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**"We are eager to provide the creative leadership needed to tackle the challenges ahead."**

### **Modernizing the Electric Grid**

A cleaner, more sustainable energy future requires more than harnessing solar, wind and other renewable sources to generate electric power; it requires modernizing today's electric grid into an advanced power network that supports the growing wave of clean-energy technologies.

Last year, California passed legislation increasing the target for renewable power from 30 to 50 percent of delivered energy by 2030. Even before this, our Southern California Edison (SCE) utility focused its growth strategy on modernizing its electric power network to support the state's transition to a low-carbon economy.

The goal is to improve the flexibility, resiliency, reliability and affordability of our electric service for our customers. Modernizing the grid will allow SCE to meet the state's clean-energy goals and provide the environmental stewardship that Southern Californians expect from us.

### **"Plug-and-Play"**

SCE's vision of this modernized grid is a "plug-and-play" system — a power network in which customers can plug in any device and have it work seamlessly, whether it's an electric vehicle (EV), solar panels, batteries for energy storage, "smart home" devices or technologies yet to be developed.

A modernized grid will accelerate the growth of solar energy technologies. SCE is well positioned to lead this effort, connecting 56,000-plus solar customers to the grid in 2015 (nearly 5,000 per month) and close to 160,000 to date.

Grid modernization will also benefit EV adoption, thus reducing air pollution and greenhouse gas (GHG) emissions. To help California reach its goal of 1.5 million zero-emission vehicles by 2025, SCE is piloting its "Charge Ready" program, preparing to install the infrastructure that will eventually support 30,000 charging stations across its 50,000 square-mile service territory.

### **Continuing Transformation**

Anticipating continuing transformation in our industry, we are building out our competitive, unregulated Edison Energy Group (EEG) business, expanding into energy engineering and consulting services that specialize in energy efficiency projects, green initiatives for building systems, energy procurement advisory services and sourcing off-site renewable energy.

Our distributed generation EEG subsidiary, SoCore Energy, has nearly 250 solar projects operating in 16 states. In 2015, SoCore produced 54 million kilowatt-hours of solar energy, equal to reducing GHG emissions by 37,235 metric tons. SoCore has expanded beyond rooftop installations to ground-mounted community solar and rural electric cooperative projects.

Some observers consider all this change as "disruptive." At Edison International, we see more opportunities for growth rather than threats to our industry. We are eager to provide the creative leadership needed to tackle the challenges ahead.



A handwritten signature in dark ink that reads "Ted Craver".

**Theodore (Ted) F. Craver, Jr.**  
Chairman, President and CEO