Grant County
PUBLIC UTILITY DISTRICT

CLEAN ENERGY IMPLEMENTATION PLAN (CEIP)

2026-2029

CONTENTS

INTRODUCTION

On May 7, 2019, Washington Governor Jay Inslee signed into law the Clean Energy Transformation Act (CETA) (E2SSB 5116 or RCW 19.405), which commits Washington to 100% greenhouse gas free electricity supply by 2045. By the end of 2025, utilities must eliminate coal-fired electricity from their state portfolios. In 2030, electric generation must be greenhouse gas neutral (GHG Neutral Standard). To meet this goal, utilities can use a combination of non-emitting resources and renewable resources (*"Clean Energy" – used throughout document interchangeably*) to meet 80% of their retail load over a four-year compliance period beginning in 2030 and alternative compliance options, such as renewable energy credits (RECS) or energy transformation projects, for the remaining 20%.

Existing hydropower is eligible as a renewable resource under CETA. By 2045, CETA requires utilities to supply Washington customers with 100% renewable or non-emitting electricity (100% Clean Standard). Currently, there are no penalty provisions in the event a utility does not meet the 100% clean energy obligation. CETA does provide some cost-cap provisions and regulatory relief related to electric reliability standards and transmission availability.

ABOUT THE CEIP

The first milestone for CETA was in 2022, when each utility prepared and published a Clean Energy Implementation Plan (CEIP). Grant PUD was required to submit its first interim CEIP in 2022. Subsequent CEIPs will be developed every four years including this year.

Grant PUD is providing this supplemental report in addition to its published CEIP. This report describes the specific actions Grant PUD will take over the next four-year period (CEIP planning period) to track progress towards meeting CETA established milestones. Grant PUD's CEIP includes the following:

- Interim targets for the percentage of retail load Grant PUD plans to serve using renewable or non-emitting resources during 2026-2029;
- Specific targets for energy efficiency, demand response and renewable energy for 2026-2029;
- Specific actions Grant PUD will take between 2026-2029 to reach those targets;
- Information about Grant PUD's plans to ensure an equitable transition to clean energy;
- Grant PUD's resource adequacy standard and measurement metrics used to establish the 2026-2029 interim and specific targets.

EXECUTIVE SUMMARY

Grant PUD's first interim CEIP provided a roadmap that guided Grant PUD's clean energy actions and investments from 2022-2025 which is an interim compliance period with the first "binding" compliance period being 2030-2033. Below are the targets adopted and published previously representing percentage of retail load served using renewables and non-emitting resources.

Grant County PUD No. 2

Interim target: Percentage of retail load to be served using renewable and nonemitting resources (WAC 194-40-200(2))

Resource	2022	2023	2024	2025	4-year Period
Renewable	28%	28%	28%	28%	28%
Nonemitting	0%	0%	0%	0%	0%
Total	28%	28%	28%	28%	28%

The actual percentage of retail load served using renewable and non-emitting resources was less than the targets over this interim compliance period due to several factors including less retail load customers choosing some or all of their load to be served with renewable or non-emitting resources under Grant PUD's Green Energy rate schedule (RS13). The table below shows the breakdown of Clean Energy used to serve retail sales (**average of ~19%**) versus the interim Clean Energy Targets (**average of 28%**).

Categories	2022	2023	2024	2025 (Forecast)	Averages
I-937 Retirements *(aMW)*	96.0	103.0	108.1	112.1	104.8
RS13 I-937 Retirements *(aMW)*	91.7	2.3	22.8	2.8	29.9
Total Clean Energy (aMW)	**187.7**	**105.3**	**130.9**	**114.9**	**134.7**
Actual Retail Sales (aMW)	696.4	703.9	751.3	747.3	724.7
Actual Clean Energy %	27%	15%	17%	15%	19%
Target Clean Energy %	28%	28%	28%	28%	28%
Variance	**1%**	**13%**	**11%**	**13%**	**9%**

The decision to focus on affordability was affirmed by a recent CEIP survey that was conducted from July 2025 to September 2025 where 2.4% of Grant PUD customers responded. The survey was part of its 2026-2029 CEIP and the associated public participation plan. The survey consisted of a number of questions related to demographics, financial status of household, interest in renewables and non-emitting resources, and products and services Grant PUD should focus on providing in the future. The survey is a critical piece of Grant PUD's public participation plan described later in the document. Grant PUD customers responded to a variety of questions with their priorities being voiced, highlighting priorities related to multiple topics with **Rates** and **Reliability** being the top priorities among respondents. See the table below.

Q5. Rank each one of these items individually from a scale of 1-5								
Answer Choices	**1-Not a priority**	**2-Low Priority**	**3-Medium Priority**	**4-High Priority**	**5-Top Priority**	**Total**	**Wtd. Total**	**Category**
Keeping prices as low as possible	9	18	117	286	462	892	85.27%	*Rates*
Keeping power outages at a minimum	6	24	109	335	420	894	84.63%	*Reliability*
Protect and enhance our natural resources	39	71	231	281	264	886	73.49%	*Natural Resources*
Provide energy-saving programs for our customers	43	95	295	257	205	895	70.23%	*Energy Efficiency*
Developing programs and policies to promote jobs and economic developn	67	103	335	221	169	895	66.60%	*Economic Development*
Reduce carbon emissions	259	142	175	150	165	891	55.22%	*Carbon Emission (Policy)*

In addition to the CEIP survey, Grant PUD has been working on specific actions to ensure an equitable transition as part of the clean energy future through partnering with local agencies to provide awareness of existing products and services offerings as well as understanding more about the needs of the community to ensure future offerings enhance the benefits provided to customers.

Grant PUD's forecasted retail load for the same planning period is 830 aMW[1] or 29,113 GWh[2] total. Grant PUD's interim renewable & non-emitting energy targets for 2026-2029 is 125 aMW[1] or 4,367 GWh[2] total for the four-year period and is based on the following specific targets:

	2026	**2027**	**2028**	**2029**	**Average**
Forecasted Sales aMW	741.7	821.1	867.1	891.1	830.3
Interim Target aMW	111.3	123.2	130.1	133.7	124.5
Interim Target %	**15%**	**15%**	**15%**	**15%**	**15%**

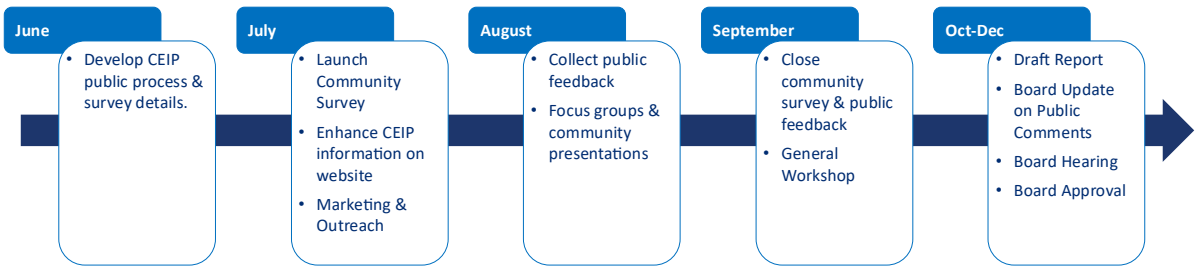
[1] An aMW is the equivalent of 1 Mega-watt hour per hour across an entire year or 8,760 MWh/year. The energy does not necessarily have to average 1 MWh per hour every hour.

[2] GWh or Gigawatt hour is a unit of energy representing one-billion-watt hours and is equivalent to one million kilowatt hours or one thousand megawatt hours.

PUBLIC PARTICIPATION

Utilities must provide a public process for receiving feedback on its plans and a description of how public comments were reflected in their CEIPs.

Grant PUD has a long history of working with Grant County's helping agencies to gather ideas and information regarding customer interests, concerns, and needs. Additionally, Grant PUD also provides surveys to low-income residential customers during energy audits, through helping agencies, and by mail to get feedback. In addition to these normal activities completed by Grant PUD, a Public Participation Plan (Participation Plan) was recommended and adopted by the Board for the CEIP plan creation.



As part of the Participation Plan, a survey was created to engage customers. A public notice regarding the survey and requesting customer feedback was published in local newspapers and at the Grant PUD booth during the Grant County Fair.

The CEIP survey that was conducted from July 2025 to September 2025 where 2.4% of Grant PUD customers responded. The survey was part of its 2026-2029 CEIP and the associated public Participation Plan. The survey consisted of a number of questions related to demographics, financial status of household, interest in renewables and non-emitting resources, and products and services Grant PUD should focus on providing in the future. Grant PUD customers responded to a variety of questions with their priorities being voiced, highlighting priorities related to multiple topics with **Rates** and **Reliability** being the top priorities among respondents.

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Answer Choices	1-Not a priority	2-Low Priority	3-Medium Priority	4-High Priority	5-Top Priority	Total	Wtd. Total	Category
Keeping prices as low as possible	9	18	117	286	462	892	85.27%	*Rates*
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Reduce carbon emissions	259	142	175	150	165	891	55.22%	*Carbon Emission (Policy)*

In support of the Participation Plan, Grant PUD is organizing annual helping agency meetings to maintain ongoing conversations with partners to keep the pulse on where the greatest needs are for customers. The meeting will also create opportunities for knowledge sharing and potentially enlighten what products and services Grant PUD can design, develop and implement.

All notices and informational materials are provided in both English and Spanish. Grant PUD has an external CETA webpage where all meeting information, meeting recordings, and materials are posted and a dedicated

email (CETA@gcpud.org) has been setup to provide customers the opportunity to provide ongoing feedback. To date, Grant PUD has not received any public comments on its CEIP.

CEIP TARGETS

RENEWABLE ENERGY INTERIM & SPECIFIC TARGETS

Grant PUD's CEIP must establish an interim target for the percentage of retail load to be served using renewable and non-emitting resources during the CEIP planning period. CETA defines the following energy sources as renewable: water (i.e., hydropower), wind, solar, geothermal, renewable natural gas, renewable hydrogen, wave, ocean or tidal power, biodiesel fuel that is not derived from crops raised on land cleared from old growth or first growth forests and some forms of biomass. Non-emitting resources are defined as resources that do not emit GHGs as a by-product of energy generation and include nuclear energy resources.

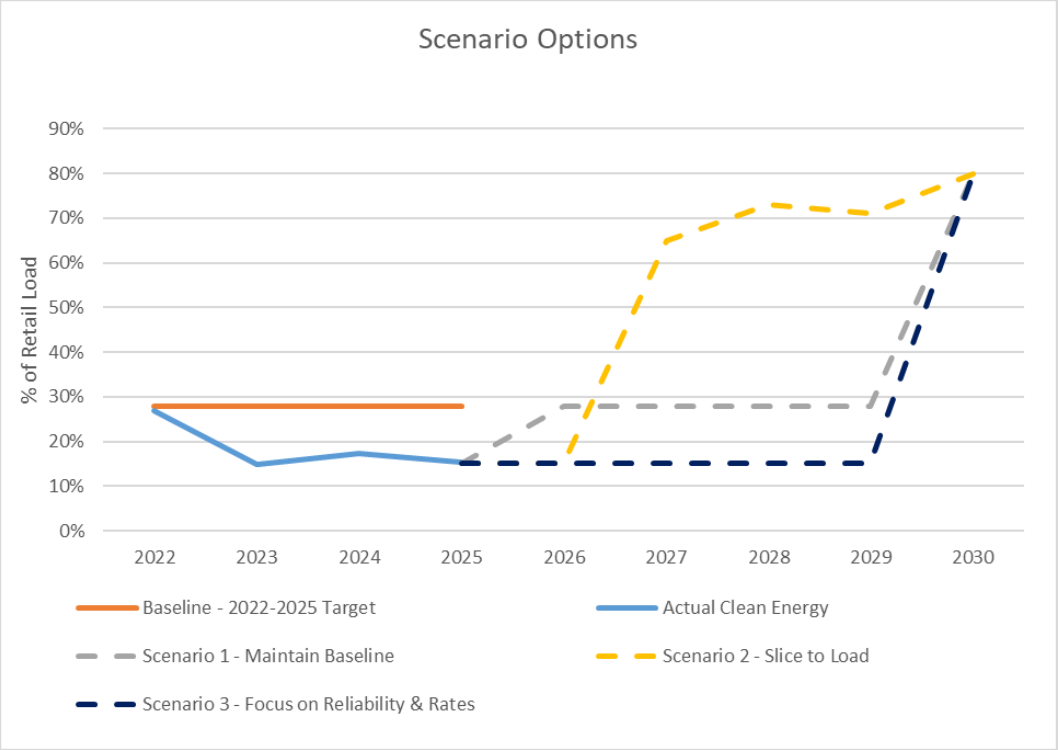
Grant PUD's first CEIP provided a roadmap that guided Grant PUD's clean energy actions and investments from 2022-2025 which is an interim compliance period with the first "binding" compliance period being 2030-2033. Below are the targets adopted and published previously for renewables and clean energy.

Grant PUD's actual percentage of retail load served using renewable and non-emitting resources was less than the targets over this interim compliance period due to several factors including less retail load customers choosing some or all of their load to be served with renewable or non-emitting resources under Grant PUD's Green Energy rate schedule (RS13). The table below shows the breakdown of Clean Energy used to serve retail sales (**average of ~19%**) versus the interim Clean Energy Targets (**average of 28%**).

2022-2025 Interim CEIP Clean Energy Targets vs Actuals:

Categories	2022	2023	2024	2025 (Forecast)	Averages
I-937 Retirements *(MWh)*	841,185	902,147	949,830	981,931	918,773
RS13 I-937 Retirements *(MWh)*	803,200	20,500	200,000	24,209	261,977
Total (MWh)	**1,644,385**	**922,647**	**1,149,830**	**1,006,140**	**1,180,751**
Actual Retail Sales (MWh)	6,100,853	6,166,146	6,599,302	6,546,205	6,353,126
Actual Clean Energy %	27%	15%	17%	15%	19%
Target Clean Energy %	28%	28%	28%	28%	28%
Variance	**1%**	**13%**	**11%**	**13%**	**9%**

Grant PUD's 2026–2029 CEIP explores three planning scenarios to ensure compliance with CETA while maintaining reliability and affordability as a focus. **Scenario 1 – Maintain Baseline Target Established in previous CEIP** uses the baseline trajectory established in the previous CEIP (2022–2025), continuing incremental progress toward greenhouse gas neutrality by 2030 and leveraging existing hydro resources. **Scenario 2 – Utilize energy from Slice Contracts to serve load** anticipates the expiration of Priest Rapids Project (PRP) slice contracts in place by 2027 and 2028 and using energy generated from PRP to meet load prior to the 2030 GHG Neutral Standard . **Scenario 3 - Focus on Reliability & Rates** sets the renewable & non-emitting target at 15%, aligning with the Energy Independence Act (EIA) Renewable Portfolio Standard (RPS) requirement to meet the compliance requirement. These scenarios provide flexibility to adapt to market conditions, regulatory changes, and customer priorities for affordability and reliability. Scenario Options are shown below.



Based on customer feedback emphasizing affordability and reliability as top priorities, Grant PUD has aligned its interim targets with Scenario 3 – Focus on Reliability & Rates. This scenario balances cost control with system dependability, ensuring that rate stability and reliable service remain central to the utility's near-term strategy as shown in the table below.

	2026	2027	2028	2029	Average
Forecasted Sales aMW	741.7	821.1	867.1	891.1	830.3
Interim Target aMW	111.3	123.2	130.1	133.7	124.5
Interim Target %	**15%**	**15%**	**15%**	**15%**	**15%**

ENERGY EFFICIENCY SPECIFIC TARGET

Grant PUD conducted a Conservation Potential Assessment (CPA) in 2025 to estimate the conservation potential for the coming 20 years. Grant PUD has historically met the targets set for conservation. Due to the current wholesale market rates and concern of rate increases for customers, Grant PUD has focused the conservation efforts on the industrial customers. Grant PUD continues to offer several rebate programs for residential and non-residential applications.

The conservation potential analysis evaluated four sectors including: residential, commercial, industrial, and agricultural. The industrial sector is where Grant PUD receives the greatest gains by installing more energy efficient cooling and power supplies in data centers, converting to more efficient lighting, upgrading refrigeration storage, and performing cold storage equipment tune-ups and retrofits. The Agricultural sector represents Grant PUD's

second greatest potential for conservation. The following table and chart are taken directly from the CPA to illustrate the base case of where the conservation potential is through 2039.

Table 1: Conservation Potential (Base Case)

Table 1: Cost-Effective Potential by Sector (aMW)

Sector	2-Year	4-Year	10-Year	20-Year
Residential	0.12	0.44	3.40	10.57
Commercial	0.18	0.62	4.87	16.20
Industrial	1.15	3.59	16.52	29.47
Utility	0.04	0.15	1.65	4.86
Agricultural	0.21	0.70	3.62	5.62
Data Center	7.12	7.12	7.12	7.12
Total	**8.83**	**12.62**	**37.18**	**73.84**

Note: In this and all subsequent tables, totals may not match due to rounding.

Grant PUD's energy efficiency specific target for CETA was developed using methodologies established in the Energy Independence Act (EIA/I-937)[3]. Grant PUD's CPA shows cost-effective four-year (2026-2029) energy savings of 12.62 aMW, or 110,551 MWh[4] (as measured in first-year savings).

The energy efficiency MWh will be acquired over the CEIP period with annual energy efficiency targets as follows:

- 2026-2027 8.83 aMW or 77,350 MWh
- 2028-2029 Approximately 3.79 aMW or 33,200 MWh

DEMAND RESPONSE SPECIFIC TARGET

Because the CETA requires utilities to assess the amount of Demand Response (DR) resource potential that is cost-effective, reliable, and feasible, and uses that assessment to identify a target for DR in each CEIP, Grant PUD has conducted a Demand Response Potential Assessment (DRPA) in 2025 to estimate the cost-effective demand response potential for 2026-2045. This assessment takes into consideration potential across the residential, commercial, industrial, and agricultural sectors. Since summer and winter seasons influence DR products the assessment utilizes a range of strategies.

Overall, the DRPA quantified nearly 70 MW of achievable summer DR capacity and 21 MW of achievable winter DR capacity in 2045.

[3] The EIA establishes a renewable portfolio standard (RPS) with renewable energy targets as a percentage of customer load. The targets increase over time, from 3 % in 2012, to 9 % in 2016, to 15 % in 2020.

[4] MWh or megawatt hour is a unit of energy representing one-million-watt hours and is equivalent to one thousand kilowatt hours.

CEIP ACTIONS

RENEWABLE ENERGY SPECIFIC ACTIONS

Grant PUD's renewable energy specific actions were developed based upon Grant PUD's current portfolio of clean energy resources combined with customer driven clean energy investments. Grant PUD plans to utilize existing renewable and non-emitting resources to meet the CEIP interim targets and progress towards the 2030 GHG Neutral Standard. The resources planned to meet the interim targets are highlighted below:

- *I-937 Incremental Hydropower:* Grant PUD has made improvements at Priest Rapids Project (PRP), including Top Spill Fish Bypasses and improvements to turbines and generators, that produce EIA/I-937 qualified incremental hydropower. Grant PUD plans to use this incremental hydropower as primary resource to meet its compliance obligation under the EIA/I-937.
- *Other Renewables:* Grant PUD purchases wind from Nine Canyon Wind Project and recently entered into new power purchase agreements for solar and battery resources. Grant PUD is currently negotiating with Bonneville Power Administration (BPA) for a Provider of Choice contract to start in October 2028.

To demonstrate compliance with the interim targets, Grant PUD intends to retire associated renewable energy credits (RECs) as applicable. Utilities are not required to retire RECs until 2030 if the energy source for the generating facility is water. For this interim CEIP period, Grant PUD expects to only retire I-937 Incremental Hydropower RECs and Nine Canyon Wind RECs. Additional RECs may be retired if RECs are bundled with energy procured under Schedule 13. As Grant PUD approaches the first binding compliant CEIP in 2030-2033, REC portfolio strategies may be adjusted in order to ensure compliance with the 80% GHG Neutral Standard.

ENERGY EFFICIENCY SPECIFIC ACTIONS

Grant PUD's primary approach to reducing the customer's energy burden will be to offer specific energy efficiency products. Any applicable energy efficiency savings will also be counted toward the state mandated targets under the Energy Independence Act (also known as EIA or I-937). Energy audits are available which include tips on ways to save energy, information on assistance programs, specific recommendations for customer's homes, direct installation of LED light bulbs, weather stripping replacement, and blower door and duct testing, if applicable.

DEMAND RESPONSE SPECIFIC ACTIONS

In conjunction with Lighthouse Consulting, Grant PUD has been working on a Demand Response Potential Assessment (DRPA). The Demand Response product data for the DRPA was taken directly from the Demand Response modeling used by the Northwest Power and Conservation Council's Demand Response modeling. There was a total of 23 products evaluated, with Demand Voltage Regulation (DVR) and Irrigation showing the largest demand potential. Grant PUD needs to further evaluate the DRPA and its findings. Irrigators may not be willing (or able) to curtail the application of water in the hottest of weather when Demand Response is needed. Grant PUD's system needs a thorough evaluation to determine if DVR is plausible. Grant PUD's Demand Response might better be met with the curtailment of the loads from our crypto currency or other customers. Grant PUD is still evaluating the best demand response actions to be taken.

EQUITABLE TRANSITION

CETA requires that equity considerations become an explicit part of utility planning. Utilities must assess the potential impacts of their decisions on two communities: vulnerable populations and highly impacted communities. Vulnerable populations (VP) are defined as communities that experience a disproportionate cumulative risk from environmental burdens due to socioeconomic and biological factors that are identified by utilities in conjunction with public input. Highly impacted communities (HIC) are defined as geographic communities, impacted by fossil fuels and climate change and identified by the Washington State Department of Health's Environmental Health Disparities Map (EHD Map).

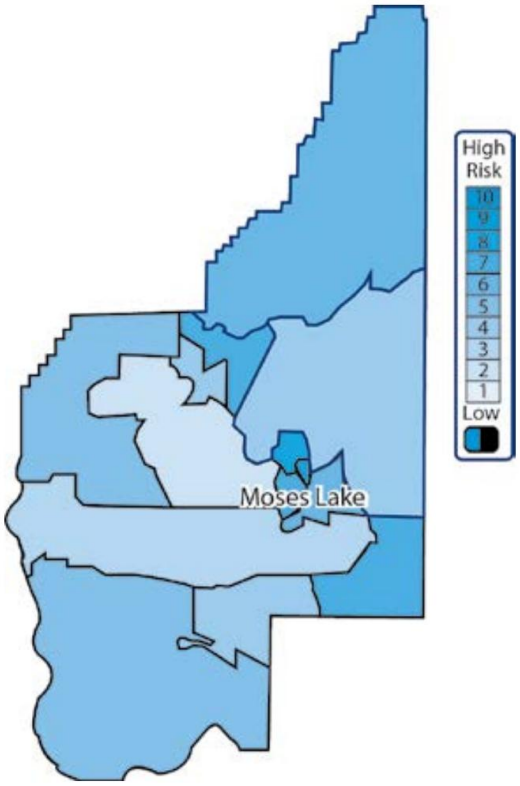
HIGHLY IMPACTED COMMUNITIES

The Washington Department of Health (WA DOH) designates HICs as those ranking 9 or 10 on the EHD Map or if located on a census tract covered or partially covered by 'Indian Country' as defined in 18 U.S.C. Sec. 1151. Rankings are determined by the WA DOH on cumulative impact analyses by census tract. There is one census tract within Grant County that meets this designation:

Census Tract Health (enter 11 digit FIPS code)	County Name	Tribal Lands (Yes/No) Envioronmental	Disparities Topic Rank
53025010100	Grant	Yes	5

At the time of development of this CEIP, WA DOH's HIC list also included several other census tracks located outside of Grant County that were identified as within Grant PUD's jurisdiction. Grant PUD understands that the inclusion of these census tracks was due to mapping inaccuracies.

Figure 2: Grant County Highly Impacted Communities Map



VULNERABLE POPULATIONS

CETA establishes a policy that the public interest includes the "equitable distribution of energy benefits and reduction of burdens to vulnerable populations and highly impacted communities." CETA requires and places targets on the reduction of the energy burden of low-income households. Energy burden is the percentage of a customer's income that is dedicated to energy. For example, a customer with income of $30,000 per year with an annual electric bill of $900 would have an energy burden of three percent ($900/$30k). Grant PUD will focus on helping customers with a high "energy burden", defined in CETA as those that spend six percent or more of household income on utility bills, and are in the most need of utility bill assistance.

FORECAST OF IMPACTS

Grant PUD has identified specific actions and benefit indicators to ensure an equitable transition to a clean energy economy. Much of the work noted in this CEIP includes the development of targeted energy assistance and energy conservation programs aimed to assist our customers that are in the most need of assistance. These efforts will focus on energy burdened customers, as well as customers who reside in highly impacted communities as identified using the EHD Map.

According to the 2019 Census Reporter, Grant County has approximately 97,733 residents living in 30,866 households. Grant County has a 14.8% poverty rate (approximately 4,568 homes). The median household income is $56,997. The Grant PUD's CPA indicated in 2019 there were 59% single family homes, 30% manufactured homes, 11% multi-family low rise, and 99% of these homes have electric heat. A random

sampling of 20 customers for Grant PUD's share the warmth, disabled discounted rate, and senior discounted rate show that 14 customers (70%) meet or exceed the 6% energy burden threshold under CETA. Based on this information, Grant PUD believes the target number of high "energy burden" homes in Grant County will be 3,197.

Grant PUD will be required to demonstrate progress towards meeting a substantial portion of the county's energy assistance need (60% of the need by 2030 and 90% of the need by 2050). Qualified households are in zones 9 and 10 on the EHD Map and their energy burden is six percent of their income or higher. Grant PUD's primary approach to reduce this energy burden will be to reduce power usage for these customers through specific energy efficiency offerings. Any applicable conservation savings will be counted toward EIA/I-937 state mandated targets.

Table 2: Distribution of Energy and Non-energy Costs and Benefits

CATEGORY	INDICATOR	DETAILS	SOURCE	DATE LAST UPDATED
Reduction of burden	<= 6% of income	Energy Bill Reductions	Billing history, BPA UES measure list	2025
Reduction in cost (customer)	High energy bills	Weatherization	In home audits - education and energy conservation tips and BPA UES measure list	2025
Non-energy benefits	Customer request for bill assistance	Income verification	Share the Light (customer donated low-income bill assistance), Income Qualified Rate Discounts)	2025

CUSTOMER BENEFIT INDICATORS

Table 3: Customer Benefit Indicator Table

UTILITY SPECIFIC ACTION OR (e.g. name of resource or program)	POPULATION EFFECTED	INDICATOR	DETAIL (Describe distribution of energy and non-energy benefits on named population)
Community Engagement	Highly Impacted Communities	Customer Outreach	Multi-lingual surveys and tips
Energy Burden / Affordabiltiy	Vulnerable Populations	Reduction of burden	Energy efficiency to reduce utility bills
Access to Assistance	Vulnerable Populations	Bill pay assistance	Energy Assistance programs (STL, Income Qualified discounts)
In-home Audits	Vulnerable Populations	Bill exceeds 6% of income	Identify areas to conserve energy

REDUCING RISKS TO VULNERABLE POPULATIONS AND HIGHLY IMPACTED COMMUNITIES

Each energy audit will consist of a weatherization kit, inspection, recommendations, blower door testing, if applicable. Grant PUD will work with contractors for upgrades such as mini split and insulation. Grant PUD's clean energy transition plan benefits all customers equally. HIC and VP customers will benefit without having to pay any additional costs as the incremental costs will be borne by those customers who opt into the voluntary clean energy rate schedules. This approach helps protect HIC and VP customers from experiencing an increase in their energy burden.

LONG-TERM PLANS

Grant PUD's CEIP is consistent with its 2024 Integrated Resource Plan (IRP). Grant PUD is taking the following actions consistent with its IRP:

- To prepare for future load growth and CETA requirements, Grant PUD issued an all-source RFP in 2024 to acquire new generating resources. This resulted in Grant PUD entering into new power purchase agreements for solar and battery resources. Grant PUD is also currently negotiating with BPA as part of the Provider of Choice contract to begin Oct. 2028. Grant PUD will continue to forecast its energy and capacity needs and add resources during this CEIP interim period if necessary.
- Grant PUD will continue to meet its EIA/I-937 obligations and 2026-2029 interim targets using eligible existing and new resources and unbundled RECs.
- Grant PUD has and continues to explore other resource options for hydrogen and nuclear. The explorations include feasibility studies with vendors related to Small Modular Reactors (SMRs) and solar/hydrogen facilities.
- Grant PUD will acquire cost-effective conservation consistent with its 2025 Conservation Potential Assessment (CPA).
  Grant PUD will continue to investigate transitioning its current Demand Response program from pilot program to a formal product offering. Additionally, Grant PUD's Product Development team will be utilizing the information from the 2025 Demand Response Potential Assessment to acquire cost-effective demand response products.

ALTERNATIVE COMPLIANCE OPTIONS

CETA allows a utility to meet up to 20% of its GHG neutral compliance obligation through December 31, 2044, by using alternative compliance options. Alternative compliance options include:

- Alternative compliance payment
- Use of unbundled renewable energy credits
- Investments in energy infrastructure projects

CETA's GHG Neutral Standard begins on January 1, 2030, including the 20% alternative compliance requirement.

RESOURCE ADEQUACY

Under CETA and in the IRP, utilities are required to identify an appropriate resource adequacy (RA) requirement and measurement metrics consistent with prudent utility practice. As a participant in and a supporter of the Western Resource Adequacy Program (WRAP), Grant PUD has chosen to adopt that program's business practices and metrics for setting planning reserve margins (PRM) and determining capacity values of resource technologies. Grant PUD is currently using WRAP-determined metrics designed to ensure that program participants maintain sufficient capacity to meet their share of regional adequacy requirements. The metrics, measures, and requirements calculated by the program for each month of the winter and summer seasons are constructed such that the region is expected to, under normal planning assumptions, meet the industry-standard expectation of one loss of load event in ten years.

Grant PUD is using its participation in the WRAP to better understand and plan for its resource adequacy needs. over a 20-year planning horizon. While WRAP provides binding PRM and qualifying capacity contribution metrics on a 2-year look-ahead basis, and advisory metrics for a 5-year look-ahead, Grant PUD uses the concepts used in those calculations to extrapolate its anticipated future required planning reserve margin, and qualifying capacity contribution of generating resources. The IRP solution is constrained to maintain the designated resource adequacy requirements and is formulated to provide a sound and structured, least reasonable cost pathway to meeting those requirements. Grant PUD's capacity position is continually monitored, and resource adequacy has been a driving force in both long-term resource plan formulation and recent resource acquisitions.

INCREMENTAL COST

CETA allows utilities to adopt a slower transition path if necessary to avoid rate shock by using a two percent incremental cost cap. Grant PUD is not planning to use the incremental cost cap during this CEIP planning period but will evaluate cost impacts and potential use of the incremental cost cap in future CEIPs.