2027 Proposed Budget

October 27, 2026

Katie Smith, Budget & Reporting Specialist

Grant PUD

Powering our way of life.

Purpose & Agenda

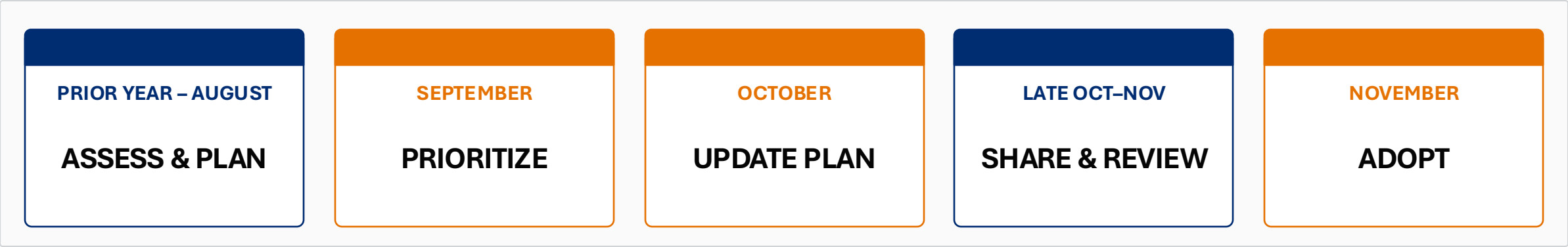
The **Proposed 2027 Budget outlines planned investments** and **opens the public comment period** in accordance with **RCW 54.16.080**.

- Budget Overview
- Key Priorities and Investments
- Next Steps

Building the 2027 Budget

Guiding Principles

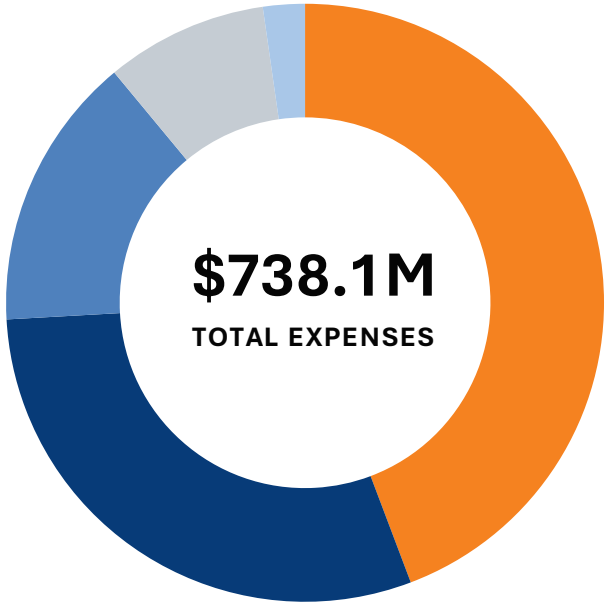
- ✓ Reliable service and infrastructure
- ✓ Workforce and future energy needs
- ✓ Financial stewardship and transparency



2027 Gross Expenses Increase 4.9%

CATEGORY	2026 BUDGET	2027 BUDGET	CHANGE ($)	CHANGE (%)
Capital	$322.3M	$326.6M	+$4.3M	+1.3%
Labor	$198.6M	$220.4M	+$21.8M	+11%
Operations & Maintenance	$88.9M	$109.8M	+$20.9M	+23.6%
Debt Service	$67.1M	$64.6M	-$2.6M	-3.8%
Taxes & Other	$26.3M	$16.7M	-$9.6M	-36.5%
GROSS EXPENSES	**$703.3M**	**$738.1M**	**+$34.8M**	**+4.9%**

2027 Budget Distribution



- Capital Investments 44%
- Debt Service 9%
- Labor 30%
- Taxes & Other 2%
- O&M 15%

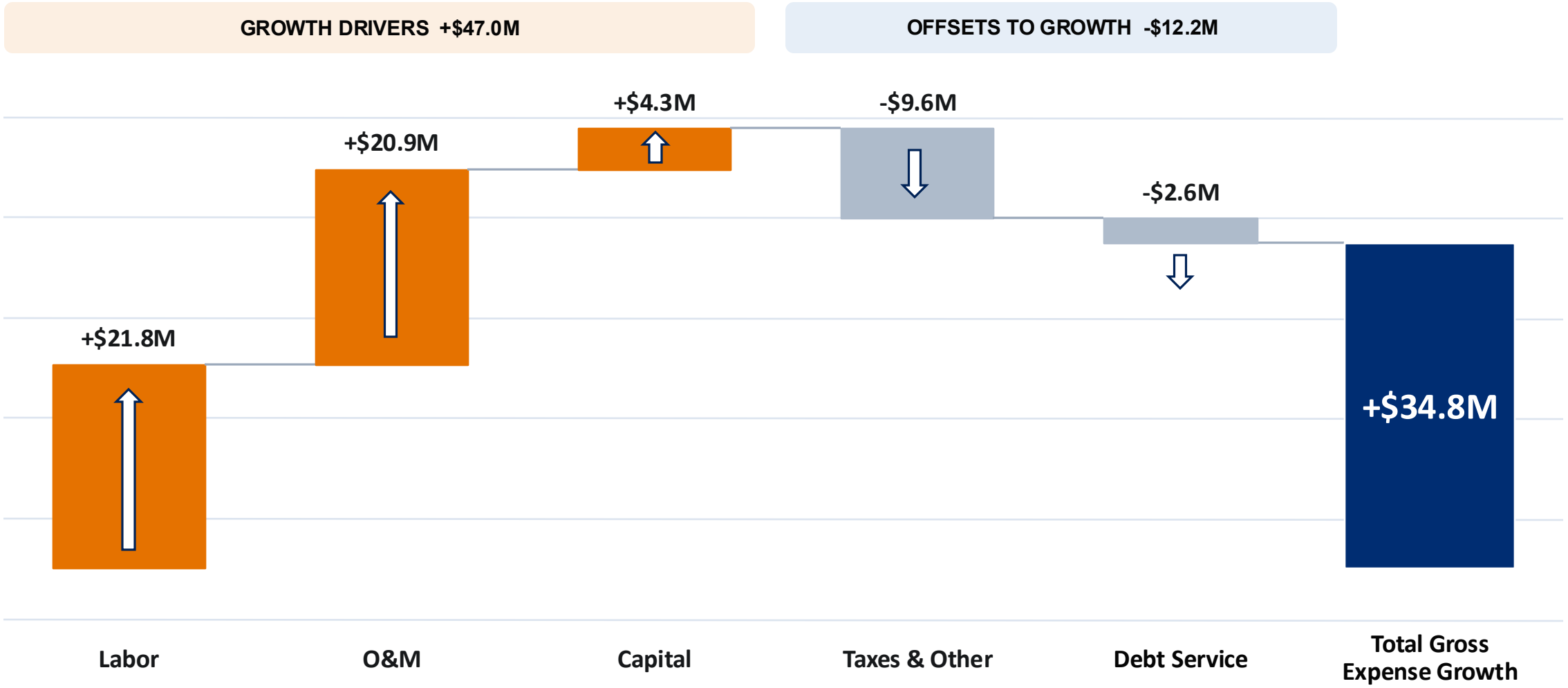
Note: Amounts are shown in millions and rounded to the nearest $0.1 million. Totals and variances may not add due to rounding.

Net Budget Overview

NET BUDGET	2026 BUDGET	2027 BUDGET	CHANGE ($)
Total Operations & Maintenance (Includes adjustments)	$264.0M	$293.7M	+$29.7M
Taxes	$24.5M	$24.6M	+$0.1M
Total Capital	$347.6M	$355.2M	+$7.5M
Electric System Capital	$257.9M	$239.6M	-$18.3M
Priest Rapids Project Capital	$89.7M	$115.6M	+$25.9M
Debt Service	$67.1M	$64.6M	-$2.6M
Total Gross Expenses	**$703.3M**	**$738.1M**	+$34.8M
EXPENSE OFFSETS			
Contributions in Aid of Construction	-$13.2M	-$4.4M	+$8.9M
Sales to Power Purchasers at Cost	-$34.3M	-$38.8M	-$4.4M
Net Power (+ Expense, - Revenue)	-$235.8M	-$181.5M	+$54.3M
Total Offsets	**-$283.4M**	**-$224.6M**	**+$58.8M**
TOTAL EXPENSES AFTER OFFSETS	**$419.9M**	**$513.5 M**	**+$93.5M**

Amounts rounded to the nearest million; totals and variances may not add due to rounding.

Labor and O&M Drive 2027 Budget Growth



Amounts rounded to the nearest million; totals and variances may not add due to rounding.

Workforce Growth and Wage Adjustments Drive Labor

2026 BUDGET	2027 BUDGET	CHANGE FROM 2026
$198.6M	$220.4M	+$21.8M (11.0%)

Amounts rounded to the nearest million; totals and variances may not add due to rounding.

PRIMARY DRIVERS

1. **Workforce Growth** — To support growing service and operational needs, the 2027 plan includes 40 new positions and 10 apprenticeship opportunities across the District.
2. **Wage Adjustments** — Contracted wage adjustments and general wage increases.







Regional Energy Commitments Drive O&M Growth

2026 BUDGET	2027 BUDGET	CHANGE FROM 2026
$88.9M	$109.8M	+$20.9M (24%)

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WHAT IS DRIVING GROWTH

Columbia River Treaty — +$12.2M

Funds Grant PUD's share of regional hydropower benefits under the Columbia River Treaty.

The Energy Authority (TEA) — +$4.9M

Provides access to energy markets to help meet customer needs.

Geothermal and Small Modular Reactor (SMR) Exploration & Discovery — +$4.9M

Early research into new energy sources to meet future customer demand.

Other O&M Changes (Net) — -$1.1M

Combined impact of various smaller changes across the O&M budget.



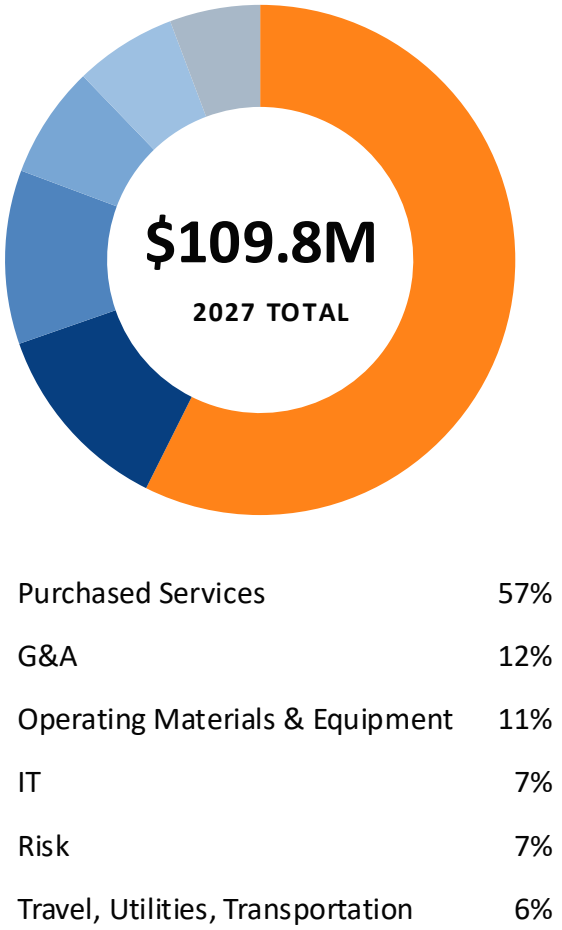




Operations & Maintenance

CATEGORY	2026 BUDGET	2027 BUDGET	CHANGE ($)	CHANGE (%)
Purchased Services	$42.0M	$63.0M	+$21.0M	+50%
G&A	$12.5M	$13.5M	+$1.0M	+8%
Operating Materials & Equipment	$12.3M	$12.1M	-$0.3M	-2%
IT	$9.5M	$7.8M	-$1.7M	-18%
Risk	$6.5M	$7.1M	+$0.6M	+9%
Travel, Utilities & Transportation	$5.9M	$6.3M	+$0.4M	+7%
TOTAL GROSS EXPENSES	**$88.9M**	**$109.8M**	**+$20.9M**	**+24%**

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Capital Plan Prioritizes Major Infrastructure Investments

2026 BUDGET
$322.3M

2027 BUDGET
$326.6M

CHANGE FROM 2026
+$4.3M (1%)

Amounts rounded to the nearest million; totals and variances may not add due to rounding.

LARGEST PLANNED CAPITAL INVESTMENTS

		2027 ESTIMATE
1	QTEP Program	$118.6M
2	New Ephrata Service Center	$103.3M
3	Turbine / Generator Program	$49.7M
4	Priest Rapids Spillway Stability Improvements	$33.7M
5	Wanapum Left Embankment Improvements	$17.8M
6	Ancient Lake–Frenchman Hills Transmission Rebuild	$17.7M

Project amounts reflect estimated spend. Total capital budget reflects historical project execution rates and a more conservative spending forecast.

Capital Projects

Quincy Transmission Expansion (QTEP)



Strengthening the Grid for Reliability and Flexibility

Project Overview

10 projects designed to add 380 MW of capacity, increasing total capacity to 750 MW, improving reliability, and creating backup pathways to keep power flowing across the grid.

$118.6M
2027 Proposed

- **2020** — Project Start
- **2023** — Project Forecast Alignment
- **2024 – 2026** — Planning, Design & Procurement
- **2027** — Major Planned Investment
- **2028 – 2029** — Continued Execution

Capital Projects

New Ephrata Service Center



Building Infrastructure to Support Long-Term Growth

Project Overview

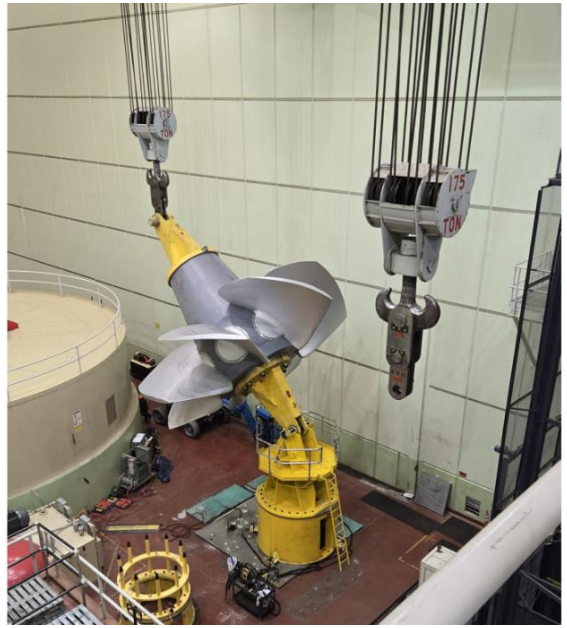
Replacing aging infrastructure and supporting growth in accordance with the Facilities Master Plan.

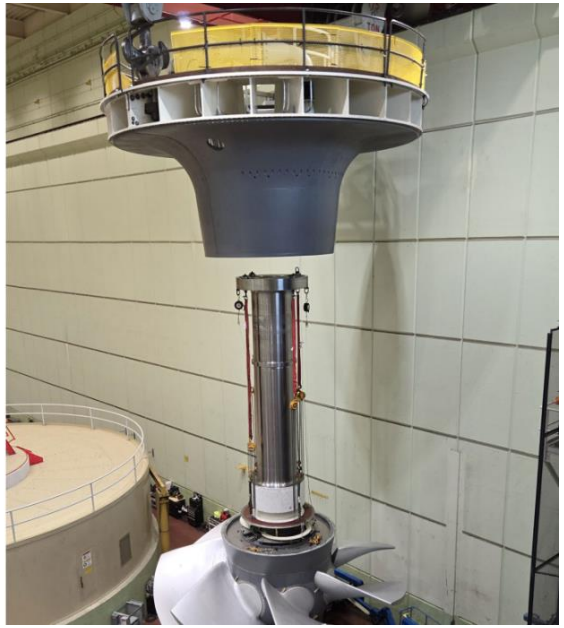
$104.0M
2027 Proposed

2023 – 2024	2025	2026	2027	2028
Validation & Design	Construction Began	Major Construction	Advances Construction	Completion & Transition

Capital Projects

Turbine Generator Program





Investing in Hydropower Reliability and Long-Term Performance

Project Overview

Modernizes ten turbine-generator units to improve reliability, efficiency, and the long-term performance of Priest Rapids Dam.

$49.7M
2027 Proposed

2013 – 2015	2016	2018 – 2025	2027	2028 – 2029
Program Development	Modernization Began	Sequential Unit Upgrades	Continues Modernization	Continued Unit Work/Completion

Capital Projects

Priest Rapids Spillway Stability Improvements



Strengthening Critical Infrastructure for Long-Term Reliability

Why This Investment Matters

Installs 38 anchors to stabilize the spillway and support responsible stewardship of a critical generating asset.

$33.7M
2027 Proposed

2023 – 2024	2025	2026	2027	2028
Design & Preparation	Procurement & Award	Construction Began	Major Stabilization Work	Completion & Closeout

Debt Service and Other Costs Decline

DEBT SERVICE

2026 BUDGET	2027 BUDGET	CHANGE FROM 2026
$67.1M	$64.6M	-$2.6M (3.8%)

Debt service costs decrease as one bond series is fully repaid in January and certain other debt obligations continue to move closer to maturity.

TAXES & OTHER

2026 BUDGET	2027 BUDGET	CHANGE FROM 2026
$26.3M	$16.7M	-$9.6M (36.5%)

Tax expenses remain relatively consistent with prior years, while timing of financial allocations is the driver of the decrease.

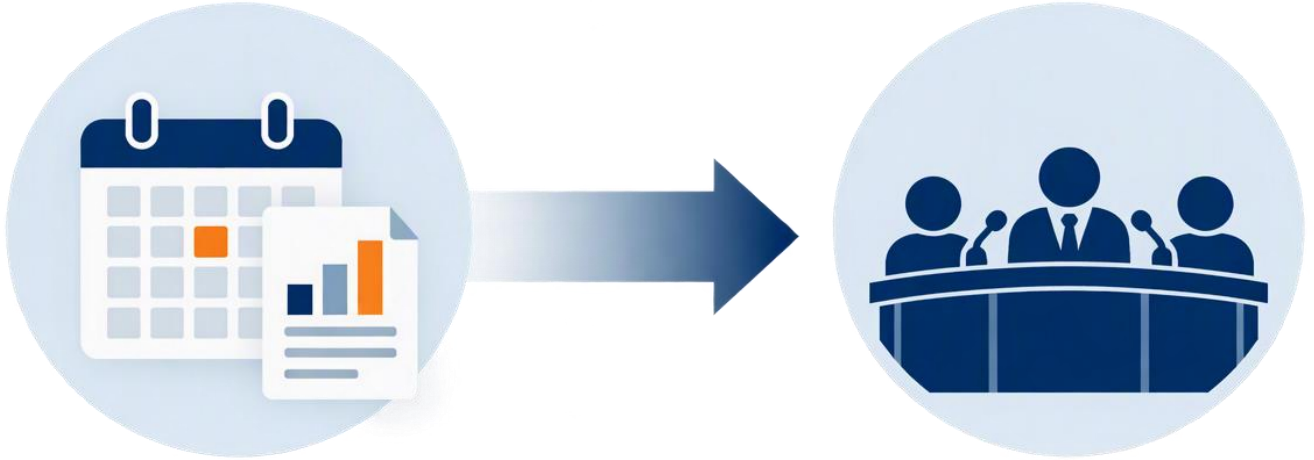
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What's Next

1 **Present the proposed budget**

2 **Review public comments**

3 **Consider budget adoption**



October 27, 2026

Proposed Budget and Public Hearing

The Commission will receive the 2027 Proposed Budget and open the public comment period.

November 24, 2026

Budget Adoption

The Commission will consider adoption of the 2027 Budget following the public comment period.

Public comments will be considered before final adoption.

Thank you!

Grant PUD

Powering our way of life.

APPENDIX

Grant PUD

Powering our way of life.

Exhibit A

NET BUDGET	2026 BUDGET	2027 BUDGET	CHANGE
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TOTAL EXPENSES AFTER OFFSETS	**$419.9 M**	**$513.5 M**	**$93.5 M**

All figures rounded to the nearest 100,000th; totals and variances may not sum due to rounding.

Exhibit B

NET POSITION	2026 BUDGET	2027 BUDGET	CHANGE
CONSOLIDATED OPERATIONAL PERFORMANCE			
REVENUE			
Sales to Power Purchasers at Cost	$34.3 M	$38.8 M	$4.4 M
Retail Energy Sales	$314.4 M	$336.9 M	$22.5 M
Net Power (Net Wholesale+Other Power Revenue)	$235.8 M	$181.5 M	($54.3 M)
Fiber Optic Network Sales	$14.1 M	$17.5 M	$3.4 M
Other Revenues	$4.1 M	$3.1 M	($1.0 M)
EXPENSES			
Operating Expenses	($264.0 M)	($293.7 M)	($29.7 M)
Taxes	($24.5 M)	($24.6 M)	($0.1 M)
Net Operating Income or Loss Before Depreciation	**$314.2 M**	**$259.4 M**	**($54.8 M)**
Depreciation and amortization	($90.3 M)	($92.5 M)	($2.2 M)
NET OPERATING INCOME OR LOSS	**$223.9 M**	**$166.8 M**	**($57.1 M)**
OTHER REVENUES OR EXPENSES			
Interest, debt and other income	$10.7 M	$5.2 M	($5.5 M)
CIAC (Money paid by customers to build infrastructure)	$13.2 M	$4.4 M	($8.8 M)
CHANGE IN NET POSITION (BOTTOM LINE)	**$247.9 M**	**$176.4 M**	**($71.5 M)**

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