

Customer Fee Schedule and Retail Waiving Authority Limits and Back Billing Policy

October 13, 2026

Cary West, Senior Manager Customer Solutions



Powering our way of life.

Executive Summary

- **Background:** Grant PUD reviews and updates the Customer Fee Schedule and Retail Waiving Authority Limits and Back Billing Policy periodically to update costs charged to customers and administrative practices that are aligned with current business needs and processes.
- **Analysis:** Grant PUD implemented a Customer Line Extension True-up provision back in 2023 with an initial threshold set at \$20,000. Since implementation, **we continually face challenges with completing customer true-ups in a timely manner** due to the current manual review and project close out process coupled with the significant number of Work Orders exceeding the threshold. True-ups are consistently being completed **12–18 months after construction**, creating a negative customer experience.
- **Recommendation:** Approve the revised Customer Fee Schedule and Retail Waiving Authority Limits and Back Billing Policy that both reference the Line Extension True-up threshold of \$40,000.

Analysis: Strategic Drivers for the Update

- **Customer value:** Updates incorporate customer assistance program enhancements, including Share the Light (\$500 max award), Pay It Forward, and income-qualified program provisions (self-attestations with ability to audit).
- **Policy clarity:** Revisions clarify BudgetPay billing and true-up provisions and update related schedules for consistent administration.
- **Line Extension true-ups:** Increases the true-up threshold to \$40,000 due to rising costs and administrative efforts to enable timely project close-outs.
- **Resource planning:** The Capacity Reservation framework supports future Large Power Customer product development, growth discussions, and planning flexibility while addressing cost-shift concerns.

Analysis: Strategic Drivers for the Update

Supporting Data – A lookback of WO's completed since the true-up rollout:

Since implementation, we have completed **80 true-ups**. The average quoted cost per work order was approximately **\$46,000**.

- Had the threshold been set at **\$40,000** from the onset, **45 of those 80 work orders** would not have been subject to the true-up provision.
- The **average true-up** has reflected a credit of **(\$1,975)**.
- For the completed work orders **less than \$40,000**, the **average true-up** has been a credit of **(\$1,137)**.
- For the completed work orders **greater than \$40,000**, the **average true-up** has been a credit of **(\$3,083)**.

Analysis: Strategic Drivers for the Update

Supporting Data – Recent review of WOs subject to the true-up provision:

A recent review of the **82 work orders** that were either under construction or in the true-up process (project closeout), reflected an average cost quote of approximately **\$65,000**.

- **This average has increased by approximately \$20,000** over the past 2 to 3 years (since the true-up provision was first implemented) and is indicative of **rising labor and material costs**.
- With a **\$40,000 threshold**, **41 of those 82 work orders** would be excluded from the true-up requirement.

Analysis: Rationale and Benefits

Rationale

- Material and labor costs have increased significantly since the true-up provision was first introduced and implemented in 2023.
- A **\$40,000 threshold** is consistent with industry practice and is closely aligned with a peer PUD threshold of **\$35,000**.

Benefits

- Reduces the number of work orders subject to the true-up process.
- Speeds project closeout and improves the customer experience.
- Allows staff to focus resources on larger, higher-risk projects where true-ups provide the greatest value.

Recommendation

Approve the Customer Fee Schedule and Retail Waiving Authority Limits and Back Billing Policy

- Approve Resolution to adopt the revised Customer Fee Schedule and Retail Waiving Authority Limits and Back Billing Policy effective November 1, 2026.

Thank you!



Adoption of Small Works Contract Provisions

October 13, 2026

Patrick Bishop, Senior Manager Supply Chain/Procurement



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Executive Summary

- **Background:** The small works contract provisions of Chapter 39.04 RCW are periodically revised by the Washington State Legislature. Historically, a new Grant PUD resolution has been passed with each legislative change.
- **Analysis:** Adopting the small works provisions of Chapter 39.04 RCW as amended from time to time will reduce future administrative process while preserving Commission oversight, accountability, and key controls.
- **Recommendation:** Commission adoption of the small works contract provisions of Chapter 39.04 RCW, as amended from time to time. The delegation of authority for approval of small works policies will remain with the GM/CEO provided such policies are compliant with Chapter 39.04 RCW.

Background

- Periodic updates by the WA State Legislature to the small works contract provisions of Chapter 39.04 RCW address topics such as procedures for the use of a small works roster, associated dollar limits, and requirements to post a list of awarded contracts.
- Historically, a new Grant PUD resolution has been passed with each legislative change, creating additional administrative processes.
- Delegation of authority to approve the related small works policies was granted to the GM/CEO in the prior resolution.

Analysis

- Grant PUD is working to reduce administrative processes while preserving Commission governance.
- Adopting the small works provisions of Chapter 39.04 RCW, as amended from time to time, would establish compliance safeguards and eliminate the need for additional resolutions when the statutes are updated.
- Maintaining the delegation of authority for approval of small works policies to the GM/CEO, provided the policies comply with Chapter 39.04 RCW, aligns policy approval with management authority while ensuring legal compliance.

Recommendation

- Commission adoption of the small works contract provisions of Chapter 39.04 RCW, as amended from time to time. The delegation of authority for approval of small works policies would remain with the GM/CEO provided such policies are compliant with Chapter 39.04 RCW.

Thank you!

External Funding Program

October 2026

Vanessa Seldal, Manager External Funding



Agenda & Executive Summary

1 Program Background and Purpose

2 How Funding Opportunities Move to Award

3 Funding Opportunities and Awards

4 2027+

Program Background

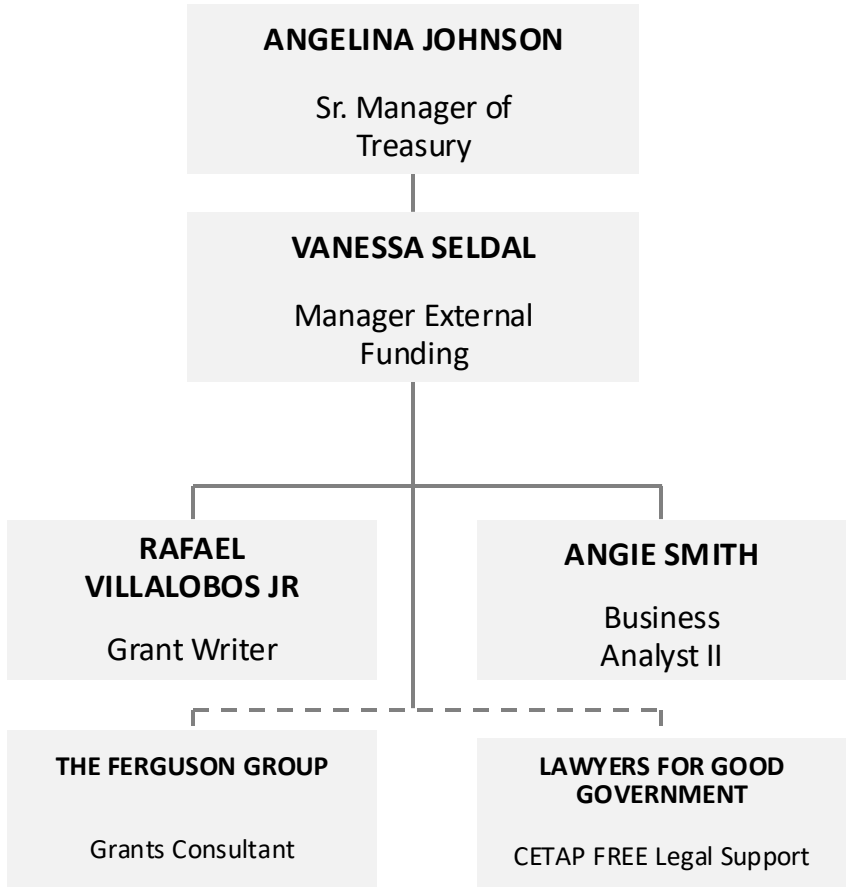
- The External Funding Program was established between 2022-2025 as a Grant PUD Initiative. **2026 is the first year of Program Operations.**
- External Funding is intended to supplement Grant PUD's traditional funding methods, allowing the utility to **diversify our financial resources.**
- The program was intended to build a process and plan to **comply with Federal Funding** requirements (2 CFR Part 200 Uniform Guidance).
- Future development of **new energy resources are a strategic** drivers for this program.

External Funding Department Mission Statement

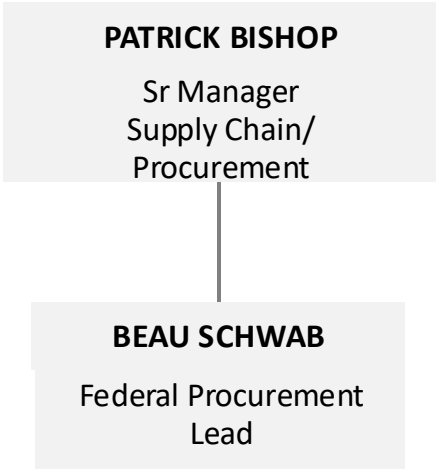
*External Funding Department strengthens Grant PUDs ability to **identify, secure, and manage** external **financial resources** that **align with the organization's mission and strategic priorities**. It provides **centralized coordination**, ensures **compliance** with funding requirements, and supports staff in developing competitive proposals to **supplement traditional funding methods**.*

External Funding Department and Support

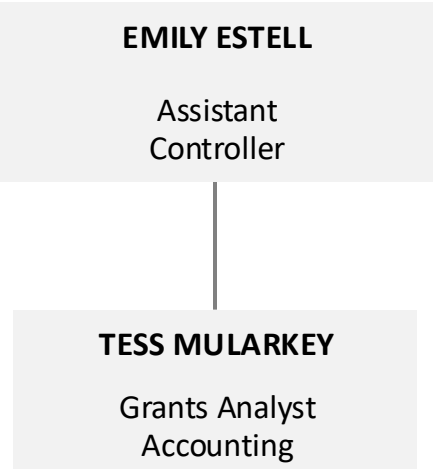
Treasury/CFO External Funding Dept.



Procurement Support

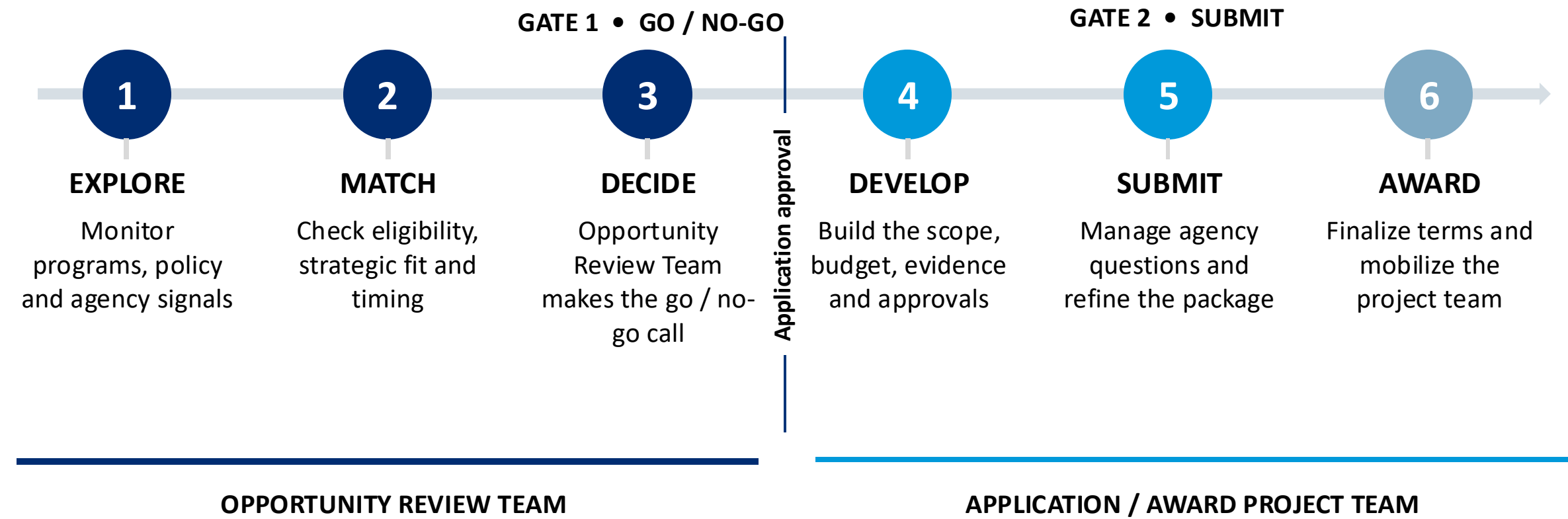


Accounting Support



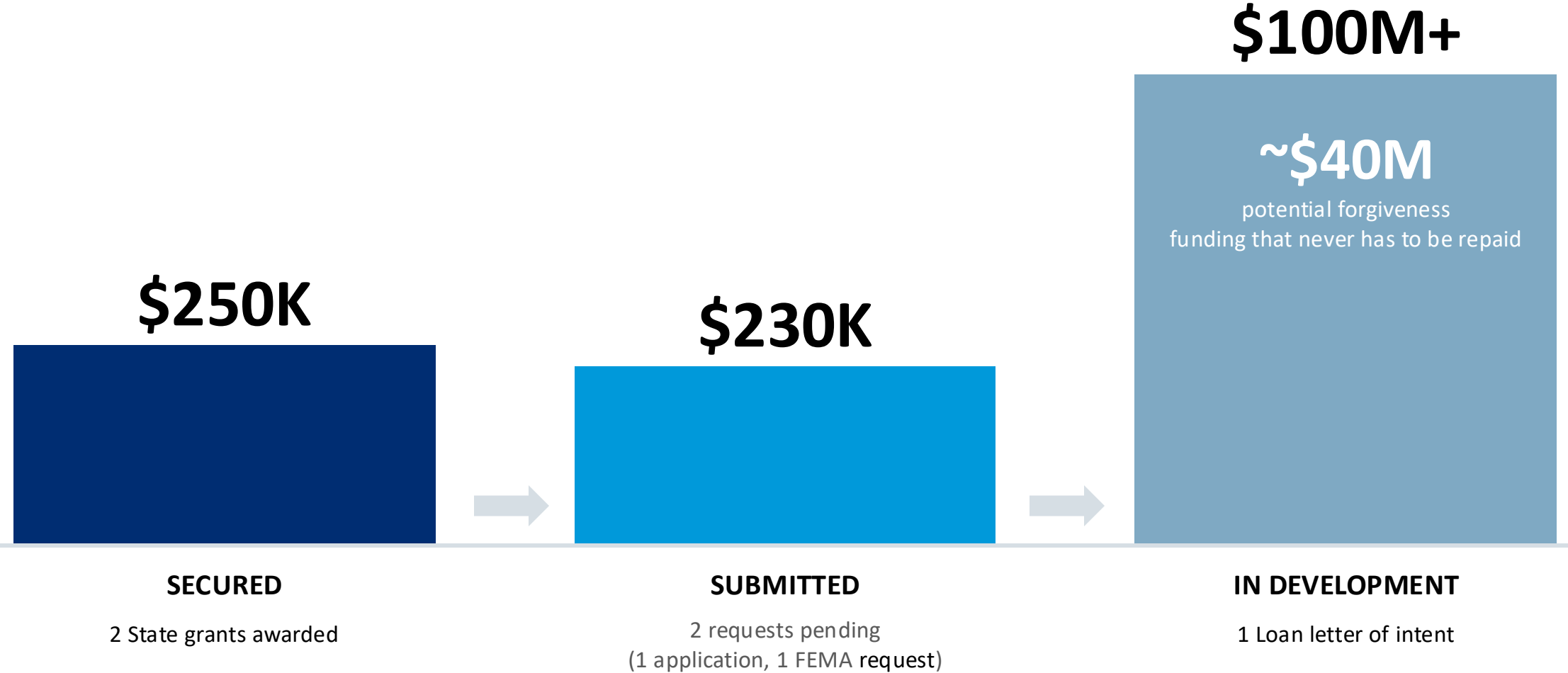
How Funding Opportunity Moves to Award

A staged review focuses effort early, then hands approved opportunities to the application team.



Financial Performance

One year in, the program has shifted from securing grants to pursuing capital-scale funding



Opportunities Reviewed 25-26

Opportunity	Date / program reference	Award Range	Pursued	Active	Awarded
Gen III & SMR Program	Award field: Spring 2025	Up to \$900M	No	No	—
OCED Rural / Remote Energy Improvements	Due Feb 18, 2025 (cancelled)	\$2M–\$10M	Yes	No	Canceled
VW Enforcement Grant: EV Chargers	Due Aug 12, 2025	\$10K–\$100K	Yes	Yes	Yes
WA DOC Clean Energy Siting & Permitting	Due Oct 9, 2025	\$30K–\$1.2M	No	No	—
WA DOC Grid Resilience	Award: Apr 1, 2026	Up to –\$3M	Yes	No	No
WA DOC Clean Energy Grant	Award: Feb 1, 2026	\$50K–\$2.5M	No	No	—
DOE Office of Science Assistance	FY 2026 program	\$5K–\$5M	No	Yes	—
WA EV Charging Program Round 2	Award: Mar 1, 2026	\$20K–\$150K	Yes	No	Yes
DOE Speed to Power / AI Race RFI	Due Nov 21, 2025	—	No	N/A	—
NSF Advanced Technological Education	Due / award: Oct 1, 2026	\$475K–\$1M	No	Yes	—
DOE Next-Generation Geothermal	Due Apr 30, 2026	\$4M–\$8M	No	Yes	—
2026–29 Charge Where You Are	Due Jul 9, 2026	\$10K–\$100K	Yes	Yes	Pending
USDA RUS PART energy loan	Due Oct 9, 2026	\$1M–\$100M	In Progress	Yes	Pending

Source: supplied tracker. Review dates not provided. Award dates are tracker entries, not confirmation of an award.

Funding ranges are listed limits, not awarded amounts. PART is a loan. — = not recorded.

Funding Outlook

Strategic Implication: diversify pursuit across grants, loans, and incentives rather than concentrating on federal grants.

FEDERAL GRANTS



DOWN

Availability is decreasing as compliance expectations change.

WASHINGTON STATE GRANT



UP

State programs are becoming a more dependable near-term source.

LOANS



UP

More opportunities opening.
Scale capital projects with low-cost debt and potential forgiveness.

TAX INCENTIVES



STEADY

Use as a complementary pathway for eligible capital investments until phase out.

External Funding Road Map



PROGRAM SETUP → CROSS-DEPARTMENT COORDINATION → PLAN AND MANAGE FUNDING

Thank you!



Energy Supply and Markets

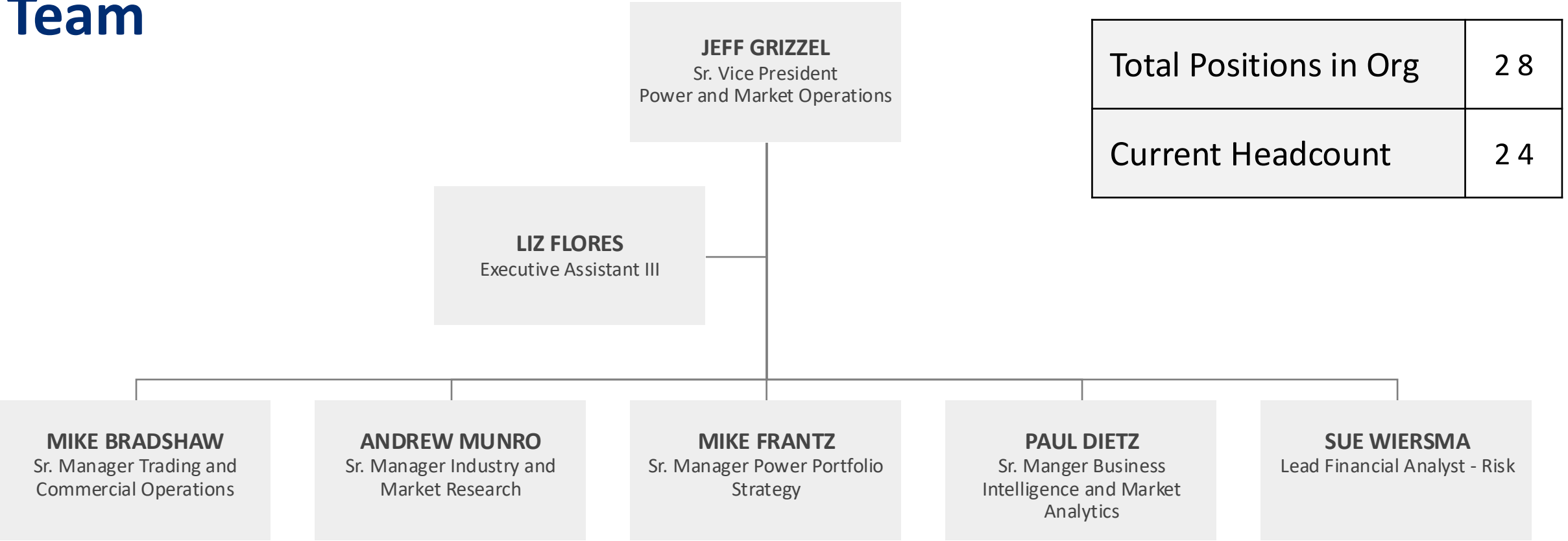
October 13, 2026

Jeff Grizzel, Sr. VP Power & Market Operations



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Team



Staff Updates:

- Working to fill 4 open positions.

Executive Financial Overview

AUGUST 2026

O&M DIRECTS YTD			
YTD BUDGET	ACTUALS	YTD VARIANCE	YTD VAR %
\$2,581K	\$3,781K	\$1,200K	46.5%

O&M DIRECTS YE PROJECTION			
TOTAL BUDGET	YEP	YE VARIANCE	YE VAR %
\$3,785K	\$8,272K	\$4,487K	118.6%

LABOR YTD			
YTD BUDGET	ACTUALS	YTD VARIANCE	YTD VAR %
\$2,521K	\$2,341K	(\$180K)	-7.1%

LABOR YE PROJECTION			
TOTAL BUDGET	YEP	YE VARIANCE	YE VAR %
\$4,360K	\$3,822K	(\$538K)	-12.3%

COST CATEGORY TYPE	YTD BUDGET	ACTUALS	YTD VARIANCE	YTD VAR %
Purchased Services	\$1,978,062	\$3,330,131	\$1,352,069	68.4%
Total	\$1,978,062	\$3,330,131	\$1,352,069	68.4%

This table reflects the largest variance cost category types only.

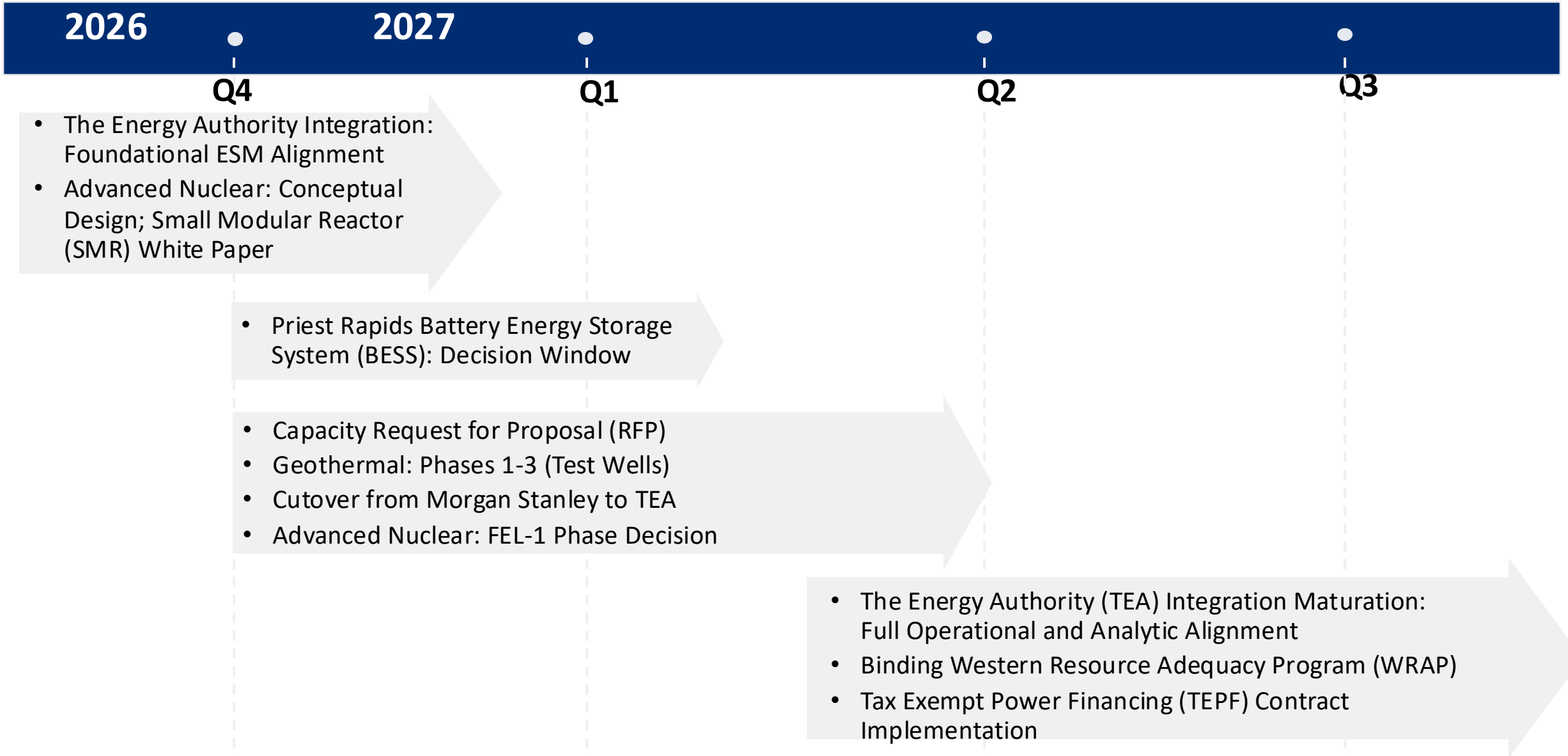
Purchased Services: \$1.35M Unfavorable | Outside of Target; \$1.1M for unbudgeted TEA retention fee (\$405K/mo).

Labor: \$180K Favorable |Outside of Target; Continued vacancies (4 FTRs).

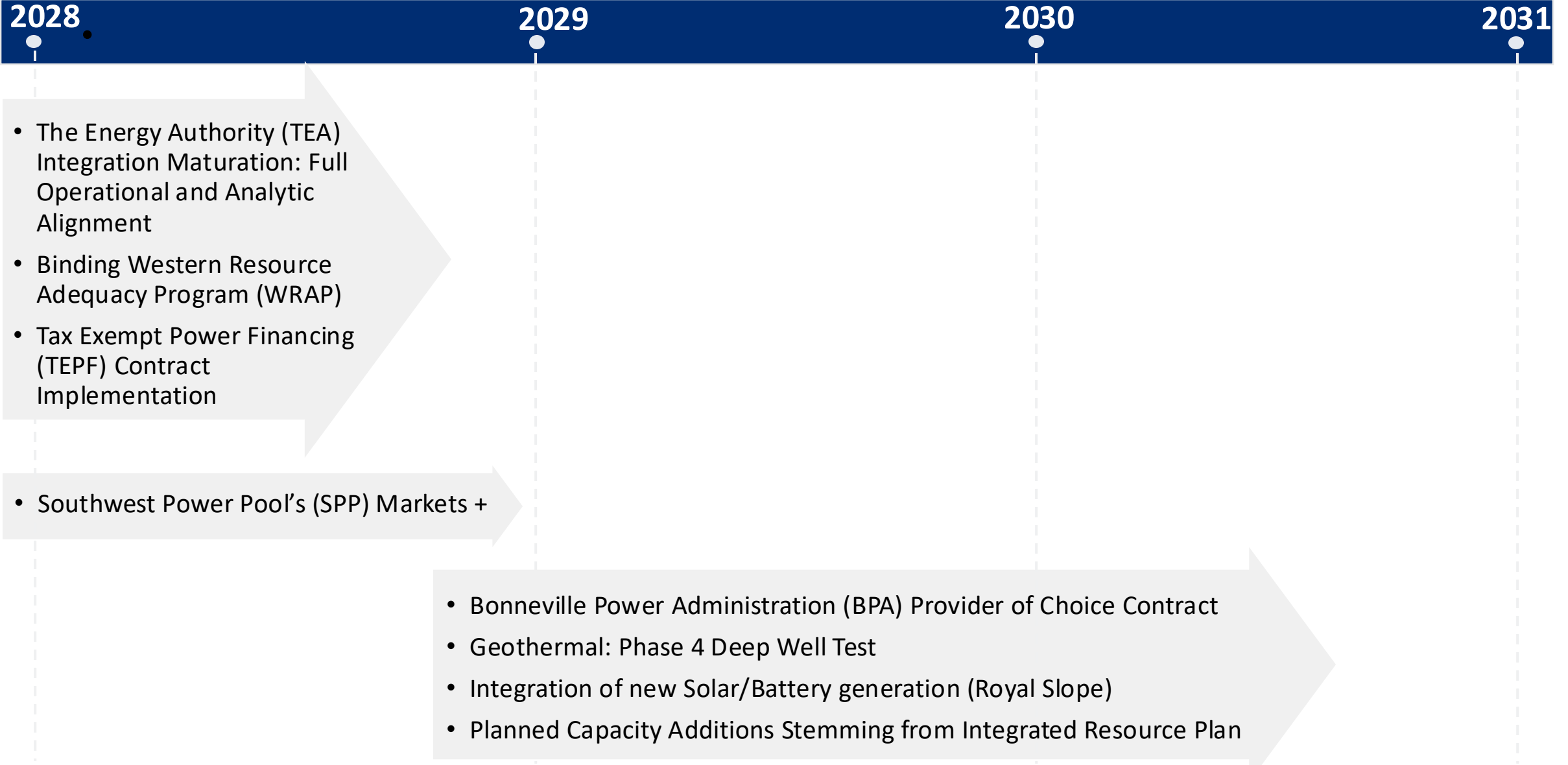
Management Focus

- Maintain execution continuity through the ESM leadership transition.
- Advance The Energy Authority (TEA) integration while retaining core strategic expertise and clear accountability.

Near-Term Business Plan



Long-Term Business Plan



Closing Summary

- Commission engagement requested: stay engaged in the strategic discussions ahead on market participation, and future resource options, so the Commission is positioned to act when these decisions arrive.

Thank You!



Department Name:	Key Presenters:	Date:
Energy Supply & Markets	Jeff Grizzel, VP Power & Market Operations	October 13, 2026

RECAP

Issues and Drivers	ESM is managing several high-visibility transition and execution items: maintaining continuity through the ESM leadership transition; advancing TEA integration while retaining strategic expertise and clear accountability; monitoring unfavorable purchased services variance tied primarily to the unbudgeted TEA retention fee; and managing favorable labor variance driven by continued vacancies.
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NEAR-TERM PLANS (CURRENT THROUGH Q3 2027)

Project Updates	Current through Q3 2027 priorities include foundational TEA alignment and cutover from Morgan Stanley to TEA; Capacity RFP activity; Priest Rapids BESS decision window; advanced nuclear conceptual design, SMR white paper, and FEL-1 phase decision; geothermal phases 1-3 test wells; WRAP binding participation; and TEPF contract implementation.
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LONGER-TERM STRATEGY (2029 THROUGH 2031)

Roadmap	The longer-term roadmap carries ESM from TEA operational and analytic maturation into market, resource adequacy, and resource planning milestones, including SPP Markets+, binding WRAP, TEPF implementation, BPA Provider of Choice contract work, geothermal Phase 4 deep well testing, Royal Slope solar/battery integration, and planned capacity additions stemming from the Integrated Resource Plan.
Strategy	Strategic focus is on preserving reliability and market readiness while positioning the Commission for future decisions on risk governance, market participation, resource adequacy, and long-range resource options.

COMMISSION SUPPORT: KEY ASKS

Specific Requests	Commission engagement is requested on upcoming strategic discussions on market participation, and future resource options so Commissioners are positioned to act when decision points arrive.
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Human Resources

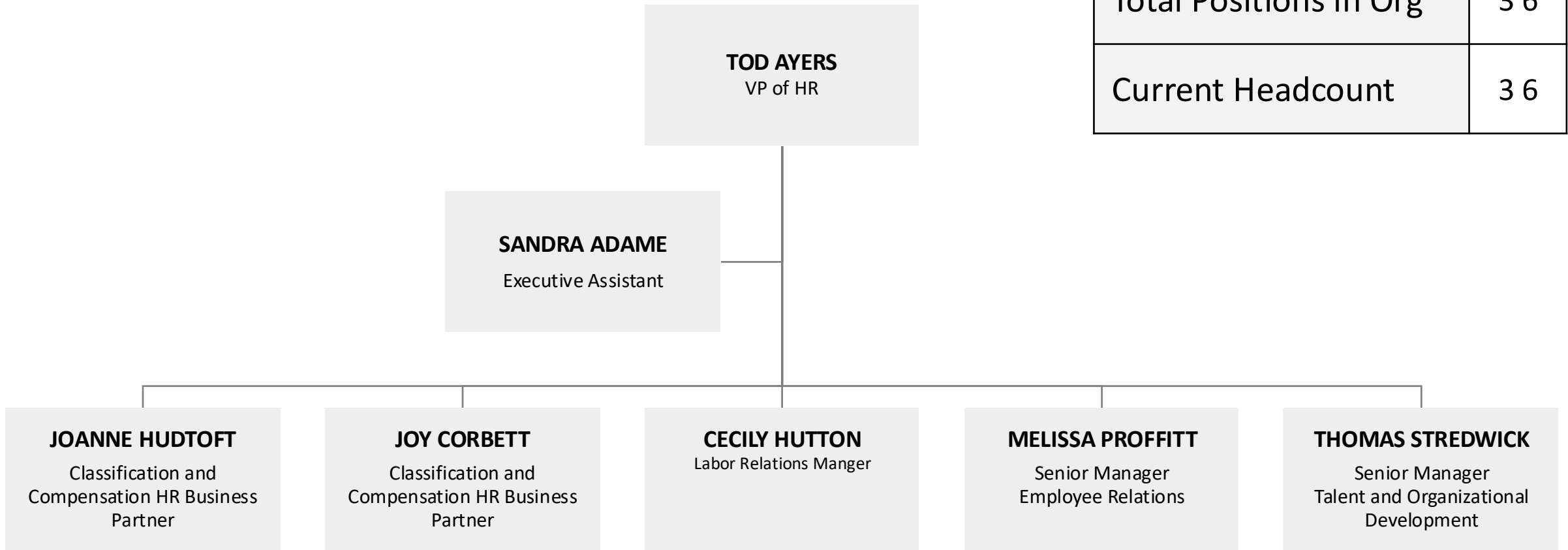
October 13, 2026

Tod Ayers, Vice President of Human Resources



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Team



Staff Updates:

- No changes since last QBR.

Enterprise Balanced Scorecard

Succession Plans	Talent Stability Index	Average Gallup Q12 Engagement Score	Staff Empowerment Survey Question
<i>% of critical roles with documented succession plans = 77% (Goal 70%)</i>	<i>% of employees employed for > 3 years = 72% (Goal 70%)</i>	<i>4.24 in September (Goal 4.30)</i>	<i>% of Employees selecting 4 or 5 on "I have the authority to do my job effectively" = 65% in September (Goal 80%)</i>
Green	Green	Yellow	Yellow

- HR is engaging with leadership following each survey to develop individual actions leaders are accountable to implement on the Q12 and empowerment survey questions.
- There has been a downward trend for both Q12 and the staff empowerment measures since last quarter for monthly surveys – the annual survey will provide the most useful data point.
- Management Action Plan
 - HR will continue to engage leadership, particularly following the annual Q12 survey in October for every supervisor to develop action plans for their staff's engagement.

Executive Financial Overview

O&M DIRECTS YTD			
YTD BUDGET	ACTUALS	YTD VARIANCE	YTD VAR %
\$1,028K	\$1,123K	\$95K	9.3%

O&M DIRECTS YE PROJECTION			
TOTAL BUDGET	YEP	YE VARIANCE	YE VAR %
\$1,772K	\$1,885K	\$114K	6.4%

LABOR YTD			
YTD BUDGET	ACTUALS	YTD VARIANCE	YTD VAR %
\$2,851K	\$2,844K	(\$7K)	-0.2%

LABOR YE PROJECTION			
TOTAL BUDGET	YEP	YE VARIANCE	YE VAR %
\$4,426K	\$4,395K	(\$31K)	-0.7%

COST CATEGORY TYPE	YTD BUDGET	ACTUALS	YTD VARIANCE	YTD VAR %
G&A	\$251,164	\$319,138	\$67,974	27.1%
Purchased Services	\$616,233	\$657,735	\$41,502	6.7%
Travel	\$63,210	\$43,072	(\$20,138)	-31.9%
Total	\$930,607	\$1,019,946	\$89,338	9.6%

- **G&A:** \$67K Unfavorable | Outside of Target; due retiree subsidy and REHN & ASSOCIATES/COBRA ACCT coming in higher then expected.
- **Purchased Services:** \$41K Unfavorable | Outside of Target; due to \$40K in recruiting services coming in higher than expected. In addition, \$30K has been added for VP hiring costs.
- **Travel:** (\$20k) Favorable | Outside of Target: The primary driver is JE0000, with OBU travel not yet reflected in actuals. HR travel is expected to increase in Q3 and Q4 as planned travel occurs.

Q3 2026 LABOR MARKET & TALENT UPDATE

WHAT WE ARE SEEING Hiring has slowed across the broader market, which is helping with applicant volume for many administrative and professional jobs. That said, the roles that matter most to our operations are still hard to fill. Experienced engineers, IT professionals, skilled trades, operators, cybersecurity specialists and other utility-specific talent remain in short supply.

WHAT WE HAVE DONE YTD

73 of 91 of '26 HIRING PLAN FILLED 80%	13 NEW HEADCOUNT POSTED NOW	5 NEW HEADCOUNT NOT YET TO TA	171 REQUISITIONS FILLED YTD	33 REQUISITIONS POSTED NOW	40.8 DAYS AVERAGE TIME TO FILL EXTERNAL
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A quick note on the numbers: TA has managed 213 requisitions YTD, with 171 filled and 33 currently posted. Requisitions measure recruiting activity rather than unique hires; one requisition may cover multiple openings/hires, and an unawarded internal bid may be followed by a separate requisition for competitive external recruitment.

THE BROAD TALENT MARKET

NATIONAL & WASHINGTON U.S. unemployment is around 4.2%. Washington is around 5.2%, with relatively flat job growth. We are seeing broader applicant pools for many administrative and general professional jobs.

HERE IN GRANT COUNTY The labor pool is smaller and seasonal. We are competing with companies that offer fully remote work, data centers, manufacturing, agriculture, food processing, construction and logistics for many of the same technical and skilled workers.

WHERE IT IS STILL TIGHT Electrical and mechanical engineering, operations, skilled crafts, IT, cybersecurity and utility-specific technical roles.

WHERE WE NEED TO STAY FOCUSED

LONGER SEARCHES Engineer III+ roles, especially Electrical Engineering across several disciplines; A/P Supervisor; Enterprise Architect; and Control Systems Engineer III-V - Cybersecurity & Infrastructure.

RETIREMENT READINESS About 23% of employees will be retirement eligible within 10 years. Many critical utility jobs take several years to learn, so we need time to prepare successors, over hire in certain instances, and transfer knowledge.

WHY THIS MATTERS If we wait until vacancies occur, we increase the risk of losing knowledge, delaying projects and relying too heavily on a limited external market.

HOW WE ARE BUILDING THE PIPELINE

JOB SHADOWS 26 completed: 7 Line, 6 Electrical Engineering, 4 Mechanical Engineering, 5 Economics, plus Hydro Electrician, Fiber Network Technician, Meter-Relay and Environmental Affairs/GIS.

STUDENT CONNECTIONS We connected with 150+ students through the NWA Conference, FUSE Career Fair, Big Bend Community College and Central Washington University.

EXPANDING OUR REACH FUSE connected us with Gonzaga, Whitworth, University of Idaho, WSU and EWU. We also welcomed our first Western Washington University intern this summer, and fall outreach is being planned.

WHERE WE ARE HEADED

KEEP BUILDING local talent through internships, apprenticeships, internal development programs, job shadows and school partnerships.

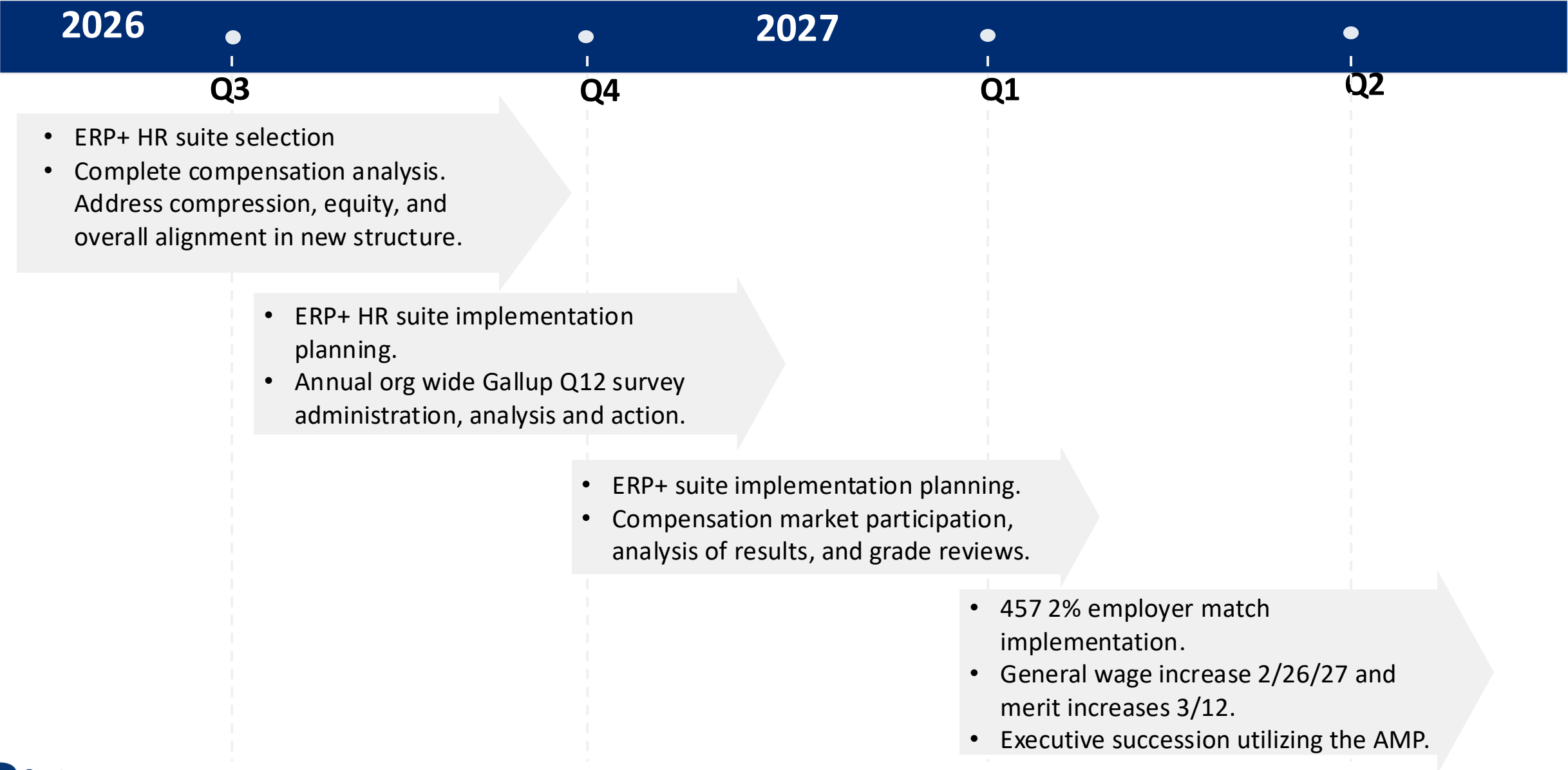
GROW OUR OWN through internal mobility, succession planning and practical knowledge transfer.

BE TARGETED with outbound recruiting (proactively going to for talent that may not be looking for work) and leverage 3rd parties for the technical and leadership roles that are hardest to fill.

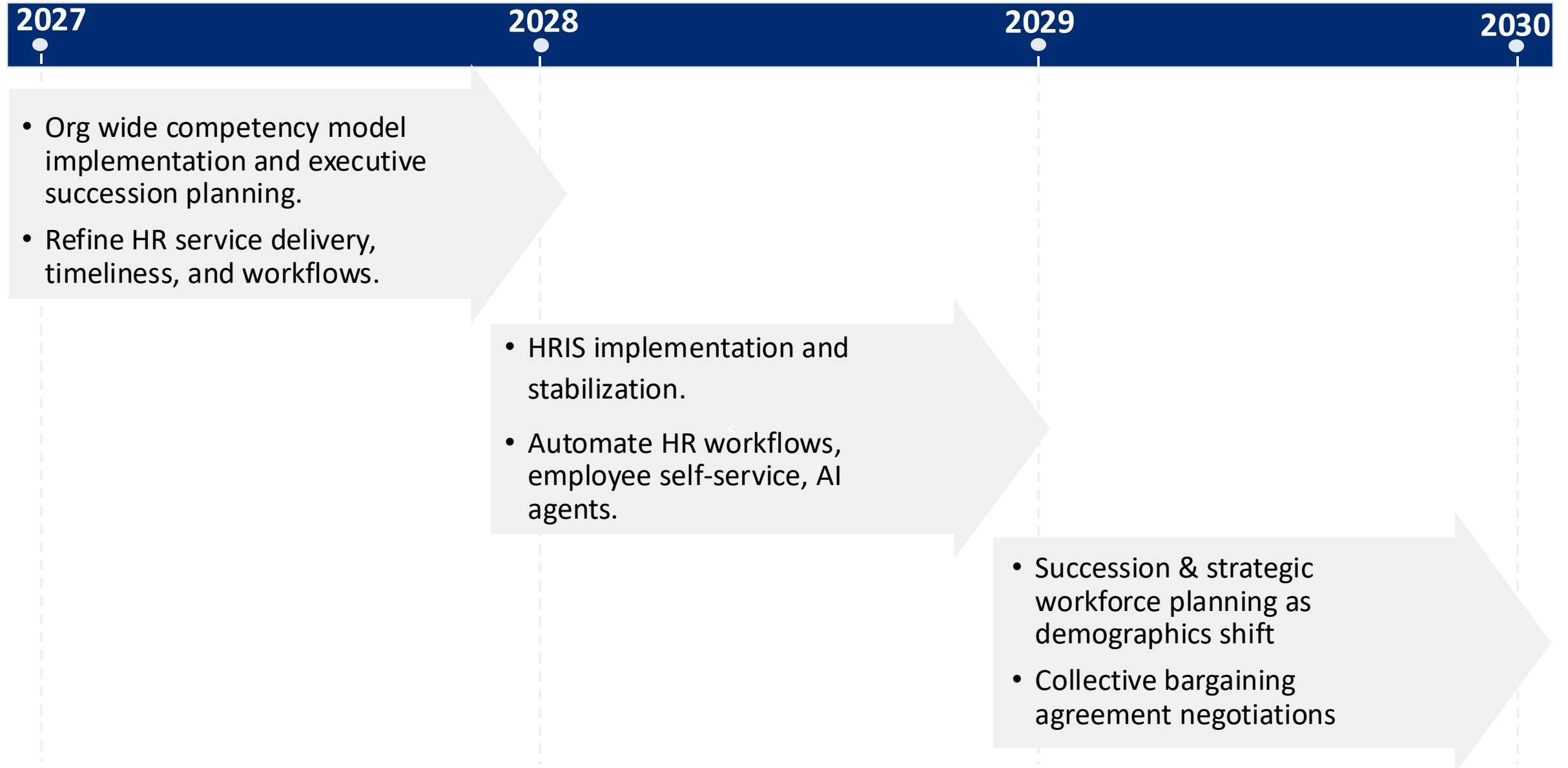
PLAN AHEAD for the digital, data, cybersecurity, automation and AI skills the utility will need. Also considering 2027 hiring plans and needs identified in budget requests.

BOTTOM LINE We are making solid hiring progress. Our bigger challenge is making sure we have people ready for the specialized work ahead, especially in roles that take years to learn and remain difficult to recruit.

Near-Term Business Plan



Long-Term Business Plan



Closing Summary

- Workforce stability, succession, and talent acquisition are meeting or exceeding targets.
- Employee engagement and decision-making authority remain key areas of focus.
- HR is strengthening organizational capability through HR technology modernization (ERP), total rewards strategy, workforce planning, supervisor training, and leadership succession.

Thank You!



Department Name:	Key Presenters:	Date:
Human Resources	Tod Ayers	October 13, 2026

RECAP

Issues and Drivers

Workforce stability, succession, and talent acquisition are meeting or exceeding targets. Employee engagement and decision-making authority remain key areas of focus. HR is strengthening organizational capability through HR technology modernization (ERP), total rewards strategy, workforce planning, and leadership succession.

NEAR-TERM PLANS (CURRENT THROUGH Q2 2027)

Project Updates

ERP+ HR suite selection and implementation.
Compensation analysis, general wage increase, merit, and market survey participation.
Annual Gallup Q12 Employee Engagement Survey administration, analysis, and action.
Executive succession via the Accelerated Management Program (AMP).

LONGER-TERM STRATEGY (2027 THROUGH 2029)

Roadmap

Organization-wide competency model implementation.
Refine HR service delivery, timeliness, and automated workflows.
HRIS implementation and stabilization.
Succession and strategic workforce planning as demographics shift.
Collective bargaining agreement negotiations

Strategy

- 1) People Processes & Service Delivery (maximize technology, automate processes, improve customer experience)
- 2) Knowledge Management (capture and organize HR procedures in central repository with clear accountability and regularly updated resources)
- 3) HR Talent Development (identify skill gaps and deliver targeted development of the HR team through training plans, cross-training, and clear progression paths)
- 4) Employee Data Insights (provide leaders with accurate dashboards by advancing analytics, predictive tools, and AI integration)
- 5) Expectation Management (Define and communicate clear standards through updated competencies, job descriptions, and leadership development programs)
- 6) Consistent Employee Lifecycle (Standardize each moment that matters in the employee lifecycle to create seamless, repeatable, and retention focus experiences)
- 7) Employee Self-Service (invest in the development of an intuitive self-service platform that enables employees to manage their information and access to HR support with minimal staff interaction)

COMMISSION SUPPORT: KEY ASKS

Specific Requests

N/A