BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking to Continue Oversight of Electric Integrated Resource Planning and Procurement Processes.	Rulemaking 25-06-019 (Filed June 26, 2025)

CENTRAL COAST COMMUNITY ENERGY'S 2026 INTEGRATED RESOURCE PLAN [PUBLIC VERSION]

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August 10, 2026

Attorney for Central Coast Community Energy

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OF THE STATE OF CALIFORNIA

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In compliance with the requirements of California Public Utilities Code Sections 454.51 and 454.52, California Public Utilities Commission ("Commission") Decision ("D.") 22-02-004 and *Assigned Commissioner and Assigned Administrative Law Judges' Ruling Identifying Issues and Schedule of Review for 2026 Renewables Portfolio Standard Procurement Plans* ("ACR"), issued on January 16, 2026, the *Email Ruling Granting Joint Request for Extension of Load Serving Entity ('LSE') Integrated Resource Plan ('IRP') Filings*, issued on March 9, 2026, and other rulings and guidance in the above-captioned proceeding, Central Coast Community Energy ("3CE") hereby provides its 2026 Integrated Resource Plan ("IRP") to the Commission for certification.

I. IRP DOCUMENTS INCLUDED AS ATTACHMENTS TO THIS FILING

3CE is e-filing this document in the instant Rulemaking and serving it to all parties identified in this Rulemaking's service list. Attached to this Filing are the following IRP related documents:

- *Attachment A* – 3CE's IRP Verification
- *Attachment B* – 3CE's IRP Narrative Template

- *Attachment C* – 3CE's Resource Data Template Version 3 (Public Version) and Clean Power System
- *Attachment D* – 3CE's and Clean Power System Calculator
- *3CE's Notice of Availability* – 3CE's Notice of Availability of public versions of its IRP documents

II. REQUEST FOR CONFIDENTIAL TREATMENT OF NON-PUBLIC DOCUMENTS

3CE has developed both public (redacted) and confidential (unredacted) versions of its Resource Data Template (RDTv3). 3CE has posted the public version of its RDTv3 on its website and is submitting the confidential version of this document to the Energy Division through the Commission's file transfer protocol ("FTP") site. Concurrently with the submission of this IRP, 3CE is filing a Motion to File Under Seal setting forth the basis for protecting of confidential information redacted from the public version of the RDTv3.

III. CONCLUSION

3CE thanks the Commission for its time and effort in the 2024-2027 IRP cycle and for its review of 3CE's IRP. 3CE respectfully requests that the Commission certify its IRP.

Dated: August 10, 2026

Respectfully submitted,

/s/ Justin Wynne

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On behalf of Central Coast Community Energy

Attachment A
Verification

VERIFICATION

I, Robert Shaw, declare the following: I am the Chief Executive Officer of Central Coast Community Energy ("3CE") and I am authorized to make this verification on behalf 3CE. The statements and information in 3CE's Integrated Resource Plan and all attachments thereto are true and accurate of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 10, 2026 at Soquel, California.

/s/Robert Shaw

Robert Shaw
Chief Executive Officer
For: Central Coast Community Energy

Attachment B
3CE's IRP Narrative Template

Standard LSE Plan

CENTRAL COAST COMMUNITY ENERGY

2024-2026 INTEGRATED RESOURCE PLAN

08/10/2026

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I. Executive Summary

Central Coast Community Energy (3CE), formerly known as the Monterey Bay Community Power Authority, is a Community Choice Aggregator established in 2017 pursuant to Public Utilities Code Section 366.2 and operating as a Joint Powers Authority (JPA) pursuant to Government Code section 6500 et seq. In accordance with the requirements of California Public Utilities Code Sections 454.51 and 454.52 and Commission Decision 20-03-028, 3CE provides this Integrated Resource Plan (IRP) to the California Public Utilities Commission ("the Commission") for certification and use in the Commission's statewide planning process. 3CE has developed a Preferred Conforming Portfolio (PCP) that both meets 3CE's internal procurement goals and produces greenhouse gas (GHG) emissions below 3CE's assigned emissions benchmarks for the 8 Million Metric Tons (MMT) by 2045 planning target. Additionally, this IRP demonstrates that 3CE's PCP contributes 3CE's share of reliability, renewable integration, and other shared resource requirements. 3CE respectfully requests that the Commission certify this IRP.

3CE serves 556,969 customers throughout the Central Coast, including residential, commercial, and agricultural customers in communities located within Monterey, San Benito, San Luis Obispo, Santa Barbara, and Santa Cruz counties. 3CE has established an innovative procurement strategy to accelerate the reduction of GHG emissions. 3CE's own strategic goal is to meet 100% of its demand with clean and renewable resources by the year 2030.

To achieve these goals, 3CE's procurement strategy has prioritized long-term contracts that bring new clean resources online as quickly as possible. To date, 3CE has executed 30 long-term power purchase agreements (PPAs) and energy storage agreements (ESAs), 23 of which have brought or will bring new resources online. These new resources consist of 10 solar plus energy storage projects, two standalone solar facilities, two wind facilities, three geothermal projects, and six standalone storage facilities. 3CE has secured these contracts through a combination of individual and joint resource solicitations, including as a member of California Community Power (CC Power), a joint action agency formed by 3CE and seven other Community Choice Aggregators (CCAs).

In 2020, 3CE was the first CCA to receive an 'A' rating from Standard & Poor's (S&P) and remains one of the earliest CCAs in California to receive an investment grade credit rating. S&P reaffirmed this 'A' rating as stable in October 2025. The 'A' rating recognizes 3CE's financial stability based on its diverse resource portfolio and strong customer retention.[1]

3CE is pursuing a diverse resource mix that helps achieve its commitment to meet 100% of demand with new clean and renewable resources by 2030 and contributes to the broader decarbonization of California's grid. 3CE's current procurement strategy supports aggressive deployment of new solar PV and wind, new and existing geothermal resources, and varying duration energy storage technologies both standalone and paired with solar.

3CE also invests in programs to help its communities. The Energy Programs portfolio, through its multifaceted electrification efforts, promotes affordable electrification and greenhouse gas reductions.

[1] *See* Central Coast Community Energy, *Key Documents – Credit Rating*, available at https://3cenergy.org/documents/key-documents/?utm_source=chatgpt.com.

FY 2024-25 was 3CE's fifth full year of administering and implementing energy programs. 3CE offered 11 Energy Programs and two pilots across the transportation electrification, building electrification, agricultural electrification, and energy optimization categories. The incentives available through these programs supported 3CE customers in transitioning their homes, workplaces, and transportation from fossil fuel powered to clean energy solutions. While 3CE has not included any custom profiles for electrification in its PCP, these programs are a critical part of 3CE's services to its customers and its mission to help decarbonize the entire economy within its service area. These programs are described in greater detail in the Action Plan section of this report.

Finally, 3CE is dedicated to developing local resources where benefits are proven for 3CE's member communities and outcomes contribute to the agency's procurement goals. Within its service territory, 3CE has executed three PPAs for utility scale storage facilities totaling 32 MW.

The resource makeup of 3CE's PCP, is summarized in Figure 1, below. The objectives of the agency's PCP are that it must:

- Meet all relevant reliability metrics.
- Reflect 3CE's policy of only contracting for renewable energy that qualifies as Portfolio Content Category 1 under the Renewable Portfolio Standard (RPS) requirements bundled Renewable Energy Credit (REC)/energy from resources located in or interconnected to the California Independent System Operator (CAISO).
- Provide more than 3CE's load-proportional share of renewable integration resources.
- Meet 3CE's portion of the assigned GHG benchmark of 8MMT by 2045.

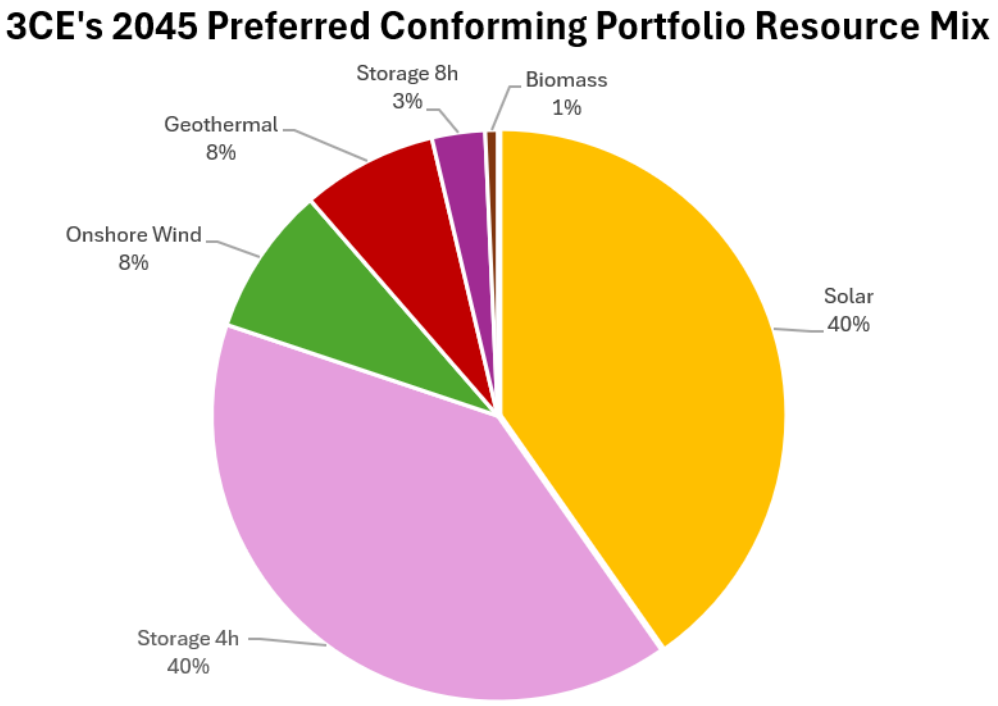


Figure 1: 3CE's 2045 Preferred Conforming Portfolio Resource Mix

II. Study Design

3CE's PCP is based on the Commission's planning framework for the 2024–2026 IRP cycle and the Inputs and Assumptions (I&A) document published on the Commission's 2024–2026 IRP Cycle Events and Materials website, except where noted in Section II.b.iii regarding alternative assumptions. 3CE's study adopts the agency's assigned load forecast of 10,888 GWh per year by 2045 and determines future resource needs based on this forecast, including compliance with applicable procurement obligations such as resource adequacy. The resulting portfolio was developed using Ascend Analytics' PowerSIMM Automated Resource Selection model[2] to identify a least-cost, best-fit resource portfolio that satisfies 3CE's Board-adopted procurement goals, Commission-directed procurement requirements, Renewable Portfolio Standard obligations, and resource adequacy requirements while remaining below 3CE's assigned greenhouse gas emissions benchmark.

3CE evaluated a single PCP that complies with the Commission's planning requirements, including achievement of the assigned 2045 greenhouse gas emissions benchmark of 0.21 Million Metric Tons of Carbon Dioxide Equivalent ($MMTCO_2e$).[3] The portfolio is designed to ensure reliability, help lead the transition to renewable energy, comply with all regulations and maintain fair and stable rates for customers. Because the modeled portfolio meets the Commission's planning objectives and compliance requirements, 3CE did not develop or submit alternative portfolios. 3CE's procurement decisions are subject to board approval. Specific resources may ultimately differ from those modeled in the PCP; however, will be selected to comply with applicable Commission requirements and achieve the planning objectives reflected in this IRP.

c. Objectives

3CE's PCP was developed with the following objectives:

- Achieve 3CE's Board-adopted procurement goal of meeting 100% of retail demand with clean and renewable resources while working toward balancing its renewable supply and customer demand on a monthly basis.
- Achieve the environmental, cost, and reliability benefits and performance characteristics set forth in Public Utilities Code Section 454.52(a)(1)(A-I).
- Achieve the resource adequacy requirements established in Public Utilities Code Section 380.
- Achieve procurement and reliability standards cost-effectively to minimize rate impacts on 3CE's customers.

[2] Ascend Analytics describes PowerSIMM as an enterprise platform for resource planning, power procurement, portfolio management, and reliability analysis. *See* Ascend Analytics, *PowerSIMM*, https://www.ascendanalytics.com/solutions/powersimm

[3] The benchmark represents 3CE's proportional share of the statewide greenhouse gas emissions target established through the California Public Utility Commission's (CPUC) Integrated Resource Planning process. The CPUC developed individual LSE GHG benchmarks to ensure that the collective LSE portfolios achieve the statewide electric sector target of 8 $MMTCO_2e$ by 2045, as described in the Administrative Law Judge's Ruling Setting Requirements for Individual Integrated Resource Plans Due June 1, 2026, Rulemaking (R.) 25-06-019, Administrative Law Judge's Ruling (Jan. 16, 2026).

- Achieve procurement necessary to satisfy IRP Procurement mandates including Decision (D.) 21-06-035 and D.23-02-040.
- Reduce GHG emissions resulting from 3CE's power portfolio to levels below the GHG benchmark assigned to 3CE by the CPUC.

b. Methodology

i. Modeling Tool(s)

3CE used the PowerSIMM modeling platform (version 5.11.2-112524) developed by Ascend Analytics to develop its PCP. Specifically, 3CE used PowerSIMM's Automated Resource Selection (ARS) module to perform capacity expansion modeling using 3CE's forecasted load and existing resource portfolio. ARS identified least-cost resource portfolios that satisfy 3CE's supply needs while meeting applicable planning and regulatory requirements. After candidate portfolios were developed, 3CE used PowerSIMM's production cost simulation capabilities to evaluate the hourly operation of potential future portfolios, estimate production costs, and assess portfolio performance and risk.

Although 3CE used a different software platform than the Commission's Integrated Resource Planning (IRP) framework, PowerSIMM employs many of the same analytical methods used by the Commission's modeling tools, including capacity expansion optimization, chronological production cost simulation, and least-cost portfolio evaluation.

The Commission's primary capacity expansion model is RESOLVE, which is used to develop resource portfolios for the California Independent System Operator (CAISO) balancing authority area. Like ARS, RESOLVE identifies least-cost resource portfolios while accounting for physical system constraints, such as capacity needs, and applicable planning and regulatory requirements, including RPS, emissions, and other planning requirements. A key distinction is the scope of the analysis. RESOLVE optimizes resource additions across the broader CAISO system, whereas ARS optimizes resource selections specifically for 3CE's load-serving obligations using CAISO resource assumptions derived from the Commission's RESOLVE modeling. In ARS, all out-of-state resources are assumed to be available for import. Another important distinction is the simulation methodology: RESOLVE evaluates a limited number of representative days each year using a deterministic approach, while ARS simulates dispatch across all days of the study period and evaluates multiple future scenarios to identify robust resource portfolios.

The Commission also uses the Strategic Energy Risk Valuation Model (SERVM) to evaluate reliability and production costs after RESOLVE has identified a preferred resource portfolio. Similarly, after ARS identified candidate portfolios, 3CE used PowerSIMM's dispatch module to simulate hourly operations, estimate production costs, and evaluate portfolio performance. Like SERVM, PowerSIMM performs probabilistic simulations with detailed temporal and geographic representation of generating resources.

Overall, both the Commission's modeling framework and 3CE's PowerSIMM framework evaluate resource portfolios using comparable planning principles and account for key considerations such as resource adequacy requirements, renewable energy targets, transmission constraints, fuel prices, resource operating characteristics, and hourly system operations. Although differences in model structure, geographic scope, simulation methodology, and underlying assumptions may produce different resource portfolios, those differences do not inherently indicate differences in compliance with Commission requirements. Accordingly, 3CE's PCP should be evaluated based on whether it satisfies the

Commission's applicable procurement and planning requirements, recognizing that different modeling platforms may reasonably produce different, but equally compliant, least-cost portfolio outcomes.

ii. Modeling Approach

3CE's modeling approach was designed to develop a PCP that satisfies applicable Commission compliance obligations while meeting customer load at least cost. The portfolio was developed using the most current planning assumptions, including updated load forecasts, greenhouse gas emissions reduction requirements, resource adequacy obligations, Renewable Portfolio Standard (RPS) requirements, and other applicable Commission-directed procurement requirements, to identify a least-cost, best-fit resource portfolio.

To evaluate the potential future resources described in this IRP, 3CE employed Ascend's PowerSIMM modeling platform, which includes the Automated Resource Selection (ARS) and Dispatch modules. The ARS module was used to evaluate resource selection and portfolio optimization, while the Dispatch module was used to simulate hourly operations and assess the operational performance of potential future portfolios.

An overview of the modeling framework is shown in Figure 2. Staff from 3CE and Ascend Analytics first gathered historical generation data, cost projections, and other relevant inputs to build a reference case for the model. A quality assurance exercise was done by verifying the model behaved as expected by running alternative weather and pricing scenarios. Staff then ran a Dispatch module to conduct a production cost analysis for every resource to assess costs, generation, and contribution to 3CE's load forecast, RPS requirements, RA obligations, and GHG emissions targets. These inputs were fed to the ARS module, which selected new resources based on minimizing the cost of procuring and operating new and existing resources while also meeting system requirements including maintaining a sufficient planning reserve margin, complying with 3CE's procurement goals, and meeting the 8MMT emissions benchmark.

Once portfolios were selected, they were evaluated using an hourly dispatch model to understand their operational feasibility and the overall implications of the portfolio. To better capture the uncertainty in future conditions, a stochastic framework enabled simulation of a wide range of scenarios where market prices, weather patterns, renewable generation, and load vary significantly. To capture the risk associated with the distribution of portfolio costs resulting from the stochastic simulation, staff used a "risk premium" metric, which indicates the cost at risk or the actuarial value of a portfolio's exposure to market price volatility, variation in generation and load, and changes in weather conditions.

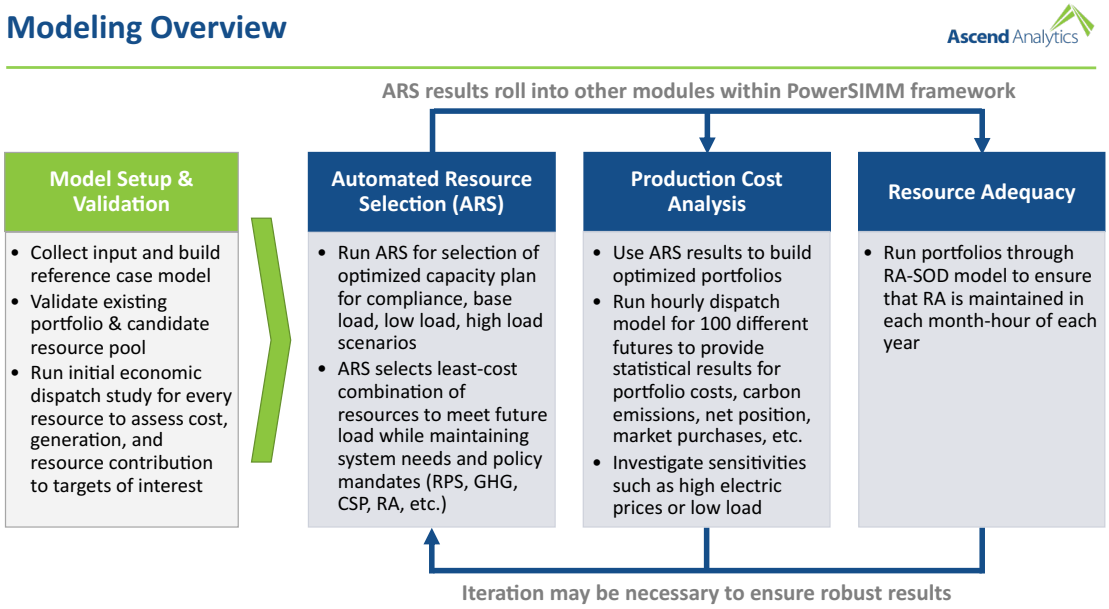


Figure 2. Modeling Overview

iii. Alternative Assumptions

After a review of all model Inputs and Assumptions (I&A) against Ascend's database, 3CE chose to implement alternative assumptions for the resources' levelized fixed costs and annual availability.

Ascend provides visibility into current resource market pricing through its involvement in running and coordinating requests for proposals for power purchase agreements and market research. Through these efforts, Ascend produces resource cost forecasts, which are based on detailed analysis of generation technology costs in CAISO. Near-term PPA prices (first 2–3 years) are indexed to regional market prices by technology, drawing from RFPs, publicly available filings, news sources, and consultation with technology-specific experts. Ascend uses Bloomberg data to inform storage component cost breakdowns. Beyond the near term, cost evolution follows National Renewable Energy Laboratory Annual Technology Baseline (NREL ATB)-sourced capital expenditure (CAPEX) trajectories and implied learning curves. These cost projections also reflect sustained upward pressure from the phaseout of tax credits and rising land and labor costs through 2050.

Ascend's forecasts are generally higher than the CPUC I&A mid-scenario assumptions established in the 2026 Filing Requirements cycle[4]. Exceptions include offshore wind in the near-term, and long-duration storage, where Ascend's forecast costs are lower. Using real-time market-informed costs enables 3CE's modeling to better reflect actual prices encountered in RFPs and resource procurement, resulting in more realistic buildout selections and cost projections. Unlike the CPUC's cost assumptions, which are not layered with the most current market transaction data, the Ascend forecasts incorporate recent market information available at the start of 2026. Generation technology costs remain subject to rapid

[4] California Public Utilities Commission (CPUC), *2024–2026 Integrated Resource Planning (IRP) Inputs & Assumptions Report* (Feb. 10, 2026), at 96, available at: https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan/2024-2026-irp-cycle-events-and-materials/2025_inputs_and_assumptions_report_20260210.pdf

changes driven by policy, geopolitical, supply-chain, and technological developments; therefore, incorporating the latest available pricing data improves the accuracy of the PCP.

Resource availability limits were built based on the total build limits from the CPUC's RESOLVE modeling as well as results from 3CE's most-recent RFOs, and insights from its procurement team, and knowledge gained through Ascend's involvement in recent RFPs in California.

3CE chose not to use Centralized Procurement (AB 1373), as allowed by the CPUC. 3CE will re-evaluate the inclusion of these allocations in the next IRP cycle.

3CE will monitor the accuracy of its assumptions as part of its ongoing procurement activity. 3CE notes that this IRP represents a planning assumption, and actual procurement outcomes may vary accordingly.

III. Study Results

3CE is submitting one PCP that meets the requirements of the 8 MMT GHG scenario and is not presenting any alternative portfolios. To meet 3CE's projected 2045 electricity demand of 10,888 GWh, 3CE has selected a 2045 PCP composed primarily of the resource types and energy volumes detailed in Table 1 below. Both Table 1 and Figure 1, in the executive summary, show the portfolio of renewable resources comprising the PCP. Table 1 also distinguishes between the resources currently under contract and the resources that are planned for future contracting.

Comparing 3CE's PCP 2045 buildout to the 2025-2026 TPP's 2045 buildout, the resource mix is reasonably similar. Solar and 4-hr storage dominate both portfolios, with onshore wind and geothermal playing a significant role, and a small amount of biomass present. The main difference is that the 3CE PCP contains a smaller portion of long-duration energy storage (LDES). 3CE did not consider LDES as a major build option due to cost, technological maturity, current lack of availability, and the ability to discharge 4-hr Li-Ion storage for longer durations if needed. It is also important to note that 3CE has 245 MW of planned LDES resources already under contract.

Table 1: 3CE's Executed and Planned Contracts for the 8MMT Preferred Conforming Portfolio

Contract Status		Existing Generation (MW)	Planned Generation (MW)
EXECUTED	Onshore Wind	238	
	Solar	443	473
	Geothermal	73	25
	Hydro	3	-
	CT	177	156
	Storage 1h	177	57
	Storage 2.5h	8	-
	Storage 4h	241	297
	Storage 8h	-	245
	BioGas	3	
	Biomass	-	-
	Nuclear	-	-
	Total Executed	**1,363**	**1,253**

PLANNED	Onshore Wind	-	600
	Solar	-	2,860
	Geothermal	-	520
	Hydro	-	-
	CT	-	-
	Storage 1h	-	-
	Storage 2.5h	-	-
	Storage 4h	-	2,748
	Storage 8h	-	-
	BioGas		
	Biomass	-	50
	Nuclear	-	-
	Planned New Resource	**-**	**6,778**
	Total Planned	**-**	**8,031**

a. Conforming and Alternative Portfolios

3CE has developed a single PCP for submission in this IRP cycle. As described below, the portfolio consists of existing operating resources, executed future contracts, and planned resource additions identified through the Integrated Resource Planning process. Together, these resources are designed to reliably serve forecast customer demand while satisfying applicable Resource Adequacy, Renewable Portfolio Standard (RPS), and greenhouse gas planning requirements.

Table 2 compares 3CE's projected 2045 resource portfolio to the resource mix reflected in the CPUC's 2025–2026 Transmission Planning Process (TPP) Portfolio. Unlike a comparison of only planned procurements, this table represents the complete resource portfolio that 3CE expects to have in service in 2045, including existing resources that remain under contract as well as future planned resource additions. Because the TPP Portfolio represents a statewide planning portfolio while 3CE's PCP reflects the procurement needs of a single load-serving entity, the comparison is presented as the percentage composition of each portfolio rather than absolute installed capacity. This provides a more meaningful comparison of overall portfolio strategy and technology mix.

Table 2 Comparison of 3CE's 2045 Portfolio and the 2025-2026 TPP 2045 Resource Mix

Comparison of 3CE's 2045 Portfolio and the 2025–2026 TPP 2045 Resource Mix					
Resource Technology	3CE 2045 Portfolio (MW)	Share of 3CE 2045 Mix	TPP 2045 Portfolio (MW)	Share of TPP 2045 Mix	Difference (%)
Solar	2,860	40%	61,800	47%	-7%
4-hour Battery Storage	2,831	40%	15,700	12%	28%
8-hour Battery Storage	213[5]	3%	21,100	16%	-13%
Onshore Wind	600	8%	24,700	19%	-10%
Geothermal	545	8%	1,600	1%	6%
Biomass	50	1%	200	0%	1%
Offshore Wind	0	0%	4,500	3%	-3%
Pumped Hydro Storage	0	0%	800	1%	-1%
Long-Duration Storage	0	0%	500	0%	0%
Hydro	0	0%	0	0%	0%
CT	0	0%	0	0%	0%
1-hour Battery Storage	0	0%	0	0%	0%
2.5-hour Battery Storage	0	0%	0	0%	0%
Nuclear	0	0%	0	0%	0%
TOTAL	**7,099**	**100%**	**130,900**	**100%**	**0%**

Overall, 3CE's projected 2045 portfolio is well aligned with the statewide TPP Portfolio and relies on many of the same commercially mature technologies to satisfy California's long-term reliability and decarbonization objectives. Similar to the TPP Portfolio, 3CE's long-term resource strategy is centered on utility-scale solar generation and battery energy storage, which together comprise approximately 80 percent of 3CE's projected 2045 portfolio. These technologies provide cost-effective renewable energy production, operational flexibility, and Resource Adequacy capacity needed to reliably integrate increasing amounts of variable renewable generation.

Several differences between the portfolios reflect 3CE's individual procurement strategy and portfolio composition rather than a fundamentally different planning approach. Compared to the TPP Portfolio, 3CE's projected 2045 portfolio contains a greater proportion of four-hour battery storage (40 percent compared to 12 percent) and geothermal generation (8 percent compared to 1 percent). These resources provide dependable Resource Adequacy capacity, operational flexibility, and clean firm energy that complement 3CE's renewable generation while strengthening long-term system reliability.

Conversely, the TPP Portfolio allocates a larger share of capacity to eight-hour battery storage, offshore wind, and other emerging long-duration technologies. 3CE's projected 2045 portfolio instead emphasizes commercially mature four-hour battery storage, geothermal generation, and geographically

[5] 200 MW is from the Willow Rock, Compressed Air Energy Storage, project.

diverse onshore wind resources, including planned New Mexico wind, based on expected market availability, project maturity, portfolio diversity, and overall resource value. While the technology mix differs modestly, both portfolios pursue the same overarching objective of maintaining a reliable, carbon-free electric system capable of supporting California's long-term clean energy goals.

Overall, the differences between the portfolios are not indicative of differing planning objectives, but rather reflect portfolio optimization based on 3CE's existing contractual commitments, forecast load, procurement strategy, and assessment of commercially available resource options. The PCP remains consistent with the Commission's long-term planning framework while tailoring resource selections to the specific reliability, clean energy, affordability, and operational needs of 3CE and its customers.

b. Preferred Conforming Portfolio

3CE's PCP is compliant with the requirements in PU Code Section 454.52.(a)(1) and meets the following requirements:

(A) Meet the greenhouse gas emissions reduction targets established by the State Air Resources Board, in coordination with the commission and the Energy Commission, for the electricity sector and each load-serving entity that reflect the electricity sector's percentage in achieving the economywide greenhouse gas emissions reductions of 40 percent from 1990 levels by 2030 (I.e. meet the LSE's GHG benchmarks).

3CE's PCP produces carbon dioxide (CO_2) emissions below its assigned greenhouse gas (GHG) benchmark established to achieve the statewide 8 MMT by 2045 target. The PCP is forecasted to emit 0.10 MMT of CO_2 in 2045, remaining below 3CE's assigned CO_2 benchmark throughout the CSP study period. In addition to evaluating CO_2 emissions relative to the assigned benchmark, 3CE also assessed the portfolio's projected emissions of local air pollutants, including fine particulate matter (PM2.5), sulfur dioxide (SO_2), and nitrogen oxides (NO_x).

Table 3 Clean System Power Assigned Target and Preferred Conforming Portfolio Outputs

CSP Emissions Data					
Emissions Total	**Unit**	**2030**	**2035**	**2040**	**2045**
3CE's Assigned CO_2 Emissions Target	MMT/yr	0.53	0.44	0.39	0.21
3CE's PCP CO_2 Emissions	MMT/yr	0.27	0.28	0.27	0.10
3CE's PCP PM2.5 Emissions	tonnes/yr	16.51	18.45	18.41	95.22
3CE's PCP SO_2 Emissions	tonnes/yr	1.64	1.82	1.75	33.99
3CE's PCP NOx Emissions	tonnes/yr	30.50	34.14	31.39	213.41

(B) Procure at least 60 percent eligible renewable energy resources by December 31, 2030, consistent with Article 16 (commencing with Section 399.11) of Chapter 2.3.

3CE's PCP is comprised of diverse clean and renewable resources sufficient to meet 100% of 3CE's customer demand with clean and renewable resources by 2030, substantially higher than the 60% State target.

(C) Enable each electrical corporation to fulfill its obligation to serve its customers at just and reasonable rates.

Providing clean, reliable energy at an affordable price is a central value of 3CE. The modeling 3CE conducted during the development of the PCP found that the resource composition of the PCP adequately balanced cost and rate impacts with GHG reduction, system reliability, and other benefits described in this narrative. The conforming plan was evaluated using the PowerSIMM ARS, as described throughout Section II above, to select resources that meet electric system planning goals at least cost while meeting system constraints and evaluating risk.

The selected portfolio was evaluated using an hourly dispatch model to understand their operational feasibility and the overall implications of the portfolio. To better capture the uncertainty in future conditions, a stochastic framework was used to simulate over 50 different future conditions, where market prices, weather patterns, renewable generation, and load were significantly varied.

To capture the risk associated with the distribution of portfolio costs (resulting from the multiple future scenarios simulated), a "risk premium" metric (shown in Figure 3) was used to indicate the cost at risk or the actuarial value of a portfolio's exposure to market price volatility, variation in generation and load, and changes in weather conditions. The risk premium concept allows portfolios with different risk characteristics to be compared. 3CE finds its PCP is reasonable from a cost perspective and achieves environmental, reliability, and other benefits in a cost-effective manner.

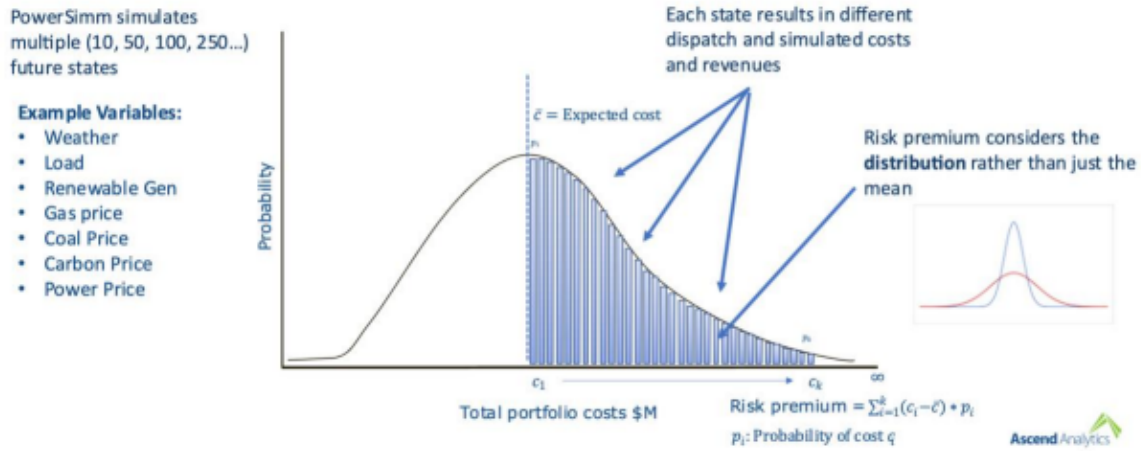


Figure 2. Risk premium concept for capturing the cost at risk associated with different portfolios

(D) Minimize impacts on ratepayers' bills.

3CE's PCP is designed to satisfy its procurement commitments and Commission-directed obligations in the most cost-effective manner possible. Resource cost assumptions were incorporated into the Automated Resource Selection (ARS) modeling used to develop the PCP. 3CE constructs a lowest-fit-best cost model consistent with the approach described in Section b. ii. above, Modeling Approach. However, the specific resources ultimately procured will be determined through competitive procurement processes, where the pricing and characteristics of offers received in future Requests for Offers (RFOs) will inform project selection. As a result, the final composition of 3CE's resource portfolio

through 2045 may differ from the modeled PCP if alternative resource types are determined to provide a lower-cost solution while continuing to satisfy all applicable reliability, policy, and procurement requirements.

Since the previous IRP cycle, market conditions and regulatory developments have contributed to a significant increase in the cost of new resources. Broader national and global events have affected resource costs and supply chains, including the war in Ukraine, disruptions to international shipping routes through the Suez Canal, and changes in federal tariff policies. Regulatory changes in California have included implementation of the Slice-of-Day Resource Adequacy framework, authorization of the Department of Water Resources as a Central Procurement Entity, adoption of additional Commission-directed procurement requirements, and continued development of the Reliable Clean Power Procurement Program.

California's procurement framework has, at times, contributed to upward pressure on resource prices. Successive Commission procurement mandates have created sustained demand for a limited pool of eligible projects, resulting in a highly competitive procurement environment. Because resource developers closely monitor Commission proceedings and are aware of the types and quantities of resources LSEs are required to procure, procurement mandates can reduce competitive pricing and create opportunities for sellers to command higher prices, particularly for scarce resource types.

Despite market and regulatory challenges, 3CE has still moved forward with procuring resources for its customers. Once a PPA is found to be a reasonable cost and approved by 3CE's board, the cost is integrated into the Cost of Energy (COE) forecast and future 3CE Cost-Based rates. 3CE's Board approved the primary Cost-Based generation rate structure for the period 2022-2024 and the entire service area beginning in 2025. These approvals marked 3CE's strategic shift away from the IOU-minus rate model towards a model that more accurately reflects the costs associated with the services and power 3CE delivers. The Cost of Service (COS) methodology and a comprehensive COS study to design the rates is explained in greater detail below in Section II.b.e.

3CE's cost-of-service rate design provides consistency for customers. 3CE's goal is to change rates only once a year. This means its customers have a better sense of what their generation costs will be for a period of time that is generally longer than bundled customers. By having cost-based rates, 3CE does not have to change its generation rates when the investor-owned utilities (IOUs) do as the rates are not reliant upon costs other than 3CE's operational expenses. The aim of using the COS methodology is solely to charge customers based on the cost to serve them. As an agency that is not focused on maximizing profits from its retail rates, this allows 3CE the ability to maintain the lowest possible rates for its customers

Additionally, 3CE maintains a board approved Rate Stabilization Reserve to help cover unexpected cost fluctuations to minimize the impact of unexpected events on ratepayer bills. A PCP, like 3CE's, that mixes both short-term and long-term contracts in procurement strategies enables the LSE to tailor the portfolio more precisely and enhance risk management, addressing market fluctuations, customer attrition, or regulatory changes. By achieving a balanced mix of long and short-term contracts in the PCP, 3CE anticipates greater flexibility to adapt to evolving circumstances, thereby safeguarding against significant changes to ratepayer costs over time.

(E) Ensure system and local reliability on both a near-term and long-term basis, including meeting the near-term and forecast long-term resource adequacy requirements of Section 380, and require sufficient, predictable resource procurement and development to avoid unplanned energy supply shortfalls by taking into account impacts due to climate change, forecasted levels of building and transportation electrification, and other factors that can result in those shortfalls.

3CE's PCP is designed to further grid reliability while decarbonizing the grid by employing a mix of clean and renewable technologies that either generate throughout the day or help move generation to hours of high demand. 3CE has made an effort to contract storage from a diverse pool of resources in order to meet all types of local and system reliability challenges the grid could face. For instance, 3CE's PCP includes approximately 3,100 MW of 4-hr or less duration lithium-Ion storage which can be used to effectively arbitrage times of peak stress on the grid and meet Resource Adequacy requirements effectively within the Slice-Of-Day paradigm. Additionally, The PCP contains over 3,500 MW of new energy storage, of that over 750 MW is already contracted by 3CE. This includes an energy storage agreement of 200 MW for an advanced compressed air energy storage resource. Long-duration energy storage projects like this will address the net peak reliability challenge, support the evening ramp transition, ensure reliability during multi-day events, and help commercialize alternative storage technologies with significant potential grid benefit.

Renewable baseload resources are another important component of the PCP's contribution to system and local reliability. The PCP in 2045 contains 545 MW of geothermal and 600 MW of wind. Both of these resources have relatively flat generation profiles and high capacity factors and will be critical to taking over responsibility for nighttime demand alongside long-duration storage. 3CE has 73 MW of geothermal and 238 MW of wind already online, with another 25 MW of geothermal planned. 3CE remains actively engaged with industry partners to continue adding geothermal resources to its portfolio.

(F) Comply with paragraph (1) of subdivision (b) of Section 399.13 (I.e., at least 65 percent of the LSE's RPS procurement for each compliance period shall be from its contracts of 10 years or more in duration or in its ownership or ownership agreements for eligible renewable energy resources).

3CE's Energy Risk Management Policy (ERMP §5.1.2) states 3CE's intent to fully comply with the long-term contracting requirements of §399.13(b)(1) by meeting its renewable energy targets with a blend of short- and long-term contracts, with executed and planned long-term contracts reflected in its renewable energy hedge position. Renewable procurement is further governed by Board-adopted minimum hedge percentages by vintage, monitored by the Middle Office with any deviation reported to the Risk Management Committee. Based on current contracted and planned resources, 3CE's long-term contract share is projected to meet or exceed the statutory 65% minimum in every compliance period shown in Table 4.

Table 4: Statewide RPS requirements and Long-Term Requirement

RPS Position (CSP Reporting Years)	2028	2030	2035	2040	2045
California RPS Target	55%	60%	60%	60%	60%
Long-Term Requirement (65% of RPS)	36%	39%	39%	39%	39%

(G) Strengthen the diversity, sustainability, and resilience of the bulk transmission and distribution systems, and local communities.

The technological and geographic diversity of 3CE's PCP reflects the resource mix needed to achieve California's greenhouse gas reduction goals while maintaining long-term grid reliability and affordability. As California's electric system continues to evolve, 3CE recognizes that no single technology can reliably or economically meet future customer needs. Accordingly, 3CE's procurement strategy emphasizes a balanced portfolio of renewable generation, energy storage, clean firm resources, and geographically diverse projects to reduce reliance on any single resource type, fuel source, or transmission path while improving the portfolio's overall resilience. 3CE's PCP supports the diversity, sustainability, and resilience of the bulk transmission and distribution system by adding capacity from a variety of resource types as well as significant storage resources, at various locations.
3CE believes that expanding and strengthening the transmission system is essential to achieving California's decarbonization objectives while maintaining a reliable and resilient electric grid. To support these goals, 3CE has procured 205 MW out-of-state wind resources that diversify its clean energy portfolio, enhance system reliability, reduce greenhouse gas emissions, and improve access to high-quality renewable resources through an increasingly interconnected transmission network.

3CE has also partnered with a locally sited biogas facility to support both grid reliability and California's clean energy objectives. By working with the project to participate in the CAISO market, 3CE is helping maximize the value of a local generating resource located near its load. This local resource provides dependable generation, supports grid reliability by reducing reliance on more distant imports, and contributes to emissions reductions by utilizing biogas as a renewable energy source. Leveraging local generation also helps improve transmission efficiency and strengthens system resilience during periods of high demand or constrained grid conditions.

In addition, 3CE participates in the BioMAT program to foster the development of local renewable generation. These projects complement 3CE's broader resource strategy by increasing access to reliable, dispatchable renewable resources located near customer load, while supporting long-term emissions reductions and a more resilient electric grid.

3CE has also contracted with existing natural gas peaking facilities to add battery energy storage systems. Co-locating battery storage with existing generation infrastructure enhances grid reliability while reducing emissions by limiting the operation and cycling of natural gas units. This approach leverages existing interconnection and transmission infrastructure, accelerates deployment of clean energy resources, and target's locations that have historically experienced higher emissions and include disadvantaged communities, helping advance both environmental and grid reliability objectives.

To further support these objectives, 3CE evaluates all procurement opportunities using its Project Selection Methodology, which considers a broad range of quantitative and qualitative criteria beyond project cost. Candidate resources are evaluated based on their operational performance, market value, contribution to reliability, greenhouse gas reductions, development and counterparty risk, transmission deliverability, technology diversity, and ability to support California's long-term decarbonization objectives. Future resource selections consider both the composition of 3CE's existing portfolio and the incremental value each candidate resource provides in strengthening portfolio diversity, reliability, and sustainability.

In addition to system reliability and environmental performance, 3CE's evaluation framework recognizes the importance of delivering benefits to the communities it serves. The Project Selection Methodology incorporates considerations related to workforce development, local hiring, apprenticeship utilization, environmental stewardship, and meaningful engagement with local and underserved communities. Projects that demonstrate commitments to these objectives, while minimizing environmental impacts and supporting responsible project development, are viewed more favorably during the evaluation process.

Through this comprehensive evaluation framework, 3CE seeks to develop a PCP that not only satisfies California's clean energy and reliability requirements, but also strengthens the resilience of the bulk electric system, supports sustainable economic development, and delivers long-term value to its customers and local communities.

(H) Enhance distribution systems and demand-side energy management.

Although demand-side energy management resources were not explicitly modeled in the development of 3CE's PCP due to limited data on long-term program participation, load impacts, and program costs, 3CE recognizes that these resources play an important role in supporting a reliable, affordable, and decarbonized electric system. As demand-side resource data and forecasting methodologies continue to mature, 3CE intends to evaluate the incorporation of these resources into future IRP modeling cycles where appropriate.

Beyond resource planning, 3CE actively invests in programs that enhance distribution system performance, improve customer flexibility, and reduce system peak demand. As described in Section 2d(ii), "Focus on Disadvantaged Communities," 3CE administers a broad portfolio of transportation electrification, building electrification, distributed energy, and demand flexibility programs that support these objectives. These efforts include incentives for residential battery storage, dynamic hourly pricing pilots that encourage customers to shift load away from peak periods, electrification programs that pair new electric load with efficient technologies and managed charging opportunities, and deployment of electric vehicle charging infrastructure. Collectively, these programs increase customer participation in demand-side management, improve the ability of customers to respond to system conditions, support more efficient utilization of the distribution system, and contribute to California's clean energy and reliability goals.

(I) Minimize localized air pollutants and other greenhouse gas emissions, with early priority on disadvantaged communities identified pursuant to Section 39711 of the Health and Safety Code.

3CE's PCP achieves results and performance characteristics consistent with Public Utilities Code Section 454.52(a)(1)(H) goal of minimizing localized air pollutants and other GHG emissions. The diverse mix of renewable and storage resources in the PCP and the monthly balancing of the 100% new clean and renewable resource commitment in 2030 help minimize 3CE's reliance on unspecified system power, the primary source of localized air pollutants in the PCP.

(J) Maintain a diverse portfolio of energy resources, which may include eligible energy resources procured by the Department of Water Resources.

3CE's PCP maintains a diverse portfolio of energy resources, including in-and out-of-state onshore wind, in-state solar, geothermal, short and long-duration storage (both Li-Ion battery and CAES), biomass, gas-burning combustion turbines, and contracts with hydro resources. The resources that may be procured

by the Department of Water Resources (DWR) were included in the model as candidates for selection. Geothermal was selected. Offshore wind and additional long-duration storage were not selected due to cost. Prospective DWR allocations were not forced into the model due to procurement risk.

As mentioned previously, cumulative resource additions align with the 2025-2026 TPP, with solar PV and 4-hr storage making up the majority of additions, onshore wind and geothermal with sizeable additions, and smaller amounts of longer-duration storage and biomass.

c. GHG Emissions Results

3CE's PCP produces GHG emissions well below 3CE's assigned GHG benchmarks for the 8 MMT by 2045 target. This outcome is driven by 3CE's commitment to serving 100% of its load with clean and renewable resources by 2030 balanced monthly. 3CE's PCP includes 618 MWs of geothermal resources to address clean-energy needs during off-peak periods. Table 5, below, shows the Carbon Dioxide (CO_2) emissions associated with PCP compared to 3CE's assigned benchmarks.

Table 5. 3CE's Preferred Conforming Portfolio Greenhouse Gas Emission Results

Emissions Total	Unit	2028	2030	2035	2040	2045
3CE's Assigned CO_2 Emissions Target	MMT/yr	N/A	0.53	0.44	0.39	0.21
3CE's PCP CO_2 Emissions	MMt/yr	0.87	0.27	0.28	0.27	0.10

d. Local Air Pollutant Minimization and Disadvantaged Communities

i. Local Air Pollutants

Table 6, below, shows the PCP's local air pollutant emission calculated using the 8 MMT scenario Clean System Power calculator.[6] These emissions come primarily from system power.

Table 6. 3CE's Preferred Conforming Portfolio Local Air Pollutants Emission Results

Emissions Total	Unit	2028	2030	2035	2040	2045
PM2.5	tonnes/yr	56	17	18	18	95
SO_2	tonnes/yr	8	2	2	2	34
NOx	tonnes/yr	81	30	34	31	213

[6] California Public Utilities Commission. *2024–2027 IRP Cycle Events and Materials*. Available at: https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/long-term-procurement-planning/2024-27-irp-cycle-events-and-materials.

ii. Focus on Disadvantaged Communities

SB 350 requires that the Commission take efforts to improve the air quality and economic conditions in communities identified as disadvantaged as defined by Health and Safety Code section 39711. Disadvantaged communities include areas disproportionately affected by environmental pollution and other hazards that lead to negative public health effects, exposure, or environmental degradation or areas with high concentrations of low income, high unemployment, low levels of homeownership, high rent burdens, sensitive populations, or low levels of education. Health and Safety Code section 39711(a). The Commission identifies "disadvantaged communities" utilizing CalEPA's CalEnviroScreen tool.

3CE recognizes that procurement decisions can affect disadvantaged communities (DACs) throughout California, including communities outside of its service area. Accordingly, 3CE seeks to minimize criteria air pollutant emissions through procurement strategies that prioritize clean and renewable resources, reduce reliance on emitting generation, and support California's transition to a cleaner electric system. In developing its PCP, 3CE considered both greenhouse gas emissions and local air quality impacts across the state.

Table 7 below reflects the location of 3CE's existing generation and storage projects that reside in or within five miles of communities that are designated by CalEnviroScreen 4.0 ("CES4.0") as disadvantaged by receiving a CES4.0 percentile of 75% or above.

Table 7. Disadvantaged Communities Within a 5-mile radius of 3CE's Projects Under Contract

Project Name	Resource Type	Project Status	Primary Census Tract Location	Primary Census Tract CES 4.0 Percentile	Census Tract ID of DACs within 5 mile radius Nearest DAC
Angela	Solar	Online	6107004300	92.30%	6107004400; 6107004200
Aratina	Solar	Online	6029006500	77.00%	
San Gabriel	Lithium Ion Battery	In Development	6037404600	83%	6037405101
BioMAT Tracy	Biomass	In Development	6077005206	86%	6077005202; 6077003900
Darden	Solar	In Development	6019008200	83%	6019007902; 6019003900; 6031000300
Jasmine	Solar	In Development	6029003304	81%	6029006202; 6029006201

Midway BESS	Lithium Ion Battery	In Development	6019008302	85%	6019008401; 6019008200
Mountain View	Wind	Online	6065043813	84%	
Panoche BESS	Carbon Capture and Lithium Ion Battery	In Development	6019008302	85%	6019008401
Parkway BESS	Lithium Ion Battery	In Development	6083002502	81%	
Rabbitbrush	Solar	Online	6037900300	89%	
ReGen - BioGas	Landfill Diversion	Online	6053000900	84%	6053010101; 6087110400
Slate	Solar	Online	6031001601	92%	6031001200; 6031000800
Tracy	Lithium Ion Battery	In Development	6077005202	72%	6077003803; 6077003900
Vaca Dixon	Lithium Ion Battery	In Development	6095253500	78%	6095252402
Willow Rock	Advanced Compressed Air Energy Storage	In Development	6029006500	77%	

3CE's focus on procuring non-emitting resources aids in the reduction of greenhouse gas emissions and facilitating local workforce development in the communities where it sources the resources within the PCP.

Beginning in 2024, 3CE's board approved energy storage projects with the goal to balance reliability needs with the objective of off-setting greenhouse gas emissions. To do this, 3CE contracted with battery systems sited at natural gas facilities to reduce reliance on peaker plants, facilities that operate only during peak energy demand and are more polluting and costly, thereby decreasing emissions from existing natural gas facilities. 3CE has four Battery Energy Storage Systems represented as existing or in development within the PCP to offset harmful gas emitting resources. All are located within Disadvantaged Communities reducing the amount of harmful emissions.

3CE has also contracted with a 15-year PPA for renewable solar generation and storage in a disadvantaged community, where the developer committed to paying prevailing wages and providing $2

million in community investments. Together, these projects are expected to create more than 2,000 construction jobs and supply 3CE with 5% of its projected retail demand.

To further support small, local developers, 3CE participates in the California Public Utilities Commission's Bioenergy Market Adjusting Tariff (BioMAT) program, designed to encourage small bioenergy projects under 5 MW. While the program originally was limited to investor-owned utilities, CCAs, including 3CE, successfully lobbied for inclusion through Assembly Bill 843 in 2021. In 2025, 3CE became the first-ever CCA to execute a BioMAT power purchase agreement. Participation in BioMAT supports local communities by creating contracting opportunities for bioenergy generators, generating jobs, stimulating economic growth, and reducing emissions, odors, and other pollutants in disadvantaged areas. Additionally, bioenergy helps member agencies comply with Senate Bill (SB) 1383, which mandates reductions in short-lived climate pollutants such as methane and black carbon.

Since adoption in June 2023, all projects reviewed by 3CE are evaluated with the Project Selection Methodology. The Project Selection Methodology implements defined qualitative criteria for the meaningful and structured assessment of potential projects based on their ability to cost effectively meet 3CE's regulatory obligations and 100% clean and renewable energy goal, commitment to workforce development, potential for innovation, location, environmental impacts, and benefits to underserved communities. Importantly, this methodology emphasizes 3CE's commitment to its local economy and workforce by prioritizing projects that commit to meaningful community engagement and demonstrate having established contacts with local organizations and diverse stakeholders to ensure that benefits are communicated and accessible to the community.

The Project Selection Methodology extends 3CE's commitment to its low-income, historically marginalized, and disadvantaged communities to its project development by incorporating 3CE's local and targeted hire objectives into a project's evaluation. In accordance with the selection criteria, 3CE prioritizes projects that commit to a goal of 30% of all project labor hours performed by local hires and 10% of all project labor hours performed by targeted hires from historically marginalized populations. To further prioritize local and disadvantaged communities, 3CE incentivizes project contractors and developers to achieve a minimum of 60% of all project labor hours performed by local hires and a minimum of 30% of all project labor hours performed by targeted hires.

In addition to the benefits provided through 3CE's PCP, 3CE supports Disadvantaged Communities (DACs) within its service area, as identified in Table 8, through the provision of renewable and clean energy at competitive rates. 3CE also supports DACs through its portfolio of Energy Programs, as further described in Section IV ("Action Plan"). 3CE remains committed to continuously improving and expanding its Energy Programs portfolio to increase investment in DACs and reduce economic, health, and environmental burdens associated with fossil fuel use.

*Table 8. 3CE 2026 Service Area Disadvantaged Communities (DAC)**

Census Tract	County	Approximate Location	Total Population	CES4.0 Percentile
6053010101	Monterey	Unincorporated Monterey County area	5,024	81%
6053000900	Monterey	Salinas	5,657	84%
6087110400	Santa Cruz	Watsonville	8,077	81%
6087110300	Santa Cruz	Watsonville	7,275	80%
6083003001	Santa Barbara	Goleta	5,766	77%
6083002502	Santa Barbara	Unincorporated Santa Barbara County area	7,573	81%

*DAC defined as a census tract with a CES4.0 Overall Score Percentile 75% and above.

e. Cost and Rate Analysis

Guided by a dedication to providing clean, reliable energy at an affordable price, 3CE consistently focuses on managing costs to maintain competitive rates. This commitment entails a strategic approach in selecting resources that align with long-term renewable energy goals, significantly influencing the supply portfolio. In the process of incorporating new or existing resources into the 3CE generation mix, a rigorous evaluation using both quantitative and qualitative criteria is undertaken. The value of each resource is assessed based on its net energy output (including considerations for congestion), its capacity for ancillary services (A/S), Resource Adequacy (RA), and its contributions to the Renewable Portfolio Standards (RPS)/Renewable Energy Certificates (REC), juxtaposed against the contract's costs.

Furthermore, qualitative aspects such as the resource's generation profile, geographic location, impact on workforce development, and technology type are also evaluated. This comprehensive assessment ensures that each resource is cost-effective and aligns with broader sustainability and reliability objectives. The findings from this evaluation process guide procurement strategies and ultimately determine the resources factored into 3CE's rates.

On June 16, 2021, 3CE's Board approved the Cost-Based generation rate structure for the period 2022-2024. This marked 3CE's strategic shift away from the IOU-minus rate model towards a model that more accurately reflects the costs associated with the services 3CE delivers. This rate structure, informed by the Cost of Service (COS) methodology and a comprehensive COS study, was shared with various stakeholders, including customer groups, the Community Advisory Council, Policy Board, and Operations Board in the first half of 2021. On September 19, 2024, 3CE's Board approved rates based on an updated COS study for 3CE customers in both PG&E and SCE territories and an annual cadence for updating the

COS study moving forward. On January 28, 2026, 3CE's Board approved rates for 2026 and set a new cadence for the annual rate change to be in April of each year.

The COS methodology is a standard process used to determine and allocate the costs associated with provided services to its customers. The study, conducted through contracted resources, involves a thorough review and analysis. The COS process first determines a revenue requirement for 3CE, comprising projected costs over the selected period, currently April of the current year through March of the following year. Projected expenses are offset against non-retail revenues to establish the net retail revenue requirement for the study period.

The net retail revenue requirement is functionalized into power supply and customer-related costs but excluding transmission and distribution-related costs, as those functions are provided by the incumbent IOU. Costs were then classified as fixed or variable and allocated to customer classes. Generation rates are developed based on allocated costs and projected load for each class. Billing considerations include projected energy sales and the number of customers in each class, tailored to the characteristics of each customer class.

Production cost modeling was performed to estimate the expected long-term cost of serving 3CE's forecast retail load under the PCP. Consistent with the assumptions used throughout this Integrated Resource Plan, the analysis assumes that other California load-serving entities procure resources in a manner generally consistent with the 2025–2026 Transmission Planning Process (TPP) Portfolio with updates. The resulting costs represent the modeled cost of supplying energy, capacity, renewable attributes, and other portfolio resources necessary to reliably serve customer demand under the study assumptions.

Figure 4 illustrates the modeled portfolio supply cost on a dollar per megawatt-hour basis. Expressing portfolio costs in this manner normalizes forecast load growth and provides a consistent basis for comparing portfolio costs over time. As shown, modeled portfolio supply costs increase gradually over the planning horizon as the resource portfolio expands to serve forecast customer demand while incorporating additional renewable generation, clean firm resources, and energy storage needed to maintain reliability and achieve California's long-term greenhouse gas reduction objectives.

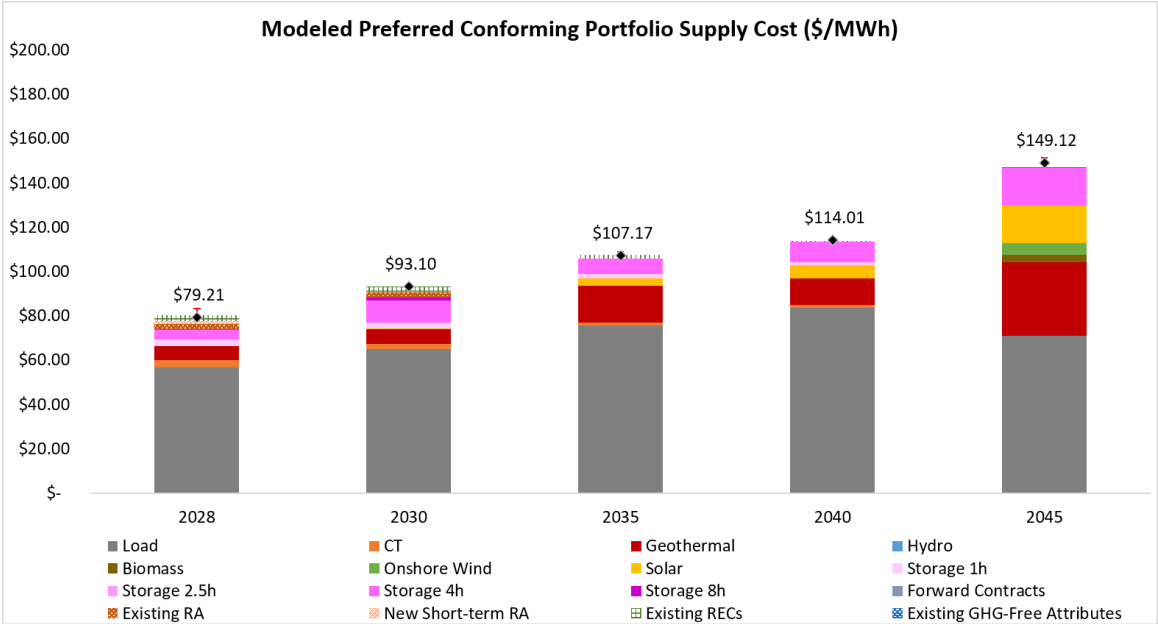


Figure 3. 3CE's Modeled Preferred Conforming Portfolio Supply Cost ($/MWh)

The modeled cost trajectory should be viewed in the context of the underlying planning assumptions. The analysis utilizes the California Energy Commission's Integrated Energy Policy Report (IEPR) demand forecast, which assumes significant long-term load growth within 3CE's service territory driven by electrification and anticipated data center development. As demand increases, the PCP correspondingly expands to meet higher energy and Resource Adequacy requirements. Accordingly, the modeled costs reflect the expected cost of serving a substantially larger electric system over time rather than the cost of today's portfolio.

The composition of portfolio costs also evolves over the planning horizon. While energy purchases continue to represent the largest component of total portfolio cost, increasing investments in geothermal generation and energy storage provide important reliability, operational flexibility, and emissions reduction benefits that support California's clean energy transition. These resources diversify the portfolio, reduce dependence on market purchases during periods of system stress, and strengthen 3CE's ability to reliably serve customer demand under a wide range of future operating conditions.

The modeled portfolio supply costs presented in this analysis are intended to compare the relative cost of the PCP under the study assumptions and should not be interpreted as a forecast of future retail electricity rates or customer bills. Actual procurement outcomes, future market conditions, Board procurement decisions, and annual Cost-of-Service evaluations will ultimately determine the costs incurred by 3CE and reflected in future customer rates.

In addition, 3CE's PCP meets reliability and peak demand requirements and will contribute to grid reliability

Figure 5 illustrates the evolution of 3CE's PCP from 2026 through 2045 as represented in the Resource Data Template. The stacked bars show the portfolio's expected resource composition by technology over time, while the black line represents 3CE's annual forecast reliability requirement. As existing contracts expire and customer demand grows, the portfolio transitions toward increasing amounts of

renewable generation and energy storage while continuing to maintain sufficient dependable capacity to satisfy Resource Adequacy requirements.

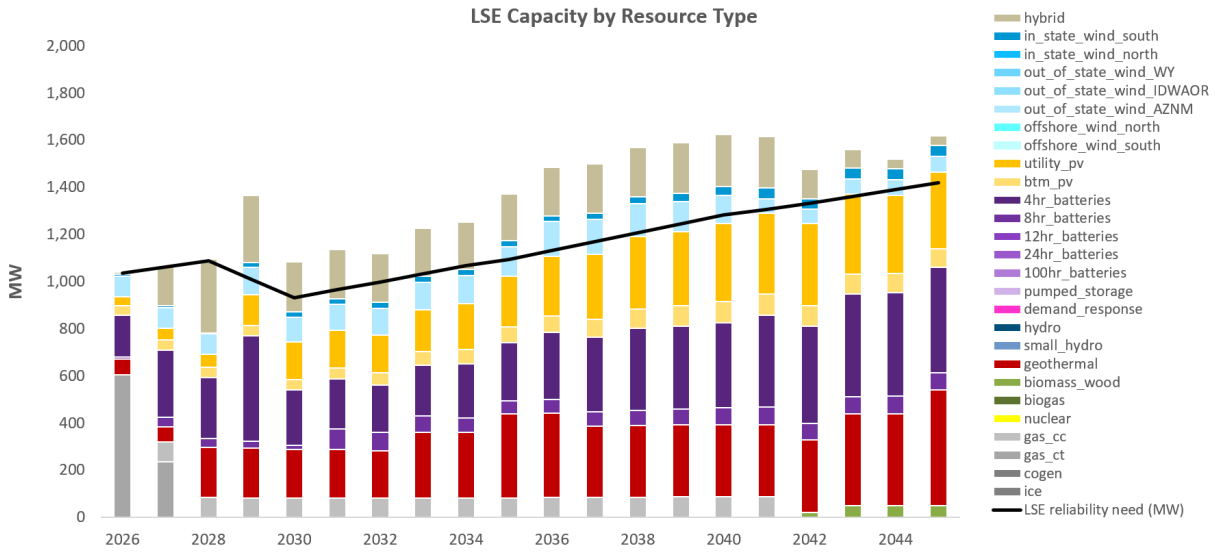


Figure 4. Annual Net Capacity Position of 3CE's Preferred Conforming Portfolio from the Resource Data Template

The figure demonstrates that 3CE's portfolio evolves in a measured manner over the planning horizon. Existing thermal resources and legacy contracts provide near-term reliability while new renewable generation, geothermal resources, wind resources, and battery energy storage are added over time to replace retiring resources and meet increasing demand. This transition allows 3CE to maintain reliability while advancing California's greenhouse gas reduction and clean energy objectives.

As reflected in the Resource Data Template, the PCP maintains a positive net capacity position throughout the planning horizon. Beginning with an approximate 6 MW planning margin in 2026, the portfolio maintains adequate capacity above the forecast reliability requirement each year, increasing to approximately 199 MW by 2045. This margin provides flexibility to accommodate normal uncertainties in long-term resource planning, including forecast load growth, project development schedules, and changes in resource performance, while continuing to satisfy applicable Resource Adequacy requirements.

c. Existing Resource Planning

As of this filing, Fifteen of 3CE's thirty PPAs to date are with existing resources. 3CE defines existing resources as those with an online date prior to this filing. For the 8MMT PCP, 17 resources within 3CE's PCP have a contract status of "online" or "planned existing." The vast majority of these existing resources are those that 3CE has successfully brought online since its inception. This is reflective of 3CE's commitment to bringing on new resources to reduce greenhouse gas emissions.

3CE's competitive solicitation process does not exclude existing projects from providing offers, so if an existing resource were to make a competitive bid it could be accepted. But the solicitation does indicate a preference for new construction in order to meet 3CE's board goal of 100% clean and renewable resources by 2030.

f. Hydro Generation Risk Management

Electrical generation from hydroelectric facilities depends on the volume of water available to flow through turbine generators. A lack of precipitation in drought years creates low water availability and hence lower hydro generation output. Hydro systems without large reservoirs that can store water for multiple years and that can average out generation over time are at particular risk. Drought risk can impact generation system reliability. For hydro generation systems with at least some water storage and dispatch flexibility, the risk primarily manifests as an energy constraint as opposed to a capacity constraint. During droughts, such systems can generate up to their maximum capacity for short periods of time but cannot do so for long periods because of a lack of water due to the drought. Hydro systems with no effective water storage will be energy and capacity limited in a drought.

California's hydroelectric generation remains highly dependent on annual precipitation, snowpack, and reservoir conditions, making it particularly vulnerable to drought and increasing climate variability. Extended droughts during 2007–2009 and 2012–2016 significantly reduced hydroelectric generation and highlighted the vulnerability of California's electric system to prolonged dry conditions. The severe drought conditions experienced in 2021 resulted in California's lowest in-state hydroelectric generation since at least 2001.[7] Although exceptionally wet conditions in 2023 temporarily restored hydroelectric production, more average hydrologic conditions in 2024 resulted in an eight percent decline from the previous year, demonstrating the continued year-to-year variability of this resource.[8] As climate change is expected to increase the frequency and severity of extreme weather events, including prolonged droughts and changes in snowpack timing, hydroelectric generation is expected to remain an increasingly variable resource, reinforcing the need for a diverse portfolio of clean and reliable resources.

In 2018, 3CE was awarded a small allocation of large hydroelectric generation from the Central Valley Project (CVP) under the Western Area Power Administration's 2025 Power Marketing Plan. The allocation is provided under a 30-year contract structured as a run-of-river resource, under which 3CE is responsible for its proportional share of project costs. Energy deliveries under the contract began in 2025 and continue to provide a modest source of GHG-free electricity within 3CE's portfolio.

In 3CE's formative years, the agency relied on purchases of GHG-free large hydroelectric generation to support its former Board-adopted objective of providing 100 percent carbon-free electricity as reported on its Power Content Label. To diversify its portfolio and reduce exposure to hydrologic variability and increasingly constrained hydroelectric markets, 3CE procured hydroelectric energy from both California and Pacific Northwest suppliers. However, as affordable large hydroelectric supplies became more limited and procurement priorities evolved, 3CE adopted a revised procurement strategy in 2020 that emphasizes long-term contracts for new clean and renewable resources rather than short-term purchases of existing GHG-free generation. This strategy has substantially reduced 3CE's reliance on large hydroelectric generation while expanding its portfolio of new renewable and firm clean resources, including geothermal generation capable of providing baseload energy. Consistent with this approach,

[7] *See* California Energy Commission, *California Energy Almanac – Total System Electric Generation* (historical hydroelectric generation data), available at 2021 CA Clean Energy Almanac | California Energy Commission.

[8] *See* California Energy Commission*, 2024 Total System Electric Generation, California Energy Almanac*, available at California Energy Commission – 2024 Total System Electric Generation.

3CE's PCP does not rely on short-term GHG-free energy purchases to achieve its greenhouse gas emissions benchmarks through 2045.

g. Long-Duration Storage Planning

Decision 21-06-035, or the Mid-Term Reliability (MTR) decision, ordered LSEs to procure 2,000 MW of long lead-time (LLT) resources by 2026. Half of this 2,000 MW must be long-duration storage and the other half firm, zero-emitting generation resources. 3CE's assigned portion of that 2,000 MW is 51 MW, creating a requirement of 25.5 MW of long-duration storage by 2026.

3CE has contracted for 200 MWs of the Willow Rock Compressed Air Energy Storage project, and 13 MW of LDES for the Tracy hybrid project. In addition, 3CE has contracted for 3 other 8-hr storage projects combined for 32 MWs – for a total of 245 MW of 8-hr storage. These projects will cover 3CE's MTR obligations in the 2030s. 3CE is not pursuing additional LDES in its PCP due to cost, technological maturity, current lack of availability, and the ability to discharge 4-hr Li-Ion storage for longer durations if needed.

h. Clean Firm Power Planning

Decision 21-06-035 requires 3CE to procure 25.5 MW of firm, zero-emitting resources by 2026.

3CE's executed PPAs for clean firm power more than meet this requirement. Through the joint procurement agency CC Power 3CE has contracted for 24.8 MW of NQC in new geothermal resources. An additional 7 MW from another geothermal PPA is eligible for MTR compliance despite being signed before the June 30, 2020 cutoff date so long as 7 MW is added to 3CE's procurement requirement in 2023-2025. This brings 3CE's eligible clean firm power contracts to 31.8 MW, 6.3 MW over the MTR requirement.

i. Non-CAISO, including Out-of-State, Wind Planning

3CE's PCP contains 200 MW of planned new out-of-state wind resources, sourced from New Mexico, procured between 2029 and 2037. These wind resources had favorable economics, both in terms of cost per clean energy and cost per RA, so the key assumption was the feasible amount of procurement. 3CE projects that they can procure up to 100 MW of NM Wind through 2035, and another 100 MW from 2036-2045. Table 9 below shows the forecasted build.

Table 9. Annual Incremental Out-of-State Wind Resources in the Preferred Conforming Portfolio

Wind Resource Type	Existing	2028	2029	2030-2035	2036	2037	2038-2045	Total MW
New Mexico	205	0	90	0	80	30	0	405
Pacific Northwest		0	0	0	0	0	0	0
Wyoming		0	0	0	0	0	0	0
Total MW	205	0	90	0	80	30	0	405

In addition, 3CE's PCP includes 400MWs of in-state wind. 3CE's resource solicitation process is open to both in-state and out-of-state resources and applies a qualitative bonus in the evaluation process to in-state offers. 3CE currently has one online in-state wind resource in Riverside County, California, and has one online New Mexico wind facility. The actual distribution of future wind PPAs between in-state and out-of-state resources will depend on the characteristics of the specific offers received in future solicitations.

j. Offshore Wind Planning

Although 3CE's 2022 PCP did contain 200 MW of offshore wind by 2035, 3CE's current PCP does not contain any offshore wind. Offshore wind was not selected by the capacity expansion model due to high cost. In addition to financial uncertainty, offshore wind also carries high political and regulatory risk. All of these factors have been exacerbated since the prior IRP was filed.

k. Transmission Planning

Ensuring sufficient transmission to support the generation resources needed to reach California's grid decarbonization goals is an important challenge, and 3CE monitors plans for transmission expansion on the CAISO system. When selecting resources from among solicitation responses, the intersection with transmission planning is built in as an indirect selection criterion through interconnection status. However, apart from the storage and offshore wind resources planned for within 3CE's service area, 3CE does not solicit offers for projects in specific locations based on transmission planning. 3CE solicitations are open to projects from in- and out-of-state locations, and a variety of variables including cost, portfolio diversity, and contribution to 3CE's GHG reduction goals and compliance requirements are used alongside interconnection status to determine which offers are accepted. Securing deliverability more quickly by locating a planned project near available transmission capacity would make a developer's bid more competitive and more likely to be selected.

Following from this, the geographic distribution of planned resources in 3CE's Preferred Conforming Portfolio is an estimate of which resources will provide the most value to 3CE customers based on 3CE's procurement commitments and forecasted resource costs and generation characteristics. 3CE is not pursuing the specific geographic distribution of resources shown in the PCP, and if future solicitations show offers in other locations to be most competitive then they will be the ones selected. Availability of

transmission capacity as reflected in interconnection status is one variable whose changing nature could affect which resources are ultimately selected.

IV. Action Plan

This section describes 3CE's planning and procurement strategy, including the factors that support its feasibility, the key challenges that could affect implementation, and opportunities for the Commission to improve the Integrated Resource Planning framework. It also identifies regulatory, market, and operational barriers that may influence 3CE's ability to execute its preferred portfolio and offers recommendations to help ensure that California's planning objectives can be achieved in a manner that remains reliable, affordable, and flexible in the face of evolving market conditions.

a. Proposed Procurement Activities and Potential Barriers

The following subsections summarize the proposed procurement activities 3CE anticipates undertaking to implement its PCP by resource category and explain how each resource contributes to meeting the portfolio identified in the Study Results section. Where applicable, 3CE also discusses expected procurement approaches, anticipated development timelines, and potential market, regulatory, financial, and implementation risks that could affect successful procurement or project development. These descriptions are intended to provide context regarding the feasibility of the PCP and the practical considerations that may influence its implementation over the planning horizon.

i. Resources to meet IRP mandated procurement requirements, including D.21-06-035 and D.23-02-040:

D.21-06-035

In Decision 21-06-035, *Decision requiring Procurement to Address Mid-Term Reliability (2023-2026)*, the Commission ordered LSEs to collectively bring online 11,500 MW by procuring a total of 2,000 MW by 2023, an additional 6,000 MW by 2024, an additional 1,500 MW by 2025, and an additional 2,000 MW by 2026. 3CE's assigned share of that system capacity need was 51 MW by 2023, 152MW by 2024, 38MW by 2025, 51 MW of LLT resources by 2026, and 63 MW of minimum zero-emitting capacity by 2025. Representing a total of 292 MW.[9]

In aggregate, this order results in 1,000 MW of Long-duration storage by 2026 (with an option of an extension to 2028), 1,000 MW of firm zero-emitting resources, and 2,500 MW of incremental zero-emissions generation, generation paired with storage or demand response resources.

[9] Decision (D.) 21-06-035, *Decision Requiring Electric System Reliability Procurement for 2021–2026*, Rulemaking (R.) 20-05-003 (June 24, 2021), available at https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M389/K603/389603637.PDF

a. 1,000 MW of firm zero-emitting resources required by Decision 21-06-035

3CE's executed PPAs for firm zero-emitting resources more than meet this requirement. Through the joint procurement agency CC Power, formed by 3CE and seven other CCAs, 3CE has contracted for 24.8 MW of NQC in new geothermal resources. An additional 7 MW from another geothermal PPA is eligible for MTR compliance despite being signed before the June 30, 2020 cutoff date so long as 7 MW is added to 3CE's procurement requirement in 2023-2025. This brings 3CE's eligible clean firm power contracts to 31.8 MW, 6.3 MW over the MTR requirement. While no further firm zero-emitting resources are required to meet 3CE's obligations under this part of D.21-06-035, 3CE may contract for additional such resources if competitive offers are received.

b. 1,000 MW of long-duration storage resource requirements

Decision 21-06-035 also required LSEs to procure 1,000 MW of long-duration storage resources by 2026. 3CE's assigned portion of this Is 25.5 MW. 3CE has executed a PPA for 32 nameplate MW of 8-hour vanadium flow redux batteries that meet the definition of long-duration storage set in the MTR decision. After applying the required NQC methodology this PPA contributes 25.05 MW towards 3CE's 25.5 MW requirement. In addition, 3CE has contracted for 200 nameplate MWs of compressed air energy storage. A portion of this project will be used to satisfy the remaining LDES requirement.

c. 2,500 MW of zero-emissions generation, generation paired with storage, or demand response resource requirements

3CE's assigned portion of this 2,500 MW is 63 MW. 3CE has executed seven PPAs for qualifying storage and solar-plus-storage resources on the required 2023-2025 COD timeline that add up to 74.3 MW NQC, meeting and exceeding 3CE's obligations in this area. However, the combination of supply chain delays created by the pandemic, global geopolitical events increasing energy prices, and the structure of the D.21-06-035 mandate have led multiple developers to come back after PPAs are signed seeking delays and/or price increases. While 3CE has signed sufficient PPAs to meet this part of D.21-06-035's requirements and will make a best effort to maintain those, the final mix of resources used to meet this requirement may change if some of the current contracts end in termination or are delayed past the required timeline. 3CE encourages the Commission to structure any future IRP procurement mandates on a net short rather than pro rata basis, as discussed further in section IV(c), Commission Direction of Actions.

d. All other procurement requirements

Apart from the 63 MW discussed in the previous section, D.21-06-035 requires 3CE to procure 248 MW of incremental capacity between 2023 and 2025. D.21-06-035 lists this as 241 MW, and 7 MW was added to the 2025 requirement to account for the inclusion of the Mammoth Casa geothermal PPA. This PPA is with a project that came online before the 6/30/2020 cutoff date but by the compliance rules was allowed to count towards 3CE's firm zero-emitting resource requirement if an equal amount of capacity was added to 3CE's 2023-2025 capacity obligation in 2025.

Thus far 3CE has executed sufficient capacity through power purchase agreements to satisfy this obligation. As part of its ongoing strategy, 3CE will continue to conduct regular solicitations both independently and jointly with other CCAs. Some of the joint solicitations are through the joint procurement agency CC Power, whose membership consists of 3CE and seven other CCAs. Others are with various configurations of other CCAs as procurement goals have aligned.

D.23-02-040

In Decision 23-02-040, *Decision ordering supplemental Mid-Term Reliability Procurement (2026-2027) and Transmitting Electric Resource Portfolios to California Independent System Operator for 2023-2024 Transmission Planning Process*, an additional 4,000 MW of net qualifying capacity was ordered in addition to the 11,500MW of D.21-06-035. 3CE's allocation of the procurement order included a rounded 55MW by 2026 and 55MW by 2027, representing a total requirement of 110MW.[10]

Ordering Paragraph 2 of D.23-02-040 states, "an additional combined total of 2,000 megawatts (MW) of September net qualifying capacity (NQC) from non-emitting, storage, and/or renewable resources in 2026 and 2027, with resources required to be online by June 1 of each year. The long lead-time resources required by D.21-06-035 may be brought online by June 1, 2028, such that the total NQC of all LSEs adds to 2,000 MW in each of the years 2026, 2027, and 2028."

Issued September 2025, D.25-09-007 provided additional compliance flexibility for LSEs. Specifically, the decision determined that LSEs would be deemed compliant with their D.21-06-035 and D.23-02-040 (as modified by D.24-02-047) procurement obligations, including for long lead-time (LLT) resources and Diablo Canyon replacement resources, if they can show that: (1) they have sufficient executed long-term (ten years or more) contracts (for capacity and/or energy, as applicable) to meet the applicable procurement obligation; and (2) they have met their month-ahead system resource adequacy obligations for all months in which their procurement is delayed, by the final deadline for curing any resource adequacy deficiency. This pathway for LSE compliance with the procurement requirements of D.21-06-035 and D.23-02-040, as modified by D.24 02-047, may be used for a period of not more than three years from the required online date of the applicable procurement requirement. Other provisions of D.21 06-035 compliance, including the standard for "good faith efforts" are also still available to LSEs.

3CE has executed additional power purchase agreements including a 205 MW wind project, a 125 MW 4-hr BESS project, and a 91.48 MW solar plus storage project. 110 MWs of eligible capacity from these agreements will be used to satisfy 3CE's D.23-02-040 obligation.

ii. Plans for resources that are currently non-candidate in CPUC's IRPs not described above

The CPUC's Integrated Resource Planning (IRP) Inputs & Assumptions Report identifies candidate resources as the portfolio of optimized resource technologies available for selection within the RESOLVE model to develop a least-cost, reliable, and policy-compliant resource portfolio. These include established, commercially viable technologies that satisfy the CPUC's viability, scalability, economic,

[10] Decision (D.) 23-02-040, *Decision Ordering Supplemental Mid-Term Reliability Procurement (2026–2027) and Transmitting Electric Resource Portfolios to California Independent System Operator for 2023–2024 Transmission Planning Process*, Rulemaking (R.) 20-05-003 (Feb. 23, 2023), available at https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M502/K956/502956567.PDF

actionability, and timeliness criteria, as well as a limited set of emerging technologies evaluated through sensitivity analyses.

At this time, 3CE does not anticipate significant procurement of resource technologies outside of those currently represented as candidate resources within the CPUC's IRP framework. The planned (non-executed) portion of 3CE's PCP is composed primarily of commercially mature technologies that are already included in the CPUC's optimization framework, including utility-scale solar photovoltaic generation, onshore wind, geothermal generation, biomass, and four-hour battery energy storage.

Specifically, the planned portion of 3CE's PCP includes approximately 2,860 MW of utility-scale solar, 600 MW of onshore wind, 520 MW of geothermal generation, 2,748 MW of four-hour battery energy storage, and 50 MW of biomass generation. These technologies were selected because they provide a balanced combination of renewable energy production, resource diversity, operational flexibility, dependable Resource Adequacy capacity, and long-term greenhouse gas reductions while supporting California's reliability and decarbonization objectives.

Although 3CE's current PCP does not rely on technologies outside of the CPUC's existing candidate resource set, the agency recognizes that resource technologies continue to evolve. The current IRP Inputs & Assumptions Report identifies several emerging technologies—including enhanced geothermal systems and additional durations of long-duration energy storage—as candidate resources for current and future planning cycles, reflecting the continued evolution of California's resource mix. 3CE will continue to evaluate these and other emerging technologies through future competitive solicitations and subsequent IRP planning cycles as they become commercially viable and cost-effective.

Accordingly, 3CE remains committed to a technology-neutral procurement strategy that evaluates all potential resources based on reliability, affordability, operational performance, environmental benefits, and their ability to support California's long-term clean energy and reliability objectives. Should future technologies demonstrate commercial readiness and provide value to customers, 3CE will consider incorporating them into future portfolio development and procurement activities.

iii. Other renewable and/or zero carbon resources not described above

Renewable resources form the foundation of 3CE's PCP and represent the primary strategy for meeting California's long-term clean energy and greenhouse gas reduction goals. The portfolio builds upon 3CE's existing renewable resource base by expanding utility-scale solar, wind, geothermal, and biomass resources through a combination of executed contracts and future planned procurements. This diversified approach supports resource adequacy, reduces greenhouse gas emissions, and provides a balanced portfolio capable of meeting customer demand under a wide range of operating conditions.

As of 2026, 3CE's renewable portfolio includes approximately 757 MW of renewable generating resources, consisting primarily of 443 MW of solar, 238 MW of onshore wind, 73 MW of geothermal, and 3 MW of large hydroelectric generation. These resources provide the foundation of 3CE's clean energy portfolio and continue to deliver carbon-free electricity to customers while supporting California's Renewable Portfolio Standard requirements.

Over the planning horizon, the renewable portfolio grows significantly through both executed contracts that have not yet reached commercial operation and additional resources identified through the PCP. Executed renewable projects currently under development add approximately 505 MW of renewable

generation, including new solar and geothermal resources. Beyond these executed projects, the PCP includes approximately 4,030 MW of additional renewable generation, consisting of 2,860 MW of utility-scale solar, 600 MW of onshore wind, 520 MW of geothermal, and 50 MW of biomass. These planned procurements reflect the resource additions necessary to satisfy forecasted load growth, achieve long-term greenhouse gas reduction targets, and maintain electric system reliability.

By 2045, 3CE's PCP includes approximately 4,178 MW of renewable generating capacity, comprised of 2,980 MW of solar, 600 MW of onshore wind, 545 MW of geothermal, 50 MW of biomass, and 3 MW of large hydroelectric generation. This diversified renewable portfolio leverages the complementary operating characteristics of multiple resource technologies. Solar generation provides the majority of annual energy production, while wind resources diversify production across seasons and weather conditions. Geothermal generation supplies reliable, around-the-clock carbon-free energy that supports system reliability, and biomass provides additional dispatchable renewable generation that complements variable renewable resources.

Maintaining a geographically and technologically diverse renewable portfolio improves resilience by reducing dependence on any single resource type or operating profile. The combination of solar, wind, geothermal, hydroelectric, and biomass resources, together with significant investments in energy storage described elsewhere in this IRP, enables 3CE to integrate increasing levels of renewable energy while maintaining reliability, reducing greenhouse gas emissions, and providing long-term value to customers.

In addition to the efforts described above, 3CE will conduct competitive solicitations both independently and jointly with other load-serving entities to procure the resources needed to meet 100% of demand with new clean and renewable resources with monthly balancing by 2030.

While 3CE's long-term procurement strategy emphasizes renewable energy and energy storage, the PCP also recognizes the continued importance of highly flexible dispatchable resources during California's clean energy transition. The portfolio includes several natural gas generating facilities that are paired with battery energy storage systems, including Panoche Hybrid, Midway Hybrid, Tracy Hybrid, and Vaca-Dixon Hybrid. These hybrid resources combine the operational flexibility of conventional generation with battery storage to reduce overall emissions, improve operational efficiency, and provide greater flexibility in responding to changing system conditions.

By integrating battery storage with existing thermal generation, these facilities can store excess renewable generation during periods of high solar production and discharge energy during periods of peak demand, reducing the frequency and duration of thermal generation while maintaining the ability to respond quickly during reliability events. This hybrid configuration helps lower greenhouse gas emissions compared to traditional thermal operations while preserving critical reliability attributes such as dispatchability, ramping capability, voltage support, and resource adequacy.

As California continues to increase its reliance on variable renewable resources, flexible hybrid resources play an important role in maintaining system reliability and supporting the integration of additional clean energy onto the grid. These projects provide operational flexibility during periods of rapidly changing net load, unexpected renewable generation variability, and extreme weather events, while helping reduce renewable curtailment and maximizing the utilization of clean energy resources. By leveraging battery storage to complement existing thermal assets, 3CE is able to strengthen portfolio

reliability while supporting California's long-term decarbonization objectives through a measured and cost-effective transition to a cleaner electric system.

iv. Other energy storage not described above

Energy storage is a cornerstone of 3CE's PCP and plays a critical role in supporting California's transition to a cleaner, more reliable electric grid. As renewable energy penetration increases across the state, battery energy storage systems provide the operational flexibility necessary to integrate variable renewable resources while maintaining reliability during periods of rapidly changing system conditions. By storing excess renewable generation during periods of high production and discharging energy during periods of peak demand, battery storage improves renewable utilization, reduces curtailment, and helps maintain reliable electric service.

As of 2026, 3CE's portfolio includes approximately 426 MW of standalone battery energy storage capacity, consisting of 177 MW of one-hour storage, 8 MW of 2.5-hour storage, and 241 MW of four-hour storage resources. In addition, several hybrid generation facilities combine battery storage with conventional generation to improve operational flexibility, reduce emissions, and enhance system reliability. These existing storage resources provide Resource Adequacy capacity, support renewable integration, and improve the portfolio's ability to respond to changing customer demand and system conditions.

The energy storage portfolio expands significantly over the planning horizon through both executed contracts currently under development and additional procurements identified in the PCP. Executed projects add approximately 599 MW of battery storage capacity, including 57 MW of one-hour storage, 297 MW of four-hour storage, and 245 MW of eight-hour storage resources. Beyond these committed projects, the PCP includes approximately 2,748 MW of additional four-hour battery storage resources. These procurements reflect the growing importance of energy storage in supporting California's evolving resource mix and meeting future Resource Adequacy requirements.

By 2045, 3CE's PCP includes approximately 3,795 MW of battery energy storage capacity. The majority of this capacity consists of four-hour battery systems, reflecting their ability to provide dependable Resource Adequacy capacity, shift renewable generation into evening peak periods, and provide operational flexibility during periods of renewable variability. Longer-duration storage resources further enhance portfolio flexibility by extending discharge capability during prolonged reliability events and supporting system operations during periods of elevated demand or reduced renewable generation.

As the renewable portfolio continues to grow, energy storage becomes increasingly important in maintaining system reliability and maximizing the value of renewable energy resources. Battery storage reduces reliance on conventional generation during peak demand periods, mitigates renewable energy curtailment, provides fast-ramping operational support, and helps address the changing net load profile created by increasing levels of solar generation. Together with 3CE's diverse renewable portfolio, the planned expansion of battery energy storage strengthens the resilience of the electric system while supporting California's long-term greenhouse gas reduction and clean energy objectives.

v. Other demand response not described above

3CE's PCP does not contain additional demand response in excess of the state trajectory. However, 3CE is supporting demand response by participating in a variety of programs to help reduce peak demand,

improve grid reliability, support renewable energy integration, and provide customers with opportunities to lower energy costs through active participation in grid operations.

3CE currently administers several demand flexibility initiatives designed to encourage customers to modify electricity consumption in response to system conditions and dynamic price signals. The Residential Battery Rebate Program supports the installation of behind-the-meter battery energy storage systems that enable customers to shift energy consumption away from peak periods. Program participants are expected to discharge approximately 50 percent of available battery capacity each day during the 4:00 p.m. to 9:00 p.m. net peak period, providing approximately 9.5 MWh of daily load shifting across participating customers. These distributed battery systems improve renewable energy utilization, reduce peak demand, and enhance customer resiliency during grid events.

3CE's Hourly Flex Pricing (HFP) Pilot further advances demand-side management by providing residential, commercial, and agricultural customers with real-time price signals that encourage electricity use during lower-cost periods and reduced consumption during system peaks. The pilot incorporates automated load controls through third-party Automation Service Providers and includes specialized agricultural demand flexibility through automated irrigation pumping systems. These programs demonstrate how dynamic pricing and automation can improve customer savings while providing measurable system reliability benefits.

Looking ahead, 3CE is expanding its demand flexibility strategy through the development of a Distributed Energy Resource Management System (DERMS) and Virtual Power Plant (VPP). The DERMS platform will aggregate customer-owned distributed energy resources, including battery storage systems, electric vehicle chargers, smart thermostats, and heat pumps, into a coordinated portfolio capable of responding to system conditions in real time. By orchestrating distributed resources across its service area, 3CE expects to reduce peak demand, improve grid reliability, increase renewable energy utilization, and provide additional operational flexibility as California's electric system continues to decarbonize.

To further strengthen local energy resilience, 3CE is also evaluating microgrid and battery storage pilot projects at critical public facilities throughout its service area. These projects are intended to improve community resilience during grid disruptions while supporting demand response, distributed energy integration, and local reliability objectives. Together, these initiatives position demand flexibility as an increasingly important component of 3CE's long-term resource strategy, complementing utility-scale renewable procurement and supporting California's clean energy and reliability goals.

vi. Other energy efficiency not described above

3CE's PCP does not contain additional energy efficiency in excess of the state trajectory. However, energy efficiency and building electrification programs complement 3CE's renewable procurement strategy by reducing greenhouse gas emissions, improving energy efficiency, and supporting California's transition away from fossil fuels. Through incentives for high-efficiency electric technologies, all-electric new construction, and energy optimization measures, these programs help reduce building emissions while supporting a cleaner and more flexible electric grid.

3CE's Electrify Your Home and New Construction Electrification programs encourage the adoption of high-efficiency heat pumps and all-electric residential development, while the Reach Code Program assists local jurisdictions in implementing advanced building electrification standards. Together, these

initiatives improve building efficiency, reduce natural gas consumption, and prepare new development for an increasingly clean electric grid.

These efforts are complemented by energy optimization programs, including residential battery incentives and dynamic pricing pilots, which improve system efficiency by encouraging customers to shift electricity consumption away from peak periods. By combining efficient electric technologies with demand flexibility, 3CE's programs reduce customer energy costs, support renewable energy integration, and strengthen long-term grid reliability while advancing California's decarbonization objectives.

vii. Other distributed generation not described above

3CE's PCP does not contain additional distributed generation in excess of the state trajectory.

Distributed energy resources are expected to play an increasingly important role in California's evolving electric system by improving local reliability, enhancing community resilience, and supporting the integration of renewable energy. As discussed in the Demand Response section, 3CE is developing programs that leverage customer-sited resources, including battery energy storage, electric vehicle charging infrastructure, and distributed energy management technologies, to provide operational flexibility and reduce peak demand. These initiatives complement 3CE's utility-scale renewable procurement strategy by enabling distributed resources to actively support grid operations and improve overall system efficiency.

Looking forward, 3CE will continue to evaluate opportunities to expand the role of distributed generation through initiatives such as its Distributed Energy Resource Management System (DERMS), Virtual Power Plant (VPP), EV Charger Asset Pilot, and potential microgrid projects at critical public facilities. Together, these efforts are intended to improve local energy resilience, increase customer participation in grid services, and support California's long-term decarbonization and reliability objectives. Additional information regarding these programs is provided in the Demand Response section of this report.

viii. Transportation electrification, including any investments that correspond to different levels than what is included in Integrated Energy Policy Report (IEPR)

3CE continues to expand its transportation electrification programs to reduce greenhouse gas emissions, improve local air quality, and support California's transition to zero-emission transportation. Through investments in electric vehicles, charging infrastructure, fleet electrification, and public transit, 3CE is helping reduce the economic, health, and environmental impacts associated with fossil fuel transportation while prioritizing investments in disadvantaged and underserved communities.

3CE's Electrify Your Ride Program remains the agency's flagship transportation electrification initiative, providing rebates for residential and commercial electric vehicle purchases, charging equipment, and technical assistance for electric vehicle infrastructure planning and installation. The program has expanded to include support for publicly accessible charging, multifamily properties, and enhanced incentives for income-qualified customers. During the most recent program year, 3CE supported the purchase of more than 980 electric vehicles and nearly 1,000 EV chargers, avoiding approximately 4,200 metric tons of carbon dioxide equivalent emissions.

In addition, 3CE continues to support the deployment of zero-emission public transportation through its Electric Bus Program, which provides incentives for public schools, school districts, farmworker transit organizations, and public transit agencies to purchase all-electric buses. Priority continues to be placed on projects serving Title I schools and disadvantaged communities to maximize both environmental and public health benefits. Complementing these efforts, 3CE's Plan, Charge, and Electrify Your Fleet programs assist local governments with fleet transition planning, charging infrastructure deployment, and vehicle procurement, while the EV Charger Asset Pilot expands access to public and workplace charging infrastructure to support long-term transportation electrification throughout the service area.

ix. Building electrification, including any investments that correspond to different levels than what is included in Integrated Energy Policy Report (IEPR)

3CE continues to expand its building electrification programs to reduce greenhouse gas emissions, improve energy efficiency, and accelerate the transition away from fossil fuels in residential and commercial buildings. Through incentives for high-efficiency electric technologies, all-electric new construction, and local building code development, 3CE is helping customers reduce natural gas consumption while improving indoor air quality, occupant safety, and long-term energy affordability. Enhanced incentives continue to prioritize low-income customers, affordable housing developments, and communities recovering from natural disasters to ensure the benefits of electrification are broadly shared.

The New Construction Electrification Program provides incentives for developers to construct all-electric residential buildings, including market-rate housing, affordable housing, farmworker housing, accessory dwelling units, and disaster-rebuild projects. During the most recent program year, the program supported the development of more than 300 all-electric housing units, with approximately 86 percent designated as affordable housing. In parallel, 3CE's Electrify Your Home Program provides incentives for homeowners and contractors to replace natural gas water heaters and HVAC systems with high-efficiency electric heat pumps. In 2025, the program supported more than 1,390 heat pump rebates, facilitated over $12 million in all-electric equipment installations, and engaged more than 45 local contractors throughout the service area.

To further advance building decarbonization, 3CE's Reach Code Program provides technical assistance to member agencies in developing and implementing local building electrification and electric vehicle infrastructure requirements that exceed California's statewide building code standards. Together, these initiatives reduce building-sector emissions, improve energy efficiency, and support California's long-term decarbonization objectives while preparing new and existing buildings for an increasingly clean electric grid.

x. Potential Centralized Procurement, pursuant to AB-1373

The PCP represents 3CE's preferred long-term resource strategy assuming all future procurement responsibilities remain with the agency. However, pursuant to Assembly Bill 1373, the California Department of Water Resources (DWR) may procure certain long-lead-time clean energy resources on behalf of load-serving entities. If DWR is successful in procuring resources and allocating capacity to 3CE, the agency would incorporate those resources into its portfolio and reduce future procurement requirements accordingly.

Based on the current allocation assumptions, 3CE could receive approximately 249 MW of offshore wind, 33 MW of geothermal generation, 29 MW of twelve-hour long-duration energy storage, and 29 MW of multi-day storage. These resources would contribute directly toward meeting the objectives of the PCP while increasing resource diversity, improving long-duration reliability, and supporting California's long-term decarbonization goals.

If these allocations are received, 3CE would adjust its future procurement strategy by reducing comparable planned procurements to avoid over-procurement while maintaining the overall reliability, greenhouse gas reduction, and affordability objectives of the PCP. For example, allocated geothermal capacity would reduce the need for future clean firm procurement, while offshore wind would diversify renewable generation and reduce reliance on additional utility-scale solar and onshore wind resources. Likewise, long-duration and multi-day energy storage would supplement the portfolio's existing battery storage strategy, providing additional flexibility during extended reliability events and periods of prolonged renewable generation variability.

Because the allocated resources are expected to provide many of the same planning benefits as resources identified in the PCP, 3CE anticipates that the overall resource strategy would remain largely unchanged. Rather than fundamentally altering the portfolio, DWR-procured resources would primarily displace equivalent future procurements while preserving the portfolio's long-term objectives of maintaining reliability, supporting California's greenhouse gas reduction targets, and minimizing customer costs through a diverse and balanced resource mix.

xi. Other

As described above, 3CE will utilize a variety of procurement strategies to achieve the resource volumes and capacities identified in its PCP. As appropriate, 3CE may engage in bilateral negotiations with project developers, counterparties, and other market participants to pursue procurement opportunities that align with its portfolio needs, customer affordability objectives, and applicable regulatory requirements. Bilateral negotiations provide 3CE with flexibility to evaluate opportunities based on resource characteristics, contract terms, timing, cost, and overall portfolio value while ensuring that any resulting agreements are consistent with 3CE’s procurement policies and subject to applicable governing board approvals.

a. Disadvantaged Communities (DACs)

3CE supports a wide array of community, business, and trade organizations that promote the growth and development of small and diverse businesses, as well as the health and economic well-being of disadvantaged communities across the 3CE service area. As part of 3CE’s ongoing commitment to economic vitality throughout the Central Coast, 3CE staff attended, sponsored and facilitated over 300 events and external activities during 2024-2025. These opportunities enable 3CE to share resources and provide information about 3CE’s energy programs available to eligible customers, utility payment assistance, and the benefits of using clean and renewable power. 3CE looks forward to continuing supporting these events and activities in the future.

In addition to supporting events, 3CE staff hosted virtual webinars, workshops, and public forums to bolster outreach and gather valuable feedback about community needs and increase participation in energy programs.

i. Project Selection Criteria

3CE's Project Selection Methodology on June 21, 2023, 3CE's Policy Board approved the 3CE Project Selection Methodology, a structure through which 3CE evaluates, prioritizes, and selects projects that meet its goals of providing clean renewable energy at competitive rates while also maximizing the positive impacts of new generation and storage resources.

The Project Selection Methodology implements defined qualitative criteria for the meaningful and structured assessment of potential projects based on their ability to cost effectively meet 3CE's regulatory obligations and 100% clean and renewable energy goal, commitment to workforce development, potential for innovation, location, environmental impacts, and benefits to underserved communities. Importantly, this methodology emphasizes 3CE's commitment to its local economy and workforce by prioritizing projects that commit to meaningful community engagement and demonstrate having established contacts with local organizations and diverse stakeholders to ensure that benefits are communicated and accessible to the community.

The Project Selection Methodology extends 3CE's commitment to its low-income, historically marginalized, and disadvantaged communities to its project development by incorporating 3CE's local and targeted hire objectives into a project's evaluation. In accordance with the selection criteria, 3CE prioritizes projects that commit to a goal of 30% of all project labor hours performed by local hires and 10% of all project labor hours performed by targeted hires from historically marginalized populations. To further prioritize local and disadvantaged communities, 3CE incentivizes project contractors and developers to achieve a minimum of 60% of all project labor hours performed by local hires and a minimum of 30% of all project labor hours performed by targeted hires.

Since its adoption, 3CE's Project Selection Methodology has resulted in the approval of ten power purchase agreements (PPAs) and one energy storage agreement (ESA) that received high rankings from 3CE in their demonstrated ability for workforce development and environmental stewardship. Important to 3CE's consideration of these projects was the developers' represented commitment to a project labor agreement and meeting the wage and apprenticeship requirements set forth in the Inflation Reduction Act (IRA). Furthermore, by employing this methodology, 3CE is able to conduct a thorough assessment of these projects' benefits to underserved communities and identified that one of the projects plans to hire approximately 75% of their workers from its local area, located in a community designated by the CalEnviroScreen 4.0 (CES 4.0) tool as disadvantaged.

Two examples of success of implementation of the Project Selection Methodology: In August of 2025, 3CE's Operations board approved a project that is expected to provide prevailing-wage jobs for thousands of workers and bring in millions of dollars in community investment. Another project, with which 3CE executed a PPA in March of 2024, demonstrated a commitment to paying local prevailing wages, targeting at least 60% of their construction workers to be local hires, and implementing a proactive, bilingual outreach strategy to inform the local community about the project. 3CE's Project Selection Methodology provides a beneficial structure for 3CE's project evaluation process and has already demonstrated its ability to produce meaningful consideration of impacts to local and underserved communities in 3CE's approval and development of energy projects.

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Each year, 3CE issues a Request for Proposals (RFP) that incorporates the Project Selection Methodology, seeking power purchase agreements (PPAs) for new or existing renewable generation, energy storage, and other flexible resources that aim to meet the state's renewable-energy goals and improve reliability and affordability. The RFP also encourages local small and diverse businesses to participate in 3CE's procurement opportunities as the agency's Local Vendor Registry confers a five point scoring preference in RFP evaluations of local vendors.

ii. Community Advisory Council

3CE's 15-member Community Advisory Council (CAC) provides a direct point of engagement with the communities and the customers the agency serves. The CAC includes representatives with experience in organized labor, local environmental groups, sustainable planning, affordable housing development, the agricultural and tourism industries, energy efficiency, and low-income customer assistance, as well as a current Air Pollution Control Officer. The trusted network, experience, and perspectives that the CAC members bring to 3CE help maintain the agency's capacity to connect with diverse businesses and help disadvantaged communities.

iii. Underserved Communities Outreach Plan

Recognizing that many underserved and marginalized communities are not represented in the CES 4.0 profile (as described in Section III.d.ii), 3CE conducts additional outreach to ensure these customers have access to information and resources regarding rate assistance programs. Outreach efforts include leveraged digital communications, community workshops, webinars, and direct energy education designed to improve awareness of available programs and services.

In 2024, 3CE's Policy Board adopted the Underserved Communities Outreach and Engagement Action Plan to expand awareness of and access to 3CE services while improving customer satisfaction through community engagement and barrier reduction. The plan also includes a reenrollment and customer awareness campaign. Development of the plan was informed by interviews with other Community Choice Aggregators, key stakeholders, and nine community-based organizations across San Benito, Santa Cruz, Monterey, San Luis Obispo, and Santa Barbara Counties to identify community needs, partnership opportunities, and priority actions. During 2025, 3CE continued implementation of the plan by developing simplified, culturally and linguistically appropriate customer communications and strengthening partnerships with local agencies and community-based organizations to improve outreach and equitable access to 3CE programs and services.

To further improve accessibility and inclusivity, 3CE hosts webinars in both English and Spanish, translates customer-facing materials, and enhances call center resources to better serve diverse

communities. These efforts help remove barriers to participation, improve customer education, and ensure information is accessible across all customer touchpoints.

3CE's mission is to serve the Central Coast by providing reliable, affordable, clean electricity and electrification programs that reduce greenhouse gas emissions and strengthen the local economy. In addition to procuring clean, renewable energy, 3CE advances this mission through programs focused on the electrification of transportation, buildings, and agriculture. These initiatives help customers transition from fossil fuel-powered vehicles, equipment, and appliances to clean electric alternatives, reducing greenhouse gas emissions while supporting local economic development and expanding equitable access to the benefits of clean energy and electrification.

iv. Supporting Small, Local, and Diverse Businesses

In 2025, 3CE also filed its sixth Supplier Diversity Report with the Commission as the foundation for continued and transparent growth in this area of community reinvestment. Throughout the report, key initiatives and accomplishments that demonstrate commitment to sustainability, economic growth, and diversity are provided. Though constrained by Proposition 209's amendment to the California Constitution, which prevents public agencies from providing preferences to bidders based on race, sex, color, ethnicity, or national origin, 3CE is proud that dedication to supplier diversity is evident in the substantial spend with local businesses, fostering economic growth within the communities 3CE serves. Procurement and spending activities are directed whenever possible to small, local, and diverse business enterprises. In doing so, 3CE maximizes its economic impact in the region, delivers on the promise of its mission, and works toward meeting the statewide objectives set by Senate Bill 255. Additionally, many program incentives are tiered to provide the greatest benefit to customers with the fewest resources, thereby encouraging greater participation by those who have historically faced barriers to access.

v. Energy Programs

3CE's community engagement is key to gathering valuable feedback that allows staff to design programs that meet the needs of a diverse community. The agency's focus on local control, clean energy, and community investment uniquely positions 3CE to equitably deploy emissions-reducing energy programs across its five-county service area. 3CE strategically targets electrification of transportation, buildings, and agriculture- the biggest contributors to regional greenhouse-gas emissions- and is expanding its energy programs to further empower customers to optimize their energy use. Annually, 3CE's Policy Board adopts a budget to support the Energy Programs Portfolio to reach agency goals across the following categories:

- **Transportation Electrification** – Incentivizes the adoption of electric vehicles, including support for charging infrastructure
- **Building Electrification** – Supports electrification projects for customers and contractors in new and existing residential and commercial buildings, including domestic heat-pump hot-water heating and space conditioning
- **Agricultural Sector Electrification** – Helps agricultural customers replace fossil-fueled equipment with all-electric versions and automate their energy use
- **Energy Optimization** – Improves grid reliability through distributed energy resources and behind-the-meter load-modification strategies

While primarily focused on greenhouse gas reduction, 3CE's approach to energy program design and implementation minimizes local air pollutants and supports investment in disadvantaged, low-income, and underserved communities in a variety of ways. Some of the Energy Programs doing so are detailed here:

- ***Electrify Your Ride Program***
  Electrify Your Ride (EYR) is 3CE's flagship transportation program intended to reduce carbon dioxide (CO2) emissions and increase electric vehicle adoption by providing residential and commercial 3CE customers with rebates for EV purchases and charger installations. In addition, EYR provided 3CE customers with technical assistance for EV infrastructure planning at publicly accessible commercial sites and at multifamily residential properties. Technical assistance included remote or in-person property assessments, feasibility findings and charging installation designs, facilitation of bids, guidance through construction, and assistance with 3CE incentive applications. Last year, 3CE supported customers in purchasing over 986 EVs and 975 EV chargers. The program supported avoiding over 4,200 metric tons of carbon dioxide equivalent (CO2e), equivalent to removing approximately 980 fossil-fueled cars from the road for a year.

- ***Electric School Bus Program***
  3CE's Electric Bus Program provided public schools/school districts, farmworker transit organizations, and public transit agencies enrolled in 3CE service the opportunity to receive incentives to support the purchase of up to five all-electric buses. Last year, 3CE funded five all-electric school buses, nine all-electric transit buses, and three all-electric shuttle vans. 24% of buses were for a Title 1 school or disadvantaged community.

- ***Plan, Charge, and Electrify Your Fleet Programs***
  3CE's fleet-electrification programs for **local city and county governments** provide continuous support, from fleet and infrastructure planning through vehicle purchase and charger installation at 3CE-enrolled sites. Plan Your Fleet (PYF) provides no-cost technical assistance, including fleet replacement planning, project design and engineering, electric vehicle charging recommendations, and funding plans. Charge Your Fleet (CYF) provides rebates for the purchase and installation of Level 2 electric vehicle chargers and Level 3 direct current fast chargers (DCFCs). Electrify Your Fleet (EYF) provides rebates for the purchase or lease of electric vehicles, including light-, medium-, and heavy-duty vehicles, as well as electric motorcycles. Last year, 3CE supported more than nine cities and counties in developing four fleet replacement plans and seven charging infrastructure plans, purchasing 22 electric vehicles, and installing over 900 kilowatts of electric-vehicle charging capacity.

- ***EV Charger Asset Pilot***
  3CE's EV Charger Asset Pilot addresses the need for additional Electric Vehicle Supply Equipment (EVSE) and infrastructure across the agency's service area through the deployment of a phased EV Charger asset-ownership program. The pilot examines charger asset ownership as a potential step in advancing equitable transportation electrification solutions across 3CE'sservice area. The pilot encompasses Level 2 and Level 3 DC Fast

Charger design, construction, and operation across three categories: community resilience hubs, corridor charging, and EVSE at Member Agency sites. 3CE completed construction for six Level 2 chargers for 3CE's San Luis Obispo and Soquel offices last year and is developing a public charging site in Santa Maria.

- ***New Construction Electrification Program***
  The New Construction Electrification Program (NCEP) provides housing developers and homeowners with incentives to build all-electric single and multifamily housing, including market-rate, affordable, farmworker, and disaster-rebuild housing types as well as Accessory Dwelling Units (ADUs). Qualifying projects must be fully electric, including appliances for space heating, water heating, and cooking. Last year, 3CE engaged 16 local contractors to build over 300 all-electric housing units, with 86% of units reserved for affordable housing.

- ***Electrify Your Home Program***
  3CE's Electrify Your Home (EYH) Program provides incentives to contractors and homeowners working in existing single-family homes and multi-family properties to replace gas water heaters and HVAC equipment with all-electric heat-pump versions. The program also offers enhanced incentives to income-qualified customers and those impacted by natural disasters. In 2025, the program distributed over 1,390 rebates and supported more than 45 local installers across 3CE's service area to complete over $12.1 million in all-electric heat-pump installations.

  Throughout 2025, in collaboration with the CAC, 3CE conducted a review of the EYH program, hosting four community workshops to learn about customers' challenges with home electrification and evaluate potential program enhancements. The latest iteration of the program launched October 1, 2025, now with in-house application processing, expanded contractor eligibility, additional rebates, and a customer application pathway.

- ***Reach Codes Program***
  The Reach Code Program develops and advances building electrification and EV infrastructure "Reach" codes within Member Agency jurisdictions. Technical assistance includes customized code language development, staff presentations and board advocacy, and code enforcement tool creation. Implemented reach codes update local building codes and ordinances for new residential and commercial construction and major remodel projects, aligned with the 2022 California statewide building code updates. The program supported five reach codes adopted or codified across three cities.

- ***Agricultural Electrification Program***
  3CE's Agricultural (Ag) Electrification Program provided rebates to agricultural customers for replacing fossil-fueled equipment with electric-powered alternatives including farm tools, irrigation pumps, vehicles, and more. Enhanced incentives were available for small businesses and for businesses replacing equipment damaged or destroyed by a natural

disaster. Last year, 3CE supported 22 all-electric agricultural equipment purchases and distributed 90% of Ag rebates to small businesses.

- ***Residential Battery Rebate Program***
  3CE's Residential Battery Rebate Program achieves load shifting during peak hours by incentivizing the installation of residential, behind-the-meter battery systems. The program helps solar and non-solar customers manage energy consumption, respond to price signals, and reduce demand during net peak hours. Last year, the program supported over 2.3 megawatt-hours (MWh) of load shifted daily during peak hours from 4 p.m. to 9 p.m.

- ***Hourly Flex Pricing Pilot 1 & 2***
  3CE's Hourly Flex Pricing (HFP) Pilot offers savings and operational benefits to agricultural, residential, and commercial 3CE customers via real-time, dynamic price signals. In partnership with PG&E, both Pilot 1 (agricultural) and Pilot 2 (commercial and residential) offer a variety of Automation Service Providers (ASPs) to help enrolled customers optimize their load in response to hourly price signals. Expanded Pilot 1, implemented in partnership with Polaris Energy Services, also includes system reliability benefits for agricultural customers through incentivized equipment automation. HFP Pilots 1 and 2 are currently in their first year of implementation and have enrolled 70 meters across all three customer classes.

Table 10. 3CE Programmatic Emissions and Load Shift Impact for 2024-2025

Program	2024-2025 Emissions / Load Shift Impact	Economic Impact
Electrify Your Ride	4,200 Mtons Co2	$47mil in all-electric purchase supported
E-Bus Program	410 Mtons Co2	$14mil in all-electric purchase supported
Plan, Charge, and Electrify Your Fleet	94 Mtons Co2	$2.4mil in all-electric purchase supported 900kW EV charging capacity installed
Electrify Your Home	1,156 Mtons Co2	$12mil in all-electric purchase supported 45 local contractors engaged
New Construction Elect.	N/A	302 all-electric units including 261 affordable housing units 21 local contractors engaged
Reach Codes	N/A	310 permits impacted per year
Agricultural Elect. Program	182 Mtons Co2	$1.7mil in all-electric purchase supported 91% incentives to small businesses
Residential Battery Rebate	2.3 MWh load shift daily	23% total project cost supported on average 52 local contractors engaged
Hourly Flex Pricing Pilots	.2 MWh load shift daily	Under evaluation

b. LSEs' Tribal Customers

3CE has one Tribe located within its service area, the Chumash tribe. 3CE's Customer Accounts Team manages the relationship with the Tribe. As part of the customer experience, they receive updates on rate changes and have access to a Senior Accounts Manager who provides personalized support based on their needs.

c. Procurement Products

3CE utilizes a diverse portfolio of procurement products to implement its PCP while balancing reliability, affordability, sustainability, and risk management objectives. Procurement products are selected based on the needs of the portfolio and may include long-term and short-term physical energy products, Resource Adequacy capacity, renewable energy products, financial hedging instruments, and other commercial arrangements. By maintaining a diverse mix of procurement products, 3CE is able to manage market price volatility, support compliance with California's clean energy and reliability requirements, and maintain the flexibility necessary to respond to evolving customer demand, market conditions, and regulatory requirements.

Table 11. Description of 3CE Procurement Products

Procurement Products	
Product	**Description**
Long-Term Power Purchase Agreements (PPAs)	Primary procurement mechanism for renewable generation, clean firm resources, and energy storage. Provides long-term price certainty, supports new resource development, and advances ghg-reduction goals.
Short-Term Energy Purchases	Used to balance near-term energy needs, manage load forecast uncertainty, address project development delays, and optimize portfolio costs.
Standalone Energy Storage Agreements	Procures battery storage resources to provide Resource Adequacy capacity, operational flexibility, renewable integration, and peak demand management.
Hybrid Generation and Storage Agreements	Procures hybrid renewable and storage resources that improve renewable energy utilization while providing dispatchable capacity and operational flexibility.
Bilateral Resource Adequacy (RA) Capacity Purchases	Used as transitional reliability products to address temporary capacity needs prior to commercial operation of long-term resources or during changing system conditions. Procures System, Local, Flexible, and Import Resource Adequacy products to satisfy CPUC and CAISO reliability requirements and ensure sufficient capacity is available to serve customer demand.

Renewable Energy Credits (RECs)	Procured as necessary to satisfy California Renewable Portfolio Standard (RPS) compliance obligations and maintain renewable energy targets. Used sparingly as transitional product prior to commercial operation of long-term resources.
Financial Hedging Products	Financial instruments may be used, as appropriate, to reduce exposure to wholesale electricity price volatility and support stable customer rates.

3CE expects its procurement product mix to evolve over time as California's electricity markets, resource technologies, and regulatory requirements continue to develop. The combination of long-term contracts, short-term market products, renewable energy products, Resource Adequacy capacity, and financial risk management tools provides the flexibility necessary to implement the PCP while maintaining affordable customer rates, supporting electric system reliability, and achieving California's long-term greenhouse gas reduction and clean energy objectives.

d. Commission Direction of Actions

As 3CE's Operations Board retains jurisdictional authority over decisions regarding the specific resources with which 3CE enters into contracts, 3CE does not seek changes to its existing procurement authorizations through this IRP. Rather, 3CE encourages the Commission to continue treating the IRP as a long-term planning process that informs statewide resource needs, rather than as a binding procurement obligation for individual load-serving entities. The IRP is most effective when it provides a common planning framework while preserving sufficient flexibility for LSEs to respond to evolving market conditions, changing customer load forecasts, permitting and interconnection delays, technological advancements, and subsequent Commission procurement decisions.

Since the last IRP cycle, California's procurement landscape has become increasingly complex, with multiple procurement programs, reliability requirements, and compliance obligations operating concurrently. In addition, LSEs have navigated significant market changes, including implementation of the Slice-of-Day Resource Adequacy framework, expansion of DWR's role as the State's Central Procurement Entity, successive Commission procurement orders, evolving ELCC accreditation methodologies, increasing transmission and interconnection constraints, higher project development and financing costs, and continued uncertainty regarding project development timelines. Requiring LSEs to procure resources consistent with a preferred IRP portfolio on a resource-specific basis could reduce procurement flexibility, increase costs to customers, and discourage prudent procurement decisions made in advance of future regulatory changes.

3CE supports an IRP framework that continues to identify the resources and attributes needed to achieve the State's reliability, affordability, and clean energy goals while allowing LSEs flexibility in determining how best to meet those needs. Future procurement decisions should account for evolving market conditions and updated planning information. 3CE therefore encourages the Commission to maintain the IRP as a planning tool that informs future procurement policies rather than establishing binding, resource-specific procurement requirements for individual LSEs.

The Commission's ongoing consideration of the Reliable and Clean Power Procurement Program (RCPPP) further underscores the importance of maintaining a clear distinction between long-term planning and procurement compliance. Recent Energy Division staff proposals have contemplated an approach under which preferred IRP portfolios could serve as the basis for binding procurement obligations or resource-specific implementation requirements.[11] While 3CE supports the Commission's objective of ensuring that statewide procurement needs are met, it does not support converting the IRP into a binding procurement mechanism. Doing so would reduce the flexibility necessary for LSEs to adapt to changing market conditions, opportunities for new technological development, evolving resource availability, updated load forecasts, and future Commission decisions. Instead, the IRP should continue to guide statewide planning needs, while procurement requirements are established through separate Commission proceedings that can appropriately account for implementation challenges, cost impacts, and changing system conditions.

V. Lessons Learned

3CE appreciates the Commission's continued efforts to improve the Integrated Resource Planning process and encourages continued refinement to better align long-term planning with California's broader procurement framework. As procurement responsibilities are increasingly distributed across multiple proceedings and entities, including Resource Adequacy, Renewable Portfolio Standard compliance, the Reliable and Clean Power Procurement Program, and central procurement activities, the Commission should continue working toward a more coordinated planning framework that provides consistent signals to load-serving entities while minimizing duplicative compliance obligations.

3CE encourages the Commission to prioritize the completeness, accuracy, and stability of the initial modeling inputs and assumptions provided to LSEs at the outset of each IRP cycle. Because LSEs rely on this data to initiate complex capacity expansion and production cost modeling, revisions issued after modeling has begun can significantly affect the overall schedule and increase administrative burden. Capacity expansion modeling typically requires approximately one week to complete a model run, followed by additional time to review results, identify anomalies, and determine whether refinements are needed. Production cost modeling generally requires approximately two weeks, one week for model execution and one week for validation, followed by additional analysis to incorporate real-world market assumptions and evaluate the reasonableness of results. When foundational assumptions or input data are revised after these analyses are underway, LSEs are often required to restart portions of the modeling process, resulting in substantial delays and compressed timelines for analysis, stakeholder review, and preparation of IRP filings. Providing stable, high-quality initial data and limiting revisions to only those that are necessary would improve the efficiency of the IRP process while allowing LSEs to devote more time to evaluating portfolio outcomes and developing thoughtful planning strategies rather than re-running models.

[11] *Administrative Law Judge's Ruling Seeking Comments on Reliable and Clean Power Procurement Program Staff Proposal*, Rulemaking (R.) 20-05-003 (June 23, 2026), available at https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M609/K223/609223925.PDF

Attachment C

3CE's Resource Data Template Version 3 (Public Version)

Attachment C is Submitted per Notice of Availability

Attachment D

Clean Power System Calculator

Attachment D is Submitted per Notice of Availability