GG. GREEN TARIFF SHARED RENEWABLES BALANCING ACCOUNT (GTSRBA)

1. Purpose

The Green Tariff Shared Renewables (GTSR) program (GTSR Program) consists of both a Green Rate option and a Community Renewables (CR) option. The purpose of the GTSR Balancing Account (GTSRBA) is to record the difference between the actual revenue requirements, based on recorded GTSR commodity-related costs, and the revenues collected from individual customers electing to participate in the GTSR Program through charges set to collect these costs. The revenues collected will be based on a dollar per kWh charged for each kWh of energy delivered per a customer’s GTSR Program subscription. GTSR Program administrative and marketing, education and outreach (ME&O) costs and revenues are accounted for in separate memorandum accounts and are not in the GTSRBA.

2. Definitions

a. Interim Green Rate Pool.

For the near-term, to meet immediate Green Rate customer demand, SCE may draw on existing Renewables Portfolio Standard (RPS) resources that are eligible for the Green Rate program with actual or expected online dates of January 1, 2014 or later (Interim Green Rate Pool). The Interim Green Rate Pool is a short-term approach. Simultaneously, SCE will engage in advance procurement of a specified amount to start the process of putting additional facilities online.

b. Interest Rate.

The Interest Rate shall be one-twelfth of the Federal Reserve three-month Commercial Paper Rate – Non-Financial, from Federal Reserve Statistical Release H.15 (expressed as an annual rate). If in any month a non-financial Rate is not published, SCE shall use the Federal Reserve three-month Commercial Paper Rate – Financial.

c. Franchise Fees and Uncollectibles Accounts Expense.

Franchise Fees and Uncollectibles (FF&U) accounts expense shall be the CPUC-authorized rate derived from SCE’s most recent General Rate Case (GRC) decision to provide for FF&U accounts expense.
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3. Operation of the GTSRBA

Entries to the GTSRBA shall be determined as follows (on a monthly, quarterly or annual basis as recorded data is available):

a. An entry equal to the balance in the Renewable Power Rate (RPR) Subaccount, which shall include:

   i. RPR revenues (credit), as recorded, less (T)
   ii. A provision for FF&U, plus (N)
   iii. RPR-related costs (debit), which include the cost of contracts in the Interim Green Rate Pool based on the weighted average, time-of-delivery adjusted contract costs of all projects in SCE’s Interim Green Rate Pool multiplied by the actual kWh delivered under all Green Rate customer subscriptions. Once projects built specifically for the Green Rate program (Green Rate Dedicated Procurement Projects) achieve commercial operation, the RPR-related costs will be based on the weighted average, time-of-delivery adjusted contract costs of the Green Rate Dedicated Procurement Projects (averaged with contract costs of projects from the Interim Green Rate Pool on a weighted average basis, if necessary).

b. An entry equal to the balance in the Western Renewable Energy Generation Information System (WREGIS) and California Independent System Operator (CAISO) Grid Subaccount, which shall include:

   i. WREGIS Charge and CAISO Grid Charge revenues (credit), as recorded, less (T)
   ii. A provision for FF&U, plus (N)
   iii. WREGIS costs (debit), which include fees assessed by WREGIS for registration, tracking and retirement of renewable energy credits (RECs) associated with generation for GTSR Program subscriptions, calculated by multiplying the total $/kWh WREGIS charge by the actual kWh delivered under all GTSR Program customer subscriptions, plus (T)
   iv. CAISO costs (debit), calculated by multiplying all applicable CAISO-determined $/kWh grid charges, including the market services charge, the system operations charge, the congestion revenue rights service charge, and the eligible intermittent resources forecast fee, by the actual kWh delivered under all GTSR Program customer subscriptions. (T)
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3. Operation of the GTSRBA (continued)

Entries to the GTSRBA shall be determined as follows (on a monthly, quarterly or annual basis as recorded data is available): (continued)

c. An entry equal to the balance in the Renewables Integration Cost Charge Subaccount, which shall be set at zero until such time as a Renewables Integration Cost Charge can be calculated as authorized by the Commission.

d. An entry equal to the balance in the Green Rate Resource Adequacy (RA) Subaccount, which shall include:

   i. RA Adjustment (net of RA Credit and RA Charge) revenues, as recorded, less (T)

   ii. A provision for FF&U, plus (N)

   iii. RA costs (debit), which include costs incurred by SCE to ensure sufficient RA to serve the Green Rate program subscriptions, calculated by multiplying 115 percent by the RA cents per kWh rate adopted per the Cost Responsibility Surcharge by the actual kWh delivered under Green Rate customer subscriptions, plus

   iv. RA value (credit), which includes the RA value that SCE receives from the Green Rate program resources, calculated by multiplying the ratio of the Net Qualifying Capacity (NQC) of all Interim Green Rate Pool resources to the total MW capacity of all Interim Green Rate Pool resources with the RA cents per kWh rate adopted per the Cost Responsibility Surcharge, by the actual kWh delivered under all Green Rate customer subscriptions. Once Green Rate Dedicated Procurement Projects achieve commercial operation, the RA value will include the RA value that SCE receives from the Green Rate Dedicated Procurement Projects, calculated by multiplying the ratio of the NQC of the Green Rate Dedicated Procurement Projects to the total MW capacity of the Green Rate Dedicated Procurement Projects with the RA cents per kWh rate adopted per the Cost Responsibility Surcharge, by the actual kWh delivered under all Green Rate customer subscriptions (averaged with RA value of projects from the Interim Green Rate Pool on a weighted average basis, if necessary).

e. An entry equal to the balance in the CR RA Subaccount, which shall include:

   i. RA Adjustment (net of RA Credit and RA Charge) revenues, as recorded, less (T)

   ii. A provision for FF&U, plus (N)

   iii. RA costs (debit), which include costs incurred by SCE to ensure sufficient RA to serve each CR facility’s subscriptions, calculated by multiplying 115 percent by the RA cents per kWh rate adopted per the Cost Responsibility Surcharge by each CR facility’s subscriptions, plus

(Continued)
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3. Operation of the GTSRBA (continued)

   e. An entry equal to the balance in the CR RA Subaccount, which shall include:

      (continued)

      iv. RA value (credit), which includes the RA value that SCE receives from each CR facility, calculated by multiplying the NQC of each CR facility with the RA cents per kWh rate adopted per the Cost Responsibility Surcharge.

Interest will be calculated by applying the Interest Rate to the average of the beginning-of-month and end-of-month GTSRBA balance. The sum of (a) through (e), including interest and less Franchise Fees and Uncollectible (FF&U) expenses, equals the activity recorded in the GTSRBA each month.

4. Disposition of GTSRBA Balance

Any annual GTSRBA over-collection or under-collection in each year over the life of the offering will be addressed in SCE’s annual Energy Resource Recovery Account (ERRA) Forecast proceeding, a Tier 2 advice letter or by separate application where the components of the Green Rate and CR option charges will also be updated annually, unless otherwise provided in Schedules GTSR-GR or GTSR-CR. The balance forecast to be recorded in the GTSRBA subaccounts on December 31st of the current year shall be included in the forecast of the GTSR Program rate components (if applicable) for the subsequent year to be either returned to, or recovered from, eligible GTSR Program participants only.

5. GTSRBA Review Procedures

SCE will include the recorded operation of the GTSRBA for the previous year in SCE’s annual ERRA review applications. This review of the GTSRBA will ensure that the entries made in the GTSRBA are stated correctly and are consistent with Commission decisions.