Attachment 2 to Exhibit 1

Application No.: A.17-01-021
Exhibit No.: Joint-12
Witnesses: N/A

SOUTHERN CALIFORNIA
EDISON

An *EDISON INTERNATIONAL* Company

(U 338-E)

Southern California Edison Company, Office of Ratepayer Advocates, Natural Resources Defense Council, Environmental Defense Fund, Siemens, Sierra Club, and the Coalition of California Utility Employees Stipulation

Before the
Public Utilities Commission of the State of California

November 2, 2017

Stipulation Regarding Proposed Methodology For Southern California Edison Company's (SCE's) Electric Vehicle (EV) Rate Design Proposals in Application (A.) 17-01-021

SCE, the Office of Ratepayer Advocates, Natural Resources Defense Council, Environmental Defense Fund, Siemens, Sierra Club, and Coalition of California Utility Employees (collectively Parties) stipulate to the methodology for design of SCE's EV rate proposals below. The stipulated terms reflect reasonable modifications to SCE's January 20, 2017 testimony regarding proposed EV rate design served in A.17-01-021 (the New EV Rates).[1]

1) **Facilities-Related Demand (FRD) Charges**
   a. Distribution: Peak v. Grid Cost Allocation
      i. The Parties agree that the New EV Rates should be established based on the marginal costs adopted in the then-current General Rate Case (GRC) Phase 2 decision. The Parties also agree that the distribution grid component for the New EV Rates should be the lower of the percentage of design demand distribution costs related to the grid component adopted in the Phase 2 decision, or 60 percent of the design demand distribution marginal costs.
      ii. The Parties agree that the New EV Rates for customers with demands of 20 kilowatt (kW) or less should include a TOU-EV-7 Option A with no demand charge, and a TOU-EV-7 Option B with energy and demand charges starting in year six (6) of the transition period.
   b. Treatment of Demand Charges for Collocated Accounts
      i. For customers newly[2] taking service on the New EV Rates who are collocated on the same Premises, as defined in SCE's Rule 1,[3] as the host

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1 The Utility Reform Network and Tesla have indicated that although they are not signatories to this stipulation, they do not oppose it.

2 By "newly" taking service, SCE is distinguishing these customers from those grandfathered on EV rates, as defined in footnote 124 of page 68 of SCE's testimony, for whom the FRD treatment shall be unchanged from testimony.

3 Premises is defined currently as "All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided, excepting in the case of industrial, agricultural, oil field, resort enterprises,

Service Account, and who share the same Customer Account as the host Service Account, SCE should be authorized to assess an FRD charge on the EV load only when the monthly EV peak demand exceeds the host site's monthly peak demand. The applicable New EV Rate's FRD charge should be applied to the difference, in kW, of the EV monthly peak demand and the host site's monthly peak demand. All other charges associated with the applicable New EV Rate should be applied similar to standalone (non-collocated) EV service.

c. Transmission Costs in FRD

i. The Parties agree that transmission cost recovery should be structured to separate Grid- and Peak-related rate components on a proxy basis until a complete transmission marginal cost study is completed during SCE's GRC Phase 2 to determine the cost based allocation percentages. The proxy allocation should be 70 percent to the Grid component and 30 percent to the Peak component. Recovery of Transmission costs should be in conjunction with Distribution costs, where the Grid component is recovered through the FRD charge and the Peak component through time-of-use rates.

2) Customer Charge

Consistent with SCE's pending 2018 GRC Phase 2 customer charge proposal for all non-residential and non-lighting rate groups serving customers with demands exceeding 20 kW (A.17-06-030),[4] the Parties

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and public or quasi-public institutions, by a dedicated street, highway, or other public thoroughfare, or a railway. Automobile parking lots constituting a part of and adjacent to a single enterprise may be separated by an alley from the remainder of the premises served.

4 Should the final decision in SCE's GRC Phase 2 yield a different customer charge formula, the Parties agree that the New EV Rates should have customer charges consistent with this Paragraph 2.

agree that costs associated with final line transformation at 50 kilo-volt-ampere (kVA) or below should be recovered through the grid-related portion of the distribution charge. The balance of the final-line transformation costs would continue to be covered via the customer charge. This treatment should be applied to Schedules TOU-EV-8 and TOU-EV-9.

The Parties further agree that for Schedule TOU-EV-7 Option A and B, costs associated with final line transformation at 50 kVA or below should not be recovered through demand charges; instead, the Parties recommend recovery through volumetric energy charges or, alternatively, customer charges.

3) Rates Deferred to the 2021 GRC Phase 2 Proceeding

a. Direct Current Fast Charge (DCFC) Rate

   i. SCE should continue evaluating the DCFC segment expansion and customer participation levels. SCE should propose a DCFC rate, or adjustment to a then-existing rate, targeted to the DCFC segment, in its 2021 GRC Phase 2 proceeding or other applicable proceeding, but in any event no later than the 2021 GRC Phase 2 proceeding. The rate will be based on the same marginal cost and pricing principles applicable to all of SCE's rates, and the CPUC's rate design guidance provided in this proceeding.

b. Rates Reflective of Local Distribution System Conditions

   i. SCE should explore an event-based rate, triggered by distribution conditions. SCE should also explore a new rate, or adjusting a then-existing rate for this purpose, including through pre-filing discussions, in its 2021 GRC Phase 2 or other applicable proceeding, but in any event no later than the 2021 GRC Phase 2 proceeding. The rate should be based on the same marginal cost and pricing principles applicable to all of SCE's rates, and the CPUC's rate design guidance provided in this and other proceedings.

4) Term of this Stipulation

The Parties agree that the following method should be used for designing the New EV Rates, which, if adopted by the Commission, would include provisions lasting over a ten-year period from the initial implementation. Specifically, the Parties agree that this ten-year term should consist of a five-year introductory period with no demand charges followed by a five-year phase-in of demand charges. In addition, for the entire ten-year term the Parties agree that: (a) the general rate structure of the New EV Rates should consist of TOU energy charges, generation capacity recovered through TOU energy charges and non-bypassable charges recovered on a non-TOU energy basis; (b) for TOU-EV-7 Option B, TOU-EV-8, and TOU-EV-9, distribution costs should be recovered through grid and peak rate components and transmission costs recovered through grid and peak rate components; both the peak and grid components of distribution and transmission costs should be recovered through volumetric energy rates during the introductory period (years 1–5), whereas for years 6–10 the peak components should be recovered through volumetric TOU rates while the grid components should be recovered through demand charges. In addition, the Parties agree on the following method for assessing demand charges during the five-year phase-in period of demand charges, i.e. years 6–10: (a) the distribution grid component should be the lower percentage of grid-related design demand distribution costs adopted in the most recent GRC Phase 2, or 60 percent of design demand distribution marginal costs, (b) the transmission costs component of the demand charge should be calculated according to section 1.a) of this stipulation; and (c) demand charges on co-located accounts (i.e. separate meters) should be assessed according to the method outlined in section 1.b) of this stipulation.

This stipulation applies only to the Commission's consideration of SCE's proposed rate design in A.17-01-020 et al. This stipulation does not bind or limit any of the stipulating parties from presenting different proposals or taking different positions on issues related to EV rates that may be considered in SCE's GRC Phase 2 or elsewhere. All parties reserve the right to propose changes to the New EV Rates in SCE's GRC Phase 2 or similar proceedings related to eligibility determinations, optional TOU periods, the level of Distribution (including Customer) and Generation marginal costs and their respective allocations subject to the limits in the previous paragraph.

Dated: November 2, 2017

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