Summer 2026 Readiness:

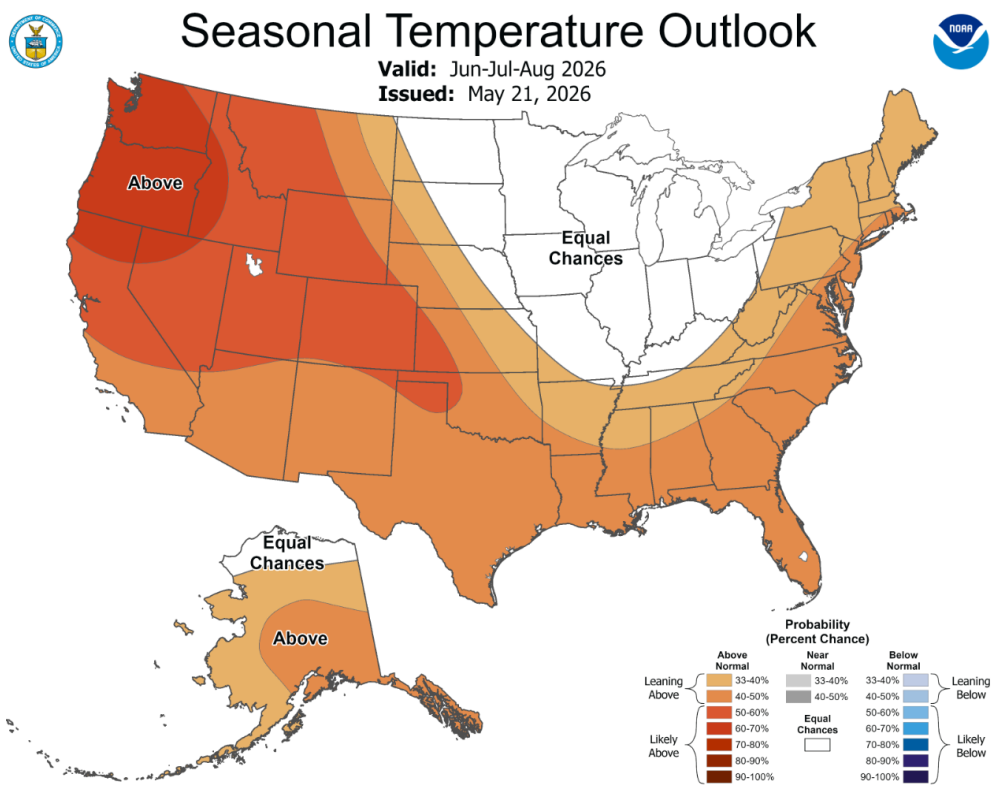
A Joint IOU Presentation

Phil Haines, *Director Energy Supply, Puget Sound Energy*

Kevin Holland, *Director of Energy Supply, Avista*

Pacific Northwest Summer Outlook

- El Niño conditions increase the chances of above normal summer temperatures in the West
  - West-wide heat leading to coincident peak demand can strain the system
- Western snowpack is below normal, but this is partly offset by above average snowpack and reservoir levels in the Upper Columbia basin in British Columbia
  - Hydro projections for the Pacific Northwest are above last year
- Key western interconnect transmission paths are significant drivers of summer reliability
  - These paths are susceptible to derates and outages



Summer 2026 Wholesale Planning

Summer Planning Principles

- Planned generation outages are scheduled and completed prior to peak summer demand
- Coordinate with transmission providers on outages during heat events

Capacity Outlook

- PSE has resources to meet our WRAP capacity targets
  - Diverse mix of generation, including hydro, gas fired generation, and renewables
  - Pipeline transportation from multiple supply hubs and storage
- PSE added ~250 MW of capacity year over year for summer 2026
- PSE's demand response programs increased to 61 MW

Early Risk Identification (Situational Awareness)

- Proactive daily monitoring of WECC wide system conditions including:
  - Routine meetings between PSE's meteorologist, wholesale merchant, and load office operations to review short- and long-term weather outlooks
  - Continuous monitoring of short-term demand forecasts, generation availability, transmission capability, and regional price signals

Hot Weather Management and Coordination

Energy Supply Protocols

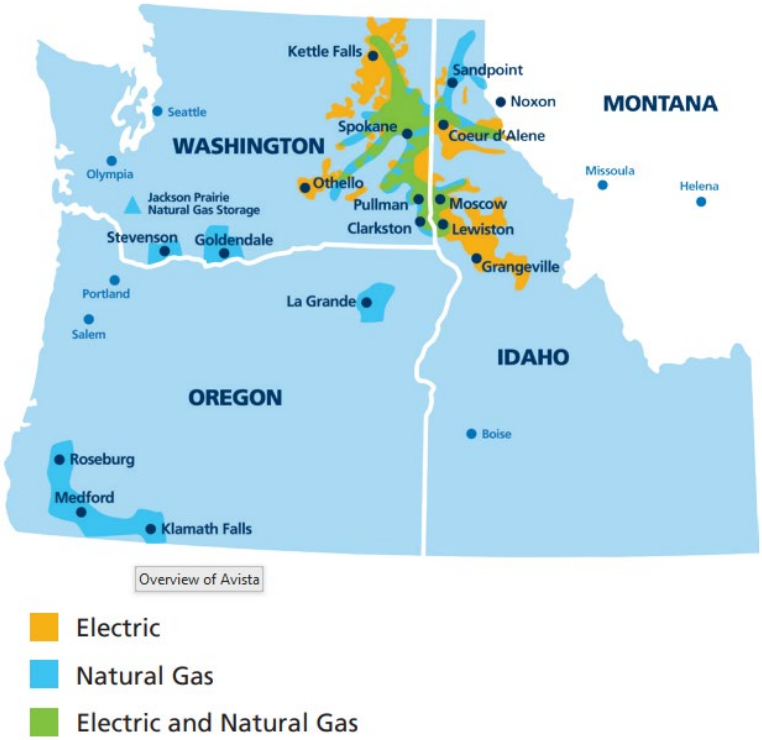
- Enhanced demand response modeling, improving dispatch to reduce PSE's peak demand
- Use of conservative short-term wind assumptions to reduce reliability risk
- Hold additional dispatchable resource capacity to account for risk to higher load and generator under performance

Enhanced Internal Communication and Coordination

- Two daily coordination calls on system conditions between real-time merchant and PSE's load office operations
  - Review system load, market conditions, and reliability requirements
- Supply conditions during elevated summer heat reported daily to senior management, load office operations, and generation
- Restricted maintenance protocols on generation assets during extreme weather events initiated by load office operations
  - Critical maintenance only

Overview of Avista

- Population of Service Area = 1.7M
- Miles of Transmission Lines = 2,800
- Miles of Distribution Lines = 19,700
- Miles of Natural Gas Distribution Main = 8,200



Resource Adequacy

- Currently resource adequate for summer 2026 plus PRM
- Broadened Transmission Portfolio
- Importance of Natural Gas

Concerns

- Unplanned outages to generation or transmission in region
- Wildfire risks to system
- Natural gas transmission/supply issues