July 14, 2026

2nd/3rd Tuesday - Workshop

8:30 a.m.	Executive Session
9:00 a.m.	Presentation Period
12:00 p.m.	**Lunch**
1:00 p.m.	Internal Recognition
1:30 p.m.	Presentation Period
3:30 p.m.	Business Review a. Review of Agenda items

Materials

Grantpud.org/commission-meetings

4th Tuesday – Business Meeting

8:30 a.m.	Executive Session
9:00 a.m.	Administration Voucher Calendar
9:30 a.m.	Reporting
11:00 a.m.	Business Review
12:00 p.m.	**Lunch**
1:00 p.m.	Business Meeting: **SAFETY BRIEF** a. Pledge of Allegiance, Attendance b. Round Table-Trade Association, Correspondence, Public Comment Period c. Consent Agenda d. Approval of Vouchers e. Meeting minutes f. Agenda Items
2:30 p.m.	Commission Period
3:30 p.m.	Commission Planning Period

Workshop – Business Review

HOLD – Resolution XXXX Energy Risk Policy (July 2026).

HOLD – Resolution XXXX Integrated Resource Planning (IRP) (August 2026).

Business Meeting – Agenda Items

Adjournment

CONSENT AGENDA

Draft – Subject to Commission Review

REGULAR Meeting
OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY

June 23, 2026

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 8:30 a.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, Washington and via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 464 734 098# with the following Commissioners present: Larry Schaapman, President; Judy Wilson, Vice-President; Nelson Cox, Secretary; Tom Flint, Commissioner and Terry Pyle, Commissioner.

An executive session was announced at 8:30 a.m. to last until 8:55 a.m. to review performance of a public employee pursuant to RCW 42.30.110(1)(g), to discuss pending litigation pursuant to RCW 42.30.110(1)(i) and to discuss lease or purchase of real estate if disclosure would increase price pursuant to RCW 42.30.110(1)(b). The executive session concluded at 8:55 a.m. and the regular session resumed.

The Commission convened to review vouchers, correspondence and calendar.

Brydon Ecklund, Manager of Forecasting and Planning, provided the Financial and Treasury Report.

John Mertlich, General Manager, shared the Enterprise Balanced Scorecard including measure report outs from Tod Ayers, Vice President of Human Resources; Fallon Long, Vice President of Enterprise Shared Services; Krissy Mckenzie, Manger of EPPM; Ron Alexander, Vice President of Power Delivery; Molly Hill, Senior Manager of Power Production – Engineering; Charles Meyer, Vice President of Technology; Bryndon Ecklund, Manager of Forecasting and Planning.

The Commission recessed at 11:00 a.m. to 11:05 a.m.

The Commission engaged in a Business Review period.

The Commission recessed at 11:20 a.m. to 11:30 a.m.

An executive session was announced at 11:30 a.m. to last until 12:55 a.m. to review performance of a public employee pursuant to RCW 42.30.110(1)(g) and to discuss pending litigation pursuant to RCW 42.30.110(1)(i). The executive session concluded at 12:55 p.m. and the regular session resumed.

The Commission resumed at 1:01 p.m. and opened the public comment period. No members of the public were present in person or online.

A round table of trade association and committee reports were reviewed regarding the following topics:

- July WPUDA Association Meeting in Okanogan, Washington

Consent agenda motion was made Commissioner Cox and seconded by Commissioner Wilson to approve the following consent agenda items:

Payment Number	166846	through	167797	$58,542,333.57
Payroll Direct Deposit	36781	through	38697	$6,948,121.77
Payroll Tax and Garnishments	20260527A	through	20260610B	$3,238,091.59

Business Minutes from:

- May 26, 2026 Commission Meeting
- June 9, 2026 Commission Workshop
- June 16, 2026 Commission Workshop

After consideration, the above consent agenda items were approved by unanimous vote of the Commission.

Resolution No. 9126 relative to adopting a revised policy to the Commission. Motion was made by Commissioner Cox and seconded by Commissioner Wilson to approve policy amendments and move forward to adoption. Commissioner Flint approved the motion to adopt Resolution and Commission Cox second. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9126

A RESOLUTION ADOPTING REVISED SEPA POLICIES AND PROCEDURES AND SUPERSEDING RESOLUTION 8590

R e c i t a l s

1. Pursuant to WAC 197-11, Grant PUD, as a State Environmental Policy Act (SEPA) lead agency, is required to develop and adopt policies and procedures; and

2. Grant PUD's SEPA policies and procedures were last updated on December 19, 2011, via Resolution 8590; and

3. Grant PUD desires to update the SEPA policies and procedures to maintain compliance with state law; and

4. Grant PUD's executive leadership and staff have reviewed the updated SEPA policies and procedures attached hereto and recommend that they be adopted.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that:

Section 1. The attached "Public Utility District No. 2 of Grant County Lead Agency State Environmental Policy Act Policies and Procedures" is hereby approved and adopted and shall be effective upon the date this resolution is passed and approved by the Commission.

Section 2. Resolution 8590 is hereby superseded.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 23rd day of June, 2026.

Motion was approved by Commissioner Flint and seconded by Commissioner Wilson authorizing the General Manager/CEO to execute contract with Shell Energy North America (US)("Shell"), for the purpose of entering an energy exchange agreement. The agreement shall be for a 3-year Wholesale Energy Exchange Transaction with Shell Energy.

Motion was approved by Commissioner Flint and seconded by Commissioner Cox authorizing the General Manager/CEO to executive Contract No. 130-13111 with North Harris Computer Corporation (Harris) as Grant PUD's new Customer Information System (CIS) in the amount not to exceed $7,717.927.43 for a contract term of 5 years.

The Commission recessed at 1:20 p.m. to 1:55 p.m.

The Commission resumed at 2:00 p.m.

Lisa Stites, Lead Financial Analyst and Mike Frantz, Senior Manager of Power Portfolio introduced the Integrated Resource Plan (IRP) and opened the IRP Public Hearing. No members from the public were in attendance and no public joined via audio online.

There being no further business to discuss, the Commission adjourned at 2:38 p.m. on June 23 and reconvened on Tuesday, July 7 at 8:30 a.m. at Priest Rapids Dam, 29086 Highway 243 S, Mattawa, Washington for the purpose of attending an Ecology Tour and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Judy Wilson, Terry Pyle, Larry Schaapman, and Nelson Cox.

There being no further business to discuss, the Commission recessed at 12:00 p.m. on Tuesday, July 7 and reconvened on Tuesday, July 7 at 1:00 p.m. at Hydro Office Building (HOB), 14352 Hwy 243. S., Beverly, Washington for the purpose of holding a Commission Work Day and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Judy Wilson, Terry Pyle, Larry Schaapman, and Nelson Cox.

There being no further business to discuss, the Commission recessed at 2:30 p.m. on Tuesday, July 7 and reconvened on Wednesday, July 8 at 8:30 a.m. at Best Western Hotel, 3000 W. Marina Dr., Moses Lake, Washington for the purpose of attending the 2026 Leadership Summit and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Judy Wilson, Terry Pyle, Larry Schaapman, and Nelson Cox.

There being no further business to discuss, the Commission recessed at 2:00 p.m. on Wednesday, July 8 and reconvened on Tuesday, July 14 at 8:30 a.m. at Grant PUD's Main Headquarters Building, 30 C St SW, Ephrata, Washington for the purpose of holding a Commission Workshop and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Judy Wilson, Terry Pyle, Larry Schaapman, and Nelson Cox.

There being no further business to discuss, the Commission recessed at _______ on Tuesday, July 14 and reconvened on Tuesday, July 21 at 8:30 a.m. at Grant PUD's Main Headquarters Building, 30 C St SW, Ephrata, Washington for the purpose of holding a Commission Workshop and any other business that may come before the Commission with the following Commissioners present: Tom Flint, Judy Wilson, Terry Pyle, Larry Schaapman, and Nelson Cox.

There being no further business to discuss, the June 23, 2026 meeting officially adjourned at ________ on July 21, 2026.

____
Larry Schaapman, President

ATTEST:

____________________________________	____________________________________
Nelson Cox, Secretary	Judy Wilson, Vice President
____________________________________	____________________________________
Tom Flint, Commissioner	Terry Pyle, Commissioner

For Commission Review – 07/14/2026

RESOLUTION NO. XXXX

A RESOLUTION AUTHORIZING GRANT PUD'S GENERAL MANAGER/CEO TO ENTER INTO TRANSACTIONS AND CONTRACTS FOR THE PURCHASE AND SALE OF ELECTRIC ENERGY AND CAPACITY (PHYSICAL OR FINANCIAL) WITHIN DEFINED CRITERIA AND RESCINDING RESOLUTION NO. 8960

Recitals

1. Public Utility District No. 2 of Grant County, Washington (Grant PUD) is authorized to purchase and sell electric energy and capacity and may take action necessary or convenient thereto, pursuant to RCW 54.16.040 and other applicable laws;

2. RCW 54.16.040 provides that the contracts shall extend over such period of years and contain such terms and conditions as determined appropriate by the Grant PUD Commission. The selling of energy is a proprietary function of a public utility district (PUD);

3. The primary purpose of the powers granted to PUDs pursuant to RCW 54.16.040 is to furnish Grant PUD, and its inhabitants, with electricity for all uses, and, incident thereto, Grant PUD may furnish electricity to others;

4. At times Grant PUD must acquire electricity from third parties to meet Grant PUD's needs;

5. At other times Grant PUD produces electrical power which is surplus to the needs of Grant PUD;

6. RCW 54.16.040 also requires that the Grant PUD Commission, prior to selling energy to other entities, shall first make adequate provisions for the needs of Grant PUD, both actual and prospective. RCW 54.16.040 further requires that a resolution authorizing such contracts are to be introduced at a Grant PUD Commission meeting at least ten (10) days prior to approval of the transaction;

7. Grant PUD staff is recommending that Resolution 8960 be rescinded so that there is one master applicable resolution. The majority of the provisions of this resolution are restatements of Resolution 8960;

8. Grant PUD staff has advised that: a) standard utility practices and the general course of business for energy transactions require immediate action by Grant PUD staff in order to capture purchase and sale opportunities and such business practices do not afford sufficient time for adoption of separate resolutions authorizing individual purchases and sales; and b) Grant PUD would lose significant revenue from missed or foregone purchase and sale opportunities if a mechanism is not in place which would allow such transactions to proceed on a pre-authorized basis within certain criteria; and c) there has been a decline in the numbers of counterparties available and participating in the physical market for purchasing and selling electrical power; and d) Grant PUD staff is of the opinion that the use of financial derivative contracts would facilitate Grant PUD's efforts to mitigate risks related to the purchase and sale of electricity;

9. Purchasing and selling energy, capacity, and related environmental attributes is necessary for Grant PUD to (a)prudently manage its resources while mitigating various risks, including but not limited to, price, water flow and operational risks, and (b)stabilize Grant PUD's revenues and

10. Grant PUD's General Manager/CEO is of the opinion that it is prudent and in the best interests of Grant PUD to delegate authority to them, or their designee, to enter into power sales and purchase transactions, including those for energy and capacity and related environmental attributes, and associated enabling agreements pursuant to established criteria as described in Section 2; and is in agreement with the recommendations of Grant PUD staff;

11. Resolution No. 5853, Section 2.A. currently sets forth the criteria for such delegation of authority;

12. The Commission directs the General Manager/CEO or their designee report to the Commission on a regular basis (no less than quarterly) on transactions, both physical and financial in nature, and contracts for the purchase and sale of electric energy, capacity and environmental attributes;

13. Further, the delegation of authority to transact encompassed in this resolution does not apply to transactions for energy, capacity, and/or environmental attributes that exceed the duration limit in Section 2 A. of this resolution which would require Commission approval or transactions with Grant PUD retail customers pursuant to Grant PUD's Rate Schedules; and

14. The criteria adopted in this resolution will be subject to the oversight of the Energy Risk Oversight Committee (EROC), and the related required monitoring and reporting provides safeguards consistent with good business practices.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the Public Utility District No. 2 of Grant County, Washington as follows:

<u>Section 1.</u> The Commission finds that:

A. It is prudent and in the best interests of Grant PUD and its customers to participate in the energy market and to effectively engage in transactions on a timely basis.

B. It is prudent and in the best interests of Grant PUD and its customers to allow Grant PUD's General Manager/ CEO to enter into financial derivative contracts for the purpose of mitigating risks related to the purchase and sale of electricity.

C. The delays inherent in the process of approving separate resolutions to authorize individual electric energy and capacity purchase or sale transactions would significantly inhibit Grant PUD's ability to execute such transactions in a timely and cost-effective manner.

D. Grant PUD recognizes the intent of the ten-day deferral requirement of RCW 54.16.040 and seeks to manage compliance without a significant adverse impact on Grant PUD.

E. Adoption of this authorizing resolution with criteria and limitations is in substantial compliance with and fulfills the apparent intent of the ten-day deferral requirement of RCW 54.16.040, while allowing Grant PUD to contract for sales and purchases in accordance with sound and prudent utility practices.

F. It is in the best interest of Grant PUD for the Commission to delegate to the General Manager/CEO or their designee to undertake electric energy, capacity and environmental attribute purchase and sale transactions and associated enabling agreements, where required or appropriate, under the authority of this resolution and subject to the criteria and limits set forth herein.

Section 2. Based upon the foregoing findings, the General Manager/CEO, or their designee, is hereby authorized to sell or purchase energy, capacity, and environmental attributes (both physical and/or financial contracts) without further action or approval by the Commission provided that each of the following criteria is observed:

A. No transaction shall exceed a duration of three (3) years. Transactions can be executed up to one (1) year in advance of the three (3) year term.

B. Adequate provision shall be made for the needs of Grant PUD, both actual and prospective, as required by statute.

C. Efforts will be made to adhere to all existing contractual, statutory and regulatory requirements, including measures to comply with rules governing the preservation of the tax-exempt status of Grant PUD bonds.

D. Transactions, both physical and financial, shall be managed to support Grant PUD's financial objectives, requiring prudent financial management decisions and proactive management of risks.

E. No speculative sales or purchases (physical or financial) shall be made.

F. Procedures will be in place to mitigate, monitor and report on credit risk exposure.

G. The General Manager/CEO, or their designee, shall provide on a regular basis (no less than quarterly) reports to the Board of Commissioners on sales and purchases of energy, capacity and environmental attributes (both physical and financial contracts).

Section 3. This resolution has been adopted following a ten (10) day waiting period as provided for in RCW 54.16.040.

Section 4. Resolution No. 8960 and any other resolutions' sections inconsistent with this resolution are hereby rescinded and superseded by this resolution.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 28th day of July, 2026.

____
President

ATTEST:

____________________________________	____________________________________
Secretary	Vice President
____________________________________	____________________________________
Commissioner	Commissioner

RESOLUTION NO. XXXX

A RESOLUTION AUTHORIZING GRANT PUD'S GENERAL MANAGER/CEO TO ENTER INTO TRANSACTIONS AND CONTRACTS FOR THE PURCHASE AND SALE OF ELECTRIC ENERGY AND CAPACITY (PHYSICAL OR FINANCIAL) WITHIN DEFINED CRITERIA AND RESCINDING RESOLUTION NO. 8960

Recitals

1. Public Utility District No. 2 of Grant County, Washington (Grant PUD) is authorized to purchase and sell electric energy and capacity and may take action necessary or convenient thereto, pursuant to RCW 54.16.040 and other applicable laws;

2. RCW 54.16.040 provides that the contracts shall extend over such period of years and contain such terms and conditions as determined appropriate by the Grant PUD Commission. The selling of energy is a proprietary function of a public utility district (PUD);

3. The primary purpose of the powers granted to PUDs pursuant to RCW 54.16.040 is to furnish Grant PUD, and its inhabitants, with electricity for all uses, and, incident thereto, Grant PUD may furnish electricity to others;

4. At times Grant PUD must acquire electricity from third parties to meet Grant PUD's needs;

5. At other times Grant PUD produces electrical power which is surplus to the needs of Grant PUD;

6. RCW 54.16.040 also requires that the Grant PUD Commission, prior to selling energy to other entities, shall first make adequate provisions for the needs of Grant PUD, both actual and prospective. RCW 54.16.040 further requires that a resolution authorizing such contracts are to be introduced at a Grant PUD Commission meeting at least ten (10) days prior to approval of the transaction;

7. Grant PUD staff is recommending that Resolution 8960 be rescinded so that there is one master applicable resolution. The majority of the provisions of this resolution are restatements of Resolution 8960;

8. Grant PUD staff has advised that: a) standard utility practices and the general course of business for energy transactions require immediate action by Grant PUD staff in order to capture purchase and sale opportunities and such business practices do not afford sufficient time for adoption of separate resolutions authorizing individual purchases and sales; and b) Grant PUD would lose significant revenue from missed or foregone purchase and sale opportunities if a mechanism is not in place which would allow such transactions to proceed on a pre-authorized basis within certain criteria; and c) there has been a decline in the numbers of counterparties available and participating in the physical market for purchasing and selling electrical power; and d) Grant PUD staff is of the opinion that the use of financial derivative contracts would facilitate Grant PUD's efforts to mitigate risks related to the purchase and sale of electricity;

9. Purchasing and selling energy, capacity, and related environmental attributes is necessary for Grant PUD to (a)prudently manage its resources while mitigating various risks, including but not limited to, price, water flow and operational risks, and (b)stabilize Grant PUD's revenues and rates;

10. Grant PUD's General Manager/CEO is of the opinion that it is prudent and in the best interests of Grant PUD to delegate authority to them, or their designee, to enter into power sales and purchase transactions, including those for energy and capacity and related environmental attributes, and associated enabling agreements pursuant to established criteria as described in Section 2 ; and is in agreement with the recommendations of Grant PUD staff;

11. Resolution No. 5853, Section 2.A. currently sets forth the criteria for such delegation of authority;

12. The Commission directs the General Manager/CEO or their designee report to the Commission on a regular basis (no less than quarterly) on transactions, both physical and financial in nature, and contracts for the purchase and sale of electric energy, capacity and environmental attributes;

13. Further, the delegation of authority to transact encompassed in this resolution does not apply to transactions for energy, capacity, and/or environmental attributes that exceed the duration limit in Section 2 A. of this resolution which would require Commission approval or transactions with Grant PUD retail customers pursuant to Grant PUD's Rate Schedules; and

14. The criteria adopted in this resolution will be subject to the oversight of the Energy Risk Oversight Committee (EROC) and the related required monitoring and reporting provides safeguards consistent with good business practices.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the Public Utility District No. 2 of Grant County, Washington as follows:

<u>Section 1.</u> The Commission finds that:

A. It is prudent and in the best interests of Grant PUD and its customers to participate in the energy market and to effectively engage in transactions on a timely basis.

B. It is prudent and in the best interests of Grant PUD and its customers to allow Grant PUD's General Manager/ CEO to enter into financial derivative contracts for the purpose of mitigating risks related to the purchase and sale of electricity.

C. The delays inherent in the process of approving separate resolutions to authorize individual electric energy and capacity purchase or sale transactions would significantly inhibit Grant PUD's ability to execute such transactions in a timely and cost-effective manner.

D. Grant PUD recognizes the intent of the ten-day deferral requirement of RCW 54.16.040 and seeks to manage compliance without a significant adverse impact on Grant PUD.

E. Adoption of this authorizing resolution with criteria and limitations is in substantial compliance with and fulfills the apparent intent of the ten-day deferral requirement of RCW 54.16.040, while allowing Grant PUD to contract for sales and purchases in accordance with sound and prudent utility practices.

F. It is in the best interest of Grant PUD for the Commission to delegate to the General Manager/CEO or their designee to undertake electric energy, capacity and environmental attribute purchase and sale transactions and associated enabling agreements, where required or appropriate, under the authority of this resolution and subject to the criteria and limits set forth herein.

Section 2. Based upon the foregoing findings, the General Manager/CEO, or their designee, is hereby authorized to sell or purchase energy, capacity, and environmental attributes (both physical and/or financial contracts) without further action or approval by the Commission provided that each of the following criteria is observed:

A. No transaction shall exceed a duration of three (3) years. Transactions can be executed up to one (1) year in advance of the three (3) year term.

B. Adequate provision shall be made for the needs of Grant PUD, both actual and prospective, as required by statute.

C. Efforts will be made to adhere to all existing contractual, statutory and regulatory requirements, including measures to comply with rules governing the preservation of the tax-exempt status of Grant PUD bonds.

D. Transactions, both physical and financial, shall be managed to support Grant PUD's financial objectives, requiring prudent financial management decisions and proactive management of risks.

E. No speculative sales or purchases (physical or financial) shall be made.

F. Procedures will be in place to mitigate, monitor and report on credit risk exposure.

G. The General Manager/CEO, or their designee, shall provide on a regular basis (no less than quarterly) reports to the Board of Commissioners on sales and purchases of energy, capacity and environmental attributes (both physical and financial contracts).

Section 3. This resolution has been adopted following a ten (10) day waiting period as provided for in RCW 54.16.040.

Section 4. Resolution No. 8960 and any other resolutions' sections inconsistent with this resolution are hereby rescinded and superseded by this resolution.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this ____ day of ______, 2026.

____
President

ATTEST:

______________________________________	______________________________________
Secretary	Vice President
______________________________________	______________________________________
Assistant Secretary	Commissioner

Exhibit 6

RESOLUTION NO. 8960

A RESOLUTION AUTHORIZING GRANT PUD'S GENERAL MANAGER / CEO TO ENTER INTO SHORT-TERM AND FINANCIAL DERIVATIVE TRANSACTIONS AND CONTRACTS FOR THE PURCHASE AND SALE OF ELECTRIC ENERGY AND CAPACITY WITHIN DEFINED CRITERIA AND AMENDING RESOLUTION NO. 5853 AND RESCINDING RESOLUTION NO. 7560 AND RESOLUTION NO. 8226

Recitals

1. Public Utility District No. 2 of Grant County, Washington (Grant PUD or the District) is authorized to purchase and sell electric energy and capacity and may take action necessary or convenient thereto, pursuant to RCW 54.16.040 and other applicable laws;

2. RCW 54.16.040 provides that the contracts shall extend over such period of years and contain such terms and conditions as determined appropriate by the Commission. The selling of energy is a proprietary function of a public utility district (PUD);

3. The primary purpose of the powers granted to PUDs pursuant to RCW 54.16.040 is to furnish the District, and its inhabitants, with electricity for all uses, and, incident thereto, PUDs may furnish electricity to others;

4. From time to time Grant PUD has to acquire electricity from third parties to meet Grant PUD's needs;

5. At other times Grant PUD is able to produce electrical power which is surplus to the needs of the District;

6. RCW 54.16.040 also requires that the Commission, prior to selling energy to other entities, shall first make adequate provisions for the needs of the District, both actual and prospective. RCW 54.16.040 further requires that a resolution authorizing such contracts are to be introduced at a commission meeting at least ten (10) days prior to approval of the transaction;

7. Grant PUD staff is recommending that prior resolutions be rescinded and restated so that there is one master applicable resolution. The majority of the provisions of this resolution are restatements of the prior resolutions of the Commission;

8. Grant PUD staff has advised that: a) standard utility practices and the general course of business for energy transactions require immediate action by Grant PUD staff in order to capture short-term purchase and sales opportunities and such business practices do not afford sufficient time for adoption of separate resolutions authorizing individual purchases and sales; and b) Grant PUD would lose significant revenue from missed or foregone short-term purchase and sales opportunities if a mechanism is not in place which would allow such transactions to proceed on a pre-authorized basis within certain criteria; and c) there has been a decline in the numbers of counterparties available and participating in the physical market for purchasing and selling electrical power; and d) Grant PUD staff is of the opinion that the use of financial derivative contracts would greatly facilitate Grant PUD's purchase and sale of electricity;

9. Selling of energy, capacity, and related environmental attributes subject to criteria serves the public interest in several ways. Transactions of varying terms are necessary for Grant PUD to prudently manage its resources while mitigating various risks, including price, water flow and operational risks. These are necessary to stabilize Grant PUD's revenues and rates;

10. Grant PUD's General Manager / CEO is of the opinion that it is prudent and in the best interests of the District to delegate authority to him or his designee to enter into short-term power sales and purchase transactions, including those for energy and capacity, and associated enabling agreements pursuant to established criteria and policies so as to consummate transactions within the time constraints required by the marketplace; and is in agreement with the recommendations of the Grant PUD staff;

11. Resolution No. 5853, Section 2.A. currently sets forth the criteria for such delegation of authority;

12. The Commission directs the General Manager / CEO or his designee report to the Commission on a regular basis (no less than quarterly) on short-term and financial derivative transactions and contracts for the purchase and sale of electric energy and capacity transactions;

13. Further, this resolution does not apply to those agreements for the transactions of energy, capacity, and/or environmental attributes otherwise approved by the Commission (i.e., wholesale long-term bilateral contracts) or sale or purchase of energy to or for Grant PUD retail customers pursuant to the Grant PUD's Rate Schedules;

14. The criteria adopted in this resolution with the oversight of the Energy Risk Oversight Committee and the required reporting provide safeguards regarding energy and capacity transactions consistent with good business practices; and

15. All energy and capacity transactions are subject to RCW 54.16.040 requiring that adequate provision must first be made for the energy needs of Grant PUD, actual and prospective, and the primary purpose of Grant PUD as stated above.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the Public Utility District No. 2 of Grant County, Washington as follows:

<u>Section 1</u>. The Commission finds that:

A. It is prudent and in the best interests of the District and its customers to participate in the energy market and to effectively engage in transactions on a timely basis.

B. It is prudent and in the best interests of the District and its customers to allow Grant PUD's General Manager / CEO to enter into financial derivative contracts for the purpose of enhancing Grant PUD's sell of surplus electricity and for the purpose of purchasing electricity during those times when Grant PUD has insufficient resources of its own to meet the retail load requirements of its consumer owners.

C. The delays inherent in the process of approving separate resolutions to authorize individual short-term electric energy and capacity purchase or sale transactions would significantly inhibit Grant PUD's ability to consummate such transactions in a timely and cost-effective manner.

D. Grant PUD recognizes the intent of the ten-day deferral requirement of RCW 54.16.040 and seeks to manage compliance without a significant adverse impact on Grant PUD.

E. Adoption of this authorizing resolution with criteria and limitations is in substantial compliance with and fulfills the apparent intent of the ten-day deferral requirement of RCW 54.16.040, while allowing Grant PUD to contract for short- term sales in accordance with sound and prudent utility practices.

F. It is in the best interest of the District for the Commission to delegate to the General Manager / CEO or his designee to undertake short-term electric energy and capacity purchase and sale transactions and associated enabling agreements, where required or appropriate, under the authority of this resolution and subject to the criteria and limits set forth herein.

Section 2. Based upon the foregoing findings, the General Manager / CEO, or his designee, is hereby authorized to sell or purchase energy or capacity and/or enter into financial derivative contracts to sell or purchase energy or capacity without further action or approval by the Commission provided that each of the following Boundaries are observed:

A. No transaction shall exceed a duration of one (1) year.

B. Sufficient power will be provided to meet anticipated customer needs, both actual and prospective, even during drought conditions.

C. Requirements of all existing contracts, all statutes and regulatory requirements will be met, including the preserving the tax-exempt status of the district's bonds.

D. Purchases, sales and financial derivative contracts shall be managed to meet the budget as established by the Commission.

E. Sales and purchases shall only be made to meet the District's needs, to dispose of surplus power and to maximize use of Priest Rapids Project pondage. No speculative sales or purchases or financial derivative sales or purchases shall be made.

F. Procedures will be in place to minimize credit risk.

G. The General Manager / CEO or his designee shall provide on a regular basis (no less than quarterly) reports to the Board of Commissioners on power management transactions.

H. For a period of six months from approval date, financial derivative contracts shall not exceed fifty percent (50%) of the total derivative contract transactions.

Section 3. This resolution has been adopted following a ten (10) day-waiting period as provided for in RCW 54.16.040.

Section 4. Resolution No. 7560, Resolution No. 8226, Resolution No. 5853, Section 2.A. and any other resolutions' sections inconsistent with this resolution are hereby rescinded and superseded by this resolution.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 23rd day of March, 2021.

/s/
President

ATTEST:

/s/
Secretary

/s/
Vice President

/s/
Commissioner

/s/
Commissioner

M E M O R A N D U M **7/08/2026**

TO: John Mertlich, General Manager/Chief Executive Officer

VIA: Jeff Grizzel, Sr. Vice President Power and Marketing Operations Jeffrey Grizzel Jul 8, 2026

FROM: Sue Wiersma, Lead Financial Analyst Sue Wiersma Jul 8, 2026

SUBJECT: Authorization to expand the General Manager's delegated authority to execute electric energy and capacity transactions within defined criteria, and to update the delegation framework established under Resolution No. 8960

Purpose:

To request Commission approval to expand the General Manager's delegated authority to execute transactions and contracts for the purchase and sale of electric energy and capacity, whether physical or financial, within defined criteria. The requested action would update the existing delegation framework established under Resolution No. 8960 by allowing transactions with a duration greater than one year and less than three years to be executed without returning to the Commission for individual transaction approval, provided all applicable risk management, oversight, and policy requirements are satisfied.

Discussion:

The delegation from the Commission to the General Manager to transact in energy and capacity is addressed in Resolution 8960. The established criteria for delegated transactions as defined in the resolution limits the General Manager's authority to execute transactions to transactions that have a duration of one year or less.

Justification:

To effectively hedge wholesale price volatility associated with the Grant PUD's portfolio, it is important to promote expediency in transacting. To hedge wholesale price risk, it is prudent for the General Manager, or his/her delegee, to monitor wholesale market prices and portfolio positions and respond with necessary transactions in a timely manner. Eliminating the need for Commission approval of transactions with a duration over one year, but less than three years, will promote effective and efficient transacting for hedging risk. Furthermore, the Commission will have more time available for other Grant PUD issues that require extensive review and approval, aligning with strategic priorities including flexibility, market discipline, and oversight.

Financial Considerations:

Promoting expediency in responding to financial exposure that results from an open portfolio position and a significant change in market prices is very important. The new resolution continues to provide for an Energy Risk Oversight Committee (EROC), as Resolution No. 8960 did, and the EROC remains responsible for setting policy, including position limits, that the General Manager, or his/her delegee, will need to adhere to. The new resolution supports longer term financial certainty as it facilitates fluidity in hedging price risk over the current year, and the two subsequent years.

Recommendation:
Commission approval is requested to revise the delegated authority framework established under Resolution No. 8960 to authorize the General Manager to execute electric energy and capacity purchase and sale transactions, including both physical and financial products, with terms greater than one year and less than three years without requiring individual Commission approval. Transactions executed under this authority would remain subject to established risk management controls, oversight requirements, and applicable District policies.

Legal Review:
This resolution has been reviewed by internal legal.

Energy Risk Resolution Memo

Final Audit Report 2026-07-08

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M E M O R A N D U M **7/08/2026**

TO: John Mertlich, General Manager/Chief Executive Officer

VIA: Jeff Grizzel, Sr. Vice President Power and Marketing Operations

FROM: Sue Wiersma, Lead Financial Analyst

SUBJECT: Authorization to expand the General Manager's delegated authority to execute electric energy and capacity transactions within defined criteria, and to update the delegation framework established under Resolution No. 8960

Purpose:
To request Commission approval to expand the General Manager's delegated authority to execute transactions and contracts for the purchase and sale of electric energy and capacity, whether physical or financial, within defined criteria. The requested action would update the existing delegation framework established under Resolution No. 8960 by allowing transactions with a duration greater than one year and less than three years to be executed without returning to the Commission for individual transaction approval, provided all applicable risk management, oversight, and policy requirements are satisfied.

Discussion:
The delegation from the Commission to the General Manager to transact in energy and capacity is addressed in Resolution 8960. The established criteria for delegated transactions as defined in the resolution limits the General Manager's authority to execute transactions to transactions that have a duration of one year or less.

Justification:
To effectively hedge wholesale price volatility associated with the Grant PUD's portfolio, it is important to promote expediency in transacting. To hedge wholesale price risk, it is prudent for the General Manager, or his/her delegee, to monitor wholesale market prices and portfolio positions and respond with necessary transactions in a timely manner. Eliminating the need for Commission approval of transactions with a duration over one year, but less than three years, will promote effective and efficient transacting for hedging risk. Furthermore, the Commission will have more time available for other Grant PUD issues that require extensive review and approval, aligning with strategic priorities including flexibility, market discipline, and oversight.

Financial Considerations:
Promoting expediency in responding to financial exposure that results from an open portfolio position and a significant change in market prices is very important. The new resolution continues to provide for an Energy Risk Oversight Committee (EROC), as Resolution No. 8960 did, and the EROC remains responsible for setting policy, including position limits, that the General Manager, or his/her delegee, will need to adhere to. The new resolution supports longer term financial certainty as it facilitates fluidity in hedging price risk over the current year, and the two subsequent years.

Recommendation:
Commission approval is requested to revise the delegated authority framework established under Resolution No. 8960 to authorize the General Manager to execute electric energy and capacity purchase and sale transactions, including both physical and financial products, with terms greater than one year and less than three years without requiring individual Commission approval. Transactions executed under this authority would remain subject to established risk management controls, oversight requirements, and applicable District policies.

Legal Review:
This resolution has been reviewed by internal legal.

Energy Risk Policy Resolution Update

July 28, 2026

Sue Wiersma, Lead Financial Analyst

Grant PUD

Powering our way of life.

Agenda & Executive Summary

Background

2002

1-year delegated authority established.

2002 - 2026

- Significant load growth and portfolio transformation.
- Increased retention of EUDL proceeds.
- Increased retention of PRP resources.
- Greater exposure to market and compliance risk.

June 9, 2026

Introduced proposal.

July 28, 2026

Proposed increase to 3-year delegated authority to improve risk management agility and support long-term financial sustainability.

Closing Summary

- **Recommendation:** Adopt a new Board Resolution to supersede Resolution 8960.
  - Aligns the Energy Risk Management framework with the Commission's strategic priorities of financial sustainability, market discipline, and effective oversight.
  - Preserves existing governance, accountability, and reporting requirements; most revisions are administrative and clarifying in nature.
  - Modernizes delegated authority by allowing the General Manager (or designee) to execute transactions with terms of up to three years, improving the District's ability to manage an increasingly complex portfolio.
  - Enhances flexibility to respond to market opportunities and risks while maintaining clear Commission oversight.
- **Commission Action Requested:** Approve the proposed resolution to support prudent risk management and long-term value for Grant PUD customers.

Thank you!

Grant PUD