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)

DIRECT ENERGY BUSINESS, LLC 2025 INTEGRATED RESOURCE PLAN

[PUBLIC VERSION]

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August 10, 2026

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Pursuant to Decision ("D.") 18-02-018, D.22-02-004, the January 16, 2026 Administrative Law Judge's Ruling Setting Requirements for Individual Integrated Resource Plans Due June 1, 2026, the March 9, 2026 Email Ruling Granting Joint Request for Extension of Load Serving Entity ('LSE') Integrated Resource Plan ('IRP') Filings, and Energy Division's March 19, 2026 Filing Requirements Overview for IRP Filing Requirements, Direct Energy Business, LLC ("Direct Energy") formally submits its Integrated Resource Plan.

This compliance filing contains the details and descriptions of the IRP procurement that Direct Energy has done to date. Direct Energy continues to meet its procurement obligations in accordance with the state's reliability and clean energy goals.

This filing includes:

- Public Attachment 1: deb_public_v1
- Confidential Attachment 2: Resource Data Templates
- Confidential Attachment 3: Clean System Power Calculator Templates

A motion to file confidential information under seal is being filed concurrently with this filing.

Dated: August 10, 2026

Respectfully submitted,

/s/ Cem Turhal

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VERIFICATION

I am the attorney for Direct Energy Business, LLC ("Direct Energy") and am authorized to make this verification on its behalf. Direct Energy is absent from the County of Sacramento, California, where I have my office, and I make this verification for that reason. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters I believe them to be true.

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

Executed on August 10, 2026 at Sacramento, California.

/s/ Jedediah J. Gibson

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ATTACHMENT 1

IRP Narrative

REDACTED

Standard LSE Plan

DIRECT ENERGY BUSINESS, LLC

2025 INTEGRATED RESOURCE PLAN

August 10, 2026

PUBLIC VERSION

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I. Summary

Background

Direct Energy Business, LLC ("DEB") is one of North America's largest competitive retail energy suppliers, delivering electricity, natural gas, and related energy solutions to commercial and industrial customers. DEB is a subsidiary of NRG Energy, Inc. ("NRG"), a Fortune 500 integrated power company serving more than seven million retail customers across two dozen U.S. states and Canada, with a diverse generation fleet of roughly 23,000 MW. Since NRG's 2021 acquisition of the Direct Energy platform, DEB has paired the scale and balance-sheet strength of a national power company with a retail franchise built on customer choice, energy efficiency, and continued investment in the products and technologies shaping tomorrow's energy markets. DEB performs hedging and risk management on behalf of its retail customers and provides commodity solutions and market intelligence to wholesale counterparties, including community choice aggregators ("CCAs"). DEB has been a licensed Electric Service Provider ("ESP") in California for many years. This Integrated Resource Plan presents DEB's outlook for meeting the energy needs of its California Direct Access ("DA") customers through 2045, consistent with the State's greenhouse gas, reliability, and clean-energy objectives.

The California Direct Access program allows eligible non-residential customers to buy electricity from a competitive ESP such as DEB rather than from their incumbent utility, which still delivers the power. Established in California's 1996 restructuring (AB 1890), suspended in 2001, and partially reopened by SB 695 (2009) and SB 237 (2018) subject to a statutory load cap, DA remains capped and oversubscribed; the Commission's own accounting shows the program roughly 98%[1] full. Demand for the product has never gone away: California's commercial and industrial customers continue to seek competitive pricing, contract flexibility, and clean-energy options that ESPs provide, and in an era of acute affordability pressure, retail competition remains one of the few tools these customers have to manage their energy costs. Because the cap holds ESP load static while procurement obligations grow, incremental mandates raise cost-allocation questions that DEB addresses respectfully in its Action Plan and Lessons Learned, including the pending Application for Rehearing and Petition for Modification filed by the Alliance for Retail Energy Markets, of which DEB is a member. Whatever the outcome of those requests, this Plan demonstrates that DEB will meet its obligations.

Filing Summary

DEB submits this Narrative Template in public and confidential versions, together with its confidential Resource Data Templates and confidential Clean System Power calculators, completed per the Filing Requirements Overview. Confidential Appendix A contains DEB's GHG and criteria pollutant results;

[1] California Public Utilities Commission. (n.d.). Direct Access implementation activity reports. Retrieved August 3, 2026, from https://www.cpuc.ca.gov/consumer-support/consumer-programs-and-services/electrical-energy-and-energy-efficiency/community-choice-aggregation-and-direct-access-/direct-access-implementation-activity-reports

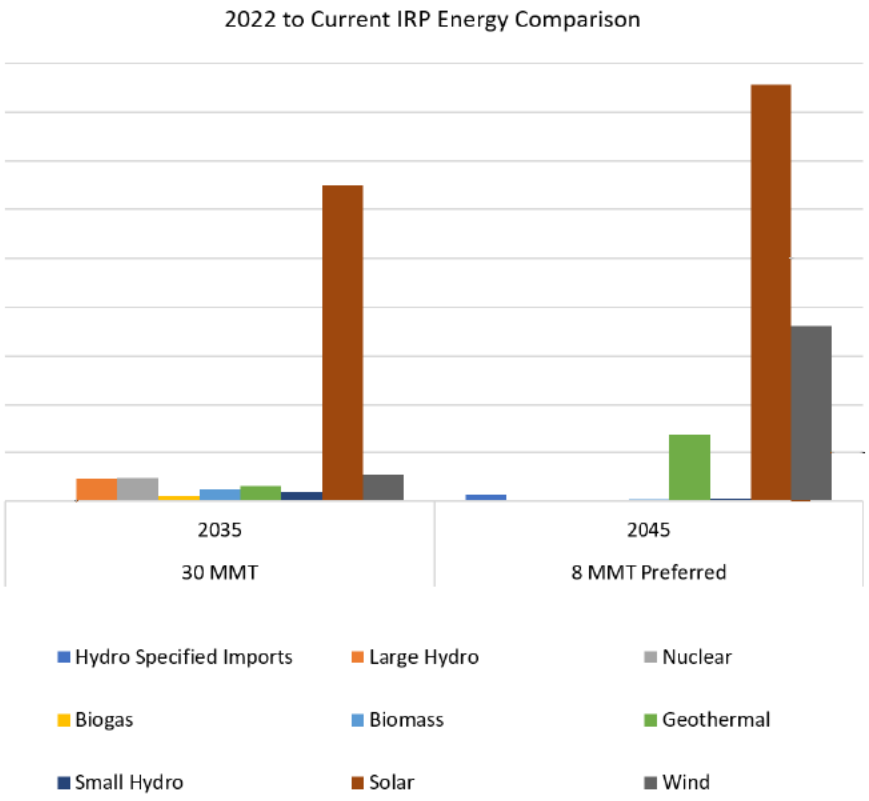
Confidential Appendix B, its facility-level disadvantaged-community analysis; Confidential Appendix C, its reliability showings and narrative; and Confidential Appendix D, CAISO Queue and DEB Projects.

DEB built its 2026 IRP Conforming Portfolio on the load forecast the Commission assigned it pursuant to the January 16, 2026, ALJ Ruling in R.25-06-019. For ESPs, the load assignment reflects the Direct Access cap and holds DEB's annual load flat from 2028 through 2045. DEB applied that assigned load with the default hourly shapes in the Clean System Power ("CSP") calculator and used Northstar, its internally developed load-modeling tool, together with Excel-based models, to optimize its resource portfolio against that load. After accounting for resources already under contract or in negotiation, DEB calculated its remaining need for Renewables Portfolio Standard ("RPS") energy and resource adequacy ("RA") capacity, its "net short," and filled it using the Final 2025 Inputs and Assumptions, with resource choices reflecting procurement mandates, AB 1373 allocations, RESOLVE modeling, diversity, contracting requirements, pricing, and risk. Because DEB's load cannot grow, the essence of the Plan is transition: as existing contracts expire, DEB replaces them with solar, storage, wind, and geothermal, so that a portfolio anchored today in solar and existing capacity becomes, by 2045, a diverse clean portfolio led by solar resources, standalone batteries, wind across in-state, out-of-state, and offshore locations, and clean firm geothermal.

DEB developed two Conforming Portfolios and no Alternative Portfolios. Its Preferred Conforming Portfolio meets DEB's obligations at least cost, retaining a limited amount of existing gas capacity for residual reliability. Its Alternate Conforming Portfolio procures additional clean capacity, principally storage and solar, to reduce gas reliability procurement by roughly two thirds, driving emissions further below the benchmark. The Alternate Conforming Portfolio is presented to showcase the level of procurement required for deeper decarbonization of DEB's portfolio. DEB also tested its plan against three sensitivities:

- Reversion of the AB 1373 long-lead-time procurement responsibility to load-serving entities
- Expansion or lifting of the Direct Access cap
- Impacts of an eventual sunset of DEB's allocation-based resources

The chart below offers a general, visual comparison of how DEB’s Preferred Portfolio composition differs from the final year of the 2022 IRP to the final year of this filing.



In a departure from its 2022 filing, DEB minimized reliance on large hydro and nuclear generation, receiving those resources through allocations rather than procuring them. Similarly, DEB relies on centralized procurement by the Department of Water Resources ("DWR") under AB 1373 (D.24-08-064) for long duration storage, offshore wind, and enhanced geothermal.

The confidential table below summarizes the energy procurement selected for 2045.

2045 Energy Procurement Summary Table

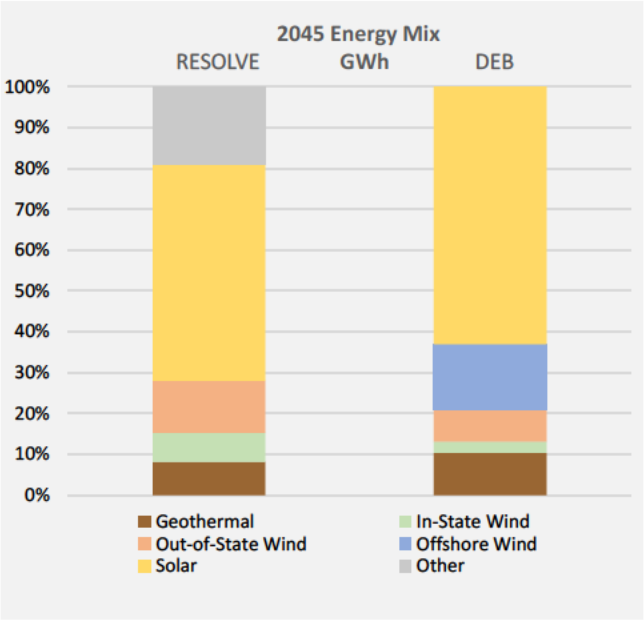
New/ Existing	Resource Type	Under Contract?	Energy or Capacity	Notes
Energy Resources				
Existing	Long-Term Solar	Yes	[redacted]	
Existing	GHG-Free	No	[redacted]	Imported Hydro Only
Existing	Wind	Yes	[redacted]	VAMO
Existing	Small Hydro	Yes	[redacted]	VAMO

Existing	Biogas/Biomass	Yes	[redacted]	VAMO
New	Solar	No	[redacted]	
New	In State Wind	No	[redacted]	
New	Out of State Wind	No	[redacted]	WY and AZ/NM
New	Geothermal	No	[redacted]	[redacted]
New	Offshore Wind	No	[redacted]	Pro rata AB1373
Capacity Resources (2045 Marginal ELCC Values)				
Existing	Renewables	Yes	[redacted]	
Existing	Generic RA (Gas)	No	[redacted]	Type will depend on price
New	Battery	No	[redacted]	
New	Renewables	No	[redacted]	Bundled RPS and RA contracts

DEB started with the RESOLVE 2025-2026 Transmission Planning Process ("TPP") Base Case Portfolio as the underlying reference for its plan, the same portfolio the Commission uses to model the system and CAISO uses to plan transmission, and applied a feasibility screen reflecting what an ESP can realistically procure. The result concentrates DEB's portfolio in solar, battery storage, wind, and geothermal, forgoing pumped hydro and biomass, while achieving emissions below DEB's assigned 8 MMT by 2045 GHG Emissions Benchmark. Divergences from RESOLVE are explained in the Study Design section below. DEB carries more storage than the reference because it optimizes for the Commission's reliability mandates. DEB has significant existing quantities of baseline solar in its portfolio, therefore resource additions are relatively less than RESOLVE. DEB elects in-state and out-of-state wind starting in 2030 for wind's superior emissions value. Finally, DEB includes an assumed AB 1373 procurement allocation that includes offshore wind that the least-cost model did not select.

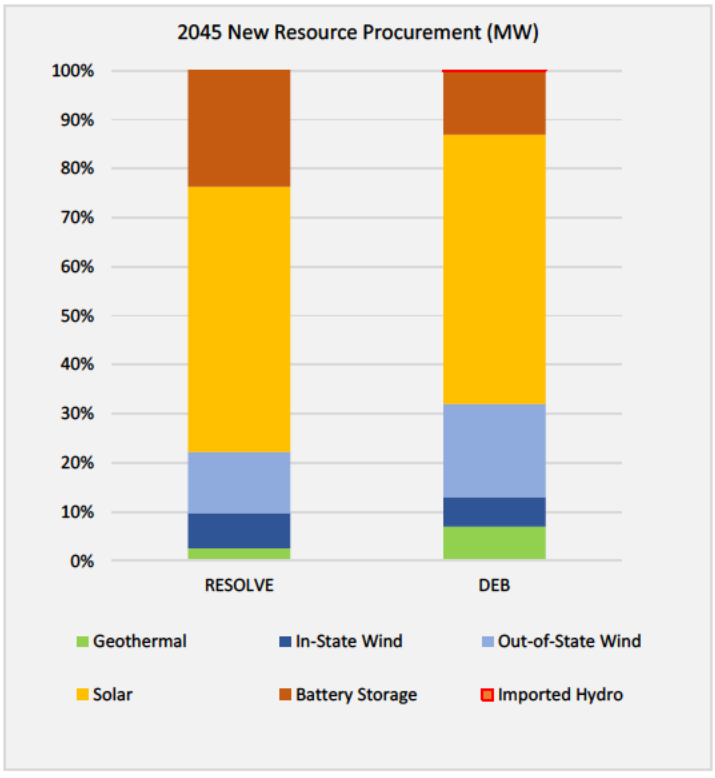
The figure on the following page compares select resources for DEB's projected 2045 procurement to the reference portfolio, it excludes system power, imports, curtailment, energy from battery contracts (to avoid double-counting energy already attributed to the resources that charge them), and behind-the-meter resources. Note that the reference model procures for significant load growth, whereas DEB models flat load.

2045 Energy Mix (GWh)



The following chart offers a comparison of the capacity procurement percentages between RESOLVE and DEB's preferred conforming portfolio for selected resources. Note that energy only contracts are excluded from the graphic below.

2045 Capacity Procurement Summary Chart



DEB's portfolio composition evolves over the planning period. In the early years, DEB holds a greater share of existing solar than the RESOLVE reference, so its new solar procurement runs below the reference additions, but solar remains a key resource for both RA capacity and CSP emissions reductions. Battery storage runs above the reference proportions, driven by the mid-term reliability orders, the February 2026 procurement decision (D.26-02-057), and DEB's AB 1373 allocation election. Storage firms renewable generation and balances DEB's reliability contribution across the day. Wind, across in-state, out-of-state, and offshore locations, adds meaningful energy and resource diversity.

Firm zero-emitting resources are a small but consequential piece of the portfolio, taking the form of geothermal, DEB's principal clean firm resource. It is procured by the Commission's deadline to displace natural gas during non-solar hours. For the long-lead-time resources required beyond that, DEB relies on centralized procurement by DWR under AB 1373 (D.24-08-064). Should that procurement not materialize, DEB could step in to secure comparable renewable generation and storage in proportion to its load share, under the right regulatory policy and procurement framework, consistent with the State's clean energy objectives.

With the above backdrop, DEB respectfully submits its 8 MMT by 2045 portfolio as its Preferred Conforming Portfolio, selected because it keeps DEB on track with its long-term compliance obligations while delivering the clean, competitively procured energy its customers request at the lowest achievable cost. The portfolio satisfies each requirement of Public Utilities Code Section 454.52(a)(1):

- **GHG emissions** (subpart (A)): The portfolio achieves emissions below DEB's assigned 2045 GHG Emissions Benchmark, DEB's proportional share of the 8 MMT by 2045 electric-sector planning target assigned through the January 16, 2026, ALJ Ruling, consistent with CARB's 2022 Scoping Plan, AB 1279, SB 100, and SB 1020. Beginning in 2035, the portfolio clocks below its benchmark and holds emissions below it through 2045.
- **60 percent RPS by 2030** (subpart (B)): The portfolio procures no less than 60% eligible renewable resources by December 31, 2030, consistent with Article 16 of the Public Utilities Code as amended by SB 100.
- **Just and reasonable rates and bill impacts** (subparts (C) and (D)): DEB procures the least-cost combination of resources meeting its IRP, RPS, RA, and GHG obligations, minimizing customer bill impacts, and its procurement does not impair the host utilities' ability to serve their customers at just and reasonable rates under Section 451.
- **System and local reliability** (subpart (E)): The portfolio procures sufficient RA capacity for near- and long-term reliability, consistent with Section 380 and the Commission's orders in D.21-06-035, D.23-02-040, and D.26-02-057, with each resource valued at its Commission-assigned ELCC.
- **Long-term RPS contracting** (subpart (F)): No less than 65% of eligible renewable procurement in each compliance period is met through contracts of ten years or greater, consistent with Section 399.13(b)(1).
- **Diversity, sustainability, and resilience** (subpart (G)): The portfolio strengthens system diversity and resilience through a diverse mix of new resources, with growing emphasis on varying durations of storage, consistent with SB 100 and SB 1020.

- **Distribution enhancement and demand-side management** (subpart (H)): DEB's modelling reflects growth in customer-sited behind-the-meter resources, including building electrification, energy efficiency, photovoltaics, and storage, as captured in the CSP demand inputs.
- **Local air pollutants and disadvantaged communities** (subpart (I)): The portfolio reduces DEB's criteria air pollutants (PM2.5, SO2, and NOx) by approximately 87% between 2028 and 2045, with benefits reaching the communities nearest the State's fossil fleet. Consistent with SB 535, DEB applies a procurement scoring framework that favors clean projects sited in disadvantaged communities, and its portfolio includes clean resources located directly in two of the State's most heavily burdened communities. DEB plans no new emitting resource in any DAC and provides a facility-level accounting, verified tract by tract against the SB 535 designation, in Section 3(d) and Confidential Appendix B.
- **Diverse resource portfolio** (subpart (J)): The portfolio spans solar, storage, hybrid resources, wind, and clean firm geothermal, and includes long-lead-time resources procured on DEB's behalf by DWR under AB 1373 and D.24-08-064.

Summary of How DEB Plans to Action its Preferred Conforming Portfolio

DEB's Action Plan implements this portfolio through mechanisms it has built and refined since becoming an ESP. DEB has issued an annual MTR/IRP Request for Offers every year since 2022, supplemented by Requests for Information tied to CAISO commercial interest showings. Each solicitation seeks the mandate categories of D.21-06-035, D.23-02-040, and D.26-02-057, including firm zero-emitting resources and long-duration energy storage, and each is followed through with bilateral and brokered negotiation. The status of DEB's procurement toward each tranche, and all contract-level detail, is set out in the confidential Resource Data Template.

DEB's portfolio relies primarily on solar and storage, and that choice rests on interconnection reality. The resources clearing the CAISO queue in DEB's procurement timeframe are predominantly solar and storage, including hybrid[2] configurations. As a comparatively small ESP, DEB procures from what CAISO models and developers bring forward, consistent with the interconnection-headroom and commercial-interest constraints introduced in the 2025 Inputs and Assumptions. DEB's resource plan follows from this. As a result, solar remains the heart of DEB's procurement, renewed through its annual RFOs. Storage moves from four-hour RA products toward eight-hour and longer durations as ELCC values evolve, and DEB's long-duration obligation is met by a storage resource, modeled online within the compliance window. Geothermal satisfies the firm zero-emitting requirement and DEB will consider additional volumes where pricing is competitive. Wind arrives in stages: DEB's own contracting in the near term and central procurement in the medium and long term; offshore wind enters only as an indicative DWR allocation around 2040.

[2] A hybrid resource, as used throughout this Plan, is a solar-and-storage facility behind a single point of interconnection participating in the CAISO market under a single resource identifier, as defined in the Study Design.

While DEB believes this Plan is a reasonable projection of its procurement, actual procurement may differ given the dynamic nature of serving DA load. The greatest uncertainties are DEB's load and the implementation of SB 1020[3]. Changes in the DA cap or customer migration could shift DEB's load relative to its assigned forecast, affecting the timing and volume of procurement. To meet the SB 1020 targets and its GHG benchmark, DEB assumed all RPS procurement after 2030 consists solely of Portfolio Content Category 1 resources, consistent with CARB's May 2026 Cap-and-Invest amendments[4].

The remainder of this Plan develops each element of this summary. The Study Design that follows details how DEB built its portfolios, from its assigned load through its modeling choices and the places where its plan departs from the Commission's reference. The Study Results section presents the outcomes from two Conforming Portfolios, emissions below DEB's benchmark from 2035 onward, reduced criteria pollutants, and a transparent facility-level accounting of DEB's portfolio, including its remaining gas positions. The Action Plan section describes the procurement activities under way, the barriers DEB expects, and the direction it respectfully seeks from the Commission. Finally, the Lessons Learned section offers suggestions for future cycles.

DEB thanks Commission staff for this cycle's guidance and templates, which made a complex filing easier and workable. DEB believes its plan shows that a small ESP with a capped load can meet its procurement, reliability, clean energy, and community obligations while keeping energy affordable for the customers it serves.

[3] Senate Bill 1020 (Laird, 2022), the Clean Energy, Jobs and Affordability Act of 2022, amended Public Utilities Code Section 454.53 to add interim targets to the SB 100 (2018) requirement that renewable and zero-carbon resources supply 100 percent of retail electricity sales by 2045: 90 percent of retail sales by December 31, 2035, and 95 percent by December 31, 2040. SB 1020 also requires 100 percent clean electricity for state agency procurement by 2035.

[4] In May 2026, the California Air Resources Board adopted amendments to its Cap-and-Invest Regulation and the associated Mandatory Reporting Regulation, effective September 1, 2026. As relevant here, the amendments limit the RPS adjustment, which allows electricity from firmed-and-shaped (Portfolio Content Category 2) renewable resources to be treated as zero-emission for compliance purposes, to directly delivered resources for years after the 2030 Cap-and-Invest budget year. Cap-and-Invest Regulation, 17 C.C.R. § 95852(b)(4); Mandatory Reporting Regulation, 17 C.C.R. § 95111(b)(5).

II. Study Design

Load Assignments for Each LSE

Following CPUC direction, DEB used the load forecast staff assigned to it via email. Consistent with the January 16, 2026, ALJ Ruling finalizing individual LSE load forecasts and GHG benchmarks, DEB uses the assigned energy and peak demand forecasts and the behind-the-meter photovoltaic ("BTM PV") component that staff developed and distributed to DEB individually. Finally, as the Commission instructed, DEB has not used any annual load forecast (MWh) other than the amounts assigned to it. In the CSP, DEB elected a 100% Commercial & Industrial Fraction of Baseline Demand to reflect the composition of its customer base.

A contingency follows directly from the cap on direct access. This plan is sized to the load the Direct Access program permits DEB to serve, so if the Commission expands or lifts the cap, or DEB's assigned load otherwise rises, DEB will scale and re-optimize its procurement of solar, storage, wind, and geothermal to serve the higher load while still meeting its GHG benchmark and reliability obligations. DEB raises this not as a departure from its assigned forecast, which it has followed without exception, but to make clear that its clean-energy procurement stands ready to grow with any additional Direct Access load the Commission authorizes.

Required and Optional Portfolios

DEB developed and submitted two Conforming Portfolios for this IRP cycle, each designed to achieve emissions equal to or below DEB's assigned share of the electric sector's 8 MMT by 2045 GHG target. DEB did not develop any Alternative Portfolios for this filing. As a relatively small ESP serving a statutorily capped Direct Access customer base, DEB's feasible procurement options are already largely defined by its assigned load forecast, Commission procurement mandates, existing contractual commitments, and the set of commercially available resources anticipated to be available through the planning horizon. DEB concluded that additional portfolios based on substantially different assumptions would not provide a materially different view of how DEB plans to comply with California's long-term clean energy requirements.

Conforming Portfolios

DEB developed and submitted two Conforming Portfolios:

1. A Preferred Conforming Portfolio, which it selects as its 8 MMT and least-cost plan of record.
2. An Alternate Conforming Portfolio (the "Alternate Portfolio") that meets the same 8 MMT target while minimizing the need for natural gas generation and procuring emerging clean energy generation technologies.

DEB did not develop an Alternative Portfolio. Both portfolios are Conforming, built on the same assigned load forecast and the same load-modifier assumptions. DEB also evaluated three sensitivities to the preferred conforming portfolio, described further below.

DEB confirms that its Conforming Portfolios satisfy each criterion in the Filing Requirements Overview:

- **Load**: each portfolio uses DEB's individual assigned load forecast and holds total annual energy volumes consistent with it, with all Demand Inputs checks reading TRUE.
- **Reliability**: the optimized capacity equivalent MW of each portfolio's resources meets or exceeds DEB's reliability need in every year of the planning horizon, as shown in the Resource Data Template.
- **Emissions**: each portfolio achieves 2045 emissions equal to or lower than DEB's assigned 8 MMT 2045 GHG Emissions Benchmark, as calculated in the Clean System Power calculator.
- **Inputs and assumptions**: each portfolio relies on the Final 2024-2026 IRP Inputs and Assumptions posted to the 2024-2026 IRP Cycle Events and Materials website. DEB did not substitute its own capital cost, financing, or levelized-cost assumptions, as further discussed in the Methodology (Alternative Assumptions) section below.
- **Completeness**: DEB submits all three required filing items, the Resource Data Template, the Clean System Power calculator, and this Narrative Template, completed in accordance with the completeness definition in the Filing Requirements Overview.

DEB also accounts for the costs and benefits of resources allocated to it under the Cost Allocation Mechanism and Modified CAM in both Conforming Portfolios, as described in the Methodology and Study Results sections below.

DEB selected its Preferred Conforming Portfolio because it best represents how DEB plans to meet California's clean energy objectives. It is the least-cost portfolio that clears DEB's 2045 GHG benchmark, satisfies its resource adequacy and RPS obligations, and aligns with the resources reflected in the Commission's reference for this cycle, the 2025-2026 TPP Base Case Portfolio with updates, consistent with SB 100, SB 1020, and AB 1279[5]. Solar and battery storage together make up the large majority of the portfolio. Wind, through in-state, out-of-state, and offshore production, adds energy and resource diversity, and a small but consequential share of geothermal provides clean firm baseload. The portfolio also reflects DEB's Direct Access customers' primary requirement: as clean a portfolio as possible at the lowest achievable cost. A full description appears in the Study Results section, and the detailed resource mix is provided in the confidential RDT.

DEB's Alternate Conforming Portfolio meets the same 8 MMT target while reducing gas to DEB's CPUC-allocated minimum. Because the Resource Data Template and the CSP calculator optimize separately, reliability capacity in the RDT and GHG emissions in the CSP, a plan can satisfy both by holding gas for capacity while separately procuring clean energy and attributes. The Alternate Portfolio brings the two together, procuring additional clean resources to meet DEB's capacity and GHG obligations jointly. Where the Preferred Portfolio includes a greater proportion of long duration storage, the Alternate utilizes solar and 4-hour standalone battery storage for resource adequacy, with a somewhat

[5] Senate Bill 100 (De León, 2018), the 100 Percent Clean Energy Act of 2018, raised the Renewables Portfolio Standard to 60 percent of retail sales by December 31, 2030, and established the State policy that renewable and zero-carbon resources supply 100 percent of retail electricity sales and electricity procured for state agencies by December 31, 2045 (Pub. Util. Code § 454.53). Senate Bill 1020 (Laird, 2022), the Clean Energy, Jobs and Affordability Act of 2022, added interim targets of 90 percent by December 31, 2035, and 95 percent by December 31, 2040, and requires 100 percent clean electricity for state agency procurement by 2035. Assembly Bill 1279 (Muratsuchi, 2022), the California Climate Crisis Act, requires the State to achieve carbon neutrality no later than 2045 and to reduce anthropogenic greenhouse gas emissions to at least 85 percent below 1990 levels by that year (Health & Saf. Code § 38562.2).

proportionally smaller wind share and a similar amount of geothermal, and it reduces DEB's thermal position by roughly two thirds relative to the Preferred. Given the affordability challenges associated with the alternate portfolio, DEB selects the Preferred Conforming Portfolio as its least-cost plan of record.

DEB also evaluated three sensitivities that sit outside its Conforming Portfolios. DEB describes these qualitatively rather than modeling them as Alternative Portfolios, because each rely on a future Commission or third-party action rather than a change to DEB's own assumptions, and none directly alters DEB's assigned load forecast or the portfolios submitted here.

1. First, should the Department of Water Resources not procure the long-lead-time resources assigned to it under AB 1373 and D.24-08-064, and those obligations revert to load-serving entities including ESPs, DEB could step in to secure comparable renewable generation in proportion to its load share, under the right regulatory policy and procurement framework, consistent with the State's clean energy objectives. DEB defines the framework conditions this refers to in Section 4(a)(x).
2. Second, should the Direct Access cap be expanded or lifted, whether through a limited increase, a full reopening, or some form of load- or vintage-adjusted growth, DEB has both the capability and the intent to serve the additional load, scaling and re-optimizing its clean-energy procurement while continuing to satisfy its GHG benchmark and reliability obligations. DEB offers this as a statement of readiness as much as a contingency.
3. Third, DEB's GHG-free allocations of large hydro and nuclear flow from the Power Charge Indifference Adjustment ("PCIA") and related mechanisms such as VAMO and CAM. As those mechanisms sunset and legacy resources like large hydro and Diablo Canyon are no longer allocated, the allocable resource mix will shift, and DEB would undertake additional procurement to preserve resource diversity, reliability, GHG performance, and affordability for its customers.

GHG Emissions Benchmark

The Commission set the 2045 benchmark through its January 16, 2026, ALJ Ruling, drawing on the 2025-2026 Transmission Planning Process ("TPP") Portfolio with updates and the electric-sector 2045 GHG planning target. DEB calculated its confidential 2045 benchmark using the CSP calculator's "ESP GHG Benchmark" tab, summing the benchmarks derived from its share of Direct Access load in each host IOU territory into a single figure, as the Commission's methodology directs. DEB developed its procurement plan to meet the GHG Emissions Benchmarks established for the this IRP cycle.

DEB used the CSP methodology to estimate its emissions across the planning horizon and to show that its Preferred Conforming Portfolio lands at or below its 2045 GHG benchmark. Because the CSP counts both DEB's own resources and the CAISO system power it relies on in uncovered hours, DEB meets its target by minimizing that residual reliance. DEB achieves this by selecting a large mix of solar, wind, battery storage, and geothermal to serve as much load as possible directly with clean energy production. DEB anchored this mix to the 2025-2026 TPP Base Case and the Commission's RESOLVE results, which it regards as the most reliable available projection of where the system and its transmission are being planned, and meets the balance of its needs, including large hydro and nuclear, through IOU allocations mechanisms.

On VAMO, consistent with the Final 2025 Inputs and Assumptions, DEB does not rely on Diablo Canyon after 2025. DEB receives its pro rata share of the host utilities' remaining GHG-free legacy resources, large hydro, hydro imports, and Palo Verde nuclear, through allocation rather than procuring them directly. In the CSP calculator, DEB counts the GHG-free attributes of these allocated resources together with its PCC1 resources, with battery storage shifting that clean energy across hours rather than adding a separate increment of GHG-free energy; all remaining energy is then served through system power.

DEB acknowledges that behind-the-meter combined heat and power ("BTM CHP") emissions are excluded from the CSP calculator yet still count toward the electric-sector total and DEB's benchmark, and that Commission staff account for them when calculating the emissions of the aggregated LSE portfolios.

a. Objectives

DEB designed its IRP analysis to satisfy the Commission's direction for system planning through 2045 and to inform its own procurement decisions for serving its retail load. DEB is committed to meeting the State's clean energy requirements for RPS content, GHG reduction, its mid-term reliability procurement obligations, and resource adequacy, while remaining flexible enough to affordably serve the changing needs of its Direct Access customer base. Its central objective was to meet its assigned 8 MMT by 2045 GHG Emissions Benchmark delivering a clean and diverse portfolio at least cost. Where two resources carried comparable costs, DEB favored the one with greater emissions value. For example, DEB’s 2030 election of in-state and out-of-state wind delivers materially greater emissions reductions per unit of energy than solar in that year, which is discussed further in the Modeling Approach.

DEB's analysis also reflects the State's interim clean-energy targets. SB 1020 sets a trajectory of 90% of retail sales from eligible renewable and zero-carbon resources by the end of 2035, 95% by 2040, and 100% by 2045. Although detailed LSE-level compliance mechanics for SB 1020 continue to develop, DEB designed its Conforming Portfolios so that their 2035 resources meet the 90% target, consistent with the GHG trajectory the Commission adopted for this cycle, while also optimizing for reliability and steadily reducing DEB's modeled reliance on system power.

b. Methodology

DEB planned its portfolio using Northstar, its internally developed load-modeling tool, alongside Microsoft Excel-based models, starting from its baseline resources and customer load. DEB serves only commercial and industrial Direct Access customers, so its load drives its procurement decisions. As instructed, DEB used the load forecast the Commission assigned in the January 2026 ALJ Ruling. In the CSP calculator, DEB set its load to 100% C&I and kept the default C&I load shape, as described in the Load Assignments section. DEB also assumed the Direct Access cap stays where it is for the foreseeable future. If the Commission raises the cap, DEB will procure more resources than shown in this filing, as described in the sensitivities above.

To size its RPS and RA net short, DEB netted its assigned load against the resources it already holds: existing and new contracts, CAM assignments, and the GHG-free legacy resources allocated to it through the VAMO process. DEB filled the RPS gap weighing resource diversity, contract tenor, price, and risk, along with its IRP procurement mandates (D.21-06-035, D.23-02-040, and D.26-02-057). The RA gap was sized as the shortfall between DEB's coincident-peak requirement and the effective capacity it already holds. Each resource was counted at its Commission-assigned ELCC, and the portfolio was optimized for the Slice of Day framework. Anchoring resource selection to the 2025-2026 TPP Base Case and RESOLVE results, and screening for what it can realistically procure, DEB concentrated on solar, wind, battery storage, and geothermal; then ran the portfolio through the CSP calculator and adjusted iteratively to achieve its benchmark at the lowest cost to customers while reducing its reliance on system power. More detail on the tools and approaches are provided below.

i. Modeling Tool(s)

DEB used four tools to develop this IRP: Northstar, Microsoft Excel, the Commission's Resource Data Template, and the Commission's CSP calculator.

Northstar is DEB's internally developed load-modeling tool. The model takes in historical usage, weather, utility profiles, and meter- and contract-level data, and produces hourly load estimates. DEB has augmented the model since the last cycle to improve its forecasting capabilities. Updated customer usage and meter-level data sharpen its accuracy, and the effects of distributed resources and energy efficiency are built in. Northstar's outputs are consistent with the short-term load forecasts DEB submitted to the CEC for the most recent IEPR. Northstar informed DEB's internal planning and portfolio optimization, not the load used in this filing. DEB's assigned load forecast is what was used in this filing. Because DEB serves C&I load only, DEB elected 100% for the Commercial and Industrial Fraction of Baseline Demand and used the default C&I load shape in the CSP calculator. DEB also notes that the Direct Access program has stabilized just under 28.8 TWh cap. Any incremental load DEB gains would come from load shifting away from another ESP.

Microsoft Excel models were used to: forecast DEB's future RPS and RA needs through a net short approach; optimize resources based on GHG and ELCC attributes; and generate tables and graphics used throughout this narrative. The approach nets all regulatory requirements, and customer demands against the resources DEB has already procured. Historical data on seller's choice contracts and contracted resource performance helped predict future outputs and the likely resource types available through short-term contracts. Resource cost, ELCC assumptions and GHG impact drove which resources were selected.

The Commission's Resource Data Template was used to report DEB's existing and planned resource contracts and to demonstrate reliability. The RDT tracks each resource's contract status, counts its capacity at the Commission-assigned ELCC, and shows that DEB's perfect capacity meets or exceeds its

reliability need in every year of the planning horizon. DEB ran the RDT's error-checking macro and cleared all identified errors before submission.

Finally, the Commission's CSP calculator was used to calculate DEB's GHG emissions in the benchmark years of 2030, 2035, 2040, and 2045, for both Conforming Portfolios. DEB's supply input was pasted directly from the RDT's CSPReportSheet tab, which keeps the two filings consistent, as the Filing Requirements Overview requires. DEB's benchmark follows the Commission's methodology, built from its ratio of load to the ESP GHG targets in each of the three IOU service territories. The CSP outputs were also used to report the NOx and PM emitted from the portfolio.

DEB's internal modeling tools differ from RESOLVE and SERVM in purpose and scale. RESOLVE is a capacity-expansion model. It optimizes the least-cost resource buildout for the entire electric system. SERVM is a reliability model. It simulates thousands of system conditions to measure loss-of-load risk and resource ELCCs. DEB's tools have none of these functionalities. They are LSE-level planning models that size DEB's own net short and select resources against it. DEB does not re-optimize the system. It anchors its resource selection to the Commission's RESOLVE results and adopts the Commission's ELCC values as inputs. The Commission should therefore read DEB's portfolios as an LSE-scale application of the Commission's own system-level modeling, not as a competing system view. Where DEB's mix departs from the reference, the reason is DEB's procurement realities as a capped ESP, explained in the Modeling Approach below.

ii. Modeling Approach

The following sections describe how DEB used Northstar, Excel, RDT and the CSP calculator to serve its load and meet all state and key customer requirements, organized by load, RPS, RA, GHG-free resources and system power, along with the cases and sensitivities evaluated. Across all of them DEB's objective was singular: to deliver the cheapest, cleanest, compliant energy to its customers, with load, IRP, RPS, RA, and GHG all moving in the same direction.

Load Forecast

DEB used the load forecast finalized in the January 16, 2026, ALJ Ruling and communicated to it individually by the Commission's Energy Division. The forecast reflects available DA cap space. Given the cap, DEB's assigned annual energy is essentially flat from 2028 through 2045. DEB applied that assigned load with the CSP's default C&I hourly shape and used Northstar to optimize its resource portfolio against it. For IRP purposes, DEB assumed it will schedule its load into the market and that CAISO will dispatch resources under its tariff to meet aggregate demand. DEB assumed all RPS and GHG-free resources are likewise scheduled into the market, with DEB retaining all renewable energy credits ("RECs") and GHG-free attributes.

Renewable Portfolio Standards

To size its RPS need, DEB compared its existing renewable supply against its PCC1 RPS requirement and its 65% long-term contracting requirement in agreement with DEB's recently filed RPS plan. That supply includes the following, with contract detail in the confidential RDT:

- Long-term renewable contracts: resource type, online year, approximate annual output
- Allocations

Resources mandated by the Commission (i.e. geothermal as the firm zero-emitting resource under D.21-06-035), or planned by the State (i.e. offshore wind), were included at DEB's pro rata share. Excess RPS in any compliance period was banked for future periods. Where long-term contracts fell short of the 65% requirement, or resources above DEB's pro rata share were needed, DEB added long-term contracts. Resource types were chosen by their impact on GHG targets and cost. Cost assumptions were consistent with those staff used to develop the reference portfolio.

DEB set its PCC1, PCC2, and PCC3 REC targets based on RPS rulemaking requirements and customer demand. After accounting for state mandated or state planned procurement (including AB 1373 allocations and RESOLVE modeling results), procurement was driven to the lowest-cost options while actively managing risk and resource diversity. Under CARB's Cap-and-Invest and Mandatory Reporting Regulation amendments, adopted in May 2026 and effective September 1, 2026, the RPS adjustment that allows firmed-and-shaped (PCC2) renewable resources to be counted as zero-emission is limited to directly delivered resources after the 2030 Cap-and-Invest budget year[6]. Consistent with that change, and to meet the SB 1020 and GHG targets this cycle, DEB assumed all RPS procurement after 2030 consists solely of directly delivered PCC1 resources.

To reach its post-2030 RPS and GHG-free targets, DEB assumed its VAMO allocations of large hydro, hydro imports, and nuclear (non-DCPP), together with GHG-free credit for the energy from its contracted resources, provide roughly 25% GHG-free energy. The GHG targets, and effort to reduce reliance on system purchases so that supply would better meet demand, led DEB to model procurement of renewable energy that exceeded its RPS target in 2030. DEB's portfolio meets the SB 1020's 90% requirement early in 2030 and also meets the 2045 100% requirement early in 2035.

Resource Adequacy

DEB determined its RA needs in steps. It first aggregated its existing contracted resources and expected CAM allocations. It then added the resources under negotiation to satisfy its mid-term reliability obligations under D.21-06-035, the supplemental obligations under D.23-02-040 (RA included), and the additional long-lead-time and long-duration procurement required under D.26-02-057. It then sized the

[6] Cap-and-Invest Regulation § 95852(b)(4); Mandatory Reporting Regulation § 95111(b)(5)

new battery storage needed to meet its GHG target given the level of solar in its portfolio, with contracts beginning in 2030 and 2035. For modeling purposes, DEB did not pre-commit each battery to a co-located or standalone configuration.

DEB compared this net short against its RA need, which is calculated from its assigned coincident-peak load share, and entered it into the RDT. Each resource was valued at its Commission-assigned ELCC for the applicable year. The portfolio was optimized for the Commission's Slice of Day resource adequacy framework, developed in R.21-10-002 and adopted in D.24-06-004 in R.23-10-011, so that DEB contributes its fair share to system reliability with minimal disruption to statewide reliability efforts.

Any remaining RA need was assumed to come from existing RA resources, based on cost and value. DEB assumed combined-cycle gas turbine resources for gas RA. Where cost is similar, DEB is indifferent to the unit type, but not to its location: a unit sited in or near a disadvantaged community weighs against selection. DEB's RA procurement is generally short-term, matched to customer contract length and focused on the attributes of the capacity procured. The setting of a resource matters to DEB alongside its cost and reliability value. Wherever it procures or retains gas or thermal RA, DEB is mindful of disadvantaged and vulnerable communities, and it will endeavor, where the reliability rules and available offers allow, to favor the lowest-emitting resources in and around those communities. DEB carries this consideration into every RA solicitation, as described further in Section 3(d). Consistent with the long-duration storage requirement of D.21-06-035, DEB includes an eight-hour storage resource sized to its pro rata share, modeled online within the compliance window, alongside its long-duration storage and the long-lead-time quantities required under D.26-02-057, with the specific quantities and contract status set out in the confidential RDT.

Charging sufficiency for battery resources was estimated using the following approach. First, the total MWh of battery storage from the CSP for 2045 was assumed to discharge daily to arrive at annual energy discharged. DEB assumed 85% round-trip efficiency to arrive at the GWh/year necessary charging energy. DEB then ensured that the total annual renewable energy production was greater than the charging energy needed.

GHG-Free Resources and System Power

DEB receives large hydro, hydro imports, and nuclear, including any available Palo Verde output, through VAMO allocations from the host IOUs rather than through direct contracts. In the CSP calculator, DEB assumed GHG-free energy is provided by its PCC1 resources, large hydro, hydro imports, and nuclear. Battery storage shifts that clean energy across hours rather than adding a separate increment of GHG-free energy. All remaining energy is served by system power.

Cases Evaluated

DEB developed two Conforming Portfolios that achieve emissions at or below its proportional share of the 8 MMT by 2045 GHG target. The Preferred Conforming Portfolio meets DEB's residual capacity need at least cost using existing gas. The Alternate Conforming Portfolio procures clean capacity, principally

storage, to minimize gas and drive emissions below the target. DEB's benchmark was developed from its load shares across the three host IOU service territories, using the "ESP GHG Benchmark" tab in the CSP calculator and the Commission-assigned load share. DEB did not create any Alternative Portfolios.

DEB did, however, evaluate three sensitivities outside its Conforming Portfolios. First, the AB 1373 reversion case. Should the Department of Water Resources fail to procure the long-lead-time resources assigned to it under AB 1373 and D.24-08-064, and those obligations revert to load-serving entities including ESPs, DEB could step in to secure comparable renewable generation in proportion to its load share, under the right regulatory policy and procurement framework, consistent with the State's clean energy objectives. Second, the DA cap case. Should the cap be expanded or lifted, DEB would scale and re-optimize its procurement of solar, storage, wind, and geothermal to serve the additional load while continuing to meet its GHG benchmark and reliability obligations. Third, the allocation sunset case. DEB's GHG-free allocations of large hydro and nuclear flow from the Power Charge Indifference Adjustment ("PCIA") and related mechanisms such as VAMO and CAM. As those mechanisms sunset and legacy resources like large hydro and Diablo Canyon are no longer allocated, the allocable resource mix will shift. DEB would undertake additional procurement to preserve resource diversity, reliability, GHG performance, and affordability for its customers.

Finally, DEB recognizes that natural gas will remain part of the system as a reliability resource. That is why strategic reserves are retained even as the State pursues its clean-energy goals. Consistent with the economic-retention logic in the Final 2025 Inputs and Assumptions, which notes that many dispatchable gas plants may not be economically retained, DEB expects higher-heat-rate gas units to become increasingly unable to compete with four- and eight-hour storage. As storage grows, net-peak dispatch windows shorten, and Cap-and-Invest carbon costs rise, these units will run too few hours to recover their carbon and capacity costs and will face economic retirement. Lower-heat-rate units may remain at low capacity factors for reliability. DEB does not model this dynamic. It explains why DEB studied a portfolio that procures clean capacity in place of gas.

Slight Divergence from the 2025-2026 TPP and RESOLVE Reference

Composition: DEB's mix differs from the RESOLVE reference in a few deliberate ways. Each is driven by what DEB can actually buy, Commission procurement mandates, or what DEB is assigned, not by a different objective. DEB holds more battery storage than the reference because it models the mid-term reliability storage mandates, including the medium- and long-duration tranches. It shows no geothermal early on, since none is commercially available to DEB until about 2031, but slightly more than the reference over the full period, because it takes its AB 1373 enhanced-geothermal allocation through DWR. It builds no new biomass, matching the reference. The biggest departure is offshore wind. RESOLVE selected none, and DEB still includes an assumed AB 1373 offshore-wind allocation arriving in beginning in 2036. DEB flags that as an assumption carrying execution risk, included to reflect State policy rather than as a least-cost pick.

New-build timing: DEB starts building wind in 2030 to meet its GHG benchmark and post-2030 RPS need. It chooses wind over more solar that year because, by its own analysis, a GWh of wind avoids far more emissions than a GWh of solar in 2030, roughly 1.8 times as many tons. Wind runs across more hours, including the evening and overnight hours when gas is on the margin. DEB adds solar above the reference share in 2028 through 2030, tracking what is clearing the CAISO queue, and again after 2035 to replace expiring contracts.

Delivered RECs: For 2028, DEB built its portfolio, so its delivered RECs equal the total in its RPS plan, with some consideration for banked RECs. The RPS plan rests on a higher load forecast than DEB's assigned IRP forecast. The same REC quantity therefore appears as a higher share of RPS procurement against retail sales here than in the RPS plan itself.

iii. Alternative Assumptions

DEB used no alternative assumptions. Its portfolios rely on the Final 2025 Inputs and Assumptions without substituting DEB's own cost, financing, or other inputs.

DEB flags one forward-looking development it did not model: Western market regionalization. The Extended Day-Ahead Market ("EDAM") launched in May 2026, and Southwest Power Pool's Markets+ day-ahead and real-time market are developing in parallel. The Inputs and Assumptions account for bilateral imports and out-of-state resources, but they do not model a formal regional day-ahead market or a regional resource adequacy framework. As EDAM grows across the West, it could expand the resources and transmission capacity available to California and change the least-cost path to DEB's benchmark. This is not an assumption DEB applied; it is an observation offered for future cycles. Because regionalization lies largely outside the Commission's direct control yet involves substantial interstate energy commerce, DEB respectfully suggests it warrants consideration in the Inputs and Assumptions going forward, as discussed further in Sections 4(a) and 4(e).

III. Study Results

a. Conforming and Alternative Portfolios

DEB developed and submitted two Conforming Portfolios and selected one, the Preferred Conforming Portfolio, as its plan of record. Both are 8 MMT by 2045 portfolios built on DEB's assigned load using the Final 2024-2026 IRP Inputs and Assumptions. DEB developed both with Northstar, an internally built load-modeling tool, and its Excel-based planning models as well as the RDY and CSP, optimizing against its assigned load forecast to meet its GHG Emissions Benchmark while satisfying every applicable state clean-energy goal and CPUC procurement mandate. The two portfolios differ only in how DEB meets its residual capacity need. As an ESP serving a fixed, capped Direct Access load, DEB's path to its benchmark is well determined by the resources available to it and by the procurement order the Commission has established. DEB did not develop any Alternative Portfolios.

The two conforming portfolios differ principally in how much gas resource adequacy DEB retains and, in the form, its clean capacity takes. The Preferred Conforming Portfolio meets DEB's needs at least cost. It retains existing gas capacity as backup for residual reliability, while meeting its GHG and RPS obligations through clean energy and the incremental procurement of renewable attributes and energy. It relies heavily on solar-and-storage resources, which by 2045 make up roughly half of its non-gas capacity. The Alternate Conforming Portfolio instead procures additional standalone clean capacity, principally solar paired with a comparable quantity of standalone battery storage. That procurement reduces its gas resource adequacy to the RESOLVE natural gas quantities, a reduction of roughly two thirds from the Preferred. The Alternate meets DEB's capacity and GHG obligations primarily with clean resources and achieves emissions well below DEB's benchmark. Additional commentary on the differences between the preferred and alternate portfolios is included in Confidential Appendix C.

DEB selects the Preferred Conforming Portfolio as its least-cost plan of record. It presents the Alternate to show the Commission what procurement would be required to meet, and to go below, the 8 MMT target with minimal gas.

At a high level, both portfolios are built around solar, storage, and wind. Solar and storage together make up the large majority of DEB's procurement. Solar carries daytime energy and emissions reductions. Battery storage shifts solar into the evening and shoulder hours. Wind adds energy and resource diversity and helps recharge storage into the low-solar hours. Geothermal provides the firm, clean baseload that fills the remaining need. This order, solar first, then storage, then wind, then geothermal, reflects DEB's least-cost optimization, the resource priorities in the Commission's own planning, and the practical reality of what DEB can procure. The resources clearing the CAISO interconnection queue in DEB's timeframe, led by the Cluster 14 and Cluster 15 study groups and the reformed intake process that follows them, are dominated by solar and storage, including hybrid configurations. As a comparatively small ESP, DEB procures from what the CPUC orders, CAISO interconnects, and developers actually bring forward.

Beyond these two portfolios, DEB tested the durability of its approach through three sensitivities, offered as planning sensitivities rather than changes to its Conforming Portfolios.

- The first concerns the long-lead-time resources assigned to the Department of Water Resources under AB 1373. DEB's plan assumes the Commission's centralized procurement framework proceeds as directed. Should the Commission instead determine that these obligations are to be met by load-serving entities, where DWR cannot procure the required resources in time, DEB has confirmed that it could undertake its proportional share, if so directed and under a fair compensation and regulatory framework acceptable to DEB, and provided its Direct Access load base is appropriately expanded to support that procurement. These conditions are defined further in Section 4(a)(x).

- The second builds on the first sensitivity's last point: the State's static Direct Access cap. Should the cap be expanded, additional load proportionally assigned to ESPs, or the cap entirely lifted for C&I customers, DEB would scale and re-optimize its clean procurement to serve the

additional load while continuing to meet its 8 MMT benchmark, its reliability obligations, and the State's clean-energy goals.

- The third concerns DEB's GHG-free allocations of large hydro and nuclear, which flow from the Power Charge Indifference Adjustment ("PCIA") and related mechanisms such as VAMO and CAM. As those mechanisms sunset and legacy resources like large hydro and Diablo Canyon are no longer allocated, the allocable resource mix will shift. DEB would undertake additional procurement to preserve resource diversity, reliability, GHG performance, and affordability for its customers.

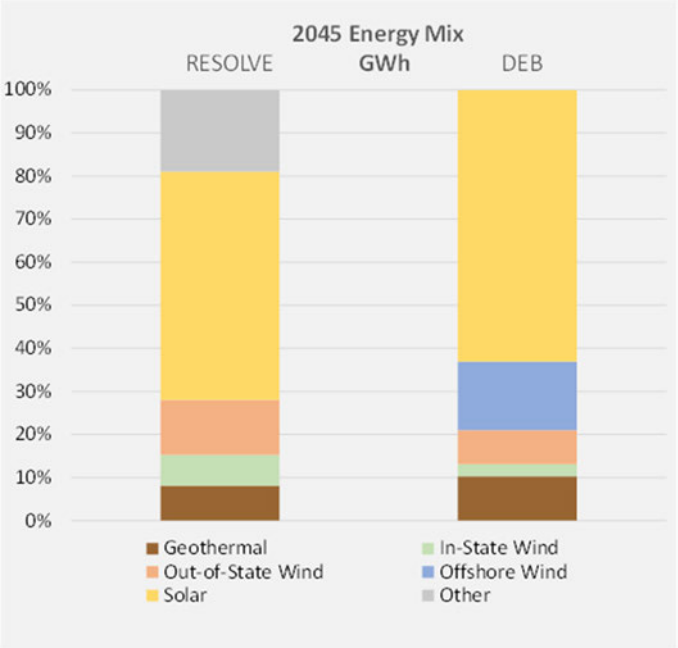
Consistent with the Resource Data Template, both portfolios distinguish between three categories of resources. Existing resources DEB owns or contracts with include its long-term solar, its storage projects in development, and the capacity and attributes it receives through CAM and VAMO allocations. Existing resources DEB plans to contract with in the future include short-term positions in operating wind and, for residual reliability, existing gas RA. New resources DEB plans to invest in include the batteries with 2030 and 2035 online dates, its clean firm geothermal, and its staged out-of-state wind. All contracted and planned resources are reported in the confidential RDT for both portfolios. A table comparing DEB's new resources to the mix in the 2025-2026 TPP Portfolio with updates, with comment on the significance of the variances, follows below. Note that the below table represents capacity, not energy, and notes are provided for variances of 5% or greater.

Table 3-1: DEB New Resources vs. 2025-2026 TPP Portfolio with Updates



A chart comparison of the proportion of energy for selected resources in 2045 is shown below (batteries excluded).

2045 Energy Mix (GWh)



b. Preferred Conforming Portfolio

With this filing, DEB respectfully submits two conforming portfolios. Its 8 MMT by 2045 Conforming Portfolio as its Preferred Conforming Portfolio, as well as a second alternate Conforming Portfolio DEB developed (the Alternate is described in Section 3(a)) for a greener procurement alternative which exceeds the 8 MMT by 2045 target. DEB developed both portfolios with Northstar, its internally developed load-modeling tool, assisted by Excel-based planning models, optimizing against its Commission-assigned load forecast as the least-cost path to its assigned 2045 GHG Emissions Benchmark, aligned with the Commission's procurement orders, RDT and CSP spreadsheets and the resource priorities in the Commission's RESOLVE results. In providing the rationale below, DEB assumes other load-serving entities procure in a manner consistent with the 2025-2026 TPP Portfolio with updates.

Portfolio composition

DEB's portfolio follows a clear resource order, and the form in which that order is delivered evolves over time dependent on ELCCs, resource availability and DEBs modelling assumptions. Solar and storage together make up the lion's share of DEB's total procurement. Solar provides the lowest-cost clean energy, daytime capacity, and contributes to DEB's emissions reductions. A significant volume of battery storage, in four- and eight-hour durations, shifts solar into the evening net peak and shoulder hours and satisfies DEB's capacity, mid-term reliability, and long-duration storage obligations. Wind, in-state, out-of-state, and offshore, adds energy and resource diversity, serves as DEB's least-cost resource for post-2030 emissions needs, and helps recharge storage to extend clean coverage into the low-solar hours.

Conventional geothermal provides firm, clean baseload and satisfies DEB's firm zero-emitting requirement under D.21-06-035. Detailed resource mixes for both portfolios are provided in the confidential RDTs.

The Commission's IRP procurement orders reflect what DEB can realistically procure. The resources clearing the CAISO interconnection queue in DEB's timeframe, led by the Cluster 14 and Cluster 15 study groups and the reformed intake process that follows them, are dominated by solar and storage. As a comparatively small ESP, DEB procures from the options mandated by Commission orders, CAISO interconnections, and resources developers physically bring forward. Under the portfolio, DEB procures no new nuclear, no small modular reactors, and no new hydro. Consistent with the Final 2025 Inputs and Assumptions, DEB assumes no Diablo Canyon after 2025 and treats Palo Verde as the sole remaining CAISO nuclear option thereafter. The only nuclear energy in DEB's plan is its allocated share of Palo Verde, and any large hydro is likewise received through allocation rather than procured.

Long-lead-time resources

DEB's offshore wind, and any advanced (enhanced) geothermal in the later years are included as long-lead-time resources. Consistent with the Final 2025 Inputs and Assumptions, DEB treats offshore wind as available no earlier than 2036, reflects the I&A's high-cost, high-risk trajectory for the offshore wind resources, and recognizes that the least-cost RESOLVE portfolio selected no offshore wind. DEB therefore includes offshore wind not as a least-cost selection but as its indicative allocation of the long-lead-time resources the Department of Water Resources may procure under AB 1373 and D.24-08-064, using the allocation methodology Commission staff prepared. DEB models this indicative allocation coming online beginning in 2036, with the balance arriving by 2044. January 16, 2026, ALJ Ruling does not require LSEs to include these resources; DEB includes its indicative share to reflect the State's offshore wind policy while deferring to the Commission on its treatment. DEB's near-term conventional geothermal, by contrast, is self-procured and is not a long-lead-time resource.

Reliability and residual gas

After accounting for the effective capacity of its solar, storage, wind, geothermal, and allocated resources, each valued at its Commission-assigned ELCC by year, DEB meets any residual near-term resource adequacy need from existing thermal capacity procured on a short-term basis matched to customer contract length. DEB procures no new gas and does not re-contract existing gas for terms of five years or more, so the template's justification requirement for new or long-term gas remains untriggered. DEB relies on existing gas only for the residual near-term reliability that storage cannot yet cost-effectively provide on an ELCC basis.

As further detailed in Sections 3(d) and 4(b), DEB shares the Commission's goal of minimizing impacts on disadvantaged and vulnerable communities and keeps that goal in view throughout its planning and procurement. DEB has mapped the facilities in its portfolio, including its gas RA positions, against the CalEnviroScreen 4.0 census tract designations, and presents that facility-level accounting in Section 3(d) and Confidential Appendix B. Where practicable, DEB will seek to conduct any residual reliability

procurement in a manner mindful of these communities, drawing on the flexibility of its bilateral and brokered procurement and favoring cleaner resources over time.

Performance against the benchmark

Beginning in 2035, DEB's Preferred Conforming Portfolio comes in below its assigned benchmark rather than merely meeting it and holds emissions below the benchmark through 2045. DEB did not over procure to achieve this benchmark. The outperformance follows from resources DEB must acquire anyway: the storage and clean firm resources required by the Commission's procurement orders, and the AB 1373 allocations, arrive in the middle years and push emissions below the line. From a reliability perspective, the portfolio operates no differently than one that exactly meets the benchmark. DEB's capacity is sized to its Reliability Procurement Need in every year, so the additional clean energy reduces emissions and system-power reliance without changing DEB's reliability position. In effect, much like system power, DEBs load remains the same while its procurement becomes cleaner over time.

Consistency with Public Utilities Code Section 454.52(a)(1). DEB's Preferred Conforming Portfolio satisfies each applicable statutory factor:

A. **GHG benchmarks**: The portfolio achieves 2045 emissions at or below DEB's assigned 8 MMT benchmark, calculated in the CSP calculator, consistent with CARB's 2022 Scoping Plan and the January 16, 2026, ALJ Ruling.

B. **60% RPS by 2030**: The portfolio procures at least 60% eligible renewable resources by December 31, 2030, consistent with Article 16 (Section 399.11 et seq.) and SB 100.

C. **Just and reasonable rates**: As an ESP, DEB's procurement does not impair the host electrical corporations' ability to serve their customers at just and reasonable rates under Section 451.

D. **Ratepayer bill impacts**: DEB minimizes its customers' costs by procuring the least-cost combination of resources meeting its RPS, RA, and GHG obligations.

E. **System and local reliability**: DEB's portfolio secures enough capacity to meet its resource adequacy obligations in every year of the Plan, near term and long term, as Section 380 and the Commission's orders (D.21-06-035, D.23-02-040, and D.26-02-057) require. DEB counts each resource at the Commission assigned ELCC value and procures until its share of the system's reliability need is covered. That need reflects the Commission's own forecasts, which account for climate change and growing electrification, so DEB's plan is sized to the future the Commission expects, not just today's system.

F. **65% long-term contracting**: At least 65% of DEB's RPS procurement in each compliance period is from contracts of ten years or longer or from ownership, consistent with Section 399.13(b)(1).

G. **Diversity, sustainability, resilience**: The portfolio strengthens system diversity and resilience through a diverse build of solar, storage, wind, and geothermal, consistent with SB 100 and SB 1020.

H. **Distribution and demand-side management**: DEB reflects growth in customer-sited behind-the-meter resources, building electrification, energy efficiency, and behind-the-meter PV and storage, as captured in the CSP demand inputs.

I. **Local air pollutants and DACs**: The portfolio minimizes criteria pollutants and GHG emissions with early priority on disadvantaged communities identified under Section 39711 of the Health and Safety Code, as detailed in Section 3(d).

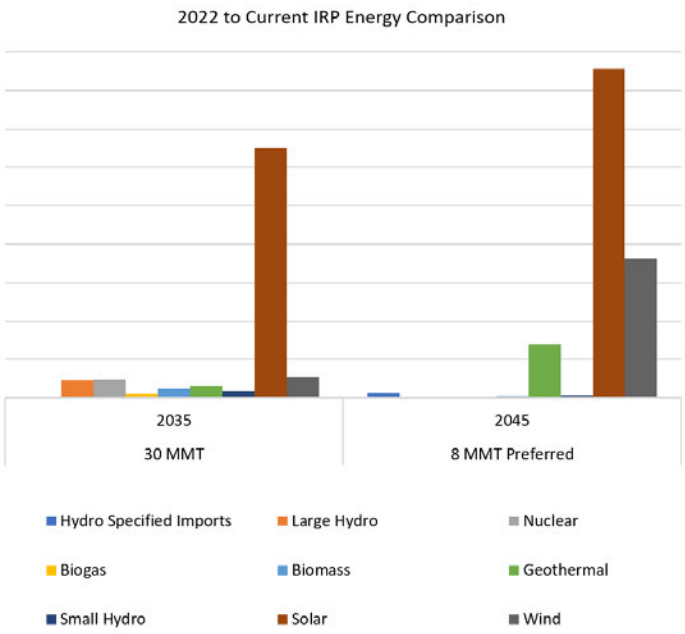
J. **Diverse resource portfolio**: DEB maintains a diverse portfolio across solar, storage, wind, and clean firm geothermal, and may include long-lead-time resources procured by DWR under AB 1373.

Comparison to DEB's 2022 plan

DEB's 8 MMT by 2045 portfolio differs from its 30 MMT by 2035 plan submitted in 2022 in several respects, driven by updated Commission direction and market conditions. DEB no longer assumes any Diablo Canyon nuclear generation, consistent with the Final 2025 Inputs and Assumptions, and no longer takes a nuclear share above its pro rata level. Its only nuclear power is its allocated share of Palo Verde. DEB includes no small modular reactors or other speculative resources.

DEB now relies on the AB 1373 centralized framework for its long-lead-time resources rather than self-procuring them, and its procurement reflects the Commission's current procurement decisions. The deeper 8 MMT by 2045 target, together with the OBBBA tax-credit changes and tariff-driven cost increases reflected in the 2025 Inputs and Assumptions, reaffirmed DEB's preference for solar and storage.

On the following page is a unitless chart (to maintain confidentiality of DEB’s portfolio) to provide a visual representation of the different proportions of resources between final planning years of the 30 MMT portfolio from 2022 and the Preferred portfolio in this filing. As shown, DEB’s current portfolio has greater proportions of solar, wind, and geothermal compared to 2022 for the reasons described above. Battery storage is not included in the chart below. DEB’s procurement, as intended by the state, is getting cleaner over time.



Sensitivities

DEB stress-tested this Conforming Portfolio through three planning sensitivities, described in Section 3(a) and the Modeling Approach: potential reversion of the AB 1373 long-lead-time procurement to load-serving entities, expansion or lifting of the Direct Access cap, and the eventual sunset of DEB's PCIA-based allocations of large hydro and nuclear. In each, DEB confirms it can continue to meet its 8 MMT benchmark and reliability obligations. These are planning sensitivities, not changes to the Conforming Portfolio.

c. GHG Emissions Results

DEB used staff's CSP calculator to estimate the GHG emissions for both Conforming Portfolios. The benchmark and results are reported in Confidential Appendix A. Per Commission guidance, they are confidential because they could be used to derive DEB's near-term load, which is held essentially constant through 2045.

DEB relied on the CSP default hourly load shapes and default production profiles for all non-custom resources. It provided no custom load shape, but DEB's one election, a 100% Commercial and Industrial Fraction of Baseline Demand reflecting its all-C&I customer base, is explained in the Load Assignments section.

DEB developed a custom hourly profile for the Storage Resource Custom Profile to represent its long duration battery storage in its portfolio. The custom profile reflects the aggregate operation of 24-hour and 100-hour storage resources and was developed to provide a representative charging and discharging pattern for these resources within the CSP framework. Storage output is represented as a normalized fraction of nameplate capacity, with positive values indicating discharge and negative values

indicating charging. The custom profile represents a battery storage portfolio consisting of 50% 24-hour battery capacity and 50% 100-hour battery capacity reflecting the proportions of capacity reported in the RDT.

The results confirm compliance with the GHG benchmarks and state requirements. The Preferred Conforming Portfolio's 2045 emissions meet DEB's share of the electric-sector target, and its 2035 emissions meet SB 1020's 90% requirement. Beginning in 2035, the portfolio comes in below its assigned benchmark rather than merely meeting it and holds emissions below the benchmark in every year through 2045, as the geothermal, medium- and long-duration storage, and AB 1373 resources of the middle years displace higher-emitting supply. The Alternate Conforming Portfolio achieves emissions further below the benchmark, as described in Section 3(a). DEB's criteria air pollutant results are reported in Section 3(d)(i).

d. Local Air Pollutant Minimization and Disadvantaged Communities

DEB does not own nor dispatch any thermal generation, meeting its customers' needs exclusively through contracts, allocations, and market purchases. DEB's portfolios are built predominantly on solar, storage, and wind. It retains a limited amount of existing natural gas capacity for residual reliability. The following describes how DEB's plan minimizes local air pollutants, with early priority on disadvantaged communities.

i. Local Air Pollutants

DEB used the CSP calculator to estimate the NOx, PM2.5, and SO2 emissions associated with its Preferred Conforming Portfolio. Those results, and the Alternate's, are in Confidential Appendix A. As with the GHG results, they are confidential because they could be used to derive DEB's near-term load, which is held essentially constant through 2045. Based on the CSP, DEB's criteria pollutant emissions fall by over 87% over the planning horizon under the Preferred Conforming Portfolio, and further under the Alternate, which displaces most residual gas with clean capacity.

As noted, DEB does not own, operate, or dispatch generating units. It does, though, hold RA commitments tied to a small number of existing natural gas facilities, some procured bilaterally and some allocated to it through the CAM. To the extent the CSP attributes criteria pollutants to DEB, they principally come from its reliance on CAISO system power and from the non-dispatchable behind-the-meter CHP pro rata share the CSP assigns to every LSE. The facilities related to RA commitments are addressed, along with their disadvantaged-community dimension, in the next subsection.

As shown in Section 3(a), DEB steadily reduces its demand for system power as it adds RPS and GHG-free resources. It describes how it will cut that reliance further in the Action Plan at Section 4(a) below.

ii. Focus on Disadvantaged Communities

DEB shares the State's commitment to protecting disadvantaged communities and supports the framework the Legislature, CalEPA, and the CPUC have built to identify and prioritize their interests. As a

small ESP that does not own nor dispatch generation, DEB's footprint is modest. Still, DEB takes its responsibility seriously and reports its portfolio's impacts in full below.

DEB takes an expansive view of its air-quality impacts, understanding that an LSE's effect on disadvantaged communities reaches beyond its own service area (especially since ESPs unlike IOUs and CCAs has no defined service area). DEB's criteria emissions arise principally from its reliance on CAISO system power and from the system-wide CHP share the CSP assigns to every LSE. As DEB procures clean resources and reduces reliance on system power, it helps displace fossil-fueled system power across California and the broader Western system. This in turn lowers criteria pollutants not only in DEB's service area but in the disadvantaged communities that host or neighbor the fossil fleet. The criteria pollutant reduction reported in Section 3(d)(i) carries that benefit statewide.

DEB uses the disadvantaged-community definition established by CalEPA under SB 535 and CalEnviroScreen 4.0, as set out above. DEB notes that OEHHA released CalEnviroScreen 5.0 in July 2026. It applies version 4.0 for this filing, consistent with the template, and will adopt the Commission's preferred version going forward.

Verification methodology

The disadvantaged-community determinations in this Plan were made at the census tract level, the finest granularity the Commission's definition supports, using OEHHA's CalEnviroScreen 4.0 results and CalEPA's SB 535 designation, including the top 25% of scored tracts, the high-pollution-burden tracts lacking overall scores, the tracts carried forward from the 2017 designation, and lands under the control of federally recognized Tribes. Each generation facility under contract in DEB's Preferred Conforming Portfolio was verified individually: its location was confirmed against public project records, and, consistent with the Commission's five-mile standard, the area within five miles of each site was reviewed against the designated tracts. DEB applied the same discipline to its customer analysis, screening the ZIP codes of its metered commercial and industrial accounts against the census tracts in the CalEnviroScreen 4.0 dataset; a ZIP code is treated as disadvantaged-community-associated where it contains at least one designated tract.

DEB's facility review identified no contracted resource located on land under the control of a federally recognized Tribe. Where a determination could not be established with confidence, DEB reports it as unresolved rather than making an assumption. The facility-level results are presented in Table 3B-1 of Appendix B, and DEB will refresh these determinations as OEHHA's designations are updated.

DEB's customers and resources in DACs

DEB serves only commercial and industrial (C&I) customers, and its connection to disadvantaged communities runs through both its customers and its generation. Approximately 43% of DEB's metered C&I locations sit in ZIP codes identified as disadvantaged across the three IOU service territories, and roughly one-third of the contracted resources in DEB's Preferred Conforming Portfolio are located within five miles of a disadvantaged community (Table 3B-1, Appendix B). Because DEB serves no residential customers, it does not administer residential DAC programs such as affordability, residential solar, or

residential outreach. Instead, its C&I customers contribute to statewide DAC programs through non-bypassable charges, Public Purpose Program charges, and applicable distribution rates. In Confidential Appendix B, DEB reports customer locations at the ZIP-code level, the granularity available for its metered accounts, and reports contracted generation at the project location.

Contracted generation within five miles of DACs

DEB reports the disadvantaged communities associated with its contracted generation, facility by facility, in Table 3B-1 of Confidential Appendix B. A minority of DEB's contracted facilities sit within five miles of a disadvantaged community, and they tell two different stories. DEB's clean resources near these communities are partially by design: its scoring preference has placed solar and storage directly in two of the most heavily burdened communities in the State, where clean generation displaces local fossil dispatch, adds local reliability, and brings investment to the communities that host it. A small number of legacy gas positions also sit near designated communities, reflecting the geography of the existing fleet. The remaining facilities, the majority of DEB's portfolio, have no designated disadvantaged community within five miles. Where DEB relies on CAISO system power, it purchases volumetrically at CAISO hubs and commits to no specific unit, so it cannot attribute those emissions to specific facilities.

Reducing criteria for air pollutants in DACs

DEB's Preferred Conforming Portfolio reduces criteria pollutants by 87% over the planning horizon, while maintaining compliance with the Commission's reliability requirements. Because DEB does not own or dispatch fossil-fueled generating facilities and purchases system energy only as volumetric CAISO hub products, it cannot attribute criteria pollutant emissions reductions to individual generating units or geographic locations. Nevertheless, reducing demand for system power and fossil RA products decreases reliance on criteria pollutant emitting resources across the California electric system, including facilities located within disadvantaged communities. For the bilateral gas-fired RA contracts under DEB's control, DEB does not intend to renew those contracts on a like-for-like basis as they expire. DEB will instead seek to replace them with clean energy resources with comparable reliability value, subject to market conditions and reliability requirements. In doing so, DEB will prioritize opportunities to replace fossil resources located in or near DACs. For RA allocated through the CAM, DEB cannot control procurement or retirement decisions. However, DEB does support an orderly transition away from emitting resources through CPUC-directed procurement and retirement processes. Furthermore, DEB does not plan to contract with new emitting resources located in DACs.

A broader benefit to these communities

Beyond reducing criteria pollutants, DEB's Preferred Conforming Portfolio also exceeds its GHG emissions reduction obligation in a manner that benefits California as a whole, including disadvantaged and other vulnerable communities. Beginning in 2035, DEB's Preferred Conforming Portfolio achieves GHG emissions reductions beyond the benchmark and continues to outperform the benchmark through 2045. This is made possible by bringing on additional geothermal, medium- and long-duration energy storage, and AB 1373 resources. By procuring these clean resources in excess of the minimum compliance requirements, DEB will displace fossil-fueled generation across the California energy system. Although DEB cannot attribute these reductions to specific geographic locations or specific fossil

generating units, reduced reliance on fossil fuels should benefit communities located near these facilities, including DACs and other pollution-burdened communities.

DAC procurement scoring framework

Alongside price, deliverability, and reliability value, DEB weighs a set of community considerations in its solicitations:

- **Community impact:** DEB looks for and prioritizes projects that avoid negative environmental impacts and undue infrastructure burdens on disadvantaged communities and that have a credible path through environmental permitting.
- **DAC siting:** clean projects located in or near disadvantaged communities may receive favorable consideration, as has occurred in DEB's portfolio.
- **Local benefit:** projects that bring employment or economic activity to their host communities are viewed favorably.
- **Fossil displacement:** DEB does not currently anticipate contracting with new emitting resources in disadvantaged communities and generally favors clean resources that reduce reliance on fossil generation, including near these communities.

DEB's solicitations ask developers to address community impacts and permitting readiness among other topics, and these considerations have informed DEB's selection of the DAC-sited clean projects in its portfolio, identified in Confidential Appendix B. Consistent with Section 3(b), where DEB procures residual reliability capacity, it will seek to do so mindful of these communities.

Outreach and engagement

With all of DEB's generation now purchased through PPAs, DEB now works with its developers to ensure that appropriate communication and outreach to disadvantaged communities is conducted. As part of NRG's broader environmental stewardship efforts, NRG has historically conducted extensive environmental justice outreach during permitting of generation facilities, including engagement with community organizations and environmental groups during development of the Long Beach, Oxnard, El Segundo, Marsh Landing, and Pittsburg facilities. Although DEB's parent company, NRG, no longer owns these facilities, this experience continues to inform DEB's expectations for developer engagement and environmental review during renewable procurement. Going forward, DEB plans to continue strengthening the outreach showings it requires of developers in future solicitations, subject to the RFO requirements above. DEB would welcome the opportunity to participate in any Commission-led engagement processes where the participation of an ESP would be useful. DEB remains open to the Commission's guidance on where direct outreach by an ESP of its size and structure would add value for these communities.

Cost contributions

DEB does not administer customer programs targeted specifically at disadvantaged communities because it only serves C&I customers. These C&I customers do however contribute to statewide DAC programs through non-bypassable charges, Public Purpose Program charges, and applicable distribution

rates. CPUC staff stated during the first IRP cycle that while no central repository exists to provide information on the number and location of DAC programs paid for through NBCs, in the future, this type of repository should be established by the CPUC or organizations that operate PPP programs so that appropriate credit can be provided to ESPs. DEB again recommends that the Commission establish such a repository as it would let ESPs and their customers receive appropriate credit for their contributions.

c. Cost and Rate Analysis

For this analysis, DEB assumes other load-serving entities procure in a manner consistent with the 2025-2026 TPP Portfolio with updates. The revenue-requirement and rate tables above are required of the investor-owned utilities only; as an ESP serving Direct Access customers under individually negotiated contracts, DEB does not set a bundled rate, so it describes its cost impacts and their drivers below.

Four types of costs impact DEB's customers most, these are:

- Market energy costs
- RPS costs
- RA costs
- CAM and non-bypassable charge (NBC) allocations

Together these account for almost all of the wholesale cost of serving load. Each is shaped by California's evolving markets for energy, renewables, and resource adequacy. In this IRP cycle, two pressures stand out: rising carbon costs under CARB's Cap-and-Invest program, and the federal tax-credit and tariff changes reflected in the Final 2025 Inputs and Assumptions. Both raise the cost of residual gas in the system and the clean resources replacing them.

Quantitative cost analysis

DEB's cost analysis is built on the Final 2025 Inputs and Assumptions, including the Commission's resource cost trajectories and financing assumptions in 2024 dollars, with no substitutions of DEB's own[7]. That analysis directly informed DEB's portfolio selection. Per the Commission's record, solar capital costs could increase by 30% to over 300% depending on tariff outcomes, with corresponding levelized costs rising by 44% to 470%, and the OBBBA's July 3, 2026, construction-start deadline compresses the window for projects to qualify for tax credits[8]. Storage and geothermal fare better, with tax credits preserved through 2032 under existing safe harbor provisions. These ranges frame what DEB's customers face: the clean resources the State requires DEB to procure have become materially more expensive and harder to price.

[7] Consistent with the Inputs and Assumptions, levelized cost figures are illustrative and do not represent the contract prices DEB negotiates.

[8] Final 2024-2026 IRP Inputs and Assumptions (Feb. 10, 2026), Sections 4.6 and 5.3.3 (resource cost impacts of the OBBBA and tariff policies).

DEB's strategy is built around nimbly responding to cost pressures. For instance, once its long-term RPS obligation is met, consistent with Section 3(b), DEB favors shorter-term contracts and does not lock in existing resources for long periods, preserving its ability to capture falling costs and new technology.

The same cost discipline drove DEBs resource selection. DEB chose the RPS and GHG-free resources expected to be lowest cost while meeting every CPUC obligation, and an RA mix of renewables, new batteries, and existing capacity that meets its GHG and reliability targets at least cost. It receives large hydro and nuclear through allocation rather than procuring them. And for long-lead-time resources such as offshore wind and enhanced geothermal, DEB relies on its DWR allocations under AB 1373 because central procurement is the lower-cost path for its customers. DWR's scale can deliver these high-cost, first-of-kind resources at better terms than a small ESP procuring thin slices on its own[9].

Overall portfolio costs are lowest under the Preferred Conforming Portfolio, which is the main reason for DEB selecting it. The Alternate Conforming Portfolio meets the same 8 MMT benchmark and goes below it, but at a much higher cost; mainly because it procures additional clean capacity, predominantly solar and storage, to displace most of the residual gas the Preferred Portfolio retains, a premium that would be passed on to customers. DEB will reevaluate this strategy each IRP cycle as markets and technologies change.

e. System Reliability Analysis

DEB's System Reliability Progress Tracking Tables, the Load and Resource Table by Contract Status, and the accompanying chart from the Preferred Conforming Portfolio Resource Data Template are in Confidential Appendix C. The chart shows DEB's total reliability need, total supply, and net capacity position, each in effective MW, for all study years. This is confidential because total supply could be summed to derive an ESP's peak load.

The Appendix shows DEB procures enough to meet its reliability and renewables-integration obligations through 2045 and contributes its fair share to the system with no leaning. DEB meets the Reliability Procurement Need the Commission allocates on its critical-hour load share, valuing each resource at its assigned ELCC by year and optimizing for the Slice of Day framework. DEB demonstrates this through solar paired with four- and eight-hour battery storage, long-term RA contracts, CAM resources, and short-term existing gas contracts.

As described in Section 3(b), DEB sizes its short-term need through a net short analysis and meets it with existing gas, modeled in the RDT as CCGTs, though DEB is indifferent to the unit type and procures for lowest cost.

f. Existing Resource Planning

[9] AB 1373 (2023); D.24-08-064. DEB's conditions for any reversion of this procurement to load-serving entities are set out in Section 4(a)(x).

DEB assumes that it retains some existing solar and storage resources over the planning period. DEB's Direct Access load is capped and does not grow over the planning horizon, so its existing-resource planning is largely a matter of replacing resources as contracts expire and adding new renewable generation to reduce reliance on system power and meet clean energy targets rather than adding capacity to serve new load. As positions roll off, DEB replaces them with solar, storage, wind, and geothermal on the path to its 8 MMT by 2045 benchmark.

For this section, existing resources are those in the Resource Data Template with contract statuses of "online" and "planned existing." To size them appropriately and avoid over-reliance, DEB assumed existing resources would be available to it only up to its load-ratio share of the 2025-2026 TPP Portfolio with updates. Because the Commission approved the RESOLVE assumptions for existing resources, that level is reasonable to expect in aggregate, with DEB's share available to it. DEB models its pro rata Palo Verde nuclear, received through VAMO, at that pro rata level only, and does not rely on Diablo Canyon, consistent with the Final 2025 Inputs and Assumptions. The main challenge in securing these resources is competition with other LSEs, heightened this cycle by the mid-term reliability mandates (D.21-06-035 and D.23-02-040) and the February 2026 procurement decision (D.26-02-004), all of which have LSEs seeking capacity under the Slice of Day framework (D.24-06-004).

Compared with DEB's 2022 Plan (30 MMT by 2035), the existing resources that carry over into this Plan (8 MMT by 2045) are an existing long-term solar contract, pro rata CAM allocations, and pro rata large hydro. The differences reflect Commission direction issued since 2022: DEB no longer includes any Diablo Canyon nuclear or any nuclear above its pro rata share, takes a pro rata share of existing wind rather than seller's-choice PCC1 renewables, and holds existing gas for RA below its pro rata share by the end of the period. DEB's new procurement, batteries for mid-term reliability, long-duration storage, geothermal, and the AB 1373 offshore and out-of-state wind allocations, steadily reduces its reliance on existing resources through 2045.

DEB addresses the cost-allocation considerations related to the Direct Access cap in its Action Plan at Sections 4(a) and 4(e).

g. Hydro Generation Risk Management

DEB's Preferred Conforming Portfolio does not rely on large in-state hydro. It meets its GHG, RPS, cost, and reliability targets with solar, storage, wind, and geothermal, planning around hydro rather than depending on it. The only large hydro tied to DEB's portfolio arrives through legacy GHG-free allocations (mainly PCIA allocations) and not through any hydro assets/PPAs DEB procures directly. DEB treats that allocation as incidental and expects it to sunset over the late 2030s and early 2040s as those mechanisms wind down. DEB includes a very small quantity (less than 1%) for existing Northwest hydro.

Because DEB does not depend on hydro, in-state drought poses little to no risk to its costs, GHG compliance, or reliability, and DEB proposes materially less hydro-dependent generation, and incurs less hydro risk, than the 2025-2026 TPP Portfolio with updates. This is a deliberate change from DEB's 2022

Plan, which assumed pro rata large-hydro allocation. Consistent with its move to the 8 MMT target and its step away from large hydro and nuclear, DEB now plans on neither, taking only what flows to it through allocation and minimal out of state hydro capacity.

h. Long-Duration Storage Planning

Both of DEB's Conforming Portfolios include long-duration energy storage (LDES) as required by D.21-06-035. DEB meets that obligation with an eight-hour battery storage resource and modeled online within the compliance window, ahead of the deadline, with the project identity, size, and term set out in the confidential RDT. An earlier online date also raises the resource's effective load carrying capability (ELCC) value. The principal benefit DEB sees is a higher ELCC than shorter-duration batteries. The principal risks are cost and development timing.

The Commission's February 2026 procurement decision (D.26-02-057) adds a long-lead-time (LLT) procurement obligation that may be met with LDES or another zero-emitting resource consistent with the Commission's LLT policies. DEB's existing LDES position may go toward that requirement, but DEB will not finalize any incremental LLT choice until it reviews the Commission's ELCC studies, expected on or about August 31, 2026, after this Plan's filing date. DEB will weigh those results, along with resource availability, economics, location, and congestion in its Northstar model, and set its LLT strategy accordingly. As such, DEB's RDTs reflect placeholder resources for the 2030-2032 recent procurement obligations, DEB will update its models once the ELCC values are published.

For the LDES assigned to the Department of Water Resources under AB 1373 (D.24-08-064), DEB defers to central procurement, which offers economies of scale that policy-driven resources with uncertain economics tend to need.

In DEB's broader modeling to 2045, additional eight-hour-plus LDES enters the portfolio in the later years of the Plan. DEB continues to see potential in emerging technologies, such as advanced compressed-air storage, which could lower cost and environmental impact. Since its 2022 Plan, DEB's approach has shifted with the current ELCC and Slice of Day framework, AB 1373 central procurement, and the new 2026 LLT mandate. DEB now anchors its near-term obligation on a contracted resource rather than the developer-stage procurement it described in 2022.

i. Clean Firm Power Planning

Clean firm resources, generating an annual capacity factor of at least 80%, not weather-dependent or use-limited, and without on-site emissions unless RPS-eligible, are principally geothermal, biomass, and biogas. DEB meets its clean firm need with geothermal, which delivers firm, GHG-free, RPS-eligible energy around the clock without the combustion emissions of biomass or biogas.

DEB sizes clean firm to its pro rata share of the D.21-06-035 firm zero-emitting requirement (about 1,000 MW system-wide), meeting it with geothermal. Geothermal earns its place on cost, firm capacity, and a higher ELCC than weather-dependent resources; its main risks are development timing and

whether the reference-portfolio price holds. DEB included no clean firm above that minimum, and all of it sits within CAISO, so no Maximum Import Capability expansion is needed.

The February 2026 decision (D.26-02-004) adds a long-lead-time obligation that clean firm or long-duration energy storage can satisfy. DEB's RDTs reflect a placeholder geothermal resource for this procurement obligation, and DEB will update its models pending the Commission's ELCC studies, expected around August 31, 2026, after this filing. DEB believes long-duration energy storage may be a better fit and will revisit once the tranche values are known. This differs from DEB's 2022 Plan, which took geothermal above the D.21-06-035 minimum and modeled a 2028 online date; DEB models a small slice of geothermal, and leans toward storage for incremental need, driven by the Slice of Day and ELCC framework and the February 2026 mandate.

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

DEB plans for out-of-state wind and sees significant value in it. It already holds out-of-state wind RECs and stays in contact with developers through RFOs, RFIs, and bilateral conversations. The resource adds diversity and a production shape that complements DEB's solar and storage in the low-solar evening hours. That is why it features in DEB's post-2030 RPS and GHG-free supply under SB 1020.

DEB expects to bring in out-of-state wind in stages. In the near term, it arrives through allocations. Over the medium DEB expects to contract for wind on its own bilateral basis and long term, DEB looks to central procurement, including the Department of Water Resources, to carry the volume. In the 2045 mix, out-of-state wind is a modest share of the portfolio, sized to DEB's pro rata share of the reference portfolio and drawn from Wyoming and from New Mexico wind is delivered over the SunZia line. DEB is largely indifferent to the specific source, given the similar profiles and costs, with the detailed quantities in the confidential RDT.

DEB views transmission as the main risk. The New Mexico and Arizona route uses SunZia, which entered service in 2026 and so is newly available rather than yet to be built. Wyoming wind relies on new transmission, such as TransWest Express, that is not yet fully in service. DEB assumes these transmission costs are included in the reference-portfolio resource costs.

The updated Preferred Conforming Portfolio differs from DEB's 2022 Plan, which had DEB self-procuring New Mexico wind around 2030 to 2032 over transmission still to be built. DEB now includes allocations from central procurement for offshore wind to supplement its own bilateral procurement in the later years of the Plan. It treats the SunZia Southwest route as newly available. The drivers are that transmission buildout progress, the central-procurement framework, and DEB's 8 MMT design.

k. Offshore Wind Planning

DEB includes offshore wind but does not plan to procure it itself. Consistent with the Final 2025 Inputs and Assumptions, the earliest it is likely available is the late 2030s, and more realistically the 2040s. RESOLVE selected none, and DEB's own modeling finds it still less economic than other resources even

around 2040. Any offshore wind in DEB's portfolio therefore arrives as an indicative allocation through the Department of Water Resources under AB 1373 (D.24-08-064), not through DEB's own contracts. DEB models that allocation entering around 2036 and building through 2045, with the assumed quantities in the confidential RDT. As an ESP, DEB is poorly suited to self-procure offshore wind. Its slice is too small to support a project, it cannot procure jointly with other LSEs, and its load a decade out is too uncertain to commit to a pre-development project. Central procurement is the sensible path.

DEB does not select a lease area, deferring to central procurement, but notes the central coast (Morro Bay) is better positioned on existing onshore transmission than the north coast (Humboldt). Offshore wind's benefits are its diversity and its high-capacity factor in the deep-decarbonization years. Its risks are cost, long lead time, immature transmission and port infrastructure, and uncertain ELCC value, which the Commission's forthcoming tranche studies will help clarify.

This differs from DEB's 2022 Plan, which assumed a pro rata share of aggregated offshore wind at Morro Bay by 2035. DEB now defers entirely to DWR central procurement, pushes the timing into the late 2030s and 2040s, and treats offshore wind as outside its own procurement plan. The drivers are the AB 1373 framework, the resource's later availability and high cost, and the ELCC values still to be published. DEB will revisit in the next IRP cycle.

l. Transmission Planning

A. Contracted resources

DEB has a small number of site-specific resources in development, each holding an active position in the CAISO interconnection queue, with studies complete and interconnection agreements executed. Their deliverability is being handled through the CAISO cluster process, so DEB is awaiting interconnection rather than conducting any new transmission planning of its own. Any upgrades required are those identified in the applicable CAISO cluster studies, and DEB is aware of no others needed on its account. As contracted interconnection positions, these projects are investment-grade and may be relied upon in CAISO's planning. The number of projects, their queue positions, statuses, and estimated online dates are set out in the confidential RDT. All of DEB's other resources are online, generic allocations, or generic inputs, and none is the subject of a deliverability study driven by DEB's procurement. For allocated resources, DEB has no direct insight into transmission and understands the providing entities have submitted the relevant planning to the Commission.

For context, the CAISO interconnection queue has progressed as shown on the following page (the number of DEB projects by cluster is included in Confidential Appendix D):

CAISO Cluster	Application window (start)	Where it stands in 2026	Typical online / COD
Cluster 13	Spring 2020 (approx.)	Studies complete; most projects built or nearing operation	~2024–2027
Cluster 14	April 1–15, 2021	Studies complete, interconnection agreements signed; projects now building and interconnecting	~2026–2028+
Cluster 15	April 3–17, 2023	Studies completing around 2025; interconnection agreements being executed	~2028–2031
Cluster 16	Opens October 1, 2026	Folded into CAISO's reformed intake process (Interconnection Process Enhancements), which replaces the first-come annual cluster with a scoring and deliverability-based intake	Early-to-mid 2030s once online

B1. Planned resource deliverability

For its Planned New generic resources, DEB accepts the resource-to-busbar mapping from the 2025-2026 TPP Portfolio with updates. Deliverability was ascertained through that mapping and the associated TPP analysis, which already embed the cost of any transmission needed to reach the assigned busbars. To the extent the mapping relies on existing capability or on upgrades under construction or approved by the CAISO Board, DEB's resources rely on the same. DEB offers no new upgrades of its own. For out-of-state wind, outside the CAISO balancing authority area, DEB relies on the delivery routes described in Section 3(k): SunZia for New Mexico and Arizona wind, now entering service, and new transmission such as TransWest Express for Wyoming. DEB assumes the associated Maximum Import Capability and transmission costs are reflected in the reference-portfolio assumptions.

B2. Relocation and location basis

DEB's contracted queue positions are real interconnection positions and should not be relocated in staff modeling or busbar mapping; they are identified for staff in the confidential RDT. Its generic Planned New resources, by contrast, are not investment-grade. DEB does not object to staff relocating them, and they should not be treated as information around which CAISO plans transmission 10 to 15 years out. Because DEB accepts the current busbar mapping, its generic locations align with it, with the Base Case and Long Lead-Time Resource Sensitivity Portfolio studied in the 2025-2026 TPP, and with the resources in CAISO's 2024-2025 Transmission Plan to the extent reflected in that mapping. Where DEB's locations differ from its 2022 (30 MMT by 2035) plan, the difference reflects its move to a pro rata share of the current reference portfolio and its acceptance of the current mapping, not a site-specific view of its own.

Taken together, and apart from the out-of-state wind routes discussed above, DEB's Preferred Conforming Portfolio relies only on transmission that is already in service, under construction, approved

by the CAISO Board, or assumed in the 2025-2026 TPP, so it creates no new transmission need for the system to plan around.

IV. Action Plan

a. Proposed Procurement Activities and Potential Barriers

This section describes the activities DEB will undertake to implement its Preferred Conforming Portfolio, the barriers it sees, and how it plans to work through them. There are two underlying elements that shape DEBs procurement activities. First, DEB's Direct Access load is capped at 28.8 TWh annually across the ESP community and cannot grow, so DEB's procurement is fundamentally an exercise in substitution (given the cap, DEB can only grow as other ESP load shrinks): as existing contracts expire, DEB replaces them with solar, storage, wind, and geothermal on the path to its 8 MMT by 2045 benchmark, meeting the Commission's mandates and its customers' expectation of affordable rates in the same motion. As procurement proceeds, DEB's reliance on CAISO system power, and the emissions attributed to it, declines steadily across the planning horizon. Second, DEB is a small ESP. It cannot procure jointly with other load-serving entities due to collusion restrictions, and it seeks volumes that many developers prefer not to carve out of limited project portfolios. Both realities inform and shape the narrative and action plan detailed below.

Over the years, DEB has established an effective procurement cycle. DEB has released a Request for Offers nearly every year since becoming an ESP, supplemented by targeted Requests for Information to test the market for specific needs as well as to inform the commercial-interest showings that the CAISO cluster studies require of load-serving entities. Since its October 2022 RFI, every annual RFO has solicited the D.21-06-035 mandate categories, including long-duration energy storage and firm zero-emitting resources. DEB follows its solicitations through bilateral negotiations, runs bilateral and brokered discussions in tandem, and participates in solicitations run by other LSEs where doing so may bring DEBs customers savings. Each award is scored on price, deliverability, resource adequacy value, attributes, resource type, and community impact, consistent with Section 3(d). Where a contracted resource's online date slips, DEB uses bridge capacity sparingly and only to preserve compliance, and meets the Commission’s procurement orders.

DEB respectfully raises the direct access cap as a potential barrier to the recent Commission procurement order framework. Specifically, the Commission's February 2026 procurement decision (D.26-02-004) orders load-serving entities to procure 6,000 MW of new clean energy and storage by 2032, allocated by each LSE's share of managed peak load. Because DEB's load cannot grow, its share of that procurement expands its generation profile beyond what its own capped load requires, so the capacity is effectively procured on behalf of bundled and community choice aggregation customers while DEB's customers bear the cost. The Alliance for Retail Energy Markets (AReM), of which DEB is a

member, has sought rehearing[10] of that decision to address this undue cost shift, and filed a separate Petition for Modification[11] seeking to raise the Direct Access cap so that ESP load can grow to match the generation ESPs are required to procure[12]. DEB raises these not to reargue the decision but to explain why, without a cap relief, incremental procurement is uneconomic for its customers, and why replacing existing resources with clean ones as contracts expire is the most prudent path in its preferred conforming portfolio design.

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

a. 1,000 MW of firm zero-emitting resource requirements

DEB has solicited its pro rata share of the firm zero-emitting requirement in every RFO since October 2022 and expects to satisfy it with conventional geothermal. The status of DEB's procurement toward this tranche is set out in the confidential RDT. The barriers are those DEB described in 2022, and they have not eased: long development cycles, interconnection timing, and heavy competition, compounded by DEB's size, as many developers would rather sell larger volumes than carve out the small share a capped ESP needs. DEB works through this with persistent annual solicitation, brokered channels, and openness to shares of larger projects.

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

DEB's plan meets its D.21-06-035 long-duration storage obligation with an eight-hour battery resource and modeled online within the compliance window, with interconnection progressing through the CAISO cluster process and contract status set out in the confidential RDT. DEB holds monthly meetings with the developers of its long-term contracted projects so schedule risk surfaces early. The residual risks are development and interconnection timing.

c. Mid-term reliability and the long-lead-time obligation

DEB's D.21-06-035 tranches are addressed with the resources identified in the confidential RDT, and DEB continues to procure four- and eight-hour batteries, through its annual RFOs to satisfy its D.23-02-040

[10] Alliance for Retail Energy Markets, California Coalition of Large Energy Users, Regents of the University of California, & Shell Energy North America (US), L.P. (2026, April 6). *Application for rehearing of Decision 26-02-057* (Rulemaking No. R.25-06-019). California Public Utilities Commission. https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M604/K023/604023865.PDF

[11] Alliance for Retail Energy Markets, California Coalition of Large Energy Users, Direct Access Customer Coalition, Regents of the University of California, Shell Energy North America (US), L.P., & Western Power Trading Forum. (2026, April 6). Petition for modification of Decision 21-06-033 (Rulemaking No. R.19-03-009). California Public Utilities Commission. https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M604/K025/604025685.PDF

supplemental obligations. For the incremental long-lead-time obligation under D.26-02-057, DEB faces a timing problem it cannot solve alone: the choice between long-duration storage and another zero-emitting resource turns on the Commission's ELCC studies, revised to be expected on August 31, 2026, which is after this Plan has been filed. DEB will fold the tranche values into its Northstar optimization promptly once they are released and set its long-lead-time procurement strategy accordingly. Beyond the pending ELCC values, an additional barrier DEB witnessed is the collective CPUC jurisdictional LSE procurement under the same mandates happening all at once coupled with the cost pressures of the OBBBA tax-credit changes, tariffs, and rising Cap-and-Invest carbon costs.

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

DEB does not have pans to procure non-candidate resources: no new nuclear, no small modular reactors, no new hydro, and no new biomass.

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

ii. Offshore wind

DEB has not had any commercial discussions with developers regarding offshore wind to date. It is DEB's understanding that commercial development of offshore wind remains a number of years away as development of necessary infrastructure as well as approval of offshore leases from the US Department of Interior's Bureau of Ocean Energy Management (BOEM) must be completed first. BOEM has halted offshore wind activities by rescinding all designated Wind Energy Areas (WEAs), pausing new permits, and implementing a federal freeze on offshore wind leasing[13]. As a result, in accordance with the IRP inputs and assumptions document, DEB does not plan to self-procure offshore wind until after 2035. Any offshore wind in its portfolio arrives as an indicative allocation through DWR central procurement under AB 1373 (D.24-08-064), entering around 2036, as described in Section 3(l). DEB will monitor the central procurement and lease-area progress and revisit its position each IRP cycle.

iii. Out-of-state wind

DEB relies on wind for its post-2030 RPS and GHG-free needs. DEB plans to procure wind resources in stages; through allocations in the near term, through DEB's own bilateral contracting in the medium term, and through central procurement in the long term. Delivery of out of state wind resources occur over the SunZia line now entering service and, potentially, new transmission such as TransWest Express, as described in Section 3(k). DEB expects to bid into solicitations for existing wind in the late 2020s and remains open to seller's choice where terms, fit and price are comparable. Transmission availability and competition for operating resources are the principal barriers.

[13] Bureau of Ocean Energy Management. (2026, July 13). *California activities*. https://www.boem.gov/renewable-energy/state-activities/california-activities

iv. Other renewable energy not described above

Solar generation procurement constitutes the lion's share and the heart of DEB's procurement, and it remains to be the case through 2045. Solar is the State's most abundant and lowest-cost clean resource, it is what the CAISO interconnection queue actually delivers in DEB's timeframe, and it carries the bulk of DEB's daytime energy, emissions reductions, and RPS compliance, consistent with the resource priorities in the Commission's own planning. DEB's action plan for solar is the substitution at the core of this Plan: DEB will maintain and renew its solar position over time through its annual RFOs and bilateral negotiations, with the timing and volume of individual awards guided by its portfolio needs and market conditions, as detailed in the confidential RDT. Where competitive offers allow, DEB will continue to favor solar sited in disadvantaged communities under the scoring framework in Section 3(d), so the buildout carries local benefit alongside compliance. The barriers are those facing all solar buyers this cycle: interconnection timing, competition for queue-ready projects, and the cost pressures of the OBBBA tax-credit changes and tariffs, which DEB manages by procuring steadily each year rather than concentrating its need into any single market window.

iv. Other energy storage not described above

DEB plans to procure additional battery capacity with 2030, 2035, and 2040 online dates to support its resource adequacy and GHG goals, beginning solicitation in the late 2020s through the same RFO and bilateral machinery. Development, timing, interconnection, and competition remain as the primary risks.

v. Other demand response not described above

DEB has no new demand response resources forecasted for development in this IRP filing. Demand response resources were not found to be cost effective for RA and GHG reduction goals relative to other resource types. DEB will re-test that conclusion in its RFO evaluations as the Slice of Day framework and ELCC values evolve.

vi. Other energy efficiency not described above

DEB forecasts no additional energy efficiency resources. Because the Direct Access cap fixes the total load ESPs may serve, efficiency gains by existing customers free cap space for new customers rather than reducing DEB's planning load, leaving DEB's procurement need unchanged.

vii. Other distributed generation not described above

DEB forecasts no additional distributed generation, for the same cap-driven reason. Distributed resources that reshape rather than reduce customer load could affect the type of resources DEB procures; because the magnitude is unknown, no contingencies are assumed.

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

DEB used the default CSP assumptions, but elected its 100% non-residential commercial and industrial customer base, and proposes no investments beyond IEPR levels. DEB does not develop charging infrastructure; customer-sited electrification is driven by customer action and available incentives at the

time of install. DEB has received interest from charging-infrastructure developers seeking Direct Access service and will serve those loads case by case within available space in the DA cap.

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

DEB used the default CSP assumptions and proposes no investments beyond IEPR levels. Because the Direct Access program cap fixes total ESP load, higher electrification by existing customers would reduce future Direct Access offers rather than change DEB's total procurement, leaving its RPS and GHG-free volumes unchanged. DEB offers no building electrification programs unchanged in a high electrification scenario due to no change in the net amount of load served. DEB does not offer any building electrification programs to its customers.

x. Potential Centralized Procurement, pursuant to AB-1373

The reversing of AB 1373 to CPUC jurisdictional LSEs case is one of DEB's Northstar sensitivities: should DWR not complete the procurement, and the obligations revert to load-serving entities, DEB could step in to secure comparable resources in proportion to its load share. DEB's willingness to step in is conditioned on a framework that addresses two realities:

- **The first is economics.** The long-lead-time resources at issue, offshore wind, enhanced geothermal, and similar emerging technologies, carry costs well above market prices for comparable capacity, energy, and attributes, as the Final 2025 Inputs and Assumptions' own cost trajectories reflect. These are policy-driven investments whose premium over market is real and, for now, unavoidable. DEB does not question the State's decision to make them. It questions which LSEs and how customers can absorb them. An LSE with growing load can spread a policy premium over new sales. A capped ESP cannot. Absent a framework that shares these above-market costs across all customers who benefit from the resources, the premium would fall entirely on DEB's existing commercial and industrial customers, making the procurement uneconomic regardless of its value to the system.

- **The second is cost allocation under a static cap**. Because DEB's Direct Access load cannot grow, any long-lead-time obligation assigned to DEB procures capacity beyond what its own load requires, for the benefit of customers DEB cannot serve. AReM's pending Application for Rehearing of D.26-02-057 sets out why allocating procurement obligations to LSEs whose load is capped by statute raises serious cost-shift and lawfulness concerns, and DEB incorporates those arguments by reference rather than restating them here.

Accordingly, what DEB means by "the right regulatory policy, compensation mechanisms, and deal structures" is: cost recovery that spreads the above-market premium of long-lead-time resources across all benefiting customers rather than concentrating it on capped Direct Access load. An obligation sized to load DEB is permitted to serve, which the pending Petition for Modification of D.21-06-033 would address by allowing ESP load to grow with the obligation; and contract structures, tenor, credit, and delivery terms consistent with how a competitive supplier can prudently transact. Under those conditions, DEB could undertake its proportional share. Without them, central procurement by DWR

remains the framework the Legislature designed for exactly this problem, and DEB continues to support it.

xi. Other

Two developments outside DEB's control will shape how it executes this plan, and DEB flags both for the Commission's awareness.

The first is Western market regionalization. The Extended Day-Ahead Market launched in May 2026, Southwest Power Pool's Markets+ is developing in parallel, and a regional resource adequacy framework associated with EDAM, alongside the broader western resource adequacy program, is in its infancy. These markets are changing how day-ahead and real-time operations work across the West, and they will inevitably affect contracting in ways that cannot yet be quantified, likely extending the reach of some resources over new transmission while shifting utilization across existing paths. The Final 2025 Inputs and Assumptions do not contemplate these structures. DEB is watching these developments closely, will reflect their rules in its portfolio optimization and solicitation design as they mature, and respectfully suggests they warrant treatment in future Inputs and Assumptions cycles.

The second is the structure of the procurement framework itself. DEB will meet its obligations under the current framework, but its experience since 2022 points to a dynamic worth naming as the Commission develops the Reliable and Clean Power Procurement Program (RCPPP). When large mandates bind every LSE to the same short deadlines, developers know the megawatts must be bought, which concentrates negotiating leverage on the sell side and raises costs that ultimately reach ratepayers, and it bears hardest on small LSEs seeking small volumes. A framework in which load obligations are more flexible and mandated procurement products are fungible, so growing LSEs can acquire positions and shrinking LSEs can sell them, would let markets clear these obligations more efficiently, and longer procurement runways would allow smaller LSEs to pursue better-structured transactions, potentially including ownership or partial ownership, that current timelines make infeasible. DEB offers these observations constructively and defers to the Commission's judgment in the RCPPP proceeding.

DEB has no other new resources procurement planned in its IRP filing beyond what is outlined above.

b. Disadvantaged Communities (DACs)

DEB's Conforming Portfolio significantly reduces criteria air pollutants primarily through continued procurement of renewable and greenhouse gas-free resources, consistent with California's RPS and GHG reduction requirements. As discussed in Section 3(d)(i), DEB forecasts an 87% reduction in criteria air pollutant emissions associated with its portfolio over the planning horizon. This reduction is achieved by decreasing reliance on unspecified system power purchases and fossil-based RA resources while increasing procurement of renewable and other GHG-free generation. Because DEB does not own or dispatch fossil-fueled generating facilities and purchases system energy only as volumetric CAISO hub products, it cannot attribute criteria pollutant emissions reductions to individual generating units or geographic locations. Nevertheless, reducing demand for system power and fossil RA products

decreases reliance on emitting resources across the California electric system, including facilities located within disadvantaged communities.

DEB acknowledges, as disclosed in Section 3(d)(ii), that it holds resource adequacy positions tied to a small number of existing natural gas facilities, several of which sit within five miles of a disadvantaged community, reflecting the legacy geography of the existing fleet. For the DAC-proximate gas positions it procured bilaterally, DEB expects them to be among the first it would look to replace with clean capacity as their terms expire. It is also worth noting that DEB does not plan to execute any contracts with new emitting fossil resources located in DACs at this time.

DEB also seeks to support efforts to bring renewable energy development and jobs to DACs. DEB has operational solar projects located within disadvantaged communities, and additional clean projects in and near disadvantaged communities are reflected in its portfolio, as identified in Table 3B-1 of Confidential Appendix B below. DEB's clean resources near these communities are partially by design: its scoring preference has placed solar and storage directly in two of the most heavily burdened communities in the State, where clean generation displaces local fossil dispatch, adds local reliability, and brings investment to the communities that host it. Alongside price, deliverability, and reliability value, DEB weighs a set of community considerations in its solicitations:

- **Community impact:** DEB looks for and prioritizes projects that avoid negative environmental impacts and undue infrastructure burdens on disadvantaged communities and that have a credible path through environmental permitting.
- **DAC siting:** clean projects located in or near disadvantaged communities may receive favorable consideration, as has occurred in DEB's portfolio.
- **Local benefit:** projects that bring employment or economic activity to their host communities are viewed favorably.
- **Fossil displacement:** DEB does not currently anticipate contracting with new emitting resources in disadvantaged communities and generally favors clean resources that reduce reliance on fossil generation, including near these communities.

DEB's solicitations ask developers to address community impacts and permitting readiness among other topics, and these considerations have informed DEB's selection of the DAC-sited clean projects in its portfolio, identified in Confidential Appendix B. Consistent with Section 3(b), where DEB procures residual reliability capacity, it will seek to do so mindful of these communities.

Furthermore, with all of DEB’s generation now purchased through PPAs, DEB now works with its developers to ensure that appropriate communication and outreach to disadvantaged communities is conducted. As part of NRG's broader environmental stewardship efforts, NRG has historically conducted extensive environmental justice outreach during permitting of generation facilities, including engagement with community organizations and environmental groups during development of the Long Beach, Oxnard, El Segundo, Marsh Landing, and Pittsburg facilities. Although DEB’s parent company, NRG, no longer owns these facilities, this experience continues to inform DEB's expectations for developer engagement and environmental review during renewable procurement. Going forward, DEB

plans to continue strengthening the outreach showings it requires of developers in future solicitations, and it would welcome the opportunity to participate in any Commission-led engagement processes where the participation of an ESP would be useful. DEB remains open to the Commission's guidance on where direct outreach by an ESP of its size and structure would add value for these communities.

Although DEB does not administer customer programs targeted specifically to disadvantaged communities because it only serves C&I customers, approximately 43 percent of DEB's metered C&I customers are located in ZIP codes identified as disadvantaged communities. A list of all ZIP codes where DEB has customers can be seen in Table 3B-1 of Confidential Appendix B. These customers contribute to statewide DAC programs through non-bypassable charges, Public Purpose Program charges, and applicable distribution rates. CPUC staff stated during the first IRP cycle that while no central repository exists to provide information on the number and location of DAC programs paid for through NBCs, in the future, this type of repository should be established by the CPUC or organizations that operate PPP programs so that appropriate credit can be provided to ESPs. Additionally, many of DEB's C&I customers have installed solar PV and fuel cells.

c. LSEs' Tribal Customers

DEB does not currently serve any federally recognized Tribes as Direct Access customers.

d. Procurement Products

DEB uses standard physical and financial products in the procurement activities associated with its Preferred Conforming Portfolio, executed through its annual RFOs, bilateral negotiations, and brokered markets as described in Section 4(a), with contract terms generally matched to customer contract lengths:

Product	**Description of Product**
Power purchase agreements	Long- and short-term PPAs for energy, capacity, or both, from renewable and storage resources
Physical energy	Fixed-price and index physical power purchased at CAISO hubs to serve load, on a volumetric basis
Resource adequacy capacity	System, local, and flexible RA, including Slice of Day showings, from contracted and bilateral positions
Renewable energy credits	PCC1 bundled RECs, with PCC2 and PCC3 products used where compliant and economic
GHG-free attributes	GHG-free energy attributes received through allocations and contracts, consistent with CSP accounting
Financial hedges	Exchange-traded and over-the-counter futures, swaps, and options used to manage price risk

Credit instruments	Guarantees, letters of credit, and collateral arrangements supporting the transactions above

The specific mix, tenor, and counterparties of these products are reflected in the confidential RDT.

e. Commission Direction of Actions

DEB respectfully offers four items for the Commission's consideration, each connected to the study results, proposed activities, and barriers described above.

1. **The Direct Access cap and cost allocation:** As described in Sections 3(g) and 4(a), DEB's load is capped while its procurement obligations continue to grow. The February 2026 procurement decision (D.26-02-057) allocates 6,000 MW of new procurement by each LSE's share of managed peak load, which for a capped ESP means procuring capacity beyond what its own load can absorb, with the cost borne by DEB's customers. AReM, of which DEB is a member, has sought rehearing of that decision, and a Petition for Modification of D.21-06-033 seeks to raise the Direct Access cap so that ESP load can grow in step with required procurement. DEB respectfully asks that the Commission consider this dynamic, whether through the pending requests or by accounting for the capped nature of Direct Access load when allocating future procurement obligations, so that the costs of incremental procurement fall equitably across the customers the procurement serves. Section 4(a)(x) above details what DEB means by an acceptable framework for any long-lead-time procurement that reverts to load-serving entities.
2. **Timing of ELCC values relative to filing deadlines:** DEB's long-lead-time procurement choice under D.26-02-057 depends on the Commission's ELCC studies, which are now expected after this Plan's filing date. DEB respectfully asks that, in future cycles, the Commission consider sequencing the release of ELCC and related valuation studies ahead of IRP filing deadlines, so that LSE plans can reflect the values the Commission will use to evaluate them. DEB recognizes the scheduling pressures staff manages across many workstreams and offers this only as a sequencing suggestion.
3. **A programmatic procurement framework**: DEB appreciates the Commission's movement toward a more programmatic approach in the Reliable and Clean Power Procurement Program and offers its experience as a small ESP for the record, as described in Section 4(a)(xi). Procurement mandates that bind every LSE to the same short deadlines tend to concentrate negotiating leverage on the sell side, and this bears hardest on small LSEs seeking small volumes. DEB continues to believe, as it noted in its 2022 Plan, that reliability needs may be most efficiently met through the resource adequacy program, including multi-year and long-term contracting requirements where the Commission finds them necessary, and that GHG goals may be most efficiently met through the RPS structure, which SB 1020 now allows to incorporate GHG-free, non-RPS resources, with the results of the IRP process informing both. Flexibility in load obligations, fungibility in mandated procurement products, and longer procurement runways would, in DEB's experience, help the market clear the Commission's

requirements at lower cost to ratepayers. DEB offers these observations constructively and defers to the Commission's judgment in the RCPPP proceeding.

4. **Western market regionalization in future Inputs and Assumptions:** As described in Sections 2 and 4(a)(xi), the Extended Day-Ahead Market launched in May 2026, Markets+ is developing in parallel, and regional resource adequacy frameworks are in their early stages, none of which the Final 2025 Inputs and Assumptions were able to contemplate. DEB respectfully suggests that future Inputs and Assumptions cycles study these structures, as they may materially affect the resources, transmission, and least-cost paths available to California LSEs, and DEB would be glad to support that work through comments or workshops.

V. Lessons Learned

DEB offers the following suggestions for the Commission's consideration, largely specific to ESPs, which serve a meaningful share of CAISO load through contracts with commercial and industrial customers. DEB acknowledges the improvements staff have made since the last cycle, including the ESP GHG Benchmark tab and the ability to provide custom load shapes and C&I load percentages, and offers these items in the same constructive spirit.

- **Quantification of credits for non-bypassable charges**: DEB's customers fund DAC programs, demand response, storage, energy efficiency, EV programs, and renewables through non-bypassable charges, yet the IRP does not quantify or credit these contributions. DEB raised this in the first cycle and in 2022, and respectfully renews it: staff, working with the IOUs, could quantify the allocation of NBC-funded resources to ESPs and provide instructions for incorporating them into the templates. Without this, the support Direct Access customers provide to statewide goals and disadvantaged communities is understated.
- **C&I-specific inputs in the CSP calculator:** This cycle's custom load shapes and C&I percentages were welcome steps. The remaining defaults, energy efficiency contributions, EV charging patterns, rooftop PV, and T&D losses, are still statewide averages that do not reflect an all-C&I customer base. DEB suggests C&I-specific inputs be developed and permitted across the CSP as part of a Conforming Portfolio, so ESP portfolios, and the aggregation built from them, better reflect the system being planned.
- **Alignment with statewide compliance frameworks:** Because CARB defines the GHG targets and assessment methodologies, the IRP's accounting should align with CARB's methodology, now including the May 2026 Cap-and-Invest and Mandatory Reporting Regulation amendments, whose PCC2 changes DEB has reflected in this Plan. Alignment grows more important if the IRP evolves from planning toward compliance built on the GHG benchmarks and CSP tool. Similarly, DEB continues to suggest aligning or consolidating the RPS, load forecast, and IRP filings, which today require substantially the same datasets on different schedules for different agencies.
- **The Direct Access cap and cost allocation, addressed in tandem**: As described in Sections 3(g) and 4(a), DEB's load is capped while its procurement obligations grow, so its share of the 6,000 MW ordered in D.26-02-057 exceeds what its own load can absorb, with the cost borne by its

customers. AReM's Application for Rehearing of that decision addresses the cost shift, and the Petition for Modification of D.21-06-033 seeks to raise the cap so ESP load can grow in step with required procurement. DEB respectfully suggests these two issues be considered together: cap relief without cost-allocation reform, or the reverse, resolves only half the problem. In future cycles, accounting for the capped nature of Direct Access load when allocating procurement obligations would let the costs of incremental procurement fall equitably across the customers that procurement serves.

- **Dynamic load in a programmatic framework:** The Commission's procurement orders to date allocate obligations from a static snapshot of load, but load shifts over time. Under the current approach, new entrants can, in principle, take on load without bearing the mid-term reliability obligations earlier procurement imposed on incumbent LSEs, which undermines both cost causation and the integrity of the ESP market. DEB understands the Reliable and Clean Power Procurement Program is contemplating dynamically adjusting load obligations, including in the option 3 framework proposed earlier this year, and encourages the Commission to pursue this: obligations that follow load, with mandated procurement products that are fungible so growing LSEs can acquire positions and shrinking LSEs can sell them, would keep compliance aligned with who actually serves the load.
- **Longer procurement runways:** Mandates that bind every LSE to the same short deadlines concentrate negotiating leverage on the sell side and bear hardest on small LSEs seeking small volumes. The procurement concepts under consideration in the RCPPP offer a path to ameliorate this: longer runways and more flexible compliance structures would allow smaller LSEs to pursue better-structured transactions, potentially including ownership or partial ownership, that current timelines make infeasible, at lower ultimate cost to ratepayers.

DEB appreciates the considerable work staff invests in each IRP cycle and offers these suggestions toward making that shared effort more useful to the State's clean energy goals.

Appendix A

Confidential in its Entirety

Appendix B

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Appendix C

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Appendix D

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ATTACHMENT 2

Resource Data Templates

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ATTACHMENT 3

Clean System Power Calculator Templates

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