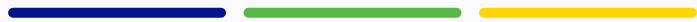




## Getting to our Goals: Plans, Procurement and Challenges



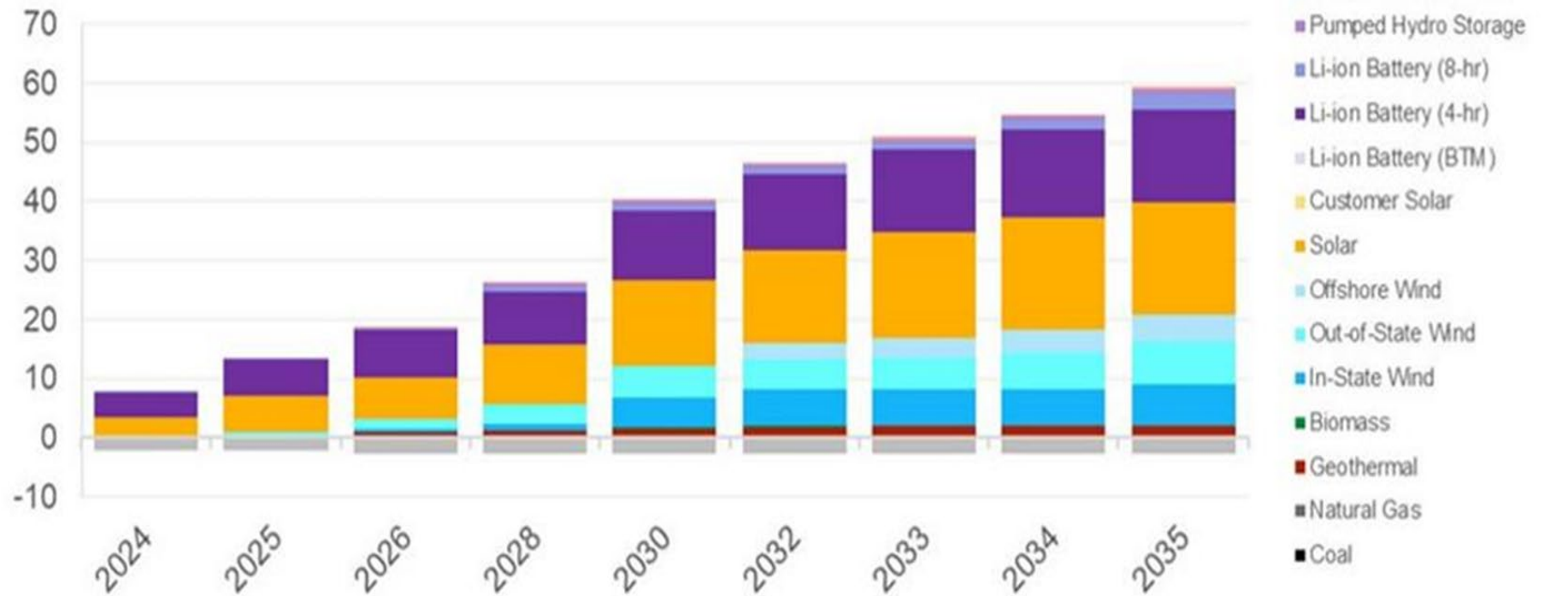
IEPA 2024 Annual Meeting

# CPUC Preferred System Plan Procurement

60 GW of new resources by 2035 in most recent Preferred System Plan

## New Resource Buildout in Preferred System Plan Portfolio

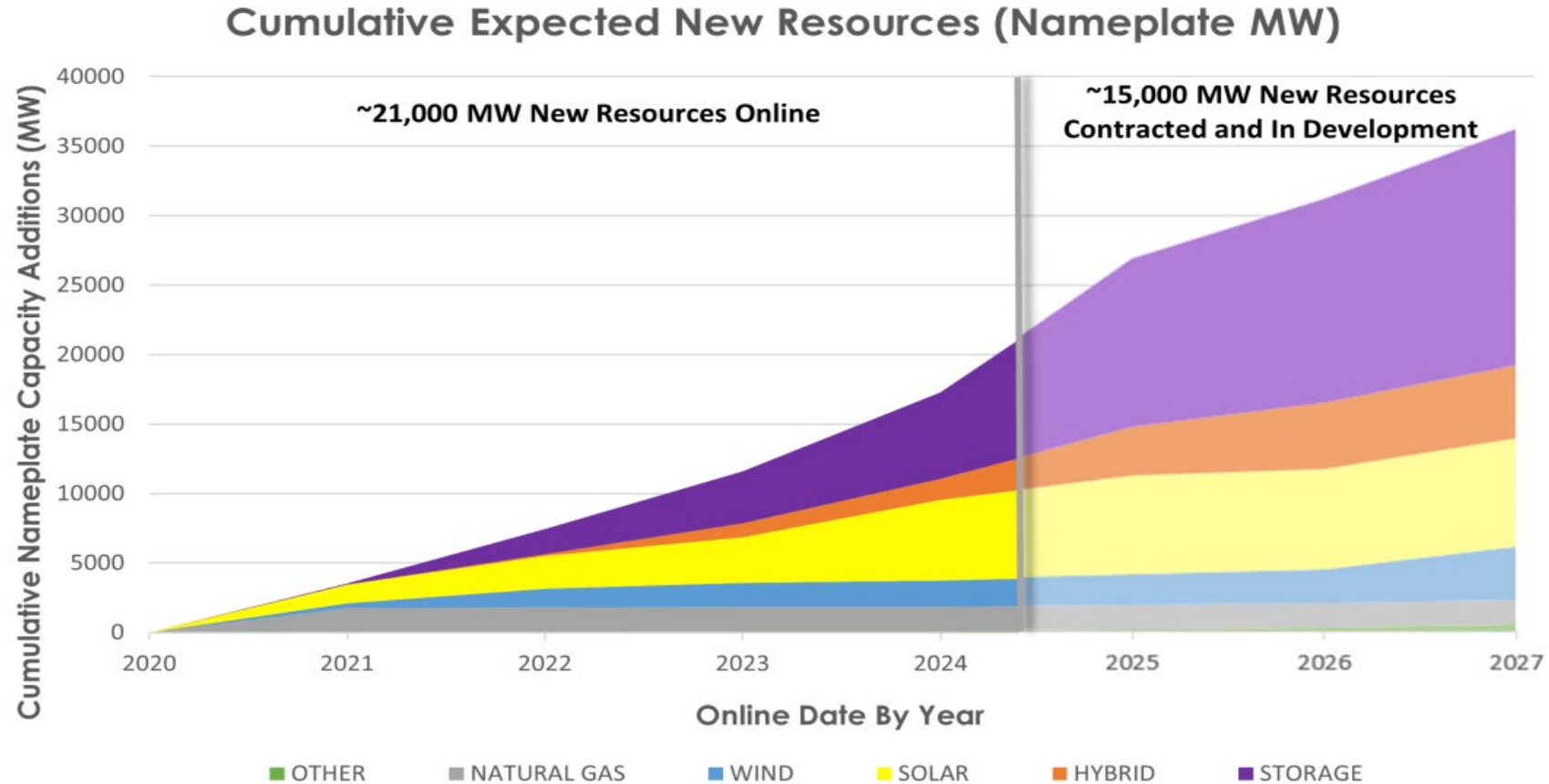
(GW)



Source: California Public Utilities Commission, 2023 Preferred System Plan Decision Fact Sheet

# CAISO Procurement Progress

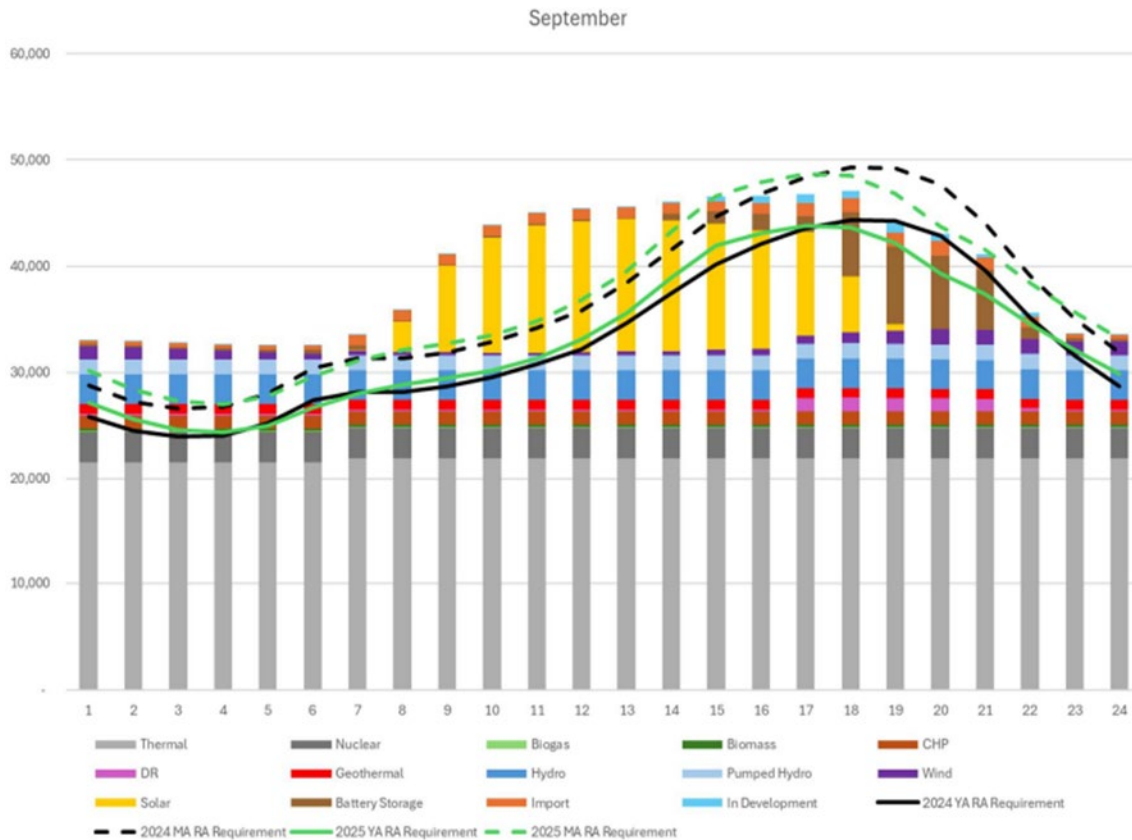
Massive buildout since 2020 needs to continue



Source: California Public Utilities Commission, "Resource Tracking Data" as of July 2024

# Challenges – Changing Market Dynamics

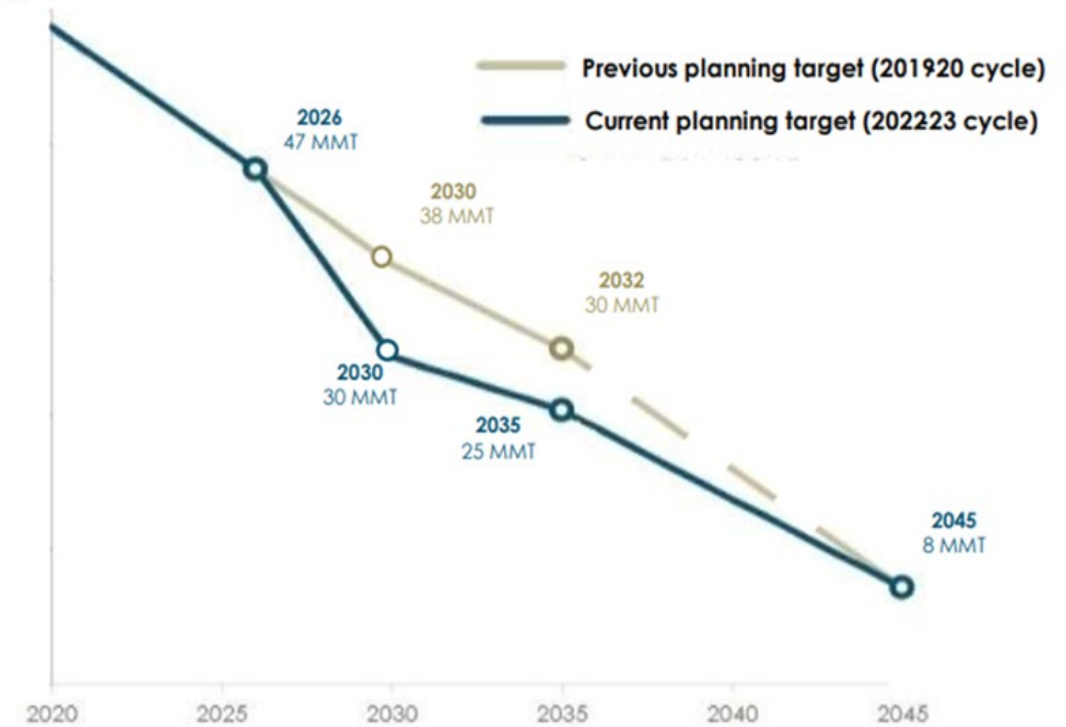
Evolving energy markets and emissions constraints present new considerations



Source: California Public Utilities Commission, Report of Resource Adequacy Slice of Day Implementation and Year Ahead Showings dated February 5, 2024

## CA-wide GHG Emissions Planning Targets

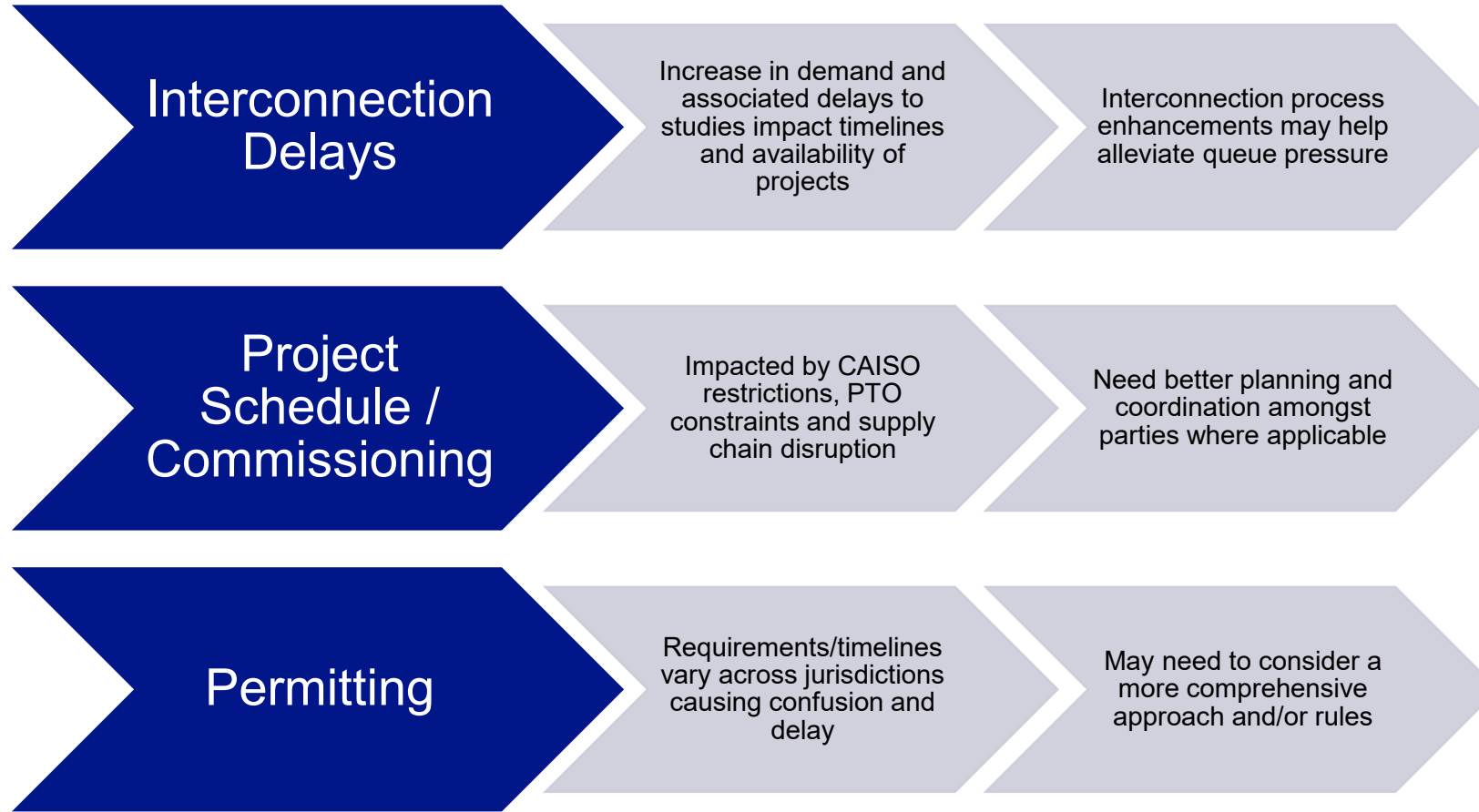
million metric tons



Source: California Public Utilities Commission, 2023 Preferred System Plan Decision Fact Sheet

# Challenges – Timing

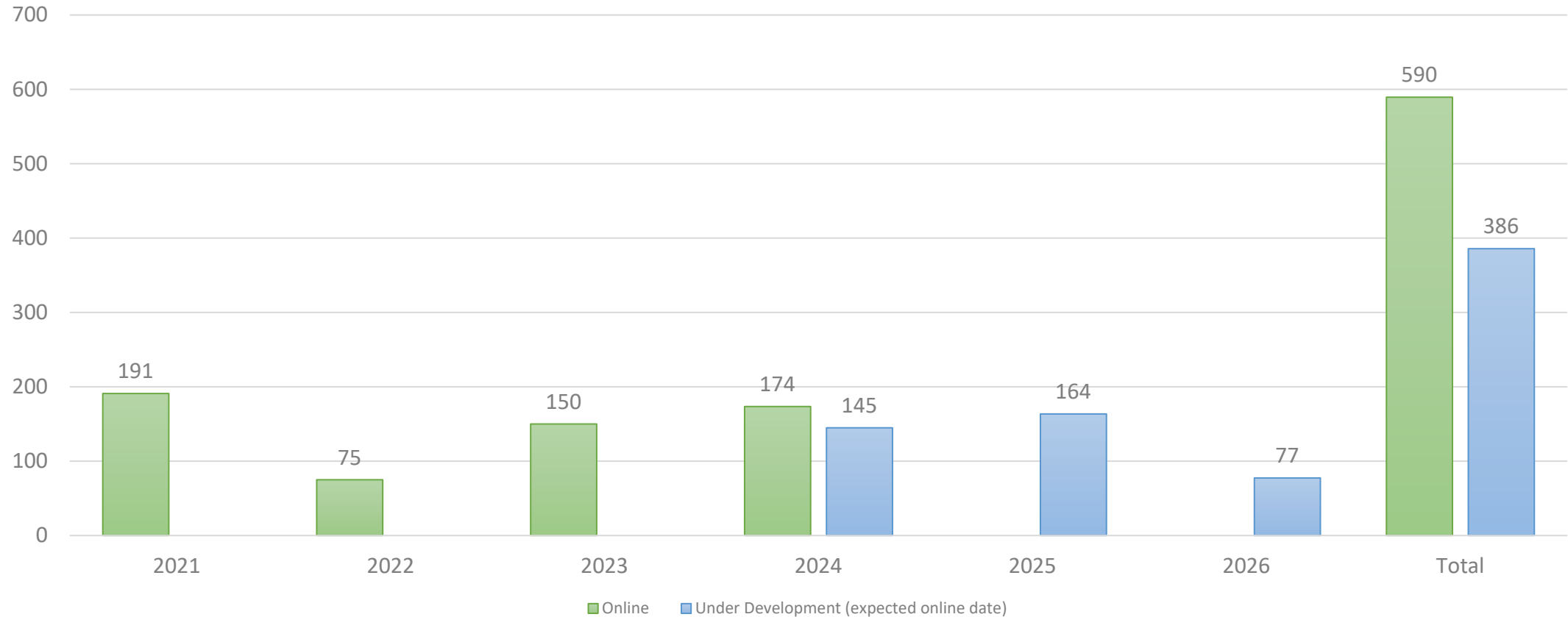
Various construction delays impact timing and threaten ability to meet goals



# SDG&E Progress

SDG&E is on track to meet various procurement requirements

## Incremental Capacity Under Contract



# Challenges and Considerations

Several considerations will have to be balanced as we work towards our clean energy goals

- 1 Maintain Affordability and Enhance Equity**
  - Additional procurement will add to affordability pressures; need a balanced approach between affordability and clean energy
  - Resources should be cost competitive; procurement should not come at any cost to ratepayers
  - Support low-income households so they can benefit from the clean energy transition and ensure an equitable transition
- 2 Prioritize Electric System Reliability**
  - Incorporate more robust electric sector reliability into long-term state planning including impacts of new slice of day requirements
  - Continue exploring western market expansion (e.g. West-Wide Governance Initiative)
- 3 Enable Deployment of Decarbonization Infrastructure**
  - Enable faster infrastructure development by updating planning efforts for clean electricity and fuels
  - Simplify and accelerate regulatory reviews, permitting and necessary studies
- 4 Incentivize Innovation and Adaptability**
  - Encourage research, development and demonstration efforts for emerging decarbonization technologies

