Generation Resources

Coal, 52%

Nuclear, 18%

Gas, 12%

Other, 4%

Sustainable, 14%

FY16
29,000 GWh
Core Resource Principles

- Manage costs
- Ensure reliability
- Practice exemplary environmental stewardship
- Long-term view
- Measure success thru the eyes of our customers
- Transparency
The Resource Planning Process

Drivers
- Identify the key drivers of change

Scenarios
- Imagine possible futures in terms of the drivers

Portfolios
- Design alternative resource strategies (portfolios)

Results
- Model the portfolios under each scenario
- Evaluate the portfolios using defined metrics

Direction
- Identify an optimal resource strategy
The strategic resource direction will reduce carbon intensity, preserve a diversity mix of resources, ensure reliability and keep resource costs low.

<table>
<thead>
<tr>
<th>Resource</th>
<th>Strategic Direction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>A deliberate meaningful reduction</td>
</tr>
<tr>
<td>Nuclear</td>
<td>Preserve the option</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>Will play an increased role</td>
</tr>
<tr>
<td>Renewables</td>
<td>Continue adding a diverse mix</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>Promote the most cost-effective options</td>
</tr>
</tbody>
</table>
Near-term Implementation

- Sandstone Solar
  - 45 MW solar PV
- CalEnergy
  - 87 MW geothermal
- Gas Peakers
  - 819 MW natural gas