

UPDATE ON INTEGRATED RESOURCE PLAN

September 21, 2023



WHAT IS AN INTEGRATED RESOURCE PLAN (IRP)?

- Long-term planning tool to meet regulatory requirements
 - Can also help achieve local policy goals
- Evaluates electricity supply and demand and identifies resource options to deliver low-carbon, reliable and cost-effective energy to customers
- IRP must be filed every two years with CPUC
 - Input from CECAC
 - City Council approval



Solar field at SJCE's facility in Kern County

2022 INTEGRATED RESOURCE PLAN RECAP

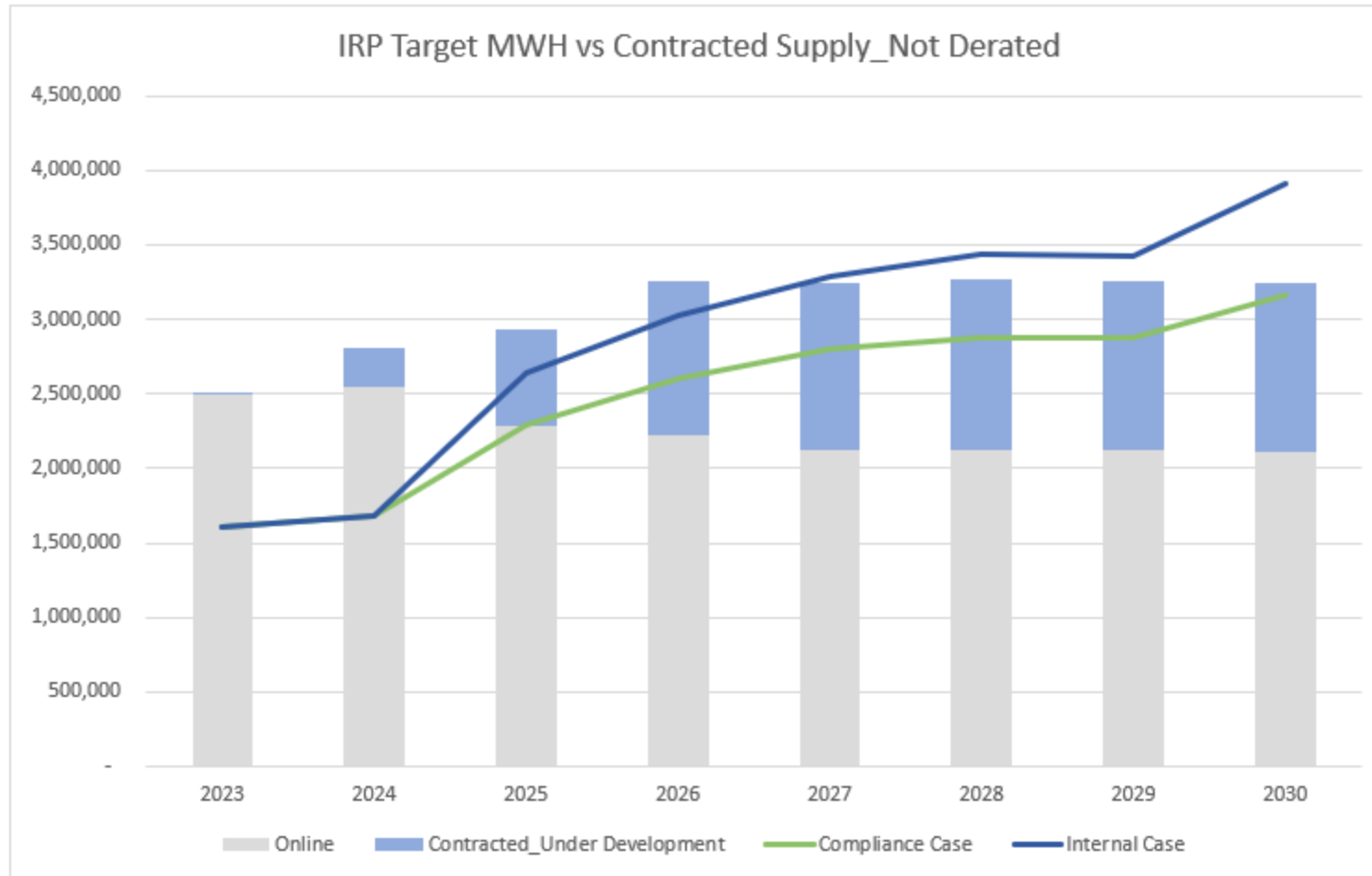
- 9/29/22: CECAC input
- 10/25/22: City Council approval
 - Compliant Case – filed with CPUC in November 2022:
 - Identified resources needed for SJCE to contribute no more than its proportional share of emissions for electric sector to emit 30MMT of carbon by 2030 and 25MMT of carbon by 2035
 - Internal Case – for internal use to guide procurement:
 - Identified resources needed for SJCE to be carbon neutral by 2030 on an annual basis
- 2022 IRP was also designed to achieve compliance with the resource adequacy rules currently in place

2022 IRP: RENEWABLE ENERGY

| Year | SJCE Load Forecast (GWh) | State RPS Compliance (%) | State RPS Compliance (GWh) | Contracted + Planned RPS (%) | Contracted + Planned RPS (GWh) |
|------|--------------------------|--------------------------|----------------------------|------------------------------|--------------------------------|
| 2022 | 3,770 | 38.50% | 1,452 | 60% | 2,257 |
| 2023 | 3,790 | 41.25% | 1,565 | 61% | 2,308 |
| 2024 | 3,821 | 44.00% | 1,681 | 68% | 2,580 |
| 2025 | 3,844 | 46.75% | 1,795 | 74% | 2,860 |
| 2026 | 3,868 | 49.25% | 1,907 | 87% | 3,346 |
| 2027 | 3,894 | 52.00% | 2,025 | 86% | 3,356 |
| 2028 | 3,922 | 54.75% | 2,145 | 88% | 3,444 |
| 2029 | 3,958 | 57.25% | 2,268 | 87% | 3,434 |
| 2030 | 3,996 | 60.00%* | 2,397 | 93% | 3,723 |
| 2031 | 4,040 | 60.00% | 2,424 | 92% | 3,720 |
| 2032 | 4,079 | 60.00% | 2,448 | 91% | 3,724 |
| 2033 | 4,127 | 60.00% | 2,476 | 91% | 3,746 |
| 2034 | 4,174 | 60.00% | 2,505 | 83% | 3,458 |
| 2035 | 4,227 | 60.00% | 2,536 | 82% | 3,462 |

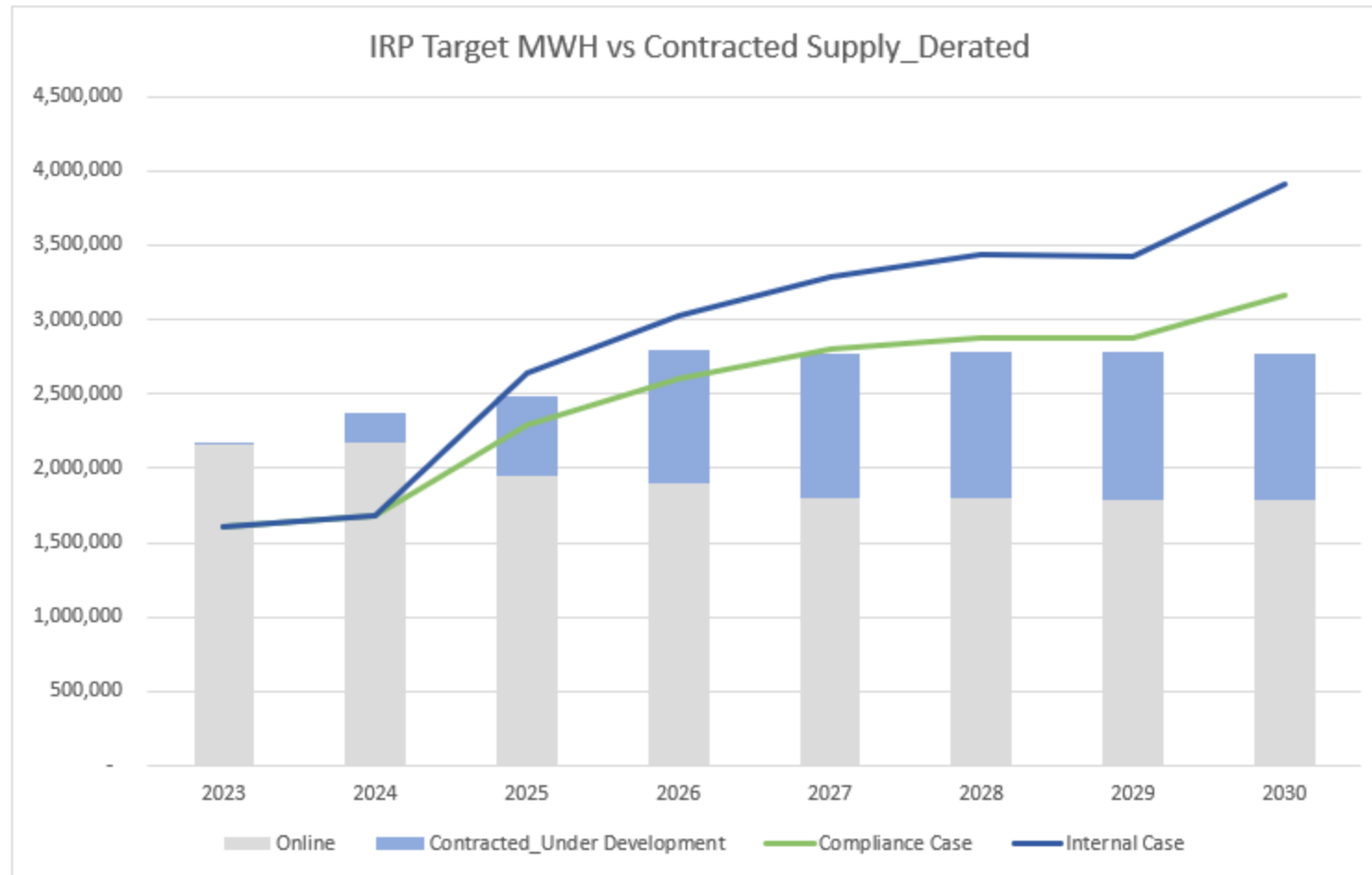
*Currently no State RPS target beyond 2030. State 2045 target is 100% clean energy, including carbon-free, such as large hydro.

2022 IRP PROGRESS: MWH (NO DERATE*)



*Assume plant output = agreement expected energy

2022 IRP PROGRESS: MWH (DERATE*)

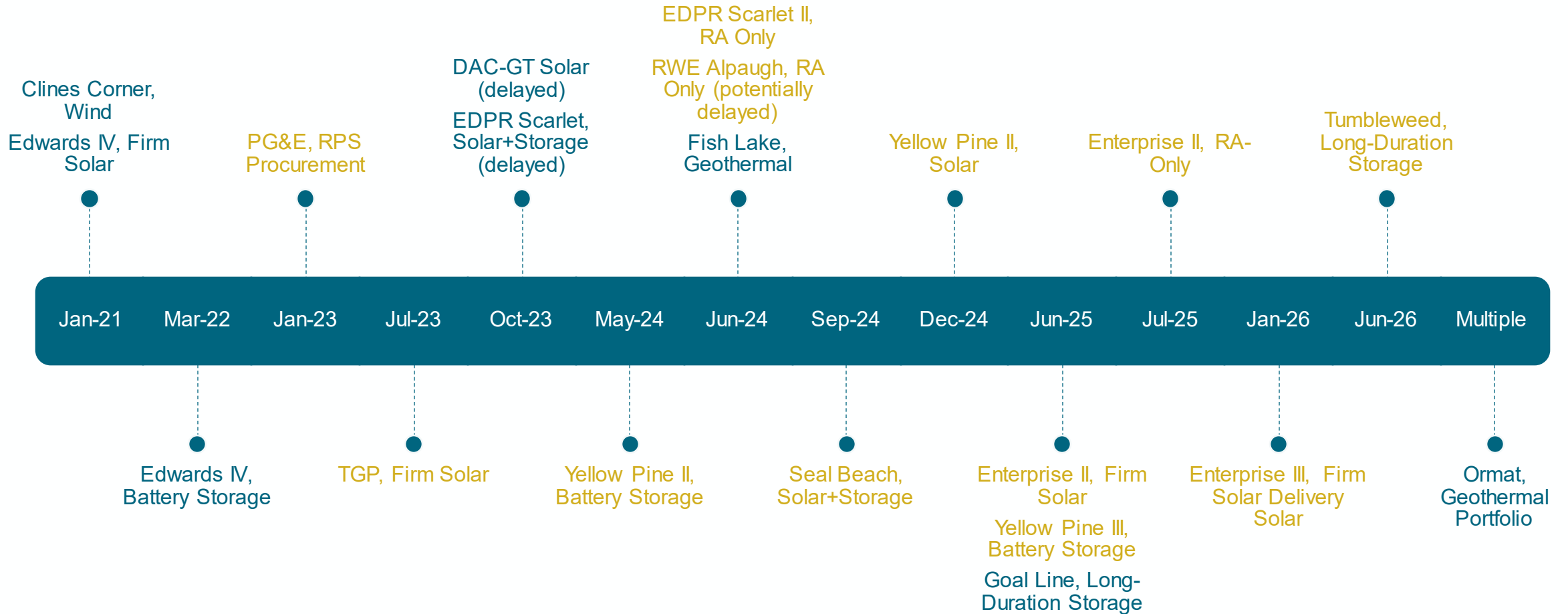


*Assume plant output = 80% of agreement expected energy
Production derate applied to as-available generation

PROCUREMENT EFFORTS UNDERWAY

- 3/22/23: SJCE issued a joint solicitation with East Bay Community Energy for long-term contracts targeting:
 - Renewables energy from wind and solar resources
 - Renewable energy paired with energy storage
 - Firm or shaped renewable energy products
 - Stand-alone energy storage
- Good participation but challenging market
 - Strong interest in new renewables
 - Limited projects that have advanced through the interconnection queue
 - CAISO considering approaches to address challenges
- Shortlisting and negotiations are underway

SJCE RESOURCES TIMELINE



New Agreements since 2022 IRP, in Gold
Existing Agreements, in Blue