ADVANCED METERING INFRASTRUCTURE (AMI) UPDATE

In early June, Chelan PUD crews successfully installed 166 advanced meters at homes and businesses throughout Stehekin. These meters, along with accompanying relay equipment, are now fully operational and collecting energy usage data at five-minute intervals. This high-resolution data will play a vital role in informing future upgrades to Stehekin's electric system. For comparison, other areas in Chelan County currently relay usage data every 60 minutes.

Collecting a full year of data will be essential to understanding seasonal energy trends. Our Customer Energy Solutions team will use this information to update the Stehekin's Community Energy Plan, and to design customized energy programs, rebates, and rates tailored to Stehekin's unique needs.

HYDROPLANT UPGRADES AND ANTICIPATED SCHEDULE

Chelan PUD's Project Delivery team has been working closely with consultants to assess potential upgrades at the hydro plant. This includes:

- · Modernizing the plant's control and protection systems
- · Improving efficiency of the existing Pelton wheel system
- · Replacing the existing 75kW D2 generator with a 200kW unit
- Designing a Battery Energy Storage System (BESS)

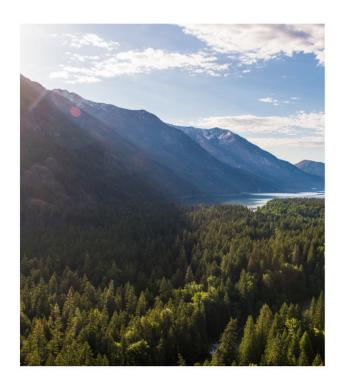
Final reports from these feasibility and design studies are expected by the end of summer. Once complete, staff will present recommendations to senior management. If approved, the next phase will include permit applications, contractor selection, equipment procurement, and further project development.

In addition, staff are evaluating design alternatives at the Company Creek intake to improve water diversion efficiency and make routine maintenance safer.











COMMUNITY MEETING FOLLOW-UP: RIO TINTO PROPOSAL

At the May 14 community meeting and open house, we received several questions about the potential to bring power to Stehekin via a transmission line from Rio Tinto or an underwater cable from Chelan. While these options could provide reliable power and meet rising demand, the associated infrastructure—large transmission towers, substations, and switchyards—would significantly alter the wild, natural character of the Stehekin Valley. Furthermore, the cost of construction of these proposals is currently prohibitive. Technology has evolved significantly since initial conversationabout battery storage and distributed generation began.

We appreciate the innovative ideas Stehekin residents have shared for alternative power generation and storage solutions. These suggestions are being reviewed by engineers and senior leadership. We are encouraged by the community's creativity and willingness to explore new approaches to Stehekin's energy challenges. Instead, we are confident that Stehekin's long-term energy needs can be met using existing resources, supported by emerging technologies, at a sustainable cost to all Chelan County PUD ratepayers.



