

Kirk Hudson, General Manager

April 28, 2025

# CHELAN PUD STRATEGY PARTNERS



CHELAN COUNTY

# 2025 Bridge Year Strategic Goals

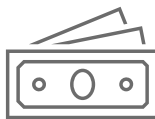
1



## ASSETS & PEOPLE

Invest in assets and people and seek industry top-quartile performance for hydro generation, retail reliability, and safety while improving our customer service technology

2



## FINANCE

Sustain financial resiliency while mitigating the risk of large retail increases

3



## QUALITY OF LIFE

Enhance the quality of life in Chelan County through programs that distribute the benefits of public power

4



## GROWTH PLANNING

Engage in countywide growth planning and job creation efforts while ensuring the District's rates and policies remain stable and predictable

# Strategic Plan – Goal #1

Invest in assets and people:

Major Actions Supporting Goal # 1	Objectives supporting Goal # 1		
<ul style="list-style-type: none"><li>• Hydro re-investment</li><li>• Distribution system reliability</li><li>• Advance wildland fire mitigations</li><li>• Relicense Rock Island hydro</li><li>• Advance human and organizational performance (H&amp;OP)</li><li>• Customer technology</li></ul>		Target	Actual
	Hydro capability	77% (Q1)	77% (Q1)
	Electric service reliability (SAIDI)	≥ 74-82 (YE)	93.5 (March 1)
	H&OP training for leadership/craft Target = 75%		

# Strategic Plan – Goal #2

Sustain financial resiliency, while mitigating large rate increases:

Major Actions Supporting Goal # 2	Objectives supporting Goal # 2		
		Target	'25 Forecast
	Liquidity	> \$225M	\$396M
	Combined debt coverage	> 2.0x	4.1x
	Debt ratio	< 35%	10.3%
	Days cash on hand:	> 150	305
<ul style="list-style-type: none"><li>• Long-term rate planning</li><li>• Ratings affirmed in 2024<ul style="list-style-type: none"><li>• Fitch AA+, Moody's Aa2, S&amp;P AA+</li></ul></li><li>• Financial metrics<ul style="list-style-type: none"><li>• Supports resiliency</li></ul></li><li>• Long-term marketing strategy</li></ul>			

# Strategic Plan – Goal #3

Enhance quality of life through Public Power Benefits:

Major Actions Supporting Goal # 3	Objectives supporting Goal # 3
<ul style="list-style-type: none"><li>• Broadband expansion</li><li>• Riverfront Park</li><li>• Electric Avenue</li></ul>	<ul style="list-style-type: none"><li>• Fiber Premises Passed:<ul style="list-style-type: none"><li>• 2025 Target 8800</li><li>• Actual YTD 7527</li></ul></li><li>• Open Riverfront Park improvements to the public</li><li>• Issue 2,500 day use park passes</li><li>• Reach substantial completion on Electric Avenue</li></ul>

# Strategic Plan – Goal #4

Engage in countywide growth planning:

Major Actions Supporting Goal # 4	Objectives supporting Goal # 4
<ul style="list-style-type: none"><li>• Large load framework</li><li>• Wildfire risk reduction</li><li>• 5<sup>th</sup> Street campus</li><li>• Develop 2025 Integrated Resource Plan (IRP)</li><li>• Confluence Parkway</li></ul>	<ul style="list-style-type: none"><li>• Complete Phase 1 work at Jumpoff Ridge and execute power supply contract</li><li>• Hire program manager for large loads</li><li>• Hire program manager for wildfire risk</li><li>• Decision on demolition of former HQ building</li><li>• IRP approved by Board</li></ul>

# Strategic Visioning

Enterprise Alignment:





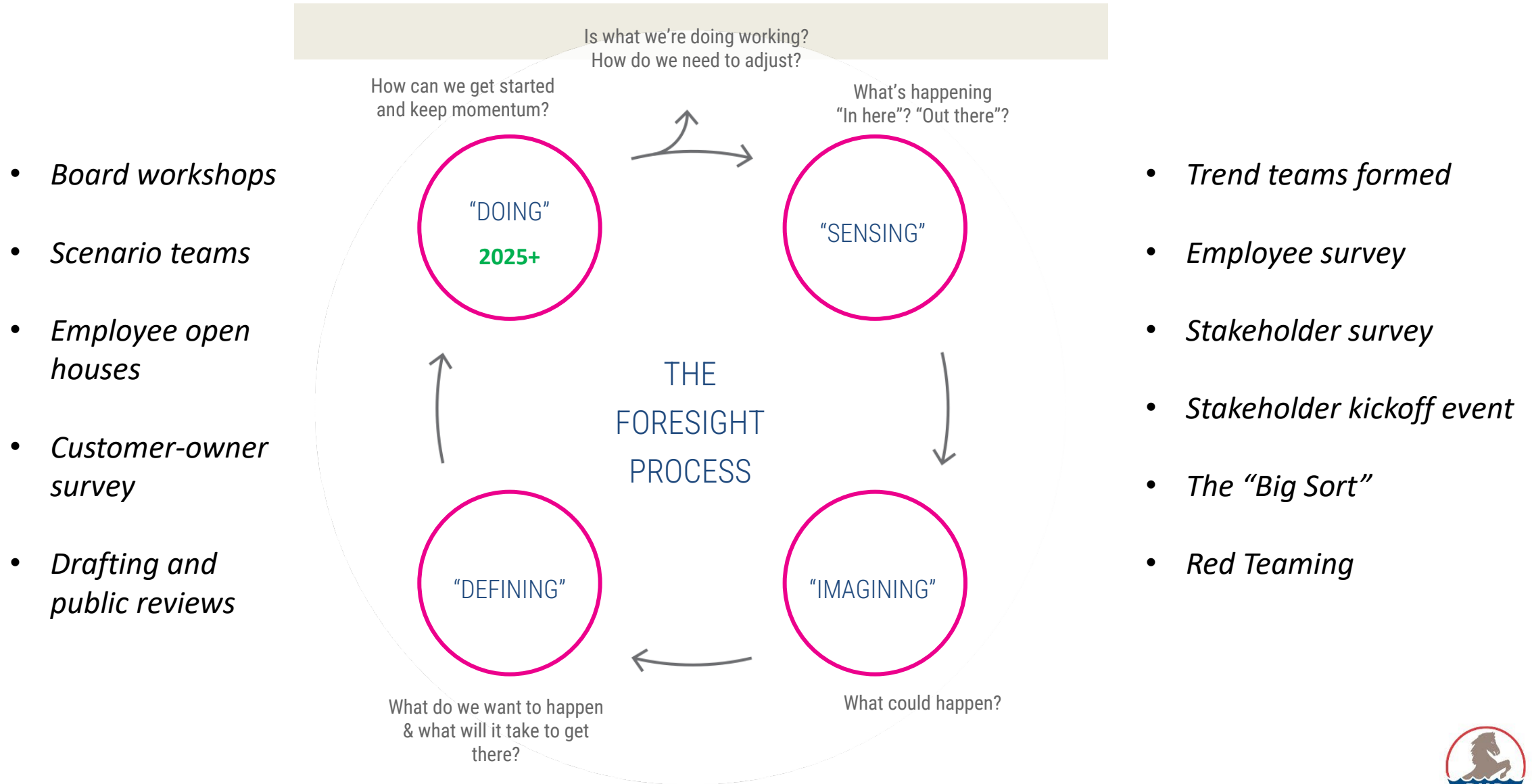
# IMAGINE 2075

*A 50-year visioning process*



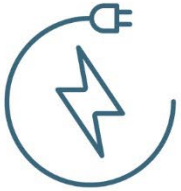


# The Process



# TOP TRENDS AFFECTING THE CHELAN PUD BASED ON THE BIG SORT

**INCREASING  
DEMAND FOR  
ELECTRIC ENERGY**



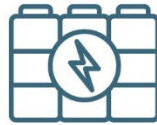
TECHNOLOGY

**INCREASING  
ELECTRICITY LOAD**



TECHNOLOGY

**INCREASING  
ENERGY STORAGE  
DEMAND & OPTIONS**



TECHNOLOGY

**ELEVATED  
CYBERSECURITY  
RISK**



TECHNOLOGY

**INCREASING  
WILDFIRE  
FREQUENCY &  
SEVERITY**



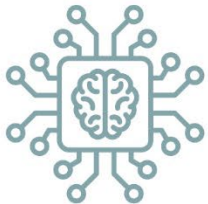
ENVIRONMENT

**INCREASING  
EXTREME  
WEATHER EVENTS  
& IMPACTS**



ENVIRONMENT

**GROWING USE  
OF ARTIFICIAL  
INTELLIGENCE**



SOCIETY

**INCREASING  
RECOGNITION FOR  
DIVERSIFIED  
RENEWABLE  
GENERATION  
PORTFOLIO**



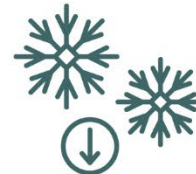
TECHNOLOGY

**INCREASING  
DEMAND FOR  
MUNICIPAL WATER**



ENVIRONMENT

**DECREASING  
SNOWPACK IN  
COLUMBIA AND  
CHELAN BASINS**



ENVIRONMENT

**CHANGING  
LONG-TERM  
MARKETING  
STRATEGY &  
SURPLUS  
ENERGY SALES**



ECONOMY

**INCREASING STATE  
AUTHORITY FOR  
PUBLIC POWER**

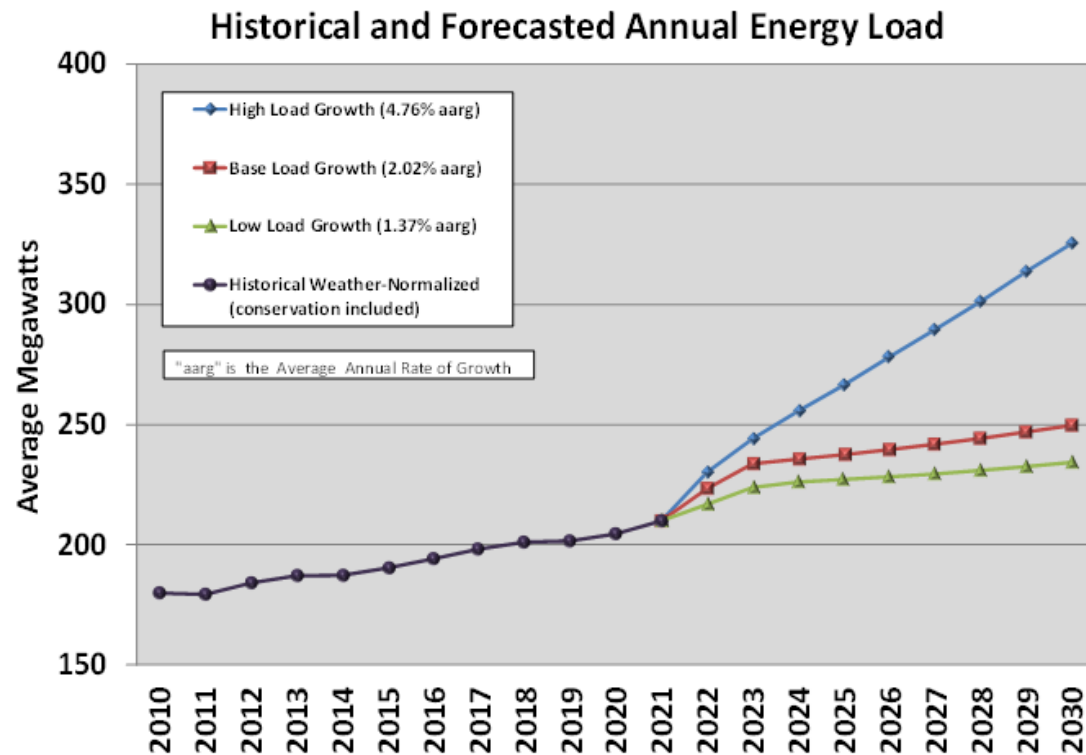


POLITICS

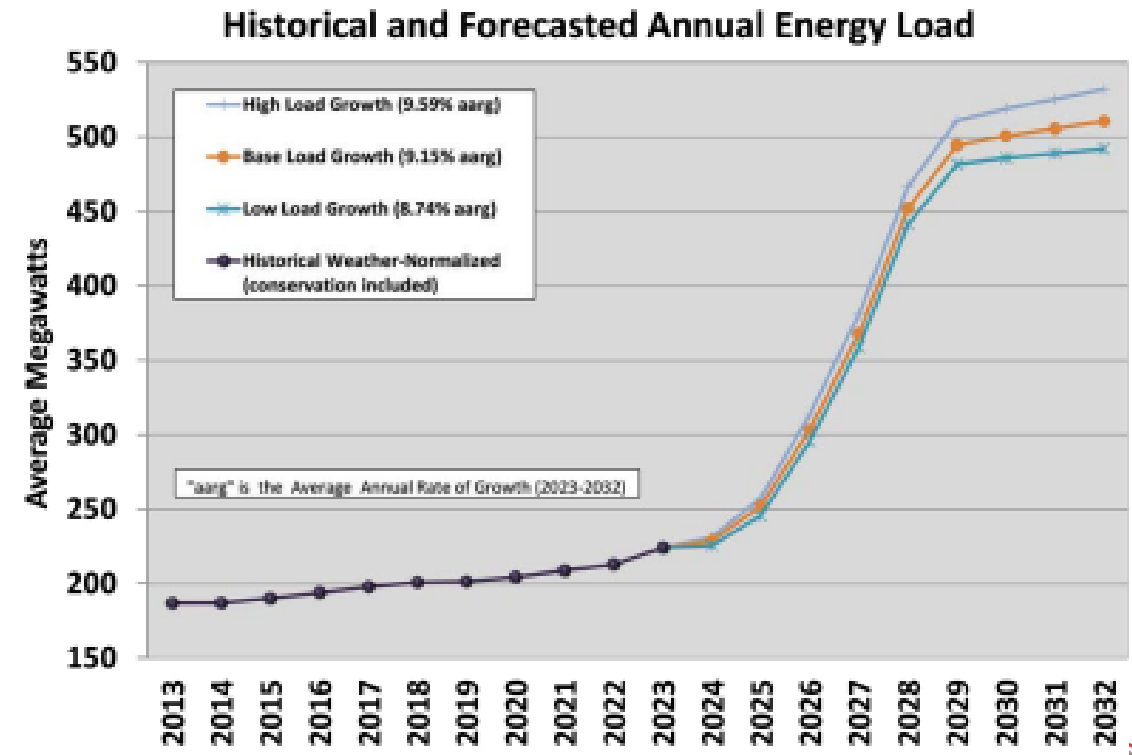


EXPONENTIALLY INCREASING  
VOLUME & VELOCITY  
OF CHANGE

## 2021 Integrated Resource Plan



## 2023 Integrated Resource Plan



# Focus Area – Prioritization

## CUSTOMER-OWNER SURVEY: VOTING RANK & WEIGHT

Invest in equipment, people, and technology to make Chelan PUD's services more resilient

Make sure energy and water are available for future generations, even if it costs more

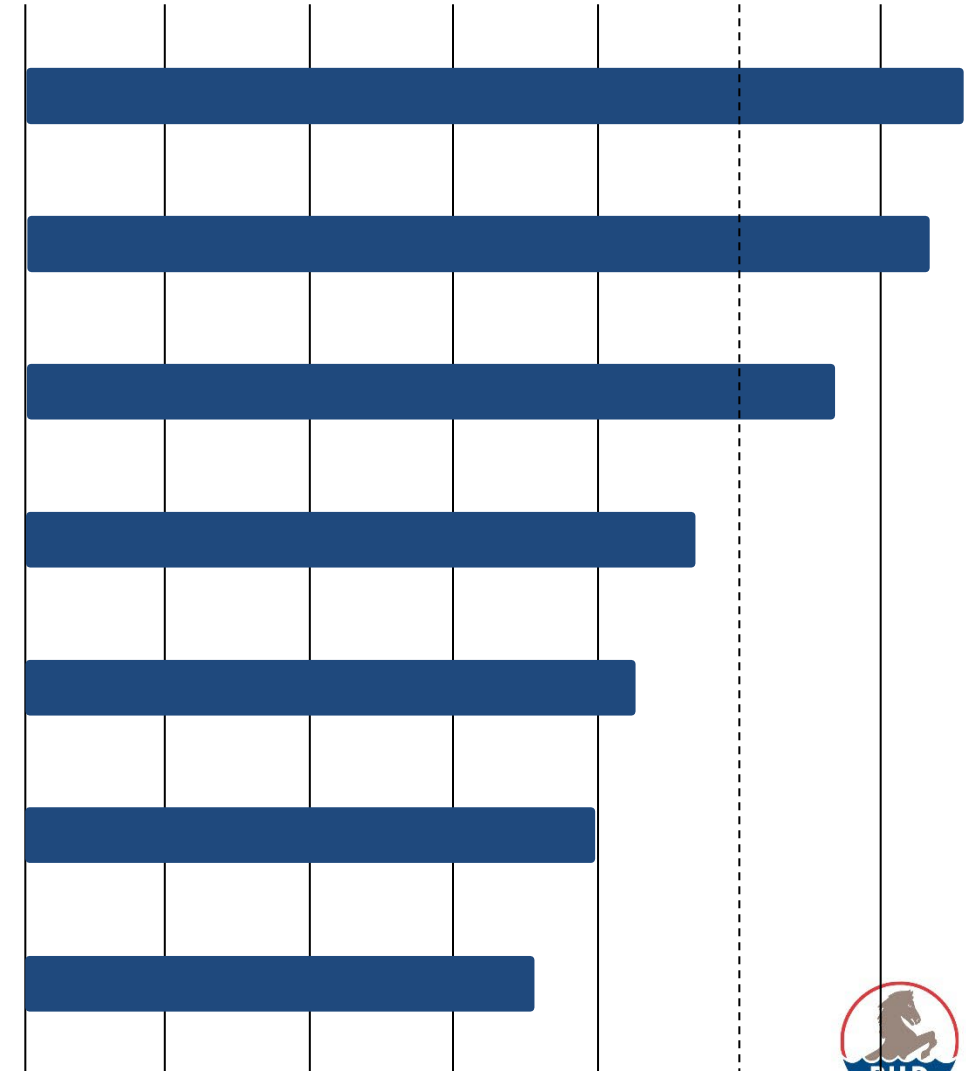
Invest in clean energy sources to support future community needs

Keep the public informed and involved by sharing details and collaborating with them

Strengthen partnerships with governments, community organizations, and others to support a high quality of life

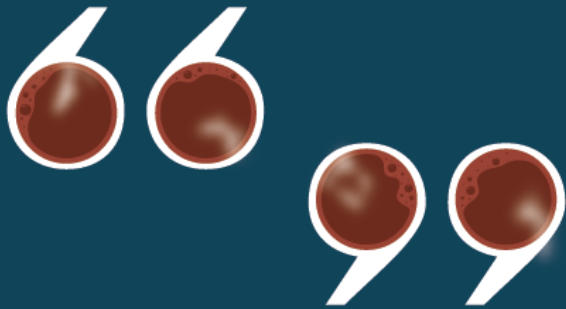
Be bolder in exploring opportunities (including some with higher risks) that could benefit Chelan County in the long run

Develop a more effective way for the PUD to make decisions





# Nine Key Goals



## COMMUNITY POWER

Keep the public informed and involved by sharing details and collaborating with them.



## PARTNERS IN SUCCESS

Strengthen partnerships with governments, community organizations, and others to support a high quality of life.

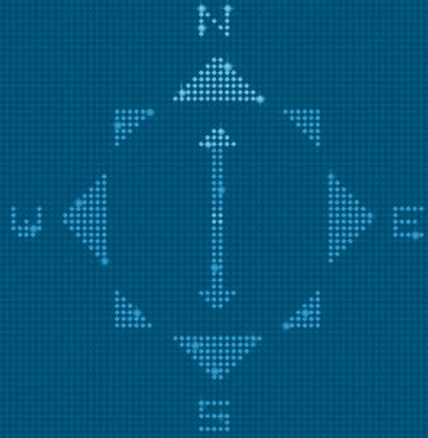


## ENERGY & WATER FOREVER

Ensure energy and water are available for future generations, even if they cost more.



# Nine Key Goals



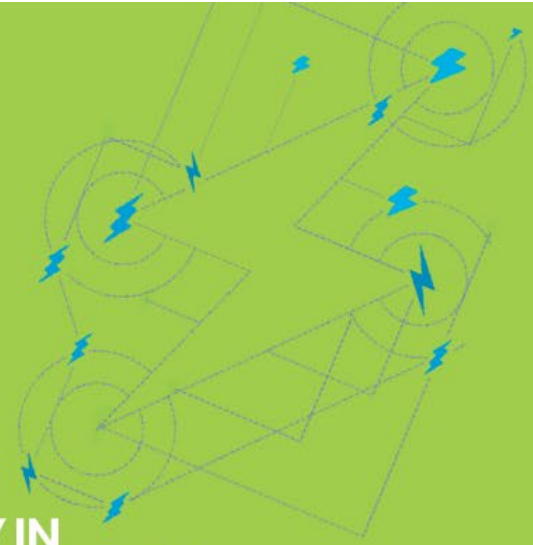
## LEAD WITH PURPOSE

Board provides proactive guidance for long-term goals.



## CAN DO!

Build a strong workforce where we help each other succeed.



## FLY IN FORMATION

Align purpose, culture, and operating rhythm to work together.

# Nine Key Goals



## HARNESS THE POWER FRONTIER

Invest in clean energy sources to support future community needs.



## BEND DON'T BREAK

Invest in equipment, people, and technology to make Chelan PUD's services more resilient.



## FUTURE FACING

Boldly act on opportunities that can benefit Chelan County residents in the long run.





# VISION

what we strive to be/do

**Current:** In a rapidly changing utility environment, we will provide: the best value for the most people for the longest time.

**Proposed:** Create bold, enduring value for future generations

# MISSION

what we strive to be/do

**Current:** To enhance the quality of life in Chelan County by providing sustainable, reliable utility services.

**Proposed:** Provide essential services to empower the community



# Implementation

*Operationalizing the plan will be equal parts art and science*



**QUESTIONS?**





**Thank you!**

