Quarterly Energy Resources Review

for the quarter ended Sept 30, 2026





November 2, 2026

Jeff Johnson

P.U.D.
CHELAN COUNTY

What We Will Cover Today

- Western power markets update
- Operations and planning

Update only, no action required

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Changes in the Western Power Market

Western Resource Adequacy Program (WRAP)

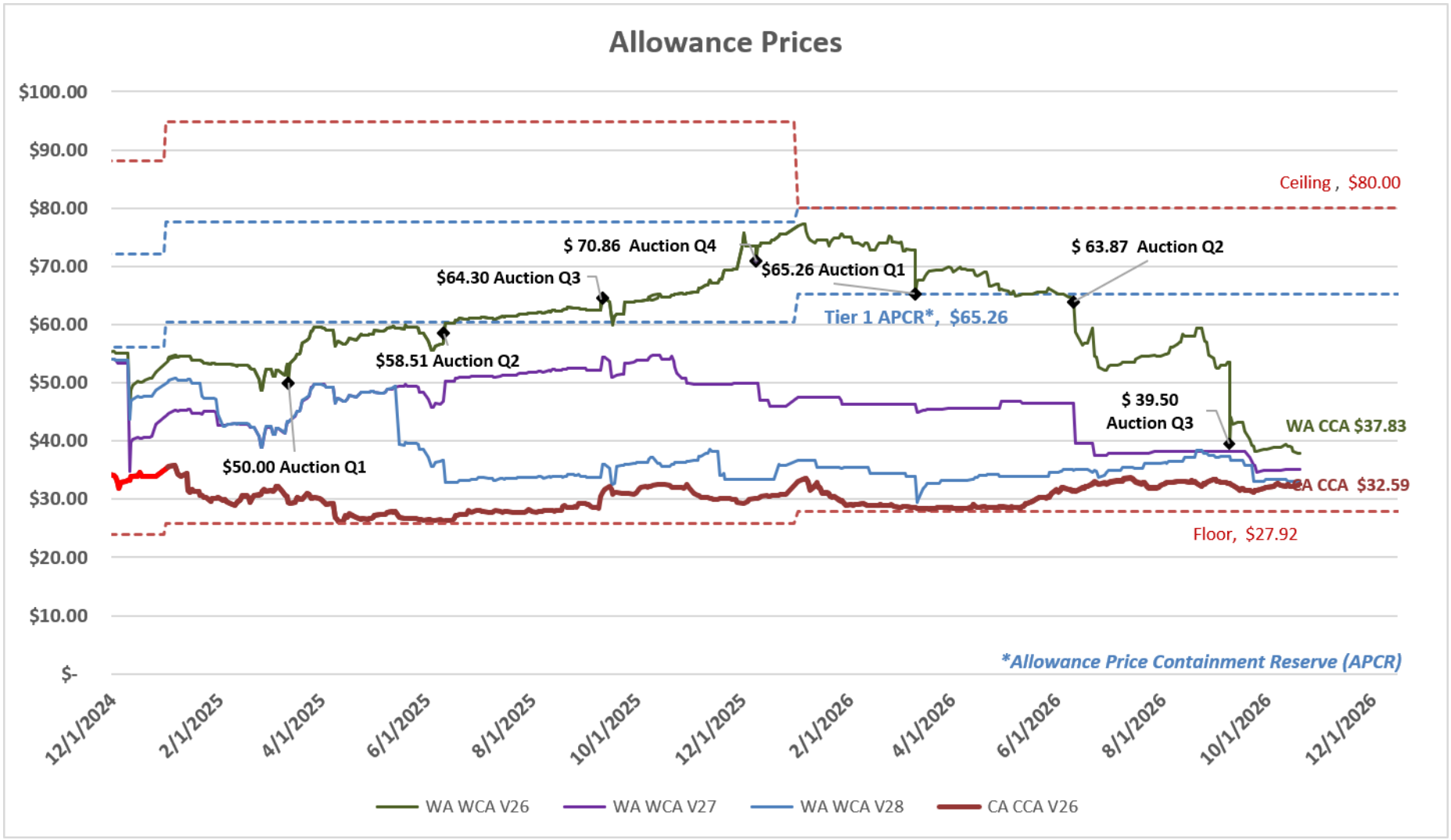
- First WRAP binding period winter 2027/2028
- Requirement of Markets+

Southwest Power Pool (SPP) Markets+

- Chelan has signed Phase 2 funding for Markets+ but has not taken affirmative action to join. Wave 2 "go-live" is October 1, 2028 but could very likely get pushed out.
- Bonneville signaled it is re-evaluating its 2025 Organized Market decision
- Bonneville expected to release decision at the end of Q4, 2026

Washington Climate Commitment Act (CCA) linkage in 2027 with California and Quebec markets

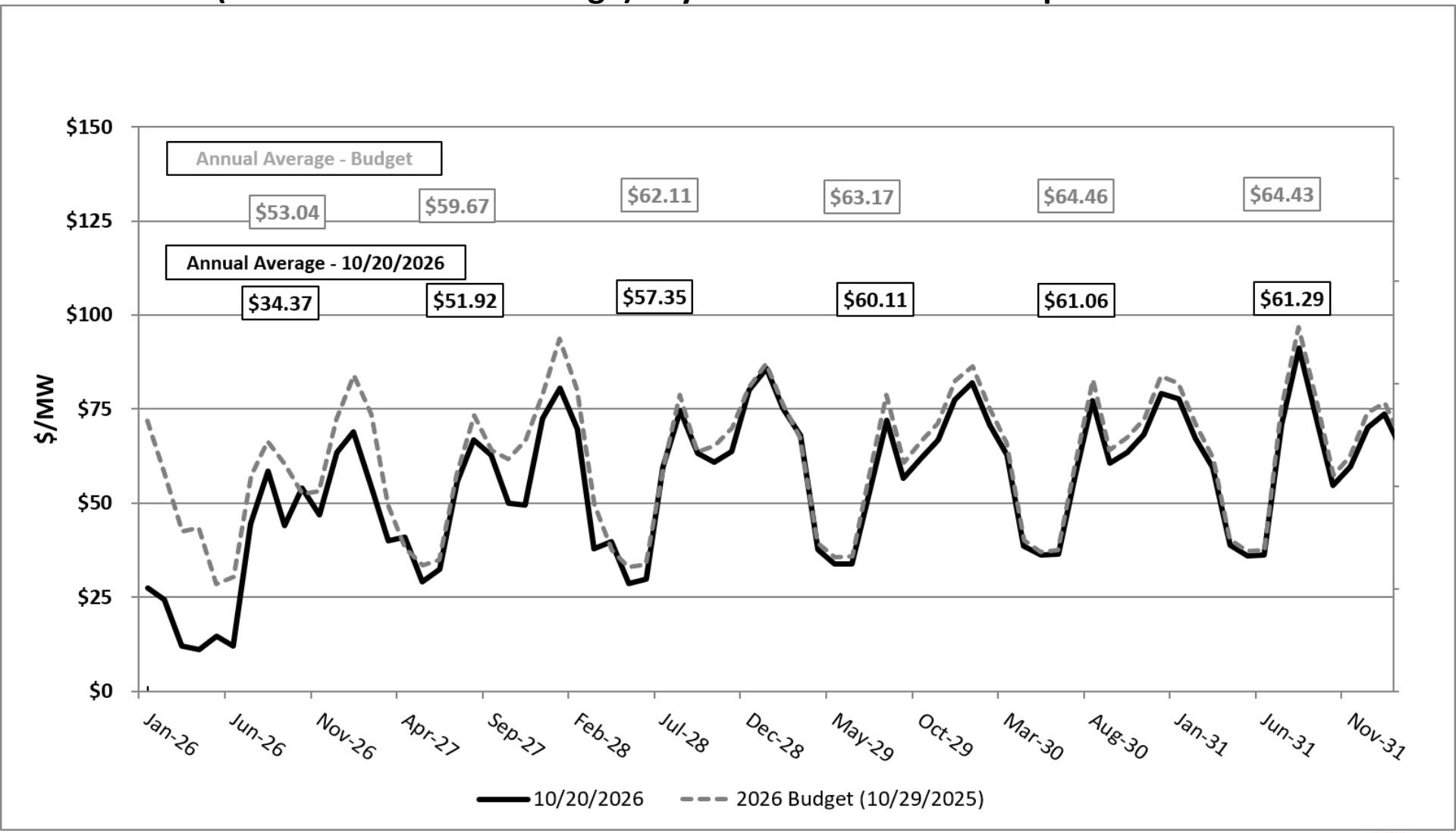
WA Climate Commitment Act (CCA) Allowances



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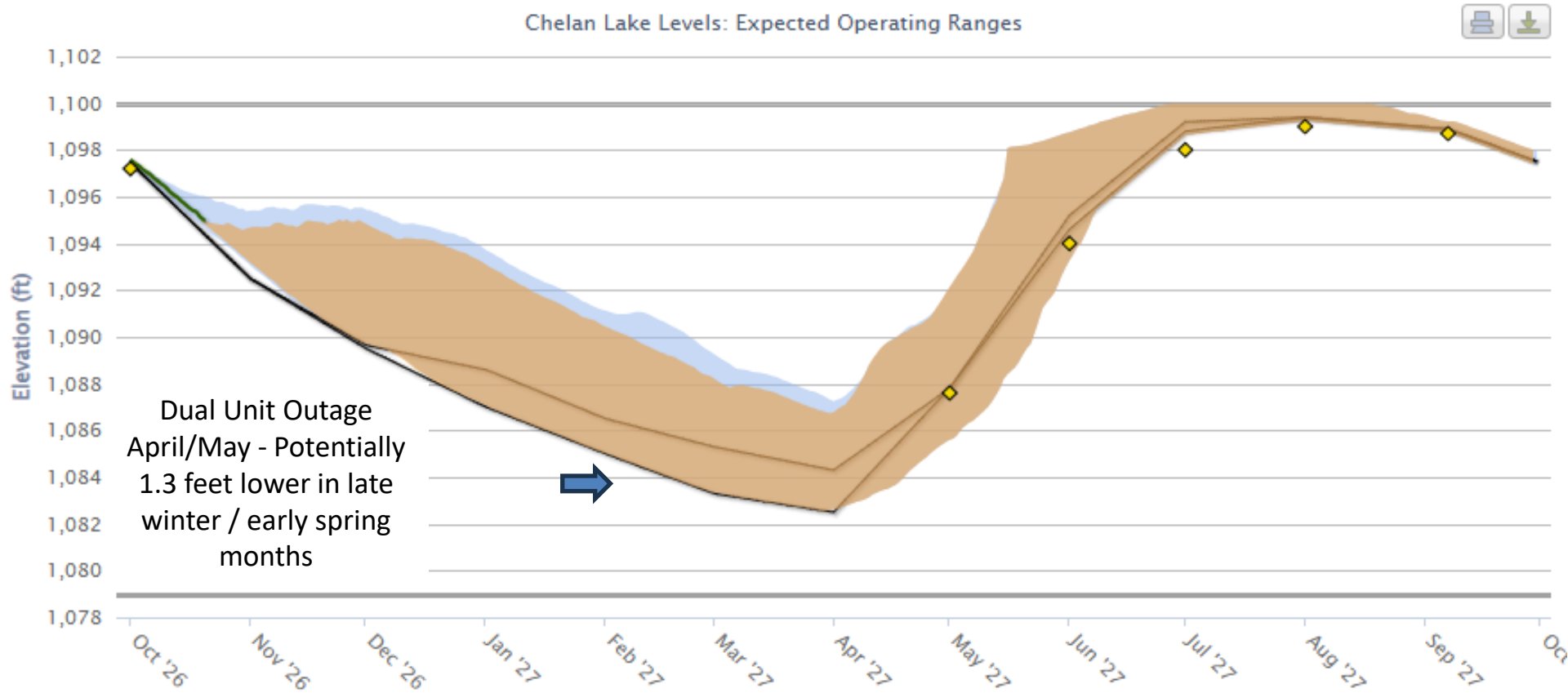
Mid-C Flat forward price curve

ICE (InterContinental Exchange) day-ahead MIDC index for previous months



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Lake Chelan Level Graph



Q3 2026 Key Highlights

- Market Price & Water Supply Forecasts
  - ICE Forward Price Curve recovering, but 2026 average price is down ~$18/MWh from budget
  - New water supply forecast for 2027 - strong El Nino expected
  - CCA Linkage has depressed WA allowance pricing
- Western Organized Markets
  - Uncertainty on organized market participation following BPA's reopening of their 2025 market decision
  - Proactively evaluating implications of BPA's potential market decision