of Restricted Stock Units subject to the award by a fraction (not greater than 1), the numerator of which shall be the number of whole months in calendar 2020 that the Holder was employed by one or more of the Companies, and the denominator of which shall be twelve (12). For this purpose, the number of "whole months" shall be calculated as provided in Section 8.2(A) above. Any Restricted Stock Units not eligible to vest following the Holder's Retirement (after application of the foregoing vesting provisions) will terminate for no value. Notwithstanding the foregoing provisions, if the Holder dies after Retirement and prior to the date the then outstanding Restricted Stock Units are paid, the then outstanding Restricted Stock Units will vest and be paid as soon as practicable for EIX (and in all events within 90 days) following the date of the Holder's death.

8.3 ***Death or Disability***. If, prior to the Holder's termination of employment with a Company, the Holder dies or incurs a "disability" (as such term is defined for purposes of Section 409A of the Code), the provisions of this Section 8.3 will apply.

(A) EIX Options. Any unvested EIX Options will immediately vest. The EIX Options will be exercisable immediately as of the date of such termination and will remain exercisable as provided in Section 3 for the remainder of the original EIX Option term.

(B) Performance Shares. The Performance Shares will vest and become payable at the end of the Performance Period as provided in Section 4.4 to the extent they would have vested and become payable if the Holder's employment had continued through the last day of the Performance Period.

(C) Restricted Stock Units. Any unvested Restricted Stock Units will immediately vest and become payable as soon as practicable for EIX (and in all events within 90 days) after the date of the Holder's death or disability, as applicable.

8.4 ***Involuntary Termination Not for Cause***. Except as may otherwise be provided in Section 9, upon involuntary termination of the Holder's employment by his or her employer not for cause (and other than due to the Holder's death or disability), the provisions of this Section 8.4 shall apply.

(A) EIX Options. Unvested EIX Options will vest to the extent necessary to cause the aggregate number of shares subject to vested EIX Options (including any shares acquired pursuant to previously exercised EIX Options) to equal the number of shares granted multiplied by a fraction (not greater than 1), the numerator of which is the number of whole months in the period from January 1 of the year of grant of the award through the one-year anniversary of the Holder's Last Day Worked, and the denominator of which is forty-eight (48). For purposes of determining such fraction, no fractional month shall be taken into account. The Holder will have one year following the Last Day Worked in which to exercise the EIX Options, or until the end of the EIX Option term, whichever occurs earlier. The Holder's vested options will terminate for no value at the end of such period to the extent not theretofore exercised. The portion of the option not eligible to vest following the termination of the Holder's employment after giving effect to the proration described in this Section 8.4(A) shall terminate as of the Holder's Termination Date, and the Holder shall have no further rights with respect to such terminated portion. Any fractional EIX Options vested under this Section 8.4(A) will be rounded up to the next whole number.

Notwithstanding anything to the contrary in the preceding paragraph, if the Holder qualifies for Retirement (as defined in Section 8.2) at the time of the termination of the Holder's employment, or if the Holder would have satisfied the requirements for Retirement if an extra year of service and age were applied, EIX Options will (i) vest (without any proration) and become exercisable on the schedule specified in Section 8.2 and (ii) remain exercisable for the remainder of the original EIX Option term.

(B) Performance Shares. The Performance Shares will vest and become payable at the end of the Performance Period to the extent they would have vested and become payable if the Holder's employment had continued through the last day of the Performance Period; provided, however, that the number of each of the TSR Performance Shares and EPS Performance Shares that remain outstanding and eligible to vest following termination of the Holder's employment will be prorated by multiplying the number of TSR Performance Shares or EPS Performance Shares, respectively, subject to the award by a fraction (not greater than 1), the numerator of which shall be the number of whole months the Holder was employed by one or more of the Companies from January 1, 2020 through the one-year anniversary of the Holder's Last Day Worked, and the denominator of which is thirty-six (36). For purposes of determining such fraction, no fractional month shall be taken into account. Such vested Performance Shares will be payable to the Holder as provided in Section 4.4 to the extent, as applicable, of the EIX TSR ranking achieved as provided in Section 4.2 or the Performance Period EPS Multiple achieved as specified in Section 4.3. Any unvested Performance Shares (after application of the foregoing vesting provisions) will terminate for no value as of the Holder's Termination Date, and the Holder shall have no further rights with respect to such terminated portion.

Notwithstanding anything to the contrary in the preceding paragraph, if the Holder qualifies for Retirement (as defined in Section 8.2) at the time of the termination of the Holder's employment, or if the Holder would have satisfied the requirements for Retirement if an extra year of service and age were applied, the Performance Shares will vest (without proration) and become payable at the end of the Performance Period as provided in Section 4.4 to the extent they would have vested and become payable if the Holder's employment had continued through the last day of the Performance Period.

(C) Restricted Stock Units. The Restricted Stock Units will vest to the extent necessary to cause the aggregate number of vested Restricted Stock Units to equal the number of Restricted Stock Units subject to the award multiplied by a fraction (not greater than 1), the numerator of which is the number of whole months in the period from January 1 of the year of grant of the award through the one-year anniversary of the Holder's Last Day Worked, and the denominator of which is thirty-six (36). For purposes of determining such fraction, no fractional month shall be taken into account. Any unvested Restricted Stock Units (after application of the foregoing vesting provisions) will terminate for no value as of the Holder's Termination Date, and the Holder shall have no further rights with respect to such terminated portion. Subject to the last paragraph of this Section 8.4(C), vested Restricted Stock Units will be paid as soon as practicable for EIX (and in all events within 90 days) following the date of the Holder's Separation from Service, if the Separation from Service occurs prior to any other applicable payment event otherwise provided for in these Terms. For purposes of the LTI, a "**Separation from Service**" means the Holder's "separation from service" with the Company as that term is used for purposes of Section 409A of the Code.

Notwithstanding anything to the contrary in the preceding paragraph, if the Holder qualifies for Retirement (as defined in Section 8.2) at the time of the termination of the Holder's employment, the Restricted Stock Units will vest (without any proration) and become payable at the same time provided for in Section 8.2(C).

In addition, and notwithstanding anything to the contrary in the preceding two paragraphs, if the Holder does not qualify for Retirement at the time of the termination of the Holder's employment, but the Holder would have satisfied the requirements for Retirement if an extra year of service and age had been applied at the time of termination, then the Restricted Stock Units (i) will vest (without any proration) and (ii) will, subject to the last paragraph of this Section 8.4(C), become payable as soon as practicable for EIX (and in all events within 90 days) following the date of the Holder's Separation from Service, if the Separation from Service occurs prior to any other applicable payment event otherwise provided for in these Terms.

If either the first or third paragraphs of this Section 8.4(C) apply and the period for payment of the Restricted Stock Units spans two calendar years, and if Section 8.4(D) applies and the period for delivery of the Holder's release of claims and any applicable revocation period also spans those two calendar years, then the payment of the applicable Restricted Stock Units will be made (subject to the satisfaction of Section 8.4(D)) within the prescribed period of time but in the second of those two calendar years.

(D) Conditions of Benefits. Notwithstanding the foregoing provisions, if at the time of the Holder's involuntary termination the Holder is covered by a severance plan of EIX or any of its affiliates, the Holder shall be entitled to the accelerated vesting provided in this Section 8.4 only if the Holder satisfies the applicable conditions for receiving severance benefits under that plan (including, without limitation, any requirement to execute and deliver a release of claims) in connection with such involuntary termination. In the event that such conditions are not satisfied, the provisions of Section 8.1 above shall apply, and the Holder shall not be entitled to any accelerated vesting under this Section 8.4.

8.5 ***Effect of Change of Employer***. For purposes of the LTI only, involuntary termination of employment will be deemed to occur on the date the Holder's employing company is no longer a member of the EIX controlled group of corporations as defined in Section 1563(a) of the Code, regardless of whether the Holder's employment continues with that entity or a successor entity outside of the EIX controlled group. A termination of employment will not be deemed to occur for purposes of the LTI if a Holder's employment by one EIX Company terminates but immediately thereafter the Holder is employed by another EIX Company.

9. CHANGE IN CONTROL; EARLY TERMINATION OF LTI

Notwithstanding any other provision herein, in the event of a Change in Control of EIX (as defined in Section 9.6), the provisions of this Section 9 will apply.

9.1 ***EIX Options***. In the event the EIX Options are to terminate pursuant to Section 7.2 of the Plan in connection with a Change in Control of EIX, then upon (or, as may be necessary to effect the acceleration, immediately prior to) the Change in Control of EIX the then-outstanding and unvested EIX Options will become fully vested; provided, however, that this automatic acceleration provision will not apply with respect to any EIX Options to the extent the Committee has made a provision for the substitution, assumption, exchange or other continuation of the EIX Options. In the event of such a termination where the Committee has not provided for a cash settlement of the EIX Options as described below, the Holder of each EIX Option that is to be so terminated will be given reasonable advance notice of the impending termination and a reasonable opportunity to exercise such EIX Option in accordance with its terms before such termination (except that in no event will more than 10 days' notice of the accelerated vesting and impending termination be required). The Committee may provide, as to each EIX Option that is to be terminated in connection with a Change in Control of EIX, to settle the EIX Option by a cash payment to the Holder of such option based upon the distribution or consideration payable to the holders of the EIX Common Stock upon or in respect of such event, such cash payment to be made as soon as practicable for EIX after the Change in Control of EIX.

9.2 ***Performance Shares***. In the event the Performance Shares are to terminate pursuant to Section 7.2 of the Plan in connection with a Change in Control of EIX, then the Performance Period for all outstanding Performance Shares will be shortened so that the Performance Period will be deemed to have ended on the last day prior to such Change in Control of EIX, and the Performance Shares that will vest and become payable will be determined in accordance with Section 4.2 (TSR Performance Shares) or 4.3 (EPS Performance Shares) based on such shortened Performance Period (and, with respect to the EPS Performance Shares, after giving effect to a proportionate adjustment by the Committee to the EIX EPS target established for the year in which the Change in Control of EIX occurs to pro-rate such target for the portion of such year elapsed through the last day prior to such Change in Control of EIX); provided, however, that this automatic acceleration provision will not apply with respect to any Performance Shares to the extent the Committee has made a provision for the substitution, assumption, exchange or other continuation of the Performance Shares. Any Performance Shares that become subject to a shortened Performance Period pursuant to this Section 9.2 shall be paid, to the extent such Performance Shares become vested and payable after giving effect to the first sentence of this Section 9.2, to the Holder in cash as soon as practicable for EIX (and in all events within 74 days) after the date of the Change in Control of EIX, and any such Performance Shares that do not become vested and payable shall terminate for no value as of the date of the Change in Control of EIX.

9.3 ***Restricted Stock Units***. This Section 9.3 applies to the Restricted Stock Units notwithstanding anything to the contrary in Section 7.2 of the Plan. The Committee may not exercise any discretion to change the payment date(s) of the Restricted Stock Units except as otherwise expressly provided in this Section 9.3 or as otherwise compliant with (so as to not result in any tax, penalty or interest under) Section 409A of the Code. The Restricted Stock Units may only be terminated in connection with a Change in Control of EIX to the extent the termination satisfies the requirements of Treasury Regulation Section 1.409A-3(j)(4)(ix) (Plan Terminations and Liquidations). In the event the Restricted Stock Units are to terminate in connection with such an event, then upon (or, as may be necessary to effect the acceleration, immediately prior to) the Change in Control of EIX, the then-outstanding and unvested Restricted Stock Units will become fully vested. In the event the Restricted Stock Units are not to be so terminated in connection with such an event, the Committee shall make provision for the substitution, assumption, exchange or other continuation of the Restricted Stock Units in a manner that is compliant with (and does not result in any tax, penalty or interest under) Section 409A of the Code and the Restricted Stock Units shall be paid at the first applicable time otherwise provided in these Terms.

9.4 ***Severance Plan Benefits***. If a Holder is a participant in the EIX 2008 Executive Severance Plan (or any similar successor plan) and experiences a Qualifying Termination Event as defined in the EIX 2008 Executive Severance Plan (or a similar employment termination under a successor plan) associated with a Change in Control as defined in the EIX 2008 Executive Severance Plan (or any similar successor plan), then (i) the Holder's outstanding EIX Options will immediately vest, (ii) the Holder will have two years following the Last Day Worked in which to exercise such EIX options if the Holder is a Senior Vice President or an officer of higher rank of EIX or SCE (three years if the Holder is the most senior officer of EIX, the most senior officer of SCE, the General Counsel of EIX, or the Chief Financial Officer of EIX), in each case subject to earlier termination at the end of the applicable option term or as provided in Section 9.1 above, (iii) any then outstanding Performance Shares shall be treated as provided for in Section 8.3(B) above, if the applicable performance period has not been shortened pursuant to Section 9.2 above, and (iv) any then outstanding Restricted Stock Units will immediately and fully vest, and will be paid as soon as practicable for EIX (and in all events within 90 days) following the date of the Holder's Separation from Service, if vesting had not otherwise been triggered by Section 9.3 above.

9.5 ***Other Acceleration Rules***. Any acceleration of LTI pursuant to this Section 9 will comply with applicable legal requirements and, if necessary to accomplish the purposes of the acceleration or if the circumstances require, may be deemed by the Committee to occur within a limited period of time not greater than 30 days prior to the Change in Control of EIX. Without limiting the generality of the foregoing, the Committee may deem an acceleration to occur immediately prior to the applicable event and/or reinstate the original terms of a LTI if the event giving rise to acceleration does not occur.

9.6 ***Definition of Change in Control of EIX***. A "**Change in Control of EIX**" shall be deemed to have occurred as of the first day, after the date of grant, that any one or more of the following conditions shall have been satisfied:

(A) Any Person (other than a trustee or other fiduciary holding securities under an employee benefit plan of EIX) becomes the Beneficial Owner, directly or indirectly, of securities of EIX representing thirty percent (30%) or more of the combined voting power of EIX's then outstanding securities. For purposes of this clause, "**Person**" shall mean any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act, except that such term shall not include one or more underwriters acquiring newly-issued voting securities (or securities convertible into voting securities) directly from EIX with a view towards distribution; and the term "**Beneficial Owner**" shall mean as defined under Rule 13d-3 promulgated under the Exchange Act.

(B) On any day after the date of grant (the "**Reference Date**") Continuing Directors cease for any reason to constitute a majority of the EIX Board of Directors (the "**Board**"). A director is a "**Continuing Director**" if he or she either:

(i) was a member of the Board on the applicable Initial Date (an "**Initial Director**"); or

(ii) was elected to the Board, or was nominated for election by EIX's shareholders, by a vote of at least two-thirds (2/3) of the Initial Directors then in office.

A member of the Board who was not a director on the applicable Initial Date shall be deemed to be an Initial Director for purposes of clause (b) above if his or her election, or nomination for election by EIX's shareholders, was approved by a vote of at least two-thirds (2/3) of the Initial Directors (including directors elected after the applicable Initial Date who are deemed to be Initial Directors by application of this provision) then in office. For these purposes, "**Initial Date**" means the later of (A) the date of grant or (B) the date that is two (2) years before the Reference Date.

(C) EIX is liquidated; all or substantially all of EIX's assets are sold in one or a series of related transactions; or EIX is merged, consolidated, or reorganized with or involving any other corporation, other than a merger, consolidation, or reorganization that results in the voting securities of EIX outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the combined voting power of the voting securities of EIX (or such surviving entity) outstanding immediately after such merger, consolidation, or reorganization. Notwithstanding the foregoing, a bankruptcy of EIX or a sale or spin-off of an affiliate of

EIX (short of a dissolution of EIX or a liquidation of substantially all of EIX's assets, determined on an aggregate basis) will not constitute a Change in Control of EIX.

(D) The consummation of such other transaction that the Board may, in its discretion in the circumstances, declare to be a Change in Control of EIX for purposes of the Plan.

10. TAXES AND OTHER WITHHOLDING

Upon any exercise, vesting, payment or other taxable event with respect to any LTI, the Company shall have the right at its option to:

- require the Holder (or the Holder's personal representative or beneficiary, as the case may be) to pay or provide for payment of the amount of any taxes which the Company may be required to withhold with respect to such LTI event or payment; or
- deduct from any amount otherwise payable in cash to the Holder (or the Holder's personal representative or beneficiary, as the case may be), with respect to any LTI or otherwise, the amount of any taxes which the Company may be required to withhold.

In the case of any LTI payable in whole or part in EIX Common Stock, to the extent that the payment of that award pursuant to exercise or vesting requires tax withholding and a sufficient amount of cash is not generated from the underlying transaction as to that award to satisfy such withholding obligations, EIX shall substitute a cash award for a number of shares of Common Stock otherwise issuable pursuant to the award, rounded up to the next whole share for fractional shares and valued in a consistent manner at their fair market value as of the date of such exercise (in the case of EIX Options), at their fair market value based on the closing price per share of EIX Common Stock on the date of the Committee's certification in Section 4.2 and Section 4.3 above (in the case of Performance Shares), or (in the case of Restricted Stock Units) at a fair market value based on the closing price per share of EIX Common Stock on January 3, 2023 (or, as to any Restricted Stock Units that have vested pursuant to Section 8.3, 8.4, 8.5 or 9 (including any payment made pursuant to Section 14.7, but excluding any payment where the time for payment is determined by reference to Section 8.2(C)), the closing price per share of EIX Common Stock on the New York Stock Exchange for the business day immediately preceding the day of payment), as is necessary to satisfy the applicable withholding obligation in connection with such award transaction to the extent that such withholding amount exceeds the amount of cash generated from the underlying transaction and not otherwise deferred.

If for any reason EIX cannot or elects not to satisfy such withholding obligations in such manner, in each case, with the approval of the Committee as to a Section 16 Person (as defined below), or if a tax withholding obligation arises in any other circumstances, the Company shall have the right to satisfy such withholding obligations, or require the Holder to satisfy such withholding obligations, as otherwise provided above.

In the case of any LTI payable in whole or part in EIX Common Stock, to the extent that the payment of that award pursuant to exercise or vesting requires Garnishment Payments by the Company, and a sufficient amount of cash is not generated by the underlying transaction as to that award to satisfy the Garnishment Payment obligations arising from such transaction, the Company shall substitute a cash award for a number of shares of Common Stock otherwise issuable pursuant to the award, rounded up to the next whole share for fractional shares and valued in a consistent manner at their fair market value as of the date of such exercise (in the case of EIX Options), at their fair market value based on the closing price per share of EIX Common Stock on the date of the Committee's certification in Section 4.2 and Section 4.3 above (in the case of Performance Shares), or (in the case of Restricted Stock Units) at a fair market value based on the closing price per share of EIX Common Stock on the New York Stock Exchange for January 3, 2023 (or, as to any Restricted Stock Units that have vested pursuant to Section 8.3, 8.4, 8.5 or 9 (including any payment made pursuant to Section 14.7, but excluding any payment where the time for payment is determined by reference to Section 8.2(C)), the closing price per share of EIX Common Stock on the New York Stock Exchange for the business day immediately preceding the day of payment), equal to the amount required by any Garnishment, less any cash received and not deferred in connection with such award transaction. For this purpose, "**Garnishment**" means garnishment orders, levies, and other assessments imposed by legal authority and "**Garnishment Payments**" means payments required by the Company pursuant to any such Garnishment.

11. CONTINUED EMPLOYMENT

Nothing in the award certificate or these Terms will be deemed to confer on the Holder any right to continue in the employ of EIX, any of its subsidiaries, or any other entity or interfere in any way with the right of any of them to terminate his or her employment at any time.

12. INSIDER TRADING; SECTION 16

12.1 ***Insider Trading***. Each Holder shall comply with all EIX notice, trading and other policies regarding transactions in and involving EIX securities (including, without limitation, policies prohibiting insider trading).

12.2 ***Section 16***. If an LTI is granted to a person who is or later becomes subject to the provisions of Section 16 of the Exchange Act ("**Section 16**") in respect of EIX (a "**Section 16 Person**"), the LTI will immediately and automatically become subject to the requirements of Rule 16b-3(d) and/or 16b-3(e) (the "**Rule**") and may not be exercised, transferred or (to the extent permitted by Section 409A of the Code without triggering any tax, penalty or interest thereunder) paid until the Rule has been satisfied. Approval of these Terms is intended to satisfy the Rule. However, in its sole discretion, the Committee may take any other action to assure compliance with the requirements of the Rule, including (to the extent permitted by Section 409A of the Code without triggering any tax, penalty or interest thereunder) withholding delivery to Holder (or any other person) of any security or of any other payment in any form until the requirements of the Rule have been satisfied. The Secretary of EIX may waive compliance with the requirements of the Rule if he or she determines the transaction to be exempt from the provisions of paragraph (b) of Section 16.

12.3 ***Notice of Disposition***. The Holder agrees that if he or she should plan to dispose of any shares of stock acquired on the exercise or payment of LTI awards (including a disposition by sale, exchange, gift or transfer of legal title) and the Holder is a person who is required to preclear EIX securities transactions, the Holder will notify EIX prior to such disposition.

13. AMENDMENT

The LTI are subject to the terms of the Plan, as it may be amended from time to time. EIX reserves the right to amend these Terms from time to time to the extent that EIX reasonably determines that the amendment is necessary or advisable to comply with applicable laws, rules or regulations or to preserve the intended tax consequences of the applicable LTI. The LTI may not otherwise be amended or terminated (by amendment to or of the Plan or otherwise) in any manner materially adverse to the rights of the Holder of the affected LTI without such Holder's consent.

14. MISCELLANEOUS

14.1 ***Force and Effect***. The various provisions herein are severable in their entirety. Any determination of invalidity or unenforceability of any one provision will have no effect on the continuing force and effect of the remaining provisions.

14.2 ***Governing Law***. These Terms will be construed under the laws of the State of California.

14.3 ***Notice***. Unless waived by EIX, any notice required under or relating to the LTI must be in writing, with postage prepaid, addressed to: Edison International, Attn: Corporate Secretary, P.O. Box 800, Rosemead, CA 91770.

14.4 ***Construction***. These Terms shall be construed and interpreted to comply with Section 409A of the Code. Additionally, when any provision of this document refers to a date, including a date implied by the end of a specified period, and that date falls on a holiday or weekend, the date shall be deemed to be the immediately preceding business day on which the New York Stock Exchange is open, except that the last day of the Performance Period shall occur on December 31, 2022 and in no event shall the term of an EIX Option extend beyond its maximum 10-year term. Any determination of trading price or fair market value for purposes of these Terms shall be made consistent with the resolutions adopted by the EIX Board of Directors on July 19, 2001 entitled "Fair Market Value Measure for Equity-Based Awards."

14.5 ***Transfer Representations and Limitations***.

(A) Transfer Representations. The Holder agrees that any securities acquired by him or her hereunder are being acquired for his or her own account for investment and not with a view to or for sale in connection with any distribution thereof and that he or she understands that such securities may not be sold, transferred, pledged, hypothecated, alienated, or otherwise assigned or disposed of without either registration under the Securities Act of 1933 or compliance with the exemption provided by Rule 144 or another applicable exemption under such act.

(B) Transfer Limitations with Respect to Stock Ownership Guidelines. The Holder agrees that if he or she is an officer of EIX or one of its affiliates who is covered by EIX's Stock Ownership Guidelines for Officers ("**Ownership Guidelines**") at the time the Holder proposes to sell or otherwise transfer any securities acquired by him or her hereunder or under any prior long-term incentive award granted by the Corporation to the Holder (collectively, "**Acquired Securities**"), the Holder will not sell or otherwise transfer any Acquired Securities if such sale or transfer would violate the Ownership Guidelines.

14.6 ***Award Not Funded***. The Holder will have no right or claim to any specific funds, property or assets of the Companies as to any award of LTI.

14.7 ***Section 409A***. Notwithstanding any provision of these Terms to the contrary, if the Holder is a "specified employee" as defined in Section 409A of the Code, the Holder shall not be entitled to any payment with respect to any LTI subject to Section 409A in connection with the Holder's Separation from Service until the earlier of (a) the date which is six (6) months after the Holder's Separation From Service for any reason other than the Holder's death, or (b) the date of the Holder's death. Any amounts otherwise payable to the Holder following the Holder's Separation From Service that are not so paid by reason of this Section 14.7 shall be paid as soon as practicable for EIX (and in all events within ninety (90) days) after the date that is six (6) months after the Holder's Separation From Service (or, if earlier, the date of the Holder's death). The provisions of this Section 14.7 shall only apply if, and to the extent, required to comply with Section 409A of the Code.

14.8 ***Claw-Back***. Notwithstanding any provision of these Terms to the contrary, the LTI, as well as any shares of Common Stock, cash or other property that may be issued, delivered or paid in respect of the LTI, as well as any consideration that may be received in respect of a sale or other disposition of any such shares or property, shall be subject to any recoupment, "clawback" or similar provisions of applicable law, as well as any recoupment, "clawback" or similar policies of the Company that may be in effect from time to time.

Exhibit 31.1

CERTIFICATION

I, PEDRO J. PIZARRO, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 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: April 30, 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 March 31, 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: April 30, 2020

/s/ MARIA RIGATTI

MARIA RIGATTI
Chief Financial Officer

Exhibit 31.2

CERTIFICATION

I, KEVIN M. PAYNE, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 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: April 30, 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 March 31, 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: April 30, 2020

/s/ WILLIAM M PETMECKY III

WILLIAM M. PETMECKY III
Chief Financial Officer

Exhibit 32.1

STATEMENT PURSUANT TO 18 U.S.C. SECTION 1350, AS
ENACTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Quarterly Report on Form 10-Q for the quarter ended March 31, 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: April 30, 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.

Exhibit 32.2

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 March 31, 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: April 30, 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.