BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

FILED
08/10/26
04:20 PM
R2506019

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

COMMERCIAL ENERGY OF MONTANA D/B/A COMMERCIAL ENERGY OF CALIFORNIA 2026 INTEGRATED RESOURCE PLAN

PUBLIC VERSION

Curry Stypula
President
7767 Oakport St.,
Suite 525
Oakland, CA 94621
Telephone: (510) 567-2700
Facsimile: (510) 567-2715
Email: curry.stypula@commericalenergy.net

Dated: August 10, 2026

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

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

COMMERCIAL ENERGY OF MONTANA D/B/A COMMERCIAL ENERGY OF CALIFORNIA 2026 INTEGRATED RESOURCE PLAN

In accordance with the requirements of California Public Utilities Code sections 454.51 and 454.52, the California Public Utilities Commission's ("Commission") decisions implementing California's Integrated Resource Planning program, and the filing instructions applicable to the current integrated resource plan ("IRP") cycle as set in the January 16, 2026, *Administrative Law Judge's Ruling Setting Requirements for Individual Integrated Resource Plans due June 1, 2026* and March 9, 2026 email ruling extending the filing due date to August 10, 2026, Commercial Energy of California ("CES") hereby submits its 2026 Integrated Resource Plan and related documents to the Commission for certification.

The following documents are included in this filing:

- Narrative Template
- Resource Data Template: 8 MMT Preferred Conforming Portfolio
- Clean System Power Calculator: 8 MMT Preferred Conforming Portfolio

This filing describes CES' current resource portfolio, demand forecast, planning assumptions, resource procurement strategy, compliance analyses, and supporting technical documentation. CES thanks the IRP team for their time and effort in the current cycle as well as previous cycles.

Respectfully submitted August 10, 2026, at Oakland, California.

/s/ _____

Curry Stypula
President
7767 Oakport St., Suite 525
Oakland, CA 94621
Telephone: (510) 567-2700
Facsimile: (510) 567-2715
Email: curry.stypula@commericalenergy.net

VERIFICATION

I am an officer of Commercial Energy of Montana, Inc dba Commercial Energy of California and am authorized to make this verification of its behalf. 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, and that this verification is executed on this 10th day of August 2026 at Oakland, California.

Curry Stypula
President
Commercial Energy of Montana, Inc. dba
Commercial Energy of California

NARRATIVE

Standard LSE Plan

COMMERCIAL ENERGY OF MONTANA DBA COMMERCIAL ENERGY OF CALIFORNIA

2026 INTEGRATED RESOURCE PLAN

August 10, 2026

Table of Contents

I. Executive Summary 3
II. Study Design 3
a. Objectives 4
b. Methodology 4
i. Modeling Tool(s) 4
ii. Modeling Approach 4
iii. Alternative Assumptions 5
III. Study Results 5
a. Conforming and Alternative Portfolios 5
b. Preferred Conforming Portfolio 5
c. GHG Emissions Results 6
d. Local Air Pollutant Minimization and Disadvantaged Communities 7
i. Local Air Pollutants 7
ii. Focus on Disadvantaged Communities 7
e. Cost and Rate Analysis 8
f. System Reliability Analysis 8
g. Hydro Generation Risk Management 10
h. Long-Duration Storage Planning 10
i. Clean Firm Power Planning 11
j. Non-CAISO, including Out-of-State, Wind Planning 11
k. Offshore Wind Planning 11
l. Transmission Planning 12
IV. Action Plan 12
a. Proposed Procurement Activities and Potential Barriers 12
b. Disadvantaged Communities (DACs) 14
c. LSEs' Tribal Customers 15
d. Procurement Products 15
e. Commission Direction of Actions 15

V. Lessons Learned 15

I. Executive Summary

Commercial Energy of Montana dba Commercial Energy of California (Commercial Energy) presents its 2026 Integrated Resource Plan (IRP) as an Electric Service Provider (ESP) licensed by the CPUC with ESP #1378. Commercial Energy serves commercial, institutional, and industrial customers throughout California and is the leading natural gas CTA in California and Montana. Commercial Energy helps its clients achieve their sustainability and cost management goals by providing customized energy management solutions to manage their supply requirements across various utilities while lowering their overall energy and/or carbon footprint through a robust portfolio of onsite and offsite solutions. Commercial Energy appreciates the opportunity to highlight our progress and fulfill the statewide IRP exercise.

Commercial Energy has grown these services since our inception in 1997 and growth to California in 2004. We remain privately held by the firm's founders and employees working from our Oakland, California headquarters. Commercial Energy feels that its product mix of both natural gas and electricity position it well to help reliably meet California's Greenhouse Gas (GHG) reduction goals in a cost competitive manner by educating and implementing decarbonizing solutions at its diverse client locations. With its established and growing customer base in California, Commercial Energy has the ability, capacity, discipline and foresight to engage in long-term contracting while balancing our competitive position with GHG reductions and reliability requirements.

Commercial Energy produced one Preferred Conforming Portfolio for the 8MMT target. The Narrative, Resource Data Template (RDT) and Clean System Power (CSP) Calculator for the 8MMT Preferred Conforming Portfolio represents Commercial Energy's Standard LSE Plan. Commercial Energy worked diligently to build our portfolio based on current and planned procurements that align with GHG Targets, as well as Commercial Energy's Resource Adequacy (RA) and Renewable Portfolio Standard (RPS) requirements. With its intimate knowledge of our clients' natural gas usage and patterns, Commercial Energy is also evaluating decarbonizing their buildings while expanding access to customer-sited electric vehicle charging.

II. Study Design

Commercial Energy is a California ESP and was provided an assigned load forecast. Additionally, Commercial Energy was provided a Behind-The-Meter PV (BTM PV) forecast, and load forecasts through 2045 to use for GHG Benchmarks. This forecast was used in conjunction with the CSP 8MMT template to build our demand scenario which also included Mid-Term Reliability (MTR) planning, current and future RA and RPS short and long-term resources, and Commercial Energy's allocated share of AB 1373 resources. The RDT, and CSP 8MMT, were then populated to design our supply scenarios. No alternative portfolios were developed.

a. Objectives

Commercial Energy's objective is to assist both the State of California and our clients in exceeding their RA, RPS and GHG reductions in a cost-effective manner. The Preferred Conforming Portfolio produced would achieve our objectives and beat GHG Emission Benchmarks. Through this exercise, we also sought to highlight areas where we may be able to achieve synergies across our gas and electricity commodity desks and integration with our Energy Services division's business development strategies over the next decade. While we respect and appreciate that each individual customer ultimately dictates how much they are willing to pursue towards a carbon-free or carbon-neutral energy footprint, as a company we provide options to help them create a greener future. The process of integrating their desires with our own desire to lower our aggregate GHG footprint below the State mandates while remaining market competitive requires continuous iteration and calibration. This report is a snapshot of where we stand today towards clarifying that vision and bringing it to fruition over the next decade.

With the growth of Direct Access and Commercial Energy's own client base, Commercial Energy expects to exceed 75% RPS against the state mandate of 60% by 2030. We believe we can meet these goals while growing our market position and still provide superior customer service.

b. Methodology

i. Modeling Tool(s)

Commercial Energy used the tools provided to develop one Preferred Conforming Portfolio. These tools include the Resource Data Template and the Clean System Power Calculator Template. Commercial Energy is a small ESP and did not utilize RESOLVE or SERVM models.

ii. Modeling Approach

On the demand side, Commercial Energy's load assignment for this IRP was calculated by taking our 2026 Year-Ahead Forecast as filed with the CPUC and utilizing the confidentially assigned load forecast. This forecast was used in conjunction with the GHG Calculator, CSP 8MMT template to build our demand scenario. Commercial Energy made no adjustments to the demand baseline. The Resource Data Template, and CSP 8MMT were populated to design our supply scenario. Commercial Energy built the supply scenario based on current and planned procurements that align with GHG Targets, as well as Commercial Energy's RA and RPS requirements.

Commercial Energy also evolved its proprietary forward price model of electricity in the California market over the next ten years. Historical practice has been adjusted as the prior practice of taking the last ten years of energy price evolution and developing price curves is no longer prudent in a rapidly evolving renewables market. Today we see far greater price volatility driven by the vagaries of weather, renewable generation, and net load. Applying those inputs to current forward market prices in a variety of Monte Carlo simulations provides

a more prudent management tool. Such a price forecast then informs procurement decisions for both the short and long term given mandated changes to the California procurement mix. It does not, and cannot, account for unanticipated changes to the regulatory or legislative climate.

Commercial Energy uses the ESP average C&I load shape in this planning process even though our shape is significantly less in peak hours and significantly more during the middle of weekdays. The unique modelling challenges include the rapid rise in inflation, the threat of recession caused by monetary tightening and inflation, and the migration of residents from the cities to lower priced locales in an evolving work-from-anywhere state and world. This combination of factors makes relying on historic energy usage difficult to calibrate.

iii. Alternative Assumptions

The decision to extend nuclear generation introduces new capacity and pricing uncertainties, as do the delays in both the CPE and third-party deployment of grid-level renewable and storage assets. As these existing facilities are commissioned, together with the glut of new solar energy projects, they are creating significant diminution in the long term and hourly value of these investments. In this environment, the prudent procurement and risk manager can find it difficult to justify many new investments.

Commercial Energy is using this IRP to build a portfolio that will ultimately mirror our hourly load while Commercial Energy carries hourly price and load imbalance. That portfolio will exceed the compliance plans presented below and will be contracted as our Executive team sees prudency and conformance with our internal Earnings-at-Risk guidelines.

III. Study Results

a. Conforming and Alternative Portfolios

Commercial Energy has provided one Preferred Conforming Portfolio that includes existing resources contracted with, existing resources with plans to contract with, and new resources to invest or contract with in the future.

- *CES_csp_8mmt_preferred_conforming_na_confidential_v1 (Attachment C)*

b. Preferred Conforming Portfolio

Commercial Energy produced a Preferred Conforming Portfolio for the 8MMT target. Commercial Energy created our portfolio based on current and planned procurements that align with GHG Targets, as well as Commercial Energy's RA and RPS requirements and prudent business policies and risk positions. Given the uncertainties cited above, we are not providing an alternative portfolio of our goal of 75% RPS by 2030.

Commercial Energy developed a Preferred Conforming Portfolio with specific resources to meet GHG emission targets, short and long-term resource adequacy (RA) requirements, annual/compliance period RPS targets, long-term RPS contracting, and prioritize disadvantaged community development when applicable. Changes from Commercial Energy's 2022 IRP filing were mainly driven by load growth and diversifying resources due to the current renewable energy project pipeline.

RA requirements

Commercial Energy continues to meet all short-term and annual RA requirements through RFOs and bilateral contracting. Commercial Energy's preferred portfolio will help meet long-term RA and MTR requirements as well, through renewable resources. New development project sizing is challenging for Commercial Energy as it must renew its existing customers on a periodic basis while building a portfolio large enough to engage with quality project developers. However, in the near term, Commercial Energy is confident it will contract for new long-term RA resources that will assist in improving grid reliability.

GHG-Free and RPS targets

Commercial Energy accepted allocations for GHG-Free energy and VAMO to meet clean and renewable energy goals. Commercial Energy has also contracted for long-term RPS procurement and is on target for the 65% long-term contracting requirement. Commercial Energy built a preferred portfolio with long-term RA and RPS in mind and is actively working to add contracts that diversify its renewable portfolio.

Commercial Energy's procurement efforts towards reducing GHG-Emissions, or for compliance in meeting RA and RPS requirements will help the state reach current and future clean-energy goals and strengthen grid resilience. Commercial Energy is committed to meeting both short and long-term procurement goals for clean and renewable energy. Given that over of Commercial Energy's customers are in disadvantaged communities, as opportunities are available in those communities, Commercial Energy will continue to look for ways to increase resource and community diversity in its portfolios.

c. GHG Emissions Results

Please reference Commercial Energy's 8MMT Preferred Conforming Portfolio (Attachment C).

Commercial Energy's Preferred Conforming Portfolio uses current and planned procurements that align with 2045 GHG Targets of . Commercial Energy's 8MMT preferred conforming portfolio resulted in a . This is over below Commercial Energy's target and allows for the addition of the Combined Heat and Power (CHP) emissions.

d. Local Air Pollutant Minimization and Disadvantaged Communities

i. Local Air Pollutants

Please see Attachment C, 8MMT Preferred Conforming Portfolio. Commercial Energy does not have a large reliance on system power in the Preferred Conforming Portfolio provided and will manage any reliance through diverse resource contracting and firm supply agreements.

ii. Focus on Disadvantaged Communities

Commercial Energy is an electric service provider (ESP) serving commercial and industrial customers who qualify for direct access across the state of California. Commercial Energy does not serve defined territories or disadvantaged communities (DACs) in aggregate and therefore is not expected to have specific programs or services only for certain communities. Commercial Energy works intimately with each customer individually to help them achieve their energy goals and community outreach goals while exceeding their budgetary benchmarks.

Commercial Energy agrees with the need to lower pollution in DACs and all communities in the state in general. Recognize that Commercial Energy does not own or operate fossil-fueled power plants connected to CAISO, so it has little to no influence on these sources of generation. Over of Commercial Energy's electricity is delivered within DACs. As referenced above, Commercial Energy does not currently have any DAC specific programs, however, like all ESPs direct access customers pay for IOU programs for DACs through rate surcharges for Public Purpose Programs. In past long-term RA, RPS, and energy RFPs, Commercial Energy has specifically listed location of projects in DACs as a component for bidders to answer and will continue to do so. Commercial Energy also includes a premium for locally hired labor where available. Commercial Energy continues to develop and install carbon footprint reduction measures with many of our customers. Numerous client locations currently have EV charging stations in operation with over of these EV charging stations located within DACs at either master metered housing, medical centers, office buildings or retail sites.

This commitment to DACs fulfills two of the stated goals of improving economic opportunity and reducing pollution that causes climate change. Commercial Energy's direct access offering provides its clients pricing options designed to meet their economic or renewable energy goals. Renewable goals can be met via Commercial Energy's 100% renewable electricity price option, Electric Vehicle (EV) charging programs, carbon reduction retrofits or all the above. Economic goals can be met by our standard price option that should provide cost reductions compared to Investor-Owned Utility (IOU) bundled rates while exceeding the state's standard for RPS compliance. In turn, each customer can then choose how to support their area's DAC community improvement programs with the capital that our programs free up for them.

Through its Energy Services team, Commercial Energy expects to continue to deploy dispatchable and Distributed Energy Resources (DERs) at its clients in DACs. As has been our

practice, we bring in industry leaders to execute these opportunities, whether they are behind-the-meter energy storage and/or solar, natural gas retrofits, demand reductions, or fuel cells with lower emissions footprint than the grid. Commercial Energy has helped clients commission multiple projects across the state over the last 5 years and looks forward to exploring opportunities to build or collaborate on new generation projects in DACs, helping to reduce emissions and benefit more DACs in the future.

e. Cost and Rate Analysis

As an ESP, Commercial Energy must procure to provide reliable and cost-effective Supply, RA and RPS on behalf of our customers while meeting or exceeding their sustainability and GHG reduction goals and aspirations. As LSEs must procure resources to meet State RPS goals, Commercial Energy evaluates future procurements based on both cost and timing, including hourly and annual risk against our portfolio. Commercial Energy does not have set rates but rather works with each customer individually and develops custom service contracts. Commercial Energy intends to continue to make the best investments possible to meet both our regulatory obligations as well as our customers' needs. Some of those investments will be behind the meter, built in partnership with our clients, especially solar and storage assets. Others will be at the wholesale level, almost certainly in the State of California.

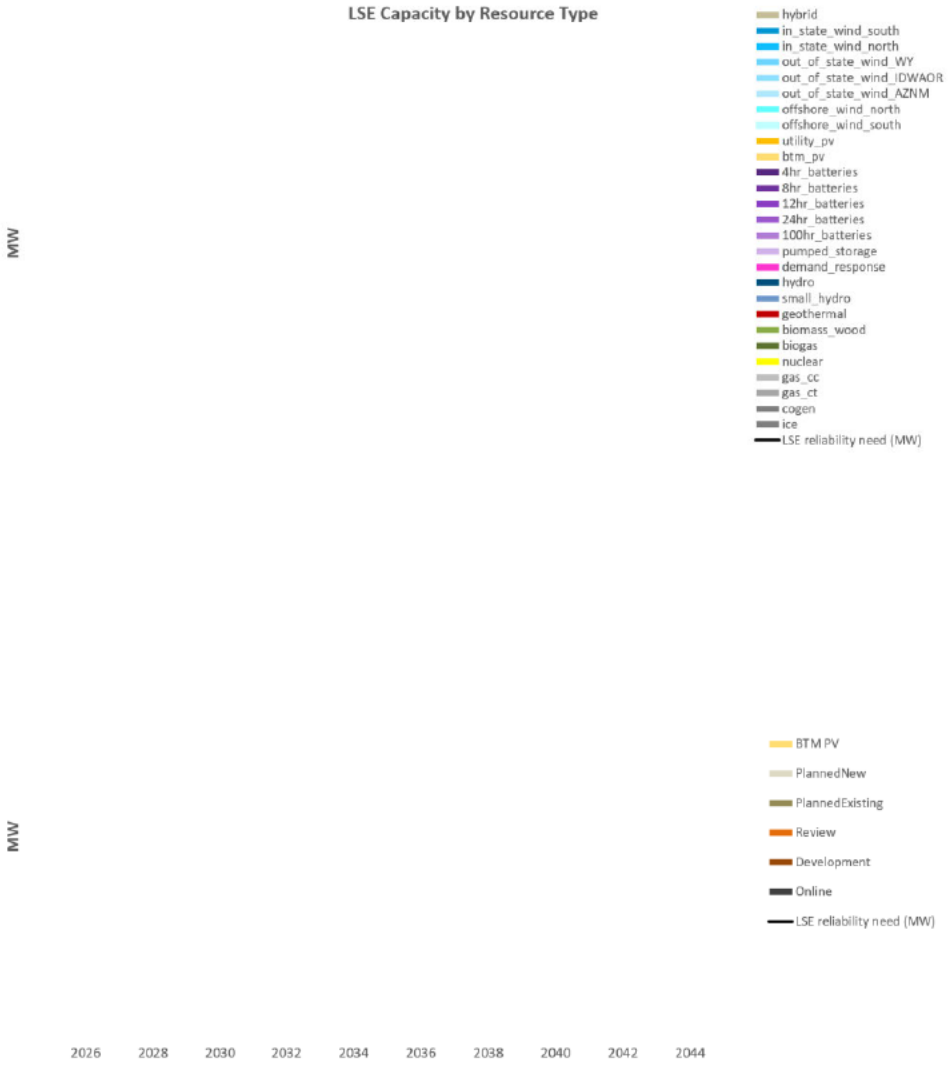
Our risk management positions are quantified through our Risk Management Committee, a decades-long monthly assessment practice across our business platform. Commercial Energy has specific Earnings-At-Risk guidelines that cannot be exceeded without Commercial Energy's Board approval. Our portfolio risk approach spanning multiple states across multiple industries, supplying both natural gas and electricity provides the Company with unique tools to mitigate gross margin volatility and ensure long-term stability and capital for continued growth in energy solutions.

Commercial Energy receives CAM allocations and assumes future RA obligations will continue to be reduced by its share of customers. Commercial Energy did not include CAM allocations in its preferred conforming portfolio and does not forecast resources that may also be included as CAM in the future. Commercial Energy plans to include CAM allocations in future IRP cycles as information is received from the CPUC.

f. System Reliability Analysis

Commercial Energy worked diligently to build our portfolio based on current and planned procurements that align with GHG Targets while contributing our fair share to system reliability and renewable integration. The interplay between decarbonization goals and system reliability may force us to consider certain non-renewable RA assets for long term RA. Our experience using natural gas storage as a reliability backstop certainly informs us of the value of electricity RA. That same gas storage serves as a tool to meet electricity peaking needs if so enabled. The beauty of natural gas is that it is fully dispatchable on a peak hour, but it is not exhausted in four hours, as most battery

storage currently is. The value of natural gas peak generators is historically demonstrated, as was evident over Labor Day weekend 2022 when over 50% of statewide load was served by gas peak generators. We should not sacrifice reliability as we move forward in our energy transition to decarbonization. ESPs in alignment may do far more to help realize decarbonization opportunities than energy storage can do alone. This IRP process does not allow us to bring those resources to bear but Commercial Energy has attached what we can do in the electricity sector.



Commercial Energy's 2026 IRP relies on planned or online resources not including CAM allocations as displayed. Depending on client growth or migration, Commercial Energy will engage with primarily new renewable generation to meet any additional long-term needs. Commercial Energy does not see significant obstructions in our ability to find such resources on a long-term basis. Commercial Energy has experienced hurdles in attempting to contract for long-term MTR procurement due to development delays, project sizes relative to Commercial Energy's smaller requirements, and/or pricing relative to the current/forward market. Larger projects also have

tended to be centered towards or partnered with large IOUs and CCAs. Commercial Energy has continued to work with multiple suppliers on these issues and is confident in future long-term procurements.

g. Hydro Generation Risk Management

Our Preferred Conforming Portfolio relies on large, in-state hydro due to the relatively high availability, low cost, and clean power. Hydro systems with large reservoirs can store water for multiple years and smooth out generation over time. Because of the timing of hydro generation, it is generally only an energy-related risk, and not a reliability risk, and we are not procuring RA from hydro generation sources. If an extensive drought significantly reduces available hydro generation during the scope of this IRP cycle, Commercial Energy will likely face increased procurement costs. Commercial Energy understands the risks of drought and will continue to explore potential, cost-effective, alternate GHG-free power options. This will allow us to help ensure system reliability and remain within our target GHG goals.

h. Long-Duration Storage Planning

Our senior team meets with developers to evaluate advancements in energy storage and generation technologies. To date we have seen models work conceptually at 2-10 kW size, but they do not scale well and face difficulties proving commercial viability. Issues revealed are usually around roundtrip efficiency of less than 75%, parasitic loads of 10+% to flow fluids and create cooling, and fouling of the membranes where the energy is re-created. Because of our deep knowledge of natural gas production and storage, including pursuing the acquisition of PG&E storage assets, we have looked at compressed air storage as well as CO2 capture in depleted gas fields. Roundtrip efficiency fails miserably in theory, control is difficult to assure in the long term, and proof of concept remains a couple years away. Aside from 4 hour battery storage, Commercial Energy has not seen commercially competitive solutions in the market for long duration assets.

Our Preferred Conforming Portfolio relies on multiple types of battery storage. Commercial Energy sees long-duration storage, created today by simply adding more battery capacity at each interconnect, as an important opportunity to increase renewable integration and reduce curtailment of renewable facilities. This will allow GHG-free energy to replace significant system power from fossil fuel plants. Commercial Energy supports the further development of both battery storage and long duration pumped storage and will continue to look for opportunities to increase procurements and/or prudently invest. While other streams of payment, such as reliability charges are helpful, all of these solutions need an arbitrage price that we refer to as TB4 (top to bottom 4 hours of each day) sufficiently wide enough on a daily basis to justify the capital spend. Over the past two years we are seeing a shrinking TB4 spread and a shrinking hourly RA capacity price. While that is beneficial in the short run, it does make long term investment in long duration assets more difficult to justify.

In our current portfolio, Commercial Energy has added significant new battery storage to meet our RA needs and co-located at solar sites in California. Commercial Energy has also executed long-term solar contracts for the same reason. Commercial Energy continues to work to procure minimum long-term requirements needed to meet obligations imposed by d.21-06-035.

i. Clean Firm Power Planning

Commercial Energy's existing procurement of renewables is premised on clean, firm attributes and we pay the premium for such energy. However, this is a contractual and not a physical product, with the delivery obligation borne by a portfolio of renewable sites all based in California. Commercial Energy's stance on clean firm power planning has not changed since 2022 and if anything, has only been reinforced due to the volatile nature of VAMO allocations.

Commercial Energy has evaluated geothermal projects in prior years as a source of high load factor, clean firm generation. The resources are limited and extremely competitive with only a couple of proven developers. Commercial Energy placed development risk high but is seeing a large ramp up of their capacity in the next ten years even with significant environmental risk due to the high need for water. Commercial Energy is still focused on resources in California, but with the expansions of our various geographic markets, may reconsider that practice as costs shrink in adjacent states.

Commercial Energy continues to deploy new fuel cell generators that run, today, on our natural gas at its client sites. These reduce our baseload at each meter but are only reflected a year after deployment in our forward forecasts. Employed where we site them, these fuel cells also diminish the net carbon footprint versus the grid portfolio. When hydrogen is readily available, our technology partners assure us they can replace their prime movers with hydrogen-enabled fuel cells and we look forward to that day. Over the next few years, Commercial Energy expects to reduce its current Direct Access load annually through onsite fuel cell displacement.

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

Commercial Energy's Preferred Conforming Portfolio does not include out-of-state wind resources. Commercial Energy understands the importance of out-of-state wind and supports further development, especially projects that could delivery energy into a CBA consistent with PCC 1 REC characteristics. Given the hourly shape for the very large increase in out-of-state wind from Sunzia, we look forward to assessing the effect on hourly pricing and TB4 storage economics.

k. Offshore Wind Planning

Commercial Energy's Preferred Conforming Portfolio includes allocations from AB 1373 for offshore wind planning. Due to the sheer size and transmission requirements of offshore wind, as well as the political squabbles with the federal government, Commercial Energy strongly believes this asset class should only be developed through the CPE framework and should be allocated to all LSEs

proportionately once deployed. Transmission interconnections to offshore units would be problematic as Commercial Energy is not an IOU that can plan and build sufficient capacity. Any plan for offshore wind must factor the interconnection costs into the initial investment's prudency review.

l. Transmission Planning

Not applicable, Commercial Energy is not an IOU and does not own any transmission lines and therefore has no information to report on this topic.

IV. Action Plan

a. Proposed Procurement Activities and Potential Barriers

Commercial Energy's Board listens to its clients, employees and regulators when designing policies, setting GHG strategies, and go-to-market directives. Commercial Energy attempts to purchase RA and RPS to meet and ideally exceed both its current customer contracts and regulatory requirements. The RPS requirements that began in 2021 require 65% of procurement to come from long-term contracts of 10 years or more. Commercial Energy accomplished that objective based on its client load in the prior planning period. As Commercial Energy's client load grows, we work to procure resources consistent with the portfolios developed for this IRP cycle. Commercial Energy does not believe any changes in these practices are required to continue to remain below our GHG Benchmark despite the additional requirements and significant load increase that we will see over the next few years.

Commercial Energy has a multi-faceted approach to meeting its electricity needs. Our trading desk makes the near-term buys for energy, RPS, and RA by working with a variety of suppliers across the west through bilateral negotiations. Because we are a private company, we cannot aggregate our buying power with our competitors, nor do we want to. Frequently our relatively small load, combined with the non-transparent RA market, can make it difficult to procure at favorable prices, shapes, or desired attributes.

The changing rules and asset mix of the legacy contracts allocated by the IOUs to ESPs continues to create uncertainties in our planning process. Commercial Energy is getting experience with the Voluntary Allocation and Market Offer (VAMO) process and how it will supplement our renewable procurement objectives. Commercial Energy is still not seeing developers and IOUs clear their backlog of projects in progress for a variety of reasons initially created by the pandemic. Commercial Energy has seen how the Enforcement Division has taken a pessimistic view of its prior procurement practices and mischaracterized its efforts, as seen by its satisfaction of its requirements over the past years, while many other LSEs failed to meet the standards. Despite these headwinds, Commercial Energy continues to privately pursue prudent long-term purchases of renewable energy coupled with local RA to exceed the compliance requirements. Commercial Energy's small market share of electricity customers, with the competitive uncertainties of a wholesale market with public entities such as CCAs as direct competitors, makes it challenging to

find a market partner suitable for its requirements. Today, Commercial Energy does not have any projects under development to report on.

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

Commercial Energy chose to opt out of D.19-11-016 while continuing to procure short-term RA capacity obligations. Commercial Energy will continue to comply to all short and long-term system, local, and flexible requirements to the best of its ability as these resources are made available in the market. Commercial Energy has designed a portfolio to comply with D.21-06-035 and D.23-02-040 forward requirements and will continue to pursue opportunities for long-term firm zero-emitting resources, long-duration storage resources, generation paired with storage, or demand response resources.

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

Commercial Energy has no additional or alternate plans for non-candidate resources not described above.

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

Commercial Energy has no additional renewable or zero carbon resource information not described above.

iv. Other energy storage not described above

Commercial Energy does not have any procurement to report for other energy storage.

v. Other demand response not described above

Commercial Energy does not have any procurement to report for other demand response.

vi. Other energy efficiency not described above

Commercial Energy does not have any procurement to report for other energy efficiency.

vii. Other distributed generation not described above

Commercial Energy does not have any procurement to report for other distributed generation that will supply into CAISO. It does have behind-the-meter projects under contract that will displace grid load at client sites.

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

Commercial Energy does not have any procurement to report for transportation electrification.

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

Commercial Energy does not have any procurement to report for building electrification.

x. Potential Centralized Procurement, pursuant to AB-1373

Commercial Energy supports potential centralized procurement. Commercial Energy has included AB 1373 allocations in the Preferred Conforming Portfolio and will update any additional allocations in future filings. Commercial Energy has no additional information to report not described above.

xi. Other

Commercial Energy has no other procurement to report not described above.

b. Disadvantaged Communities (DACs)

Although Commercial Energy does not specifically serve entire disadvantaged communities (DACs), Commercial Energy currently serves over of its electricity to businesses located in DACs. These businesses provide jobs for the community and working with our company allows them to control costs. Helping these businesses stay in business in a tough economy serves those communities as does our commitment to EV charging sited at the same businesses, as documented above. We believe our commitment to seek out and serve businesses in disadvantaged areas is part of our social license to operate. The fact that our corporate office was relocated to Oakland over 20 years ago and remains in Oakland despite today's current environment should only affirm that social license and commitment. Commercial Energy is committed to bettering the communities it operates in, assisting businesses in meeting their energy goals and donating over $100,000 to charitable organizations like Eat.Learn.Play in Oakland.

In tandem with the state's renewable portfolio standards, Commercial Energy continues to grow its supply of renewable and GHG-Free energy each year, while also lowering its fossil fuel supply to its customers. Commercial Energy works closely with each customer to develop individual energy strategies or projects for distributed energy resources and on-site generation. Commercial Energy is trying to scale its long-term procurement in a cost-effective manner from sites in disparate areas of California. However, because Commercial Energy does not have the customer scale to engage and contract dozens of such sites, and because we are not a site developer of grid-connected assets, our ability to directly take action in DACs is limited to our behind-the-meter activities at each of our hundreds of clients. Those activities are explained above. We expect any long-term contracts will also be written with developers in DAC areas, and will give preference to them.

c. LSEs' Tribal Customers

Commercial Energy serves some of the tribal wholesale gas and electricity needs today. Occasionally Commercial Energy is asked for its input for onsite solutions to mitigate the need for grid power and reliability. Commercial Energy's engagements on specific projects are and will be company confidential until permitted or deployed.

d. Procurement Products

Commercial Energy will continue to procure through various products as they are offered in the market, including short and long-term RA, RPS, bundled energy, unbundled RECs, and GHG-Free energy. Procurements will also be driven by client appetites for long-term and specific resourced power or attributes. Commercial Energy's direct access offerings provide clients with pricing options designed to meet economic or renewable energy goals. Renewable goals can be met via Commercial Energy's 100% renewable electricity price option, Electric Vehicle (EV) charging programs, carbon reduction retrofits or all the above. Economic goals can be met by our standard price option that should provide cost reductions compared to Investor-Owned Utility (IOU) bundled rates while exceeding the state's standard for RPS compliance. Customers can choose to invest in energy efficiency or improvement programs with excess capital saved.

e. Commission Direction of Actions

The greatest barrier to Commercial Energy helping its clients decarbonize is the decision of the Energy Division to decline to present a recommendation to open Direct Access to all businesses in California. Absent taking customers from other DA providers, we cannot grow our business and as a group, we cannot grow at all. We cannot help frustrated business customers who are under pressure from their local CCA to not opt-out and to just go-along for the good of the community. This political power is compelling and used quite well. But for businesses to be denied any real choice, especially when they can do so much more working with an ESP, is contradictory to the entire notion of resilience and innovation. Resilience is based on a market with lots of participants with disparate agendas, not just two. Innovations in technology and procurement practices that can advance goals towards addressing climate change can be further enabled through the expansion of competitive forces and Direct Access. Once again, Commercial Energy urges the Commission to make a recommendation to the legislature to fully open Direct Access for all business customers and let ESPs and their customers compete to solve emission reduction solutions in the state.

V. Lessons Learned

Commercial Energy's procurement practices will continue to improve, and we will make prudent purchasing decisions to best meet our regulatory requirements. The extension of the Diablo Canyon contract affirmed the vacillations of governmental mandates, however well-intentioned. That only magnifies the inherent difficulty of writing an energy plan over ten years or longer in California. We've learned that the volatility of the ancillary markets can be as great as the energy markets. The volatility in Resource Adequacy prices for summer months as well as the spike in renewable pricing demonstrates the power of government mandates and their influence on market prices.

ATTACHMENT B

REDACTED

Resource Data Template

8 MMT Preferred Conforming Portfolio

CONFIDENTIAL

ATTACHMENT C

REDACTED

Clean System Power Calculator

8 MMT Preferred Conforming Portfolio

CONFIDENTIAL