EDISON INTERNATIONAL®

REACHING NET ZERO

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ACCELERATING CALIFORNIA'S CLEAN ENERGY TRANSITION

Electrifying the economy with clean power is society's most effective tool for rapidly reducing carbon emissions. Nearly all economic sectors will need to rely on clean electricity to reach net zero. To achieve its carbon neutrality goals, California depends on the electric grid and delivery of clean power by Southern California Edison and other utilities, which in turn rely on local, state and federal support and conducive policies.

Edison International remains committed to achieving net-zero greenhouse gas (GHG) emissions and delivering 100% carbon-free power to SCE customers[1] by 2045. Electricity demand in SCE's service area is already projected to grow 35% faster over the next decade than estimated just two years ago. Meeting customer demand with carbon-free power, and our forecast that the average SCE customer will save 40% on their total energy expenses by 2045, even accounting for infrastructure investments needed to achieve a safe, clean and reliable electric grid, are contingent upon two key elements:

1. Sufficient affordable carbon-free resources including both renewables paired with storage and emerging clean firm generation resources, such as next-generation geothermal, that can supply power 24/7 in any weather.

2. Effective collaboration among utilities; local, state and federal government; and other stakeholders to meet timely infrastructure deployment to meet increasing loads.

Reaching Net Zero (RNZ) focuses on Edison International's direct contributions to California's clean energy transition by detailing our company's steps to reach net zero. The overwhelming majority of Edison International's GHG emissions are from power delivered to SCE's customers. These emissions are forecast to be reduced by 95% between 2005 and 2045.

RNZ also examines how "challenge scenarios" inform potential risks and opportunities in achieving California's electric sector climate goals. These scenarios include higher electric demand, delayed deployment of clean firm technology and a combination of the two. *RNZ* found that feasibility challenges arise when clean firm resources are unavailable: Each GW of new clean firm generation would reduce GHG emissions as effectively as 7 GW to 11 GW of new paired solar and storage as the electric sector approaches a low-emissions future in 2045. Additionally, until sufficient clean firm resources are deployed, natural gas generation capacity in California should be retained for reliability and affordability,[2] with reduced operations.

Edison International is acting to create a safer, more affordable future with cleaner air and reduced risk of climate disasters; a resilient grid ready to power electrified homes, buildings and vehicles; and lower overall energy expenses as we reach net-zero GHG emissions by 2045.

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1. All carbon-free power delivery targets and disclosures are in terms of retail sales.
2. The *Countdown* scenario included retention of approximately 17 GW of California's current natural gas fleet in 2045. The most challenging *RNZ* scenario would require retention of the entire gas fleet, approximately 26 GW.