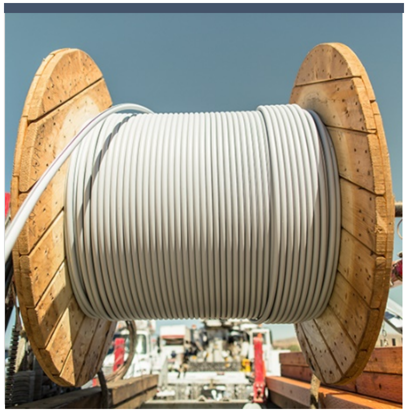
Business Update Supplemental – Wildfire-Related Memorandum Accounts Overview

March 24, 2020

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Forward-Looking Statements

Statements contained in this presentation about future performance, including, without limitation, operating results, capital expenditures, rate base growth, dividend policy, financial outlook, and other statements that are not purely historical, are forward-looking statements. These forward-looking statements reflect our current expectations; however, such statements involve risks and uncertainties. Actual results could differ materially from current expectations. These forward-looking statements represent our expectations only as of the date of this presentation, and Edison International assumes no duty to update them to reflect new information, events or circumstances. Important factors that could cause different results include, but are not limited to the:

- ability of SCE to recover its costs through regulated rates, including costs related to uninsured wildfire-related and mudslide-related liabilities, costs incurred to mitigate the risk of utility equipment causing future wildfires and costs incurred to implement SCE's new customer service system;
- ability of SCE to implement its WMP, including effectively implementing Public Safety Power Shut-Offs when appropriate;
- ability to obtain sufficient insurance at a reasonable cost, including insurance relating to SCE's nuclear facilities and wildfire-related claims, and to recover the costs of such insurance or, in the event liabilities exceed insured amounts, the ability to recover uninsured losses from customers or other parties;
- risks associated with AB 1054 effectively mitigating the significant risk faced by California investor-owned utilities related to liability for damages arising from catastrophic wildfires where utility facilities are alleged to be a substantial cause, including SCE's ability to maintain a valid safety certification, SCE's ability to recover uninsured wildfire-related costs from the Wildfire Insurance Fund, the longevity of the Wildfire Insurance Fund, and the CPUC's interpretation of and actions under AB 1054, including their interpretation of the new prudency standard established under AB 1054;
- decisions and other actions by the CPUC, the FERC, the NRC and other regulatory and legislative authorities, including decisions and actions related to determinations of authorized rates of return or return on equity, the recoverability of wildfire-related and mudslide-related costs, issuance of SCE's wildfire safety certification, wildfire mitigation efforts, and delays in regulatory and legislative actions;
- ability of Edison International or SCE to borrow funds and access bank and capital markets on reasonable terms;
- risks associated with the decommissioning of San Onofre, including those related to public opposition, permitting, governmental approvals, on-site storage of spent nuclear fuel, delays, contractual disputes, and cost overruns;
- extreme weather-related incidents and other natural disasters (including earthquakes and events caused, or exacerbated, by climate change, such as wildfires), which could cause, among other things, public safety issues, property damage and operational issues;
- physical security of Edison International's and SCE's critical assets and personnel and the cybersecurity of Edison International's and SCE's critical information technology systems for grid control, and business, employee and customer data;
- risks associated with cost allocation resulting in higher rates for utility bundled service customers because of possible customer bypass or departure for other electricity providers such as CCAs and Electric Service Providers;
- risks inherent in SCE's transmission and distribution infrastructure investment program, including those related to project site identification, public opposition, environmental mitigation, construction, permitting, power curtailment costs (payments due under power contracts in the event there is insufficient transmission to enable acceptance of power delivery), changes in the CAISO's transmission plans, and governmental approvals; and
- risks associated with the operation of transmission and distribution assets and power generating facilities, including public and employee safety issues, the risk of utility assets causing or contributing to wildfires, failure, availability, efficiency, and output of equipment and facilities, and availability and cost of spare parts.

Other important factors are discussed under the headings “Forward-Looking Statements”, “Risk Factors” and “Management’s Discussion and Analysis” in Edison International’s Form 10-K and other reports filed with the Securities and Exchange Commission, which are available on our website: www.edisoninvestor.com. These filings also provide additional information on historical and other factual data contained in this presentation.

Fire Memorandum Account Update Summary

- On March 5, 2020, SCE filed its 2018-2019 Fire Memorandum Account (FMA) Update which initiated Track 2 of the 2021 GRC proceeding
  - Covers three separate memorandum accounts including: Wildfire Mitigation Plan MA (WMPMA), Fire Hazard Prevention MA (FHPMA), and Fire Risk Mitigation MA (FRMMA)
  - Seeks reasonableness review of $508.6 million of incremental O&M and $301.9 million of incremental capital expenditures incurred for wildfire mitigation activities through December 31, 2019
  - Seeks approval of the associated revenue requirement of $500.1 million; lower than the overall reasonableness review request due to capital recovery over asset life, flow-through tax impacts and the exclusion of capital expenditures not eligible for an equity return per AB 1054
- Grid Safety and Resiliency Program (GSRP), Wildfire Expense Memorandum Account (WEMA) and Catastrophic Event Memorandum Account (CEMA) cost recovery applications have also been filed with the CPUC
- SCE is requesting cost recovery on approximately $1 billion of wildfire-related costs across multiple proceedings
- As we incur costs in 2020, we will continue to track costs in the associated memorandum accounts
  - The 2020 FMA update is due on March 2, 2021

SCE has requested reasonableness review and, where appropriate, cost recovery for all incremental wildfire mitigation costs for 2018 and 2019

Wildfire-Related Memorandum Accounts

($ millions; inception to December 31, 2019)

Memorandum Account	Incremental Capital Spent	Incremental O&M Spent	Total Application Request[1,2]	Mechanism for Recovery	Anticipated Timeline
2018-2019 FMA Update Breakdown:					
WMPMA	$302	$304		FMA Update to '21 GRC	PD expected in Q1 2021
FHPMA	0	198		FMA Update to '21 GRC	PD expected in Q1 2021
FRMMA	0	8		FMA Update to '21 GRC	PD expected in Q1 2021
Total FMA Update	*$302*	*$509*	*$500*		
Other Wildfire-related Memorandum Accounts:					
GSRPMA	$419	$42	N/A	GSRP Settlement	PD issued; FD expected April 2020
WEMA (Insurance costs only)	0	341	505[3]	WEMA Application	PD expected in August 2020
CEMA (Filed)[4]	57	79	88	CEMA Application	PD expected in March 2021
Sub-total	*$476*	*$462*	*$593*		
Grand Total	**$778**	**$971**	**$1,093**		

1. All revenue requirements include interest that have accrued to the account through December 31, 2019. Additionally, WEMA and CEMA applications also include forecast interest that SCE expects to accrue prior to getting cost recovery
2. Capital revenue requirement recorded in Memorandum Accounts mainly represents depreciation expense, taxes, and return. $204 million of the $302 million of the WMPMA capital expenditures are excluded from the cost recovery request because they are not eligible for an equity return per AB 1054 and will be evaluated separately for cost recovery through a dedicated-rate component (excludes overheads). Additionally, $218 million of the $419 million GSRPMA capital expenditures are not eligible for an equity return per AB 1054 (excluding overheads)
3. WEMA Application request represents expected incremental costs incurred through the end of the current contracted period (June 2020). The requested recovery includes $478 million for insurance premium expense, $12 million for forecast financing costs (at a commercial paper rate), and $10 million for forecast memorandum account interest, plus $5 million for FF&U. "Incremental O&M Spent" only represents a portion of the requested incremental costs accrued through December 31, 2019
4. CEMA Application filed on July 31, 2019 only covers certain events including 2017-2018 Drought, 2017 Pier Firestorm, 2017 Canyon 1 & Canyon 2 Firestorms, 2017 Thomas Firestorm and 2017 Creek & Rye Firestorm. Additionally, costs may have been accrued in this memorandum account post the application filing date