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)

APPLE VALLEY CHOICE ENERGY'S 2026 INTEGRATED RESOURCE PLAN [PUBLIC VERSION]

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August 10, 2026

On behalf of Apple Valley Choice Energy

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OF THE STATE OF CALIFORNIA

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[PUBLIC VERSION]

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, Apple Valley Choice Energy ("AVCE") hereby provides its 2026 Integrated Resource Plan ("IRP") to the Commission for certification.

I. IRP DOCUMENTS INCLUDED AS ATTACHMENTS TO THIS FILING

AVCE 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* – AVCE's IRP Verification
- *Attachment B* – AVCE's IRP Narrative Template
- *Attachment C* – AVCE's Resource Data Template Version 3 (Public Version)

- Attachment D - Clean Power System Calculator
- *AVCE's Notice of Availability* – AVCE's Notice of Availability of public versions of its IRP documents

II. REQUEST FOR CONFIDENTIAL TREATMENT OF NON-PUBLIC DOCUMENTS

AVCE has developed both public (redacted) and confidential (unredacted) versions of its Resource Data Template (RDTv3). AVCE 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, AVCE 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

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

Dated: August 10, 2026

Respectfully submitted,

/s/ Justin Wynne

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On behalf of Apple Valley Choice Energy

Attachment A
Verification

VERIFICATION

I am the General Manager of California Choice Energy Authority ("CalChoice") and am authorized to make this verification on behalf Apple Valley Choice Energy ("AVCE"), a CalChoice member. The statements and information in AVCE'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 Lancaster, California.

s/Cathy DeFalco

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For: Apple Valley Choice Energy

Attachment B
AVCE's IRP Narrative Template

Standard LSE Plan

APPLE VALLEY CHOICE ENERGY

2026 INTEGRATED RESOURCE PLAN

AUGUST 10, 2026

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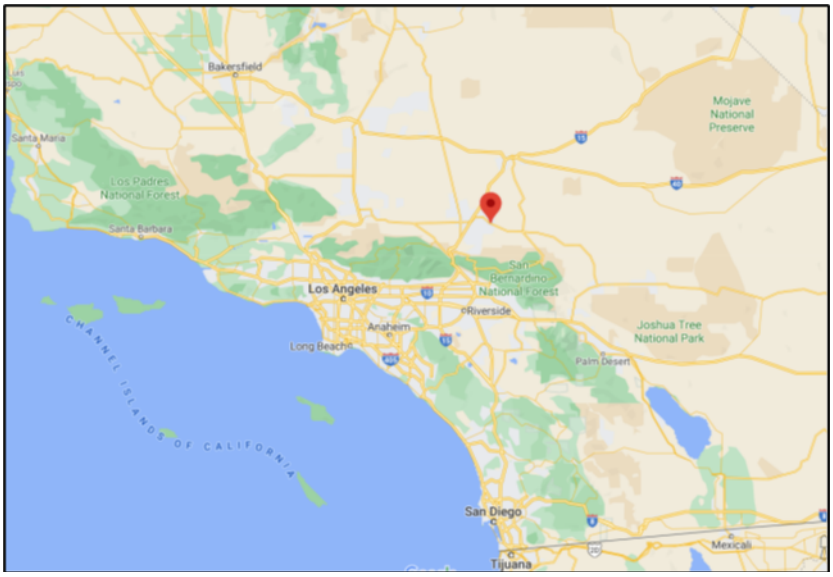
I. Introduction and Executive Summary

Description of AVCE

The Town of Apple Valley is a municipal corporation and general law town organized and operated under the laws of the State of California. The Town of Apple Valley is governed by, and accountable to, representatives elected by its citizens. The Town of Apple Valley operates numerous programs for the benefit of its citizens, including Apple Valley Choice Energy ("AVCE").

AVCE was formed by the Town of Apple Valley Town Council on August 9, 2016, through Ordinance 486 and began serving load in April 2017. AVCE currently provides retail electric generation services and complementary energy programs to customers within the municipal boundaries of the Town of Apple Valley. AVCE launched as the Town's Community Choice Aggregation ("CCA") program for the purposes of promoting local control and local economic benefits as well as offering participating customers competitive and stable rates.

Figure 1: Service Area Map



AVCE currently serves approximately 22,400 residential accounts and 2,300 commercial and industrial accounts. AVCE provides retail generation service to a variety of customer classes, including residential, small and medium commercial accounts, large industrial consumers, and agricultural and pumping facilities. AVCE's service area has a population of approximately 76,000, the majority of which live in households or work at businesses that receive generation service from AVCE. In 2025, AVCE had a peak load of 87 MW, and a total energy usage of 203 GWh.

AVCE has pursued CCA implementation activities under a shared service model, which means AVCE has joined together with other, regionally located and city specific CCA programs to promote administrative efficiencies by outsourcing many operational and technical services typically required for CCA administration and operation. The California Choice Energy Authority, or CalChoice, is the organization selected by AVCE to provide requisite services, including resource planning and procurement activities. Key decisions of AVCE, including rate setting, retail supply portfolio composition, disposition of financial reserves, and administration of complementary programs, are addressed by the Town of Apple Valley Town Council with supporting input from AVCE staff and CalChoice personnel. Due to the relatively small

size of the Town of Apple Valley (both in terms of population and retail sales), meaningful Apple Valley administrative efficiencies have been achieved through joint solicitation/procurement administration through CalChoice. By partnering with CalChoice, AVCE has been able to establish and pursue objectives and key parameters that are directly responsive to the unique constituents and interests within the Town of Apple Valley.

AVCE's Mission

AVCE was formed for the express purpose of empowering the Town to choose the generation resources that reflect its specific values, needs and cost preferences. More specifically, AVCE seeks to provide reliable electric service, within the Town, at competitive rates when compared to those rates offered by the incumbent electric utility and also prioritizes local control, economic development and environmental stewardship within the Town of Apple Valley. Consistent with Public Utilities Code Sections 366.2(a)(5) and 454.52 (b)(3),[1] all procurement by AVCE, including the portfolios set forth in this Integrated Resource Plan ("IRP"), must comply with policy direction provided from AVCE's governing board, which is comprised of the Town of Apple Valley Town Council.

Introduction to AVCE's IRP

In accordance with the requirements of California Public Utilities Code ("PUC") Sections 454.51 and 454.52 and California Public Utilities Commission ("Commission" or "CPUC") Decision ("D.") 18-02-018, D.22-02-004, Administrative Law Judge's Ruling Setting Requirements for Individual Integrated Resource Plans Due June 1, 2026, Email Ruling Granting Joint Request for Extension of Load Serving Entity ("LSE") Integrated Resource Plan ("IRP") Filings, and guidance provided by the Commission's Energy Division, AVCE is providing its LSE-specific IRP to the Commission for certification and use in the Commission's statewide planning process.

In addition to this narrative, AVCE's IRP includes the following documents:

- AVCE's Resource Data Template
- AVCE's Clean System Power Calculator
- AVCE's IRP Verification

Projecting resource needs over the planning horizon covered by the IRP is a fluid process and AVCE expects changes over time. The future resources identified in AVCE's IRP represent AVCE's current good-faith projection of the resource mix that will be procured over the IRP planning horizon. Such projections are based on best available information regarding planning directives, AVCE policy, resource availability and other key considerations. The resources identified in future iterations of AVCE's IRP may change due to new information and evolving circumstances, and the ultimate resource mix that AVCE actually procures (in future years) may differ from what is reflected in this plan due to a number of variables, including availability of supply, technology changes, price of supply, and/or other market or regulatory considerations.

[1] All further citations to statute are to the California Public Utilities Code unless otherwise noted.

Board Council Approval of IRP

In compliance with Public Utilities Code Section 454.52(b)(3), this IRP was formally submitted to the Apple Valley Town Council for approval based on the IRP's compliance with Sections 454.51 and 454.52 (the "IRP Statute") and all relevant council-adopted procurement requirements of AVCE's governing council. On July 14, 2026, the Apple Valley Town Council issued a Resolution which formally approved this IRP and adopted AVCE's Preferred Conforming Portfolio ("PCP"). AVCE's Resolution also made the following determinations regarding AVCE's PCP:

- AVCE's PCP is expected to achieve economic, reliability, environmental, security, and other benefits and performance characteristics that are consistent with the goals set forth in Section 454.52(a)(1)(A-I).
- AVCE's PCP includes a diversified procurement portfolio consisting of both short-term and long-term electricity and electricity-related and demand reduction products.
- AVCE's PCP achieves the resource adequacy requirements established pursuant to Public Utilities Code Section 380.
- AVCE's PCP is consistent with the procurement timing, resource mix, and operational attributes of the Commission's Preferred System Portfolio ("PSP").
- AVCE's PCP is compliant with all AVCE board-adopted procurement directives.

A copy of the final Resolution is available on the Town's website.[2]

Request for Certification

AVCE respectfully requests that the Commission certify this IRP.

As both the Legislature and the Commission have recognized, the Legislature has granted CCAs broad authority to procure resources on behalf of their respective customers, an authority limited only where "other generation procurement arrangements have been expressly authorized by statute."[3] Likewise, the Legislature has granted CCAs autonomy in setting their own rates and managing interactions with their customers.[4] AVCE understands that the Commission has three primary interests in the CCA IRP process:

- Ensuring that CCA IRPs provide requisite procurement information needed by the Commission to develop its statewide plan.[5]

- Ensuring that CCAs' current and planned procurement is consistent with the RA requirements established pursuant to PUC Section 380.5.[6]

- Ensuring that CCAs' current and planned procurement satisfies the CCA's share of renewables integration resources identified in the Commission's PSP, and that the CCA either self-provides or pays for investor-owned utility ("IOU") procurement to support its share of any renewable integration shortfall.[7]

AVCE has prepared its IRP with these interests in mind, and thanks the Commission for recognizing and preserving CCA procurement autonomy as well as the benefits of a collaborative planning approach with CCA organizations in its certification review of AVCE's IRP.

This narrative provides a detailed description of the development and content of AVCE's PCPs, each portfolio's compliance with applicable requirements, and an action plan detailing AVCE's next steps (to promote conformance with such requirements).

AVCE developed its IRP through the following steps:

- AVCE compiled data for its existing energy contracts, RA capacity contracts, and its share of capacity for allocated Cost Allocation Mechanism ("CAM") resources.
- For each IRP planning year, AVCE identified its short positions relative to known planning targets and its assigned load forecast.
- AVCE populated the Resource Data Template with all current contracts.
- AVCE compiled detailed information on projects for which it is currently negotiating power purchase agreements, including information regarding project status and timing
- AVCE identified future contracts it expects to secure for new solar, storage, geothermal, and wind generation. AVCE prioritized the selection of future resources to ensure that AVCE's overall portfolio of new resources is varied, meets all regulatory goals, meets the goals expressed by AVCE's Town Council, and is estimated to minimize costs to customers, subject to applicable mandates. AVCE added generic future contracts with existing resources, including large hydroelectric generators, to help fill its remaining open positions.
- AVCE used the Commission's Clean System Power Calculator Tool to check the GHG emissions associated with the resulting portfolio to ensure that these emissions are equivalent to, or slightly less than, AVCE's assigned share of the GHG emissions benchmarks; AVCE added planned purchases of RPS qualifying renewable and large hydroelectric energy in sufficient volume to ensure that portfolio emissions were equal to, or slightly less than, AVCE's assigned share of the GHG benchmark.
- AVCE identified the resulting portfolio as its PCP

[2] https://avchoiceenergy.com/

[3] PUC Section 366.2(a)(5).

[4] D.05-12-041 at 9-11 ("Nothing in the statute directs the CPUC to regulate the CCA's program except to the extent that its programs may affect utility operations and the rates and services to other customers. For example, the statute does not require the CPUC to set CCA rates or regulate the quality of its services… We are confident that existing law protects CCA customers. Entities of local government, such as CCAs, are subject to numerous laws that will have the effect of protecting CCA customers and promoting accountability by CCAs…").

[5] D.19-04-040 at 17-18 ("The Commission's portfolio aggregation and evaluation process, which relies of fulfillment of IRP filing requirements by LSEs, is the only process capable of assessing the overall needs of the CAISO grid and meeting the statewide GHG, reliability, and least-cost goals collectively. While LSEs may use their IRP process to meet local planning needs as well, the statewide planning function is the statutorily required process . . .").

[6] Section 454.52(b)(3)(C).

[7] Section 454.51.

AVCE reached the following findings regarding its PCP:

- AVCE's PCP includes the procurement of the following new resources:
  - New solar resources totaling 88 MW solar
  - New battery storage resources totaling 68 MW
  - New wind resources totaling 36 MW
  - New geothermal resources totaling 4 MW
- AVCE's PCP provides for the following overall resource mix in 2045:
  - 31 GWh of Large Hydro
  - 46 GWh of Geothermal
  - 86 GWh of Wind
  - 253 GWh of Solar
  - 103 MWh of Short Duration Battery Storage
  - 342MWh of Long Duration Storage
  - 35 MW of Natural Gas/Baseload/Other (Capacity-Only)
- AVCE's PCP conforms to the procurement timing, resource quantities, and general resource attributes identified in the PSP.
- AVCE's PCP would have GHG emissions of 0.023 MMT, 0.017 MMT, 0.016 MMT, and 0.007 MMT in 2030, 2035, 2040, and 2045, respectively, which is equivalent to or less than AVCE's assigned GHG benchmarks for those years.
- AVCE's PCP meets all relevant reliability metrics.
- AVCE's PCP provides approximately AVCE's load-proportional share of renewable integration resources.

II. Study Design

a. Objectives

AVCE had the following objectives in performing the analytical work to develop its IRP:

1. Identify a PCP with emissions equal to or slightly less than AVCE's proportional share of the 8 MMT GHG reduction benchmark, as determined using the Commission's emissions calculator.
2. Identify a PCP that achieves economic, reliability, environmental, security, and other benefits and performance characteristics that are consistent with the goals set forth in Section 454.52(a)(1)(A-I).
3. Identify diverse and balanced PCP that includes both short-term and long-term electricity products as well as electricity-related demand reduction products.
4. Identify portfolios that achieve the resource adequacy requirements established pursuant to PUC Section 380 and provide AVCE's share of system reliability and renewable integration resources.
5. Identify a portfolio that complies with all of AVCE's Board-adopted procurement directives.
6. Identify a portfolio that is compliant with AVCE's obligations under the Renewables Portfolio Standard ("RPS") program.
7. Identify a portfolio that is cost-effective and minimize rate impacts on AVCE's customers.

b. Methodology

i. Modeling Tool(s)

In developing its planned portfolios, AVCE used the modeling performed by the Energy Division using RESOLVE and SERVM and incorporated applicable outputs into the RDTv3 and CSP templates as a starting point. After evaluating related results, AVCE consulted with CalChoice, leveraging its extensive experience and expertise in the areas of resource planning and procurement, to construct AVCE's own, internally developed models to quantify portfolio targets for renewable energy content, capacity, and portfolio GHG emissions, as well as physical and financial positions conforming with AVCE's currently effective risk management policies and business practices.

AVCE also utilized its commercial energy trading and risk management system to monitor positions, market exposure, credit exposure, value-at-risk, and other risk management metrics. AVCE has maintained a record of all such transactions in this system for several years and plans to continue using this system to facilitate transaction management, resource planning, and risk management activities.

AVCE used the outputs of its energy trading and risk management system to develop reports and models which were then analyzed to assess annual, monthly, and hourly open positions by considering all forecasted electric loads and expected deliveries from AVCE's resource portfolio. AVCE also used a proprietary financial model to project power supply costs based on existing and planned procurements as well as an overall financial assessment of revenues, costs, and cash flows. Current market conditions were considered when compiling any costs associated with expected/planned purchases; actual costs, based on existing procurement contracts, were incorporated as appropriate. Similar to the aforementioned energy trading and risk management system, AVCE has used this financial model for several years and has found it to be highly effective in supporting the financial planning needs of its CCA program.

a. For new resource selection, AVCE relied upon the modeling and assumptions in the Preferred System Portfolio, AVCE's ongoing and recent procurement experience, and consultation with CalChoice, which helped shape assumptions related to resource availability and cost. In addition, AVCE's new resource selection reflected the preferences of its Town Council, including considerations related to resource location and availability.

ii. Modeling Approach

Load Forecast

AVCE developed this IRP using its assigned load forecast from the file 2026 LSE GHG Emission Benchmarks[8] (also contained in the CSP templates), as directed in the *Final Ruling*.

[8] See *Load Forecasts + GHG Benchmarks* (January 16, 2026) (hereinafter "GHG Benchmarks"), *available at* https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/long-term-procurement-planning/2024-26-irp-cycle-events-and-materials.

Table 1: AVCE's 2026-2045 Load Forecast (GWh)

Year	Load Forecast
2026	228.94
2027	236.83
2028	248.45
2029	258.05
2030	268.63
2031	278.24
2032	288.20
2033	298.37
2034	308.85
2035	319.27
2036	327.07
2037	334.62
2038	341.45
2039	347.78
2040	353.80
2041	358.91
2042	364.35
2043	369.07
2044	372.58
2045	375.75

Load Shape

In developing its portfolio AVCE used the default load shape from the Clean System Power Calculator. Use of this load shape does not change AVCE's total annual energy volumes for both load and load modifiers, and these energy volumes remain consistent with AVCE assigned load forecast.

Load-Proportional GHG Emissions Benchmark

AVCE's modeling was assessed against its 2030 and 2045 load-proportional share of the respective GHG emissions benchmarks, which yielded the following results:[9]

Table 2: AVCE's Assigned Shares of GHG Reduction Benchmarks

2030	2035	2040	2045
0.024	0.020	0.016	0.008

[9] See *2022 Final GHG Emission Benchmarks for LSEs*, (June 28, 2022) (hereinafter" GHG Benchmarks"), *available at* https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpp/2022-irp-cycle-events-and-materials/2022-final-ghg-emission-benchmarks-for-lses_public.xlsx.

Compiling Existing Resources

To populate its baseline resource templates, AVCE added existing resources from the following procurement categories:

- Energy Contracts.
- Capacity (Resource Adequacy) Contracts.
- AVCE's assigned share of capacity for CAM resources, taken from Energy Division's *Aggregated CAM Resources for LSEs Plan Development* (September 29, 2022).
- AVCE's selected Voluntary Allocation and Market Opportunities ("VAMO") allocation of RPS resources from Southern California Edison Company ("SCE")
- AVCE's allocation of GHG-free resources from SCE

Selecting New Resources

To identify its new resource procurement opportunities, AVCE first determined the new resource capacity it intends to add each year, which considered resource needs (open positions), long-term renewable contracting requirements, renewable portfolio standards, resource adequacy requirements, the need for incremental resource adequacy capacity to contribute to system reliability and renewable integration needs, the potential for technological improvements, and financial considerations. AVCE selected resource types based on its experience with competitive solicitations for new renewable and storage resources and its experience in procuring resource adequacy resources, as well as consideration of the studies and modeling underlying the adopted PSP.

Confirming Reliability

AVCE's portfolios were evaluated to ensure that sufficient dependable capacity (net qualifying capacity) would be available to meet peak load requirements, as shown in the RDTv3. These requirements include procuring sufficient net qualifying capacity to meet the Planning Reserve Margins applicable to each year of the planning period. AVCE used technology-specific Effective Load Carrying Capacity ("ELCC") factors from the RDT to assess the contribution of each resource to system reliability. The ELCCs for battery storage resources degrade precipitously during the planning period, which means that battery resources provide less net qualifying capacity per MW of nameplate capacity. In order to ensure that its portfolio met the reliability requirements in each year of the planning period, AVCE added sufficient short-term RA capacity as needed to supplement capacity from its long-term portfolio. AVCE's portfolio was designed to ensure that current incremental resource adequacy capacity obligations from the various CPUC procurement orders will be met.

Calculating GHG Emissions

AVCE calculated the emissions associated with its PCP using the Commission's Clean System Power calculator. The assigned load forecast and default load shapes and behind the meter adjustments were used for this assessment, along with the planned supply portfolios. The results were checked against the assigned GHG benchmarks included in the Clean System Power tools.

III. Study Results

a. Conforming Portfolio

i. AVCE's Conforming Portfolio

The following table provides a summary of AVCE's 2045 PCP, identifying resources by type and distinguishing between the following procurement categories:

- Existing resources (energy and capacity) that AVCE owns or contracts with, consistent with definitions provided in the Resource Data Template.
- Existing resources (energy and capacity) that AVCE plans to contract with in the future.
- Existing resources (capacity) that AVCE partially pays for through CAM.
- New Resources (energy and capacity) that are under development that AVCE is planning to procure.
- Future new resources (energy and capacity) that AVCE is planning to procure.

In summary, to meet AVCE's projected 2045 energy demand of 375 GWh, AVCE has selected a 2045 PCP Conforming Portfolio composed primarily of the following resources:

- Solar, planned existing: 14 GWh
- Solar, planned new: 239 GWh
- Wind, planned existing: 15 GWh
- Wind, CA, planned new: 25 GWh
- Wind, New Mexico, new: 26 GWh
- Wind, Wyoming, new; 20 GWh
- Large Hydro, existing: 30 GWh
- Geothermal, new: 33 GWh
- Battery storage, new: 445 GWh dispatch capability

Additionally, AVCE's 2045 PCP includes capacity-only resources composed primarily of the following resources:

- CAM, Demand Response and Energy Efficiency Allocations – 15 MW
- Existing natural gas, baseload, and other (planned procurement) – 35 MW

AVCE's portfolio includes a mix of existing and new resources. Approximately 196 MW of AVCE's PCP is composed of new resources, reflecting AVCE's role as an active player in the State's development of new renewable and storage resources. Furthermore, AVCE's PCP is comprised of a mix of resources in which AVCE can minimize customer rate impacts while still achieving the State's GHG-reduction targets.

AVCE's PCP Is Consistent with the Preferred System Plan

The new resources included in AVCE's PCP are consistent with the PSP 2045 new resource mix. The Commission adopted the PSP, which established the 8 MMT GHG target by 2045 and adopted the resources in Tables 5 and 6 of D.22-02-004.[10]

The Decision requires that LSEs procure resources in the following categories: Gas, Biomass, Geothermal, Wind, Wind on New-Out-of-State Transmission, Offshore Wind, Utility-Scale Solar, Battery Storage, Pumped (Long-Duration) Storage, Shed Demand Response.

As demonstrated in the following table, AVCE's PCP is generally consistent with AVCE's proportional share of new procurement for each of the "resource types" identified in D.22-02-004

Table 3: Comparison of AVCE's PCP vs PSP

Resource Category	PSP (MW)	AVCE's Proportional Share of PSP New Resources (MW)	AVCE's PCP (MW)
Geothermal	3,230	**4.3**	**4**
Geothermal (Enhanced)	674	**0.90**	**0**
Biomass	12	**0.02**	**0**
In-State Wind	10,949	**14.59**	**11**
Out-of-State Wind	19,036	**25.36**	**25**
Solar	82,732	**110.24**	**88**
Li-ion Battery (4-hr)	6,758	**9**	**26**
Li-ion Battery (8-hr)	21,102	**28.12**	**43**
Location Constrained Storage (12-hr)	8,499	**11.32**	**0**

b. Preferred Conforming Portfolio

i. AVCE Preferred Conforming Portfolio

As demonstrated in Table 3 above, AVCE's PCP consists of a combination of:

- Natural Gas
- Geothermal
- Wind
- Wind on New-Out-of-State Transmission
- Utility-Scale Solar
- Hybrid Solar Plus Storage
- Battery Storage
- Pumped (Long-Duration) Storage
- Shed Demand Response

[10] D.22-02-004 at 101-105. Note the Decision references Tables 6 and 7, but this was presumably a typographical error since there was no foregoing Table 7. Thus, AVCE understands the Decision to be referencing Tables 5 and 6.

As stated above, in accordance with Section 454.52(b)(3), AVCE's governing board has determined that the resource mix in the PCP achieves "economic, reliability, environmental, security, and other benefits and performance characteristics that are consistent with the goals set forth in [Section 454.52(a)(1)]." These benefits and characteristics are discussed as follows.

GHG Reduction Goals

AVCE's 8 MMT PCP achieves results and performance characteristics consistent with the Section 454.52(a)(1)(A) goal of meeting the Commission's 8 MMT GHG reduction benchmark (8 MMT GHG by 2045). AVCE's proportional share of the 8 MMT GHG target is 0.008 MMT in 2045. According to the Commission's emissions calculator, AVCE's PCP would account for 0.007 MMT in 2045 emissions, which is less than the GHG Benchmarks for AVCE.

Renewable Energy

AVCE's PCP achieves results and performance characteristics consistent with the Section 454.52(a)(1)(B) goal of ensuring that portfolios are composed of at least 60% eligible renewable resources. In 2030 AVCE's PCP portfolio would consist of 60% eligible renewable generation, after accounting for resource curtailments, which meets the 60% requirement. In 2045, AVCE's PCP portfolio would consist of 94% eligible renewable generation after accounting for resource curtailments.

Enable Each Electrical Corporation to Fulfill Its Obligation to Serve Customers at Just and Reasonable Rates

As detailed in Section III.e., below, AVCE is committed to serving its customers at reasonable rates. In addition to setting rates that are competitive with SCE, AVCE works to minimize rate volatility by constructing a balanced and conservatively hedged power supply portfolio, building prudent financial reserves, and minimizing rate changes to once per year, whenever possible.

Minimizing Bill Impact

AVCE's PCP achieves results and performance characteristics consistent with the Section 454.52(a)(1)(D) goal of minimizing the impact of planned procurement on ratepayers' bills. AVCE's PCP portfolio consists primarily of renewable resources that generally support a least-cost, best-fit procurement strategy. AVCE's planned use of large hydro resources is expected to minimize costs associated with lowering GHG emissions because the cost premiums associated with large hydro energy is less than those associated with RPS qualifying renewable energy.

AVCE prioritizes cost competitiveness, reliability, use of renewable energy and local economic development amongst its primary concerns. AVCE anticipates that bill impacts will be minimized during its planned portfolio transition through the pursuit of a diversified resource mix that seeks to minimize exposure(s) that could otherwise occur by overemphasizing resources located within specific geographic areas, relying on a limited subset of technology types and/or purchasing from a limited pool of suppliers/developers, amongst other considerations. AVCE is also aware of the risks associated with certain renewable-only generating configurations that limit the buyer's ability to re-shape deliveries to times of the day when negative prices and, possibly, curtailments are less likely to occur. With this concern in mind, AVCE has carefully considered and incorporated energy storage opportunities within its resource mix, which should promote grid reliability during California's transition to an increasingly clean/renewable energy mix while reducing the potential for unforeseen costs (due to negative pricing) and/or reduced renewable energy deliveries related to curtailment. For example, coupling new-build solar with battery storage increases the capacity value of such projects and provides limited

dispatchability for the solar generation, reducing risks related to curtailment and negative pricing. Further, AVCE's PCP reduces exposure to volatile natural gas prices as well as bill impacts that may result from periodic spikes in fossil fuel prices.

Ensuring System and Local Reliability

AVCE's PCP achieves results and performance characteristics consistent with the Section 454.52(a)(1)(E) goal of ensuring system and local reliability. The PCP meets system resource adequacy requirements as detailed in Section III.f. With the adoption of the Central Procurement Entity structure, AVCE no longer has local resource adequacy requirements since the CPE has taken over the procurement of local resource adequacy capacity within AVCE's service area, pursuant to D.20-06-002. AVCE's portfolio assumes CAM allocations and CAM resources, which incorporate CPE system and flexible capacity allocations, consistent with what is described in the most recently issued CPE procurement allocations. At this point, uncertainties and initial implementation issues with the CPE make it difficult for AVCE to estimate how the CPE structure will change AVCE's RA needs over time.

As it has done in the past, and as shown in most state planning studies, AVCE anticipates that it will meet a portion of its reliability needs through capacity-only contracts with natural gas plants. AVCE has contracted with demand response resources to fulfill some of its RA needs and is exploring other opportunities for demand response. AVCE is hopeful that new technologies will be developed that will provide cleaner resources with the reliability characteristics of California's existing natural gas fleet, and it will continue to investigate such resources as appropriate. This noted, one of AVCE's primary concerns is supporting ongoing grid reliability, which compels the CCA program, in the near term, to include natural gas resources amongst its resource adequacy purchases until such time that clean, reliable capacity becomes more readily available.

Ensure that at least 65% of RPS Procurement is From Long-Term Contracts

Consistent with Section 454.52(a)(1)(F), AVCE is on pace to meet the requirement that 65% of its RPS procurement must come from contracts of 10 years (long-term) or more for each compliance period. For the current compliance period, AVCE has procured 93% from long-term contracts. Additionally, the majority of the resources shown in AVCE's PCP are expected to be acquired through long-term contracts. AVCE will continue to procure renewables through short-term contracts when opportunities present themselves for cost-efficient procurement and when doing so would reduce any remaining dependency on system power.

Strengthen the diversity, sustainability, and resilience of the bulk transmission and distribution systems, and local communities

AVCE's PCP achieves results and performance characteristics that strengthen the diversity, sustainability and resilience of the bulk transmission and distribution systems, as well as local communities, meeting Section 454.52(a)(1)(G). AVCE's PCP relies on procurement from a variety of resource types as well as significant storage resources incorporated in hybrid solar and storage configuration. AVCE believes that the complementary nature of the solar and storage in hybrid resources makes better use of the existing transmission system. AVCE carefully evaluates the long-term generation load-matching and congestion risks of new resources and weighs its options in the context of its existing supply and net demand on an hourly basis for the full duration of any contract period.

As described below, AVCE is actively pursuing the procurement of or has recently purchased capacity to meet the sub-category requirements of D.21-06-035, which includes long-duration storage, clean-firm

resources like geothermal, and resources to replace the Diablo Canyon Power Plant. Additionally, AVCE has recently procured demand response capacity resources, providing additional system diversity.

Demand-Side Energy Management

AVCE's PCP achieves results and performance characteristics consistent with the Section 454.52(a)(1)(H) goal of enhancing demand-side energy management. AVCE continues to explore and pursue demand-side management programs such as demand response, energy efficiency, and behind the meter energy storage solutions. As part of AVCE's procurement toward D.21-06-035, as discussed in more detail in Section IV.a.ii., AVCE has contracted for demand response resources to meet a portion of its requirements.

Distributed energy resources (DER) programs support customer energy cost reduction, GHG reductions, and air quality improvements. Such programs help CCAs reduce costly energy purchases, while some may earn revenue from wholesale market participation. Demand response programs provide customers an opportunity to play a role in the operation of the electric grid by reducing their electricity usage during peak demand days when market prices are highest ("peak events") in exchange for financial incentives.

With the recent expansive deployment of DERs in CalChoice member jurisdictions (such as smart thermostats, rooftop solar and battery storage systems, and electric vehicles and chargers; aka "behind-the-meter" assets), the groundwork is being laid to establish a virtual power plant (VPP) for the benefit of CalChoice Members. Through a VPP, each CCA program may create, monitor, and control a fleet of assets to modify load when power is expensive, and reduce stress on the grid during called events and/or during certain market conditions. Implementation of such a program requires a third-party supplier to provide the DERMS software for management of the devices. In addition, it also requires an experienced program administrator to establish a future demand response incentive offering for CalChoice Member customers. The program administrator will also be responsible for integration and coordination of DER assets with third-party owners.

CalChoice is currently exploring opportunities to launch a DERMS and develop its customer incentive demand response program for 2026-2027.

Minimizing Localized Air Pollutants with Emphasis on Disadvantaged Communities ("DACs")

AVCE's PCP achieves results and performance characteristics consistent with the Section 454.52(a)(1)(I) goal of minimizing localized air pollutants and other GHG emissions with early priority on disadvantaged communities. AVCE's PCP relies primarily on renewable generation and hydroelectric generation, and this portfolio is expected to exhibit relatively low GHGs and localized air pollution emissions. AVCE's PCP minimizes AVCE's reliance on unspecified system power, instead opting for renewable and hydroelectric generation procurement/development whenever feasible. Results from the CSP tool indicate the following localized air pollutants associated with AVCE's PCP in 2045:

- NOx: 1 tonnes/year
- PM 2.5: 1 tonnes/year
- SO2: 0 tonnes/year

These emissions are expected to result from the planned use of system energy and biomass energy in the PCP, as well as emissions from Combined Heat and Power ("CHP") resources and system energy

assigned to the AVCE portfolio by the CSP tool. In evaluating new use of biomass resources, AVCE will prioritize those located outside of DACs to the greatest practical extent.

Maintaining a Diverse Portfolio of Energy Resources

AVCE's PCP achieves results and performance characteristics consistent with the Section 454.52(a)(1)(J) goal of maintaining a diverse portfolio of energy resources. AVCE's Preferred Conforming Portfolio is composed of a broad mix of resource types — including utility-scale solar, in-state and out-of-state wind, geothermal, large hydroelectric, hybrid solar-plus-storage, battery and long-duration storage, demand response, and capacity-only resources — spanning a range of technologies, geographies, and delivery profiles. This diversity reduces AVCE's exposure to any single resource type, technology, or supplier and supports reliable, cost-effective service to AVCE's customers throughout the planning horizon.

Comparison to AVCE's 2022 Preferred Conforming Portfolio

AVCE's 8 MMT by 2045 Preferred Conforming Portfolio reflects several changes from the 25 MMT by 2035 portfolio AVCE submitted in its 2022 IRP. Most notably, the current portfolio places less reliance on offshore wind and instead incorporates a greater proportion of utility-scale solar and battery storage, consistent with the resource builds reflected in the CPUC's most recent RESOLVE modeling and the 2025-2026 TPP Portfolio. These shifts are driven primarily by updated Commission modeling assumptions regarding resource availability, cost, and deliverability, together with AVCE's own procurement experience and load growth since 2022. AVCE believes this updated resource mix positions it to meet the more stringent 8 MMT by 2045 emissions benchmark while maintaining reliability and managing customer costs.

c. GHG Emissions Results

AVCE used its load-based proportional share of the 8 MMT GHG Benchmark to determine the emissions compliance for its 8 MMT PCP. AVCE's assigned load proportional share of the 8 MMT benchmark in 2035 is 0.020 MMT and in 2045 is 0.008 MMT. Based on the 8 MMT version of the CSP calculator, AVCE's 8 MMT PCP would result in total 2035 GHG emissions of 0.017 MMT and 2045 GHG emissions 0.007 MMT, which is slightly less than AVCE's assigned share of the 8 MMT GHG reduction benchmark.

d. Local Air Pollutant Minimization and Disadvantaged Communities

i. Local Air Pollutants

The CSP calculator estimates the following emissions associated with AVCE's 8 MMT portfolio:

Table 4: PCP Air Pollutants

Pollutant	2030	2035	2040	2045
PM2.5	1	1	1	1
SO2	0	0	0	0
NOx	2	2	2	1

AVCE's contribution to air pollutants is a result of a combination of electricity procured from biomass and from reliance on system power. The table below shows the portion of load that is being served from fossil fuel resources and system power each year the portfolio.

Table 5: 8 MMT Portfolio Demand, Fossil Fuel Resources and System Power

	2030	2035	2040	2045
Demand	292	347	385	409
Net System Power	52	40	46	20
% of Load Served by System Power	18%	12%	12%	5%

ii. Focus on Disadvantaged Communities

AVCE's IRP is consistent with the goal of minimizing local air pollutants, with early priority on DACs. As defined by the CalEPA's designation, a Disadvantaged Community includes four categories:

- Census tracts receiving the highest 25 percent of overall scores in CalEnviroScreen 4.0 (1,984 tracts).
- Census tracts lacking overall scores in CalEnviroScreen 4.0 due to data gaps but receiving the highest 5 percent of CalEnviroScreen 4.0 cumulative pollution burden scores (19 tracts).
- Census tracts identified in the 2017 DAC designation as disadvantaged, regardless of their scores in CalEnviroScreen 4.0 (307 tracts).
- Lands under the control of federally recognized Tribes.

Based on the CalEPA designation and CalEnviroScreen 4.0 mapping, AVCE's service area does not include any census tracts that qualify as disadvantaged communities under any of the four categories described above. Accordingly, AVCE serves no customers located within a disadvantaged community. AVCE nonetheless remains committed to minimizing local air pollutants and, as described below, has evaluated the proximity of its contracted resources to disadvantaged communities elsewhere in California.

iii. Power Procurement in DACs

AVCE does not currently procure electricity directly from any natural gas or other fossil fuel power plants. However, AVCE recognizes the need to help mitigate the impacts of air pollution in regions of the state where communities have been disproportionately impacted by the existing generating fleet and the need for economic development in areas with high unemployment and poverty.

Our planning objective is to minimize unspecified system power usage and prioritize clean resources that reduce local pollution burdens across the State. Where grid capacity exists within our communities, we are particularly conscious of local areas with high cumulative pollution scores. In procurement practice, this involves prioritizing biomass facilities located outside of DACs and renewable generation with the greatest potential for displacement of fossil fuels, wherever practical: in its solicitations AVCE requests respondents to identify how the submitted projects may replace or supplant existing generation and to quantify the expected emissions impacts of this transition.

As required in this 2026 IRP submission, AVCE has also analyzed its existing portfolio of long-term contracts and their relationship to DACs within a 5-mile radius. While AVCE does not have direct data showing emissions reductions as a result of these projects (many are not yet operational), AVCE's long-term portfolio is comprised of renewable resources – solar, wind, geothermal – and battery storage capacity which all are anticipated to have either a positive impact or negligible impact on emissions and have the potential to displace emitting generation.

Table 6: Long-Term Contract Proximity to Disadvantaged Communities (5-Mile Radius)

Project Type	Project Location	Census Tract	DACs in 5-mile radius
Solar Plus Storage	Terra Bella, CA	6107004500	6107003400, 6107004200, 6107004500

e. Cost and Rate Analysis

AVCE's 8 MMT PCP is reasonable from a cost perspective. In selecting resources for its portfolios, AVCE carefully considered the cost implications of specific resource selections and procurement timing. This analysis was informed by AVCE's procurement experience and the standard assumptions and results of the Commission's RESOLVE/SERVM modeling.

AVCE strives to keep customer costs as low as possible. This is reflected both in the resources procured and in the timing of those procurements. AVCE employs risk-management that considers risk associated with under-procurement, as well as risks of potential over-procurement which could occur from unforeseen changes in load going forward. Risk management also involves assessing the currently available technologies, expected technological developments, and potential for radically different technologies in the future. The assessment of potential resources is not strictly on price issues but includes information on how well the resources match the specific needs of AVCE's customers' load. For example, solar resources are often the least expensive on a simple cost per MWh basis, but other resources which may cost more on a simple MWh basis may provide additional benefits in terms of RA capacity, better matching AVCE's load profile, or serving the needs of the Apple Valley community.

In general, AVCE sought to balance the need to procure resources with enough lead time to meet AVCE's LSE-specific procurement shortfalls and the Commission-identified overall system new resource needs with the cost-saving benefits of waiting to procure renewable and storage resources with downward sloping cost projections. AVCE also recognizes that future resource costs are highly uncertain, and technological advancement can happen unexpectedly; AVCE's procurement cycle is designed to take advantage of technological and cost improvements by incrementally adding new resource commitments over time.

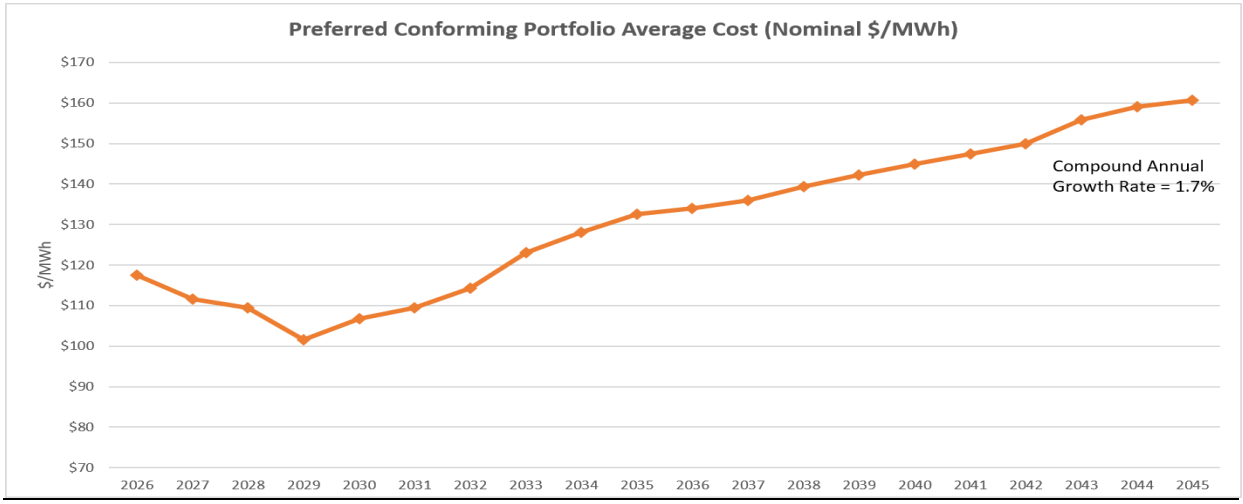
AVCE continuously monitors the energy markets and reassesses current market prices, expected future prices, technological progress, and its expected needs. When opportunities arise AVCE will take advantage of them.

Requirements for All LSEs (including non-IOUs)

AVCE's portfolio cost analysis quantifies the expected power supply costs associated with the PCP through 2045. The cost analysis incorporates expected generation costs, resource value (energy, resource adequacy, and renewable energy, as applicable), and the costs associated with resource curtailments. Marginal ELCC values from RESOLVE were used to quantify expected net qualifying capacity values from the portfolio. As these ELCC factors decline significantly for battery storage resources over the planning period and remain low for solar resources, relatively little RA value is obtained from the solar and battery portfolio elements of the portfolio, despite large increases in nameplate capacity. The average nominal portfolio cost increases by a compound average growth rate

of 1.7% annually from 2026 through 2045. The yearly average portfolio cost is shown in the following figure.

Figure 2: Cost Impacts



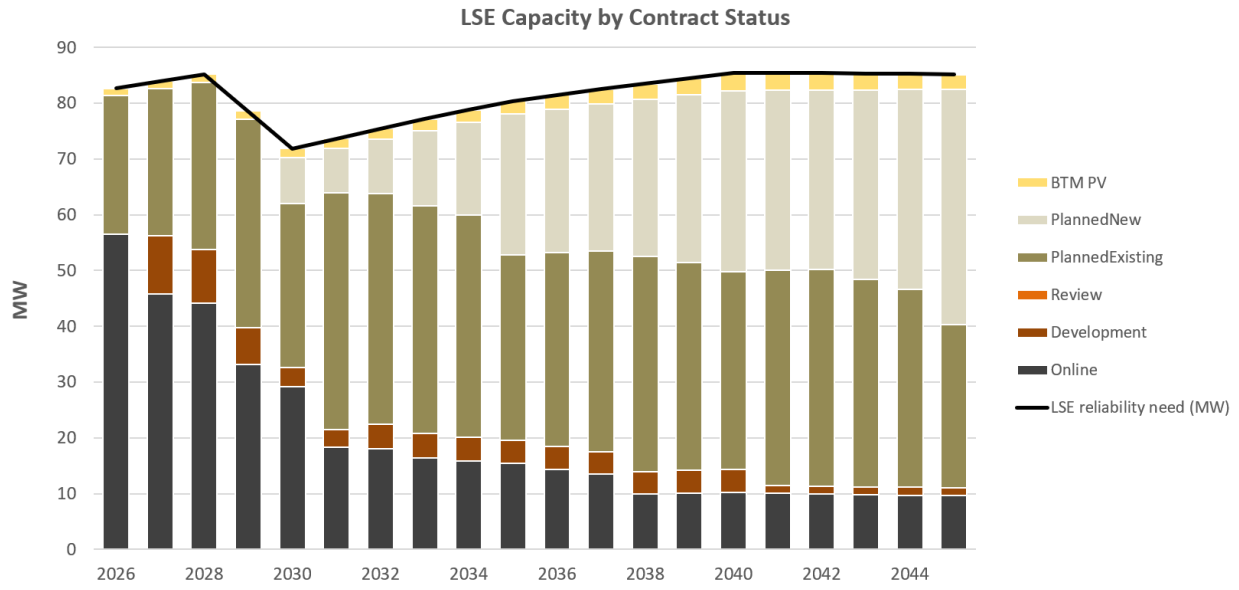
f. System Reliability Analysis

AVCE's PCP is expected to be reliable and will contribute AVCE's fair share to system reliability needs. The effective capacity of AVCE's 8 MMT PCP is provided in the following "System Reliability Progress Tracking Table" from the 8 MMT Resource Data Template dashboard (note that the row containing peak demand is confidential and has been excluded from this table). The net qualifying capacity for the month of September is shown for each year in the following table:

Table 7: System Reliability Progress Tracking, September, 8 MMT PCP

Load and Resource Table by Contract Status																				
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
LSE reliability need (MW)	**83**	**84**	**85**	**79**	**72**	**74**	**75**	**77**	**79**	**80**	**81**	**83**	**84**	**84**	**85**	**85**	**85**	**85**	**85**	**85**
ELCC by contract status (effective MW)																				
Online	56	46	44	33	29	18	18	16	16	16	14	13	10	10	10	10	10	10	10	10
Development	-	10	10	6	3	3	4	4	4	4	4	4	4	4	4	1	1	1	1	1
Review	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PlannedExisting	25	26	30	37	29	42	41	41	40	33	35	36	39	37	36	39	39	37	35	29
PlannedNew	-	-	-	-	8	8	10	13	17	25	26	26	28	30	32	32	32	34	36	42
BTM PV	1	1	2	2	2	2	2	2	2	2	3	3	3	3	3	3	3	3	3	3
LSE total supply (effective MW)	**83**	**84**	**85**	**79**	**72**	**74**	**75**	**77**	**79**	**80**	**81**	**83**	**84**	**84**	**85**	**85**	**85**	**85**	**85**	**85**
Net capacity position (+ve = excess, -ve = shortfall) (effective MW)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Figure 3: AVCE's Capacity by Contract Status



As demonstrated in Table 7, AVCE's PCP contributes 82 MW of peak monthly NQC in 2045. Combined with AVCE's allocation of 3 MW of behind-the-meter PV, this makes for an LSE total supply of 85 MW. As shown in the table above, this NQC meets AVCE's reliability need. Of this total, 42 MW are related to new renewable and hybrid resources as well as new short- and long-duration storage resources. AVCE's PCP includes planned contracts with existing resources, which are expected to include resources within the existing natural gas generator fleet, for a total of 40 MW of NQC. This balanced portfolio of flexible capacity works to effectively and reliably integrate a renewables-heavy portfolio, thus exceeding AVCE's share of any system-wide renewable integration resource requirements.

g. Existing Resource Planning

Over the last several years, AVCE has been ramping up its procurement of new resources as it gains experience in contracting new resources. AVCE's portfolios still reflect a sizeable number of existing resources, but much of this is already under contract and AVCE anticipates renewing existing contracts.

AVCE's PCP shows declining use of existing resources as AVCE plans to work with developers to add new renewable generation to the AVCE power mix. As demonstrated in AVCE's PCP, AVCE will drive significant new resource development, which will have a corresponding decrease in AVCE's planned use of existing resources. Existing resources that AVCE plans to utilize are generally resources that have been available and successfully contracted in the past. Some of these contracts are for multi-year terms, which provides assurance that such resources will remain available. AVCE has chosen these resources because of their lower delivery risks compared to new resources. However, AVCE recognizes that there is a risk that some existing resources planned for use may not be available to meet AVCE's plans. AVCE's portfolios attempt to balance out these competing risks, and, as AVCE will adapt its plans should energy market conditions change. Existing resources that AVCE plans to contract with are generally resources that AVCE has seen have been available. AVCE has chosen these resources because of their lower delivery risks compared to new resources. However, AVCE recognizes that there is a risk that these existing resources may not be available to meet AVCE's plans. AVCE's portfolios attempt to balance out

these competing risks, and, as AVCE has explained elsewhere in this document, AVCE does not view its proposed portfolio as written in stone, but rather a map to be followed. AVCE is always ready to change its path should the energy market change. If expected existing resources are not available, AVCE will consider other possible alternatives. Even if the existing resources are available, AVCE may procure new resources if doing so would reduce emissions or save money.

h. Hydro Generation Risk Management

In developing its portfolios, AVCE took several steps to manage the risk of reduced hydro availability that may result from future in-state drought. First, AVCE has developed a network of Pacific Northwest-based hydroelectric power suppliers, including entities that have substantial Asset Controlling Supplier ("ACS") supply and are thus able to sell firm low-carbon supply to AVCE. AVCE's PCP includes hydroelectric resources located within California as well as imported hydroelectric power from the Pacific Northwest. Second, AVCE will prioritize hydroelectric contracts with marketers that provide firm delivery volumes, helping to reduce the planning uncertainty associated with drought and variable hydroelectric conditions within California. For its PCP, AVCE increased its planned use of hydroelectricity, which could be at risk under certain drought conditions. However, due to AVCE's relatively small hydroelectric needs, AVCE will have a greater probability of filling its annual positions than other, larger LSEs. With that noted, under a drought scenario or in the event that other factors restrict the availability of hydroelectricity and AVCE is unsuccessful in filling related shortfalls through short-term contracting opportunities, AVCE would plan to substitute with renewable energy resources to ensure it meets its assigned GHG benchmark.

i. Long-Duration Storage Planning

AVCE observed that the System Reference Plan includes increasing amounts of eight-hour battery storage and relatively static amounts of four-hour battery storage over the planning period. AVCE has similarly planned to increase its use of long-duration storage over time. Planned solar plus storage projects beginning with the 2035 procurement tranche include eight-hour battery storage. This represents a change from the 2022 IRP in which most of the battery storage was planned as four-hour duration. Current cost estimates are high for long duration storage, and this puts upward pressure on portfolio costs. The relatively low ELCC factors for battery storage in the RDT means that relatively little resource adequacy value is obtained, despite the high costs. As additional technologies are market-proven and more developers offer long-duration storage with potentially lower costs, AVCE will consider further procurement of these resources. However, AVCE will consider shorter duration storage if the economics are more attractive. AVCE sees the possibility for substantial benefits from long-duration storage to the grid and for aiding LSEs in compliance with the Slide-of-Day Resource Adequacy program.

j. Clean Firm Power Planning

AVCE views clean firm generation as a valuable element of its resource mix as it provides reliable and predictable generation with low emissions. The challenge to greater utilization of this resource type is availability and cost. The primary large scale clean firm resources are geothermal and nuclear generation. Other clean firm generation types, such as biomass and especially biogas are typically

smaller-scale projects. None of these resources are abundant, and costs have been increasing rapidly due to resource scarcity and competition with non-LSE off takers such as data centers, which could limit their role in the planned portfolio. The PCP includes new geothermal contracted and planned to come online in 2031, meeting AVCE's D.21-06-035 requirements, and planned new geothermal in 2035 and 2045. The PCP assumes other LSEs and non-LSE off takers such as data centers are similarly procuring from the pool of available geothermal resources, further limiting how much is assumed to be available to AVCE and driving up pricing.

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

AVCE's planned contracting for new out-of-state wind energy projects generally follows the timeline and relative size for selected builds of this resource type from the CPUC's RESOLVE modeling results. To date, AVCE has observed various LSEs with contracts for New Mexico wind resources delivered via the SunZia transmission project. Availability of IARs remains a constraining factor for New Mexico wind, and transmission limitations are anticipated to be constraining availability of wind from other states. As compared to the 2022 IRP, the current PCP includes similar amounts out-of-state wind after adjusting for the larger load reflected in the current PCP. Transmission remains the most significant risk to AVCE's planned use of out-of-state wind.

l. Offshore Wind Planning

AVCE did not include plans for offshore wind in its PCP pending further progress on development of this resource type. Potential Department of Water Resources contracts of offshore wind energy have not been assumed, but AVCE could adapt future plans as needed to incorporate these resources.

m. Transmission Planning

In identifying resource locations for all portfolios, AVCE was guided by the following considerations:

- AVCE has a general preference for resources located within its service area and the community it serves, but more generally, within Southern California.
- AVCE prefers projects located in areas that can utilize existing transmission infrastructure with minimal upgrade/modification costs.
- AVCE prefers low-impact renewable energy projects that provide economic benefit to DACs, subject to community interest in siting projects within such locations.

Unlike the IOUs, AVCE is not a transmission and distribution ("T&D") system operator. AVCE does not enjoy the benefits of a granular knowledge of Southern California Edison Company's ("SCE") T&D system or the CAISO grid, and AVCE is not in the best position to identify optimal resource locations and does not have the expertise inhouse to determine the best locations for new resources. In practice, AVCE relies on project developers to conduct the research and technical studies necessary for siting potential generation projects. AVCE evaluates projects offered by developers based on a variety of criteria, including transmission availability, nodal prices and potential for congestion, project viability, environmental, workforce, and other factors. As such, AVCE generally utilized the PSP selected candidate resources as a guide for likely resource locations in its PCP. These should be treated as general expectations based on the aforementioned considerations, not definitive selections – actual project

locations will be selected during AVCE's future solicitation processes. AVCE believes that the best way to keep costs down during resource solicitations is to not limit the potential locations of the resources. Competition among the responders to resource solicitations ensures that AVCE can avail itself of the best possible resources, including allowing developers to explore different locations and select what they feel is the best location for their resource taking into account numerous factors, including the costs of any potential transmission upgrades or curtailment issues. Like most LSEs, AVCE doesn't have the necessary resources to examine all possible resource locations to find optimal one from a transmission perspective but relies on the developers of projects doing just that.

As discussed in prior sections, AVCE will remain flexible with respect to identifying specific resources for its supply portfolio. If AVCE's expected resource locations become infeasible due to various constraints, or if the Commission's modeling efforts happen to indicate that certain resource locations are no longer feasible/desirable, then AVCE would ultimately locate and contract for alternative resources that fall in preferred locations. AVCE also remains open to attractive project opportunities, even if those locations differ from the assumptions used in this plan. As discussed in prior sections, AVCE is very nimble in administering pertinent resource planning processes. More specifically, if AVCE's expected resource locations become infeasible due to various constraints, or if the Commission's modeling efforts happen to indicate that certain resource locations are no longer feasible/desirable, then AVCE would ultimately locate and contract for alternative resources that fall in preferred locations. AVCE also remains open to interesting opportunities, and should developers find locations that have not been anticipated but through the developer's analysis offer benefits AVCE will consider them without feeling locked into the existing expected locations.

Most of the resources in the AVCE's PCPs are not expected to require transmission upgrades beyond the standard interconnection process. Those resources in AVCE's PCP that might require substantial transmission upgrades or new transmission lines are generally planned for much later in the plans and AVCE expects that the developers will have determined that the transmission will be available before AVCE enters into agreements with them. These resources in the AVCE PCPs would include the OOS Wind and Offshore Wind. It is obvious that both offshore and out-of-state wind will require additional transmission, and this is a part of any discussion of these resources. In addition, in selecting these future resources for its portfolios AVCE has considered transmission and chosen projects for which any transmission concerns should be minimized or already addressed. AVCE's choice of New Mexico Wind was made because of the existing plans for transmission to bring that energy to California. AVCE's choice of Wyoming Wind was made because of the existing plans for transmission to bring that energy to California; indeed, developers of that transmission have approached the CAISO about having that transmission become part of the CAISO.

IV. Action Plan

a. Proposed Procurement Activities and Potential Barriers

AVCE has a well-established procurement process that it uses and will continue to use to steadily achieve its PCP over the planning period. AVCE's procurement process includes the following key activities:

- Identification of planned resources by type, desired online date, and capacity.
- Planning for procurement activities in consideration of AVCE's risk management policy; resource acquisition lead times including, where applicable, development timelines; staff capacity; and financial considerations.
- Design and administration of resource solicitations. For new resources, these typically take the form of periodic request for offers processes, while for existing resources, procurement activity is more frequent and routinized.
- Careful negotiation of contract terms to ensure positive outcomes for AVCE customers with appropriate risk mitigation.
- Ongoing contract management, including where applicable, careful monitoring of development milestones.
- Ongoing contract management, including where applicable, careful monitoring of generator performance after a resource has achieved commercial operation date ("COD").
- Conduct and participate in joint CCA solicitation processes in order to expand procurement opportunities available to AVCE.

AVCE expects to use competitive solicitations to procure contracts for the new build resources contained in the PCP. Standard power purchase agreement terms are expected to range from ten to twenty years.

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

AVCE has made significant progress and expects to have sufficient contracted capacity to meet its D.21-06-035 and D.23-02-040 requirements. The recent D.26-02-057 procurement order obligates additional incremental procurement totaling 6 MW by 2032, of which 2 MW is long duration storage and/or clean firm generation. AVCE is currently evaluating offers resulting from a recent joint solicitation, which it expects to yield contracts to help contribute to the new obligation.

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

Not applicable

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

As previously mentioned, AVCE's PCPs are not set in stone. AVCE continually monitors the renewable energy space through RFPs and discussions with developers, as well as monitoring various news reports, and regulatory proceedings. AVCE is ready to modify its expected portfolio if new resources or specific opportunities arise. AVCE has expressed openness to alternative potential emissions reduction opportunities in its RFPs and has encouraged such offers from respondents. This has not resulted in any viable opportunities to date, but AVCE will continue to pursue various approaches to explore the potential value of a wide range of options. AVCE strives to be a nimble and adaptable energy buyer in order to offer its customers the lowest cost, high renewable content power.

iv. Other energy storage not described above

AVCE expects that except for the long-duration storage required under D.21-06-035, D.26-02-057 and future procurement orders, the storage it will acquire will mostly be from paired solar and storage

resources and/or standalone storage resources that help balance AVCE's very high behind-the-meter solar penetration. AVCE remains open to considering other possibilities, especially if new technologies arise that reduce the costs of storage or in situations where storage can help fulfill other needs, such as reducing the need for new transmission or distribution. AVCE will continue to monitor developments in the energy storage markets and adjust its portfolio if advantageous opportunities arise.

v. Other demand response not described above

AVCE has already contracted for a modest amount of demand response resources. AVCE remains open to other opportunities should they arise, and consistent with the current maximum cumulative capacity ("MCC") bucket requirements.

vi. Other energy efficiency not described above

Discussed Below

vii. Other distributed generation not described above

Discussed Below

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

AVCE does not currently have any transportation electrification investment plans but may consider these proposals in the future.

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

Discussed Below

x. Potential Centralized Procurement, pursuant to AB-1373

Centralized procurement under AB-1373 remains in its early stages. AVCE will continue to monitor the Commission's implementation of AB-1373 and evaluate how any centralized procurement mechanism may factor into its procurement strategy, and AVCE will comply with any relevant CPUC policies and directives.

xi. Other

Not applicable.

b. Disadvantaged Communities (DACs)

AVCE is committed to considering the impacts of its resource planning and procurement activities on disadvantaged communities. While AVCE is still developing its direct outreach program for disadvantaged communities, it has already embedded DAC considerations into its procurement and bid-evaluation criteria (described below). AVCE will consider the staff resources and time commitments that would be needed to effectively gather feedback from these constituents for purposes of evaluating and, potentially, adapting future resource planning and procurement decisions. The schedule for such activities will be developed after evaluating the staffing resources best suited to participate in such

outreach and/or any outside resources that may be necessary to credibly and competently gather and evaluate feedback compiled through this process. In addition to identifying necessary staff resources and/or outside support related to this process, AVCE will also determine a suitable framework for gathering feedback from disadvantaged communities, including an assessment of logistics (for example, completion of an in-person workshop versus another method of feedback gathering) and potential communication requirements (notably, whether materials and/or presenters will need to accommodate multiple languages, etc.). When such feedback is gathered, AVCE will determine whether existing planning and procurement processes are sufficiently responsive to the concerns and priorities expressed by members of participating disadvantaged communities during this outreach exercise. If existing processes satisfactorily address noted concerns and preferences, AVCE may leave its current planning and procurement processes as-is. If, however, there are noteworthy gaps or oversights that are highlighted during future outreach efforts, procedural adaptations will be incorporated in the future.

For now, AVCE has adopted bid selection protocols and evaluative criteria that will be applied when administering solicitations intended to facilitate the achievement of future renewable energy and other portfolio needs. Such selections protocols are outlined in AVCE's most recent Updated Draft 2026 Renewables Portfolio Procurement Plan, as recently submitted to the Commission on June 12, 2026. In this document, AVCE indicates that it will gather information regarding the following important considerations, amongst others, when evaluating any offers for renewable energy resources that may be needed to meet California's RPS procurement mandate:

- Environmental impacts and related mitigation requirements, including impacts to air pollution within communities that have been disproportionately impacted by the existing generating fleet; and
- Potential economic benefits created within communities with high levels of poverty and unemployment.

Gathering information in these areas will provide AVCE with valuable insight when determining whether certain projects may further impact or alleviate impacts within disadvantaged communities, which often reflect the characteristics identified in the aforementioned criteria, but will also provide for broader consideration of the Town's resource planning and procurement decisions on sensitive communities. In addition, AVCE has indicated that it will consider the inclusion of evaluative preference for "renewable energy projects that provide environmental and economic benefits to communities afflicted with poverty or high unemployment, or that suffer from high emission levels of toxic air contaminants, criteria air pollutants, and greenhouse gases," pursuant to Public Utilities Code 399.13(a)(8)(A). To the extent that the Town procures RPS resources through solicitations where qualitative factors are considered, the impact on disadvantaged communities will be evaluated in relation to these bid and evaluation protocols.

Necessary information will be gathered by requiring prospective suppliers to answer the following questions: Is your facility located in a community afflicted with poverty or high unemployment or that suffers from high emission levels? If so, the participant will be encouraged to describe how its proposed facility can provide the following benefits to adjacent communities:

- Projected hires from adjacent community (number and type of jobs);
- Duration of work (during construction and operation phases);
- Projected direct and indirect economic benefits to the local economy (i.e., payroll, taxes, services);

- Emissions reduction – identify existing generation sources by fuel source within 6 miles of proposed facility and indicate whether the proposed facility will replace/supplant the identified generation sources; and
- To the extent that the proposed generating facility is expected to replace/supplant an existing generating facility, the prospective supplier will be asked to quantify the associated emission impacts of this transition.

Certain of these considerations were incorporated during the administration of AVCE's most recent solicitation for long-term renewable energy supply; others will be reflected in future solicitations. Based on the success of its ongoing solicitation process(es), the Town may adapt these considerations over time, maintaining awareness of the impacts of its resource planning and procurement process on disadvantaged communities.

To achieve (or fall below) its prescribed emission targets, AVCE clearly must adapt its portfolio planning targets to ensure that sufficient quantities of clean energy are procured over time. When managing these transitions, AVCE will be considerate of the impacts on disadvantaged communities by taking the steps outlined above, including the completion of outreach within disadvantaged communities and observance of the aforementioned bid protocols. AVCE looks forward to updating the Commission on the success of these efforts during the California's IRP cycle.

i. Power Choice CARE – Distributed Microgrids Program

Power Choice program facilitates the installation of solar plus battery storage to CCA customers through a PPA, which is administered/paid via the customer bill. The program is a partnership with Participate Energy, who finances and owns the systems and acts as program administrator, and Tesla, who provides the storage assets for the program. Additionally, the program partners with local solar installers in each participating City.

In October 2025, the program launched "Power Choice CARE" program, which offered a program participation rate at 50% discount from the standard residential Power Choice offering. Customers must be on a CARE/FERA rate and must meet the income eligibility thresholds to participate. The targeted marketing campaign reached more than 80,000 eligible households across CalChoice Member CCA territories. Eligible customers within Apple Valley's customer base include 199 FERA customers and 8,724 CARE customers.

Equitable Building Decarbonization Direct Installation Program
In 2026, AVCE joined the Southern California Coalition, comprised of approximately 50 community-based organizations (CBOs) and Community Choice Aggregators (CCAs) to market the CEC funded program. Led by program administrator, Los Angeles County, this program provides building decarbonization upgrades for low-income and moderate-income households in under-resourced communities in Southern California including:

- Single-family homes
- Multi-family homes
- Manufactured/mobile homes

The SoCal Coalition received an award of $2.8M to install energy efficiency measures. Equity is at the heart of the program, and is designed to address:

- High utility costs
- Poor indoor air quality
- Older, inefficient housing
- Barriers due to language, socioeconomic status and digital access

The program will launch with "initial focus area" communities identified by the program administrator, Los Angeles County. Across the coalition, initial outreach targets customers located within designated disadvantaged communities and DAC Green Tariff areas in the broader Southern California region. Because Apple Valley's service area contains no disadvantaged communities, AVCE participates in the program to support this regional effort; any eligible AVCE customers must meet a moderate-to-low income threshold to participate.

c. LSEs' Tribal Customers

There are no tribal customers currently being served by AVCE.

d. Procurement Products

AVCE intends to utilize the following physical energy products in procurement activities associated with its PCP. Contracts are expected to be conducted bilaterally rather than via commodities exchanges.

Table 8: Procurement Products

Product	Description
Physical energy, RPS qualifying	Renewable energy qualified to meet California RPS
Physical energy, other carbon free	Non-carbon emitting energy that does not meet California RPS; e.g., large hydro
Physical energy, CAISO energy	Energy delivered to the CAISO grid from unspecified sources
Capacity, Net Qualifying Capacity	Capacity qualified to meet California Resource Adequacy program standards

e. Commission Direction of Actions

Not applicable

V. Lessons Learned

AVCE's experience in this IRP cycle has reinforced several important considerations regarding the scale and urgency of clean energy procurement required to achieve California's long-term emissions goals. As a CCA committed to delivering clean, affordable, and reliable energy to its customers, AVCE recognizes

that the path to meeting the electric sector's 8 MMT by 2045 GHG benchmark demands sustained, large-scale procurement activity across the entire IRP planning horizon — not merely in the near term.

A central lesson from this planning cycle is the recognition that achieving compliance with state GHG emissions reduction requirements will necessitate substantial and continuous procurement of renewable energy, long-duration storage, clean firm power, and other zero-carbon resources through 2045. The scale of resource additions required — informed by the 2025-2026 Transmission Planning Process Portfolio and AVCE's own load growth projections — underscores that no single procurement wave will be sufficient. Rather, LSEs such as AVCE must maintain active, ongoing procurement pipelines over the coming two decades to ensure that new clean resources come online in cadence with load growth, contract expirations, and the retirement of fossil-fueled generation. AVCE encourages the Commission to structure future IRP cycles, procurement tracks, and associated guidance in a manner that supports and anticipates this long-duration procurement obligation.

AVCE intends to be an active and engaged participant in procurement necessary to achieve these objectives. AVCE's governing board has affirmed procurement as a strategic priority, and AVCE plans to pursue solicitations for renewable energy, energy storage, and other qualifying resources on a rolling basis consistent with its Preferred Conforming Portfolio and Action Plan. AVCE recognizes that successful procurement at the scale required through 2045 will depend not only on its own diligence, but also on the Commission's continued efforts to streamline procurement authorization processes, reduce regulatory barriers to contract execution, and provide adequate lead time for LSEs to compete effectively in competitive resource markets.

Glossary of Terms

Alternative Portfolio: *LSEs are permitted to submit "Alternative Portfolios" developed from scenarios using different assumptions from those used in the Preferred System Plan with updates. Any deviations from the "Conforming Portfolio" must be explained and justified.*

Approve (Plan)*: the CPUC's obligation to approve an LSE's integrated resource plan derives from Public Utilities Code Section 454.52(b)(2) and the procurement planning process described in Public Utilities Code Section 454.5, in addition to the CPUC obligation to ensure safe and reliable service at just and reasonable rates under Public Utilities Code Section 451.*

Balancing Authority Area (CAISO): *the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.*

Baseline resources: *Those resources assumed to be fixed as a capacity expansion model input, as opposed to Candidate resources, which are selected by the model and are incremental to the Baseline. Baseline resources are existing (already online) or owned or contracted to come online within the planning horizon. Existing resources with announced retirements are excluded from the Baseline for the applicable years. Being "contracted" refers to a resource holding signed contract/s with an LSE/s for much of its energy and capacity, as applicable, for a significant portion of its useful life. The contracts refer to those approved by the CPUC and/or the LSE's governing board, as applicable. These criteria indicate the resource is relatively certain to come online. Baseline resources that are not online at the time of modeling may have a failure rate applied to their nameplate capacity to allow for the risk of them failing to come online.*

Candidate resource: *those resources, such as renewables, energy storage, natural gas generation, and demand response, available for selection in IRP capacity expansion modeling, incremental to the Baseline resources.*

Capacity Expansion Model: *a capacity expansion model is a computer model that simulates generation and transmission investment to meet forecasted electric load over many years, usually with the objective of minimizing the total cost of owning and operating the electrical system. Capacity expansion models can also be configured to only allow solutions that meet specific requirements, such as providing a minimum amount of capacity to ensure the reliability of the system or maintaining greenhouse gas emissions below an established level.*

Certify (a Community Choice Aggregator Plan)*: Public Utilities Code 454.52(b)(3) requires the CPUC to certify the integrated resource plans of CCAs. "Certify" requires a formal act of the Commission to determine that the CCA's Plan complies with the requirements of the statute and the process established via Public Utilities Code 454.51(a). In addition, the Commission must review the CCA Plans to determine any potential impacts on public utility bundled customers under Public Utilities Code Sections 451 and 454, among others.*

Clean System Power (CSP) methodology*: the methodology used to estimate GHG and criteria pollutant emissions associated with an LSE's Portfolio based on how the LSE will expect to rely on system power on an hourly basis.*

Community Choice Aggregator*: a governmental entity formed by a city or county to procure electricity for its residents, businesses, and municipal facilities.*

Conforming Portfolio*: the LSE portfolio that conforms to IRP Planning Standards, the 2045 LSE-specific GHG Emissions Benchmark, use of the LSE's assigned load forecast, use of inputs and assumptions matching those used in developing the Reference System Portfolio, as well as other IRP requirements including the filing of a complete Narrative Template, a Resource Data Template and Clean System Power Calculator.*

Effective Load Carrying Capacity*: a percentage that expresses how well a resource is able avoid loss-of-load events (considering availability and use limitations). The percentage is relative to a reference resource, for example a resource that is always available with no use limitations. It is calculated via probabilistic reliability modeling, and yields a single percentage value for a given resource or grouping of resources.*

Effective Megawatts (MW): *perfect capacity equivalent MW, such as the MW calculated by applying an ELCC % multiplier to nameplate MW.*

Electric Service Provider*: an entity that offers electric service to a retail or end-use customer, but which does not fall within the definition of an electrical corporation under Public Utilities Code Section 218.*

Filing Entity*: an entity required by statute to file an integrated resource plan with CPUC.*

Future*: a set of assumptions about future conditions, such as load or gas prices.*

GHG Benchmark (or LSE-specific 2045 GHG Benchmark)*: the mass-based GHG emission planning targets calculated by staff for each LSE based on the methodology established by the California Air Resources Board and required for use in LSE Portfolio development in IRP.*

GHG Planning Price: *the systemwide marginal GHG abatement cost associated with achieving a specific electric sector GHG planning target.*

Integrated Resources Planning Standards (Planning Standards)*: the set of CPUC IRP rules, guidelines, formulas and metrics that LSEs must include in their LSE Plans.*

Integrated Resource Planning (IRP) process*: integrated resource planning process; the repeating cycle through which integrated resource plans are prepared, submitted, and reviewed by the CPUC*

Long term*: more than 5 years unless otherwise specified.*

Load Serving Entity*: an electrical corporation, electric service provider, community choice aggregator, or electric cooperative.*

Load Serving Entity (LSE) Plan*: an LSE's integrated resource plan; the full set of documents and information submitted by an LSE to the CPUC as part of the IRP process.*

Load Serving Entity (LSE) Portfolio*: a set of supply- and/or demand-side resources with certain attributes that together serve the LSE's assigned load over the IRP planning horizon.*

Loss of Load Expectation (LOLE): *a metric that quantifies the expected frequency of loss-of-load events per year. Loss-of-load is any instance where available generating capacity is insufficient to serve electric demand. If one or more instances of loss-of-load occurring within the same day regardless of duration*

are counted as one loss-of-load event, then the LOLE metric can be compared to a reference point such as the industry probabilistic reliability standard of "one expected day in 10 years," i.e. an LOLE of 0.1.

Maximum Import Capability: a California ISO metric that represents a quantity in MWs of imports determined by the CAISO to be simultaneously deliverable to the aggregate of load in the ISO's Balancing Authority (BAA) Area and thus eligible for use in the Resource Adequacy process. The California ISO assess a MIC MW value for each intertie into the ISO's BAA and allocated yearly to the LSEs. A LSE's RA import showings are limited to its share of the MIC at each intertie.

Net Qualifying Capacity (NQC): *Qualifying Capacity reduced, as applicable, based on: (1) testing and verification; (2) application of performance criteria; and (3) deliverability restrictions. The Net Qualifying Capacity determination shall be made by the California ISO pursuant to the provisions of this California ISO Tariff and the applicable Business Practice Manual.*

Non-modeled costs*: embedded fixed costs in today's energy system (e.g., existing distribution revenue requirement, existing transmission revenue requirement, and energy efficiency program cost).*

Nonstandard LSE Plan*: type of integrated resource plan that an LSE may be eligible to file if it serves load outside the CAISO balancing authority area.*

Optimization*: an exercise undertaken in the CPUC's Integrated Resource Planning (IRP) process using a capacity expansion model to identify a least-cost portfolio of electricity resources for meeting specific policy constraints, such as GHG reduction or RPS targets, while maintaining reliability given a set of assumptions about the future. Optimization in IRP considers resources assumed to be online over the planning horizon (baseline resources), some of which the model may choose not to retain, and additional resources (candidate resources) that the model is able to select to meet future grid needs.*

Planned resource: *any resource included in an LSE portfolio, whether already online or not, that is yet to be procured. Relating this to capacity expansion modeling terms, planned resources can be baseline resources (needing contract renewal, or currently owned/contracted by another LSE), candidate resources, or possibly resources that were not considered by the modeling, e.g., due to the passage of time between the modeling taking place and LSEs developing their plans. Planned resources can be specific (e.g., with a CAISO ID) or generic, with only the type, size and some geographic information identified.*

Qualifying capacity*: the maximum amount of Resource Adequacy Benefits a generating facility could provide before an assessment of its net qualifying capacity.*

Preferred Conforming Portfolio*: the conforming portfolio preferred by an LSE as the most suitable to its own needs; submitted to CPUC for review as one element of the LSE's overall IRP plan.*

Preferred System Plan: *the Commission's integrated resource plan composed of both the aggregation of LSE portfolios (i.e., Preferred System Portfolio) and the set of actions necessary to implement that portfolio (i.e., Preferred System Action Plan).*

Preferred System Portfolio: *the combined portfolios of individual LSEs within the CAISO, aggregated, reviewed and possibly modified by Commission staff as a proposal to the Commission, and adopted by the Commission as most responsive to statutory requirements per Pub. Util. Code 454.51; part of the Preferred System Plan.*

Short term*: 1 to 3 years (unless otherwise specified).*

***Staff**: CPUC Energy Division staff (unless otherwise specified).*

***Standard LSE Plan**: type of integrated resource plan that an LSE is required to file if it serves load within the CAISO balancing authority area (unless the LSE demonstrates exemption from the IRP process).*

***Transmission Planning Process (TPP)**: process conducted by the California Independent System Operator (CAISO) to identify potential transmission system limitations and areas that need reinforcements over 10-year and 15-year horizons.*

Attachment C

AVCE'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