CC. Statewide Marketing, Education & Outreach Balancing Account (SME&OBA)

1. Purpose

The purpose of the Statewide Marketing, Education & Outreach Balancing Account (SME&OBA) is to record the difference between the Commission-authorized Statewide Marketing, Education & Outreach (ME&O) funding and the actual recorded Statewide ME&O costs. Pursuant to D. 13-04-021, the SME&OBA is a one-way balancing account. The Statewide ME&O recorded costs are to be tracked separately in energy efficiency and demand response sub-accounts in the SMEO&BA.

2. Definitions

a) Authorized Statewide ME&O Funding Level:

The Authorized Funding Level for Statewide ME&O programs is the amount authorized by the Commission to be reflected in the Public Purpose Programs Charge (PPPC) rate levels pursuant to D.13-04-021, D.13-12-038, D.14-12-026, D.15-11-033, D.15-08-033, and D. 16-09-020. The amounts below exclude Franchise Fees and Uncollectible Accounts (FF&U) expense.

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Flex Alert</th>
<th>Demand Response</th>
<th>Energy Efficiency</th>
<th>Total</th>
</tr>
</thead>
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<tr>
<td>April 18, 2013</td>
<td>$6.000</td>
<td>-</td>
<td>-</td>
<td>$6.000</td>
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<td>January 1, 2014</td>
<td>$6.000</td>
<td>$1.600</td>
<td>$5.400</td>
<td>$13.000</td>
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<td>$5.400</td>
<td>$13.000</td>
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<tr>
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<td>$6.100</td>
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<td>Oct 1, ’16-Sept 30, ’17</td>
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<td>$1.383</td>
<td>$5.273</td>
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<td>Oct 1, ’17-Sept 30, ’18</td>
<td>-</td>
<td>$1.798</td>
<td>$6.855</td>
<td>$8.653</td>
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<tr>
<td>Oct 1, 18-Sept 30, 19</td>
<td></td>
<td>$1.798</td>
<td>$6,855</td>
<td>$8,653</td>
</tr>
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</table>

b) Interest Rate:

The Interest Rate shall be the most recent annual interest rate of the Federal Reserve three-month Commercial Paper Rate – Non-Financial, from Federal Reserve Statistical Release H.15 (expressed as an annual rate). If an annual non-financial interest rate is not published, SCE shall use the annual Federal Reserve three-month Commercial Paper Rate – Financial.
CC. Statewide Marketing, Education & Outreach Balancing Account (SME&OBA) (Continued)

3. Operation of the SME&OBA

   a. On a monthly basis, entries to the SME&OBA shall be determined as follows:

   1) A credit entry equal to the Authorized Statewide ME&O Funding Level divided by twelve;

   2) A debit entry equal to costs recorded in the Demand Response sub-account which shall include all Demand Response Statewide ME&O activities as authorized by the Commission, including costs related to the Flex Alert program;

   3) A debit entry equal to costs recorded in the Energy Efficiency sub-account which shall include all Energy Efficiency Statewide ME&O activities (including Statewide Energy Savings Assistance (ESA)-related activities) as authorized by the Commission;

   4) A debit or credit entry equal to any other costs as authorized by the Commission for recovery in the SME&OBA; and

   5) Interest calculated by applying the Interest Rate to the average of the beginning-of-year and end-of-year balances. Due to the one-way nature of the SME&OBA, interest expense shall only be calculated when the average balance in the SME&OBA is a negative (under-expended) amount. Annual interest amounts shall be immediately returned to customers by transferring such amounts to the Public Purpose Programs Adjustment Mechanism (PPPAM).

   The sum of (1) through (5) equals the activity recorded in the SME&OBA each month.

   b. Carry-Over Amounts:

   Any unspent portion of the Authorized Statewide ME&O Funding Level as of December 31 shall be carried over in the SME&OBA into the following year.

   c. Carry-Forward Amounts:

   Any Statewide ME&O costs recorded as of December 31, in excess of the Authorized Statewide ME&O Funding Level shall be carried forward in the SME&OBA into the following year. SCE shall not seek rate recovery of any over-expenditure of the Authorized Statewide ME&O Funding Levels remaining in the SME&OBA at the end of the authorized funding period.
CC. Statewide Marketing, Education & Outreach Balancing Account (SME&OBA) (Continued)

4. Statewide ME&O Program Rate Recovery

The Authorized Statewide ME&O Funding Level shall be included in the PPPAM with rate recovery through the PPPC rate levels.

a) Any under-expended amounts at the end of 2018 shall be addressed in SCE’s April 1, 2019, ERRA Review application.

5. Review Procedures

SCE will include the recorded operation of the SME&OBA in SCE’s Annual Energy Resource Recovery Account (ERRA) review applications for Commission approval of the recorded amounts and to ensure that the entries made in the SME&OBA are stated correctly and are consistent with Commission decisions.

i) In that application, SCE will set forth the disposition of any over-collection remaining in the account at the end of 2018.

SCE shall provide a quarterly report showing the activity in the SME&OBA to the CPUC’s Energy Division.