# Financial Report

May 2026

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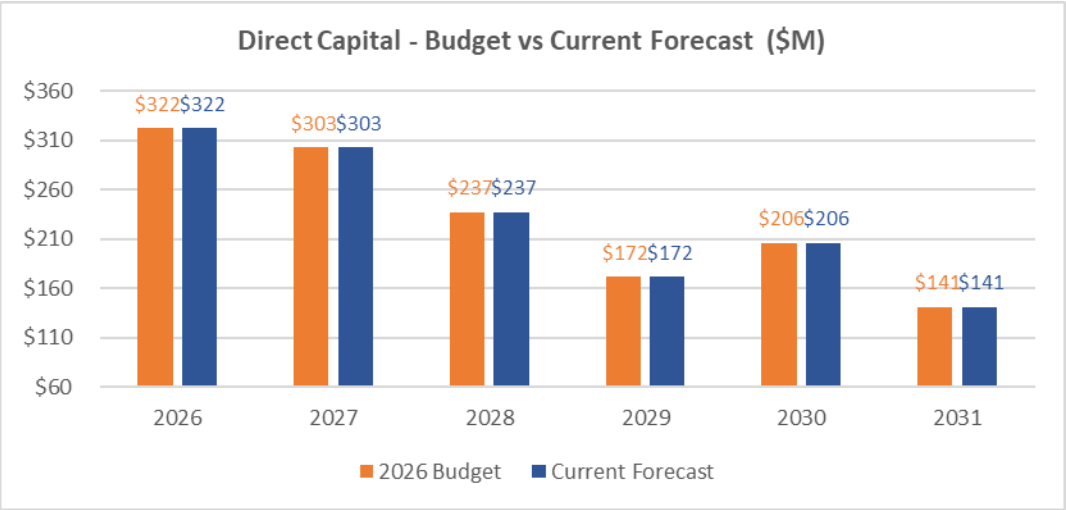
Grant PUD

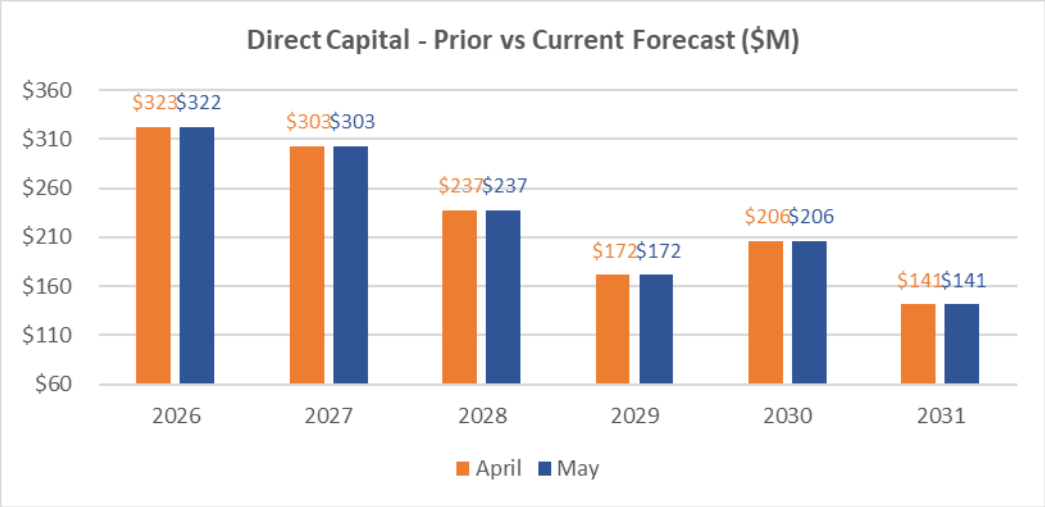
Powering our way of life.

# Agenda

- **Key Updates**
  - Capital Plan
  - Net Wholesale
  - Retail Forecast
  - Interest Income
  - O&M Expense
- **Forecast Results**
  - Exhibit A – Summary of Budgetary Items
  - Exhibit B – Consolidated Operational Performance
- **Financial Metrics**
- **Financial Scenarios**
  - Wholesale Price Volatility
- **Historic vs Fair Market Value**
- **Key Takeaways**
- **Net Power Report**
  - Resources and Requirements Energy
  - Resources and Requirements Dollars

# Capital Plan




**2026 Budget vs Current**

- 2026: Current 2025 Year End Projection for Capital Directs is $322M, -$0.M (-0%) flat to 2025 Budget projections of $322M.

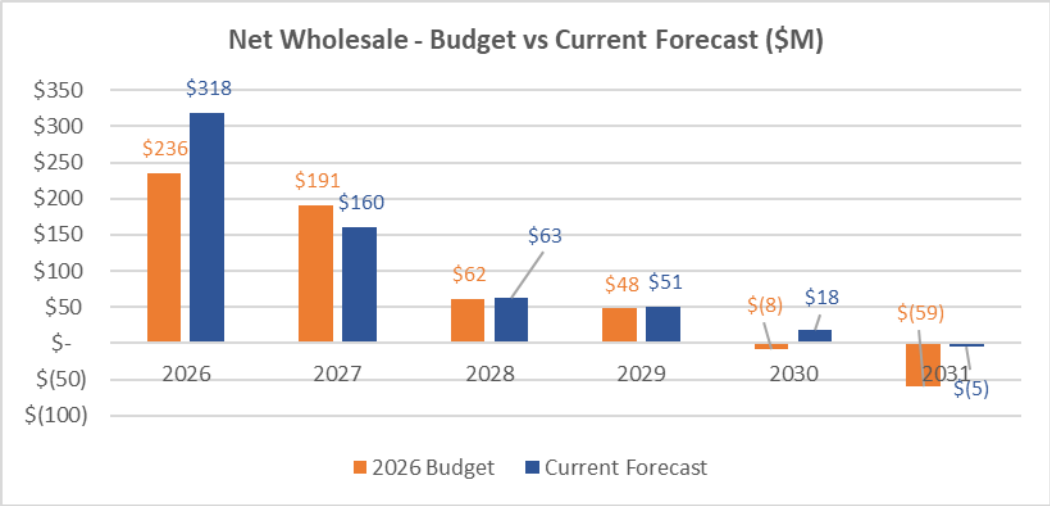
- 2027-2031: Current May forecast is -$0.M (-0%) flat to 2025 Budget forecast on an average annual basis.

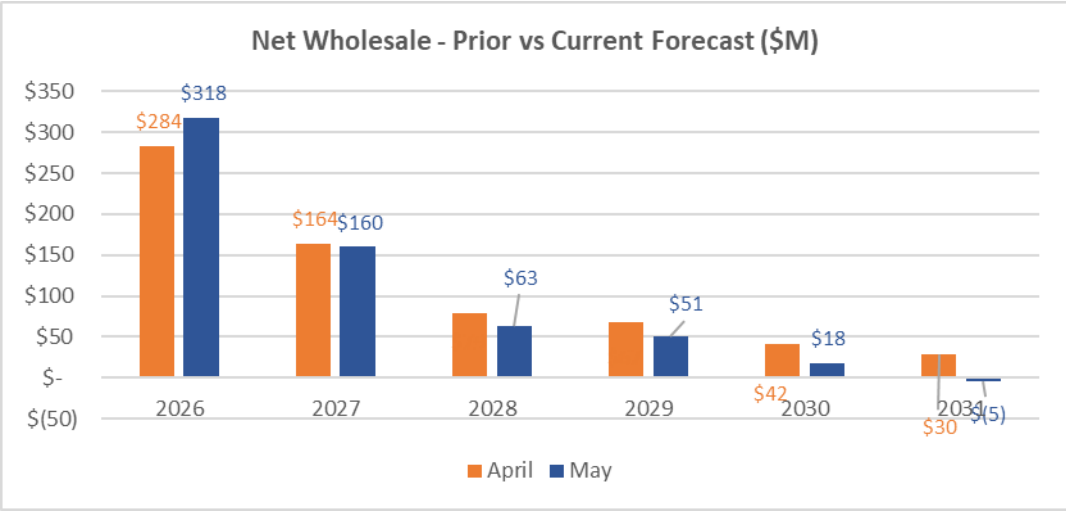
**Prior vs Current**

- 2026: Current 2025 Year End Projection for Capital Directs is -$0.2M (-0%) flat to the April projection.

- 2027-2031: Current May forecast is +$0.0M (+0%) flat to the April forecast on an average annual basis.

# Net Wholesale




**2026 Budget vs Current**

- 2026: Current 2026 Year End Projection for Net Power is $318.1M, +$82.3M (+35%) favorable to the 2025 Budget forecast of $235.8M.

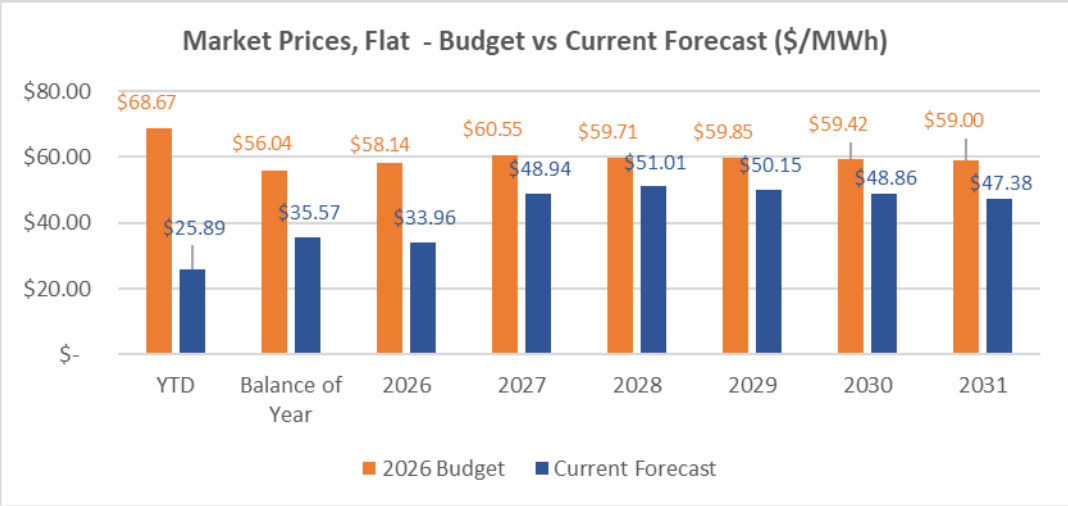
- 2027-2031: Current May forecast is +$11.M (+24%) favorable to the 2025 Budget forecast on an average annual basis.

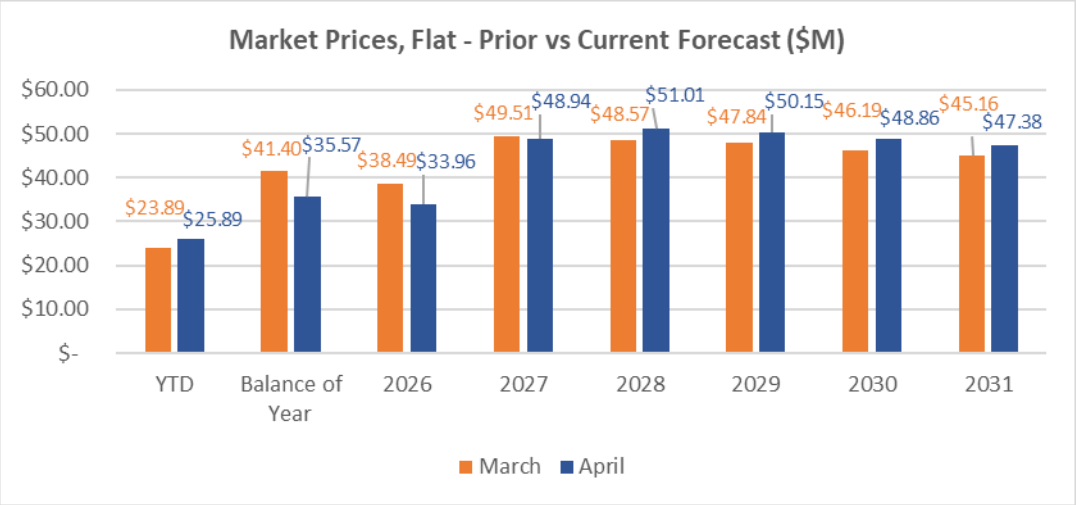
**Prior vs Current**

- 2026: Current 2026 Year End Projection for Net Power is +$34.2M (+12%) favorable to the April projection.

- 2027-2031: Current May forecast is -$18.8M (-25%) unfavorable to the April forecast on an average annual basis.

# Wholesale Market Prices




**2026 Budget vs Current**

- 2026: Current 2026 Year End Projection for Wholesale Prices, on a flat annual basis, are $35.57, -$20.46 (-37%) lower than 2026 Budget forecast of $56.04.

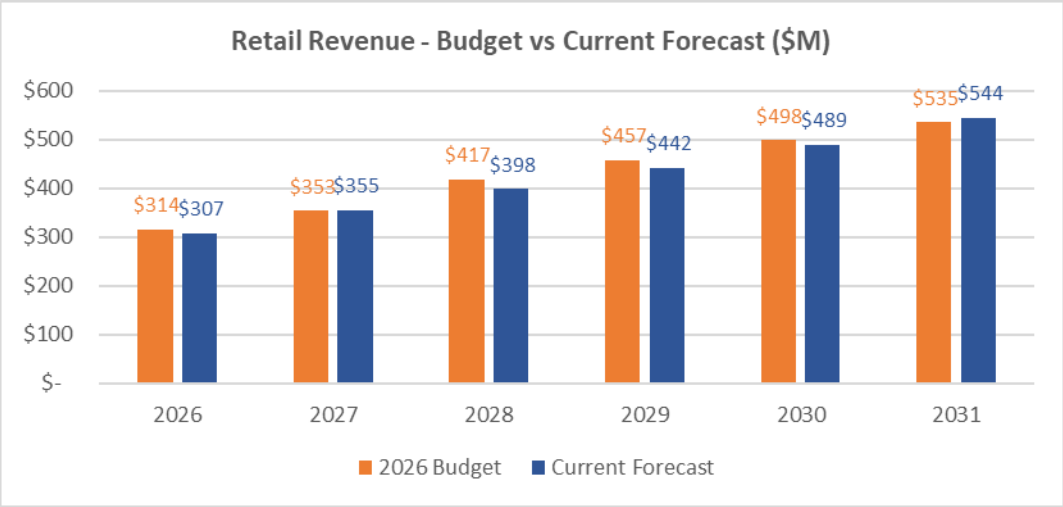
- 2027-2031: Current May forecast for Wholesale Prices, on a flat basis, are $49.27, -$10.44 (-17%) lower to 2025 Budget forecast of $59.71.

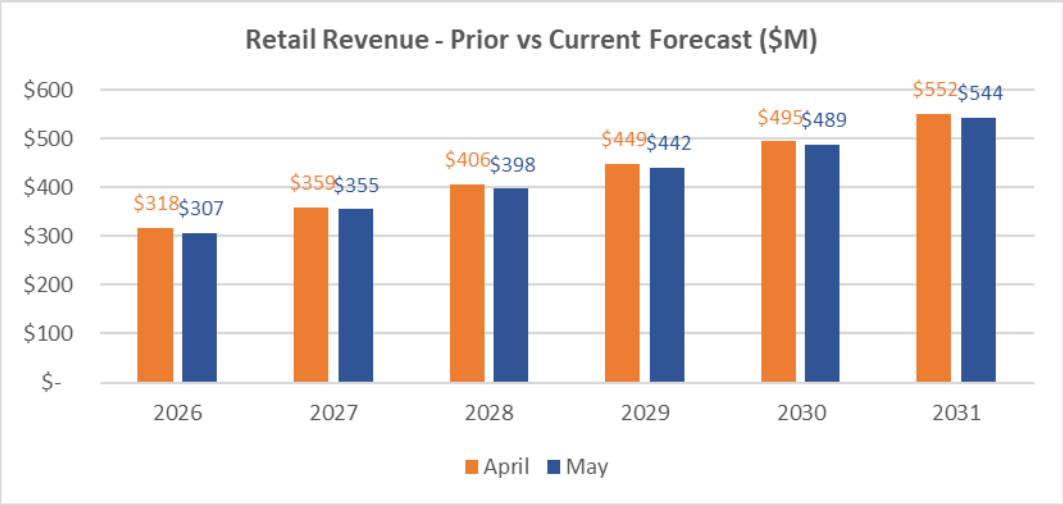
**Prior vs Current**

- 2026: Current 2026 Year End Projection for Wholesale Prices are -$5.83 (-14%) lower than the April projections.

- 2027-2031: May forecast for Wholesale Prices, on a flat basis, are +$1.82 (+4%) higher than the April forecast.

# Retail Revenue




**2026 Budget vs Current**

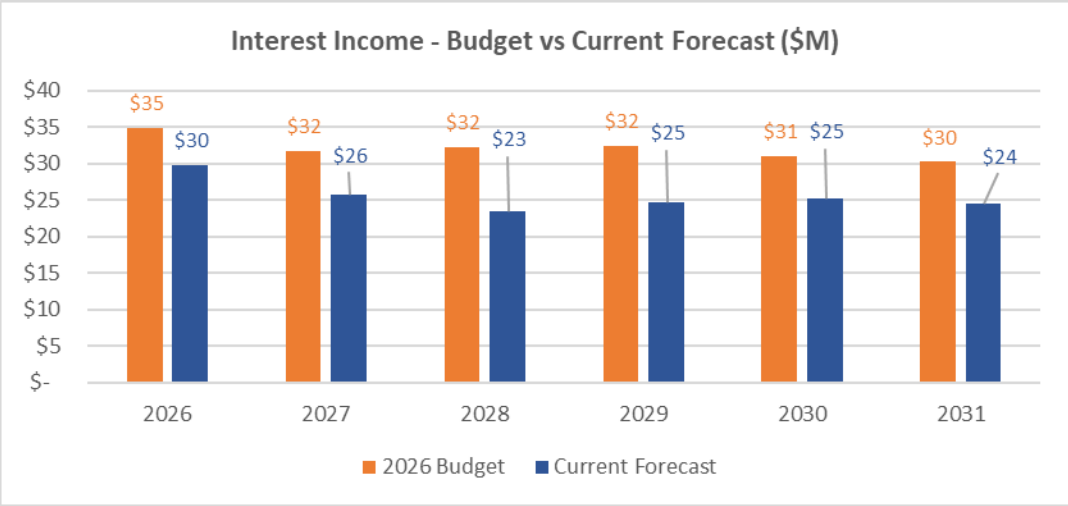
- 2026: Current 2026 Year End Projection for Retail Revenue is $306.7M, -$7.8M (-2%) unfavorable to the 2025 Budget forecast of $314.4M.
- 2027-2031: Current May forecast is -$6.5M (-1%) unfavorable to the 2026 Budget forecast on an average annual basis.

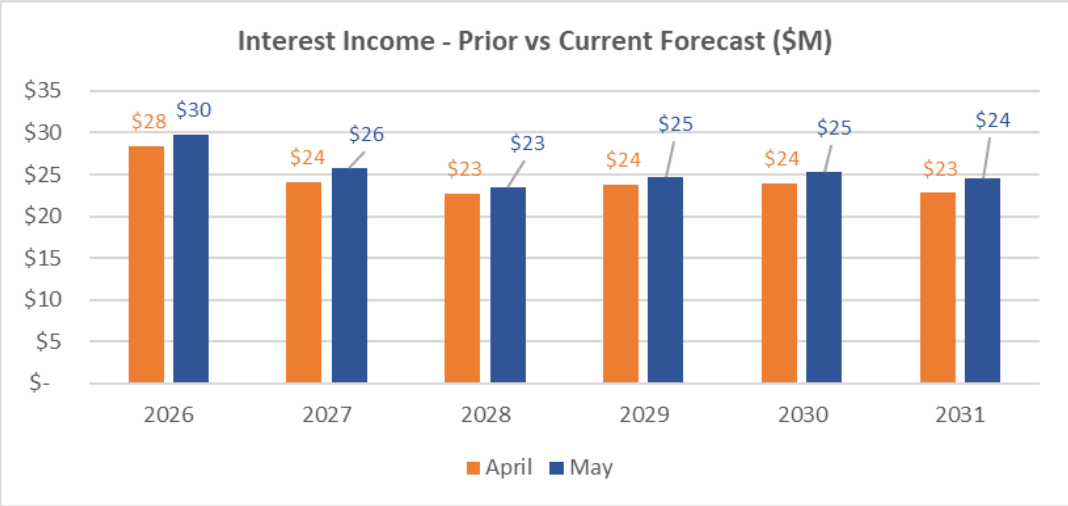
**Prior vs Current**

- 2026: Current 2026 Year End Projection for Retail Revenue is -$11.M (-3%) unfavorable to the April projection.
- 2027-2031: Current May forecast is -$6.7M (-1%) unfavorable to the April forecast on an average annual basis.

**2026-2031 Rates**: As adopted by Commission (2026 as adopted by commission as rate class - 2027-2031 set at 3.5% core and 9.5% noncore).

# Interest Income




**2026 Budget vs Current**

- 2026: Current 2026 Year End Projection for Interest Income is $29.8M, -$5.1M (-15%) unfavorable to the 2026 Budget forecast of $34.9M.

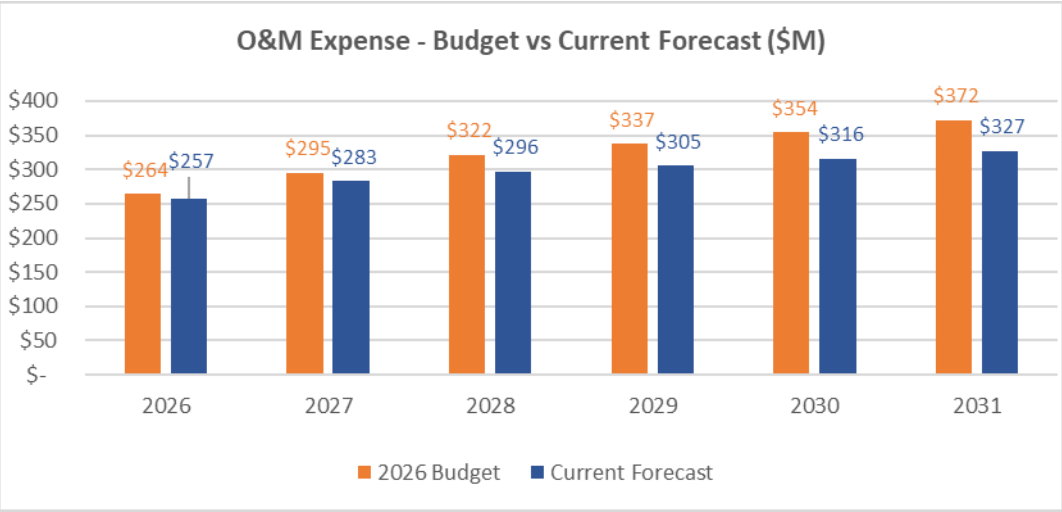
- 2027-2031: Current May forecast is -$6.8M (-22%) unfavorable to the 2026 Budget forecast on an average annual basis.

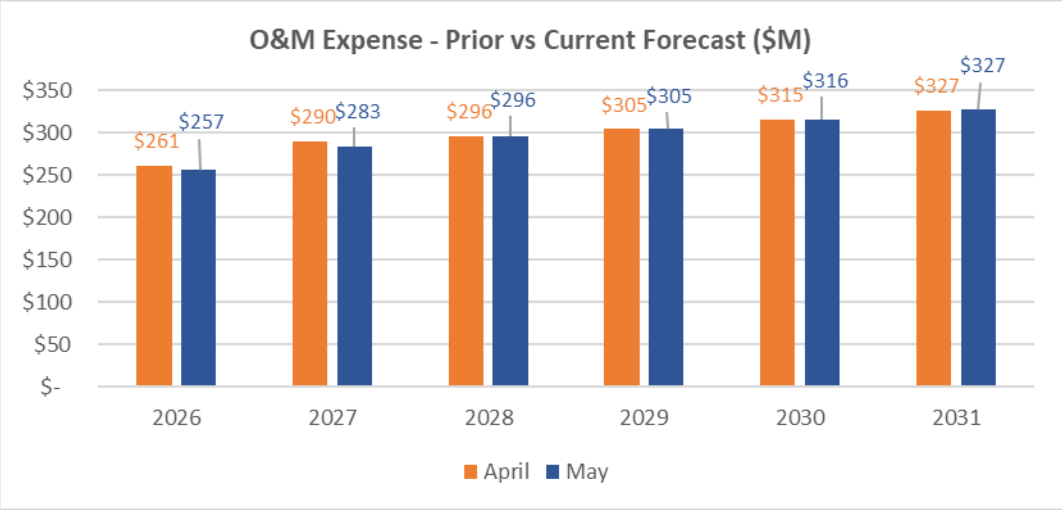
**Prior vs Current**

- 2026: Current 2026 Year End Projection for Interest Income is +$1.5M (+5%) favorable to the April projection.

- 2027-2031: Current May forecast is +$1.3M (+5%) favorable to the April forecast on an average annual basis.

# O&M Expense




**2026 Budget vs Current**

- 2026: Current 2026 Year End Projection for O&M Expense is $256.7M, -$7.3M (-3%) favorable to the 2025 Budget forecast of $264.M.

- 2027-2031: Current May forecast is -$30.3M (-9%) favorable to the 2026 Budget forecast on an average annual basis.

**Prior vs Current**

- 2026: Current 2026 Year End Projection for O&M Expense is -$4.7M (-2%) unfavorable to the April projection.

- 2027-2031: Current May forecast is -$0.9M (-0%) flat to the April forecast on an average annual basis.

# Combined Financial Results

**Exhibit A - $ in thousands**

| Budgeted Items | Budget YTD 2026 | Actuals YTD 2026 | Budget 2026 | Forecast 2026 | Forecast 2027 | Forecast 2028 | Forecast 2029 | Forecast 2030 | Forecast 2031 |
|---|---|---|---|---|---|---|---|---|---|
| **Total O&M** | $ 61,286 | $ 49,685 | $ 264,034 | $ 256,739 | $ 282,983 | $ 296,403 | $ 305,078 | $ 315,836 | $ 326,971 |
| **Taxes** | $ 6,126 | $ 6,049 | $ 24,505 | $ 24,429 | $ 24,972 | $ 25,448 | $ 25,933 | $ 26,452 | $ 26,981 |
| **Electric Capital** | $ 59,784 | $ 27,578 | $ 257,922 | $ 256,280 | $ 221,185 | $ 175,969 | $ 130,509 | $ 138,976 | $ 95,213 |
| **PRP Capital** | $ 18,094 | $ 12,643 | $ 89,724 | $ 90,828 | $ 107,840 | $ 88,817 | $ 69,898 | $ 97,281 | $ 77,198 |
| **Total Capital** | $ 77,878 | $ 40,221 | $ 347,646 | $ 347,109 | $ 329,024 | $ 264,786 | $ 200,407 | $ 236,257 | $ 172,411 |
| **Debt Service - (net of Rebates)** | $ 27,291 | $ 27,385 | $ 67,136 | $ 67,231 | $ 154,587 | $ 79,519 | $ 84,382 | $ 90,618 | $ 92,806 |
| **Total Expenditures** | $ 172,582 | $ 123,341 | $ 703,322 | $ 695,506 | $ 791,566 | $ 666,156 | $ 615,799 | $ 669,164 | $ 619,169 |
| **Expenditures offsets for deduction** | | | | | | | | | |
| Contriutions in Aid of Construction | $ 3,310 | $ 2,977 | $ 13,240 | $ 5,442 | $ 4,383 | $ 3,287 | $ 2,630 | $ 2,411 | $ 2,191 |
| Sales to Power Purchasers at Cost | $ 8,582 | $ 4,052 | $ 34,327 | $ 29,578 | $ 37,451 | $ 21,484 | $ 18,520 | $ 19,084 | $ 19,655 |
| Net Power (+ Expense, -Revenue) | $ 72,818 | $ 124,623 | $ 235,820 | $ 318,123 | $ 160,350 | $ 63,408 | $ 50,573 | $ 18,413 | $ (4,722) |
| Total Expenditures Offset | $ 84,710 | $ 131,653 | $ 283,387 | $ 353,144 | $ 202,183 | $ 88,179 | $ 71,723 | $ 39,907 | $ 17,125 |
| **Total Budgeted Expenditures** | $ 87,872 | $ (8,312) | $ 419,934 | $ 342,363 | $ 589,383 | $ 577,977 | $ 544,077 | $ 629,257 | $ 602,044 |

**Expenditures offsets for deduction**

- **CIAC** – Decrease of (-$7.8M) to 2026 budget
- **Sales to Power Purchasers** – Decrease of (-$4.75M)

# Combined Financial Results

**Exhibit B - $ in thousands**

| CONSOLIDATED OPERATIONAL PERFORMANCE | Budget YTD 2026 | Actuals YTD 2026 | Budget 2026 | Forecast 2026 | Forecast 2027 | Forecast 2028 | Forecast 2029 | Forecast 2030 | Forecast 2031 |
|---|---|---|---|---|---|---|---|---|---|
| Sales to Power Purchasers at Cost | $ 8,582 | $ 4,052 | $ 34,327 | $ 29,578 | $ 37,451 | $ 21,484 | $ 18,520 | $ 19,084 | $ 19,655 |
| Retail Energy Sales | $ 72,310 | $ 69,708 | $ 314,449 | $ 306,680 | $ 355,188 | $ 397,953 | $ 441,665 | $ 488,792 | $ 543,751 |
| Net Power (Net Wholesale + Other Power Revenue) | $ 72,818 | $ 124,623 | $ 235,820 | $ 318,123 | $ 160,350 | $ 63,408 | $ 50,573 | $ 18,413 | $ (4,722) |
| Fiber Optic Network Sales | $ 3,517 | $ 4,301 | $ 14,069 | $ 14,853 | $ 14,350 | $ 14,637 | $ 14,930 | $ 15,229 | $ 15,533 |
| Other Revenues | $ 1,013 | $ 532 | $ 4,051 | $ 3,570 | $ 4,071 | $ 4,092 | $ 4,114 | $ 4,136 | $ 4,158 |
| Operating Expenses | $ (62,486) | $ (49,530) | $ (264,034) | $ (256,739) | $ (282,983) | $ (296,403) | $ (305,078) | $ (315,836) | $ (326,971) |
| Taxes | $ (6,126) | $ (6,049) | $ (24,505) | $ (24,429) | $ (24,972) | $ (25,448) | $ (25,933) | $ (26,452) | $ (26,981) |
| **Net Operating Income (Loss) Before Depreciation** | **$ 89,627** | **$ 147,637** | **$ 314,177** | **$ 391,637** | **$ 263,454** | **$ 179,722** | **$ 198,791** | **$ 203,365** | **$ 224,423** |
| Depreciation and amortization | $ (22,694) | $ (23,417) | $ (90,258) | $ (89,606) | $ (94,147) | $ (101,610) | $ (110,563) | $ (120,491) | $ (131,231) |
| **Net Operating Income (Loss)** | **$ 66,933** | **$ 124,220** | **$ 223,919** | **$ 302,031** | **$ 169,307** | **$ 78,112** | **$ 88,228** | **$ 82,875** | **$ 93,192** |
| Interest, debt and other income | $ 2,247 | $ (1,086) | $ 10,693 | $ 3,002 | $ 1,203 | $ (4,793) | $ (4,905) | $ (5,994) | $ (8,621) |
| CIAC | $ 3,310 | $ 2,977 | $ 13,240 | $ 5,442 | $ 4,383 | $ 3,287 | $ 2,630 | $ 2,411 | $ 2,191 |
| **Change in Net Position** | **$ 73,690** | **$ 125,956** | **$ 247,852** | **$ 310,475** | **$ 174,893** | **$ 76,606** | **$ 85,952** | **$ 79,291** | **$ 86,763** |

**Net Operating Income (before depreciation)**

- Favorable impact of +$77.5M vs the 2026 Budget forecast.
  - Main driver is Net Power, reflecting increased wholesale activity and updated market assumptions, including the impact of excess energy sales into the market and incorporation of CCA-related revenues.

**Interest, debt and other income**

- CREBs 2010M Bullet Payment Matures 1/2027 ($90M)
  - Annual Interest that ends in 2026 ~$5M per year

# Combined Financial Results - $ in thousands

| Financial Metrics | Target | Budget 2026 | Forecast 2026 | Forecast 2027 | Forecast 2028 | Forecast 2029 | Forecast 2030 | Forecast 2031 |
|---|---|---|---|---|---|---|---|---|
| **Net Position** | | $ 247,852 | $ 288,022 | $ 175,828 | $ 100,797 | $ 109,924 | $ 108,724 | $ 128,314 |
| **Liquidity** | | | | | | | | |
| Elect System Liqidity (Rev + R&C) | **$215 M** | $ 251,308 | $ 437,707 | $ 447,935 | $ 447,385 | $ 524,174 | $ 682,074 | $ 858,369 |
| Days Cash On Hand | **> 250** | 332 | 493 | 532 | 507 | 586 | 722 | 850 |
| **Leverage** | | | | | | | | |
| Consolidated DSC | **>1.8x** | 5.44 | 6.06 | 4.86 | 5.08 | 4.53 | 4.19 | 4.56 |
| Consolidated Debt/Plant Ratio | **<= 60%** | 30% | 30% | 28% | 28% | 29% | 26% | 27% |
| **Profitability** | | | | | | | | |
| Consolidated Return on Net Assets | **>4%** | 8.3% | 9.8% | 5.5% | 3.0% | 3.1% | 3.0% | 3.4% |
| Retail Operating Ratio | **<=100%** | 128% | 143% | 124% | 123% | 114% | 109% | 102% |
| | | | | | | | | |
| **Forecasted Debt** | | | | | | | | |
| Electric | | | | | | | | |
| PRP | | | | | | $ 125,000 | $ 97,000 | $ 115,000 |
| JLB | | | | | | | | |

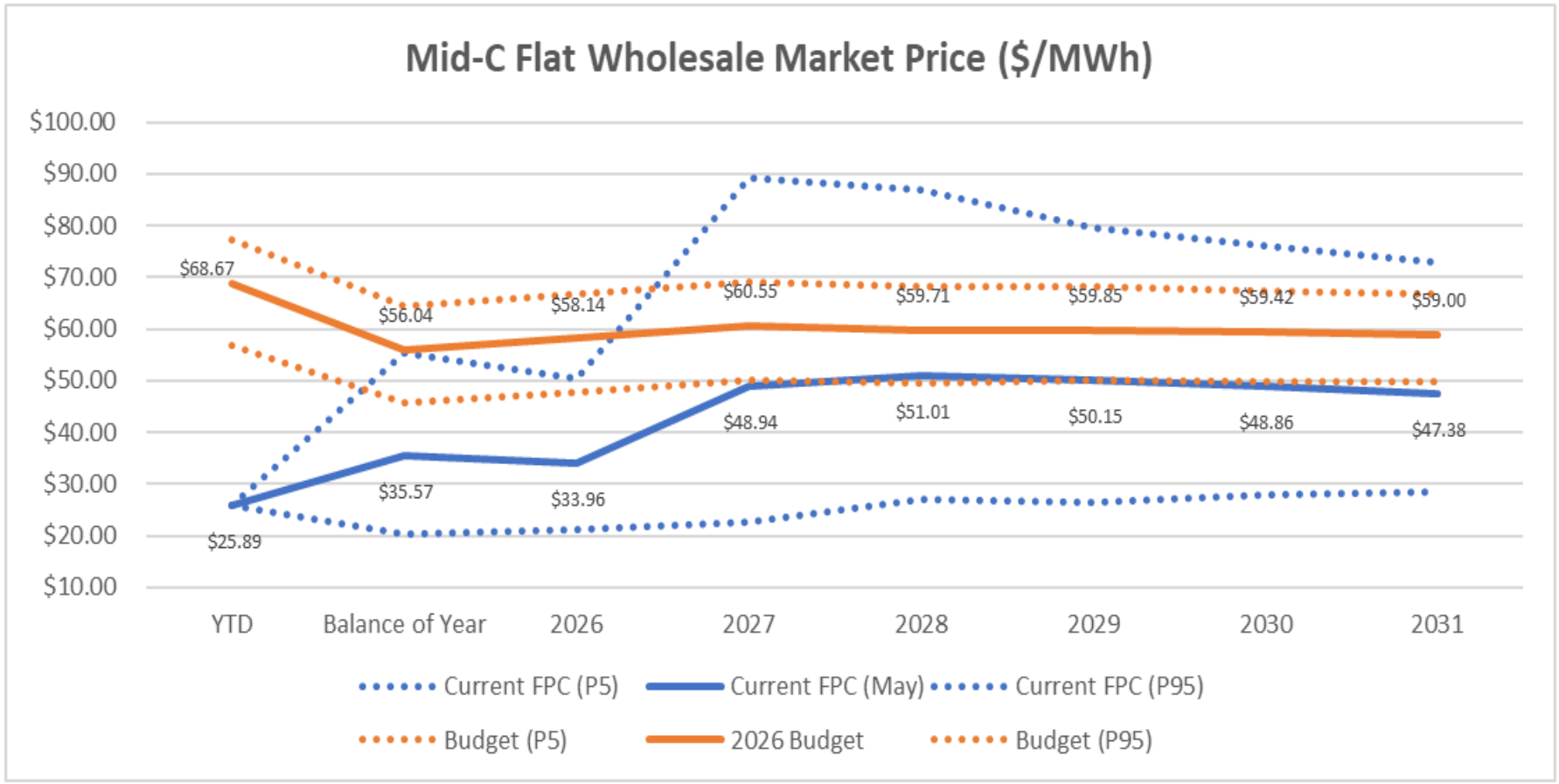
## Dashboard - Financial Metrics/Performance

| | | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|---|
| Liquidity Metrics | Elect System Liquidity | + | + | + | + | + | + |
| | Days Cash On Hand | + | + | + | + | + | + |
| Leverage Metrics | Debt Service Coverage | + | + | + | + | + | + |
| | Debt-to-Plant Ratio | + | + | + | + | + | + |
| Profitability Metrics | Return on Net Assets | + | + | - | - | - | - |
| | Retail Operating Ratio | - | - | - | - | - | - |

**Electric System Liquidity**

- Climate Commitment Act (CCA) Allowance Fund: $290M (not included in Electric System liquidity balance)

# Wholesale Price Volatility




## Forward Price Curve (FPC) Comparison

2026 Average Actual Prices were below the Budget FPC

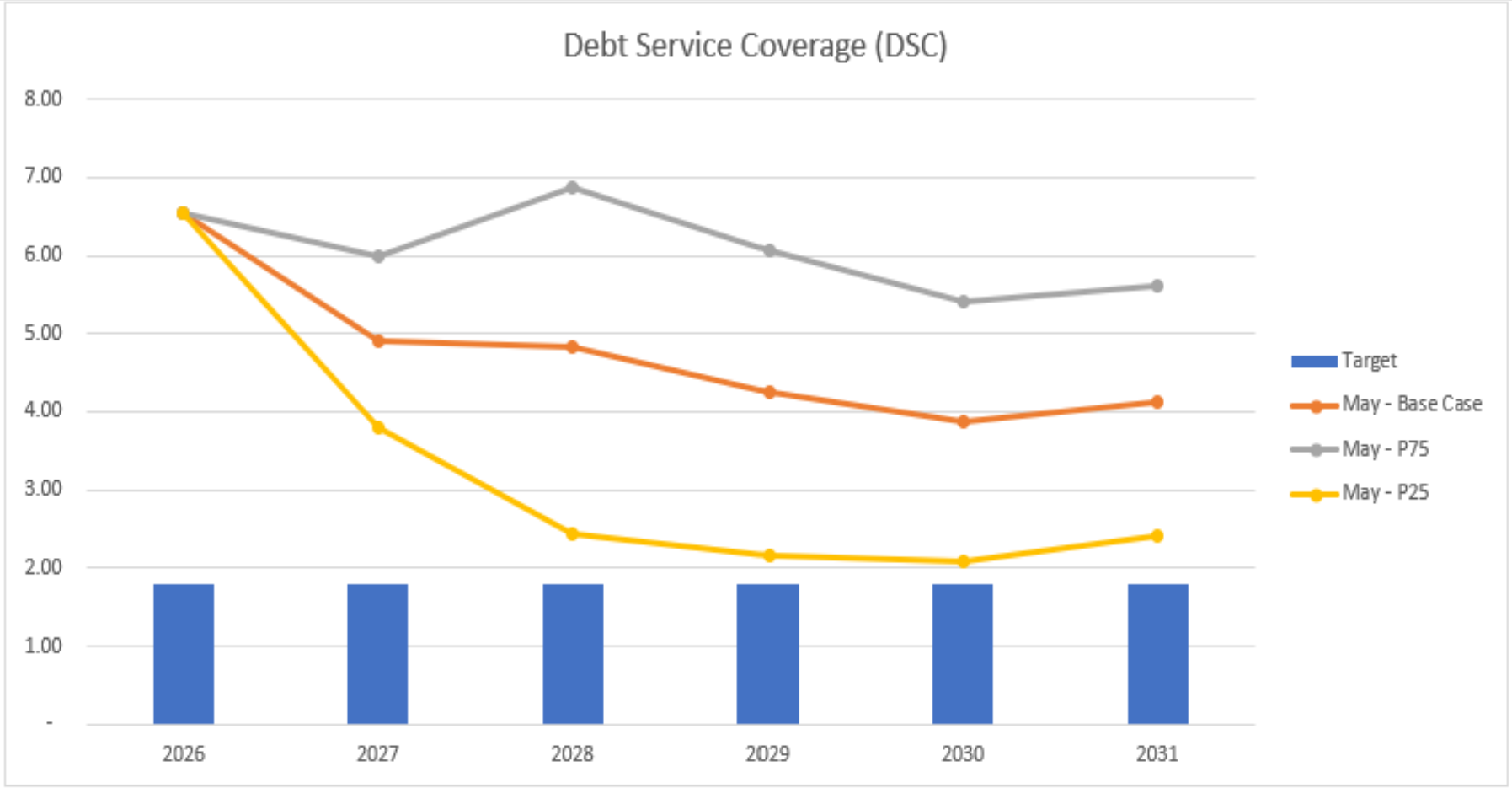
**-$24.18 or -41.6%**

2027 through 2031 shows decreased pricing pressure

**Avg -$10.44 or -17.5%**

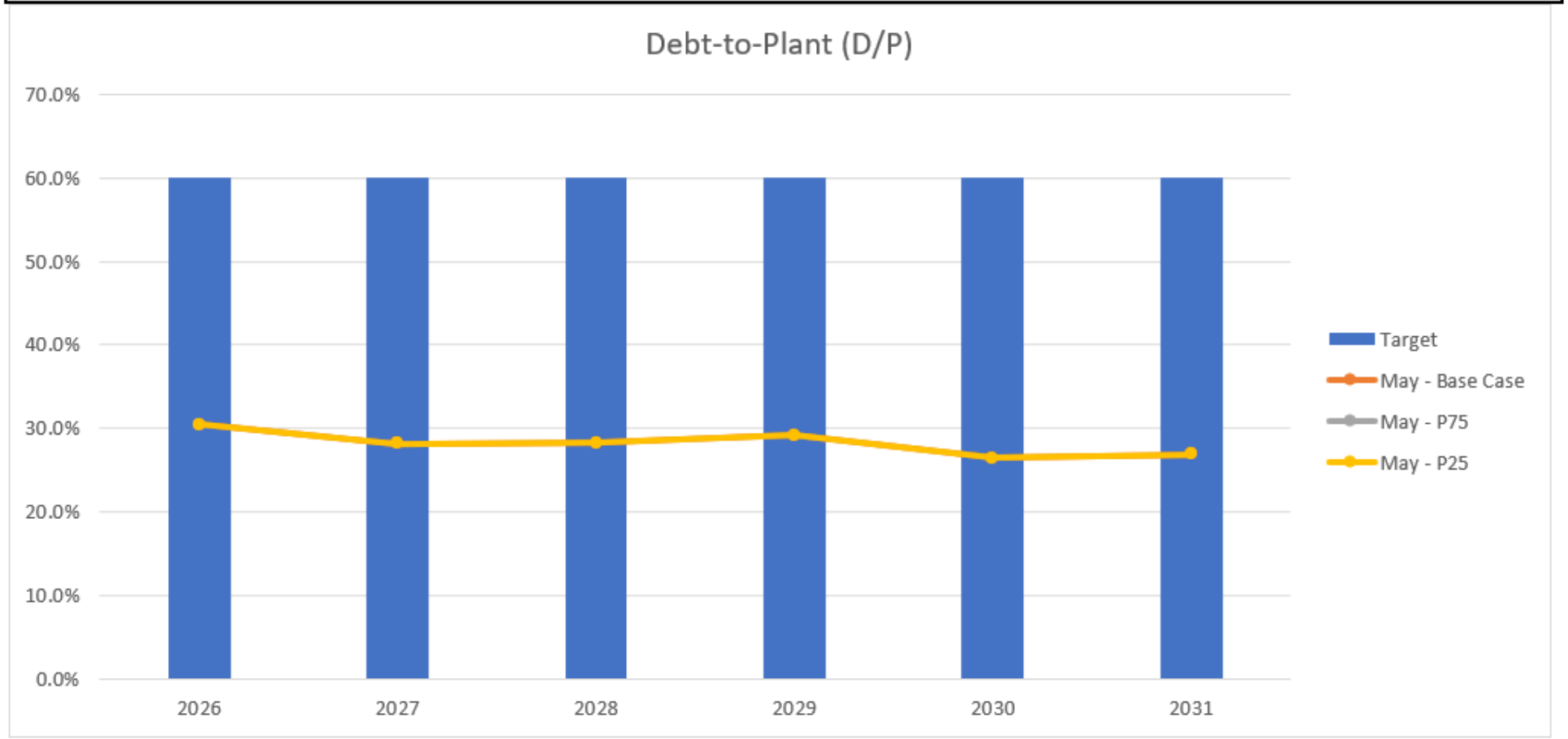
# Forecast Scenarios-DSC

| Debt Service Coverage (DSC) | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|
| Target | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 |
| May - Base Case | 6.53 | 4.90 | 4.82 | 4.25 | 3.86 | 4.12 |
| May - P75 | 6.53 | 5.99 | 6.88 | 6.07 | 5.41 | 5.61 |
| May - P25 | 6.53 | 3.79 | 2.44 | 2.16 | 2.08 | 2.42 |



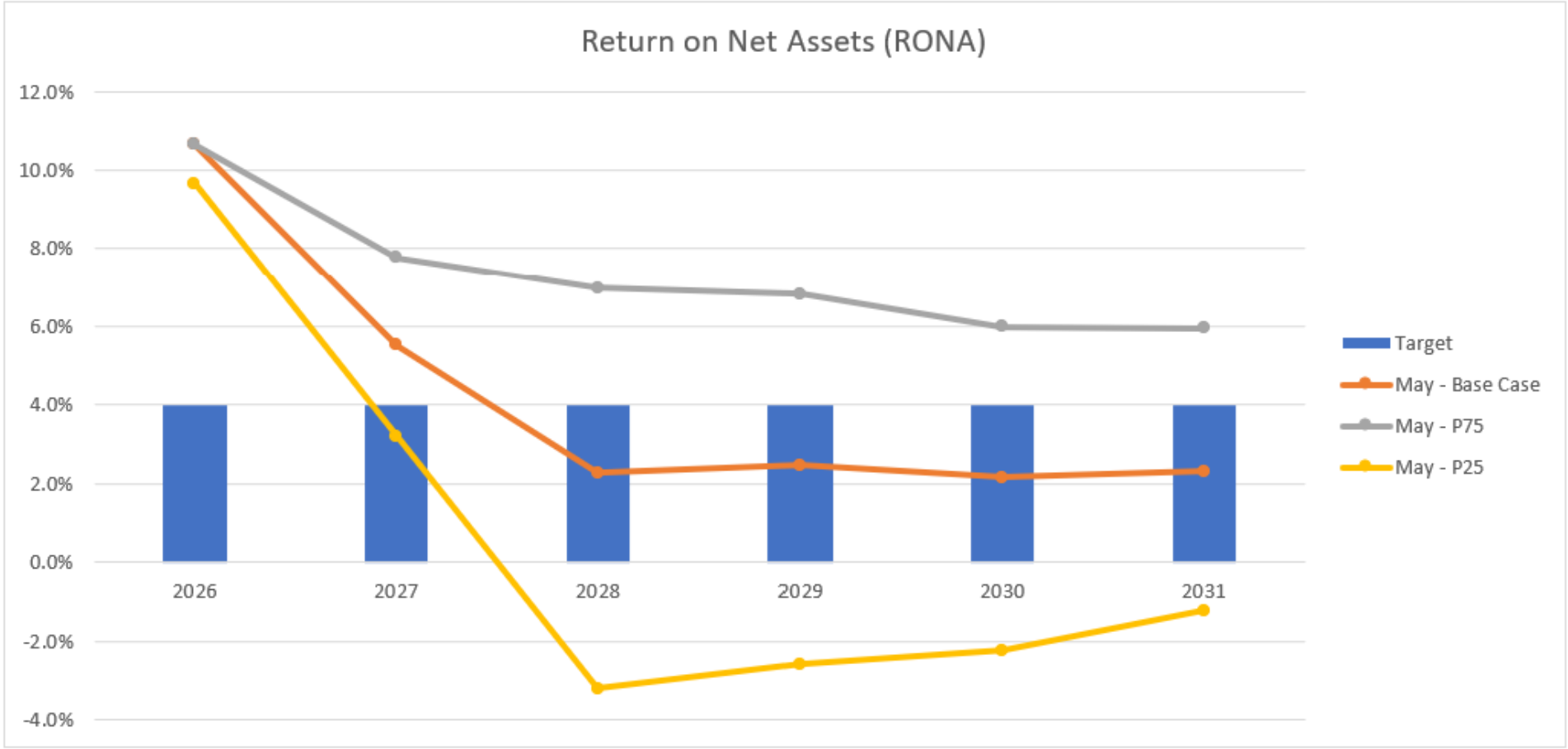
# Forecast Scenarios-D/P

| Debt-to-Plant (D/P) | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|
| **Target** | 60% | 60% | 60% | 60% | 60% | 60% |
| May - Base Case | 30.4% | 28.1% | 28.2% | 29.1% | 26.4% | 26.8% |
| May - P75 | 30.4% | 28.1% | 28.2% | 29.1% | 26.4% | 26.8% |
| May - P25 | 30.4% | 28.1% | 28.2% | 29.1% | 26.4% | 26.8% |



# Forecast Scenarios-RONA

| Return on Net Assets (RONA) | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|
| **Target** | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| May - Base Case | 10.7% | 5.5% | **2.3%** | **2.5%** | **2.2%** | **2.3%** |
| May - P75 | 10.7% | 7.8% | 7.0% | 6.8% | 6.0% | 6.0% |
| May - P25 | 9.7% | **3.2%** | **-3.2%** | **-2.6%** | **-2.2%** | **-1.2%** |



# Debt to Plant – Historic Cost vs Fair Market Value

**12/31/2025 Debt to Net Plant Illustrative Example - Historic Cost vs Fair Market Value**

| GASB - Historic Cost | | | Fair Market Value - *Example* | | | | |
|---|---|---|---|---|---|---|---|
| *$'s in Billions* | | | | | | | |
| **Assets** | **Book Value** | | **Assets** | **Book Value** | **FMV Organization Multiplier*** = 1.88** | **Est FMV** |
| Distribution | $ | 0.9 | Distribution | $ 0.9 | | $ 1.3 |
| Production | $ | 1.7 | Production | $ 1.7 | | $ 2.6 |
| Net Plant** | | **$2.6** | Net Plant** | **$2.6** | Calculated Net Plant Multiplier = 1.5x | **$3.9** |
| **Liabilities** | | | **Liabilities** | | | |
| Debt | | **$1.1** | Debt | **$1.1** | 1.0 | **$1.1** |
| **Metric -** | | | **Metric -** | | | |
| Debt to Net Plant | | **41%** | Debt to Net Plant | **41%** | | **27%** |

* Cap Asset Per 12/31/2024 Financial Statements

**Net of Accum Dep

*** Published CSImarket for Electric Utility Industry Fair Market Value Multiplier for entire organization rolling 4 Quarter Average (updated for 2025-12)

**Current Debt to Net Plant FMV = 27%**

Based on FMV Organization Multiplier of 1.5.

# Financial Takeaways – Key Drivers

**Current Year (2026)**

Grant PUD's current forecast continues to reflect a strong financial position, even with a moderate increase in O&M from prior forecast due to updated year end projects coming in higher that prior projected amounts. The Change in Net Position for 2026 is now projected at $310.5 million, an increase of $22.4 million(+7.23%) from prior forecast. Results remain ahead of budget, supported by solid wholesale performance, and prudent cost management.

**Out Years (2027–2031)**

The long-term financial outlook has increased from prior forecast, reflecting higher projected Net Wholesale. The Change in Net Position for 2027–2031 now averages $100.7 million, a $24.0 million (-24%)annual average decrease from the prior forecast.

Bottom line: The current May forecast was revised upwards compared to the prior forecast driven by Net Wholesale. Grant PUD remains financially strong, with long-term sustainability driven through continued fiscal discipline, rate strategy, and careful management of power market and regulatory dynamics.

# Net Power Report

May 2026

Grant PUD

Powering our way of life.

# Net Power Reporting

- Energy – Total ATC (Total Around the Clock) – MWh-Physical

| | 2026 Forecast BOY | 2027 Forecast | 2028 Forecast | 2029 Forecast | 2030 Forecast | 2031 Forecast |
|---|---|---|---|---|---|---|
| **Resources** | | | | | | |
| **Generation** | **6,742,763** | **9,099,589** | **9,083,612** | **9,103,360** | **9,141,625** | **9,210,985** |
| Priest Rapids Dam | 3,438,093 | 4,722,561 | 4,716,749 | 4,725,270 | 4,743,282 | 4,776,801 |
| Wanapum Dam | 3,304,670 | 4,377,028 | 4,366,863 | 4,378,090 | 4,398,343 | 4,434,184 |
| **LTF Purchases** | **215,529** | **273,888** | **1,213,296** | **1,792,568** | **1,603,368** | **1,545,495** |
| BPA Grand Coulee Load | 43,716 | 64,322 | 46,486 | - | - | - |
| Nine Canyon | 20,100 | 27,932 | 27,932 | 27,932 | 15,205 | - |
| BPA PoC Contract Tier 1 | - | - | 172,590 | 698,322 | 705,315 | 703,526 |
| Goose Prairie Solar 80MW | 151,713 | 178,952 | 178,952 | 178,952 | - | - |
| Quincy Solar 120MW | - | 16,351 | 283,777 | 282,784 | 281,796 | 280,809 |
| Royal Slope Solar 260MW | - | - | 607,944 | 651,118 | 649,444 | 647,738 |
| Royal Slope Battery 200MW | - | - | (35,284) | (46,540) | (47,093) | (76,429) |
| New Resource | - | (13,669) | (69,101) | - | (1,298) | (10,149) |
| **STF Purchases** | **4,004,422** | **2,341,199** | **1,846,480** | **1,355,519** | **1,598,673** | **1,915,861** |
| Existing Purchases | 3,595,500 | 1,883,675 | - | - | - | - |
| Balancing Purchases - PowerSimm | 227,008 | 319,994 | 1,632,414 | 1,179,928 | 1,455,913 | 1,723,361 |
| Balancing Purchases - Bal Adj | 181,915 | 137,530 | 214,066 | 175,590 | 142,760 | 192,500 |
| **Transmission** | **-** | **-** | **-** | **-** | **-** | **-** |
| Merchant Network Transmission | - | - | - | - | - | - |
| Merchant Wheeling Purchase | - | - | - | - | - | - |
| Merchant Wheeling Sale | - | - | - | - | - | - |

# Net Power Reporting

## Energy – Total ATC (Total Around the Clock) – MWh-Physical

| | 2026 Forecast BOY | 2027 Forecast | 2028 Forecast | 2029 Forecast | 2030 Forecast | 2031 Forecast |
|---|---|---|---|---|---|---|
| **Requirements** | | | | | | |
| **Retail Sales + Unbilled** | **(5,385,955)** | **(7,424,642)** | **(7,861,977)** | **(8,057,036)** | **(8,255,837)** | **(8,509,435)** |
| Retail Sales | (5,200,938) | (7,180,266) | (7,608,139) | (7,801,637) | (7,996,325) | (8,245,034) |
| Unbilled | (185,017) | (244,376) | (253,838) | (255,399) | (259,512) | (264,400) |
| **PRP System Requirements** | **(2,473,920)** | **(3,338,639)** | **(3,332,777)** | **(3,340,023)** | **(3,354,062)** | **(3,379,510)** |
| Exchangers | (167,221) | (225,670) | (225,274) | (225,763) | (226,712) | (228,432) |
| Reasonable Portion Auction | (2,022,829) | (2,729,877) | (2,725,084) | (2,731,008) | (2,742,488) | (2,763,295) |
| Converters | (283,870) | (383,093) | (382,420) | (383,251) | (384,862) | (387,782) |
| **Pooling/Slices/Exchanges** | **(491,185)** | **(178,146)** | **-** | **-** | **-** | **-** |
| PGE Slice - Fixed Return | 975,446 | - | - | - | - | - |
| PGE Slice - Net Gen Slice Forecast | (1,348,553) | - | - | - | - | - |
| Brookfield Slice - Fixed Return | 556,198 | 731,813 | - | - | - | - |
| Brookfield Slice - Net Gen Slice Forecast | (674,276) | (909,959) | - | - | - | - |
| | - | - | - | - | - | - |
| **STF Sales** | **(2,611,655)** | **(773,249)** | **(948,633)** | **(854,387)** | **(733,767)** | **(783,396)** |
| Existing Sales | (1,545,192) | - | - | - | - | - |
| Balancing Sales - PowerSimm | (1,005,687) | (725,859) | (905,936) | (794,557) | (620,143) | (704,660) |
| Balancing Sales - Bal Adj | (60,776) | (47,391) | (42,697) | (59,830) | (113,624) | (78,737) |
| Net Bookout Sale | - | - | - | - | - | - |
| **Financial Transactions** | **-** | **-** | **-** | **-** | **-** | **-** |
| Swaps - Fixed/Float | - | - | - | - | - | - |
| Swaps - Float/Float | - | - | - | - | - | - |
| **Total Resources** | 10,962,715 | 11,714,676 | 12,143,388 | 12,251,446 | 12,343,666 | 12,672,341 |
| **Total Requirements** | (10,962,715) | (11,714,676) | (12,143,388) | (12,251,446) | (12,343,666) | (12,672,341) |
| **Total Portfolio** | - | - | - | - | - | - |

# Net Power Reporting

## All Products - Dollars

| | 2026 Forecast | 2027 Forecast | 2028 Forecast | 2029 Forecast | 2030 Forecast | 2031 Forecast |
|---|---|---|---|---|---|---|
| **Requirements** | | | | | | |
| ② **Retail Sales** | **306,680,416** | **355,187,571** | **397,952,501** | **441,665,130** | **488,792,342** | **543,750,777** |
| Retail Sales | 306,680,416 | 355,187,571 | 397,952,501 | 441,665,130 | 488,792,342 | 543,750,777 |
| ① **PRP System Requirements** | **228,157,165** | **253,687,456** | **271,063,258** | **276,112,555** | **284,539,834** | **293,084,094** |
| Conversion and Reserve Share | 211,711,233 | 219,978,206 | 253,320,137 | 261,333,987 | 269,197,481 | 277,170,130 |
| Converters | 10,400,333 | 10,846,881 | 11,578,402 | 11,790,977 | 12,145,766 | 12,505,479 |
| Exchangers | 6,116,935 | 6,389,611 | 6,820,531 | 6,945,754 | 7,154,750 | 7,366,648 |
| Fed Rebates, Adjustments and True ups | (18,158,345) | (3,958,163) | (3,958,163) | (3,958,163) | (3,958,163) | (3,958,163) |
| Reasonable Portion | 18,087,010 | 20,430,920 | 3,302,351 | 0 | - | 0 |
| ③ **Pooling/Slices/Unbilled** | **179,649,471** | **54,235,018** | **-** | **-** | **-** | **-** |
| Morgan Stanley Pooling - True Up | 12,315,720 | - | - | - | - | - |
| Morgan Stanley - Premium | 2,250,000 | 250,000 | - | - | - | - |
| PGE Slice - Net Gen Slice Fixed | 108,231,060 | - | - | - | - | - |
| PGE Slice - Fixed Return | (111,767,446) | - | - | - | - | - |
| PGE Slice - Premium | 90,322,982 | - | - | - | - | - |
| PGE Slice - True Up | 22,560,077 | - | - | - | - | - |
| Brookfield Slice - Net Gen Slice Fixed | 60,113,440 | 63,806,331 | - | - | - | - |
| Brookfield Slice - Fixed Return | (47,030,904) | (52,130,252) | - | - | - | - |
| Brookfield Slice - Premium | 42,654,542 | 42,308,939 | - | - | - | - |
| ③ **STF Sales** | **75,911,606** | **41,254,267** | **50,524,720** | **41,813,574** | **37,967,656** | **40,503,978** |
| Existing Sales | 37,506,250 | - | - | - | - | - |
| Balancing Sales - PowerSimm | 36,586,883 | 38,817,893 | 48,337,469 | 38,423,281 | 32,366,713 | 36,492,376 |
| Balancing Sales - Bal Adj | 1,818,474 | 2,436,373 | 2,187,251 | 3,390,293 | 5,600,943 | 4,011,602 |
| ③ **Financial Transactions** | **-** | **-** | **-** | **-** | **-** | **-** |
| Swaps - Fixed/Float | - | - | - | - | - | - |
| Swaps - Float/Float | - | - | - | - | - | - |
| **Other Power Commodity** | | | | | | |
| ③ **Financial Transactions** | **54,915,673** | **13,451,251** | **13,451,251** | **13,451,251** | **7,200** | **7,200** |
| Monthly Fees | 7,200 | 7,200 | 7,200 | 7,200 | 7,200 | 7,200 |
| CCA Credits | 54,908,473 | 13,444,051 | 13,444,051 | 13,444,051 | - | - |
| ② **Retail Sales** | **306,680,416** | **355,187,571** | **397,952,501** | **441,665,130** | **488,792,342** | **543,750,777** |
| ① **Sales to Power Purchasers at Cost** | **29,578,131** | **37,450,505** | **21,484,377** | **18,519,824** | **19,083,609** | **19,655,220** |
| ③ **Net Power** | **318,123,167** | **160,349,835** | **63,407,725** | **50,573,231** | **18,412,925** | **(4,721,729)** |

# Net Power Reporting

## All Products - Dollars

| | 2026 Forecast | 2027 Forecast | 2028 Forecast | 2029 Forecast | 2030 Forecast | 2031 Forecast |
|---|---|---|---|---|---|---|
| **Resources** | | | | | | |
| ① **Generation-ES Share** | **(198,579,034)** | **(216,236,951)** | **(249,578,882)** | **(257,592,731)** | **(265,456,225)** | **(273,428,874)** |
| Priest Rapids Project - ES Share | (198,579,034) | (216,236,951) | (249,578,882) | (257,592,731) | (265,456,225) | (273,428,874) |
| ③ **LTF Purchases** | **(16,629,774)** | **(29,328,799)** | **(174,490,255)** | **(165,545,289)** | **(152,677,201)** | **(157,977,192)** |
| BPA Grand Coulee Load | (2,607,641) | (3,545,772) | (2,690,192) | - | - | - |
| Nine Canyon | (1,156,606) | (1,156,608) | (1,156,608) | (1,156,608) | (578,304) | - |
| BPA PoC Contract Tier 1 | - | - | (9,658,545) | (38,849,645) | (39,187,922) | (38,599,809) |
| Goose Prairie Solar 80MW | (12,865,527) | (13,444,051) | (13,444,051) | (13,444,051) | - | - |
| Quincy Solar 120MW | - | (1,210,368) | (20,999,199) | (20,925,702) | (20,852,461) | (20,779,478) |
| Royal Slope Solar 260MW | - | - | (43,029,498) | (46,085,283) | (45,966,514) | (45,845,905) |
| Royal Slope Battery 200MW | - | - | (33,813,000) | (45,084,000) | (45,084,000) | (45,084,000) |
| New Resource | - | (9,972,000) | (49,699,161) | - | (1,008,000) | (7,668,000) |
| ③ **STF Purchases** | **17,091,040** | **76,229,814** | **169,663,708** | **156,595,394** | **128,856,969** | **108,485,983** |
| Existing Purchases | (222,670,239) | (110,007,085) | - | - | - | - |
| Balancing Purchases - PowerSimm | (4,830,006) | (12,519,110) | (66,274,115) | (51,854,427) | (61,839,722) | (68,854,929) |
| Balancing Purchases - Bal Adj | (5,854,658) | (5,570,500) | (8,927,565) | (6,353,543) | (5,596,811) | (7,777,387) |
| Net Bookout Purchase | (8,305,250) | - | - | - | - | - |
| Demand Response Credits | (37,800) | (50,400) | (50,400) | (50,400) | (50,400) | (50,400) |
| EUDL Proceeds | 254,177,800 | 200,390,585 | 244,366,218 | 214,870,684 | 196,360,821 | 185,185,619 |
| Meaningful Priority | 4,651,430 | 4,003,244 | 566,489 | 0 | - | - |
| Other Power Expense | (40,237) | (16,920) | (16,920) | (16,920) | (16,920) | (16,920) |
| ③ **Transmission** | **7,185,152** | **4,508,285** | **4,258,301** | **4,258,301** | **4,258,301** | **4,258,301** |
| Merchant Network Transmission | - | - | - | - | - | - |
| Merchant Wheeling Purchase | - | - | - | - | - | - |
| Merchant Wheeling Sale | 7,185,152 | 4,508,285 | 4,258,301 | 4,258,301 | 4,258,301 | 4,258,301 |

# Financial Overview

May 2026

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# DISTRICT FINANCIAL OVERVIEW

## MARCH 2026

| O&M DIRECTS YTD | | | |
|---|---|---|---|
| YTD BUDGET | ACTUALS | YTD VARIANCE | YTD VAR % |
| $22,379K | $18,117K | ($4,262K) | -19.0% |

| O&M DIRECTS YE PROJECTION | | | |
|---|---|---|---|
| TOTAL BUDGET | YEP | YE VARIANCE | YE VAR % |
| $88,895K | $97,091K | $8,196K | 9.2% |

| LABOR YTD | | | |
|---|---|---|---|
| YTD BUDGET | ACTUALS | YTD VARIANCE | YTD VAR % |
| $33,831K | $30,572K | ($3,259K) | -9.6% |

| LABOR YE PROJECTION | | | |
|---|---|---|---|
| TOTAL BUDGET | YEP | YE VARIANCE | YE VAR % |
| $144,209K | $136,326K | ($7,883K) | -5.5% |

| COST CATEGORY TYPE | YTD BUDGET | ACTUALS | YTD VARIANCE | YTD VAR % |
|---|---|---|---|---|
| Purchased Services | $8,266,305 | $5,985,502 | ($2,280,803) | -27.6% |
| Operating Materials & Equipment | $4,108,794 | $3,093,139 | ($1,015,656) | -24.7% |
| G&A | $5,738,138 | $5,033,156 | ($704,982) | -12.3% |
| **Total** | **$18,113,238** | **$14,111,797** | **($4,001,440)** | **-22.1%** |

*The table is filtered to display only the largest variances; small variances are not shown.*

**Purchased Services:** $2,281K Favorable | Outside of Target; Driven by timing differences and delayed costs, and schedule shifts with no impact to the full-year outlook.

**Operating Materials & Equipment:** $1016K Favorable | Outside of Target; Driven by invoice miscoding, expense reclassification of O&M expenses to Capital.

**G&A:** $704K Favorable | Outside of Target; Driven by timing delays in customer incentives and memberships/dues.

**Labor:** $3,259K Favorable |Outside of Target; Hiring delays and vacancies

# DISTRICT CAPITAL OVERVIEW

## MARCH 2026

| Budget | YEP | Budget Variance |
|---|---|---|
| $317,909,996 | $278,078,481 | ($39,831,515) |

| Budget | Approved Spend | Budget & Approved Spend Variance |
|---|---|---|
| $317,909,996 | $324,377,585 | $6,467,589 |

| Initiative | Approved Spend | YTD Actuals | Projections | YEP | Approved Spend Variance |
|---|---|---|---|---|---|
| IN410 - PDF_Power Delivery Facilities | $85,506,517 | $4,506,480 | $91,457,329 | $95,963,810 | $10,457,293 |
| IN412 - LAR-STRAT 115kV Relocation | $187,874 | ($180,908) | $4,976,106 | $4,795,198 | $4,607,324 |
| IN504 - ERP Plus Implementation | $1,000,000 | | $5,026,160 | $5,026,160 | $4,026,160 |
| IN763 - System RENEW | $4,378,600 | $74,730 | $569,399 | $644,128 | ($3,734,472) |
| IN263 - IQ#3 ECBID | $6,510,423 | $2,266,359 | $180,000 | $2,446,359 | ($4,064,064) |
| IN349 - IQ#5 SR Quincy Valley | $9,148,710 | $947,200 | $3,098,266 | $4,045,466 | ($5,103,244) |
| IN245 - QTEP - Monument Hill | $31,117,448 | $2,994,165 | $15,164,391 | $18,158,556 | ($12,958,892) |
| IN291 - QTEP - MT View Breaker & Half | $40,545,662 | $1,992,088 | $15,236,334 | $17,228,422 | ($23,317,240) |
| IN203 - PR Spillway Stability Improvements | $28,976,475 | $142,080 | $342,485 | $484,565 | ($28,491,910) |
| **Total** | **$324,377,585** | **$32,473,080** | **$245,605,401** | **$278,078,481** | **($46,299,104)** |

*The table is filtered to display only the largest variances; small variances are not shown.*

# Thank you!

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# Appendix

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# Appendix - Key Assumptions

| Actuals Through: | March |
|---|---|

| Drivers | Forecast Based on |
|---|---|
| O&M | April YEP |
| Labor | April YEP |
| Net Power | April |
| Net Power Scenarios | April |
| Interest Income | March Portfolio |
| Retail Rev | March Load Forecast |
| Load Forecast Actual/Plan HLH and LLH | March Load Forecast |
| Capital | 2026 Budget - March Update |
| CIAC | January Forecast w/ YTD Actuals |
| Taxes | Actuals plus adder (2%) |
| CCA Revenues | Goose Prairie Solar |
| Transmission Revenues (Avista Only) | Actuals plus adder (2%) |
| Fiber Revenue | Actuals plus adder (2%) |
| Other Revenue | Actuals plus adder (2%) |
| Debt | Last Issuance - January |

# Appendix – Enterprise to Budget Reconciliation

**Enterprise to Budget Reconciliation**

| | | 2026 Final Budget | | | | | May 2026 Financial Report | | | | | Delta | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | 15.17% | = Labor-to-CAP (no benefits) | | | | 14.93% | = Labor-to-CAP | | | | -0.24% | = Labor-to-CAP |
| | | BU OP Budgets | Corporate | O&M | CAP | TOTAL | BU OP Budgets | Corporate | O&M | CAP | TOTAL | BU OP Budgets | Corporate | O&M | CAP | TOTAL |
| Labor | Salaries & Wages | $ 113,282,629 | | $ 113,282,629 | $ 17,092,794 | $ 130,375,423 | $ 112,763,322 | | $ 112,763,322 | $ 16,951,373 | $ 129,714,696 | $ (519,306) | $ - | $ (519,306) | $ (141,421) | $ (660,727) |
| | Overtime | $ 7,254,533 | | $ 7,254,533 | $ 1,310,704 | $ 8,565,237 | $ 7,180,924 | | $ 7,180,924 | $ 1,086,568 | $ 8,267,493 | $ (73,609) | $ - | $ (73,609) | $ (224,136) | $ (297,745) |
| | Benefits | $ - | $ 46,970,808 | $ 46,970,808 | $ 6,893,825 | $ 53,864,633 | $ - | $ 44,320,361 | $ 44,320,361 | $ 6,721,844 | $ 51,042,205 | $ - | $ (2,650,447) | $ (2,650,447) | $ (171,981) | $ (2,822,428) |
| | Leave Cashouts | $ - | $ 2,477,232 | $ 2,477,232 | $ - | $ 2,477,232 | $ - | $ 3,776,658 | $ 3,776,658 | $ - | $ 3,776,658 | $ - | $ 1,299,427 | $ 1,299,427 | $ - | $ 1,299,427 |
| | Other Labor | $ 785,945 | | $ 785,945 | $ - | $ 785,945 | $ 908,369 | | $ 908,369 | $ - | $ 908,369 | $ 122,424 | $ - | $ 122,424 | $ - | $ 122,424 |
| | **TOTAL** | **$ 121,323,107** | **$ 49,448,040** | **$ 170,771,146** | **$ 25,297,324** | **$ 196,068,470** | **$ 120,852,615** | **$ 48,097,019** | **$ 168,949,635** | **$ 24,759,786** | **$ 193,709,420** | **$ (470,491)** | **$ (1,351,020)** | **$ (1,821,512)** | **$ (537,538)** | **$ (2,359,049)** |
| Directs | G&A | $ 12,506,450 | 0 | $ 12,506,450 | | $ 12,506,450 | $ 12,461,532 | $ - | $ 12,461,532 | | $ 12,461,532 | $ (44,918) | $ - | $ (44,918) | $ - | $ (44,918) |
| | Travel | $ 2,563,968 | 0 | $ 2,563,968 | | $ 2,563,968 | $ 2,343,113 | $ - | $ 2,343,113 | | $ 2,343,113 | $ (220,855) | $ - | $ (220,855) | $ - | $ (220,855) |
| | IT | $ 9,506,102 | 0 | $ 9,506,102 | | $ 9,506,102 | $ 8,950,430 | $ - | $ 8,950,430 | | $ 8,950,430 | $ (555,672) | $ - | $ (555,672) | $ - | $ (555,672) |
| | Operating Materials & Equipment | $ 12,398,496 | 0 | $ 12,398,496 | | $ 12,398,496 | $ 11,553,532 | $ 22,915 | $ 11,576,447 | | $ 11,576,447 | $ (844,963) | $ 22,915 | $ (822,048) | $ - | $ (822,048) |
| | Purchased Services | $ 42,045,941 | 0 | $ 42,045,941 | | $ 42,045,941 | $ 48,945,566 | $ - | $ 48,945,566 | | $ 48,945,566 | $ 6,899,625 | $ - | $ 6,899,625 | $ - | $ 6,899,625 |
| | Risk | $ 6,502,648 | $ - | $ 6,502,648 | | $ 6,502,648 | $ 6,241,144 | $ - | $ 6,241,144 | | $ 6,241,144 | $ (261,503) | $ - | $ (261,503) | $ - | $ (261,503) |
| | Transportation | $ 1,704,084 | 0 | $ 1,704,084 | | $ 1,704,084 | $ 1,788,805 | $ - | $ 1,788,805 | | $ 1,788,805 | $ 84,721 | $ - | $ 84,721 | $ - | $ 84,721 |
| | Utilities | $ 1,667,732 | 0 | $ 1,667,732 | | $ 1,667,732 | $ 1,338,115 | $ - | $ 1,338,115 | | $ 1,338,115 | $ (329,617) | $ - | $ (329,617) | $ - | $ (329,617) |
| | Water for Power | | $ 3,625,177 | $ 3,625,177 | | $ 3,625,177 | | $ 2,862,798 | $ 2,862,798 | | $ 2,862,798 | $ - | $ (762,379) | $ (762,379) | $ - | $ (762,379) |
| | Customer Accounts Uncollectible | | $ 810,000 | $ 810,000 | | $ 810,000 | | $ 816,000 | $ 816,000 | | $ 816,000 | $ - | $ 6,000 | $ 6,000 | $ - | $ 6,000 |
| | Yakama Settlement | | $ 5,000,000 | $ 5,000,000 | | $ 5,000,000 | | $ 1,670,487 | $ 1,670,487 | | $ 1,670,487 | $ - | $ (3,329,513) | $ (3,329,513) | $ - | $ (3,329,513) |
| | Corporate Other | | $ 5,356,773 | $ 5,356,773 | | $ 5,356,773 | | $ - | $ - | | $ - | $ - | $ (5,356,773) | $ (5,356,773) | $ - | $ (5,356,773) |
| | Capitalized A&G | | $ (4,438,935) | $ (4,438,935) | | $ (4,438,935) | | $ (4,372,755) | $ (4,372,755) | | $ (4,372,755) | $ - | $ 66,180 | $ 66,180 | $ - | $ 66,180 |
| | Other Reconciling Items | | | | | | | $ (640,444) | $ (640,444) | | $ (640,444) | $ - | $ (640,444) | $ (640,444) | $ - | $ (640,444) |
| | PRP CAP | | | | $ 82,243,238 | $ 82,243,238 | | | | $ 82,243,238 | $ 82,243,238 | | | | $ (0) | $ (0) |
| | ELEC CAP | | | | $ 240,105,694 | $ 240,105,694 | | | | $ 240,106,129 | $ 240,106,129 | | | | $ 435 | $ 435 |
| | **TOTAL** | **$ 88,895,420** | **$ 10,353,015** | **$ 99,248,435** | **$ 322,348,932** | **$ 421,597,367** | **$ 93,622,237** | **$ 359,001** | **$ 93,981,238** | **$ 322,349,367** | **$ 416,330,605** | **$ 4,726,817** | **$ (9,994,014)** | **$ (5,267,197)** | **$ 435** | **$ (5,266,762)** |
| | **Enterprise Labor & Directs TOTALs** | **$ 210,218,527** | **$ 59,801,054** | **$ 270,019,581** | **$ 347,646,255** | **$ 617,665,837** | **$ 214,474,852** | **$ 48,456,020** | **$ 262,930,873** | **$ 347,109,153** | **$ 610,040,025** | **$ 4,256,325** | **$ (11,345,034)** | **$ (7,088,708)** | **$ (537,103)** | **$ (7,625,811)** |
| | *Balance Sheet & Other Activity Recon Total* | $ 5,985,799 | | $ (5,985,799) | | $ (5,985,799) | $ 6,192,326 | | $ (6,192,326) | | $ (6,192,326) | | | $ (206,527) | | $ (206,527) |
| | *Labor Reconciliation* | $ 2,841,754 | | $ (2,841,754) | | | $ 3,007,615 | | $ (3,007,615) | | | $ 165,861 | | $ (165,861) | | |
| | *Directs Reconciliation* | $ 3,144,045 | | $ (3,144,045) | | | $ 3,184,710 | | $ (3,184,710) | | | $ 40,666 | | $ (40,666) | | |
| | *Debt Service (net of rebates)* | | $ 67,136,341 | | | $ 67,136,341 | | $ 67,230,642 | | | $ 67,230,642 | | $ 94,301 | | | $ 94,301 |
| | *Taxes* | | $ 24,505,487 | | | $ 24,505,487 | | $ 24,428,511 | | | $ 24,428,511 | | $ (76,976) | | | $ (76,976) |
| | **Forecast Enterprise TOTALs** | **$ 216,204,326** | **$ 151,442,882** | **$ 264,033,782** | **$ 347,646,255** | **$ 703,321,866** | **$ 220,667,178** | **$ 140,115,173** | **$ 256,738,547** | **$ 347,109,153** | **$ 695,506,853** | **$ 4,462,852** | **$ (11,327,709)** | **$ (7,295,235)** | **$ (537,103)** | **$ (7,815,013)** |
| | | | | **Exhibit A =** | | | | | **Exhibit A =** | | | | | **Exhibit A =** | | |

# Appendix - Net Power Reporting

## Retail Sales

| | Year to Date | | | Balance of Year | | | Budget vs Current Fin Fx | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2026 Budget YTD | 2026 Actuals YTD | YTD Delta Actuals-Budget | 2026 Budget BOY | 2026 Current BOY | BOY Delta Current-Budget | Total 2026 Final Budget | Total April 2026 Current | Total Delta Current-Budget |
| **Dollars** | **72,310,107** | **69,619,912** | **(2,690,195)** | **242,138,721** | **236,972,430** | **(5,166,291)** | **314,448,828** | **309,726,507** | **(4,722,321)** |
| [+] Core | **27,809,210** | **25,829,075** | **(1,980,135)** | **88,985,818** | **87,159,189** | **(1,826,629)** | **116,795,028** | **115,252,440** | **(1,542,588)** |
| [+] Non Core | **44,218,107** | **43,451,475** | **(766,631)** | **144,151,913** | **149,813,240** | **5,661,328** | **188,370,019** | **194,307,468** | **5,937,448** |
| [+] Market | **282,791** | **339,362** | **56,571** | **9,000,990** | **-** | **(9,000,990)** | **9,283,780** | **166,599** | **(9,117,181)** |
| **Megawatt** | **1,600,849** | **1,588,459** | **(12,391)** | **5,304,712** | **5,132,489** | **(172,223)** | **6,905,561** | **6,720,948** | **(184,613)** |
| [+] Core | **466,938** | **458,285** | **(8,653)** | **1,622,413** | **1,605,455** | **(16,959)** | **2,089,352** | **2,063,740** | **(25,612)** |
| [+] Non Core | **1,130,255** | **1,130,173** | **(82)** | **3,568,519** | **3,527,035** | **(41,485)** | **4,698,775** | **4,657,208** | **(41,567)** |
| [+] Market | **3,655** | **-** | **(3,655)** | **113,779** | **-** | **(113,779)** | **117,435** | **-** | **(117,435)** |

| Key Takeaways | Core | Non Core | Rate 94 Market |
|---|---|---|---|
| Overall Revenue Performance: | Actual/Forecast revenue was below, -$3,806,764 budget. | Actual/Forecast revenue was above, +$4,894,696 budget. | Actual/Forecast revenue was below, -$9,283,780 budget. |
| Primary Driver of Variance: | Rates changes were the primary driver of revenue variance. | Rates changes were the primary driver of revenue variance. | Forecasted MWh changes were the primary driver of revenue variance. |
| Price Impact: | Rates were below Budget, impacting revenue by -$2,366,720. | Rates were above Budget, impacting revenue by +$6,567,542. | Rates were below Budget, impacting revenue by -$8. |
| Volume Impact: | Forecasted MWh were below budget, impacting revenue by -$1,440,044. | Forecasted MWh were below budget, impacting revenue by -$1,672,846. | Forecasted MWh were below budget, impacting revenue by -$9,283,772. |
| Interpretation: | Rates had a larger effect on revenue performance than Forecasted MWh. | Rates had a larger effect on revenue performance than Forecasted MWh. | Forecasted MWh had a larger effect on revenue performance than Rates. |

# Enterprise Balanced Scorecard

May 2026

John Mertlich, General Manager/CEO

Grant PUD

Powering our way of life.

# Agenda

- Structure review
- Review performance
- Goal addition status
- Division BSC development status
- Rollout & resources
- Takeaways

# Balanced Scorecard Structure

How does the Balanced Scorecard fit into the overall strategic planning process?

# Balanced Scorecard Building Blocks

The Balanced Scorecard follows a hierarchy where each level answers a different question:

| | |
|---|---|
| **OBJECTIVES** | **What must we achieve strategically?** |
| **GOALS** | **What does success look like in the next 1-3 years?** |
| **STRATEGIES** | **How will we achieve it?** |
| **MEASURES** | **How will we know if we are succeeding?** |
| **TARGETS** | **What level of performance are we aiming for?** |
| **INITIATIVES/ TACTICS** | **What work will we actually do on a daily basis?** |

# ENTERPRISE STRATEGY & BALANCED SCORECARD

**MISSION** *Our purpose*

To safely, efficiently and reliably provide electric power and fiber optic broadband services to our customers.

**VISION** *Our aspiration*

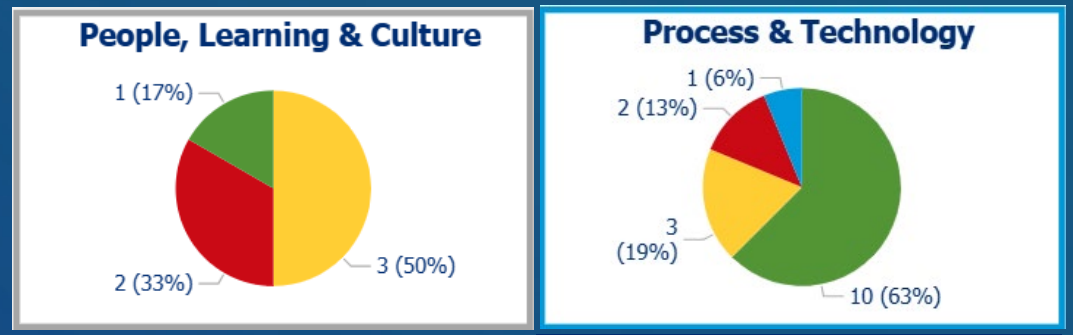
Excellence in Service & Leadership. We continually ask how we can improve safety, service quality, reliability and stewardship of our resources in the most cost-effective manner.

**VALUES** *Principles and beliefs*

Safety | Innovation | Service | Teamwork | Respect | Integrity | Heritage

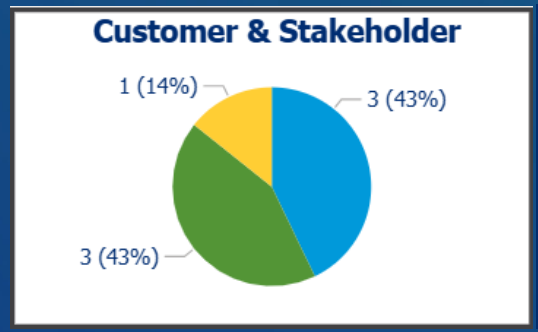
| PERSPECTIVES | PEOPLE, LEARNING & CULTURE | PROCESS & TECHNOLOGY | CUSTOMER & STAKEHOLDER | FINANCIAL |
|---|---|---|---|---|
| **OBJECTIVE** *What we are trying to achieve* | Develop and support a safe and rewarding work environment that attracts, retains, and engages talent to advance Grant PUD's strategic objectives | Deploy business processes and technology solutions that continuously improve business operations, resiliency, system reliability and compliance | Provide an intentional customer experience that drives engagement, satisfaction and trust for both our customers and stakeholders | Ensure long-term financial sustainability by making prudent investment and financial management decisions while proactively managing risks |
| **STRATEGIES** *Paths required to achieve objective* | Empower safe, compliant decision-making | Optimize efficiency, effectiveness and compliance | Advocate & engage external entities | Advance proactive risk management |
| | Grow leaders | Optimize operation performance | Enhance customer experience | Implement cost recovery strategy |
| | Improve interdepartmental collaboration & service | Standardized design & material specifications | Optimize rate structures and fees | Improve forecasting accuracy |
| | Improve recruitment, retention, succession planning | Streamline operations with enterprise technology | | Meet & surpass financial expectations |
| | Sustain our safety culture | Strengthen data capabilities | | Optimize transparency & ROI capture |
| | | Strengthen enterprise technology threat resilience | | |

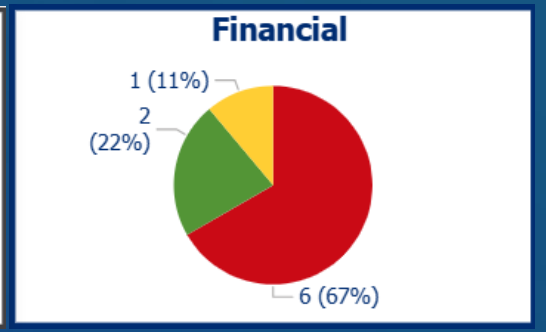
# May Reporting Overview

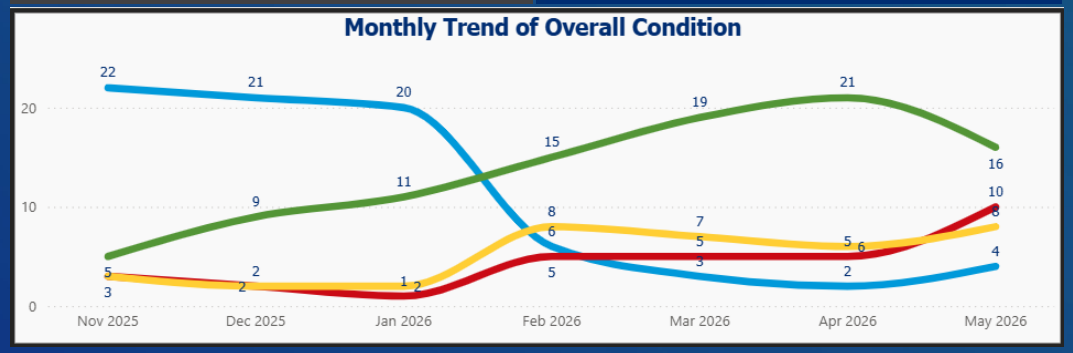








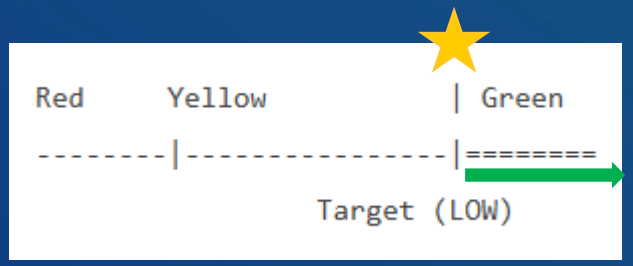




Calibrated all measures for May reporting to updated status criteria

| | |
|---|---|
| GREEN | **On Track** – Met or exceeding target |
| YELLOW | **Monitor** – Below target; improvement underway or performance trending toward target; team actively managing and aware |
| RED | **Intervention Needed** – Below target; additional support or focus needed |
| BLUE | **Developing** - Measure under development |

# Measure Status Criteria

The target is the minimum level of performance we've agreed equals success




## Standardized Color Logic

Measure status colors are assigned automatically based on precise, agreed target definitions for consistency and fairness.

## Green Status Criteria

Green status starts exactly at the target's **LOW** value, indicating achievement without exceptions or subjective interpretation.

## Yellow Status Meaning

Yellow status signals progress below target but with positive trends, reflecting momentum and ongoing improvement efforts. If we're trending towards the goal each month, we are progressing.

## Benefits of Automation

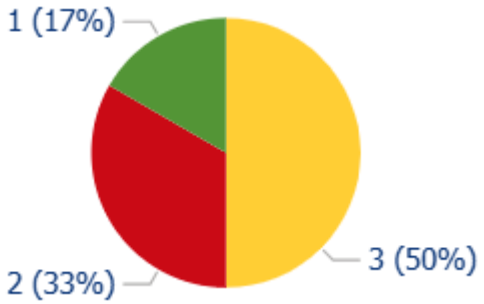
Automating color status removed subjectivity, prevents goalpost shifting, and supports trustworthy performance evaluation.

# PEOPLE, LEARNING & CULTURE

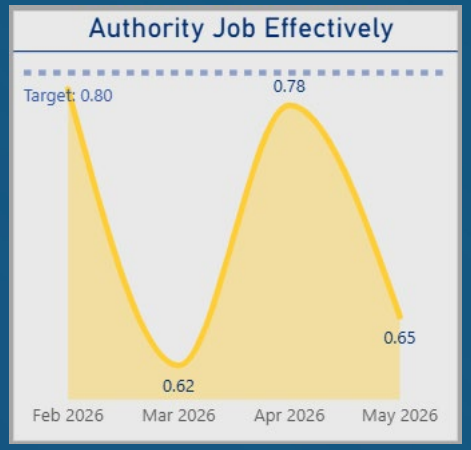
**Develop and support a safe and rewarding work environment that attracts, retains, and engages talent to advance Grant PUD's strategic objectives**

| STRATEGY | MEASURE | QUESTION |
|---|---|---|
| **Empower decision-making at the lowest appropriate level, closest to the issue, while ensuring safety and compliance.** | % employees rating top two box score on survey response: "I have the authority I need to do my job effectively." | *Do employees feel empowered to do their jobs?* |
| **Grow leaders who strengthen employee engagement while meeting objectives** | Avg organizational Employee Engagement Q12 Survey Question total score | *How engaged do employees feel overall?* |
| **Improve interdepartmental collaboration and service** | % of Target Service Providing Departments rating 5 on "Our Internal Service Providers understand and meet our department's needs." | *Do internal providers meet department needs effectively?* |
| **Improve recruitment, retention, and succession planning** | % critical roles with a formal succession plan | *Are key roles prepared for future transitions?* |
| **Sustain our safety culture** | % completed versus established Job Site Review targets | *Are job site reviews occurring as planned?* |
| | % of safety concerns closed by due date | *Are safety concerns resolved promptly?* |

# PEOPLE, LEARNING & CULTURE

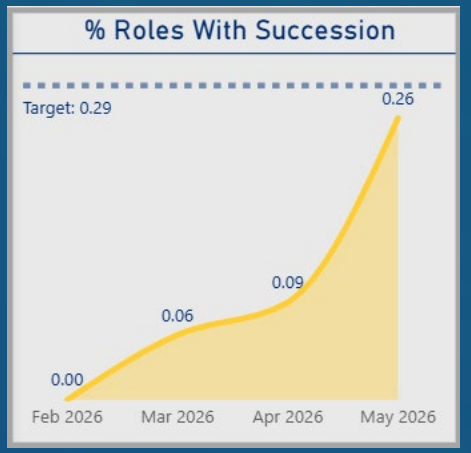



- 1 measure meeting target
- 1 measure trending towards target (*yellow but improving*)
- 4 measures trending away from target (*2 yellow, 2 red*)







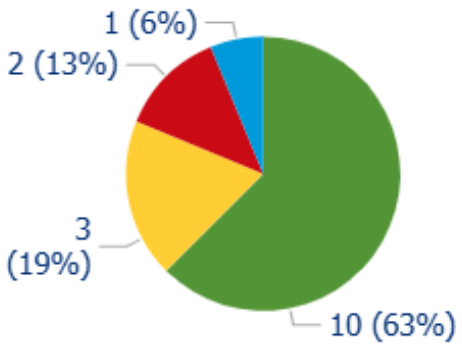



# PROCESS & TECHNOLOGY

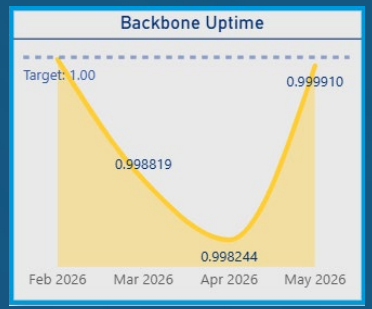
**Deploy business processes and technology solutions that continuously improve business operations, resiliency, system reliability and compliance**

| STRATEGY | MEASURE | QUESTION |
|---|---|---|
| **Continually optimize key processes to improve efficiency, effectiveness and compliance** | % of targeted processes documented to plan | *Are critical processes documented as planned?* |
| | % compliance with Growth Management Strategy Phase II Implementation Workplan | *Is GMS Phase II progressing as planned?* |
| | Ratio of Self-Identified to Externally-Identified compliance issues | *Are we catching compliance issues before others?* |
| **Deploy technology and enterprise-wide systems to streamline business operations** | % compliance to critical business system implementation plan | *Are we following the system implementation plan?* |
| **Establish and enforce standardized design and material specifications to improve quality and consistency** | % of targeted Department standards transitioned to a standard design, product and work package template | *Are departments adopting standard templates?* |
| | % of high value/high impact stock items reviewed for like inventory items District-wide | *Are critical inventory items reviewed for duplication?* |
| **Optimize wholesale and retail systems operation performance** | Network uptime - Wholesale Fiber | *How reliable is our home fiber network?* |
| | Network uptime - Backbone | *Is our core network consistently available?* |
| | System average interruption duration index (SAIDI) | *How long do outages affect customers overall?* |
| | System average interruption frequency index (SAIFI) | *How often do customers experience outages?* |
| | Wanapum Dam Unit Availability | *Is Wanapum Dam generating power as expected?* |
| | Priest Rapids Unit Availability | *Is Priest Rapids generating power as expected?* |
| **Strengthen data capture, governance, access, and analysis capabilities** | % completion of Database Warehouse Plan | *Is the data warehouse plan on track?* |
| **Strengthen resilience of enterprise technology assets against threats** | | *Are planned cybersecurity controls fully implemented?* |

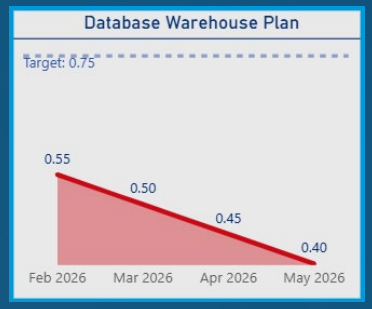
# PROCESS & TECHNOLOGY



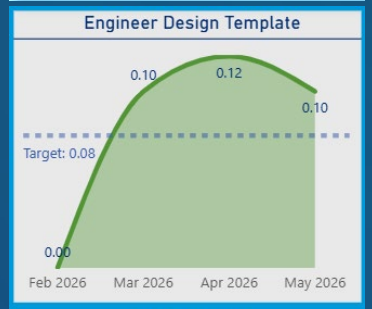

- 10 measures meeting target
- 2 measures trending towards target (*yellow but improving*)
- 3 measures trending away from target (*1 yellow, 2 red*)
- 1 new measure

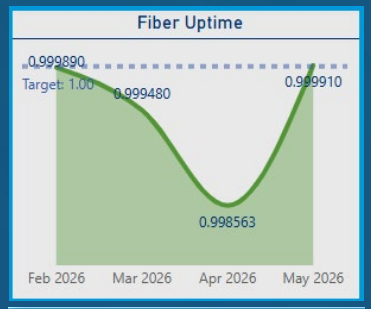


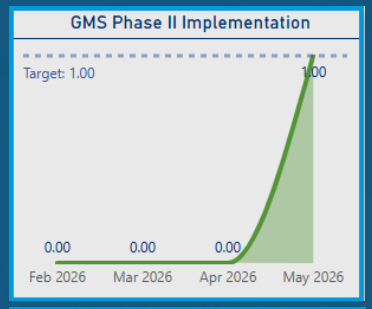




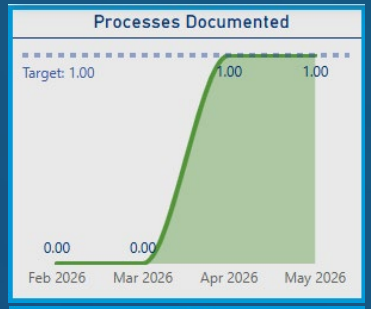




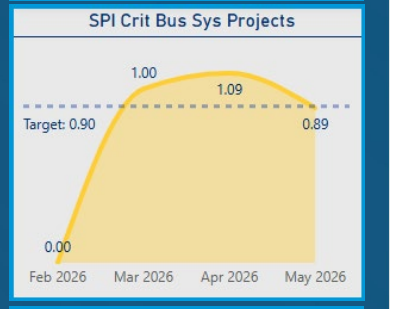



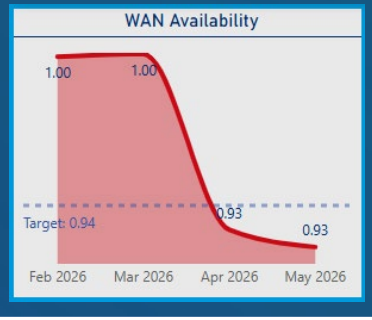


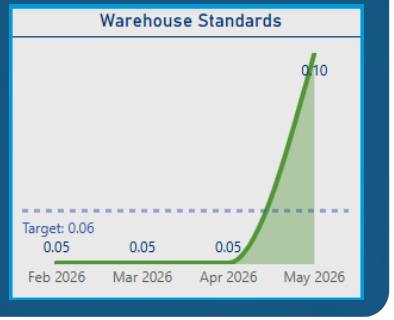









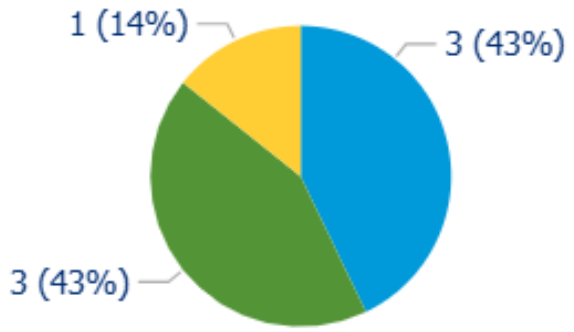



# CUSTOMER & STAKEHOLDER

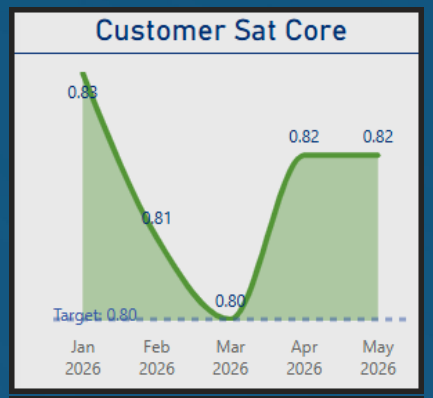
**Provide an intentional customer experience that drives engagement, satisfaction and trust for both our customers and stakeholders**

| STRATEGY | MEASURE | QUESTION |
|---|---|---|
| **Advocate and engage with stakeholders (key players), regulatory and policy makers to enable Grant PUD's business objectives** | % of Participation in Recommended Engagements (Commission, ELT or SME) | *Are leaders engaging in recommended activities?* |
| **Enhance customer communication, education, and engagement** | % of customers report they hear information about growth and rate impacts | *Are growth and rate impacts reaching customers?* |
| | Overall/composite Customer Satisfaction attribute survey | *How satisfied are customers overall?* |
| **Optimize rate structures and fees to insulate "core" customers from adverse growth impacts** | % of total number megawatts under-utilized | *Are we using our energy capacity efficiently?* |

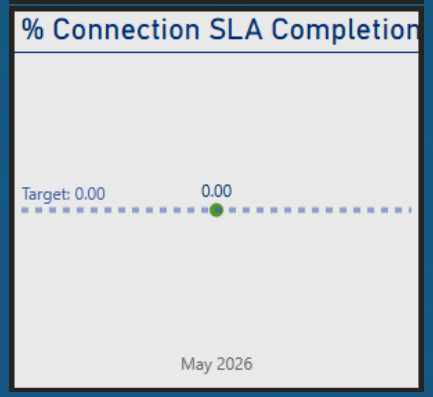
# CUSTOMER & STAKEHOLDER

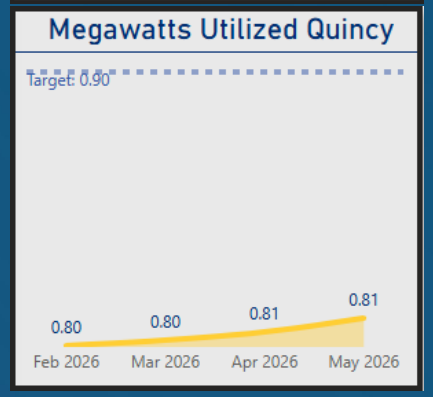



- 3 measures meeting target
- 1 measure trending towards target (*yellow but improving*)
- 3 new measures



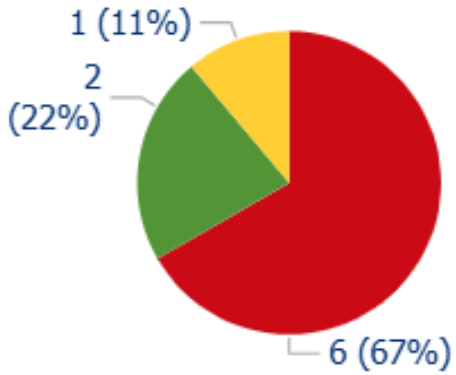




# FINANCIAL

**Ensure long-term financial sustainability by making prudent investment and financial management decisions while proactively managing risks**

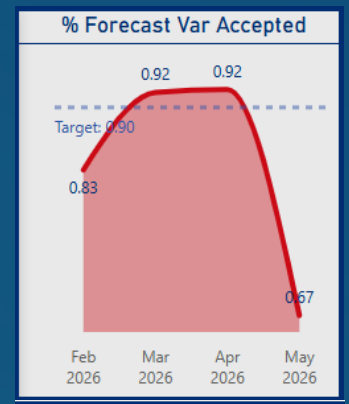
| STRATEGY | MEASURE | QUESTION |
|---|---|---|
| **Advance proactive risk management** | % of risk assessment plan being met | *Are risk assessments on track to plan?* |
| **Develop and implement cost recovery strategy related to forecasted growth** | % variance current forecast rate trajectory to target rate trajectory - core customer | *Are core customer rates tracking to targets?* |
| | % variance current forecast rate trajectory to target rate trajectory - non-core customer | *Are non-core customer rates tracking to targets?* |
| **Improve forecasting to accurately anticipate and meet future demand while ensuring affordability and rate stability (GMP)** | % variance gross margin forecast accuracy | *Are our key financial forecasts accurate?* |
| **Meet or exceed financial performance expectations** | % compliance of Enterprise budgets within budget range (YTD) | *Are budgets staying within approved limits?* |
| | % acceptable variance Enterprise projections (forecast) to meet year end projection | *Are monthly forecasts within desired volatility range?* |
| | # 6-year Debt Service Coverage (DSC) meeting target | *Are we meeting debt service coverage targets?* |
| | # 6-year Return on Net Assets (RONA) forecasted within target | *Is Net Plant generating financial policy targeted returns?* |
| **Optimize project-specific financial performance to ensure transparency and ROI capture** | % of projects realizing hard benefits | *Are projects delivering measurable benefits?* |

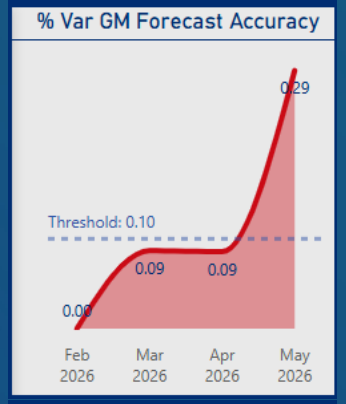
# FINANCIAL

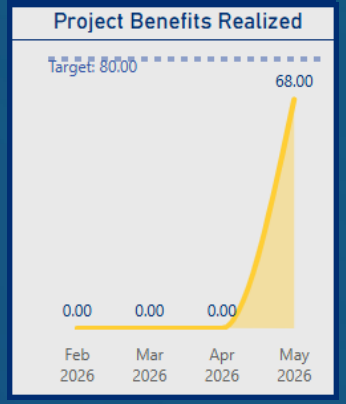



- 2 measures meeting target
- 2 measures trending towards target (*1 yellow, 1 red but improving*)
- 5 measures trending away from target or threshold (*all red*)

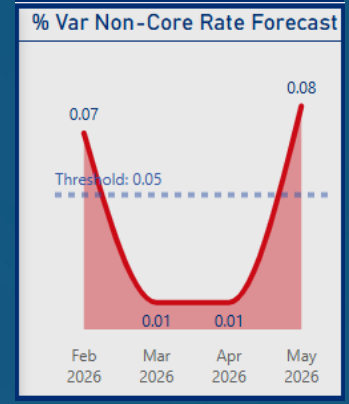







# Enterprise Goal Status

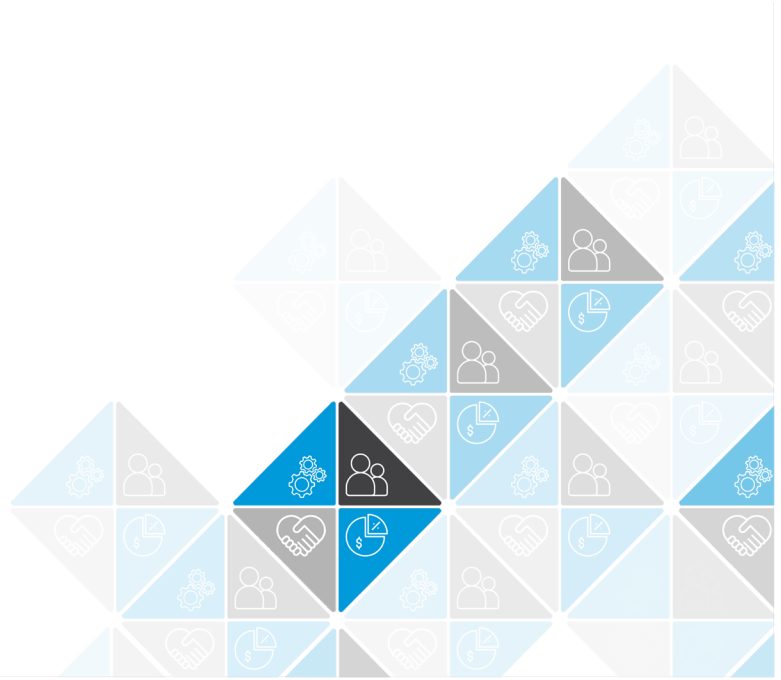
## GOAL STATEMENTS

Tangible outcomes within the next **3 years**

- ✓ **S**pecific
- ✓ **M**easurable
- ✓ **A**chievable
- ✓ **R**elevant
- ✓ **T**imebound

*"We want "**X**", to be "**Y**", by "**Z**" date"*

- v1 Goals complete
- Ensures measures align to specific & tangible outcomes
- Will support cascade process



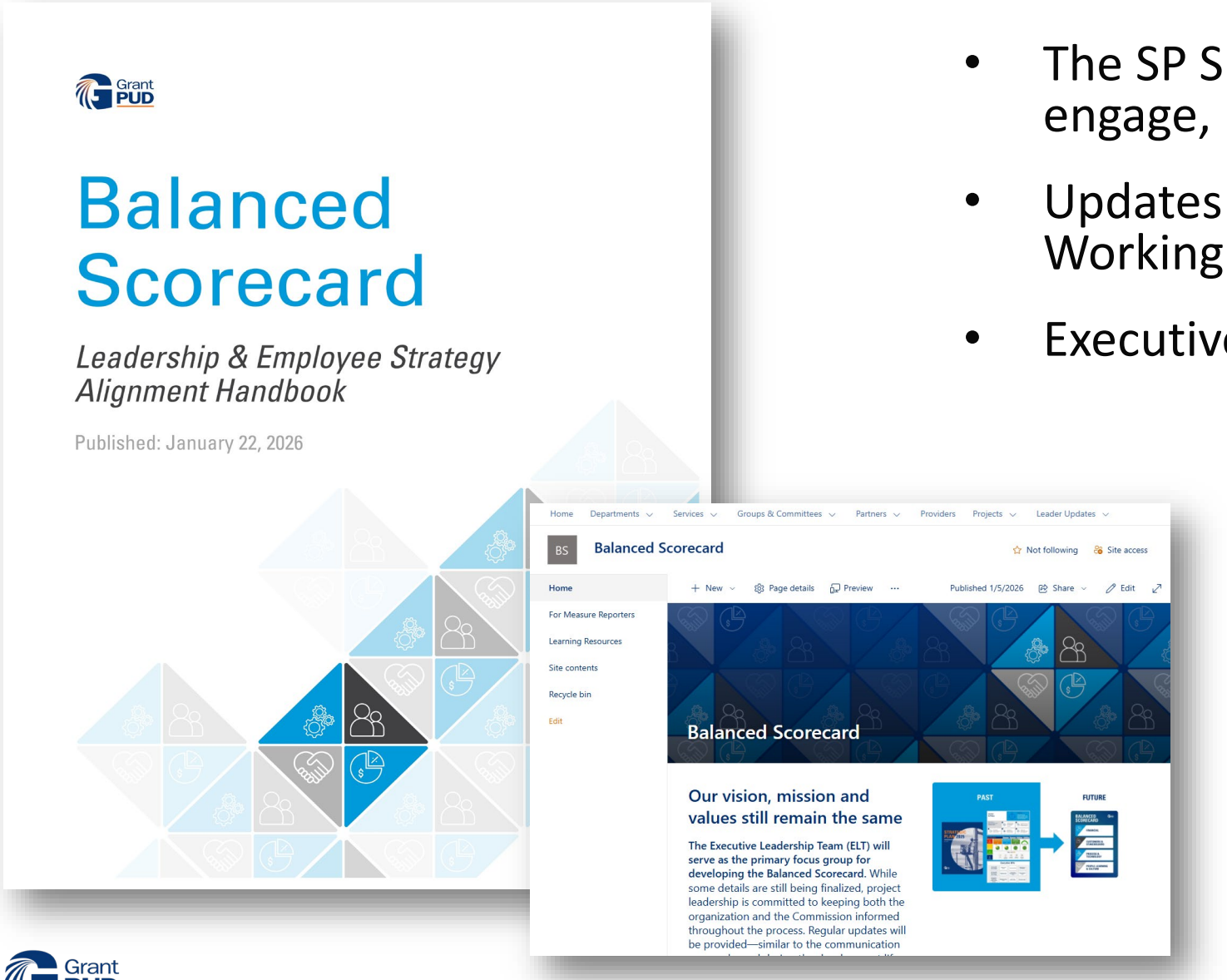
# Division Measure Status


**3 Divisions**

- Power Market Operations
- Retail
- Administration

**Aligned under goals, strategies and enterprise measures*

# Resources




- The Handbook – available on SP
- The SP Site – what's coming up, how to engage, resources – check out the library!
- Updates via AEM, Leaderline and Working@Grant
- Executive Leadership Team

# Key Takeaways

- Month 5 of Enterprise Monthly Balanced Scorecard Reporting
- Goals finalized – defining success for our objectives in the next 1-3 years – a clear target of what we are achieving through work on our measures
- Division scorecard development is underway
- Multiple resources available for employees

# Thank you!

Grant PUD

Powering our way of life.

# Government Affairs Strategy Update

May 26, 2026

Ryan Holterhoff, Senior Policy Analyst
Matthew Harris, Senior Policy Analyst

Grant PUD

Powering our way of life.

# Agenda

- Strategic Engagement Review
- Upcoming Engagements
- E3 Study

# Supporting the Strategic Focus

## GRANT PUD

### MISSION

To safely, efficiently and reliably provide electric power and fiber optic broadband services to our customers.

### VISION

EXCELLENCE IN SERVICE AND LEADERSHIP

We continually ask how we can improve safety, service quality, reliability and stewardship of our resources in the most cost-effective manner.

## COMMISSION

### MISSION

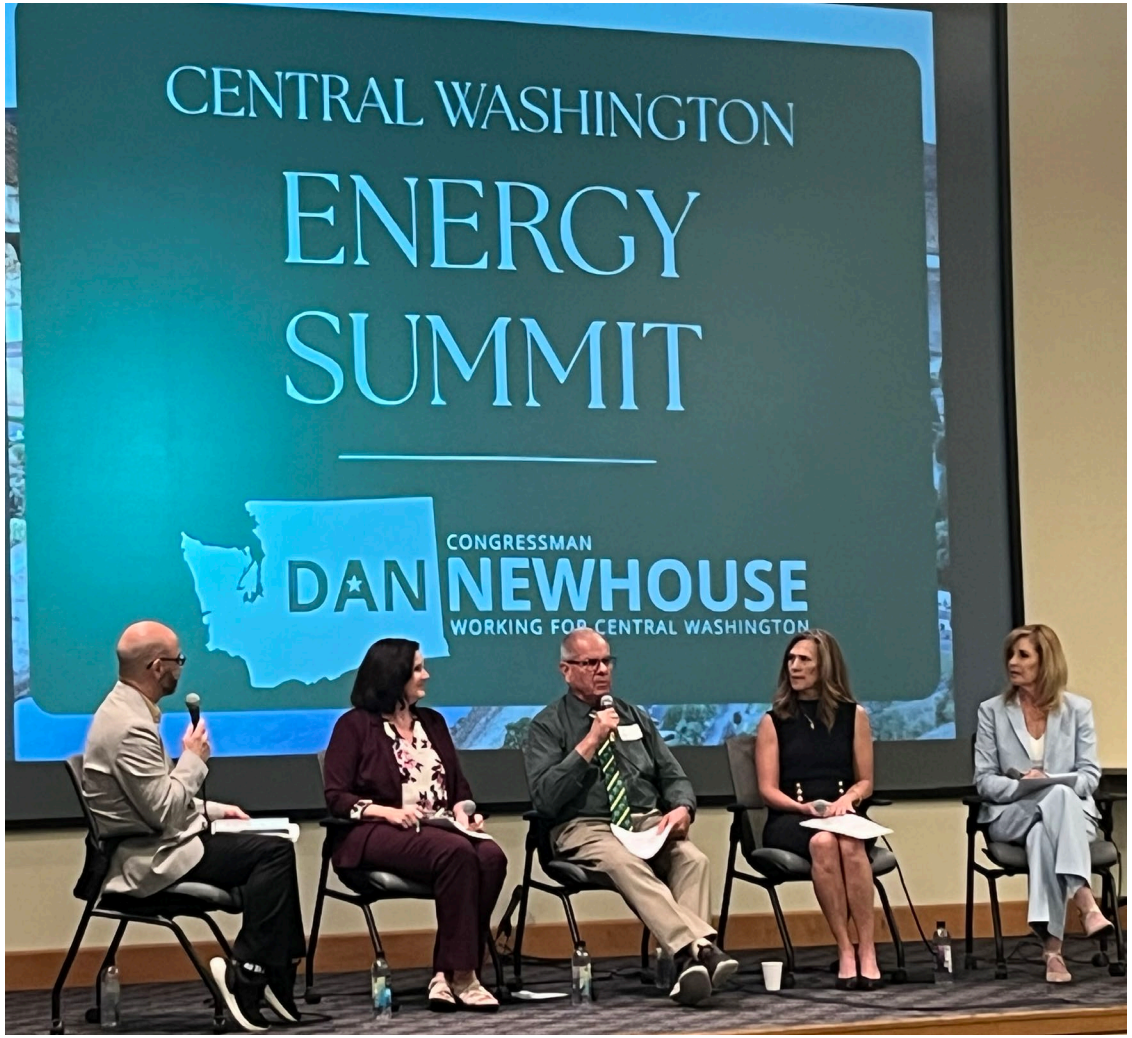
To meet our customers' evolving utility (energy & broadband) needs while preserving our customer-owners' values.

### VISION

We collaborate with and inspire key partners (local, state, federal, etc.) to promote and perpetuate Grant PUD's legacy of premier utility services.

# Central WA Energy Summit

Commissioner Schaapman joined the other commission presidents of the Mid-Columbia PUDs and the Executive Director of the WA Rural Electric Cooperative as a panelist



# Balanced Scorecard Spring/Summer Engagements

## 2025/26 Key Events Planner

| | | Tom | Larry | Judy | Nelson | Terry | Staff | John | Ty | Jeff |
|---|---|---|---|---|---|---|---|---|---|---|
| **Apr-26**<br>1 Event | ☐ Mid-C Clean Energy Expo - Wenatchee, WA<br>(Scheduled for April 22) | x | | x | x | x | x | | | x |
| **May-26**<br>No Events | | | | | | | | | | |
| **Jun-26**<br>1 Event | ☐ APPA National Conference - Boston, MA<br>(June 26- July 1) | | | | | | | | | |
| **Jul-26**<br>No Events | | | | | | | | | | |
| **Aug-26**<br>No Events | | | | | | | | | | |

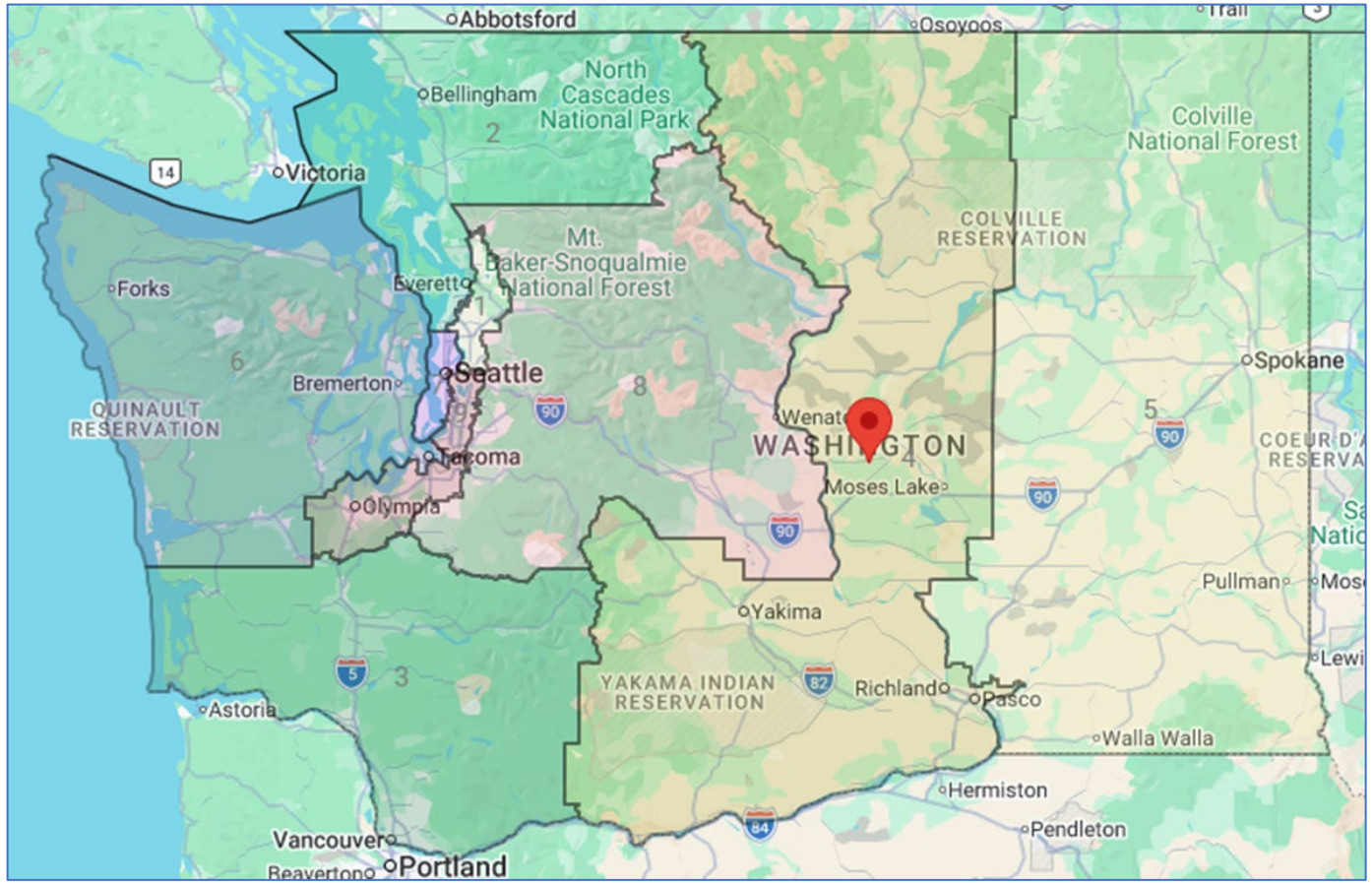
# Engagements: Priest Rapids Dam Tour

**Casey Sixkiller**
Washington State
Department of Ecology
Director

**Heather Bartlett**
Washington State
Department of Ecology
Deputy Director

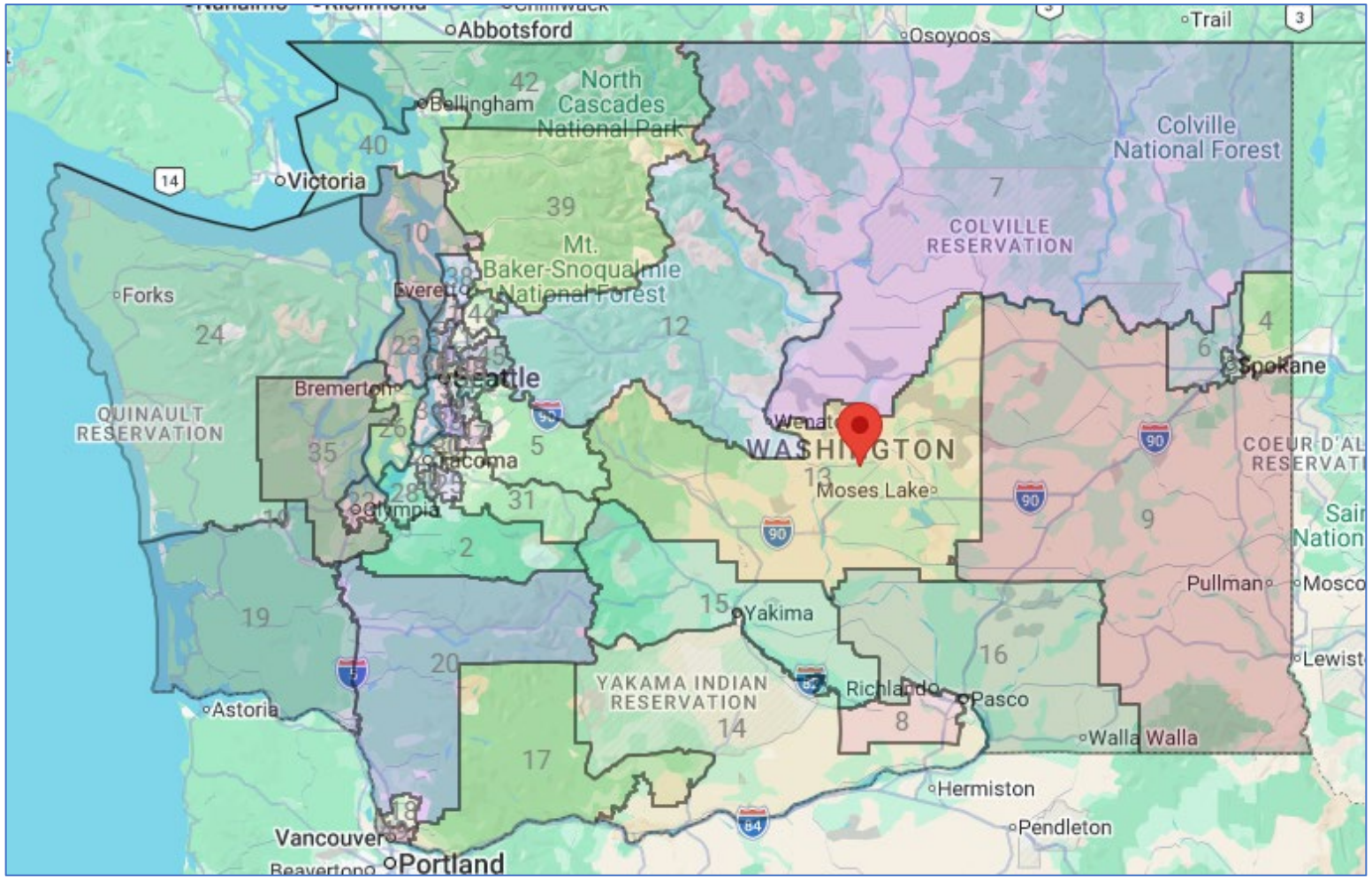
**Brook Beeler**
Washington State
Department of Ecology
Eastern Regional Director

# 120th Congress – Congressional 4th Primary




| District | Name | Party Preference | Ballot Order |
|---|---|---|---|
| Congressional District 4 | Jacek "Jack" Kobiesa | STATES NO PARTY PREFERENCE | 1 |
| Congressional District 4 | Amanda McKinney | REPUBLICAN | 2 |
| Congressional District 4 | John Duresky | DEMOCRATIC | 3 |
| Congressional District 4 | John C. Hughs | REPUBLICAN | 4 |
| Congressional District 4 | Favian Valencia | INDEPENDENT | 5 |
| Congressional District 4 | Jerrod Sessler | REPUBLICAN | 6 |
| Congressional District 4 | Devin Poore | CASCADE | 7 |
| Congressional District 4 | Ken Vaz | REPUBLICAN | 8 |
| Congressional District 4 | Zac Rossi | STATES NO PARTY PREFERENCE | 9 |
| Congressional District 4 | Elpidia Saavedra | REPUBLICAN | 10 |
| Congressional District 4 | Matt Boehnke | REPUBLICAN | 11 |

# 70th Biennial Legislature – 13th Primary




Legislative District 13*

| Race | Name | Party Preference | Ballot Order |
|---|---|---|---|
| State Senator | Alex Ybarra | REPUBLICAN | 1 |
| State Representative Pos. 1 | Tom Dent | REPUBLICAN | 1 |
| State Representative Pos. 1 | Juan "Jerry" Garcia | DEMOCRATIC | 2 |
| State Representative Pos. 2 | Deanna Martinez | REPUBLICAN | 1 |
| State Representative Pos. 2 | Joshua Thompson | REPUBLICAN | 2 |
| State Representative Pos. 2 | Don Myers | REPUBLICAN | 3 |

# Other Near-Term Engagements (Not BSC)

| Timeframe | Engagement |
|---|---|
| June 3-4 | PPC Members' Forum, Portland |
| July 15-17 | WPUDA Summer Meeting, Okanogan |
| TBD | Tours with members or staff |
| As Possible | Other engagements with associations and other member and agency interactions |

# Balanced Scorecard Year-End Engagements

## 2025/26 Key Events Planner

| | | Tom | Larry | Judy | Nelson | Terry | John | Ty | Jeff |
|---|---|---|---|---|---|---|---|---|---|
| **Aug-26**<br>No Events | | | | | | | | | |
| **Sep-26**<br>1 Event | ☐ AWB Policy Summit - Spokane, WA<br>(Sept. 15-17) | | | | | | | | |
| **Oct-26**<br>1 Event | ☐ PPC FUEL Meeting - Portland, OR<br>(Exact timing TBD) | | | | | | | | |
| **Nov-26**<br>1 Events | ☐ PPC and NWRP Annual Meetings - Portland, OR<br>(November 4- 5) | | | | | | | | |
| **Dec-26**<br>1 Event | ☐ Tri-Cities Region Legislative District Meetings<br>(Exact timing TBD) | | | | | | | | |

# Commission's Key Categories of Focus

**Resource development**- As Grant PUD explores new generation resources what are the key asks and/or information we want to share with policy makers and regulators to support development and accelerate approvals.

**Improving permitting**- What efforts are needed to making permitting of infrastructure efficient, transparent, and predictable by such actions including reducing delays, clarifying requirements, streamlining coordination among agencies, and enhancing stakeholder engagement.

**Regulatory refinements**- Identify changes that can help refine state and federal policy goals to allow for better accelerate project timeliness improve financial planning and build upon system reliability.

# Upcoming GA Strategy Topics*

E3 study review and discussion of key insights

The political activities surrounding data centers

End of Year:  Pre and Post election summary

Policy discussions around day-ahead markets

Regional commercialization issues

*Not all encompassing and may adjust as other needs arise.

# Work Product

## Reference Document

In depth analysis & industry insights.

Explains challenges, opportunities and strategies

## Position Paper

The utility stance on issue

Supports position and interest with various scenarios and evidence

## One Pager & Leave Behind

Quick reference for external stakeholders

Summarizes position and issue and may include visuals

*Not all encompassing and may adjust as other needs arise.

# E3 Energy + Environmental Economics Resource Adequacy Excerpts

Grant PUD

Powering our way of life.

# Resource Adequacy and the Energy Transition in the Pacific Northwest

## Final Report

April 2026


Arne Olson, Senior Partner
Aaron Burdick, Senior Director
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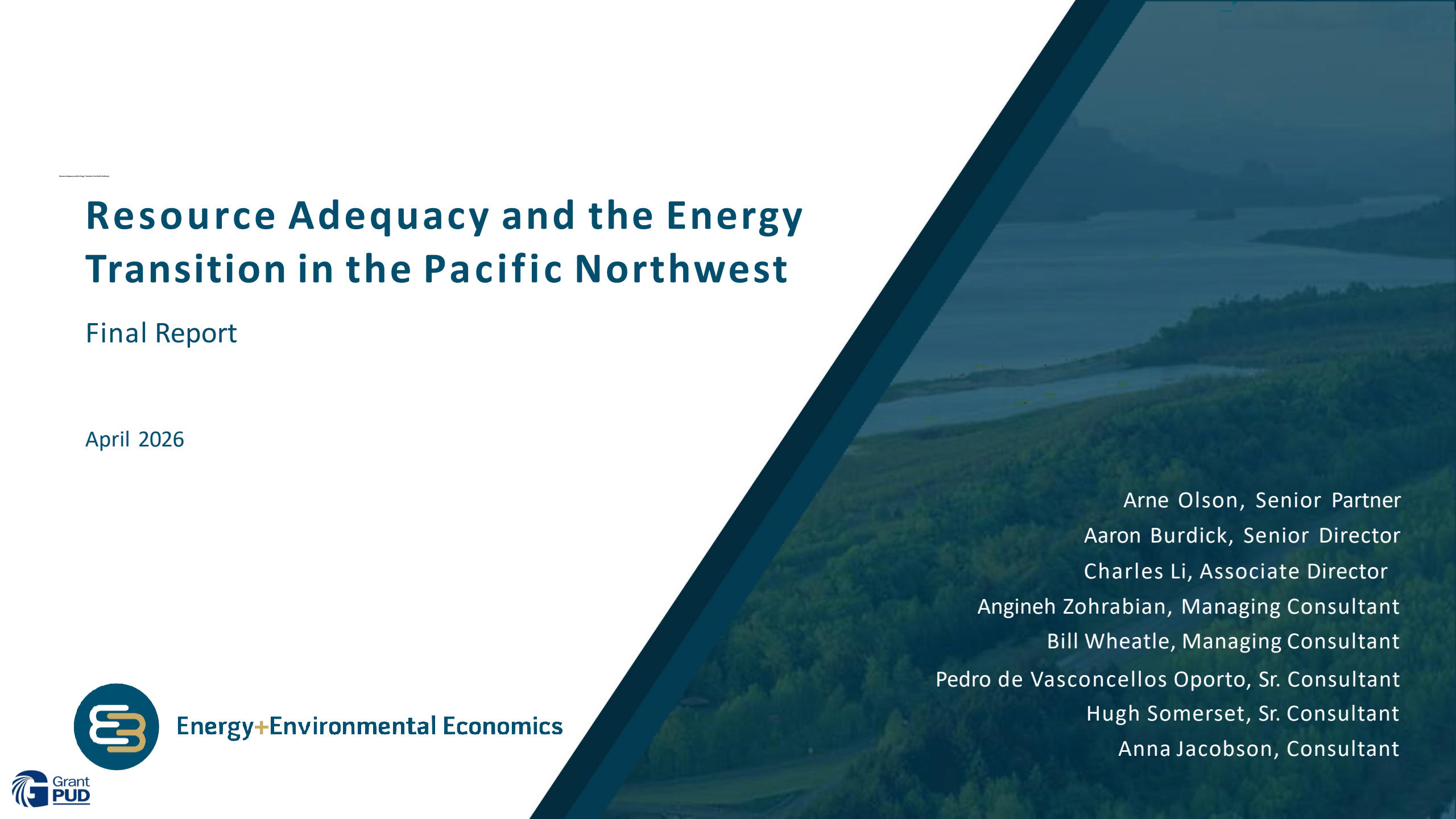
Energy+Environmental Economics

# Project Overview

## E3 was retained by regional utilities and generation owners to evaluate the state of resource adequacy in the Pacific Northwest today and into the future

| | Key Study Questions | Key Outputs |
|---|---|---|
| 1 | **What are near-term resource adequacy needs (2025-2030)?** | • Near-term RA shortfalls<br>• NW reliability event characteristics |
| 2 | **What are the main barriers to meeting near- to intermediate-term needs?** | • Pace of future vs. historical build rates<br>• Challenges of developing new generation, transmission, and natural gas infrastructure<br>• RA contributions of new resources |
| 3 | **What are the long-term resource needs (2035-2045)?** | • Least-cost portfolio optimization analysis<br>• Technology and load growth scenarios |
| 4 | **What is the role of new natural gas peaking capacity?** | • Cost impact of allowing new gas capacity<br>• Risk of asset stranding for new gas<br>• Role of substitute emerging technologies |
| 5 | **What are the needs in constrained NW load pockets?** | • Growth in RA need in PNW and I-5 corridor<br>• Modeled resource and transmission solutions |

### STUDY SPONSORS

- Puget Sound Energy
- Public Generating Pool
  - Chelan Public Utility District
  - Clark Public Utilities
  - Cowlitz Public Utility District
  - Eugene Water & Electric Board
  - Grant Public Utility District
  - Lewis Public Utility District
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- Emerald People's Utility District
- Franklin Public Utility District
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- Klickitat Public Utility District
- Mason Public Utility District No. 3
- Northwest & Intermountain Power Producers Coalition
- NorthWestern Energy
- Okanogan Public Utility District
- Pacific Public Utility District
- Portland General Electric

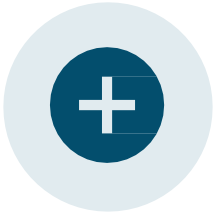
# Key Study Assumptions

**Load forecasts aligned with PNUCC** utility projections in 2030; for long-term load forecasts E3-developed reference and net-zero economywide scenarios

**Current climate conditions modeled** for both load and hydro generation, using **recent 30 years of hydro conditions from BPA** with **hydro operational constraints reviewed by regional hydro experts**

**Probabilistic resource adequacy simulations of ~2,500 years** of simulated weather (1979-2022) and hydro (1989-2018) conditions

**1-day-in-10-year Loss-Of-Load Expectation (LOLE) reliability standard**[1] applied, resulting in a **9% region-wide planning reserve margin** (Using the perfect capacity ("PCAP") method)



**Marginal resource accreditation** is used to inform economically-efficient market entry

Region-wide portfolio optimization assumes **regional coordination on energy, capacity, transmission, and clean energy markets** that support least-cost GHG reduction across the NW

E3 developed **resource costs including latest federal policy and near-term scarcity premiums for new generation** due to supply-demand imbalance for panels, turbines, transformers, and other equipment

1. E3's modeling calibrates the current system at 1-day-in-10-year LOLE to a 0.0008% normalized expected unserved energy (NEUE) target, which is then maintained for determining future need and ELCC contributions.

# Key Findings

1. Accelerated load growth and continued retirements create a resource gap that grows to *9 GW of effective capacity by 2030* and *14-18 GW by 2035*
2. In the near-term, the region is not on track to fill this gap due to market and institutional barriers
3. In the long-run, it is possible to achieve deep carbon reductions while maintaining reliability and affordability by investing in a portfolio of energy efficiency, wind, solar, geothermal, and natural gas
4. New natural gas peaking capacity for backup use during low hydro or low renewable conditions is a robust long-term strategy across a wide range of future scenarios
5. There will be a growing need for new local delivery capability into Washington and Oregon, particularly in the I-5 corridor, either from new resources or transmission

# Key Finding #1: Near-term resource needs are significant

**1. Accelerated load growth and continued retirements create a resource gap that grows to *9 GW of effective capacity by 2030* and *14-18 GW by 2035***

- **Load forecasts continue to increase**
- **Retiring firm capacity is mostly being replaced with wind, solar, and batteries**
- **Few resources have been added in Washington or Oregon**
- **The region faces a multi-day reliability challenge driven by cold snaps and low hydro conditions**

# Key Finding #2: The region is not on track to meet near-term needs

**2. In the near-term, the region is not on track to fill the resource adequacy gap due to market and institutional barriers to resource development**

- **Planned resource additions are sufficient to fill the gap through 2030 but would require a pace of resource development that is unprecedented in the Northwest**
- **There are significant institutional barriers to accelerating build rates, including transmission interconnection, siting/permitting, uncertainty related to evolving regional capacity markets, and policy prohibitions**
- **Planned solar, wind, battery and demand response resources provide clean energy but limited RA value.**
- **There are significant policy and regulatory barriers to investing in new firm resources that are powered by fossil fuels**

# Key Finding #3: A portfolio of new resources will be needed

**3. In the long-run, it is possible to achieve deep carbon reductions while maintaining reliability and affordability by investing in a portfolio of energy efficiency, wind, solar, geothermal, and natural gas**

- **A balanced portfolio of new renewable generation, batteries and natural gas peaking capacity enables over 90% GHG reduction at a relatively low cost**
- **Emerging technologies are selected at 96% GHG reduction but provide limited ratepayer benefits absent a significant cost breakthrough**
- **100% GHG reduction cannot realistically be achieved without one least one and likely multiple emerging technologies available at significant scale – 40+ GW**
- **Achieving the portfolios modeled requires overcoming institutional barriers (transmission, siting/permitting, etc.) to support a large increase in annual build rates compared to historical experience**

# Key Finding #4: Gas peaking plants are a robust reliability strategy

**4. New natural gas peaking capacity to provide energy during low hydro or low renewable conditions is a robust long-term strategy across a wide range of future scenarios**

+ **Not allowing new natural gas peaking capacity leads to higher costs with no accompanying emissions benefits**

+ **New natural gas peaking capacity is selected across all scenarios unless prohibited**

  - **24-34 GW** of new natural gas capacity is selected under 96% GHG reduction, reducing retail electric rates by **3-6 cents/kWh**
  - Natural gas capacity is dispatched less frequently as clean generation is added, with capacity factors falling to 10-12% in 2040 and 2-3% in 2045
  - Even under a 100% GHG reduction scenario, new natural gas capacity is selected in 2040 only to be retired (or converted to zero-carbon fuels) in 2045

# Key Finding #5: Increased local delivery needed, especially west of the cascades

**5. There will be a growing need for new local delivery capability into Washington and Oregon, particularly in the I-5 corridor west of the Cascades, either from new local resources or new regional transmission**

+ **Amidst growing loads, the Pacific Northwest (OR+WA) and the West-of-Cascades subregions become locally constrained, requiring new delivery capacity**
  - Pacific Northwest (OR+WA) subregion: 11 GW of new local firm generation or transmission needed by 2035, 31 GW by 2045
  - West of Cascades subregion: 4 GW of new west-side firm generation or cross-Cascades transmission needed by 2035, 17 GW by 2045
+ **Local resource options are limited West of Cascades given low wind and solar availability**
  - Energy storage may be able to help meet some of the local need – further study is needed
  - 9 GW of new transmission selected implies 5-6 new cross-Cascades corridors

# Closing Summary

Opportunities to engage and influence policy makers on these findings:

- Many regional associations sharing the findings with their members
- It is becoming the reference for policy discussions with legislators
- PGP working with its members to define its specific policy recommendations
- Other engagements with utilities to determine how to best position the industry for policy requests
- Determine how to build on past efforts:
  - House Bill 2581 - A 2026 alternative CETA compliance bill introduced but did not move during session.
  - WPUDA's concept- All "combustion-based" generation (other than coal) would be excluded from utility CETA and CCA mandates when the resource is necessary to maintain grid reliability.
  - Carbon Sequestion discussions and concepts

# Thank you!

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# Appendix

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# Priest Rapids Dam Tour – Department of Ecology

## Casey Sixkiller

Casey Sixkiller was appointed by Governor Bob Ferguson as the 14th Director of the Washington State Department of Ecology. With more than two decades of experience in federal, Tribal, regional, and local government, Casey brings a deep commitment to environmental stewardship and practical, results-driven leadership.

As Director, he oversees a biennial budget of $2.8 billion and a workforce of 2,200 employees dedicated to protecting Washington's air, land, and water. He is leading the agency through a pivotal era of implementing nation-leading climate policies, investing in clean energy solutions, protecting critical water resources, and addressing legacy pollution while centering that work on those communities most affected.

# Priest Rapids Dam Tour – Department of Ecology

**Heather Bartlett – Washington State Department of Ecology**

Heather Bartlett is the Deputy Director of the Washington State Department of Ecology, serving under Director Casey Sixkiller Washington State Department of Ecology. She is also recognized as the Water Quality Program Manager for the department.

**Professional Background**

Bartlett has over 28 years of experience in natural resource management and public health, with a degree in biology from Washington State University. She has a strong record of navigating complex and controversial environmental issues, often bridging science, policy, and community engagement.

**Career Path**

- **Washington State Department of Health**: Served as Deputy Director of Field Operations for the state's drinking water program before joining Ecology in March 2014.

# Priest Rapids Dam Tour – Department of Ecology

**Brook Beeler**
**Eastern Regional Director**
**Washington Department of Ecology**

Brook Beeler is Ecology's Eastern Regional Director. She began her career at Ecology more than 13 years ago working with communities encouraging environmental stewardship through education and outreach. Prior to her appointment as Regional Director this February, Brook supported the agency with strategic communications and media relations on complex regulatory topics. As a child, Brook spent lot of time exploring wetlands, creeks, and cow pastures south of Spokane, which sparked her interest in science and nature. She studied Biology at Whitworth University and graduated in 2001.

# Resource Adequacy and the Energy Transition in the Pacific Northwest

## Final Report

April 2026


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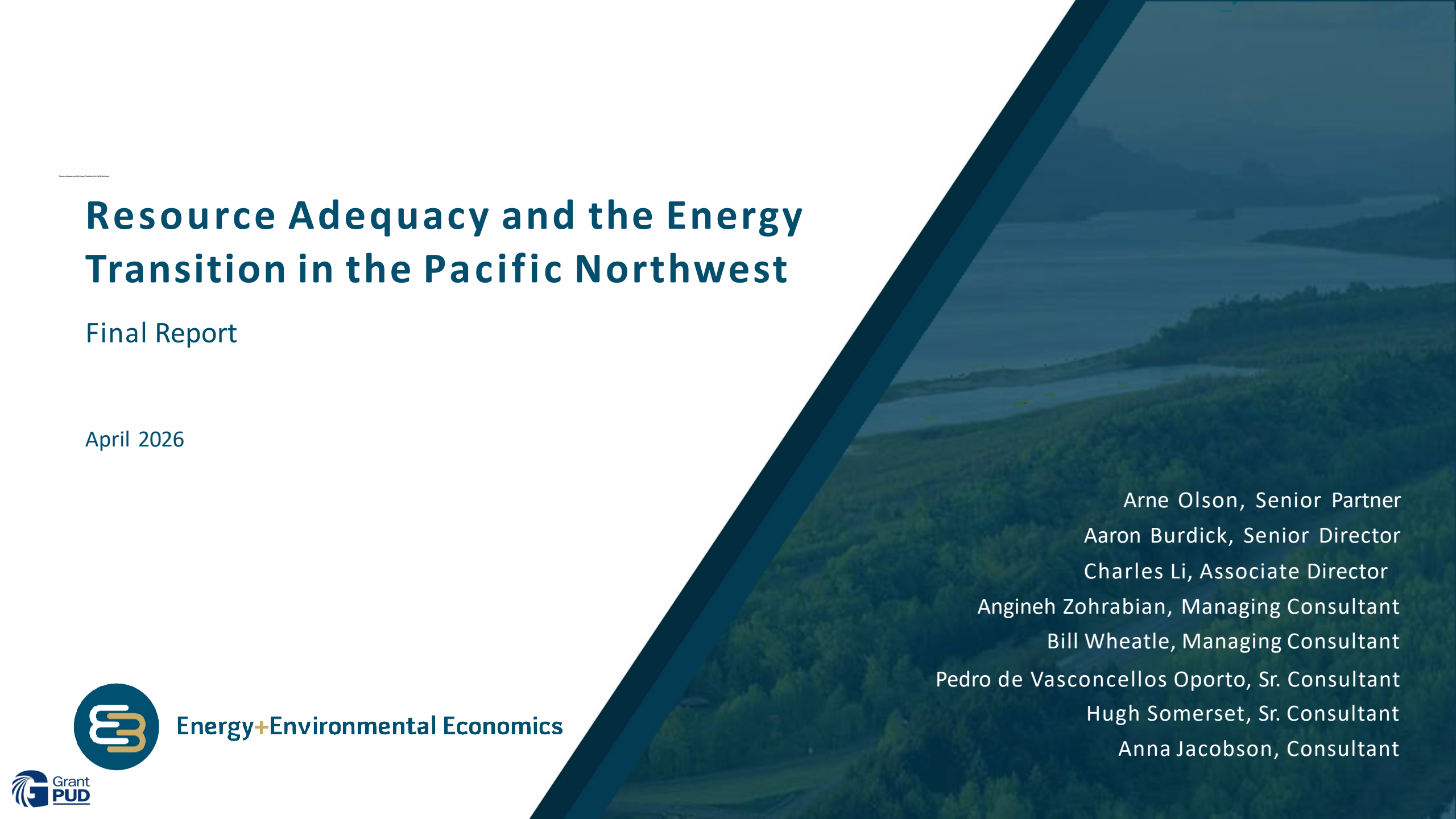
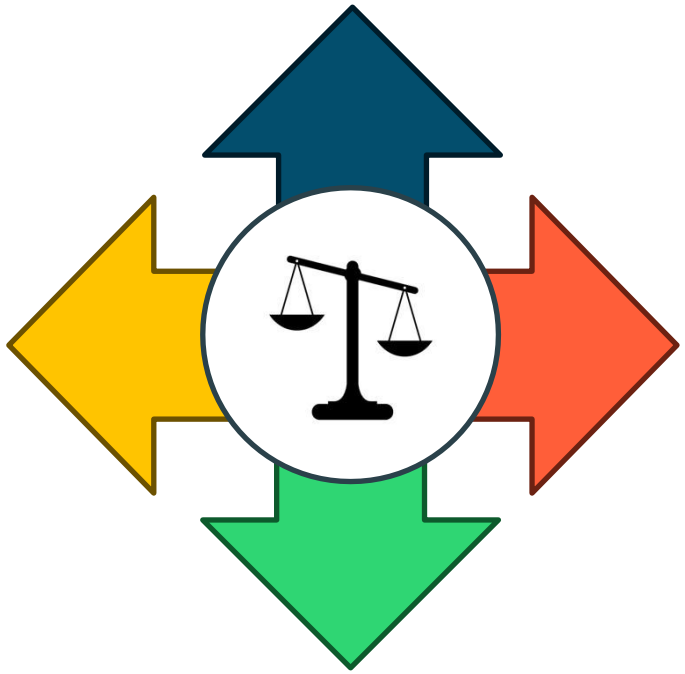


# The region faces a balancing act across key objectives

## Load Growth

Can the region build enough electricity infrastructure to support population growth, electrification objectives, and the economic benefits of large load development?



## Reliability

Can the region build new capacity fast enough to maintain acceptable levels of resource adequacy?

## Affordability

Can customer rate increases be minimized with the generation and transmission buildout necessary to support new loads and clean policy goals?

## Clean Energy

Can the region meet near-term clean energy policy goals amidst rising loads? Are new GHG-emitting resources needed to maintain reliability?

# Phase 1 Near-Term Resource Adequacy Assessment: Recommendations

1. **Consider demand management strategies that can address winter resource adequacy needs:**
   - Develop all cost-effective energy efficiency, with an emphasis focus on load reduction during cold snap conditions
   - Consider DR programs that could minimize risk to residential customers should load shed conditions emerge
   - Carefully manage large load interconnections to align timing with available generation
2. **Firm up imports:**
   - Work with WRAP and others to enhance the availability of firm import capacity into the region, particularly during winter
3. **Prepare for potential emergency conditions:**
   - Mobilize existing backup generation to be available to meet regional needs if necessary
   - Expand gas-electric operational coordination to minimize fuel disruptions during critical conditions
   - Re-evaluate hydro emergency operations during extreme cold weather events, especially under low hydro conditions
   - Prepare utility load shedding practices to minimize disruption during a load shed event
4. **Address barriers to new resource development:**
   - Mobilize state government resources to help avoid potential project delays
   - Continue BPA interconnection reforms and state level transmission planning support
   - Streamline permitting practices and proactive land use planning activities

# Phase 2 Long-Term Optimal Portfolio Evaluation: Recommendations (1 of 3)

1. **Continue to address barriers to new resource development**
   - Coordinated regional transmission planning to support proactive grid buildout and reduced interconnection challenges
   - Ensure policy support for the resources needed to meet reliability and clean energy needs
   - Continue to streamline resource permitting processes
2. **Address energy and capacity risks unique to the Pacific Northwest in regional programs**
   - Work with WRAP, NWPCC, WECC, and other regional organizations to ensure ongoing regional resource adequacy assessments appropriately capture the risk of energy shortfalls associated with low hydro conditions along with potential capacity shortfalls
3. **Consider strategic investments in new clean firm technologies**
   - Strategic investments in market transformation may help emerging "clean firm" technologies such as advanced nuclear, carbon capture and sequestration, enhanced geothermal, clean fuels or multi-day energy storage achieve commercialization
   - Policy actions should recognize the limited impact that Northwest entities alone are likely to have and leverage the potential for industry and geographical partnerships

# Phase 2 Long-Term Optimal Portfolio Evaluation: Recommendations (2 of 3)

4. **Ensure that regional planning efforts appropriately consider the growing need for new delivery capability into the I-5 corridor**
   - West-side needs are more difficult to serve due to geographic barriers; however electric loads are expected to continue to grow on the west side due to building and transportation electrification policies and new large loads on top of organic population and economic growth
   - West-side capacity needs can be met with demand management programs, new supply resources, and/or new transmission; regional planning efforts should consider the cost and environmental tradeoffs among all these options
5. **Develop a coordinated process to consider electricity and natural gas delivery needs**
   - Northwest consumers currently rely on both electricity and natural gas to meet heating needs during severe cold weather events; electric reliability during these events will be dependent on natural gas combustion for the foreseeable future
   - Increased policy focus on building electrification may exacerbate this dependence due to higher peak electric loads, requiring investment in new gas delivery capability
   - A coordinated planning process should identify the lowest societal cost solutions for meeting the needs of consumers across the combined electricity and natural gas systems

# Phase 2 Long-Term Optimal Portfolio Evaluation: Recommendations (3 of 3)

6. **Continue to support regional coordination and markets for energy, capacity, clean energy, and transmission**
   - Portfolio optimization modeling, including the conclusions of limited costs to reach 96% GHG reduction, assumes efficient and seamless regional markets
   - Organized regional wholesale energy markets support efficient commitment and dispatch
   - Organized regional capacity constructs capture load and resource diversity to reduce overall resource adequacy build requirements
   - Coordinated transmission planning is needed to identify new projects that support subregional resource adequacy needs and renewable energy interconnection and delivery
   - Regional clean energy markets support achieving clean energy policy goals at least-cost versus higher cost pathways where each utility is forced to meet its load with its own clean energy portfolio on an hourly basis

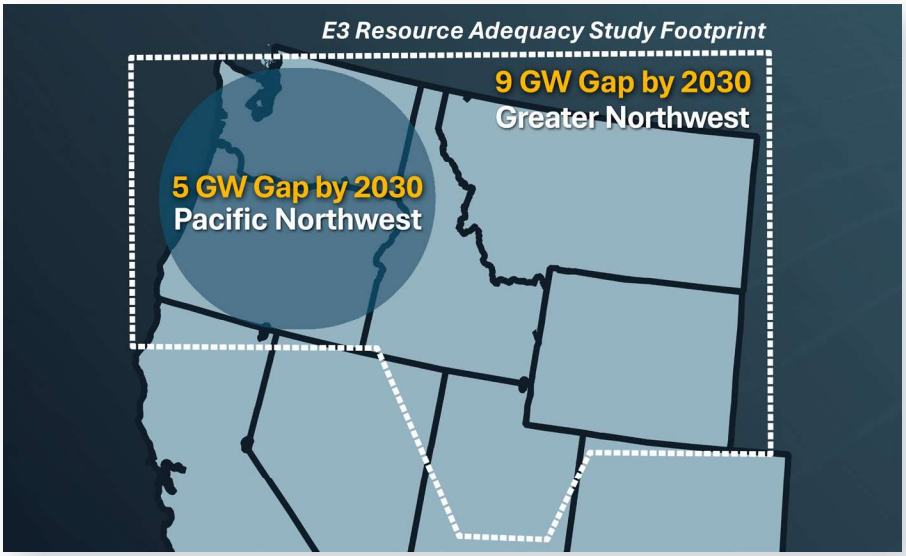
# Resource Adequacy and the Energy Transition in the Northwest

## Phase 1 Results: Summary and FAQ

*Updated March 2026*

## Background

A group of Pacific Northwest electric utilities and trade organizations—led by the Public Generating Pool (PGP) and Puget Sound Energy—commissioned a study by the respected consulting firm E3 to gain more information about the risk of power supply shortages in the region, today and into the future.




## Key Findings

The The Northwest faces an **elevated risk of power supply shortfalls,** which could lead to rolling blackouts in extreme conditions. There is a critical need to explore all options to address near-term risks while also advancing the development of new resources as quickly as possible.

## Additional Takeaways

**This study shows why the region is at risk.** The risk comes from a combination of rising electricity needs, retirement of firm generation, delays in building new resources, and many new resources not designed to produce power on demand. Shortfalls in our region are predicted to be most severe during winter cold snaps that occur during years with low river flow resulting in lower hydropower production.

**Demand for electricity is outpacing supply.** Electric demand is climbing, driven by data centers and the electrification of transportation and buildings. While overall electric supply is increasing, significant firm generation has recently retired and new resource additions are not keeping up with plans, **creating a widening gap that threatens near-term reliability and long-term growth.**

## STUDY SPONSORS

- Puget Sound Energy
- Public Generating Pool
  - Chelan Public Utility District
  - Clark Public Utilities
  - Cowlitz Public Utility District
  - Eugene Water & Electric Board
  - Grant Public Utility District
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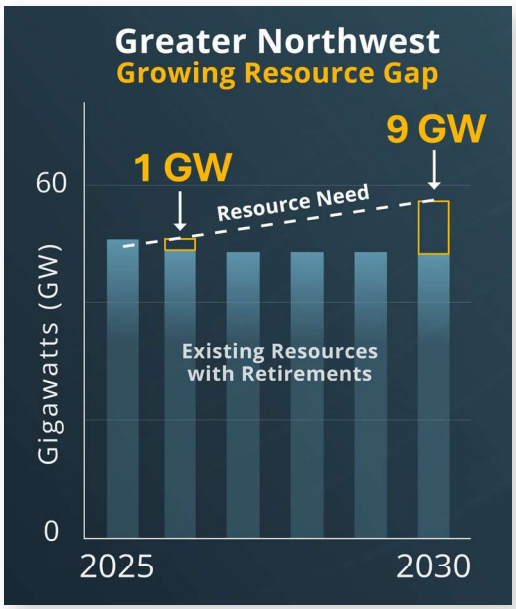
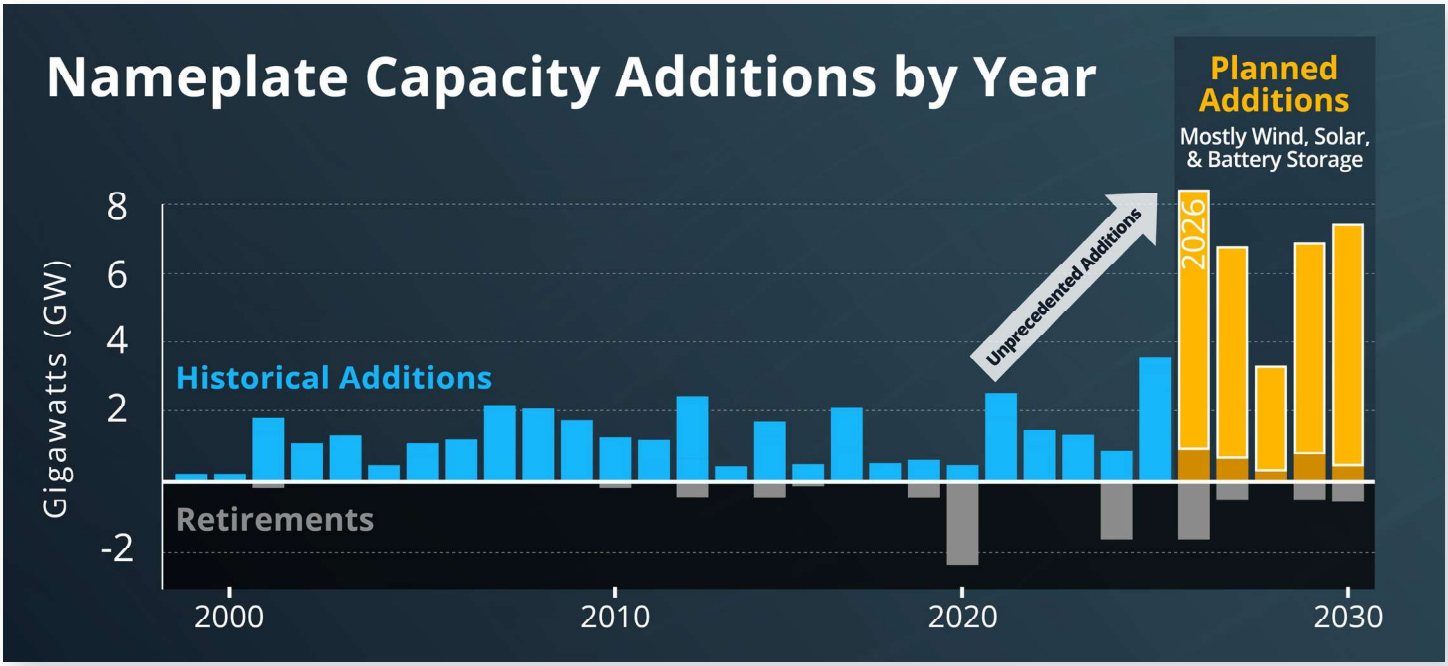
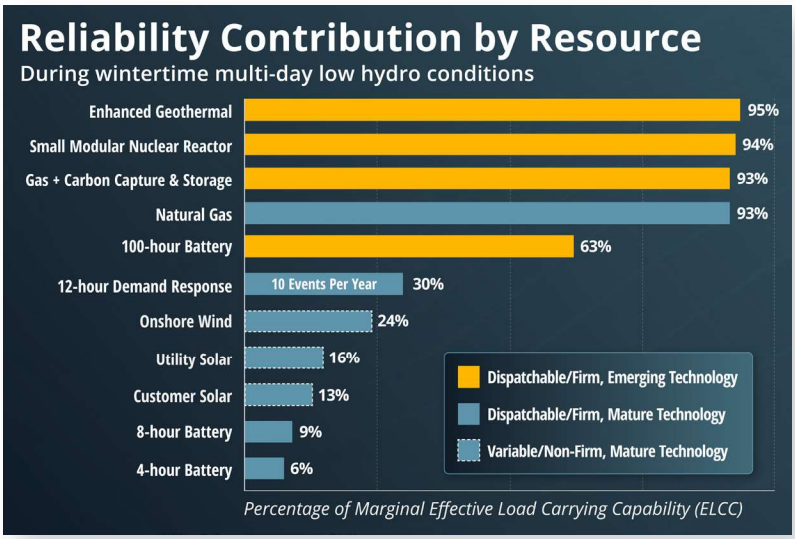


**Different energy resources play different roles.** Demand-response and energy efficiency reduce energy demand—and therefore the need for new builds—but can be challenging to implement and are unlikely to be sufficient alone. Weather-dependent resources like wind and solar provide valuable clean energy but cannot always produce power when needed most. Batteries can provide capacity for short periods of time but need energy to recharge. Natural gas plays a critical role as reliability backstop but requires winterization to run during cold conditions and is dependent on delivery infrastructure and fuel supply. Balancing these traits is critical to keeping the grid stable and adequate.




**Near-Term Action is Needed.** In the next five years, it is unlikely that sufficient capacity can be built to materially reduce the risk of energy supply shortfalls. This means that the region must:




- Develop demand-side management and load flexibilities tailored to the Northwest's reliability challenge
- Prepare for emergency conditions and evaluate emergency operating procedures
- Mobilize existing backup generation
- Firm up and/or enable additional imported energy from neighboring regions
- Expand gas-electric operational coordination to minimize fuel disruptions
- Ensure resources in progress are completed on time as planned
- Expedite and streamline permitting and interconnection processes for new generation and transmission

Long-term solutions are multi-faceted. While the challenges are serious, solutions exist:

- Energy efficiency and demand response reduce overall demand
- Wind and solar reduce emissions by displacing fossil production
- Natural gas plays a backstop role for reliability purposes
- Short-duration batteries play a key role over time in adding storage to the system
- New transmission is needed to deliver resources to constrained load centers
- Resources are needed specifically in constrained areas (e.g., West of the Cascades)
- Sequence electrification and align large load interconnection with available generation to help manage growth
- New clean firm technologies must be scaled to ultimately achieve 100% zero carbon

## Frequently Asked Questions

1. **Q. What is "resource adequacy" and why is it important?**
   A. Resource adequacy is the ability of the power system to meet customer demand 24/7/365, even under stressful conditions like extreme weather—it's the measure of whether we have "enough power when we need it."

2. **Q. How much of a power supply shortfall are we talking about?**
   A. The Greater Northwest study region faces a shortfall of roughly 8,700 MW of effective capacity by 2030—approximately the load of the state of Oregon, that grows to approximately 14 GW by 2035 and continues to grow through 2045. There are projects currently in active development that reduce the shortall to 5,600 MW by 2030.

3. **Q. What do other studies and assessments say about resource adequacy in the region?**
   A. As with all studies, E3's study is a product of the inputs and assumptions it used, and no study can predict the future. However, the conclusion that the Northwest is at elevated risk for a power supply shortfall is corroborated by several recent assessments and studies. These include the needs assessment of the Northwest Power & Conservation Council, assessments conducted by regional and national bodies responsible for reliability, and an independent review of E3's initial shortfall findings. While these assessments may reach differing conclusions regarding the exact magnitude and nature of the challenge, they commonly conclude that resource adequacy is increasingly at risk in the Northwest.

4. **Q. Is this problem overblown since the forecasted demand is data center load which might be speculative?**
   A. No. For load scenarios used in the study, E3 benchmarked load growth with the Northwest Regional Forecast, which is an annual forecast collecting and aggregating data from utilities in the region. In recent surveys utilities in the region indicated that data centers incorporated into load forecasts are generally in advanced stages of commitment and should not be considered speculative. In addition, the supply gap is caused by other drivers of load growth as well as recent resource retirements.

5. **Q. Instead of building new resources, can we rely on imports from other regions to fill the gap?**
   A. The study assumes about 3,750 MW of firm imports, which is only about 8% of needs. Transmission bottlenecks and competing demand limit how much more we can count on. That said, working on firming up or enabling more imported energy during emergencies is a key near-term strategy.

6. **Q. Can we rely on short-duration batteries to solve this problem?**
   A. Batteries are valuable for multiple purposes, including local grid stability and providing capacity in short spans, but, according to the study's findings, they cannot provide the same reliability value as resources that can run continuously through a multi-day winter event. A better understanding of battery interplay with the Northwest's unique hydro system may be useful to determine whether batteries could play a greater reliability role in the future.

7. **Q. Can we turn off data centers in emergencies to solve this problem and protect residential customers?**
   A. The study does not explicitly consider demand-side programs that would cut off data centers or incorporate large load flexibility in specific ways. This is because such programs are nascent, and not enough information is known about how confident we can be that this approach can be counted on during a winter cold snap. Further exploration of this type of program is warranted to better understand the role that data centers can play in contributing to a multi-faceted solution set.

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[1] https://nwcouncil.app.box.com/s/0leja77ufo5y73bmymcj4ruev46dfy32 (see Draft Needs Assessment Results slide 32)
[2] North American Electric Reliability Corporation January 2026 Long-Term Reliability Assessment (https://www.nerc.com/globalassets/our-work/assessments/nerc_ltra_2025.pdf) & Western Electricity Coordinating Council 2025 Western Assessment of Resource Adequacy (https://feature.wecc.org/2025wara/index.html)
[3] https://gridlab.org/portfolio-item/pnw_nearterm_winterra/ (Finding that winter resource adequacy challenge depends strongly on future load growth and that winter capacity needs in 2030 range from 1 GW to 4.9 GW after accounting for coal-to-gas conversions and resources in development)
[4] The Northwest Regional Forecast is produced by the Pacific Northwest Utilities Conference Committee—PNUCC for short—and is available here: https://www.pnucc.org/system-planning/northwest-regional-forecast/

8. **Q. What does the study conclude is needed to fill the supply gap?**
   A. The study demonstrates a significant resource need in the short- and longer-terms that may accelerate in later years to accommodate high electrification futures. In all scenarios, including where no GHG policy is applied, the study model selects primarily a combination of new wind, solar, and natural gas through 2035 with short-duration batteries added in the longer-term horizon through 2045. When emerging technologies are enabled in 2040, the model continues to select wind, solar, and batteries along with a combination of small modular nuclear, clean fuel combustion turbines, and carbon capture.

9. **Q. Does it matter where in the region new resources are built?**
   A. Yes. The new renewable resources potential is driven by where the resource is built. The highest potential for wind and solar is in the Central West, in states like Montana and Wyoming, and transmission constraints make it hard to bring in power from that region. New regional transmission corridors can deliver resources to load centers; however, this transmission typically takes decades to build and is not anticipated to be available until 2040, absent significant acceleration. In the meantime, local resources are needed in Washington and Oregon, particularly West of the Cascades.

10. **Q. Isn't the Western Resource Adequacy Program (WRAP) supposed to solve this?**
    A. WRAP sets common standards across the West, which is critical for verifying resource adequacy requirements for participants and enabling capacity sharing across the program footprint. However, it does not address the many barriers to interconnecting, sourcing, siting, and permitting new resources.

11. **Q. What does the study say about how much all of this is going to cost?**
    A. From an assumed average residential retail rate of ¢11/kWh in 2025, the study concludes that rates will go up 2-3 cents/kWh by 2035 and another 3 cents/kWh by 2045 in the absence of any greenhouse gas policies. Achieving clean energy goals, modeled as a 96% reduction in greenhouse gas emissions from 1990 levels by 2045, is achieved with about a 1 cent/kWh increase over a future with no clean policy goals. Importantly, these cost estimates are a regional average and do not reflect the varying size, resource portfolios, load and demand shape, and other cost drivers of individual utilities. Utility rate changes may vary significantly across the region depending on individual portfolios and circumstances.

12. **Q. What about getting to 100% clean energy?**
    A. The study shows that, with existing technologies, deep decarbonization levels (90-95% reduction from 1990 levels) are achievable within the estimate of the social cost of carbon. Getting the remaining fraction of emissions out of the system is another story—in the absence of a mature new technology this last fraction will cost well up to 30-50 times that social cost. In other words, once the region has eliminated all but the last 4% of carbon from the power system, the cost of removing each incremental ton becomes an order of magnitude higher than the society-wide benefit of doing so. Over the longer term, successfully deploying at least one type of "clean firm" technology (such as advanced nuclear or enhanced geothermal) can reduce the cost of eliminating the final portion of emissions.

13. Q. Why is natural gas being added even in scenarios where clean energy targets are met?
    A. Natural gas plays an important role in the energy transition—it supports renewable energy by acting as a reliability backstop and avoids very costly alternatives for ensuring reliability while we anticipate the availability of new technology. Continued investments are needed, even if plants must retire early or convert to zero-carbon fuel. Importantly, using gas to preserve reliability and avoid expensive alternatives does not come at the expense of achieving emissions reductions. Over time, as more renewables are added to the system, gas plants are used less often and eventually only in rare circumstances. By the end of the study period, they are essentially on standby, operating only 2% of the time.

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[5] The social cost of carbon is the monetary value of the net harm to society from emitting a metric ton of that GHG into the atmosphere in a given year. https://www.epa.gov/system/files/documents/2023-12/epa_scghg_2023_report_final.pdf