

Quarterly Energy Resources Review

for the quarter ended December 31, 2023



February 20, 2024

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What We Will Cover Today

- Wholesale and energy-related revenue update
- Western power markets update
- Operations and planning

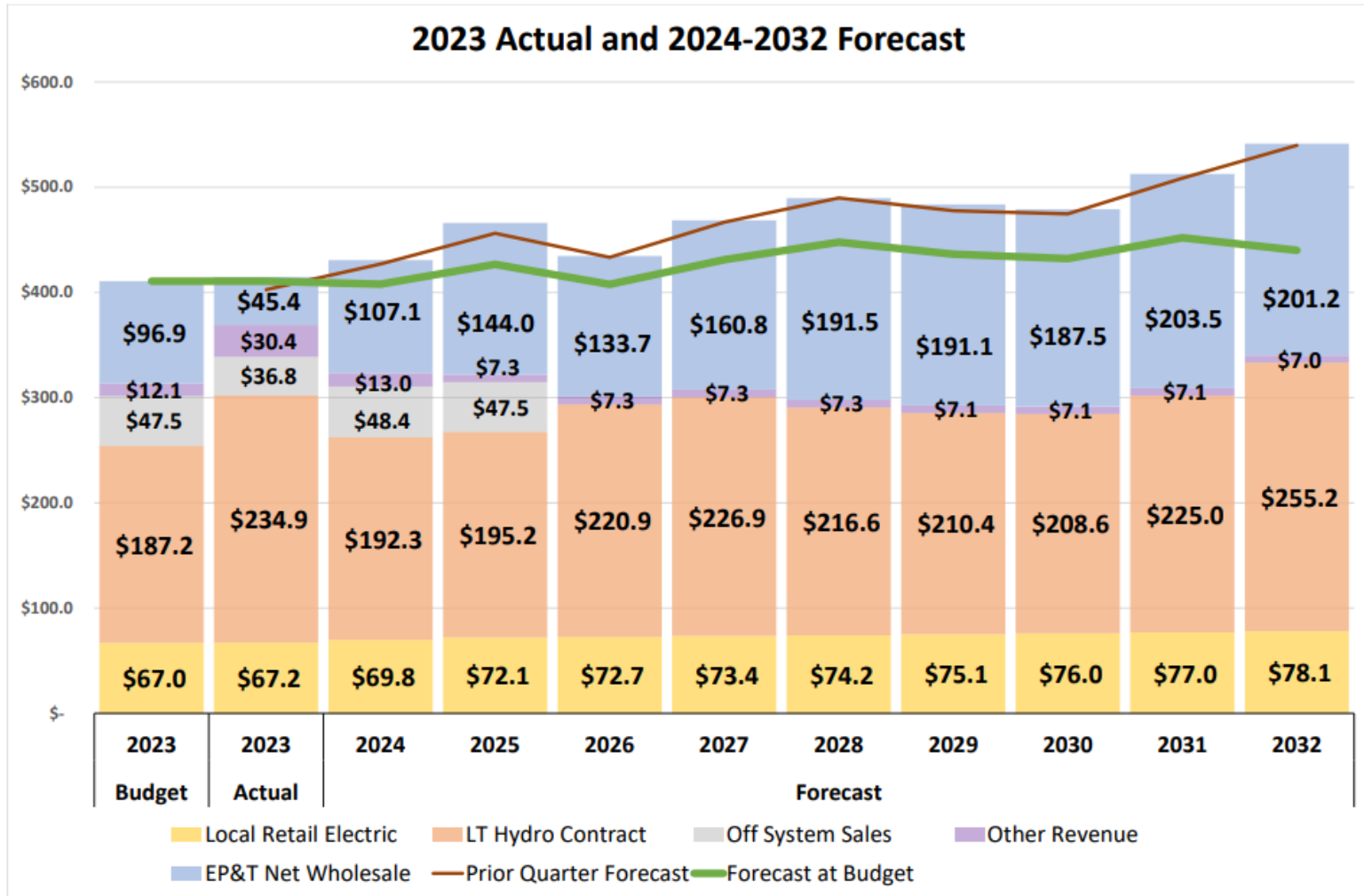
Update only, no action required

Appendix: Additional detailed information not covered today

Key Highlights

- Below average water year in 2023
 - NWR and other Energy-Related Revenue was \$175M (\$18M better than budget)
 - Lower wholesale electricity prices, lower generation (below average water), and higher electric loads
 - Rocky Reach inflow averaged 75% of avg
- Climate Commitment Act (CCA)
 - Q4 Auction took place on December 6, 2023, with a settlement price of \$51.89/metric ton
 - Allowance prices trading near \$32/metric ton of CO₂e on secondary market as the California linkage bill and WA Initiative weigh on secondary prices
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- Day-Ahead Market Initiatives
 - SPP Markets+
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 - Pathways Initiative meetings

Electric Revenues Forecast - \$ Millions



Other Revenue includes Real Time, LT Contract admin fees, frequency response and load shedding, renewables, carbon allowance auction proceeds, and scheduling.

2023 NWR and Other Energy-Related Revenue

(\$ Millions)

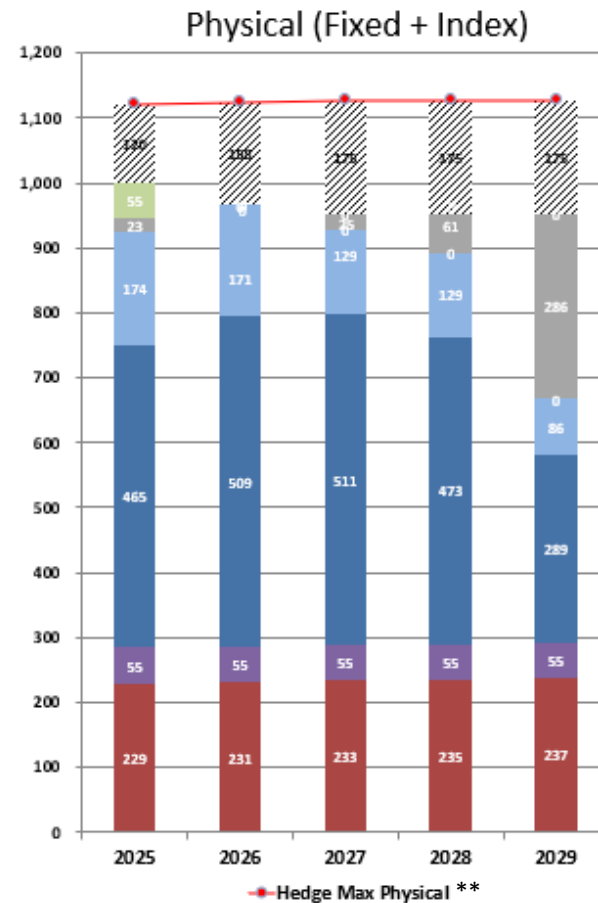
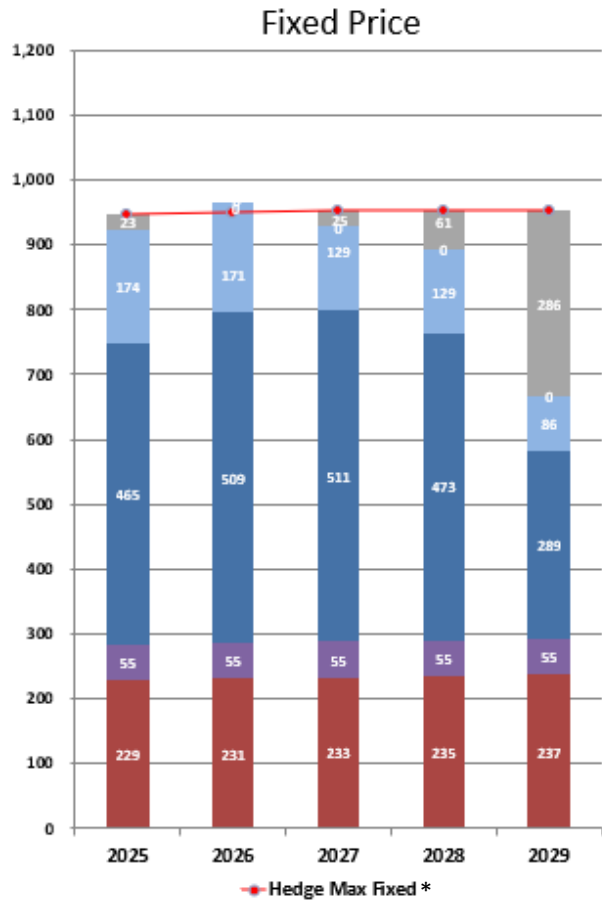
	Budget	Actual [1]	Variance
EP&T Net Wholesale Revenue (NWR)			
Energy Sales/Purchases	\$ 83.7	\$ 32.3	\$ (51.4)
Specified Source Premium	\$ 13.3	\$ 10.9	\$ (2.4)
Renewables - Bundled	\$ -	\$ 2.3	\$ 2.3
NWR Sub-total [2]	\$ 96.9	\$ 45.4	\$ (51.5)
Off System Sales			
Off System end use sales	\$ 47.5	\$ 36.8	\$ (10.7)
Other Energy-Related Revenue			
LT Power Contract- Retained Surplus	\$ -	\$ 62.6	\$ 62.6
LT Power Contract- Admin Fees	\$ 3.4	\$ 4.0	\$ 0.6
Frequency Response & Load Shedding	\$ 1.2	\$ 1.2	\$ -
Other [3]	\$ 0.4	\$ 10.0	\$ 9.6
Renewables - Unbundled	\$ 0.1	\$ 1.0	\$ 0.8
Real-Time Revenue	\$ 7.0	\$ 14.2	\$ 7.2
Other Energy-Related Sub-total	\$ 12.1	\$ 92.9	\$ 80.8
NWR and Other Energy-Related Revenue	\$ 156.5	\$ 175.1	\$ 18.6

[1] 2023 Jan - Dec Actual "Unaudited"

[2] NWR includes PWX specified source sale/full requirements purchase and transmission pass through costs

[3] Other includes scheduling, carbon allowance proceeds & admin fees and the sale of reserves

District's Energy Commitments



(Average MW)

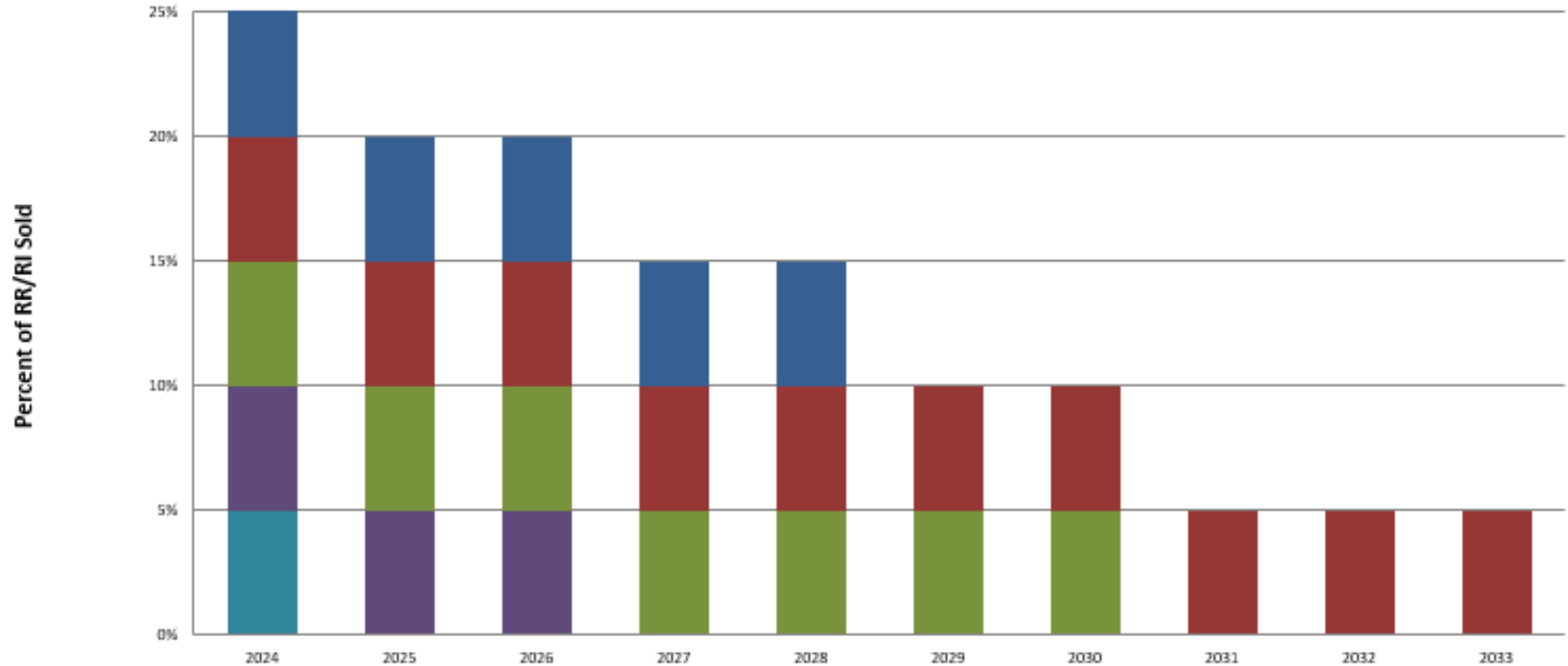
Note: The graphs represent the limits contained in resolution 20-14439 approved by the Board on March 23, 2020.



*Hedge Max Fixed = stress water generation

**Hedge Max Physical = stress water generation + 175 aMW

Fixed Price Slice Contracts



	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
■ Slice Product 38 - Puget Sound Energy	5.0%	5.0%	5.0%	5.0%	5.0%					
■ Long Term Slice 2 - Avista	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
■ Long Term Slice - Avista	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%			
■ Slice Product 35 - Puget Sound Energy	5.0%	5.0%	5.0%							
■ Slice Product 34 - Powerex	5.0%									

Changes in the western power market

Western Resource Adequacy Program (WRAP)

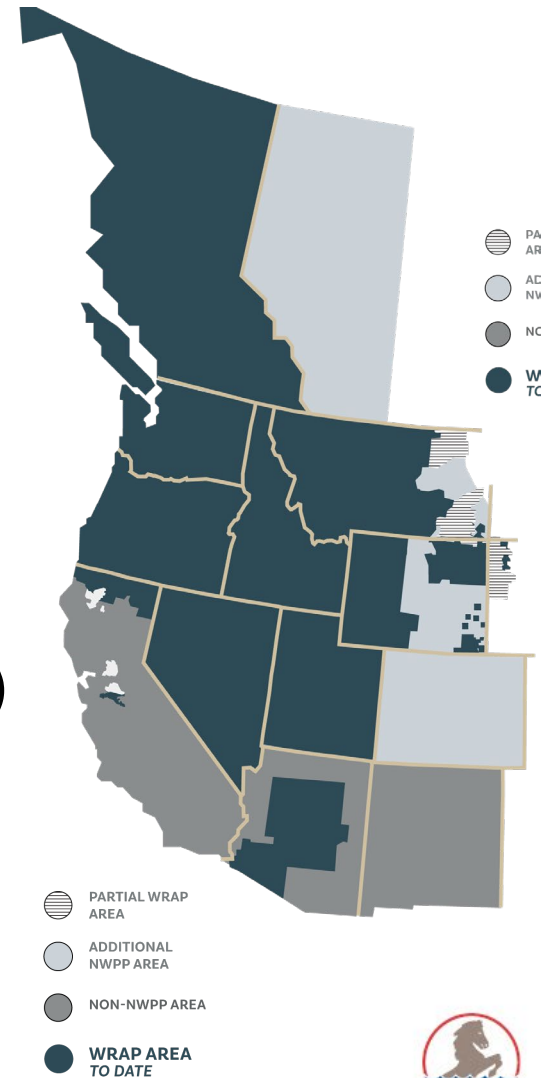
- Nonbinding Forward Showing submittals (3/31/2024)
- Testing of nonbinding operational program began 11/1/23
- Business Practice Manuals drafts

Climate Commitment Act (CCA)

- Next regularly scheduled quarterly auction on 03/6/2024
- Allowances currently trading \$32/metric ton of CO₂e in secondary market
- Electric utilities will submit 2023 emissions data in June 2024

Short term markets (within hour → real-time → day ahead)

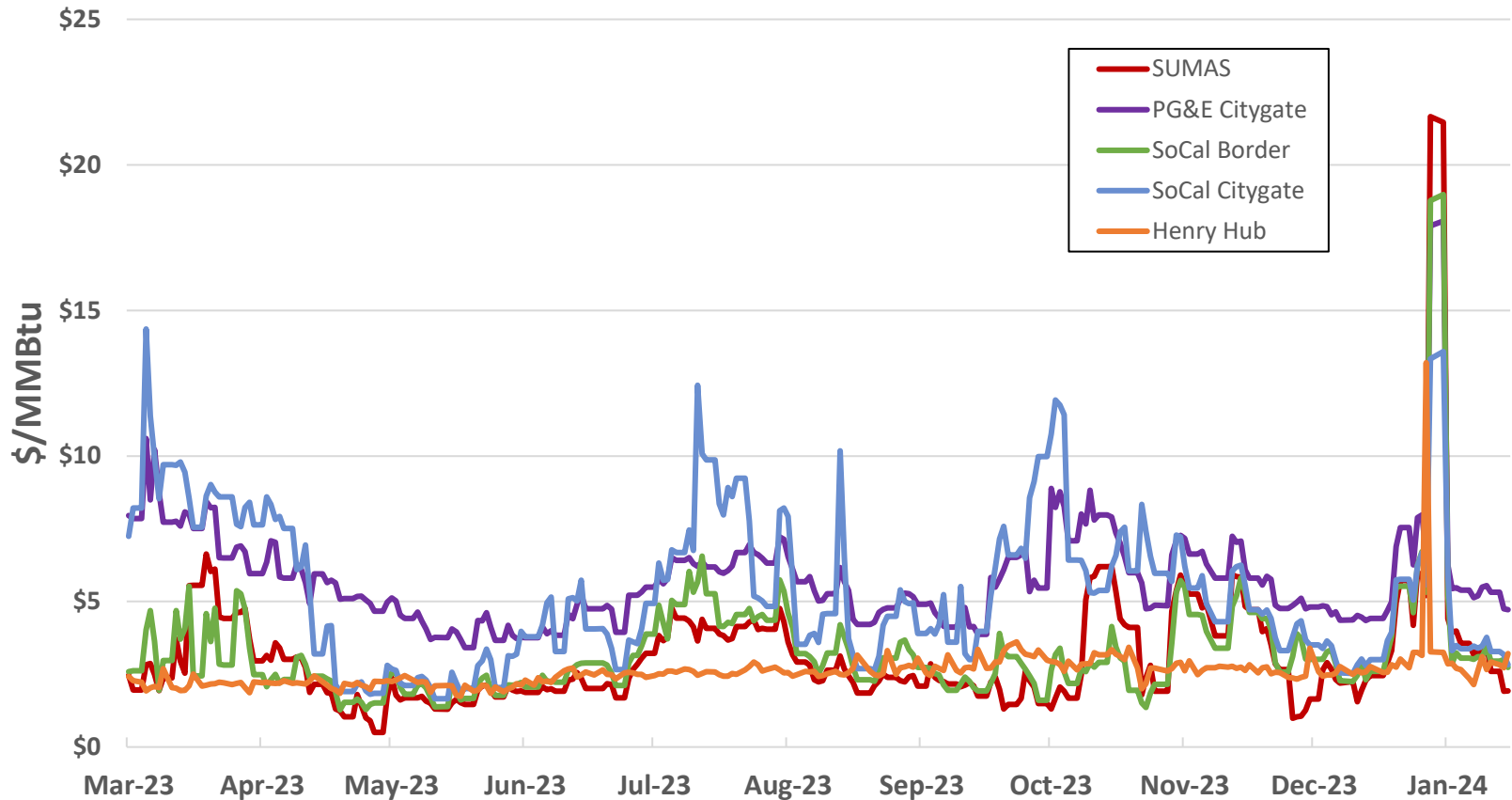
- SPP Markets+ tariff filing expected w/in next 60 days
 - Chelan plans to fund Phase 2
- CAISO EDAM tariff largely approved by FERC
- Western regulators Pathways Initiative (Independent governance and west wide market including California) meetings have begun



Daily Natural Gas Prices

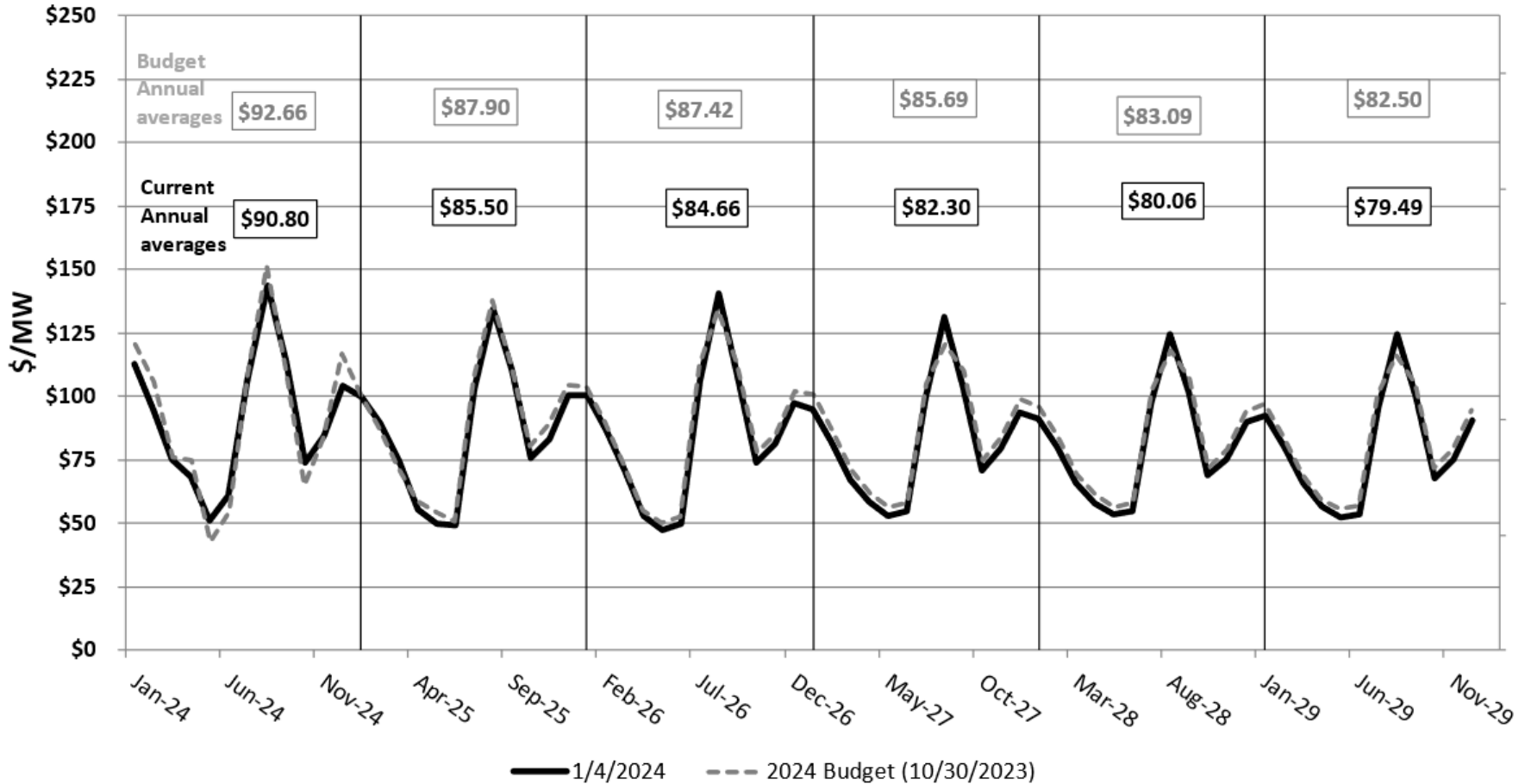
Mar 2023 – Jan 2024

Select Western Natural Gas Hubs
Spot Prices

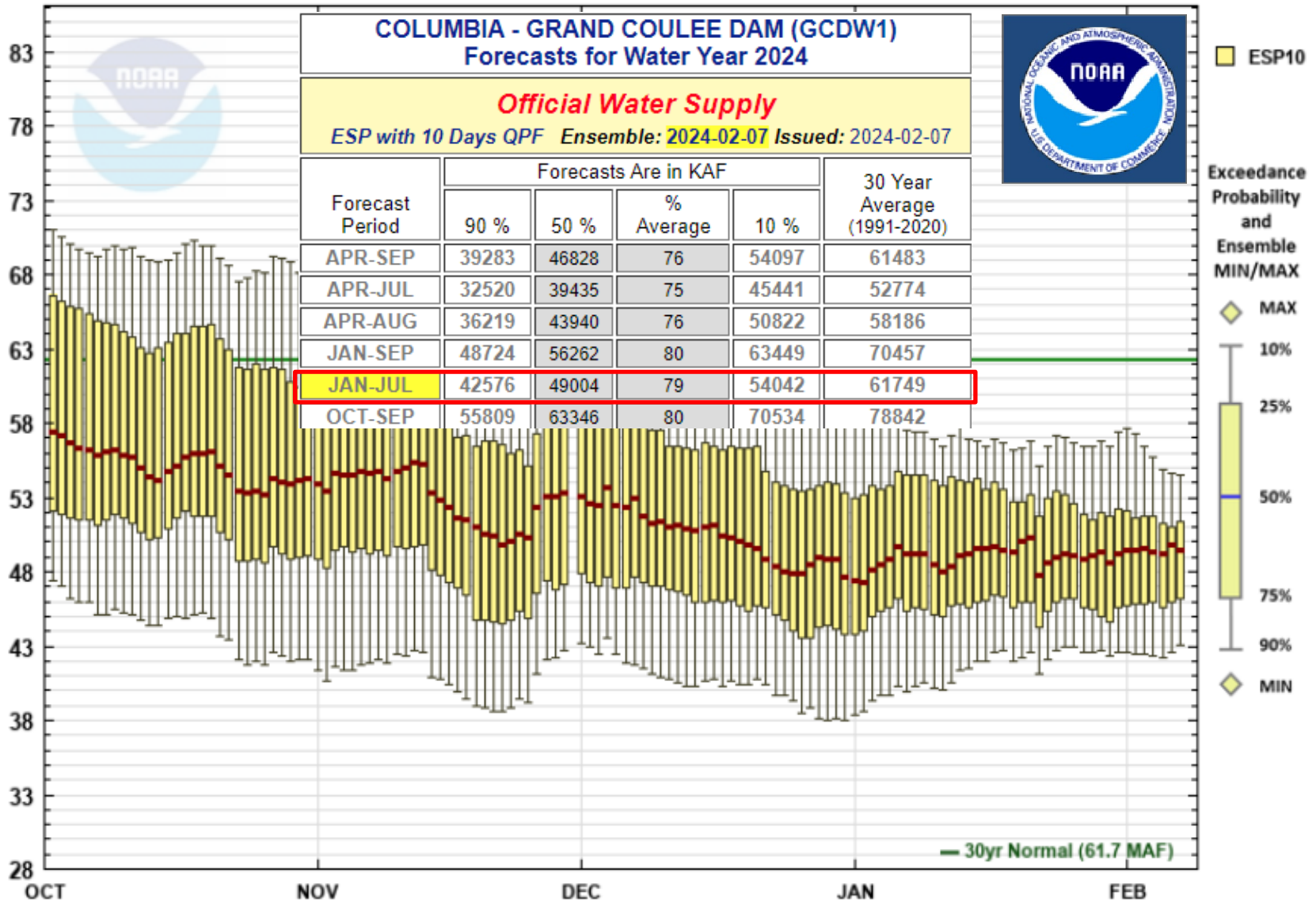


Mid-C forward price curve

MIDC Flat Forward Price Curve
(ICE DA index prices for previous months)

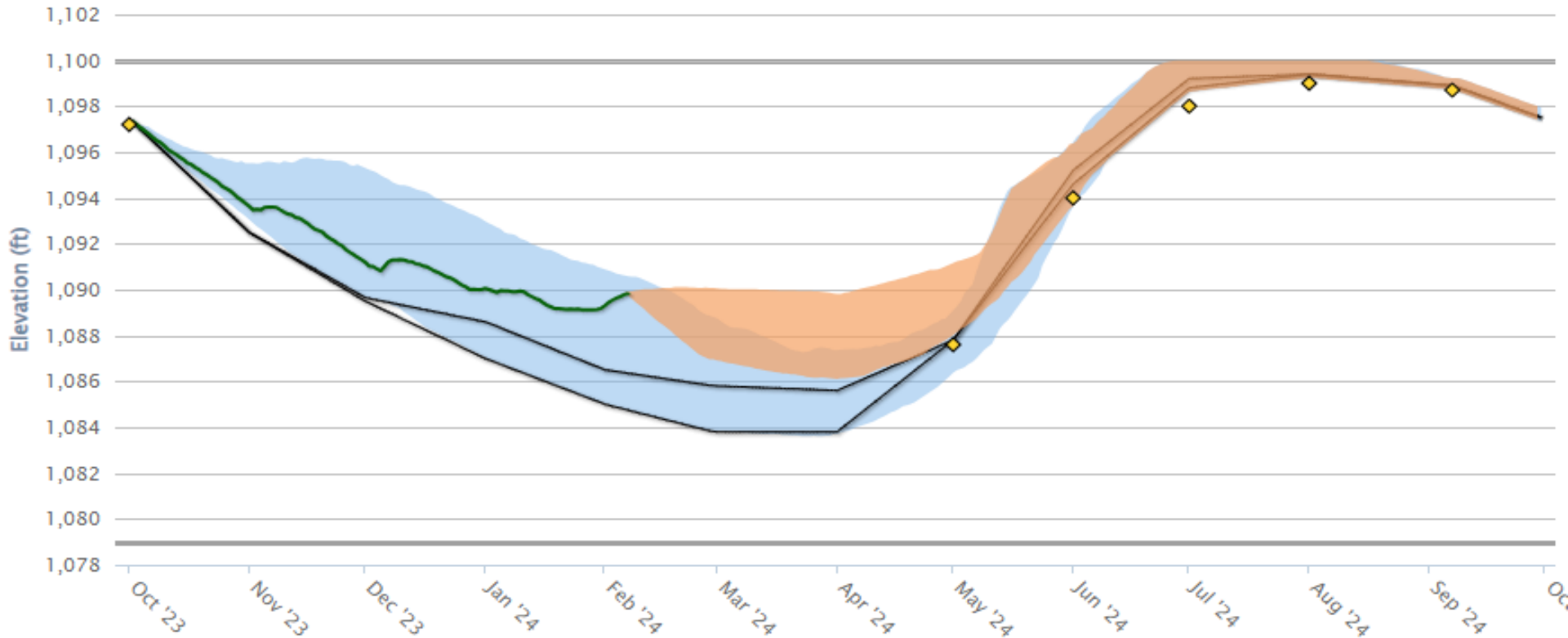


Water Year 2024: Water Supply forecast



Lake Chelan level webpage

Chelan Lake Levels: Expected Operating Ranges



- Current Year Actual Elevation (ft)
- Previous Year Actual Elevation (ft)
- Current Forecasted Operating Range (ft)
- Current Forecasted Average Elevation (ft) (50% chance of occurring)
- October 1 Forecasted Operating Range (ft)
- October 1 Forecasted Average Elevation (ft)
- Target Curve During Dry and Average Water Years (ft)
- Target Curve During Wet Water Years (ft)
- ◆ Minimum Target Elevation

Q4 2023 Summary

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Questions?