

SOUTHERN CALIFORNIA EDISON: HOW OUR BUSINESS WORKS

Updated: 8/14/24

Southern California Edison doesn't follow the typical business model of making a profit from the sale of its products and services. Investor-owned utilities like SCE do not make more money when customers use more electricity.

That is because the state of California wants customers of electric utilities to conserve power and practice energy efficiency.

Instead, the California Public Utilities Commission allows SCE and other investor-owned utilities to earn an authorized percentage of profit (or "return") on the value of their capital investments, which are the poles, wires, substations and other infrastructure you see every day in your communities.

In other words, SCE earns its profits by building, operating and maintaining the electric grid that serves customers across its 50,000-square-mile service area.

The authorized rate of return and the rates SCE charges customers for their electricity use are determined in open, transparent proceedings held by the commission. These proceedings include public input and participation by groups representing customer interests such as the California Public Advocates Office and The Utility Reform Network.

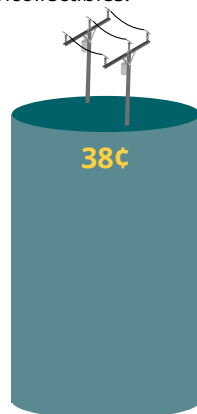
Generation

Cost of energy sources, including natural gas, hydro, solar and wind. SCE generates less than 20% of the power it sells.



Distribution

Grid maintenance and new equipment, including poles, wires and substations. Also includes federal, state, county and city taxes and uncollectibles.



WHERE YOUR MONEY GOES

This breakdown shows **how much of each dollar** that SCE receives from its customers is used to safely deliver electric service and implement mandated state policies

Percentages based on calculations from June 2024.

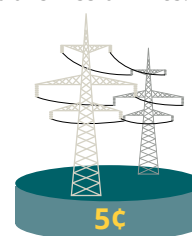
Wildfire

Coated wire, vegetation clearing, enhanced inspections, weather stations, HD cameras, insurance.



Transmission

Investment in operations and maintenance for high-voltage transmission lines.



Mandated state programs

including incentives for energy efficiency and protection for low-income customers.

