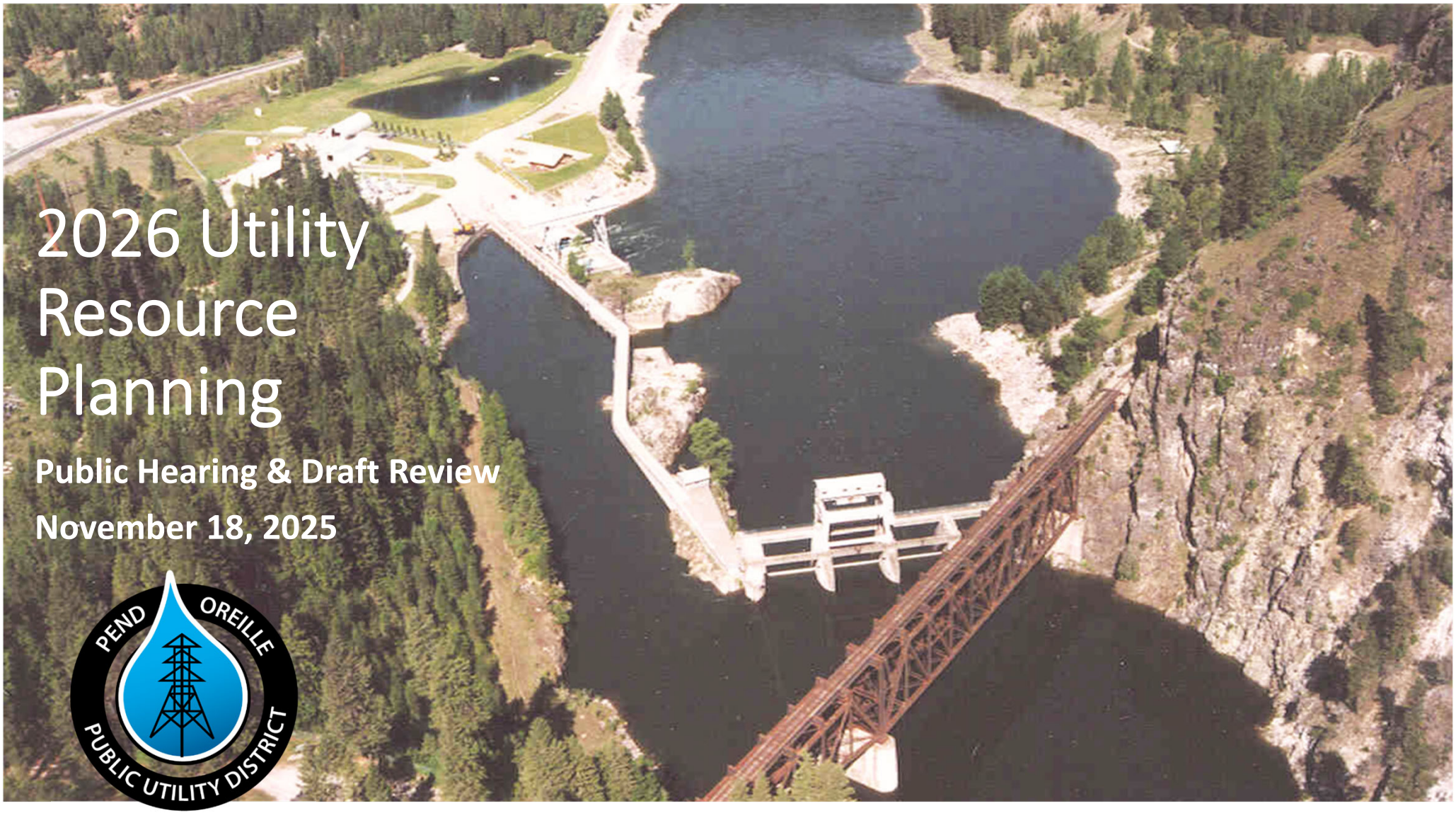


2026 Utility Resource Planning

Public Hearing & Draft Review

November 18, 2025

PEND OREILLE PUBLIC UTILITY DISTRICT

WA Resource Planning

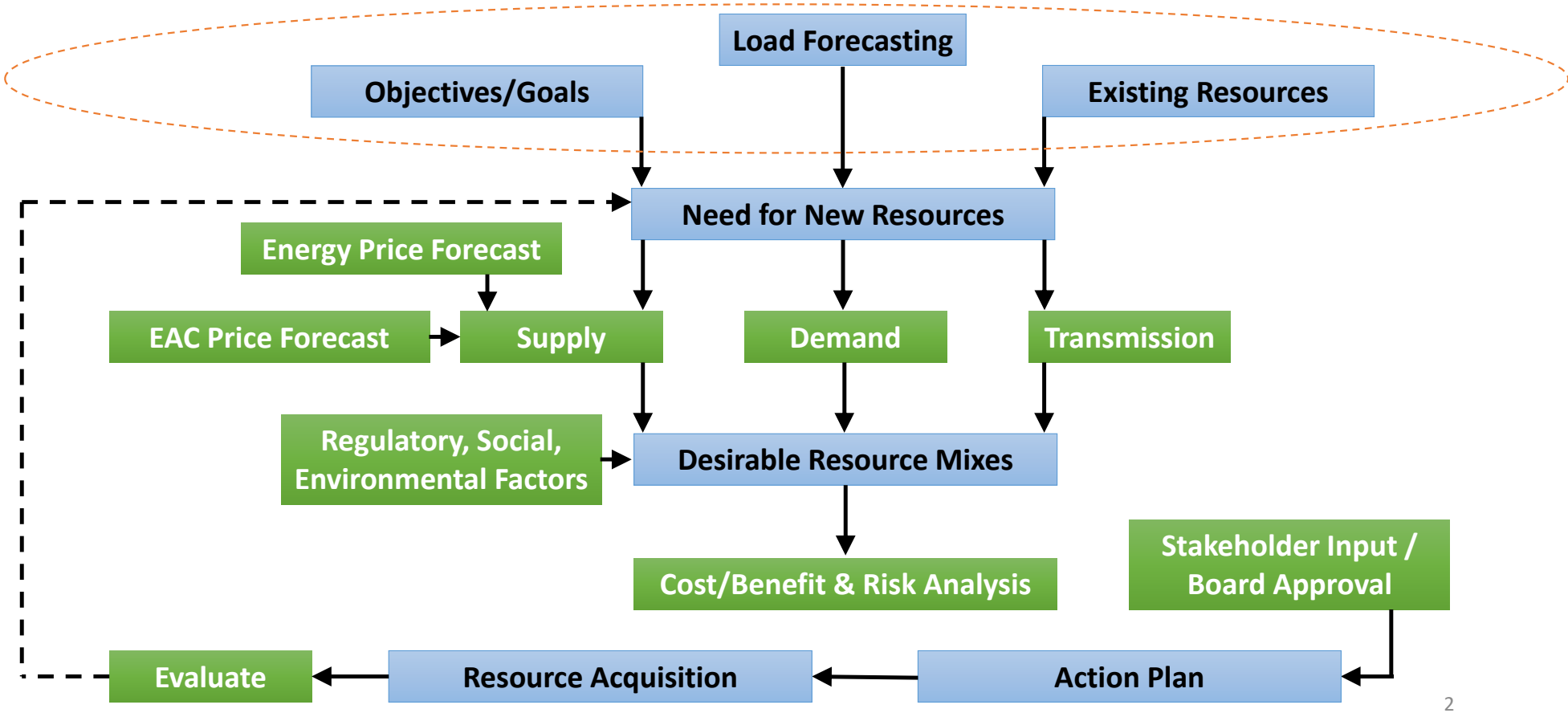
- The District is required to submit a "Utility Resource Plan" every two years
- Our URP was submitted in 2024 – this is a voluntary Refresh
- Informs the Clean Energy Implementation Plan concurrently being developed.

High Level Requirements by plan type:

Utility Resource Plan
Load Forecast
Resource Explanation
Plan to meet CETA
Electric Vehicle Analysis

Integrated Resource Plan
Load Forecast
Conservation Potential Assessment
Commercial Technology Assessment
Lowest Reasonable Cost Evaluation
Renewable Integration Assessment
Transmission Assessment
Resource Adequacy Metric Definition
Distributed Energy Resources
Resource Portfolio Integration Study
Energy & Nonenergy Benefits Study
Clean Energy Action Plan for CETA
Electric Vehicle Analysis

Process Map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Objectives and Goals

Customer engagement and feedback provide a roadmap for the goals and objective for this process.

Customers indicate support for:

- Hydroelectric power
- Energy Affordability
- Reliability
- Local Energy Independence

Customers did not indicate support for:

- Increased costs resulting from clean energy resources
- Biomass as a potential energy resource technology

Additionally:

- Customers indicated that high energy bills and poorly weatherized homes were a risk for some in the community

Existing Resources

Non-BPA Resources:

- Box Canyon
  - Sold to Shell (through 2025)
  - Sold to Clark (2026 – 2041)
  - Resource for District load 2041+
- Calispell Powerhouse
- Tailwater Encroachment
  - Ongoing obligation to Albeni Falls
  - Ongoing resource from Boundary
- Boundary
  - Settlement Agreement (through 2029)
  - Reverts to Assignment Agreement (2030 and beyond)

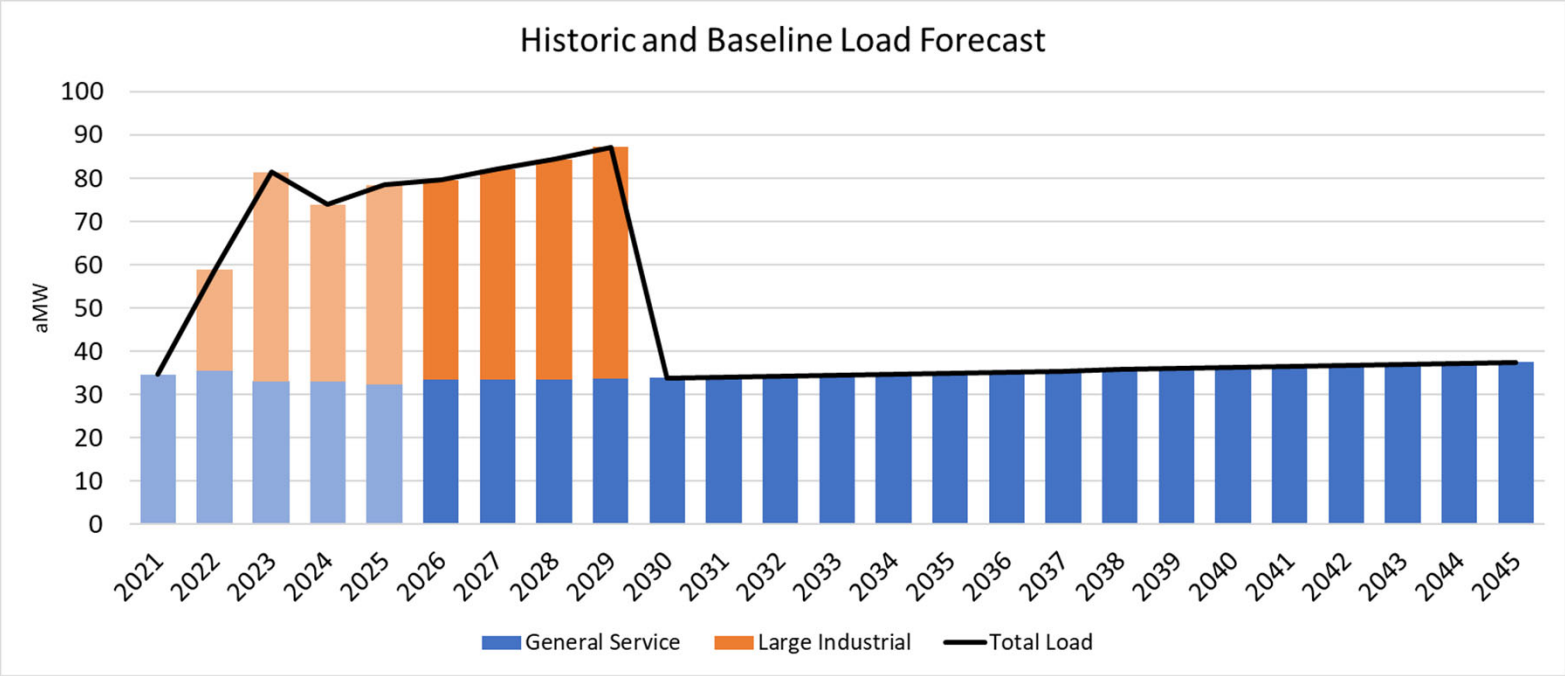
BPA Resources:

- Regional Dialogue (Power Agreement through September 2028)
- Provider of Choice (October 2028 through September 2044)

Wholesale Trading & Balancing:

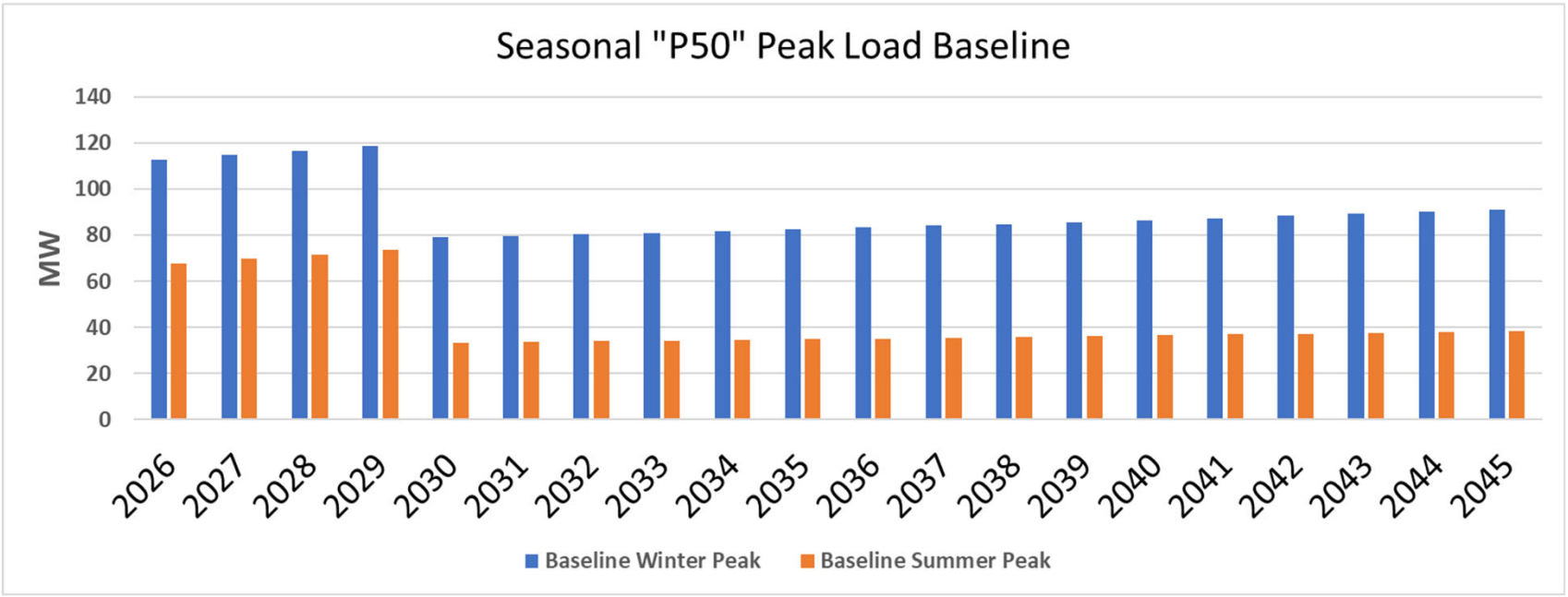
- Market-based transactions
  - Term transactions (1–month or longer)
  - Preschedule & Day-ahead (1-day to 1-month)
  - Real-time Transactions
- Balancing Authority and Dynamic Services Agreement with Avista

Load Forecasting - Energy



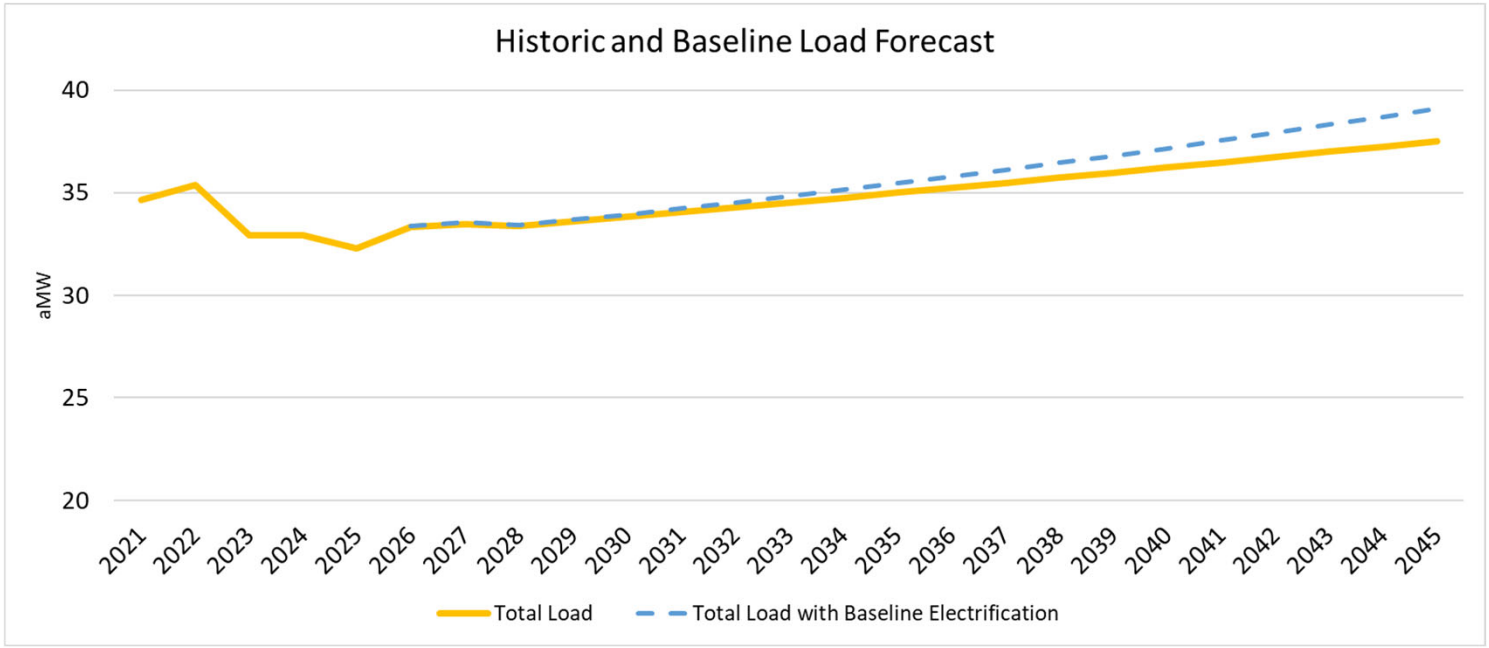
- Growth Rates:
- Residential - 1%
- Commercial – 0.50%
- Industrial – expected changes

Load Forecasting – Peak Demand



- Forecast follows Western Resource Adequacy Program (WRAP) methodology
- Considers capacity critical hours for both the District and regionally.

Load Forecasting (with EV Load)

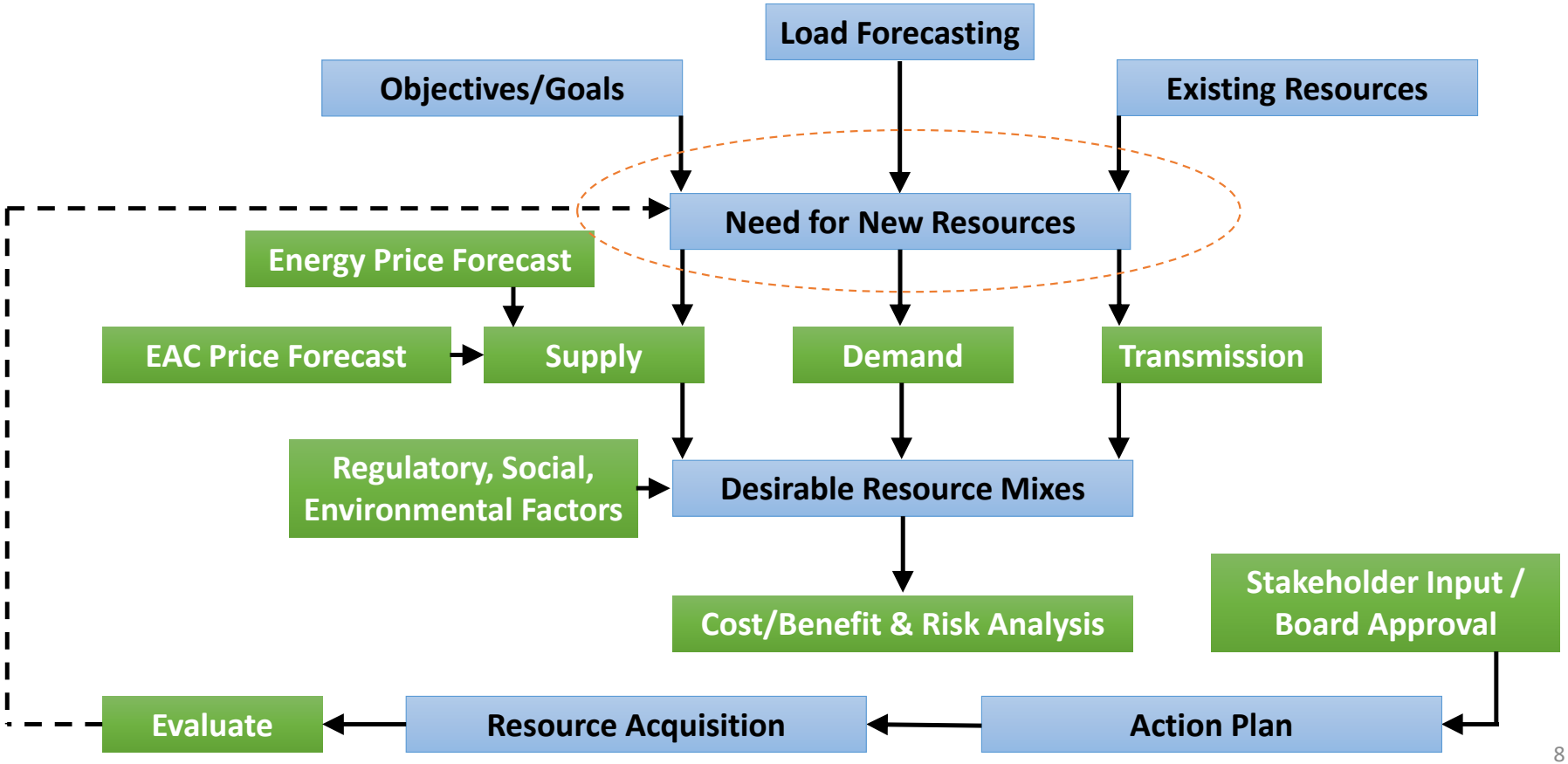


Note: includes only general service load ease of viewing

The baseline electrification utilizes an in-house EV forecast methodology.

State forecasts indicate a much higher level of EV load which were used in evaluating risks and costs.

Process Map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Key Terminology for this plan

Load -> Total electrical power required by the District's customers over a specific timeframe. This is general expressed as average megawatts, or aMW, throughout this section.

Demand (or Peak Demand) -> The maximum power required at any given moment, expressed as megawatts, or MW, throughout this section.

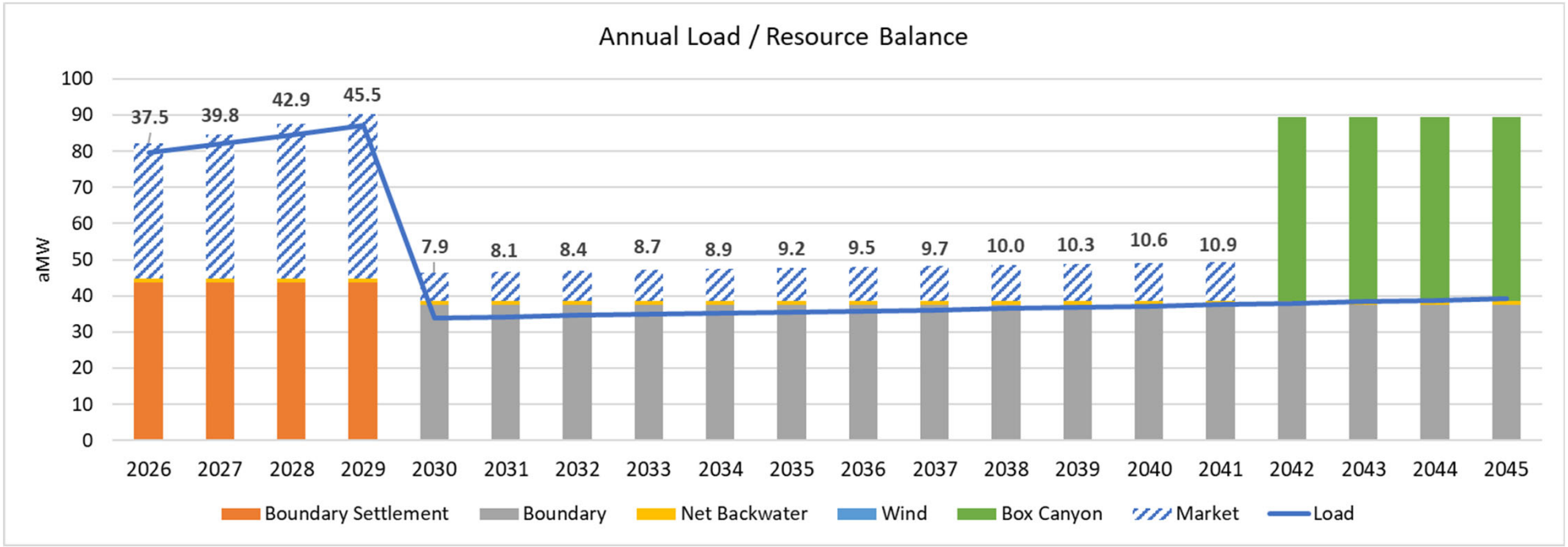
Resource (or Energy Resource) -> A supply of electricity. In this plan, this may be electric generation, power supply purchases/contracts and energy storage.

Energy -> The total amount of electricity provided by a **resource** over a period of time. In this plan expressed as average megawatts, or aMW.

Capacity -> The maximum power output a **resource** can produce at a given moment. In this plan expressed as megawatts, or MW.

The District needs **Energy Resources** sufficient to supply the **energy** needed to meet customer **load**, and having the **capacity** to meet customer **peak demand**.

Current Net Position - Energy



Note: Calispel is included in the data, but hard to view on this chart and therefore removed from the legend.

Resource Adequacy Primer

The District is tasked by the state to determine a Resource Adequacy standard (CETA requirement):

- Extremely complex and intensive

The District opted to apply the well-vetted standards laid out in the Western Resource Adequacy Program (WRAP):

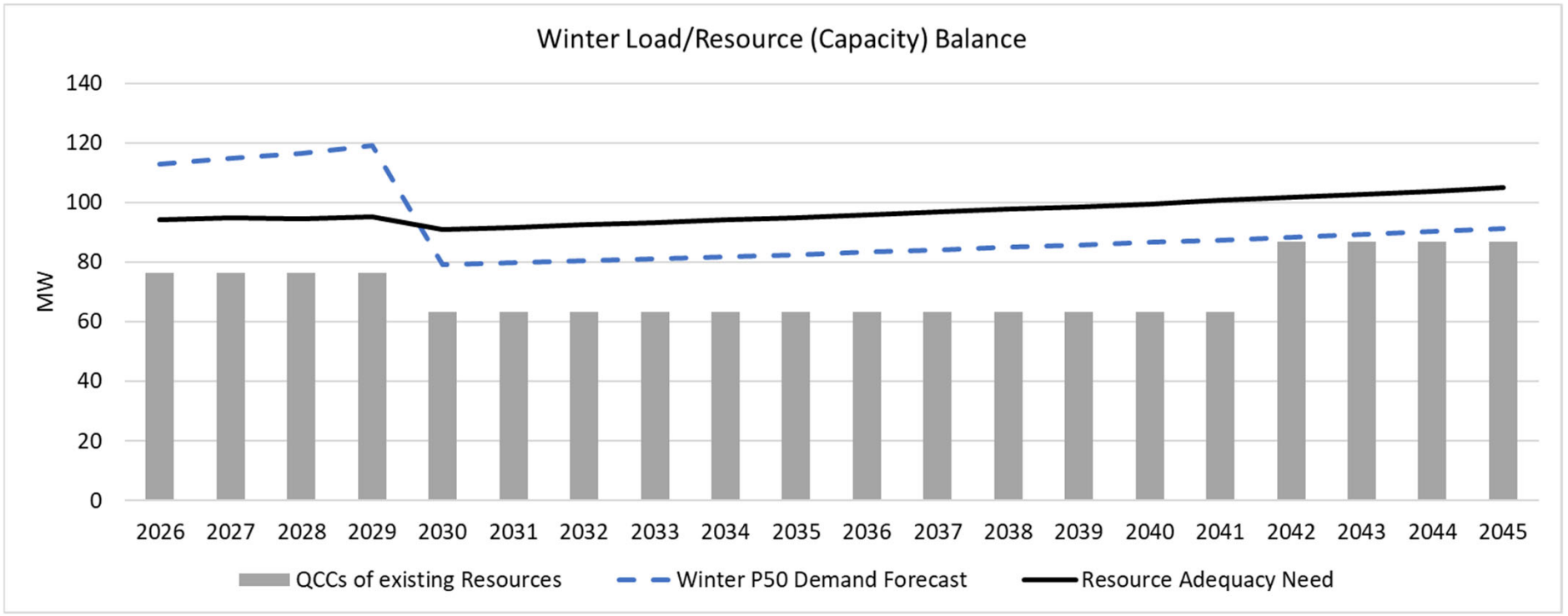
- Determines the demand levels to plan to based on P50 peak load calculation
- Determines a resources Qualified Capacity Contribution (QCC) during capacity critical hours.

The District is not a direct WRAP participant and has not evaluated participation to-date.

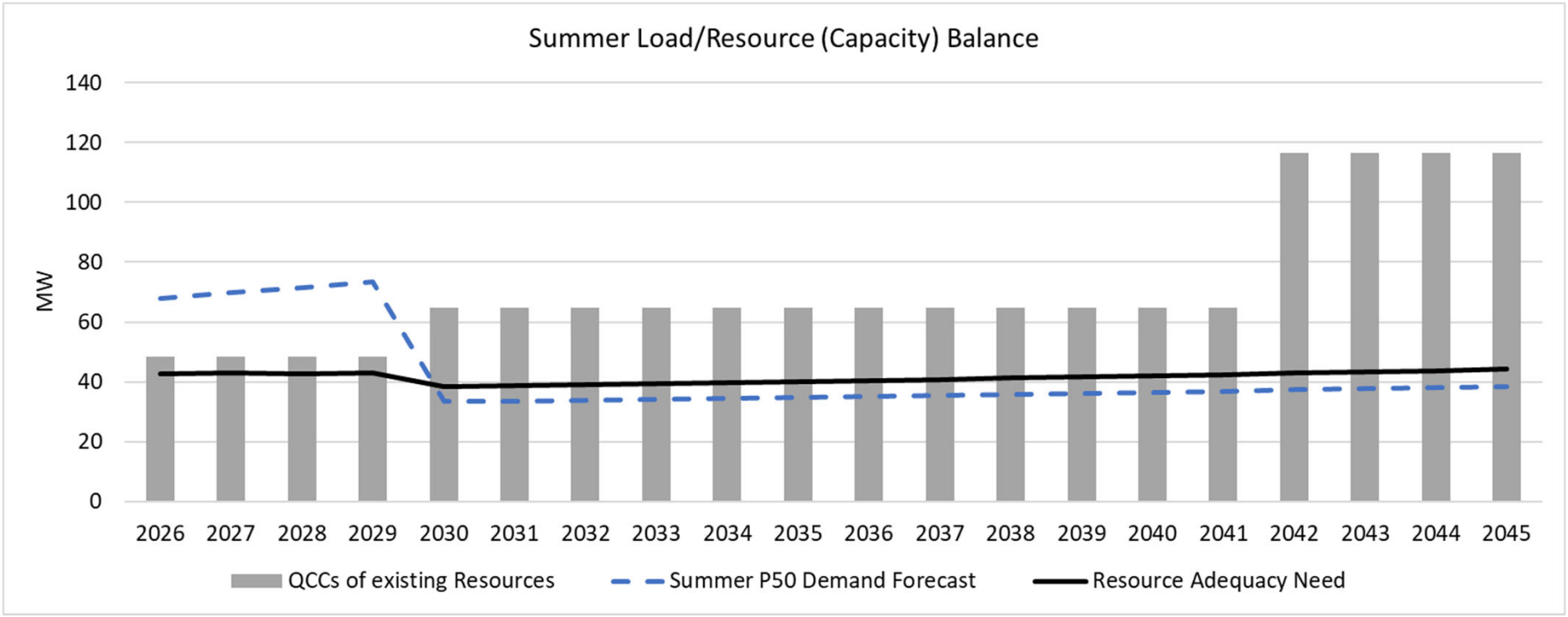
Example QCCs for Various Resources:

	Resource QCC @ 90MW Nameplate			
Month	**Box Cayon**	**Wind**	**Solar**	**Energy Storage**
Jan	23.9	7.7	4.6	90.0
Feb	21.2	12.2	11.8	83.7
Mar	20.9	18.5	5.6	90.0
Jun	55.5	13.8	70.7	89.0
Jul	53.6	14.9	62.2	83.2
Aug	45.9	13.1	50.8	90.0
Sep	41.2	11.3	38.7	90.0
Nov	27.0	13.3	0.5	90.0
Dec	25.2	8.3	4.2	90.0

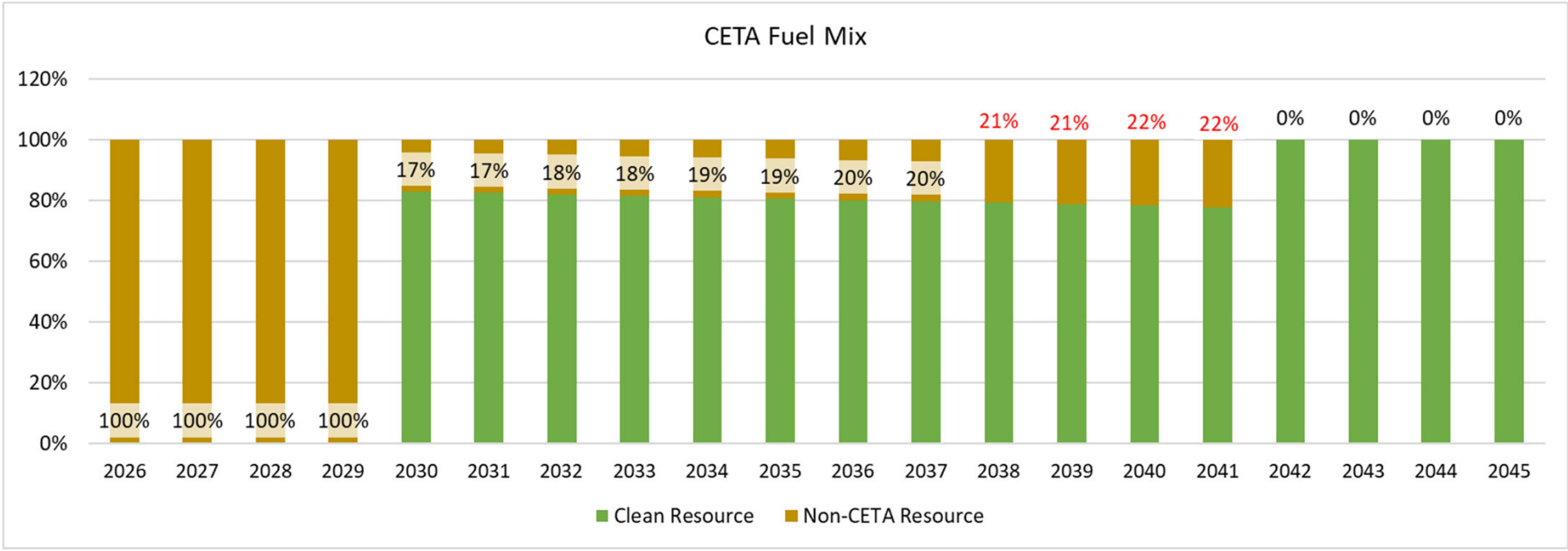
Current Net Position – Winter Capacity



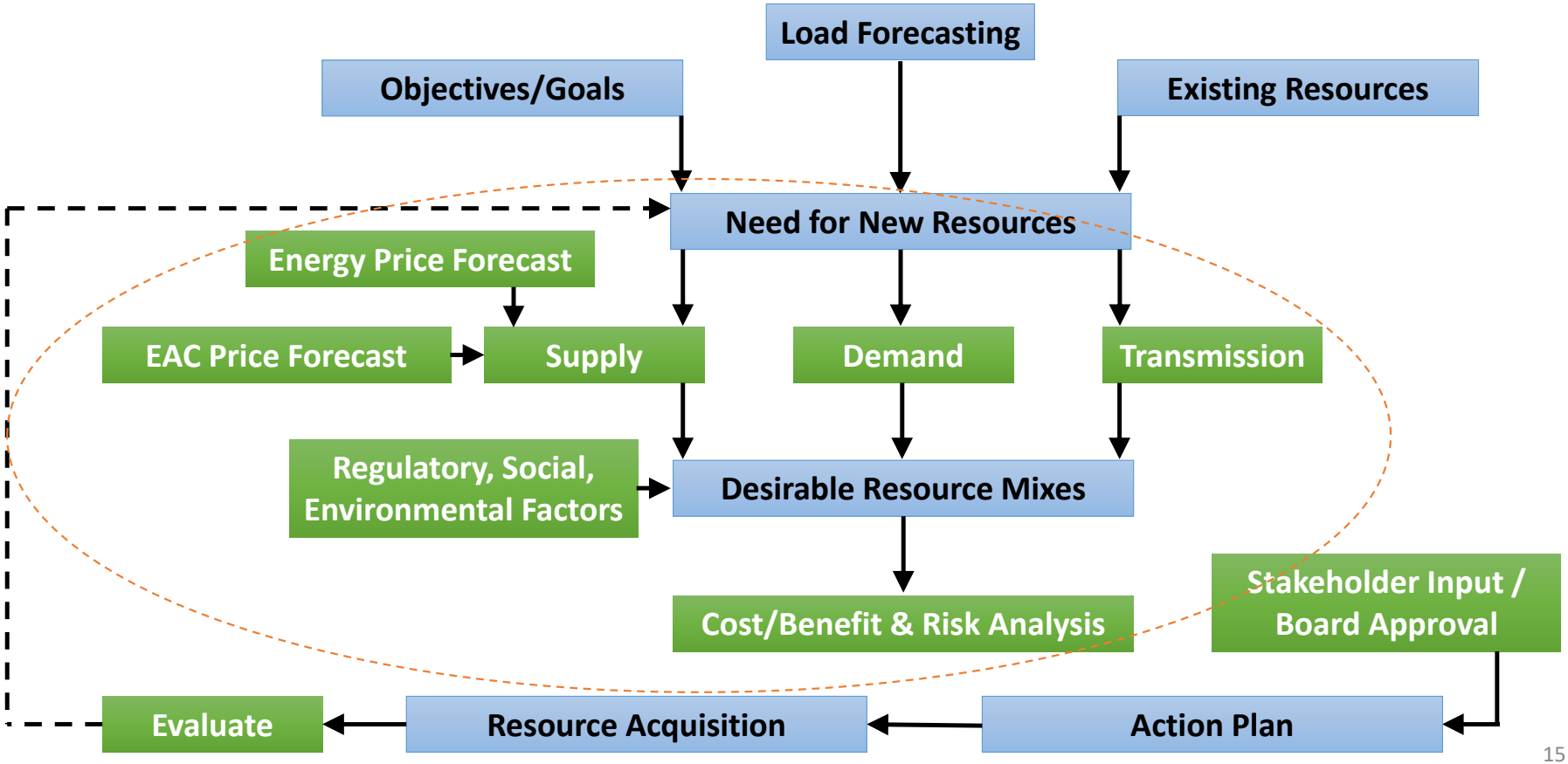
Current Net Position – Summer Capacity



Current Net Position – CETA Compliance



Process Map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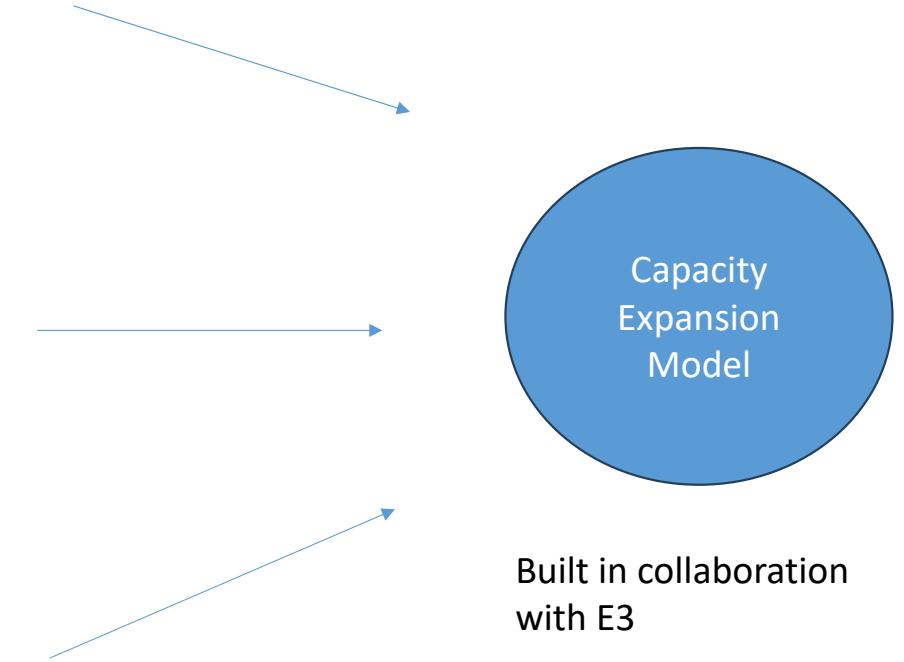
Inputs, Prices and Modeling

The District worked with an outside consultant, E3, who provided the following inputs:

- Hourly Energy Price Curves
- Environmental Attribute Certificate Price Forecasts
- Carbon Price Forecasts
- Resource technology cost forecasts and generation profiles
- Capacity price forecasts

Additionally

- New resource cost models were sourced from:
  - Lazard's LCOE
  - NREL
  - NWPCC
- Long term PPA and contract structure costs:
  - Market partners



Built in collaboration with E3

Regulatory and Industry Conditions

- Clean Energy Transformation Act
- Climate Commitment Act
- WRAP
- Transmission Reform and Constraints
- Structured Markets
  - EDAM
  - Markets+
- Federal Policy
  - DOE/BPA
  - Production Tax Credit (PTC)
  - Investment Tax Credit (ITC)
  - Clean Vehicle Tax Credit
- Resources, including:
  - Wind
  - Solar
  - Geothermal
  - Biomass
  - Nuclear
  - Gas CCT
  - Storage
  - Market
  - Demand Response
  - Energy Efficiency

To the extent possible these impacts were included as constraining factors.

Capacity Expansion Model

Demand Side – Conservation Achievement

	Incremental Achieved Energy Conservation (aMW)								
	2017	2018	2019	2020	2021*	2022	2023	2024	2025*
Residential	0.03	0.00	0.00	0.00	0.07	0.00	0.00	0.00	0.12
Commercial	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.11
Industrial	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
Total - Incremental	**0.03**	**0.00**	**0.01**	**0.00**	**0.07**	**0.00**	**0.00**	**0.01**	**0.25**

	Cumulative Achieved Energy Conservation (aMW)								
	2017	2018	2019	2020	2021*	2022	2023	2024	2025*
Residential	0.03	0.04	0.04	0.04	0.11	0.11	0.12	0.12	0.24
Commercial	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.12
Industrial	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
Total - Cumulative	**0.03**	**0.04**	**0.04**	**0.05**	**0.12**	**0.12**	**0.13**	**0.13**	**0.38**

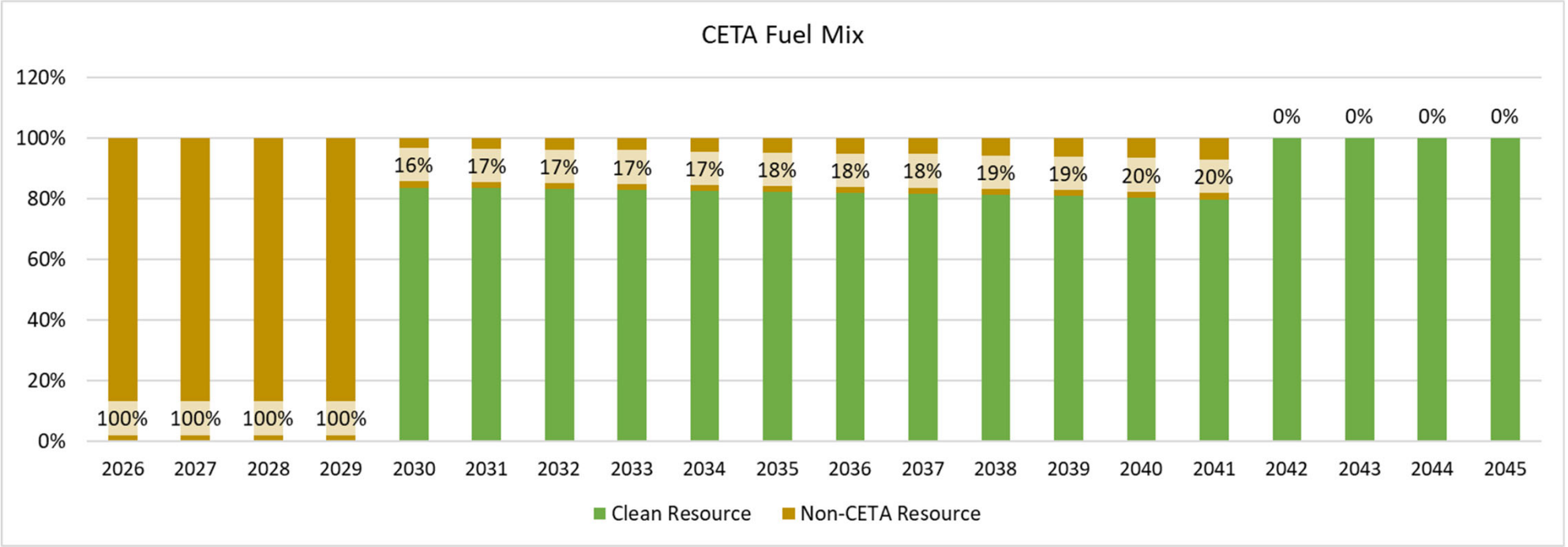
Notes: CETA places priority on conservation over new resource build

Demand Side – Conservation Potential

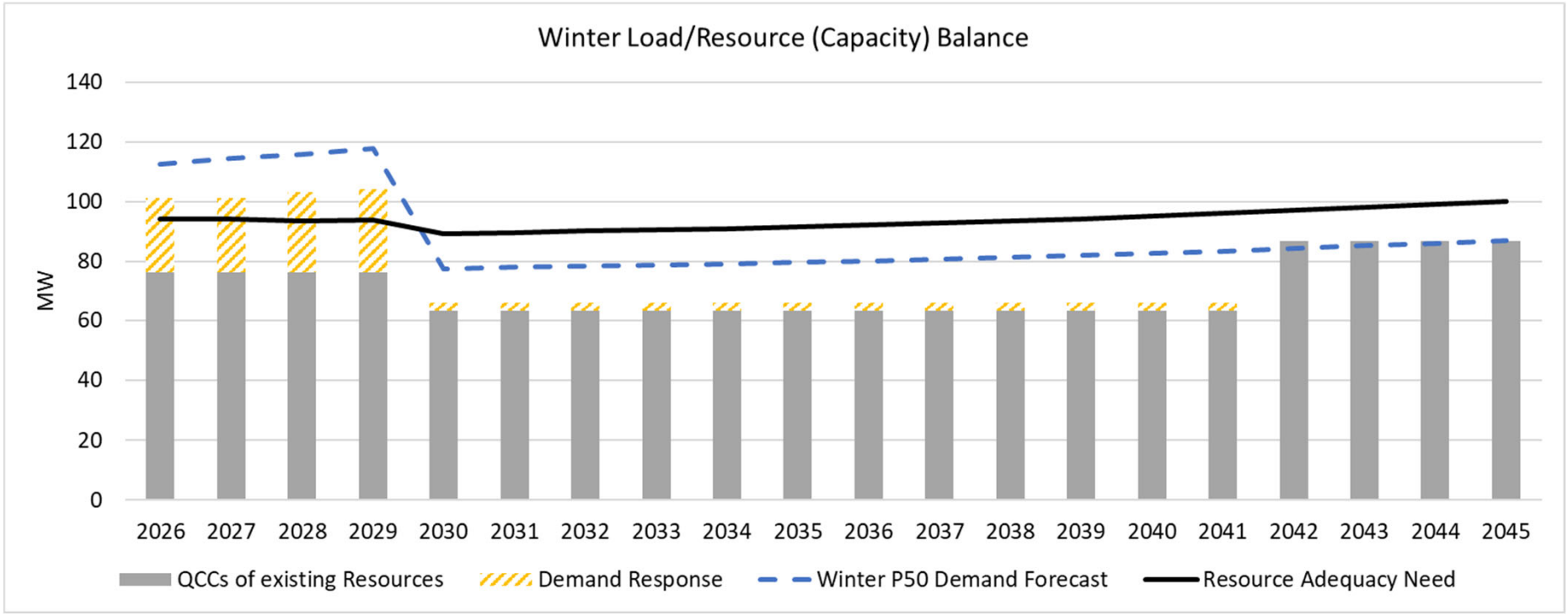
	Incremental Conservation Potential (aMW)				
	2026	2027	2028	2029	2030
Residential	0.03	0.04	0.05	0.06	0.06
Commercial	0.05	0.06	0.07	0.07	0.07
Industrial	0.00	0.00	0.00	0.00	0.00
Total - Incremental	**0.08**	**0.10**	**0.12**	**0.14**	**0.14**

	Cumulative Conservation Potential (aMW)						
	2026	2027	2028	2029	2030	2035	2040
Residential	0.03	0.07	0.12	0.18	0.24	0.54	0.77
Commercial	0.05	0.11	0.18	0.25	0.32	0.66	0.92
Industrial	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total - Cumulative	**0.08**	**0.18**	**0.29**	**0.43**	**0.56**	**1.19**	**1.69**

Conservation Potential - Impacts



Demand Side – Demand Response Potential



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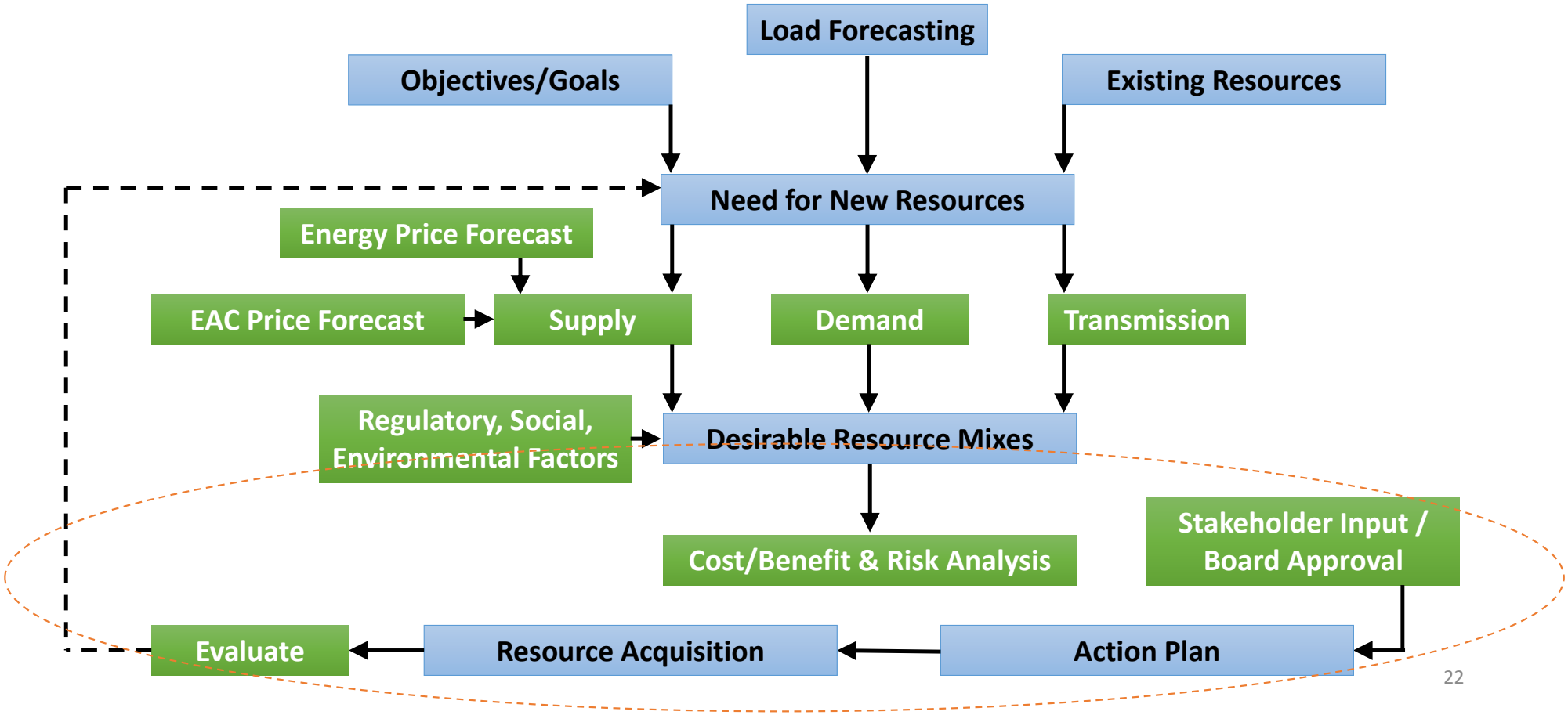
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Preferred Portfolios

Considering all these inputs, the Capacity Expansion model developed several potential portfolios for the District to pursue:

Portfolio 1:

New Resources:

Resource:	Storage
Nameplate (MW):	25
Start Yr:	2030

Portfolio 2:

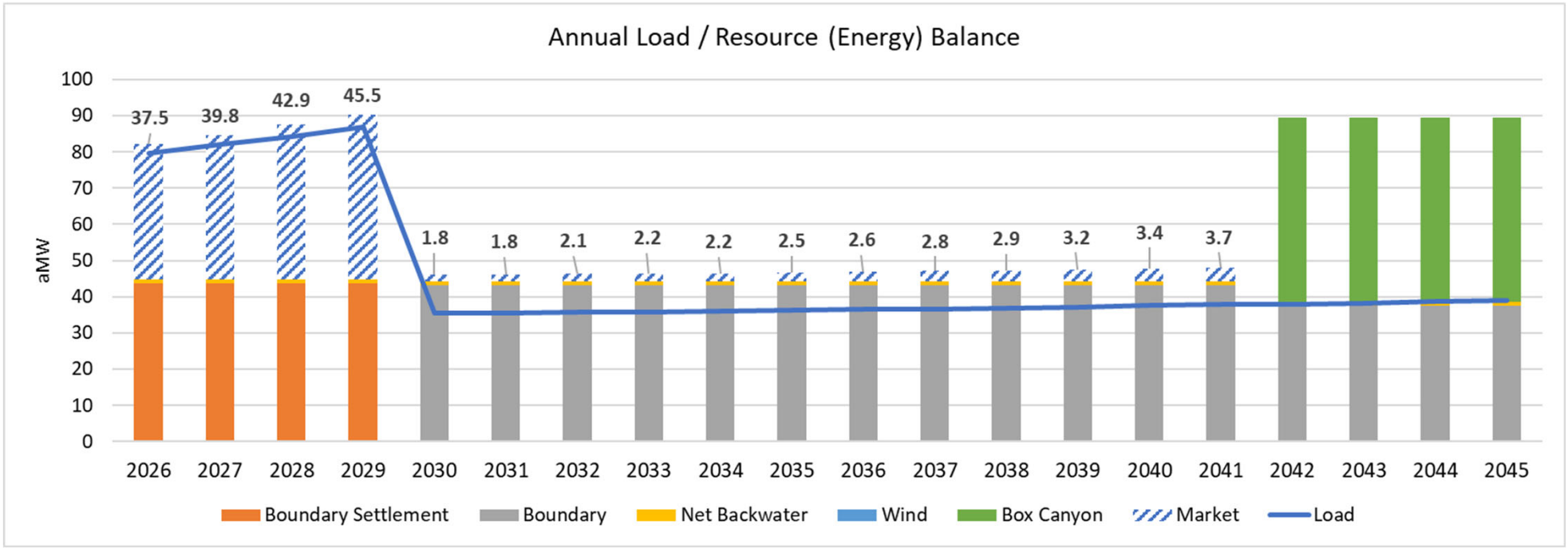
New Resources:

Resource:	Off-System Wind or BPA Tier 2	Storage
Nameplate (MW):	11	17
Start Yr:	2030	2030

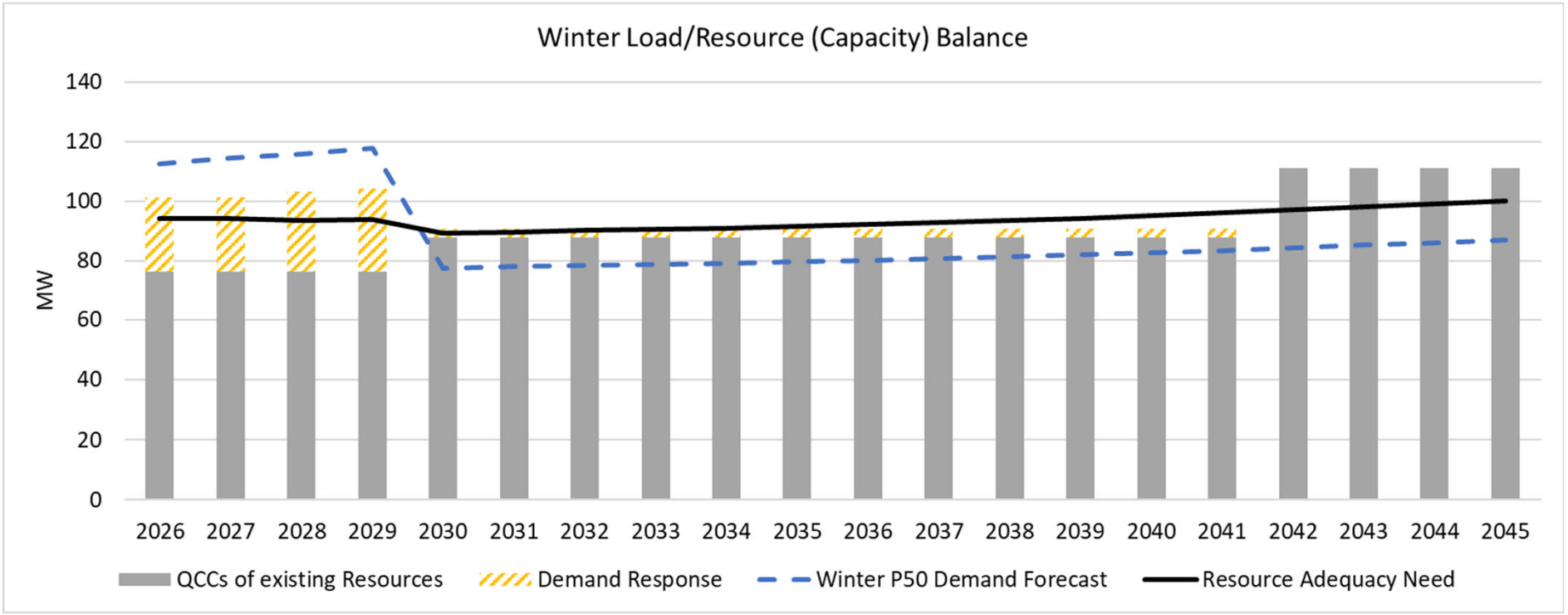
Recommendations:

- **There is a clear need for the District to obtain dispatchable resources to address capacity/peak load needs.**
- **Typically, the output of a resource planning process is a very specific road map outlining specific technologies, locations, etc.**
- **The recommendation here is to conduct a broader "all-source" process to acquire necessary resources**

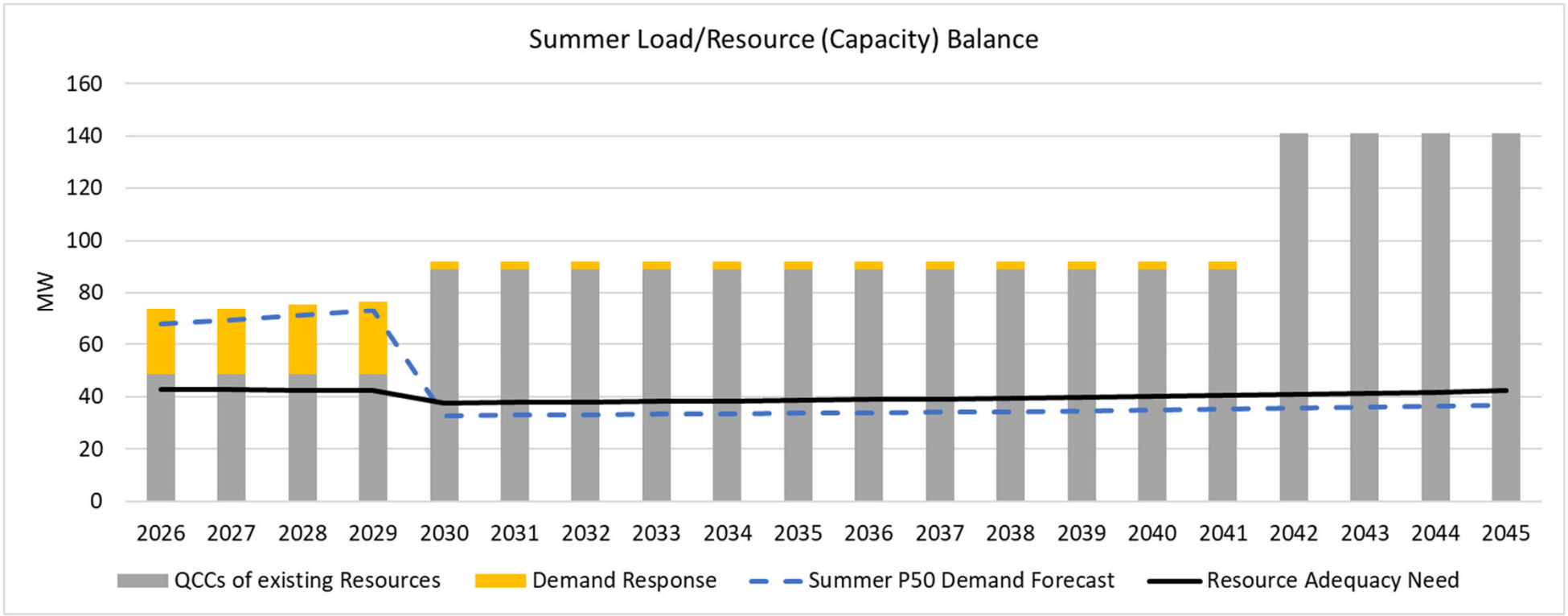
Preferred Portfolio 1 – Expected Position



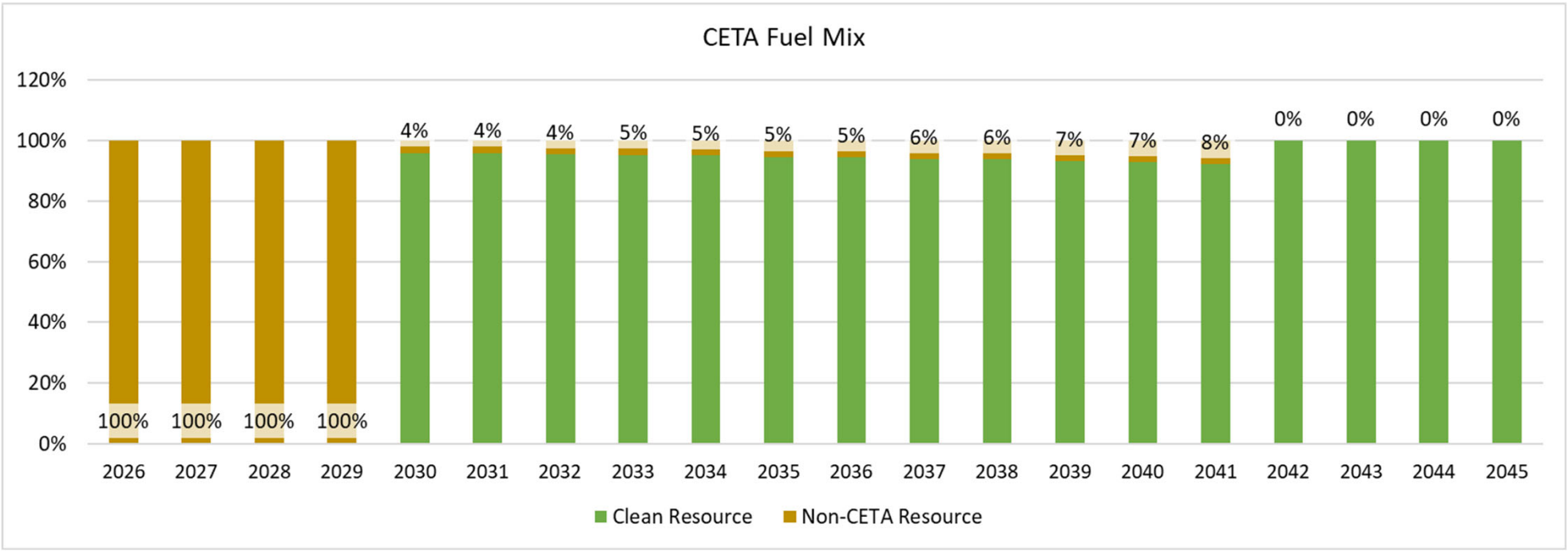
Preferred Portfolio 1 – Winter Capacity



Preferred Portfolio 1 – Summer Capacity



Preferred Portfolio 1 – CETA Position



Action Plan

- Optimize, maintain, and enhance the District's Hydro Resources
  - SCL Contract transition
- Pursue cost effective Energy Conservation and Demand Response resources
  - Interim CEIP goal is low-income weatherization program
- All-source RFP, or similar process, for capacity needs. Target first half of 2026 for sourcing event
- Evaluate opportunities to enhance the District's Transmission portfolio
- Continue to re-visit resource planning process at least every other year

Next Steps

- **Incorporate public feedback through November**
- **Finalize URP by January 1, 2026**
- **Submit to the Washington Dept. of Commerce**
- **Make the final URP available online**