# Internal Audit

July 21, 2026

Dmitriy Turchik, Senior Manager Internal Audit

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# Agenda & Executive Summary

| | |
|---|---|
| **1** | Review progress of 2026 audit plan |
| **2** | Emerging risks and proposed updates to the audit plan |
| **3** | Internal Audit Program Development |
| **4** | Additional discussion and questions |

# Core Team

**Dmitriy Turchik**
**Sr. Mgr. Internal Audit**

**Quinn Baker**
Senior Auditor

**Katie Sanders**
Senior Auditor

**Resource Updates:**

- Internal audit partnered with BakerTilly to co-source two audit engagements
- Planning to rely on co-sourced partnerships moving forward

# 2026 Audit Plan Status

| Audit Engagement | Status |
|---|---|
| **Small and Attractive Asset Audit** | Report Published |
| **Internal Control Over Leave Administration and Employee Termination** | Report Published |
| **Systems Access – Roles and Responsibilities** | Draft Report |
| **Customer Billing and Adjustments** | Planning |
| **Accounts Payable** | Recommend changing to Advisory Engagement |
| **Vendor Management** | Recommend changing to Advisory Engagement |
| **Leave Accrual** | Emerging Risk - recommend adding to audit plan |
| **Overtime** | Planned |
| **Contribution in aid of Construction** | Planned |
| **HEAR Grant Compliance** | Planned |
| **Enterprise Resource Planning (ERP)** | Planned |

# 2026 Co-sourcing Audit Engagements

- **401a and 457 Deferred Compensation Plan Compliance Review** – *report published*
- **Hiring Practices** – *draft report shared with management*

# Ongoing Financial Policy Oversight

- **Statutory Expenditure Reviews and Special Requests**
  - Provides independent oversight of public fund stewardship and regulatory compliance.
- **Weekly Voucher Reviews**
  - Continuous monitoring of disbursements to strengthen financial controls and transparency.
- **Bi-Weekly Payroll Reviews**
  - Ongoing validation of payroll accuracy and adherence to policy and contractual requirements.
- **Policy Reviews**
  - Supports organizational governance by ensuring policies remain current, aligned with regulatory requirements, and supportive of strategic objectives.

# External Audit Coordination

- **2024 Accountability Audit**
  - Successfully completed in April 2026.
- **2025 Accountability Audit**
  - Scheduled for Fall 2026; coordination and readiness activities underway.

# Continuous Improvement and Risk Mitigation

- **Audit Recommendation Follow-Up**
  - Monitoring management's implementation of agreed-upon corrective actions to ensure risks are effectively addressed and benefits are realized.

# Internal Audit Program Development

- Audit Charter Updates
- Development of audit department framework
  - Audit communication standards
  - Report template update
  - Observation ranking methodology
  - External Audit coordination – audit liaison roles and responsibilities
- Continue implementation of new IIA standards
- Revamp and enhance the internal audit methodology to strengthen alignment with statutory requirements, integrate data analytics, and improve system exception reporting capabilities.

# Closing Summary

- Concurrence with changes to the 2026 audit plan
- Support internal audit’s role in delivering assurance and insights that add value across the district.
- Continue promoting a strong "tone at the top" to drive a Grant PUD-wide culture of ethics and compliance.

# Thank you!

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Subject-Matter Expert (SME)

# Rates & Pricing

July 21, 2026

Jeremy Stewart, Manager of Rates & Pricing
Bret Hammond, Lead Financial Analyst

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# Agenda & Executive Summary

| | |
|---|---|
| **1** | Rates Package, Cost-of-service, and Cost Allocated Rate Trajectory (CART) Timeline |
| **2** | Cost Allocated Rate Trajectory Update |
| **3** | Draft Net Power Adjustment Proposal |
| **4** | Small Projects: Use of facilities, Grant PUD owned Electric Vehicle (EV) charging, Unmetered loads |

# 2027 Rates Package Timeline

**July 2026**

**Cost Allocated Rate Trajectory (CART) Update**

**Small projects update**

**August 2026**

**Draft COSA**

**Sept 2026**

**Draft Cost of Service Analysis (COSA)**

Draft Trajectory

Draft Rates Package

**Oct - Nov 2026**

**Public Presentation**

- Cost of service
- Cost allocated Rate Trajectory
- 2027 Rates Package

**Start public outreach**

**Jan 2027**

**Rates Package Approval**

# Cost Allocated Rate Trajectory (CART)

Jeremy Stewart, Manager Rates & Pricing

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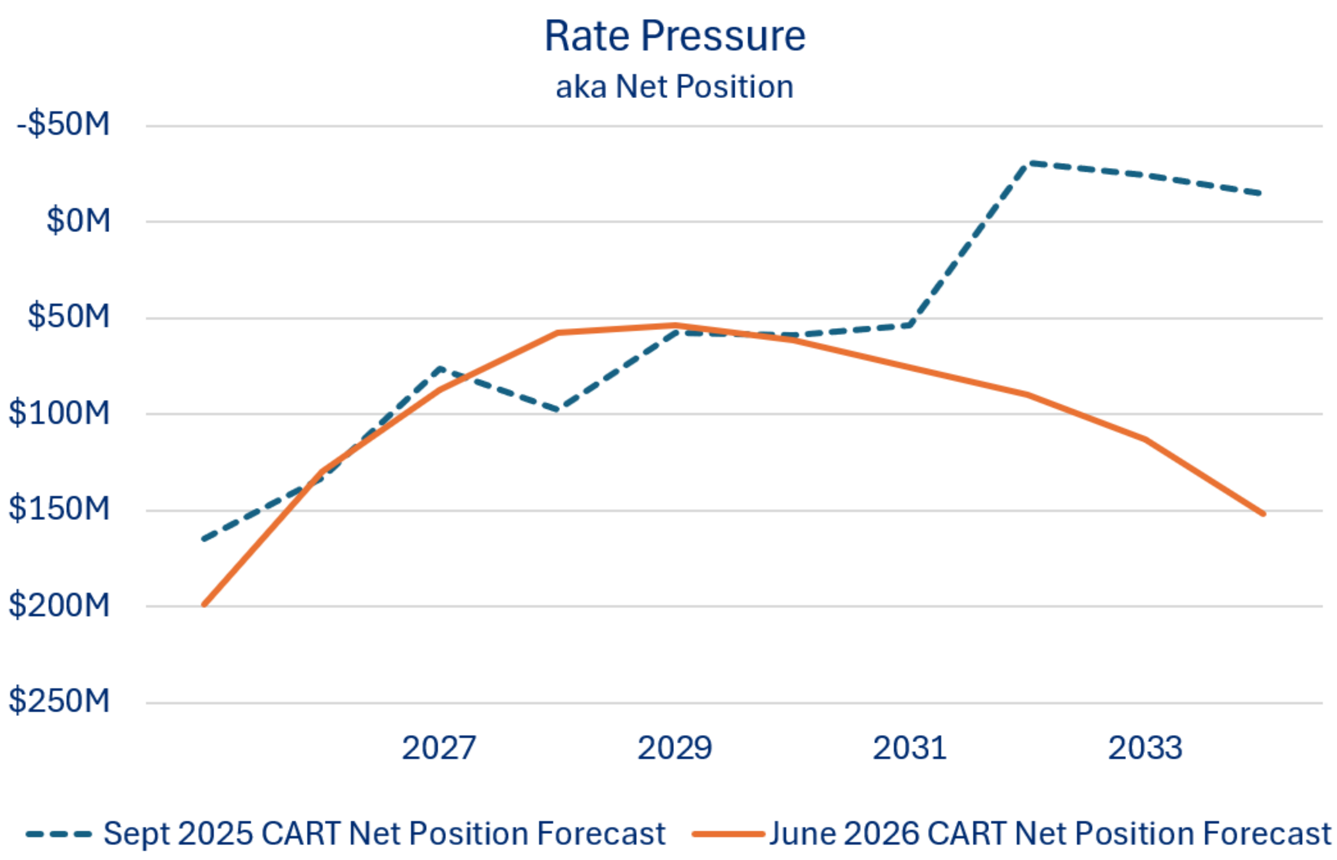
# Recommend Maintaining Current Rate Trajectory

## Changes from 2025 Forecast

1. Incremental power costs shift from 2032 to 2028
2. Non-operation benefits (interest earnings) applied to retail operations and priest rapids project cost
3. Normalized budget trajectory



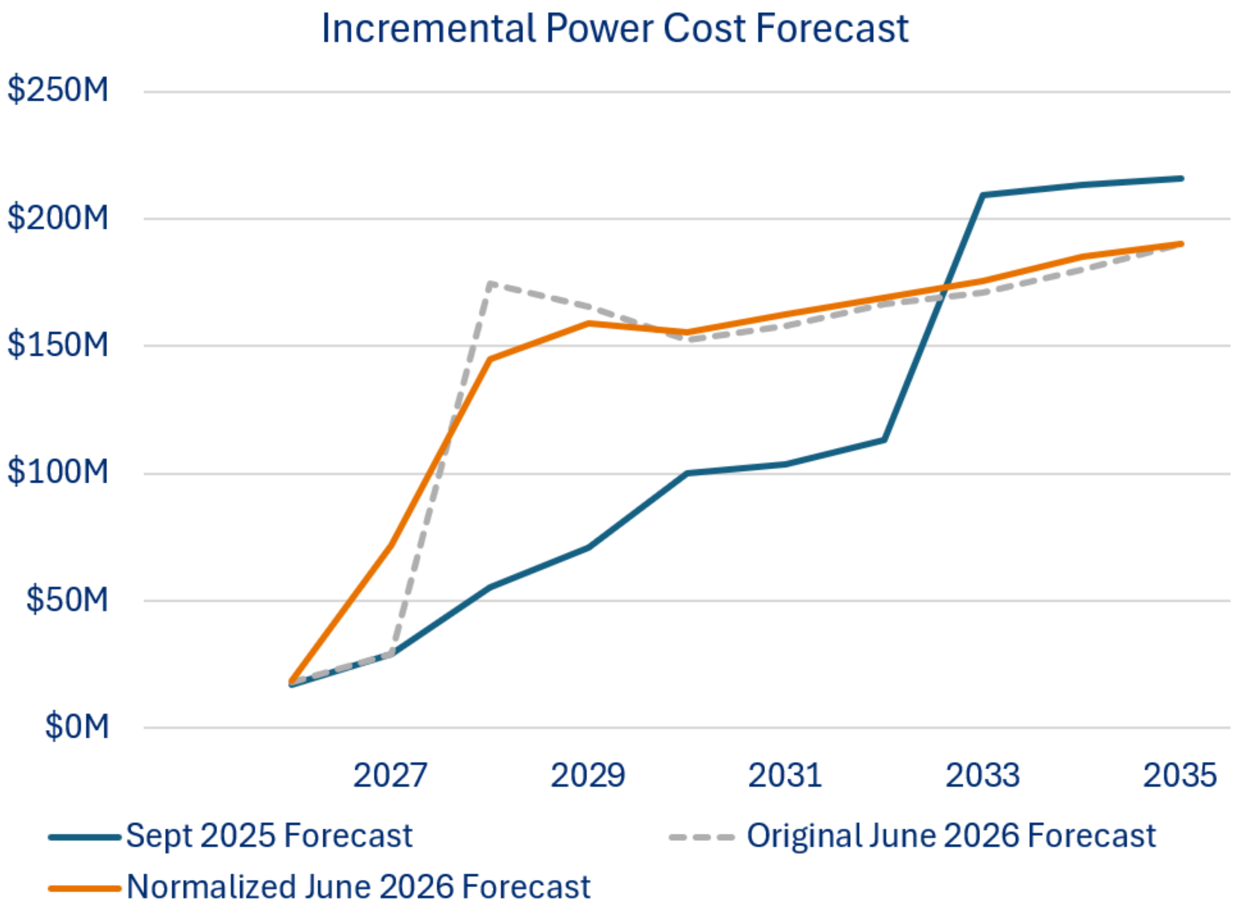
# Higher Incremental Power Cost

**Power Purchase Contracts start 2028**

- Quincy Solar
- Bonneville Power Administration Tier 1
- Royal Slope

**Significant uncertainty**

- Reduced 2027/2028 TBD capacity costs
  - Will be updated in September

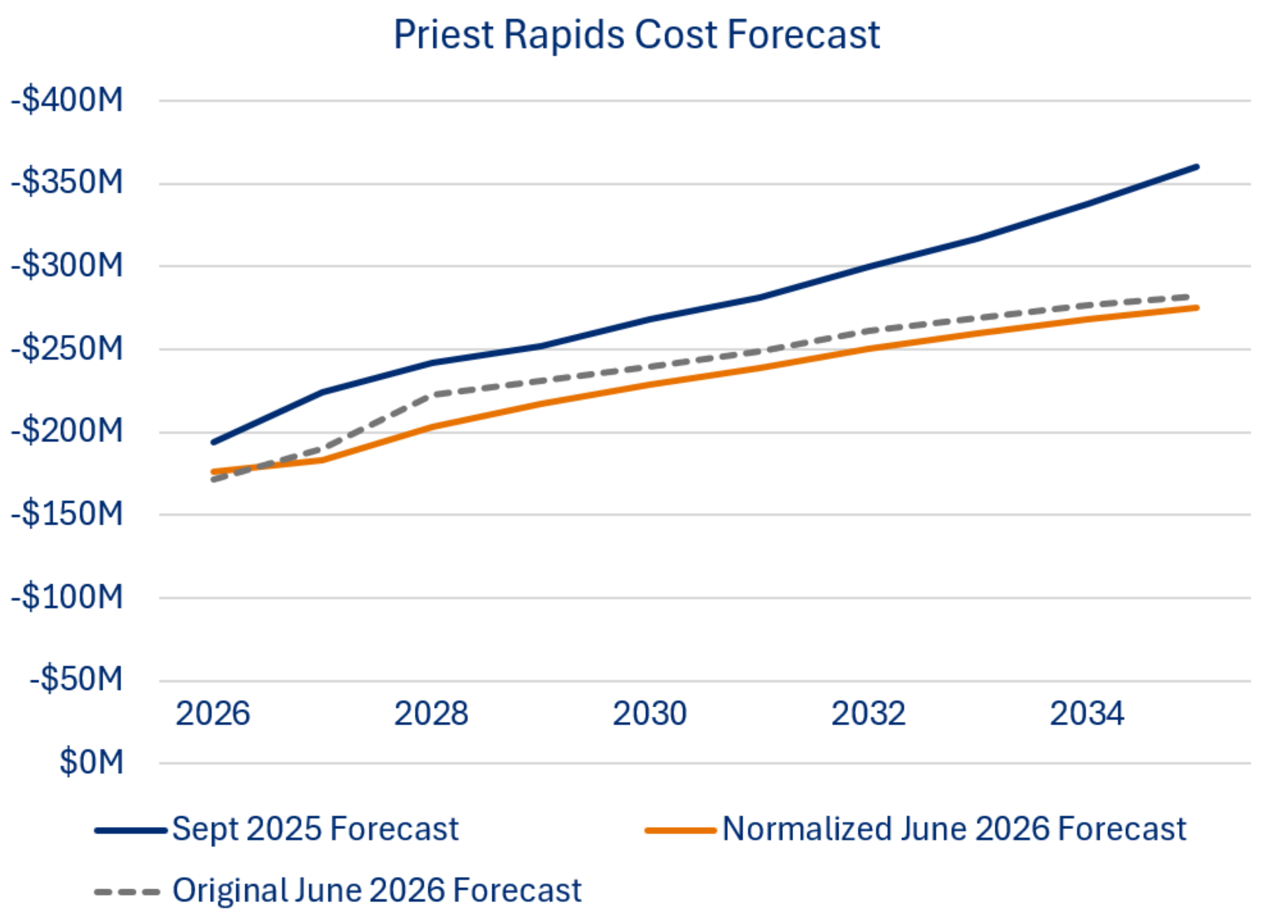



**Higher Non-Core rate pressure**

# Lower Priest Rapids Project Power Cost

**Major changes include**

- Electric system JLB interest earnings removed from PRP production cost
- Budget realization factor

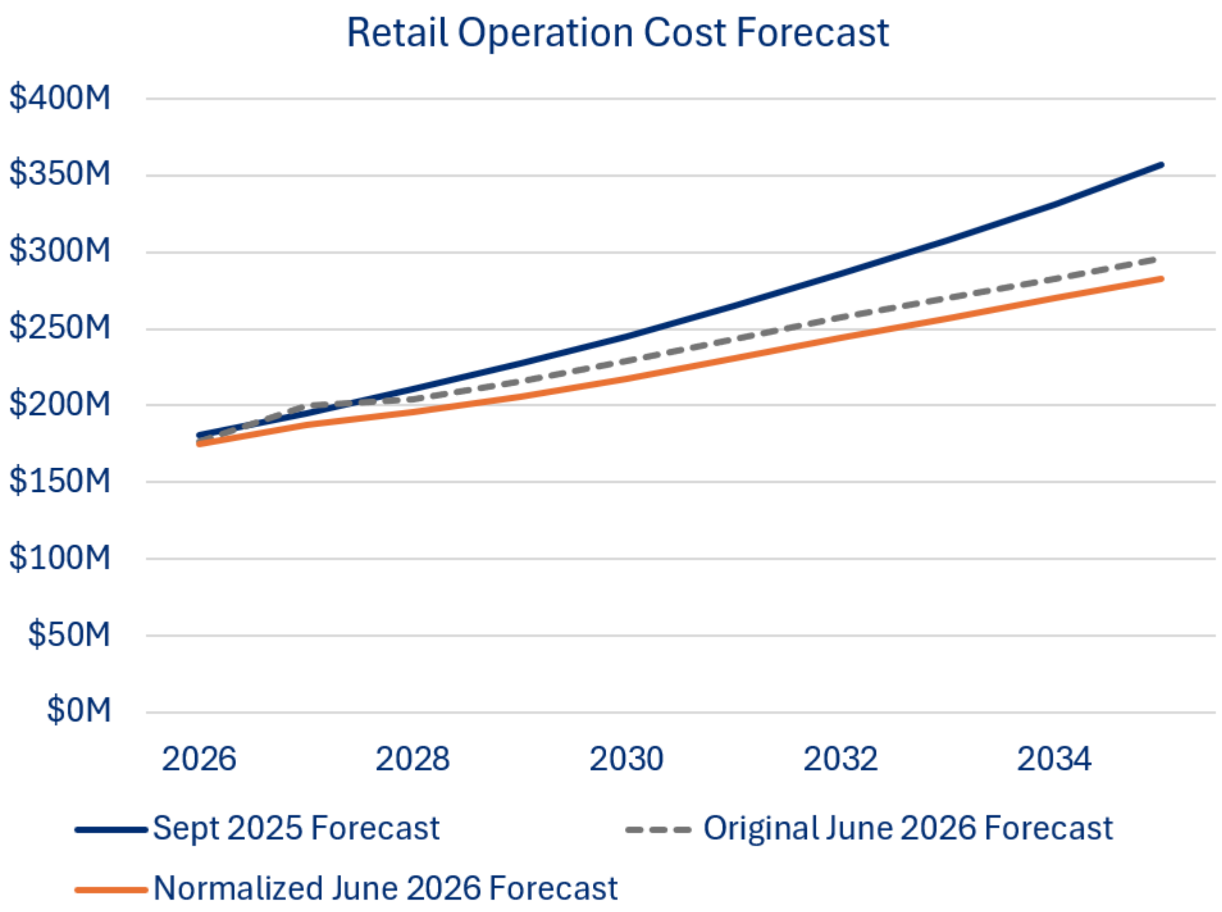



**Lower rate pressure.**

# Lower Retail Operations

## Major changes include

- Added interest non-operation benefits
- Budget realization factor

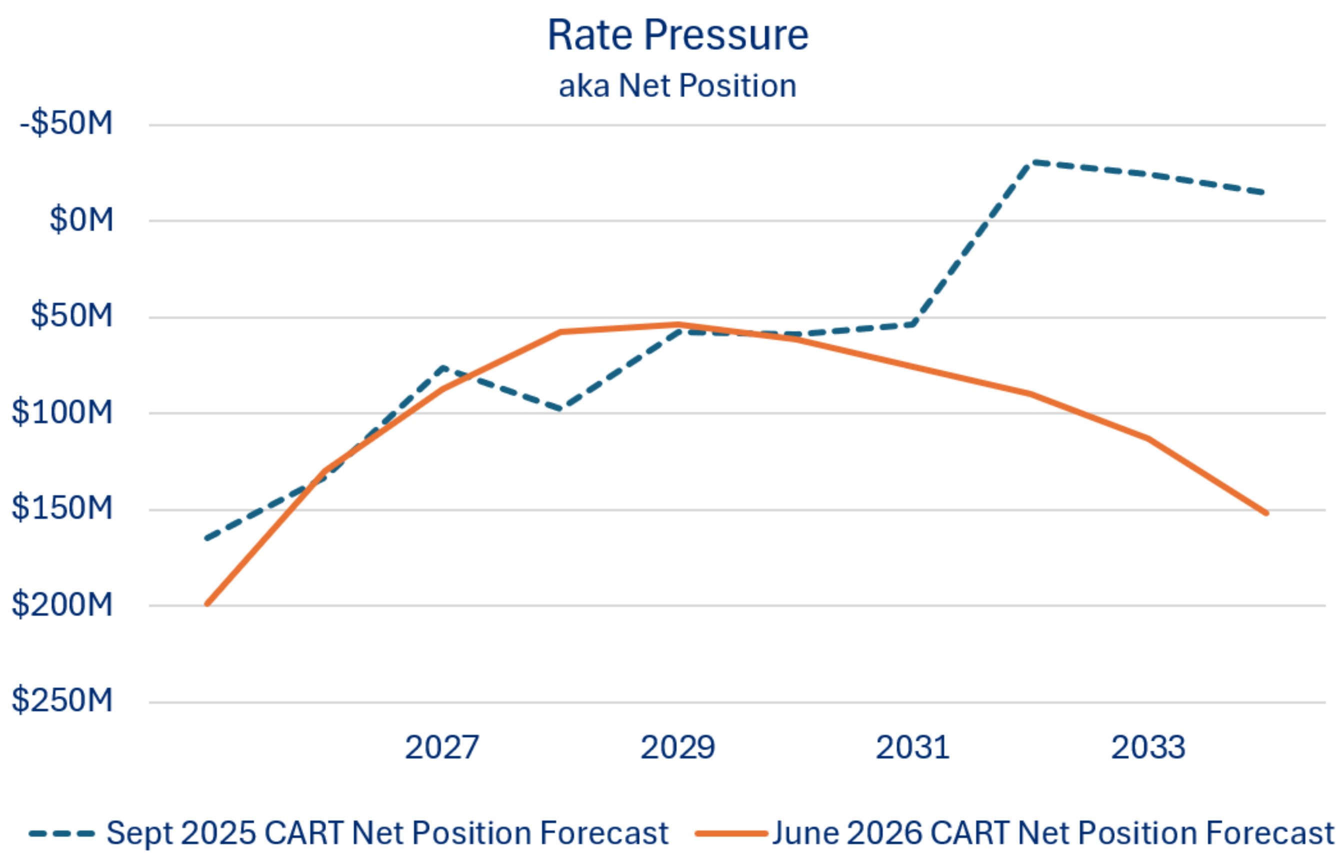



**Lower rate pressure.**

# Recommend Maintaining Current Rate Trajectory

## Upcoming changes

1. Lower industrial load will increase non-core rate pressure
2. Revised capacity prices may increase rate pressure
3. IRP alignment impact unknown




**Expect more rate pressure 2027-2029 with potential for lower pressure post 2030.**

# Net Power Adjustment

Jeremy Stewart, Manager Rates & Pricing

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# Executive Summary

Net Power Adjustment protects Grant PUD from unplanned regional power market events:

- Weather patterns outside of normal
- Low-frequency, high-impact events (black swan)
- Market price impacts on EUDL auction

# Proposal Details

## Net Power Adjustment

- Compares net power cost + revenue expected vs. actual
- Shortfall of $20M or 20% creates a revenue recovery recommendation

## Temporary Stabilization Recommendation

- Maximum 10% overall temporary rate increase to Non-Core customers
- Recovered over one year with option for additional years
- Iterate as data and processes improve

<u>**Impacts Tier 1 and Tier 2 Non-Core customers only**</u>

# Net Power Adjustment Implementation

| | | |
|---|---|---|
| 2027 | Net Power Planned = -$52M<br>Net Power Actual = -$44M | $8M below expected (less than $20M or 15%)<br>**No Action** |

# Net Power Adjustment Implementation

| | | |
|---|---|---|
| 2027 | Net Power Planned = -$52M<br>Net Power Actual = -$44M | $8M below expected (less than $20M threshold)<br>**No Action** |
| 2028 | Net Power Planned = -$177M<br>Net Power Actual = -$222M | **Heat Dome Event**<br>$43M below expected (exceeds $20M) |

# Calculating Negative Net Power Adjustment

Heat Dome Event: $45M wholesale power loss
**Net Power $25M below $20M threshold**
**Net Power Adjustment to recover $23M**

Net Power Adjustment Options:

- 10% increase - recover $23M over 1 year
- 5.4% increase – recover $25M over 2 years

Presented to Commission as options for 2029 Rates Package

# Net Power Adjustment Implementation Timeline

**July 2026**
Present draft proposal
Revise based on feedback

**Nov - Dec 2026**
Revise Rate Resolution as part of 2027 Rates Package

**Jan 2027**
Commission approves revised rate resolution for impacted rate schedules

# Minor projects update

Jeremy Stewart, Manager Rates & Pricing

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# Rate vs. Fee

| Rate | Fee |
|---|---|
| Applies to a broad group of customers | Applies to an individual customer |
| • Costs identified in Rate Schedules<br>○ Total usage (volume, e.g. kWh)<br>○ Peak use (demand, e.g. kW)<br>○ Nameplate (capacity, e.g. HP or kW)<br>○ Duration (fixed, e.g. daily or monthly)<br>○ Minimum | • Cost identified in policy manuals<br>○ Based on site specific project, facility, or construction costs<br>○ Scaled based on table (interconnection)<br>○ Recreation Permit fees<br>○ Campground fees |
| Retail customers | Retail or one-time customers |
| Retail customers billed via CCS | Billed via CCS or directly via accounting |
| Supported by Customer Solutions | Supported by Customer Solutions or specific workgroup |
| Rate Schedule approved by Commission | Commission approves policy manual |

# Transmission Use of Facilities Fee

Bret Hammond, Lead Financial Analyst

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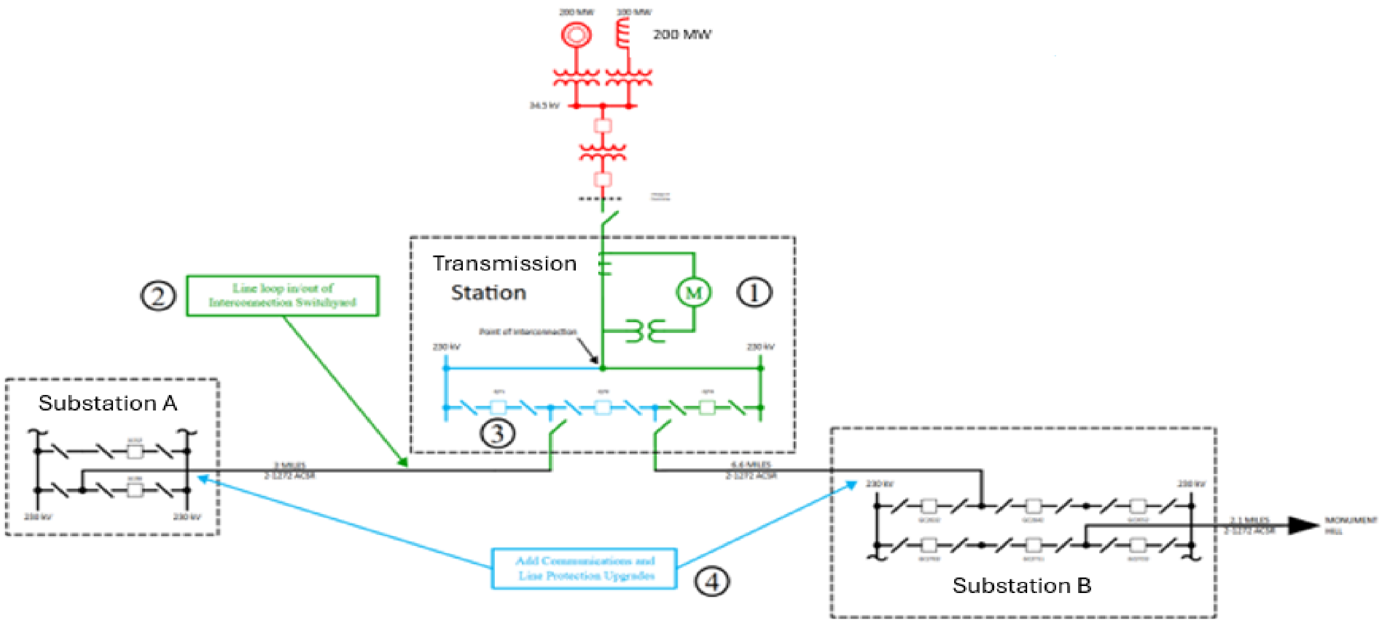
# Use of Facility Fee

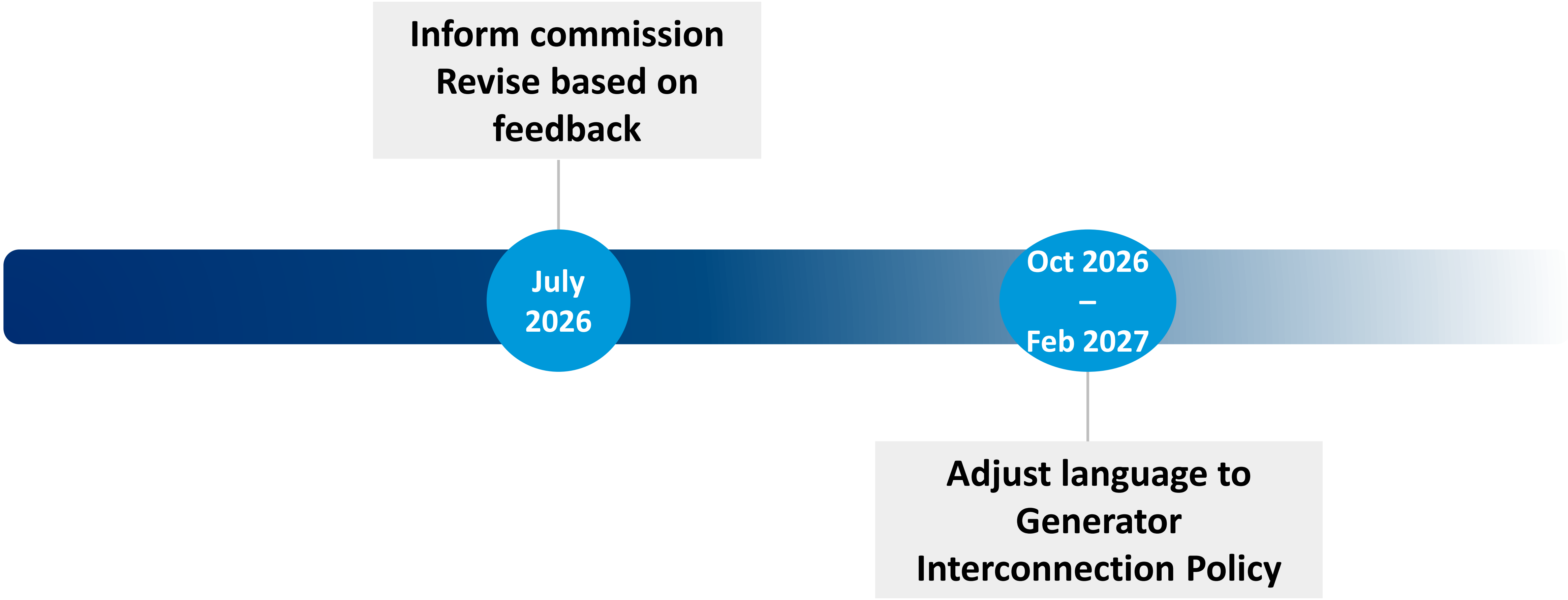



Grant PUD has several future ring bus installations scheduled. Ring bus installations allow Grant PUD to interconnect large generator loads and isolate them without impacting other Grant PUD customers.

**Reimburse Grant PUD for maintenance and eventual replacement of equipment that serves a single customer.**

**Details outlined in facilities agreement per Large Generator Interconnection Procedures**

# Transmission Use of Facilities Timeline



# Grant PUD owned EV Charging Rate

Jeremy Stewart, Manager Rates & Pricing

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# Rate 19B – Grant PUD owned EV Charging

General Service *Rate 2* → Fixed Networking Fees → Variable Networking Fees → Dept. of Agriculture fee → Maintenance → Public Charging Rate

Washington State Law (WAC 51-50-0429) requires EV charging to be installed in all new buildings. 10% of parking spaces need to be served by an EV charger.

## Cost of Service

- Derivative of Rate 2
  - Networking fees
  - Charge fees
  - Dept. of agriculture fees
  - Maintenance

## Rate Proposal

- Consider cost of service
- Consider marketplace pricing
- Goal to maximize revenue

# Grant PUD owned EV Charging Rate Timeline

**July 2026**
Inform commission
Revise based on feedback

**Sept - Oct 2026**
Determine if needed as part of 2027 rates package

**Jan 2027**
Approval with 2027 Rates Package

# Unmetered Service (2F)

Jeremy Stewart, Manager Rates & Pricing

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# Rate 2F – Unmetered Small Service

Grant PUD is proposing to sell decorative street lighting in Moses Lake to the City of Moses Lake. Enable City of Moses Lake to pursue grant funding and alternative decorative designs.

- Streetlights are billed under Rate 6 and include energy, streetlight depreciation, and maintenance cost.
- New rate will be lower because maintenance and future replacement costs transferred to City of Moses Lake.

Rates & Pricing recommends moving unmetered city owned streetlights from Rate 6 to Rate 2F.

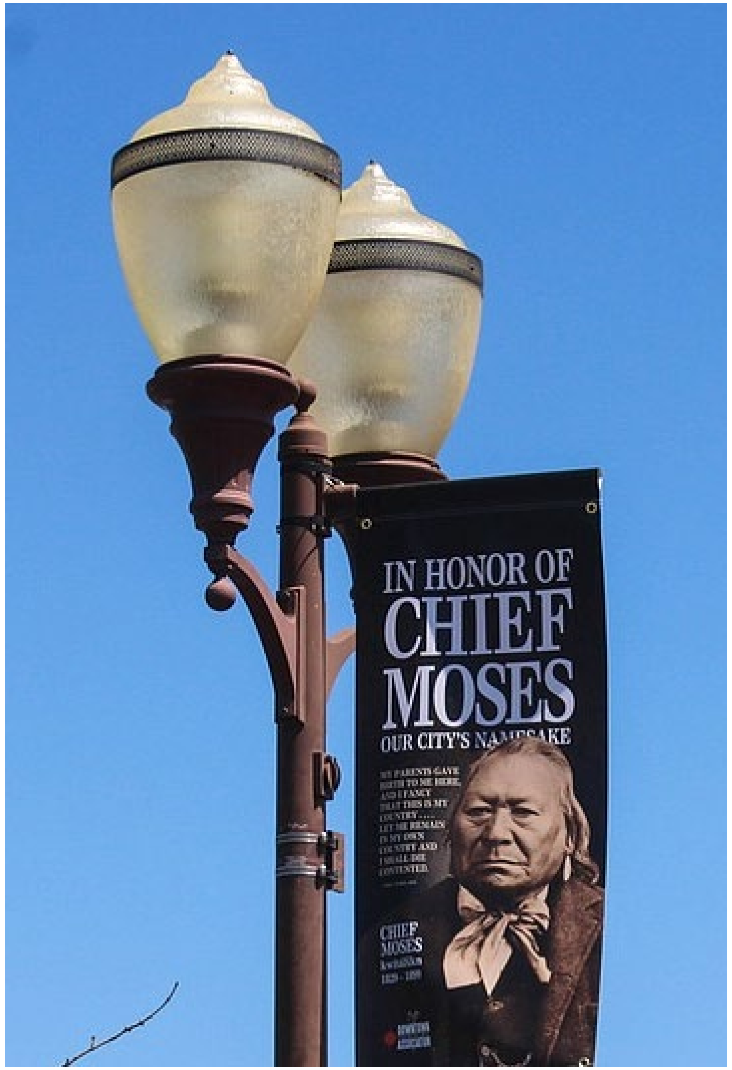

Image courtesy Sam Fletcher/Columbia Basin Herald

# Unmetered Streetlight Service Timeline

**July 2026**
Inform commission
Revise based on feedback

**Sept 2026**
Revise language to Rate 2F

**Oct 2026**
Propose Rate 2F change

**Nov 2026**
Final approval of Rate 2F language change

# Closing Summary

## Major presentations planned August - September

- Cost-of-service
- Cost allocated rate trajectory
- Proposed 2027 Rates

## Public presentation in October or November

- Kick off public outreach process

## Rate package in December – Approval by January 2027

- Adjustment to existing rates
- Rate 20 – Data Centers
- Combine Rates 14 and 15

# Thank you!

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# Finance

July 21, 2026

Angelina Johnson, Sr. Manager Treasury/Financial Planning

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# Team

**Bonnie Overfield**
VP Finance, CFO

**Kim Bowie**
Executive Assistant III

**Angelina Johnson**
Sr Mgr
Treasury/Financial Planning

**Jennifer Sager**
Sr Mgr
Accounting

**Terrah Bicondova**
Manager
Budget & Reporting

**Tracy Johnson**
Manager
Enterprise Risk

| | |
|---|---|
| Total Positions in Org | 51 |
| Current Headcount | 46 |

## Staff Updates:

- New additions/position changes (from last report): Gabriela Dircio - Accountant II, Brittany Lutz - Accounting Specialist, Stacy Braithwaite - Accounting Specialist, Noah Sandberg - Accounting Assistant, Landon Blodgett – Student Helper
- Vacant positions: Manager Accounting, AP Supervisor, Business Analyst, *Grant's Analyst (filled), Accounting Systems Analyst (filled), Financial Analyst (filled)*

# Enterprise Balanced Scorecard






| | | | | |
|---|---|---|---|---|
| Green | Red | Red | Green | Green |


Green

- Return on Net Assets – evaluating metrics and timing of revenue. Metric = net income / net plant. Largest impacts are retail revenue/ timing.
- Budget compliance YTD – first year of increasing focus on YTD comparisons vs year end. Further improvements expected in upcoming months.

# Executive Financial Overview

## MAY 2026

| O&M DIRECTS YTD | | | |
|---|---|---|---|
| YTD BUDGET | ACTUALS | YTD VARIANCE | YTD VAR % |
| $3,081K | $3,082K | $1K | 0.0% |

| O&M DIRECTS YE PROJECTION | | | |
|---|---|---|---|
| TOTAL BUDGET | YEP | YE VARIANCE | YE VAR % |
| $7,963K | $8,055K | $92K | 1.2% |

| LABOR YTD | | | |
|---|---|---|---|
| YTD BUDGET | ACTUALS | YTD VARIANCE | YTD VAR % |
| $2,297K | $2,157K | ($141K) | -6.1% |

| LABOR YE PROJECTION | | | |
|---|---|---|---|
| TOTAL BUDGET | YEP | YE VARIANCE | YE VAR % |
| $6,048K | $5,956K | ($92K) | -1.5% |

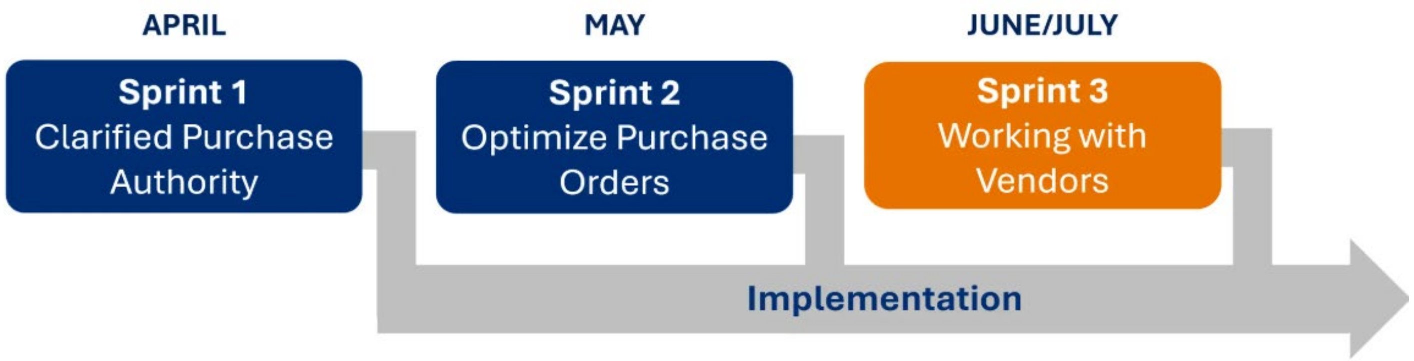
| COST CATEGORY TYPE | YTD BUDGET | ACTUALS | YTD VARIANCE | YTD VAR % |
|---|---|---|---|---|
| Risk | $2,604,951 | $2,594,330 | ($10,622) | -0.4% |
| Travel | $37,634 | $30,429 | ($7,204) | -19.1% |
| Purchased Services | $412,480 | $418,161 | $5,681 | 1.4% |
| G&A | $26,065 | $38,741 | $12,676 | 48.6% |
| **Total** | **$3,081,130** | **$3,081,661** | **$531** | **0.0%** |

**Labor:** $141K Favorable |Outside of Target; Continued vacancy (5 FTE).

# Management Focus

## Invoice Management Optimization

### Improvement Approach: Sprints




**Driven by employees, guided by an Advisory Committee, and supported by Leadership.**

- Strategic Focus: improvement effort to provide improved outcomes in vendor payments and relationship management
- Expected Outcomes:
  - Invoice cycle time reduction
  - Reduced late payments and invoice backlog
  - Reduction in manual touchpoints and overhead
  - Better financial reporting, accrual administration, and budget management

# Near-Term Business Plan

2026 — Q3 — Q4 — 2027 — Q1 — Q2

- Enterprise Resource Planning (ERP) Project Focus
- Invoice Management Optimization Project (IMOP)

- The Energy Authority (TEA) onboarding
- Wildfire Liability Risk Assessment
- 2027 Budget Process
- Financial Auditor Contract Finalization

- Accounting focal areas: Governmental Accounting Standards Board (GASB)103/104 new implementation
- Support for energy / generation
- Insurance renewals
- Tax Exempt Power Financing (TEPF)
- Public Budget Hearings October

- Year End Close
- Clean Renewable Energy Bonds (CREB's) 2010 Maturity 1/1/27 $90M (sinking fund release)

# Long-Term Business Plan

| 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|

- Continued ERP Focus
- Financial Planning and Reporting Enhancements

- Enterprise Risk Program Enhancements
- Focus on Legislative Finance Strategy

- Priest Rapids Project (PRP) Bond Financing

- PRP Bond Financing

# Closing Summary

- ERP and IMOP focus heavy next 18 months
- Tax Exempt Power Financing resolution anticipated for commission review/action Q4
- Budget season kicking off
  - Preliminary Budget (August)
  - Public Hearings (October)
  - Final Budget (November)

# Thank You!

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# QBR Summary

| Department Name: | Key Presenters: | Date: |
|---|---|---|
| Finance | Angelina Johnson | 07/21/2026 |
| | | |

| RECAP | |
|---|---|
| **Issues and Drivers** | Key management focus/highlight - invoice management optimization. |

| NEAR-TERM PLANS (CURRENT THROUGH Q2 2027) | |
|---|---|
| **Project Updates** | • Invoice Management Optimization<br>• TEA onboarding<br>• Wildfire Liability Risk Assessment<br>• Budget Process for 2027<br>• Financial Auditor Contract Finalization<br>• Insurance renewals<br>• Tax Exempt Power Financing<br>• ERP Project Focus |

| LONGER-TERM STRATEGY (2027 THROUGH 2029) | |
|---|---|
| **Roadmap** | • Enterprise Risk Program Enhancements<br>• Financial Planning and Reporting Enhancements<br>• Focus on Legislative Finance Strategy<br>• Continued ERP Focus<br>• Capital Financing |
| **Strategy** | |

| COMMISSION SUPPORT: KEY ASKS | |
|---|---|
| **Specific Requests** | • Tax Exempt Power Financing anticipated for Q4 review and approval<br>• Budget process upcoming / public hearings |

# Power Delivery

July 21, 2026

Ron Alexander, Vice President

Grant PUD

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# Team

**Ron Alexander**
VP Power Delivery

**Erin Omlin**
Exec Assistant III

**Chris Heimbigner**
Sr Manager of PD Construction and Maintenance

**Dale Campbell**
Sr Manager of PD Engineering

**Kevin Carley**
Sr Manager of PD Control Systems Engineering

**Adam Schwab**
Manager of Grid Optimization

**Corissa Robbins**
PD Business Analyst

**Chris McDarment**
Sr Manager of System Operations

| | |
|---|---|
| Total Positions in Org | 210 |
| Current Headcount | 196 |

# Staff Updates:

- Sharon Lucas - retirement July 2026
- Jeremy Robertson - promoted to Manager Construction and Maintenance (C&M)
- Tyler Delong - promoted to Manager C&M
- Jackie Turner - promoted to Business Analyst II
- Craig Wood (Journeyman Power System Electrician (PSE))
- Dallas Watkins (Lineman)
- Tanmay Sriram (Power Delivery Engineering (PDE) Summer Intern)
- Andy Ritchie (Transmission, Substation, Automation Engineering Technician)

# Executive Financial Overview

## MAY 2026

| O&M DIRECTS YTD | | | |
|---|---|---|---|
| YTD BUDGET | ACTUALS | YTD VARIANCE | YTD VAR % |
| $3,349K | $2,864K | ($485K) | -14.5% |

| O&M DIRECTS YE PROJECTION | | | |
|---|---|---|---|
| TOTAL BUDGET | YEP | YE VARIANCE | YE VAR % |
| $8,781K | $7,977K | ($804K) | -9.2% |

| LABOR YTD | | | |
|---|---|---|---|
| YTD BUDGET | ACTUALS | YTD VARIANCE | YTD VAR % |
| $13,949K | $13,487K | ($462K) | -3.3% |

| LABOR YE PROJECTION | | | |
|---|---|---|---|
| TOTAL BUDGET | YEP | YE VARIANCE | YE VAR % |
| $34,172K | $34,592K | $421K | 1.2% |

| COST CATEGORY TYPE | YTD BUDGET | ACTUALS | YTD VARIANCE | YTD VAR % |
|---|---|---|---|---|
| Operating Materials & Equipment | $2,138,510 | $1,758,492 | ($380,018) | -17.8% |
| Purchased Services | $962,368 | $848,600 | ($113,768) | -11.8% |
| Travel | $145,177 | $113,660 | ($31,518) | -21.7% |
| **Total** | **$3,246,055** | **$2,720,752** | **($525,303)** | **-16.2%** |

*This table reflects the largest variance cost category types only.*

**Operating Materials & Equipment:** $380K Favorable | Outside of Target; Initially planned operation expenses being capitalized (ex. Cable conductors)

**Purchased Services:** $113.8K Favorable | Outside of Target; Delayed consulting invoices & lower-than-anticipated project costs, offset partially offset by unplanned consulting expenses.

**Travel:** $31.5K Favorable |Outside of Target; Annualized travel allocation; expected to utilize underspend for fall trainings.

# Capital

## MAY 2026

| Budget | YEP | Budget Variance |
|---|---|---|
| $126,481,893 | $135,010,254 | $8,528,361 |

| Budget | Approved Spend | Budget & Approved Spend Variance |
|---|---|---|
| $126,481,893 | $134,112,104 | $7,630,211 |

| Initiative | Approved Spend | YTD Actuals | Projections | YEP | Approved Spend Variance |
|---|---|---|---|---|---|
| IN813 - Transformers Capitalized | | $3,280,563 | | $3,280,563 | $3,280,563 |
| IN777 - QTEP Local Loop Monument Hill | $3,376,168 | ($107,070) | $5,409,142 | $5,302,072 | $1,925,904 |
| IN762 - FAST Pole Replacement | $1,541,800 | $1,521,450 | $1,320,464 | $2,841,914 | $1,300,114 |
| IN527 - Crescent Bar Alternative Feeder | $1,322,527 | | $6,822 | $6,822 | ($1,315,705) |
| IN609 - Substation Controls Upgrades | $4,282,592 | $164,018 | $1,308,218 | $1,472,236 | ($2,810,356) |
| **Total** | **$134,112,104** | **$26,655,246** | **$108,355,008** | **$135,010,254** | **$898,150** |

*The table displays only the largest variances; smaller variances are included in the total but not shown.*

**IN813- Transformers Capitalized:** $3,280.6K Unfavorable| Outside of Target; Variance is driven by the reassignment of transformer-related costs to this initiative.

**IN777-QTEP Local Loop Monument Hill:** $1,925.9K Unfavorable | Outside of Target; Available capital funding was redirected from the Q-TEP program to support two other approved capital initiatives.

**IN762-Fast Pole Replacement:** $1,300K Unfavorable | Outside of Target; Projected spending has increased due to a higher volume of pole replacements required to maintain system reliability and asset condition.

**IN609-Substation Controls Upgrades:** $2,810K Favorable | Outside of Target; Spending has shifted to align with the current project schedule, resulting in a timing variance.

**IN527-Crescent Bar Alternative Feeder:** $1,315.7K Favorable | Outside of Target; The variance reflects changes in project scope and schedule, resulting in revised spending expectations.

# Management Focus

- T-Line Fire Mitigation – Test, treat and wrap all wood transmission poles.
- Geographic Information System (GIS) Service Point Fix Project-Phase 2
- Power Delivery Engineering (PDE), Large Power Solutions (LPS), Enterprise Project Management Office (EPMO), Transmission Services and Continuous Improvement collaboration to identify opportunities to reduce project timelines
- Control lab efforts to support Critical Infrastructure Protection (CIP) compliance for Qunicy Transmission Expansion Project (QTEP) project
- Support of Enterprise Resource Planning (ERP) & Work Management initiatives
- Windstorm/Coulee City fire response

# Near-Term Business Plan

2027

Q3 | Q4 | Q1 | Q2

- 2026 North American Electric Reliability Corporation (NERC) audit completed
- Advanced Metering Infrastructure (AMI) Relay Battery Backup Project
- Oasis, WestTrans and WebAccounting for advanced billing completed

- Fast Forward substation audit
- Transmission Service Provider (TSP), Western Resource Adequacy Program (WRAP) & Markets+ implementation gap analysis
- Sapere Organizational Review & next steps

- Wildfire resilience strategy
- SCADA/DC project design finalization
- Energy Control Center (ECC) modernization

- Human Performance project launch

# Long-Term Business Plan

2027 | 2028 | 2029 | 2030

**2027**

- Human and organizational performance standardization
- Sapere recommendations implementation
- Modernize operations visibility through Supervisory Control and Data (SCADA) and distribution control rollout

**2028**

- Ephrata Service Center (ESC)operations transition
- Scale workforce development to close critical skill gaps
- Deploy distribution automation and dynamic capacity to enable growth

**2029**

- QTEP completion delivery
- Implement Advanced Distribution Management System (ADMS) to optimize distribution performance and customer outcomes

# Closing Summary

- Q4 wildfire strategy plan update

# Thank You!

Grant PUD

Powering our way of life.

# QBR Summary

| Department Name: | Key Presenters: | Date: |
|---|---|---|
| Power Delivery | Ron Alexander | 07/21/2026 |

| RECAP | |
|---|---|
| **Issues and Drivers** | • BSC targets:<br>• Staffing: 210 approved/ 196 current head count<br>• Management focus: T-Line fire mitigation efforts, GIS Service Point Fix Project, PDE collaboration to improve impactful project timelines, CSE and QTEP CIP compliance efforts, ERP & Work Management initiatives, major incident response efforts. |

| NEAR-TERM PLANS (CURRENT THROUGH Q2 2027) | |
|---|---|
| **Project Updates** | • 2026 NERC audit completed<br>• TSP, WRAP, & Markets + implementation gap analysis for preparedness<br>• AMI Relay Battery Backup project- installation beginning 7/2026<br>• Fast Forward substation audit- 7 Quincy substations<br>• Sapere Organizational Review- Next forward steps<br>• Wildfire prevention – continued efforts and collaboration<br>• SCADA/DC project design finalization<br>• ECC modernization<br>• Human Performance project launch |

| LONGER-TERM STRATEGY (2027 THROUGH 2029) | |
|---|---|
| **Roadmap** | • 2027-2028: Implementation and standardization of human and organizational performance; execution of adopted Sapere recommendations; SCADA and distribution control rollout, distribution automation and dynamic capacity to enable growth.<br>• 2029: QTEP completion and support; ADMS implementation; |
| **Strategy** | • Develop an engaged, empowered, and enabled workforce through capability evaluation, alignment, planning, and action.<br>• Implement a formal work management program to perform work based on established standards, priorities, and available resources.<br>• Develop awareness of system conditions, evaluate performance, and implement improvements to enhance resiliency in a changing environment.<br>• Manage the inventory and state of our material, equipment, and software to address growth while prioritizing high system reliability.<br>• Reduce the risk of wildfire through the implementation of the Wildfire Mitigation Strategy |

| COMMISSION SUPPORT: KEY ASKS | |
|---|---|
| **Specific Requests** | None |

# Energy Risk Policy Resolution Update

July 21, 2026

Sue Wiersma, Lead Financial Analyst

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# Agenda & Executive Summary

| | |
|---|---|
| **1** | Energy Risk Resolution Background |
| **2** | Energy Risk Policy Proposed Update |
| **3** | Commission Action Request |

# Background

1-year delegated authority established.

**2002**

**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!

Subject-Matter Expert (SME)

# 2026 Integrated Resource Plan

July 28, 2026

Mike Frantz, Sr. Manager, Power Portfolio
Lisa Stites, Lead Financial Analyst

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# Agenda

# Introduction

**The plan focuses on solutions that preserve flexibility, manage cost, increase reliability, and lower exposure to non-compliance**

Key elements of our planning approach include:

- Capacity expansion, dispatch, and loss of load modeling to identify least-cost, least-risk portfolios under defined constraints
- Stochastic simulation of future conditions, capturing variability in hydrology, load, weather, and market prices
- Incorporation of program, policy and regulatory requirements with consideration of compliance risk and implementation uncertainty
- Portfolio-level financial look to evaluate exposure to unfavorable outcomes

**Recommended resources are commercially available and selected as risk-adjusted, least-cost options**

# Energy

- Our existing portfolio is expected to meet over 80% of customer's expected energy needs over the 20-year planning horizon
- **Our existing portfolio is energy sufficient**
- Hydrologic conditions, load variability, and renewable intermittency create times when market purchases are the most efficient source of supply
- **Continue using wholesale markets, including participation in Markets+**
- Given the wide range of plausible load futures, continually monitor future energy needs
- To reduce the range of load uncertainty, continue customer engagement and policies to firm up the interconnection queue

# Clean Energy

- Existing portfolio, with the use of Renewable Energy Credits, provides enough clean energy to satisfy expected CETA requirements until the 2040's
- **Use Renewable Energy Credits from 2030 through 2044 to manage cost and preserve flexibility**
- **Add CETA compliant resources in-county or near-county late in the planning period** (currently represented as solar assets)

C

| In-Service Date | Nameplate Capacity |
|---|---|
| 2040 | 100 MW |
| 2043 | 100 MW |
| 2044 | 300 MW |
| 2045 | 300 MW |

- **Pursue the cost-effective conservation and efficiency targets approved by Commission in November 2025**

# Capacity

- Existing portfolio is short summer capacity in 2030 – 2035, after 2035 the deficit grows to include winter months
- **Add 360 MW of battery storage (four-hour discharge duration, grid charged, lithium iron phosphate) in-county early in the planning period to meet WRAP, Markets+, and reliability needs**
- Utilize WRAP to access regional support during "sharing events" when unexpected shortfalls occur
- Utilize WRAP for coordinated regional planning to reduce investment costs

| In-Service Date | Nameplate Capacity |
|---|---|
| 2030 | 180 MW |
| 2031 | 90 MW |
| 2032 | 90 MW |

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# An Additional Key Element of the Plan

- The plan intentionally creates time in the mid-term to allow for further consideration of long-term solutions
- This includes ongoing evaluation of small modular nuclear reactors (SMR), natural gas-fired technology, and geothermal resources

| In-Service Date | Nameplate Capacity | Technology |
|---|---|---|
| 2030 | 180 MW | Battery Storage |
| 2031 | 90 MW | Battery Storage |
| 2032 | 90 MW | Battery Storage |
| 2033-2042 | Monitor developments in customer requirements, technology evolutions, and carbon policy before committing to long-term decisions | |
| 2040 | 100 MW | Solar/Clean Energy |
| 2043 | 100 MW | Solar/Clean Energy |
| 2044 | 300 MW | Solar/Clean Energy |
| 2045 | 300 MW | Solar/Clean Energy |

# Communication: Messages and Tactics

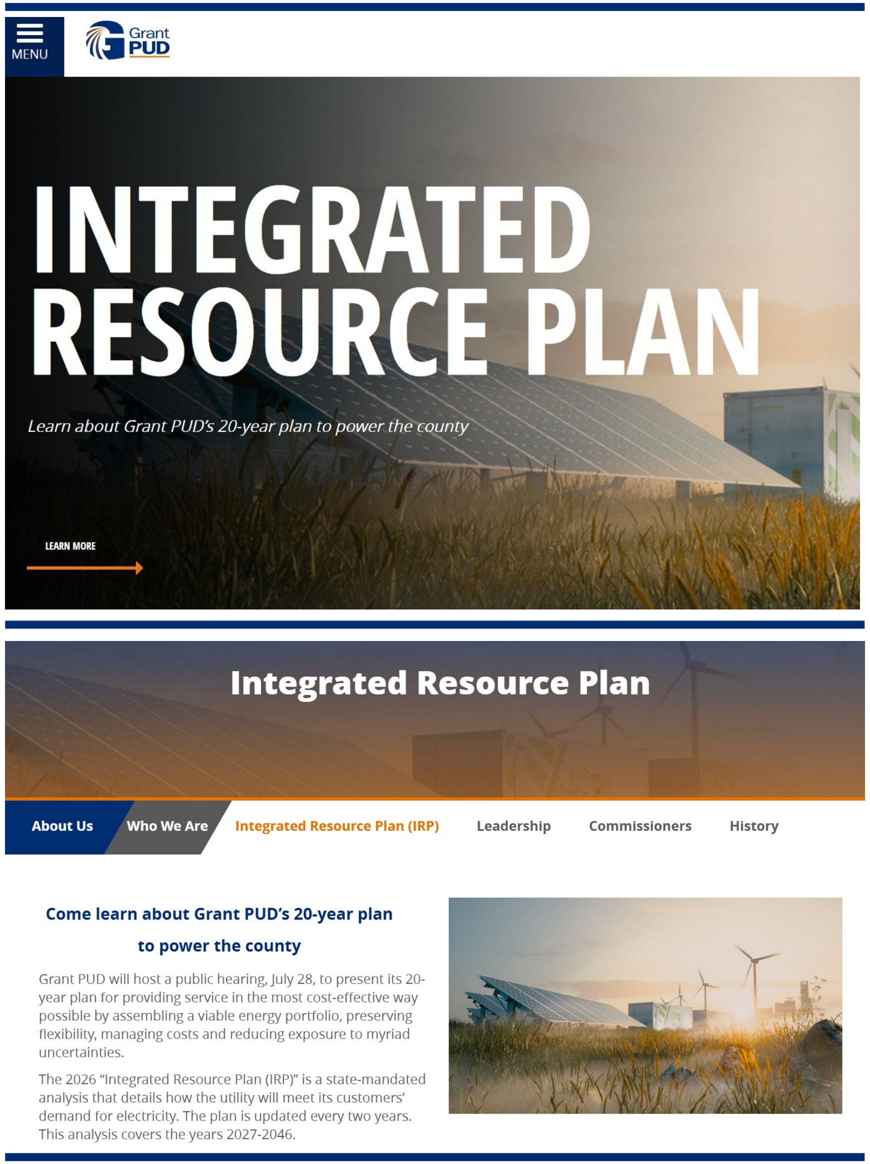
## Main Messages

- IRP = Roadmap for affordable, reliable, clean power.
- Why it matters more than ever? Load growth, electrification, clean-energy laws
- WA laws requiring IRPs
- Grant PUD participating in WRAP
- Path forward with new generating resources

## Communication Tactics

- Grant PUD newsletters – print & digital
- grantpud.org – webpage slider with dedicated webpage
- One Pager info sheet
- Social media posts & digital ads
- Full page ads in Quincy Valley Post Register & Columbia Basin Herald
- Radio ads in English & Spanish
- Moses Lake Local Office digital screen saver
- Community group presentations
- Community Connector presentations

# Dedicated Webpage Information




- IRP information is available on grantpud.org
- On opening page slider "Learn More"
- Access:
  - June 23 Business Meeting presentation and recording
  - Draft 2026 IRP Section 1 - a short, comprehensive summary of the larger document to be published
  - Process timeline and IRP FAQs
  - **Direct Link to Submit Comment:** Submit Comment

# 2026 IRP Timeline and Closing Summary

**June 23**
- Draft materials presented to Commission
- Public Comment Period Opens

**July 28**
- 2026 IRP Public Hearing at 1 p.m.
- Conclusion of 2026 IRP Comment Period

**Aug 25**
- Vote on Adoption of 2026 IRP

**Sep 1**
- File 2026 IRP WA State Dept of Commerce
- 2026 IRP posted to Grant PUD Public Website

# Public Comments

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# Thank you!

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