OOO. Aliso Canyon Energy Storage Balancing Account (ACESBA)

1. Purpose

The purpose of the Aliso Canyon Energy Storage Balancing Account (ACESBA) is to record the Tesla and General Electric projects’ actual revenue requirements. The ACESBA will separately account for and record the revenue requirements for the Tesla projects and the General Electric projects.

2. Operation of the ACESBA

Monthly entries to the ACESBA shall be determined as follows:

a. An initial transfer of the Aliso Canyon Catastrophic Event Memorandum Account ending balance to the ACESBA;

b. A debit entry equal to the recorded incremental O&M expenses;

c. A debit entry equal to the applicable labor loadings authorized in the General Rate Case;

d. A debit entry equal to the capital-related revenue requirement which includes depreciation expense, return on rate base at the currently authorized rate of return on rate base and applicable taxes, such as income and ad valorem taxes; and

e. A credit entry to transfer the December 31st balance of the ACESBA to the New System Generation Balancing Account.

3. Interest shall accrue monthly to the ACESBA by applying one-twelfth of the three-month Commercial Paper, as reported by the Federal Reserve, to the average monthly balance in the ACESBA.

(Continued)
OOO. Aliso Canyon Energy Storage Balancing Account (ACESBA) (Continued)

2. Disposition and Review Procedures

Pursuant to OP 4 of D.18-06-009, the ACESBA shall be used until the remaining cost recovery can be transitioned to SCE’s 2021 General Rate Case (GRC).

The entries recorded in the ACESBA will be reviewed in SCE’s annual ERRA Review proceeding and review of the Tesla and General Electric Projects’ expenses is limited to ensuring that all recorded balancing account entries related to the Tesla and General Electric Projects are stated correctly and are consistent with Commission decisions.¹

¹ If the actual capital expenditures or O&M expenses of the Tesla and General Electric Projects exceed the amounts authorized in D. 18-06-009, SCE is to submit the above-authorized amounts for a reasonableness review in a future GRC or other appropriate proceeding and obtain Commission approval to recover those amounts in rates.