SNOHOMISH COUNTY PUBLIC UTILITY DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING
Everett Headquarters Building, 2320 California Street
Zoom Online Platform Option Available

December 16, 2025

CONVENE REGULAR MEETING – 9:00 a.m. – Commission Meeting Room

Virtual Meeting Participation Information

Join Zoom Meeting:

- Use link
  https://us06web.zoom.us/j/82686378012?pwd=KZpRzWvRygnMxHt0VWMD7zQJvBiKJd.1
- Dial in: (253) 215-8782
- Meeting ID: 826 8637 8012
- Passcode: 227377

1. **COMMENTS FROM THE PUBLIC**
   If you are attending the meeting virtually (using the link or number provided above) please indicate that you would like to speak by clicking "raise hand" and the Board President will call on attendees to speak at the appropriate time. If you are joining by phone, dial *9 to "raise hand."

2. **CONSENT AGENDA**
   A. Approval of Minutes for the Regular Meeting of December 2, 2025
   B. Bid Awards, Professional Services Contracts and Amendments
   C. Consideration of Certification/Ratification and Approval of District Checks and Vouchers
   D. Consideration to Prequalify Contractors as Bidders for Electrical Line Work for the District During 2026

3. **CEO/GENERAL MANAGER BRIEFING AND STUDY SESSION**
   A. Updates
      1. Media and Community Engagement
      2. Other
   B. SnoSMART Quarterly Update
   C. Energy Assistance and Income Qualified Weatherization

4. **CEO/GENERAL MANAGER REPORT**

Continued →

5. PUBLIC HEARING AND ACTION

A. Disposal of Surplus Property – Calendar Year 2026 and 1st Quarter 2026

B. Consideration of a Resolution Ordering, Approving, Ratifying and Confirming the Construction and Installation of the Plan or System of Additions to the District's Water Utility, as Adopted on November 18, 2025, and Applicable to the Local Utility District Hereinafter Described, Forming Local Utility District No. 68 of Snohomish County, Washington, and Confirming the Final Assessment Roll

C. Consideration of a Resolution Adopting the 2025 Integrated Resource Plan

D. Consideration of a Resolution Adopting the 2025 Clean Energy Implementation Plan

E. Consideration of a Resolution Adopting Two-Year Conservation Targets for 2026-2027 and a Ten-Year Conservation Potential Estimate for the District to Comply With Requirements of the Energy Independence Act

6. ITEMS FOR INDIVIDUAL CONSIDERATION

A. Consideration of a Resolution Authorizing the Manager, Real Estate Services, to Execute all Necessary Documents to Purchase Certain Real Property (Tax Parcel Number 27051400101400) Located Near the Intersection of State Route 9 and 184th Street SE, Snohomish, Washington, as the Future Location of a 115kV Ring Bus and Other District Facilities

B. Consideration of a Resolution Approving Amendment No. 3 to the Collective Bargaining Agreement Between Public Utility District No. 1 of Snohomish County and the International Brotherhood of Electrical Workers, Local No. 77, for the Period of April 1, 2024, Through March 31, 2028

C. Consideration of a Resolution Authorizing the Chief Customer Officer, Customer and Energy Services, of Public Utility District No. 1 of Snohomish County to Execute Amendment No. 5 to the Agreement 2019-20 Low Income Weatherization and Energy Savings Agreement With Snohomish County

7. COMMISSION BUSINESS

A. Commission Reports

B. Commissioner Event Calendar

C. October 2025 District Performance Dashboard

8. GOVERNANCE PLANNING CALENDAR

A. Adoption of the 2026 Governance Planning Calendar

ADJOURNMENT

The next scheduled regular meeting is January 6, 2026

Agendas can be found in their entirety on the Snohomish County Public Utility District No. 1 web page at www.snopud.com. For additional information contact the Commission Office at 425.783.8611

COMMENTS FROM THE PUBLIC

BUSINESS OF THE COMMISSION

Meeting Date: December 16, 2025 **Agenda Item:** 2A

TITLE

Approval of the Minutes for the Regular Meeting of December 2, 2025

SUBMITTED FOR: Consent Agenda

Commission	Allison Morrison	8037
Department	*Contact*	*Extension*

Date of Previous Briefing: _____

Estimated Expenditure: _____ Presentation Planned ☐

ACTION REQUIRED:

☐ Decision Preparation
☐ Policy Discussion
☐ Policy Decision
☒ Statutory

☐ Incidental (Information)

☐ Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Board Job Description: GP-3(4) … a non-delegable, statutorily assigned Board duty as defined under RCW 54.12.090 – minutes.

List Attachments:
Preliminary Minutes

PRELIMINARY
SNOHOMISH COUNTY PUBLIC UTILITY DISTRICT

Regular Meeting **December 2, 2025**

The Regular Meeting was convened by President Sidney Logan at 9:00 a.m. Those attending were Tanya Olson, Vice-President; Julieta Altamirano-Crosby, Secretary; Chief Water Operations Officer Jeff Kallstrom; Chief Operating & Legal Officer Colin Willenbrock; other District staff; members of the public; Clerk of the Board Allison Morrison; and Deputy Clerks of the Board Jenny Rich and Morgan Stoltzner.

*** Items Taken Out of Order**
****Non-Agenda Items**

1. RECOGNITION/DECLARATIONS

A. Employee of the Month for December – Laura Lemke

Laura Lemke was recognized as the Employee of the Month for December.

2. COMMENTS FROM THE PUBLIC

The following public provided comments:

- William Lider, Snohomish County, WA

3. CONSENT AGENDA

A. Approval of Minutes for the Regular Meeting of November 18, 2025

B. Bid Awards, Professional Services Contracts and Amendments

Public Works Contract Award Recommendations:
Invitation to Bid No. 25-1604-KS with J.F. Brennan Company, Inc.
Formal Bid Award Recommendations $120,000 and Over:
Request for Quotation No. 25-1608-CS with Carlson Sales Metering Solutions, LLC proposing GE Grid Solutions, LLC
Professional Services Contract Award Recommendations $200,000 and Over:
None
Miscellaneous Contract Award Recommendations $200,000 and Over:
Miscellaneous No. 4500102119 with City of Seattle
Interlocal Agreements and Cooperative Purchase Recommendations:
Contracts:
None
Amendments:
None

Sole Source Purchase Recommendations:
None
Emergency Declarations, Purchases and Public Works Contracts:
None
Purchases Involving Special Facilities or Market Condition Recommendations:
None
Formal Bid and Contract Amendments:
Miscellaneous No. CW2247419 with DC Group
Contract Acceptance Recommendations:
None

C. Consideration of Certification/Ratification and Approval of District Checks and Vouchers

A motion unanimously passed approving Agenda Items 3A – Approval of Minutes for the Regular Meeting of November 18, 2025; 3B – Bid Awards, Professional Services Contracts and Amendments; and 3C – Consideration of Certification/Ratification and Approval of District Checks and Vouchers

4. CEO/GENERAL MANAGER BRIEFING AND STUDY SESSION

A. Updates

1. Other. There were no other updates.

B. Purchase of Property for Future 115kV Ring Bus

Manager Real Estate Services Maureen Barnes provided a presentation on the Purchase of Property of Future 115kV Ring Bus. Information included Property Purchase Background, New Site Attributes, Proposed Site Due Diligence and Site Purchase.

The next steps would be to return at the December 16, 2025, Commission meeting for consideration of a resolution and a planned return in 2026 for surplus and sale of the original property site.

C. Connect Up Quarterly Update

Program Director Tim Epp provided a progress update for the Connect Up Program. Information included Overall Program, Meter Deployment and Advanced Metering Infrastructure (AMI) Network statuses, AMI Operations and SnoSMART Support.

D. Audit Activity Update

Senior Manager Controller & Auditor Shawn Hunstock and Manager Accounting Tyler Wells presented the Audit Activity Update for the District. Information included the current Audit Summary and Upcoming Audits.

E. Water Supply Update

Utility Analyst Scott Richards provided a Water Supply Update to the Board. Information included information on the Columbia River Watershed, Watery Supply Forecast at The Dalles, Monthly Flow Profile & Slice Generation, District Hydro Generation, and Hydro Slice Contract Close Out & Load Following.

The Board concurred with the proposed Water Supply Update cadence of annual April reports.

The meeting recessed at 10:05 a.m. and reconvened at 10:10 a.m.

F. Energy Risk Management Report

Senior Manager Rates Economics & Energy Risk Management Peter Dauenhauer provided a presentation on the Energy Risk Management Report. Information included Energy Risk Background and Fundamentals, Sources of Risk, Risk in Retrospect for Q2-Q3 2025, and Risk Program Status after October 1, 2025.

The next step would be to review current risk profile under Load Following and review options for transitioning the program to suit energy risk management needs. Planned completion for the program update is targeted for Q3 2026.

5. CEO/GENERAL MANAGER REPORT

Chief Water Operations Officer Jeff Kallstrom and Chief Operating & Legal Officer Colin Willenbrock reported on District related topics and accomplishments.

6. PUBLIC HEARING

A. Public Hearing on Proposed 2025 Integrated Resource Plan

President Logan opened the public hearing.

Utility Analyst Landon Snyder provided a presentation on the Proposed 2025 Integrated Resource Plan.

Commissioner Logan asked about public hearing cadence and why there are two public hearings instead of one. Chief Operating & Legal Officer Colin Willenbrock stated that he would look into it.

There were no public comments.

A motion unanimously passed continuing the hearing on the Proposed 2025 Integrated Resource Plan to Tuesday, December 16, 2025, at 9:00 a.m., at 2320 California Street in Everett, WA.

B. Public Hearing on Proposed 2025 Clean Energy Implementation Plan

President Logan opened the public hearing.

Utility Analyst Landon Snyder provided a presentation on the Proposed 2025 Clean Energy Implementation Plan.

There were no comments from the Board or the public.

A motion unanimously passed continuing the public hearing on the Proposed 2025 Clean Energy Implementation Plan to Tuesday, December 16, 2025, at 9: 00 a.m., at 2320 California Street in Everett, WA.

C. Public Hearing on Proposed 2026-2027 Biennial Conservation Targets and Ten-Year Conservation Potential Estimate

President Logan opened the public hearing.

Senior Manager Energy Services & Customer Innovations Jeff Feinberg provided a presentation on the Proposed 2026-2027 Biennial Conservation Targets and Ten-Year Conservation Potential Estimate.

There were no questions from the Board or the public.

A motion unanimously passed continuing the public hearing on the Proposed 2026-2027 Biennial Conservation Targets and Ten-Year Conservation Potential Estimate to Tuesday, December 16, 2025, at 9:00 a.m., at 2320 California Street in Everett, WA.

7. PUBLIC HEARING AND ACTION

A. Consideration of a Resolution Adopting the 2026 Budget for Public Utility District No. 1 of Snohomish County, Washington

President Logan reconvened the public hearing.

There were no comments from the Board or the public. The public hearing was closed.

A motion unanimously passed approving Resolution No. 6257 adopting the 2026 Budget for Public Utility District No. 1 of Snohomish County, Washington.

B. Consideration of a Resolution Amending the District's Water Service Rates and Charges for Single Family, Multiple Family, and Commercial/Industrial Customers for Water Utility Service

President Logan reconvened the public hearing.

There were no comments from the Board or the public. The public hearing was closed.

A motion unanimously passed approving Resolution No. 6258 amending the District's Water Service Rates and Charges for single family, multiple family, and commercial/industrial customers for Water Utility Service.

C. Consideration of a Resolution Approving Increased Fees Payable by Licensees of Space on District Utility Poles

President Logan reconvened the public hearing.

There were no comments from the Board or the public. The public hearing was closed.

A motion unanimously passed approving Resolution No. 6259 approving increased fees payable by Licensees of Space on District Utility Poles.

D. Consideration of a Resolution Amending the District's Retail Electric and Street Lighting Service Schedules

President Logan reconvened the public hearing.

Commissioner Altamirano-Crosby asked about the amount of low-income funds available for customers and how many customers apply to receive them. Chief Customer Officer John Hoffman responded.

There were no comments from the public. The public hearing was closed.

A motion passed approving Resolution No. 6260 amending the District's retail electric and street lighting service schedules. The vote was Commissioner Logan: Aye; Commissioner Olson: Aye; Commissioner Altamirano-Crosby: Nay.

8. ITEMS FOR INDIVIDUAL CONSIDERATION

A. Consideration of a Motion Accepting the Financial Planning and Budgeting Monitoring Report

A motion unanimously passed accepting the Financial Planning and Budgeting Monitoring Report.

B. Consideration of a Resolution Authorizing the Chief Operating and Legal Officer of Public Utility District No. 1 of Snohomish County to Execute an Aquatic Lands Lease With the Washington State Department of Natural Resources Concerning the Hat Island Submarine Cable Project

A motion unanimously passed approving Resolution No. 6261 authorizing the Chief Operating and Legal Officer of Public Utility District No. 1 of Snohomish County to Execute an Aquatic Lands Lease with Washington State Department of Natural Resources concerning the Hat Island Submarine Cable Project.

C. Consideration of a Resolution Authorizing the CEO/General Manager of Public Utility District No. 1 of Snohomish County to Execute an Amendment to an Interlocal Agreement With the City of Everett and Ratifying an Amendment to a Grant Agreement With the Washington State Department of Commerce, all Regarding the Purchase, Installation and use of a Charging System for Electric Buses at College Station at Everett Community College

A motion unanimously passed approving Resolution No. 6262 authorizing the CEO/General Manager of Public Utility District No. 1 of Snohomish County to execute an amendment to an Interlocal Agreement with the City of Everett and ratifying an amendment to a grant agreement with the Washington State Department of Commerce, all regarding the purchase, installation and use of a charging system for Electric Buses at College Station at Everett Community College.

9. COMMISSION BUSINESS

A. Commission Reports

There were no Commission Reports.

B. Commissioner Event Calendar

There were no changes to the Commissioner Event Calendar.

C. 2025 Treasury, Budget, and Project Status Report – October

There were no questions on the 2025 Treasury, Budget and Project Status Report for October.

D. Consideration of Election of Commission Officers for the Year 2026

A motion was made electing the Commission Officers for the year 2026 as follows: Sidney Logan, President; Julieta Altamirano-Crosby, Vice-President; and Tanya Olson, Secretary.

10. GOVERNANCE PLANNING

A. Governance Planning Calendar

There were no changes to the Governance Planning Calendar.

B. Proposed 2026 Governance Planning Calendar

There were no changes to the Proposed 2026 Governance Planning Calendar.

ADJOURNMENT

There being no further business or discussion to come before the Board, the Regular Meeting of December 2, 2025, adjourned at 11:30 a.m.

Approved this 16th day of December, 2025.

_____
Secretary

_____
President

_____
Vice President

BUSINESS OF THE COMMISSION

Meeting Date: December 16, 2025 **Agenda Item:** 2B

TITLE

CEO/General Manager's Report of Public Works Contract Award Recommendations; Formal Bid Award Recommendations; Professional Services Contract Award Recommendations; Miscellaneous Contract Award Recommendations; Cooperative Purchase Recommendations; Sole Source Purchase Recommendations; Emergency Declarations, Purchases and Public Works Contracts; Purchases Involving Special Facilities or Market Condition Recommendations; Formal Bid and Contract Amendments; and Contract Acceptance Recommendations

SUBMITTED FOR: Consent Agenda

Contracts/Purchasing	Clark Langstraat	5539
Department	*Contact*	*Extension*

Date of Previous Briefing: _____

Estimated Expenditure: _____ Presentation Planned ☐

ACTION REQUIRED:

☐ Decision Preparation
- ☐ Policy Discussion
- ☐ Policy Decision
- ☒ Statutory

☐ Incidental (Information)

☐ Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Board Job Description, GP-3(4) … non-delegable, statutorily assigned Board duty – Contracts and Purchasing.

The CEO/General Manager's Report of Public Works Contract Award Recommendations; Formal Bid Award Recommendations $120,000 and Over; Professional Services Contract Award Recommendations $200,000 and Over; Miscellaneous Contract Award Recommendations $200,000 and Over; Cooperative Purchase Recommendations; Sole Source Purchase Recommendations; Emergency Declarations, Purchases and Public Works Contracts; Purchases Involving Special Facilities or Market Condition Recommendations; Formal Bid and Contract Amendments; and Contract Acceptance Recommendations contains the following sections:

Public Works Contract Award Recommendations (Page 1);
Recommend Rejection for Request for Proposal No. 25-1599-KS

Formal Bid Award Recommendations $120,000 and Over;
None

Professional Services Contract Award Recommendations $200,000 and Over (Pages 2–3);
Professional Services Contract No. CW2260504 with Arete Law Group
Professional Services Contract No. CW2260511 with Sebris Busto James

Miscellaneous Contract Award Recommendations $200,000 and Over (Pages 4 – 5);
Miscellaneous Contract No. CW2260500 with Grid Solutions US LLC dba GE Energy Management Services ("GE")
Miscellaneous PO No. 4500102302 with Structured Communications Systems, Inc.

Interlocal Agreements and Cooperative Purchase Recommendations;
Contracts:
None
Amendments:
None

Sole Source Purchase Recommendations;
None

Emergency Declarations, Purchases and Public Works Contracts;
None

Purchases Involving Special Facilities or Market Condition Recommendations;
None

Formal Bid and Contract Amendments (Pages 6 - 11);
Public Works Contract No. CW2257082 with Asplundh Tree Expert, LLC
Professional Services Contract No. CW2245570 with Confluence Engineering
Professional Services Contract No. CW2247494 with Morgan Lewis & Bockius LLP
Professional Services Contract No. CW2255634 with Ward Industrial Process Automation Inc.
Miscellaneous Contract No. 76646 with Origami Risk, LLC

Contract Acceptance Recommendations;
None

List Attachments:
December 16, 2025 Report

Public Works Contract Award Recommendation(s)
December 16, 2025

RFP No. 25-1599-KS
Sky Valley Telecom Site Construction

No. of Bids Solicited:	43	
No. of Bids Received:	1	
Project Leader & Phone No.:	Scott Cashmore	Ext. 4434
Estimate:	$299,800.00	

Description:

This contract work is to build a new telecom site to improve the District's radio communications quality and coverage for crews and operations in the Monroe area. Construction includes, but is not limited to: site preparation for construction, constructing a 120-foot monopole with grounding system, installing LMR (land mobile radio) antenna system with associated equipment and structures on new monopole, telecom site grounding system, coax cable bridge, electrical services installation and construction, telecom equipment outdoor cabinets installation including concrete pad, backup electric generator pad and all electrical wiring and components, generator propane tank and pad installation and site fencing. The location of the work is 19622 Tjerne Place SE, in the City of Monroe, Washington, 98272, in Snohomish County.

Contractor	Subtotal (w/o tax)
Sterling Telecommunications & Construction, Inc.	$483,000.00

Summary Statement: Staff recommend rejecting the proposal received as it exceeds 15% of the estimate.

Professional Services Contract Award Recommendation(s) $200,000 And Over
December 16, 2025

PSC No. CW2260504
Employment Matters

No. of Bids Solicited:	N/A	
No. of Bids Received:	N/A	
Project Leader & Phone No.:	Branda Andrade	Ext. 8657
Contract Term:	11/24/2025 – 12/31/2025	

Description: Arbitration, Mediation and Litigation

	Consultant	Not-to-Exceed Amount (tax n/a)
Award To	**Arete Law Group**	**$200,000.00**

Summary Statement: Counsel will represent and advise the District in employment arbitration, mediation, litigation and issues as directed and requested by the Chief Legal Officer or designee. The areas of legal services Counsel will provide include, but are not limited to, representation in ongoing employment matters.

Professional Services Contract Award Recommendation(s) $200,000 And Over
December 16, 2025

PSC No. CW2260511
Employment Litigation

No. of Bids Solicited:	N/A	
No. of Bids Received:	N/A	
Project Leader & Phone No.:	Branda Andrade	Ext. 8657
Contract Term:	NTP – 12/31/2026	

Description: Employment Litigation

	Consultant	Not-to-Exceed Amount (tax n/a)
Award To	**Sebris Busto James**	**$275,000.00**

Summary Statement: Counsel will represent and advise the District in employment litigation and issues as directed and requested by the Chief Legal Officer or designee. The areas of legal services Counsel will provide include, but are not limited to, representation in ongoing employment matters.

MISC. CW2260500
Energy Management System (EMS) / Supervisory Control and Data Acquisition (SCADA) Software Maintenance

No. of Bids Solicited:	N/A	
No. of Bids Received:	N/A	
Project Leader & Phone No.:	Jason Bruss	Ext. 8539
D&E Lead & Phone No.:	Ramona Marino	Ext. 5028
Estimate:	$496,738.00	

Description: The EMS/SCADA software enables the District to monitor, control and optimize the performance of the electric system to service our customers. The EMS/SCADA system integrates with the Distribution Management System (DMS) for real time confirmed switching and breaker operations as well as to support field operations for distribution switching. The EMS/SCADA system also integrates with the Outage Management System (OMS) to support the visualization of customer outages and the management of field operations in support of outage restoration. Together the EMS/SCADA, OMS and DMS systems track, group and display electric system outages and support the management of service restoration activities safely and efficiently.

By entering into a two-year renewal agreement with GE, renewal costs for the next two years will be limited to five percent per year. Renewals are paid for one year at a time.

	Vendor	Subtotal (w/o tax)
Award To:	**Grid Solutions US LLC dba GE Energy Management Services ("GE")**	**$496,738.00**

Summary Statement: Staff recommends approval to renew the annual software maintenance contract for two years with GE for a not-to-exceed amount of $496,738.00 plus applicable tax supporting the District's enterprise-wide Energy Management System (DMS) / Supervisory Control and Data Acquisition (SCADA) software. The maintenance contract provides technical support, security updates, software fixes and ongoing product releases.

MISC. PO 4500102302
Juniper Maintenance and
Mist Subscription Renewal

No. of Bids Solicited:	1	
No. of Bids Received:	1	
Project Leader & Phone No.:	Todd Wunder	Ext. 4450
Estimate:	$220,041.33	

Juniper provides the District with rapid troubleshooting support, software patches and feature enhancements (including critical security patches), as well as infrastructure replacement in cases of hardware failure. District staff utilize this support to maintain reliable, secure and scalable network infrastructure. This purchase supports the District's strategic priority of bolstering operational reliability and resiliency.

	Vendor	Subtotal (w/o tax)
Award To:	**Structured Communications Systems, Inc.**	**$220,041.33**

Summary Statement: Staff recommend approval to renew the annual Juniper Maintenance and Mist Subscription with Structured Communications Systems for a one-year term and not-to-exceed amount of $220,041.33 plus applicable tax.

By approval of this award recommendation, the Board authorizes the District's CEO/General Manager or his designee to enter into an Agreement for the services more fully described above, in accordance with the terms and conditions described above and additional terms and conditions mutually acceptable to the parties.

Formal Bid and Contract Amendment(s)
December 16, 2025

PWC No. CW2257082
O&M and Capital Tree Trimming Unit Price (Hourly Rate) Transmission and Distribution Line Clearance

Contractor/Consultant/Supplier:	Asplundh Tree Expert, LLC
Project Leader & Phone No.:	Josh Perez Ext. 5056
Amendment No.:	1
Amendment:	$3,356,268.30

Original Contract Amount:	$3,196,446.00		
Present Contract Amount:	$3,196,446.00	Original Start/End:	1/1/25 – 12/31/25
Amendment Amount:	$3,356,268.30	Present Start/End:	1/1/25 – 12/31/25
New Contract Amount:	$6,552,714.30	New End Date:	12/31/2026

Summary Statement: Staff recommends approval of Amendment No. 1 to increase the contract by a not-to-exceed amount of $3,356,268.30 and extend the term to December 31, 2026. This exercises the option to renew the contract for one additional year, under the same terms and conditions, except as to price.

Per the terms of the contract, labor rate adjustments are allowed based on the labor rates originally proposed and calculated separately for prevailing wage rates published by LNI and labor rates published in the contractor's Collective Bargaining Agreement (CBA). Adjustments are calculated as increases over the original proposed rates and will not be cumulative. The District will grant only the higher of the two increases. In this instance labor rates will be increased by an average of 4.91% based on wage rate increases required by the contractor's CBA.

Formal Bid and Contract Amendment(s)
December 16, 2025

PSC No. CW2245570
AE Water Quality On-Call Contract

Contractor/Consultant/Supplier:	Confluence Engineering	
Project Leader & Phone No.:	Brad Zahnow	Ext. 3038
Amendment No.:	4	
Amendment:	$100,000.00	

This on-call contract is intended to supplement the District's engineering expertise and aid in analyzing and optimizing the water quality of its water systems and recommend possible operational changes based on current or upcoming regulatory requirements. This contract also provides support to the District when evaluating the water quality aspects of other water systems that may request to consolidate with the District.

Original Contract Amount:	$ 100,000.00		
Present Contract Amount:	$ 150,000.00	Original Start/End:	9/29/21-12/31/22
Amendment Amount:	$ 100,000.00	Present Start/End:	9/29/21-12/31/25
New Contract Amount:	$ 250,000.00	New End Date:	12/31/26

Summary Statement: Staff recommend approval of Amendment No. 4 to increase the contract amount by $100,000.00 and extend the contract to December 31,2026 to assist with several on-call water quality projects continuing in 2026. This amendment also changes the Project Leader to Brad Zahnow.

Summary of Amendments:

Amendment No. 1 dated 11/29/22 extended the contract term to 12/31/23 and changed the Project Leader to Karen Latimer.

Amendment No. 2 dated 11/6/23 extended the contract term to 12/31/24 for continued support.

Amendment No. 3 dated 12/17/24 extended the contract term to 12/31/25 and added $50,000.00.

PSC No. CW2247494
Tort Litigation

Contractor/Consultant/Supplier:	Morgan Lewis & Bockius LLP
Project Leader & Phone No.:	Sara Di Vittorio Ext. 8682
Amendment No.:	8
Amendment:	$100,000.00

Original Contract Amount:	$150,000.00		
Present Contract Amount:	$712,000.00	Original Start/End:	3/16/22 – 12/23/22
Amendment Amount:	$100,000.00	Present Start/End:	3/16/22 – 12/31/25
New Contract Amount:	$812,000.00	New End Date:	12/31/26

Summary Statement: Staff recommend approval of Amendment No. 8 to increase the contract by $100,000.00 and extend contract end date to 12/31/26, to complete pending litigation.

Summary of Amendments:

Amendment No. 7 approved by the Commission on June 17, 2025, increased contract by $37,000.00 to complete pending employment litigation.

Amendment No. 6 approved by the Commission on November 19, 2024, increased contract by $50,000.00 and extended contract to December 31, 2025, for Counsel to continue to represent the District with ongoing employment litigation.

Amendment No. 5 approved by the Commission on January 23, 2024, increased contract by $100,000.00, for Counsel to continue to represent the District with ongoing employment litigation.

Amendment No. 4 dated December 27, 2023, extended the contract term to December 31, 2024 for continued support.

Amendment No. 3 approved by the Commission on February 21, 2023, increased contract by $225,000.00 allowing Counsel to continue to represent the District with ongoing employment litigation. Counsel is currently conducting investigations and discovery to prepare the necessary pleadings and motions.

Amendment No. 2 approved by the Commission on November 15, 2022, increased contract by $150,000.00 and extended the contract term to December 28, 2023, for Counsel to continue to represent the District in employment litigation. Counsel is conducting investigations, discovery and preparing necessary pleadings and motions.

Amendment No. 1 dated July 13, 2022, changed the law firm's name from Calfo Eakes LLP to Morgan Lewis & Bockius.

Formal Bid and Contract Amendment(s)
December 16, 2025

PSC No. CW2255634
Youngs Creek PLC HMI
Reprogramming and Implementation

Contractor/Consultant/Supplier:	Ward Industrial Process Automation Inc.	
Project Leader & Phone No.:	Jason Cohn	Ext 8823
Amendment No.:	2	
Amendment:	$50,000	

Original Contract Amount:	$100,000.00		
Present Contract Amount:	$200,000.00	Original Start/End:	7/3/24 - 12/31/25
Amendment Amount:	$50,000.00	Present Start/End:	7/3/24 - 12/31/26
New Contract Amount:	$250,000.00	New End Date:	N/A

Summary Statement: Staff recommend approval of Amendment No. 2 to increase contract by $50,000.00, to allow Consultant to complete the existing scope of work.

Additional time is required for the Young's Creek project due to the nature of the complexity of the programming that is much different than Hancock and Calligan. Mr. Ward had helped work on Hancock and Calligan during the late stages of the commissioning of those projects and was very familiar with the core logic blocks.

Youngs Creek has taken more time to map the current configuration and we want to make sure we have enough budget and time to finish the project and deal with any bugs that may present themselves after commissioning.

Summary of Amendments:

Amendment No. 1 approved by Commission on August 5, 2025, increased the contract amount by $100,000 and extended the contract end date to December 31, 2026 for continued support.

Misc. Contract No. 76646
Workers Compensation and Liability and Damage Claims Management Solution

Contractor/Consultant/Supplier:	Origami Risk, LLC	
Project Leader & Phone No.:	Steve Eaton	x1763
Business Leaders & Phone Nos.:	Sharon Reijonen	x8633
	Rob Beidler	x8770
	Angela Johnston	x8301
Amendment No.:	13	
Amendment Amount:	$10,427.00	

Original Contract Amount:	$205,851.00		
Present Contract Amount:	$1,269,947.00	Original Start/End:	3/17/14 – 3/16/17
Amendment Amount:	$ 10,427.00	Present Start/End:	3/17/14 – 3/16/27
New Contract Amount:	$1,280,374.00	New End Date:	N/A

Summary Statement: Staff recommends approval of Amendment No. 13 to add four Light User Licenses and implement Secure Email functionality, which provides password protected hosting for email communications from and to the software subscription service. The additional licenses and new functionality increase the contract value by $10,427.00 plus applicable tax. The cost of the licenses will be pro-rated for the first year and co-termed with the current subscription's renewal date.

The Origami Risk Solution enables the District to gather and report on Safety Incidents and Near Misses, Security Incidents and Damage Claims processing and is a part of our Workers Compensation process. In 2014, the District requested proposals from interested vendors and entered into a three-year subscription services agreement with Origami Risk, LLC. Since then, the District has continued to use the existing services and build on the Origami platform to quickly enable other services and functionality, such as COVID Contact Tracing and Test Tracking.

Summary of Amendments:

Amendment No. 1 (One-time dollar amendment, not exceeding 10%) dated December 16, 2014 increased the funding by $3,500.00 for five additional licenses and co-termed with the existing software subscription agreement.

Amendment No. 2 approved by the Commission on March 14, 2017 and extended the contract term to March 16, 2018 and increased the contract amount by $51,788.00.

Amendment No. 3 approved by the Commission on August 22, 2017 and added a new interface between Origami and CorVel (third party vendor) and increased the contract value by $4,675.00.

Amendment No. 4 approved by the Commission on March 6, 2018 and extended the contract for another year and increased the contract amount by $56,788.00.

Summary Statement Continued:

Amendment No. 5 approved by the Commission on February 5, 2019 and extended the contract for another three years and increased the contract amount by $272,900.00.

Amendment No. 6 approved by the Commission on July 23, 2019. The amendment added five new Claims Administrator User Licenses and five Light User Licenses and increased the contract amount by $35,335.00.

Amendment No. 7 approved by the Commission on February 2, 2021. The amendment added 50 Professional Services hours of support, and increased the contract amount by $13,000.00.

Amendment No. 8 dated October 19, 2021 added the COVID Suite Module used for tracking weekly Covid Testing of employees that are not vaccinated at the District and increased the contract amount by $16,875.00.

Amendment No. 9 approved by the Commission on March 8, 2022. The amendment extended the contract for one year and increased the contract amount by $110,120.31.

Amendment No. 10 approved by the Commission on March 7, 2023. The amendment extended the contract for one year and increased the contract amount by $115,626.33.

Amendment No. 11 dated April 26, 2023 exchanged an unused interface (Medbill interface) for an additional 27 support hours.

Amendment No. 12 approved by Commission on March 5, 2024, extended the contract for three years and increased the contract amount by $383,497.36

BUSINESS OF THE COMMISSION

Meeting Date: December 16, 2025 **Agenda Item:** 2C

TITLE

Consideration of Certification/Ratification and Approval of District Checks and Vouchers

SUBMITTED FOR: Consent Agenda

General Accounting & Financial Systems	Shawn Hunstock	8497
Department	*Contact*	*Extension*

Date of Previous Briefing: _____

Estimated Expenditure: _____ Presentation Planned ☐

ACTION REQUIRED:

☐ Decision Preparation
☐ Policy Discussion
☐ Policy Decision
☒ Statutory

☐ Incidental (Information)

☐ Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Board Job Description: GP-3(4)(B)(2)a non-delegable, statutorily assigned Board duty to approve vouchers for all warrants issued.

The attached District checks and vouchers are submitted for the Board's certification, ratification and approval.

List Attachments:
Voucher Listing

SNOHOMISH COUNTY PUD
PUBLIC UTILITY DISTRICT NO. 1

CERTIFICATION/RATIFICATION AND APPROVAL

We, the undersigned of the Public Utility District No. 1 of Snohomish County, Everett, Washington, do hereby certify that the merchandise or services hereinafter specified have been received, and the Checks or Warrants listed below are ratified/approved for payment this 16th day of December 2025.

CERTIFICATION:

Certified as correct:

CEO/General Manager
Shawn Hunstock

Auditor
Jeff Bishop

Chief Financial Officer/Treasurer

RATIFIED AND APPROVED:

Board of Commissioners:

President

Vice-President

Secretary

TYPE OF DISBURSEMENT	PAYMENT REF NO.	DOLLAR AMOUNT	PAGE NO.
REVOLVING FUND			
Customer Refunds, Incentives and Other	1137546 - 1138203	$140,446.89	2 - 22
Electronic Customer Refunds		$2,722.85	23 - 24
WARRANT SUMMARY			
Warrants	8084657 - 8084787	$1,128,457.55	25 - 29
ACH	6060105 - 6060467	$4,312,732.38	30 - 41
Wires	7003820 - 7003830	$30,202,967.37	42
Payroll - Direct Deposit	5300001419 - 5300001419	$5,375,590.09	43
Payroll - Warrants	845603 - 845607	$15,937.95	43
Automatic Debit Payments	5300001413 - 5300001425	$27,309,933.95	44
	GRAND TOTAL	**$68,488,789.03**	

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
11/24/25	1137546	JASMINE GREGORY	$10.98
11/24/25	1137547	JOSEPH SCHWIRTZ	$86.02
11/24/25	1137548	DARCY DEPEW	$248.06
11/24/25	1137549	ALS HIGHLANDER OWNER LLC	$55.88
11/24/25	1137550	NEIL ALFONSO	$10.98
11/24/25	1137551	SANDRA PARKER	$2,200.00
11/24/25	1137552	TNHC WASHINGTON LLC	$81.96
11/24/25	1137553	JILL STANLEY	$15.65
11/24/25	1137554	IRENE LYFORD	$764.99
11/24/25	1137555	ELIZABETH HARRISON	$738.93
11/24/25	1137556	LENNAR NORTHWEST INC	$87.31
11/24/25	1137557	NICOLE LUCAS	$72.55
11/24/25	1137558	ROBERT ADE	$32.21
11/24/25	1137559	CHARLOTTE WILLIAMS	$3,000.00
11/24/25	1137560	WILLIAMS INVESTMENTS	$26.86
11/24/25	1137561	ELEVATE BOUTIQUE LLC	$21.91
11/24/25	1137562	PRITHISH MATHEW MATHEWS	$99.24
11/24/25	1137563	TAYLOR KIRK	$100.22
11/24/25	1137564	ECHELBARGER HOMES, INC.	$93.71
11/24/25	1137565	SPEEDWAY LLC	$42.46
11/24/25	1137566	PATRICK BARCOME	$273.55
11/24/25	1137567	RAVEENA RAJENDRA PAI	$83.61
11/24/25	1137568	TAMARA COOPER	$23.85
11/25/25	1137569	MATTHEW HAYRYNEN	$444.50
11/25/25	1137570	VINTAGE HOUSING DEVELOPMENT INC	$50.15
11/25/25	1137571	KARLEEN AMALEGA	$92.43
11/25/25	1137572	RAUL ALEJANDRO ZERPA DORTA	$40.84
11/25/25	1137573	NELY MONTOYA MAZARIEGOS	$63.97
11/25/25	1137574	JONATAN DIAZ	$90.50
11/25/25	1137575	LEIDY LAVADO	$42.85
11/25/25	1137576	SHIRLEY MINAKER	$115.90
11/25/25	1137577	MAURO TEPOLE	$55.77

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
11/25/25	1137578	NATASHA NELSON	$198.74
11/25/25	1137579	SEASONS LYNNWOOD, LLC	$74.54
11/25/25	1137580	PRCP-EVERETT, LLC	$71.86
11/25/25	1137581	DANAE KRAMER	$17.01
11/25/25	1137582	IV JOHN BAILEY	$87.77
11/25/25	1137583	SUNI CHON	$30.18
11/25/25	1137584	AMANDA DIDYOUNG	$186.20
11/25/25	1137585	LEONARD HANLEY	$7.88
11/25/25	1137586	SANCHEZ WALLACE	$270.88
11/25/25	1137587	JEFFREY THOMPSON	$291.20
11/25/25	1137588	PAMELA MCLEOD	$728.94
11/25/25	1137589	SHAUN SPENCE	$8.00
11/25/25	1137590	ISAAC EDWARDS	$915.04
11/25/25	1137591	CAPPIE ZEIGLER	$784.72
11/25/25	1137592	SHARRON COOK	$728.18
11/25/25	1137593	NANCY SPENCER	$96.98
11/25/25	1137594	FOUR CORNERS LLC	$8.44
12/1/25	1137595	SAMUEL PETERSON	$25.87
12/1/25	1137596	KUAN-TING LIU	$180.25
12/1/25	1137597	TIMOTHY BENEDICT	$43.18
12/1/25	1137598	SENTINEL ROCK HARTFORD LLC	$49.42
12/1/25	1137599	IVY ASKEW	$295.18
12/1/25	1137600	JEFFREY JOHNSON	$152.66
12/1/25	1137601	WATERFRONT PLACE LP	$6.49
12/1/25	1137602	SREIT CASCADIA POINTE LLC	$21.41
12/1/25	1137603	BRUCE BRADLEY	$130.26
12/1/25	1137604	LAYLA VAN METER	$78.74
12/1/25	1137605	PURITY NJOKI	$80.10
12/1/25	1137606	BOYDEN ROBINETT & ASSOC LP	$32.72
12/1/25	1137607	CARROLLS CREEK APARTMENTS PROPERTY OWNER	$5.02
12/1/25	1137608	MAUREEN SHERMAN LINES	$70.00
12/1/25	1137609	PROJECT PRIDE	$3,003.13

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/1/25	1137610	ANNIE STOCK	$30.00
12/1/25	1137611	IH3 PROPERTY WASHINGTON, L.P.	$157.43
12/1/25	1137612	HONG TRAN	$300.00
12/1/25	1137613	STRATA NICKEL LLC	$17.50
12/1/25	1137614	SOW CHU	$23.18
12/1/25	1137615	JEFF JOHNSON	$128.61
12/1/25	1137616	WESTBURG LLC	$22.40
12/1/25	1137617	VARUN GILL	$161.85
12/1/25	1137618	6TH AND DAYTON LLC	$105.32
12/1/25	1137619	OSAMA ALASSAD	$105.70
12/2/25	1137620	KIELY MCFERREN	$24.82
12/2/25	1137621	JASON HANSON	$24.82
12/2/25	1137622	JUDITH LOWELL	$124.10
12/2/25	1137623	L ANN WASHBURN	$12.41
12/2/25	1137624	S MICHELSON	$372.30
12/2/25	1137625	JIM PRICE	$62.05
12/2/25	1137626	THEODORE ANDREWS	$62.05
12/2/25	1137627	LAURA HARDING	$38.88
12/2/25	1137628	JAMES HONEMAN	$62.05
12/2/25	1137629	SUSAN MAHONEY	$62.05
12/2/25	1137630	WILLIAM WAGENSELLER	$62.05
12/2/25	1137631	CHRISTOPHER KENYON	$62.05
12/2/25	1137632	EDIE WALKER	$37.23
12/2/25	1137633	AMY CAMPBELL	$124.10
12/2/25	1137634	SANGEETHA SARAN	$74.46
12/2/25	1137635	COREY HENRY	$62.05
12/2/25	1137636	ROBIN DELEUW	$12.41
12/2/25	1137637	JANET CANNON	$62.05
12/2/25	1137638	ANURAG MISHRA	$62.05
12/2/25	1137639	BO PENG	$310.25
12/2/25	1137640	DANIEL MCNULTY	$1,402.33
12/2/25	1137641	NAOMI BARGER	$124.10

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/2/25	1137642	JODENE ESHOM	$24.82
12/2/25	1137643	NANCY JACOBSON	$62.05
12/2/25	1137644	MARY BALLOU	$24.82
12/2/25	1137645	PEGGY LYNN	$62.05
12/2/25	1137646	KEVIN BROOKS	$12.41
12/2/25	1137647	KIERAN EDMUNDSON	$62.05
12/2/25	1137648	KURT LANGE	$372.30
12/2/25	1137649	DWAIN COLBY	$62.05
12/2/25	1137650	ARTHUR SMITH	$12.41
12/2/25	1137651	ANDREW DULIN	$408.99
12/2/25	1137652	GERALD ALBERS	$1,241.00
12/2/25	1137653	MIGMAR LHAMO	$12.41
12/2/25	1137654	JOAN PRYOR	$62.05
12/2/25	1137655	NOREEN MOEN	$62.05
12/2/25	1137656	BRANDON WHITAKER	$24.82
12/2/25	1137657	BARBARA PIPER	$124.10
12/2/25	1137658	JANE GILLILAND	$12.41
12/2/25	1137659	GINA MCNAUGHTON	$62.05
12/2/25	1137660	JULIE TITONE	$124.10
12/2/25	1137661	MONIQUE WOLFE	$12.41
12/2/25	1137662	ERIN BEATTY	$186.15
12/2/25	1137663	MARLENE CUNNINGHAM	$443.43
12/2/25	1137664	KATHERINE THOMPSON	$62.05
12/2/25	1137665	ELIZABETH REED	$24.82
12/2/25	1137666	CYNTHIA TOMIK	$62.05
12/2/25	1137667	ANDREW SMITH	$794.24
12/2/25	1137668	KRIS COOPER	$124.10
12/2/25	1137669	ELISE CLARK	$62.05
12/2/25	1137670	ESTATE OF PATRICIA J HOWELL	$68.52
12/2/25	1137671	BILL SATHER	$62.05
12/2/25	1137672	DAVID JAMES	$124.10
12/2/25	1137673	RONELLE MELEKAI	$12.41

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/2/25	1137674	KAREN THOMPSON	$24.82
12/2/25	1137675	CAROL BAYLESS	$62.05
12/2/25	1137676	BOB HILLMANN	$620.50
12/2/25	1137677	WAYNE BLEDSOE	$62.05
12/2/25	1137678	MIKE CROSS	$62.05
12/2/25	1137679	LARRY ADAMSON	$124.10
12/2/25	1137680	MICHAEL HALL	$24.82
12/2/25	1137681	KEITH LARSEN	$12.41
12/2/25	1137682	JESSICA SPAHR	$310.25
12/2/25	1137683	RICHARD SWARTZ	$62.05
12/2/25	1137684	BRAD BONNEMA	$24.82
12/2/25	1137685	ELIZABETH WALSH	$99.28
12/2/25	1137686	VICKI DORWAY	$49.64
12/2/25	1137687	HOLLY BAILEY	$12.41
12/2/25	1137688	CHARLOTTE SHIMKO	$62.05
12/2/25	1137689	NORRIS HUFF	$24.82
12/2/25	1137690	TRENT LOWE	$74.46
12/2/25	1137691	WILLIAM MAHONEY	$14.87
12/2/25	1137692	VOLODYMYR HOHOL	$92.06
12/2/25	1137693	STEVE FRANSON	$124.10
12/2/25	1137694	FRED VAN GORKOM	$533.63
12/2/25	1137695	ROBERT JACKSON	$62.05
12/2/25	1137696	RALPH MENNIE	$12.41
12/2/25	1137697	JEFF ZECHLIN	$620.50
12/2/25	1137698	ROY SEBRING	$124.10
12/2/25	1137699	LOUISA MOE	$24.82
12/2/25	1137700	ELIZABETH RIEMER	$124.10
12/2/25	1137701	STANLEY STERLING	$24.82
12/2/25	1137702	ERIC LAFRANCE	$248.20
12/2/25	1137703	JR ROBERT HARRIS	$62.05
12/2/25	1137704	VICKY GIANNELLI	$24.82
12/2/25	1137705	STEPHEN GALEA	$1,613.30

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/2/25	1137706	JR JAMES DEAVER	$248.20
12/2/25	1137707	DIANA CLEMENTSON	$24.82
12/2/25	1137708	JULIE NYHUS	$62.05
12/2/25	1137709	MICHAEL WILKES	$12.41
12/2/25	1137710	OLGA DARLINGTON	$124.10
12/2/25	1137711	JR WILLIAM LEVERING	$124.10
12/2/25	1137712	SANDRA DISTELHORST	$62.05
12/2/25	1137713	JOHN NORTON	$49.64
12/2/25	1137714	RANDI VANHOOSER	$12.41
12/2/25	1137715	THOMAS WAGE	$124.10
12/2/25	1137716	JENNI LAMARCA	$62.05
12/2/25	1137717	SCOTT BINGHAM	$62.05
12/2/25	1137718	GLEE BURGESS	$310.25
12/2/25	1137719	HEATHER KREECK	$62.05
12/2/25	1137720	ALISON SHORT	$24.82
12/2/25	1137721	ADAM OBERHAUS	$62.05
12/2/25	1137722	CHARLOTTE SHIMKO	$62.05
12/2/25	1137723	ZIN MATHENY	$86.87
12/2/25	1137724	SCOTT HOGLUND	$62.05
12/2/25	1137725	BRIANA EDWARDS	$372.30
12/2/25	1137726	BJORN LEVIDOW	$62.05
12/2/25	1137727	KITTIE TUCKER	$124.10
12/2/25	1137728	BEVERLY WAUGH	$24.82
12/2/25	1137729	NEIL SMITH	$37.23
12/2/25	1137730	JEFF DUDA	$62.05
12/2/25	1137731	MICHAEL PEARCE	$62.05
12/2/25	1137732	JERI SOLON	$124.10
12/2/25	1137733	GREGORY SHUMATE	$186.15
12/2/25	1137734	BRENDA MCKENZIE	$24.82
12/2/25	1137735	CAROL PETTIJOHN	$62.05
12/2/25	1137736	ARLENE JIMENEZ	$124.10
12/2/25	1137737	STEVE MAISCH	$12.41

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/2/25	1137738	SCOTT BUTTON	$372.30
12/2/25	1137739	SHELLY KURTENBACH	$12.41
12/2/25	1137740	MARTINE ZOER	$62.05
12/2/25	1137741	SUSAN SCHREYER	$12.41
12/2/25	1137742	WENDY WESTBY	$1,178.95
12/2/25	1137743	ERIN ABER	$12.41
12/2/25	1137744	TIM MOEBES	$124.10
12/2/25	1137745	JANICE GOWEN	$62.05
12/2/25	1137746	LEIV ELLINGSEN	$49.64
12/2/25	1137747	GREGORY MATTSON	$24.82
12/2/25	1137748	LANCE FRALICK	$124.10
12/2/25	1137749	ROBERT WILSON	$62.05
12/2/25	1137750	JONATHAN KLAPEL	$24.82
12/2/25	1137751	SERGIO MELENDEZ CAINA	$37.23
12/2/25	1137752	MARIE FRIESEN	$124.10
12/2/25	1137753	SARAH NICHOLSON	$12.41
12/2/25	1137754	LUKE LIMOGES	$124.10
12/2/25	1137755	SUE MARTIN	$12.41
12/2/25	1137756	JONATHAN ROSELLE	$744.60
12/2/25	1137757	JONATHAN BROCKMAN	$12.41
12/2/25	1137758	JIMMY HOLLADAY	$62.05
12/2/25	1137759	DEBORAH CLARK	$12.41
12/2/25	1137760	TRENT LOWE	$74.46
12/2/25	1137761	TIM KLEIN	$1,613.30
12/2/25	1137762	SPENCER LOUTHAN	$62.05
12/2/25	1137763	KARL LEGGETT	$12.41
12/2/25	1137764	DIANNA SELF	$12.41
12/2/25	1137765	LEEROY KIND	$24.82
12/2/25	1137766	THOMAS KRUSE	$24.82
12/2/25	1137767	ROBBI MEDAK	$24.82
12/2/25	1137768	DEANN VANWINKLE	$62.05
12/2/25	1137769	DENNIS BYRNES	$62.05

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/2/25	1137770	TOM STJOHN	$1,613.30
12/2/25	1137771	SARAH DILLING	$124.10
12/2/25	1137772	RALPH IGAMA	$62.05
12/2/25	1137773	MATT MCREYNOLDS	$62.05
12/2/25	1137774	NATE NEHRING	$12.41
12/2/25	1137775	KATHARINE BARRETT	$186.15
12/2/25	1137776	LAURA TACKABERRY BARKER	$24.82
12/2/25	1137777	SHEILA OLSON	$661.91
12/2/25	1137778	REAL PROPERTY MANAGEMENT NORTH PUGET	$25.18
12/2/25	1137779	MICHAEL BRAY	$24.82
12/2/25	1137780	DUANE BERG	$62.05
12/2/25	1137781	PAUL CROSBY	$62.05
12/2/25	1137782	KEVIN UHL	$186.15
12/2/25	1137783	DELSA ANDERL	$62.05
12/2/25	1137784	HELENE WATKINS	$62.05
12/2/25	1137785	LAURA WILD	$496.40
12/2/25	1137786	DAWN PRESLER	$62.05
12/2/25	1137787	KIMBERLY PAGH	$62.05
12/2/25	1137788	ROBYN MARTIN	$12.41
12/2/25	1137789	TODD SMITH	$62.05
12/2/25	1137790	MIKE BELLINGHAUSEN	$82.16
12/2/25	1137791	KAREN CROWLEY	$62.05
12/2/25	1137792	CAROL JENSEN	$24.82
12/2/25	1137793	JENNIFER ANTCZAK	$24.82
12/2/25	1137794	IH3 PROPERTY WASHINGTON, L.P.	$5.04
12/2/25	1137795	MICHELLE GEORGE	$62.05
12/2/25	1137796	AMY KINDRED	$12.41
12/2/25	1137797	PANKAJ TAJANE	$62.05
12/2/25	1137798	NORM HARRINGTON	$1,613.30
12/2/25	1137799	STEPHEN LABOFF	$310.25
12/2/25	1137800	SEBASTIAN KOHLMEIER	$310.25
12/2/25	1137801	LAVANTA MCMILLAN	$68.77

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/2/25	1137802	SULAYMAN GAYE	$1,000.00
12/2/25	1137803	RALPH KNUTSON	$62.05
12/2/25	1137804	DOREEN HARWOOD	$62.05
12/2/25	1137805	LILLIAN BAY	$12.41
12/2/25	1137806	CHRISTINE FREEMAN	$49.64
12/2/25	1137807	JANET HADA	$62.05
12/2/25	1137808	MARY SELIG	$124.10
12/2/25	1137809	ROBINETT HOLDINGS LLC	$30.21
12/2/25	1137810	VERN LINDBLAD	$24.82
12/2/25	1137811	KIM KAUFFMAN	$496.40
12/2/25	1137812	CHAN BEAUVAIS	$74.46
12/2/25	1137813	RICHARD BRINTON	$1,613.30
12/2/25	1137814	J SKELLY	$49.64
12/2/25	1137815	REBECCA BERRY	$12.41
12/2/25	1137816	SUSAN KATZER	$37.23
12/2/25	1137817	THAI NGUYEN	$62.05
12/2/25	1137818	SUELLEN CHOLVIN	$24.82
12/2/25	1137819	EDWIN KNIGHT	$12.41
12/2/25	1137820	ZAVERE WEEKS	$177.75
12/2/25	1137821	TERESA LENOX	$62.05
12/2/25	1137822	KEN DYER	$37.23
12/2/25	1137823	EVAN NEBEKER	$62.05
12/2/25	1137824	VERONICA CHADESH	$37.23
12/2/25	1137825	ERP OPERATING LP	$26.12
12/2/25	1137826	NINA HARTSOCK	$62.05
12/2/25	1137827	ANDREA FISHER	$62.05
12/2/25	1137828	WILLIAM FARRIMOND	$186.15
12/2/25	1137829	PETER LAWRENCE	$62.05
12/2/25	1137830	TANYA OLSON	$24.82
12/2/25	1137831	NANCY SPENCER	$124.10
12/2/25	1137832	RICHARD WILSON	$12.41
12/2/25	1137833	TRAVIS OLSON	$74.46

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/2/25	1137834	CLIFF GOODELL	$62.05
12/2/25	1137835	SCOTT SISTEK	$74.46
12/2/25	1137836	AMANDA MURPHY	$62.05
12/2/25	1137837	LUCAS STOLCIS	$1,613.30
12/2/25	1137838	SCOTT PATTERSON	$124.10
12/2/25	1137839	JUDITH GOLDMAN	$37.23
12/2/25	1137840	RYAN WEBER	$24.82
12/2/25	1137841	CATHERINE ROSS	$320.80
12/2/25	1137842	ASHLEY DREAGER	$12.41
12/2/25	1137843	VERNON ROGERS	$620.50
12/2/25	1137844	NADINE TABING	$12.41
12/2/25	1137845	ERIC CURTIS	$124.10
12/2/25	1137846	DEBRA BUELL	$24.82
12/2/25	1137847	JULIE LANGABEER	$12.41
12/2/25	1137848	PATRICIA WERNET	$186.15
12/2/25	1137849	STEVEN CHITTENDEN	$2,004.84
12/2/25	1137850	WESTON PALMER	$99.28
12/2/25	1137851	BARBARA CHESSLER	$12.41
12/2/25	1137852	GARY LARSEN	$62.05
12/2/25	1137853	THOMAS SMITH	$310.25
12/2/25	1137854	WILLIAM BROOKS	$24.82
12/2/25	1137855	CANDY MONSON	$62.05
12/2/25	1137856	KAREN JACOBSON	$124.10
12/2/25	1137857	TAMMY BOWERS	$124.10
12/2/25	1137858	KIMBERLY OSENBAUGH	$62.05
12/2/25	1137859	GARY PROCTOR	$310.25
12/2/25	1137860	CYNTHIA NELSON	$62.05
12/2/25	1137861	FRAN BUNTTING	$1,613.30
12/2/25	1137862	IRENE MCMANUS	$24.82
12/2/25	1137863	TEDD PATTERSON	$62.05
12/2/25	1137864	JANET SLEEPER	$62.05
12/2/25	1137865	BRENNEN BOUNDS	$124.10

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/2/25	1137866	SUZAN ATESER	$62.05
12/2/25	1137867	PATRICIA PRENTICE	$62.05
12/2/25	1137868	CRAIG BENJAMIN	$930.75
12/2/25	1137869	KEVIN WALSH	$62.05
12/2/25	1137870	MELISSA PARDIKE	$124.10
12/2/25	1137871	LIN FELTON	$62.05
12/2/25	1137872	CHESTER SWANSON	$62.05
12/2/25	1137873	WMB DEL PSQ LLC	$23.05
12/2/25	1137874	CHAD JORISSEN	$12.41
12/2/25	1137875	STEPHANIE CHERRY	$62.05
12/2/25	1137876	CHRIS KISELA	$62.05
12/2/25	1137877	SHANNON JUSTESEN	$186.15
12/2/25	1137878	KRISTOFFER ISAAK	$49.64
12/2/25	1137879	SCOTT KAUFMAN	$186.15
12/2/25	1137880	PAMELA VINES	$62.05
12/2/25	1137881	CHRISTINA SIVEWRIGHT	$62.05
12/2/25	1137882	GARY MIYASAKI	$124.10
12/2/25	1137883	KAREN LOHSE	$62.05
12/2/25	1137884	REAL PROPERTY MANAGEMENT NORTH PUGET	$32.74
12/2/25	1137885	YMCA	$99.28
12/2/25	1137886	ALLAN CAMP	$62.05
12/2/25	1137887	GAYLA SHOEMAKE	$310.25
12/2/25	1137888	JEFF OSTREIM	$1,241.00
12/2/25	1137889	DANIEL PAWTOWSKI	$49.64
12/2/25	1137890	WILBUR PIERCE	$310.25
12/2/25	1137891	MARK AINSWORTH	$1,613.30
12/2/25	1137892	RAMON BURIN	$124.10
12/2/25	1137893	MARGIE OBLANDER	$124.10
12/2/25	1137894	ROBERT MCCARTY	$273.02
12/2/25	1137895	SCOTT WHITMORE	$62.05
12/2/25	1137896	COMMUNITY RESOURCES FOUNDATION	$5,000.00
12/2/25	1137897	DEBORAH PFEIFER	$12.41

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/2/25	1137898	KATIE TORRES	$62.05
12/2/25	1137899	SHARON EDDY	$12.41
12/2/25	1137900	PATRICK HAUGEN	$161.33
12/2/25	1137901	DAVID THOMAS	$930.75
12/2/25	1137902	JESSE WEEWIE	$62.05
12/2/25	1137903	MARK JONES	$24.82
12/2/25	1137904	KRISTIN SHEA	$62.05
12/2/25	1137905	CHERIF LAWORE	$105.14
12/2/25	1137906	DONELLA ROBBINS	$49.64
12/2/25	1137907	III HERBERT HULSE	$930.75
12/2/25	1137908	JULANN SPROMBERG	$62.05
12/2/25	1137909	JEFF ESTES	$62.05
12/2/25	1137910	MICHAEL BEGEMAN	$24.82
12/2/25	1137911	LAWRENCE COOPER	$124.10
12/2/25	1137912	KEVIN ESPESETH	$62.05
12/2/25	1137913	SHIRLEY SLADE	$12.41
12/2/25	1137914	MICHAEL KUNTZ	$12.41
12/2/25	1137915	BRIAN ROWLAND	$186.15
12/2/25	1137916	CHUCK LASSLE	$12.41
12/2/25	1137917	CECILIA BRUNSWICK	$24.82
12/2/25	1137918	LISA PALMER	$12.41
12/2/25	1137919	RANDALL NORRIS	$12.41
12/2/25	1137920	RUDI MARTIN	$1,613.30
12/2/25	1137921	LEON KOS	$24.82
12/2/25	1137922	SARAH WILLIAMSON	$37.23
12/2/25	1137923	SHELBY JOHNSON	$12.41
12/2/25	1137924	CATHERINE BRAND	$24.82
12/2/25	1137925	JOHN ALTON	$24.82
12/2/25	1137926	DAMIEN LANPIGNANO	$218.14
12/2/25	1137927	NANCY LAYTON	$12.41
12/2/25	1137928	AUTUMN CHANCELLOR	$37.23
12/2/25	1137929	TEJAN KHARANGATE	$1,174.03

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/2/25	1137930	JUDY NESS	$24.82
12/2/25	1137931	BRUCE MCGOWAN	$248.20
12/2/25	1137932	MARIA RIVADENEIRA CARDENAS	$57.74
12/2/25	1137933	KATHERINE TELFORD	$15.04
12/2/25	1137934	ESTATE OF MARTIN D KRAUS	$442.33
12/2/25	1137935	ALBANY SUAREZ OPORTO	$737.89
12/2/25	1137936	ARMANDO TAPIA	$96.43
12/2/25	1137937	DENNIS IRVING	$124.10
12/2/25	1137938	KURT LUNDQUIST	$62.05
12/2/25	1137939	ARLENE RUCKER	$62.05
12/2/25	1137940	DAVID PERKINS	$124.10
12/2/25	1137941	WENDELL TOBIASON	$62.05
12/2/25	1137942	JAMES BUSE	$62.05
12/2/25	1137943	ANITA ROBERTS	$62.05
12/2/25	1137944	M KALSEN	$124.10
12/2/25	1137945	DONALD STAPLES	$12.41
12/2/25	1137946	KEITH DAWSON	$124.10
12/2/25	1137947	STEPHANI ROBBINS	$62.05
12/2/25	1137948	LIRA WOLFE	$12.41
12/2/25	1137949	BRIAN DOENNEBRINK	$819.06
12/2/25	1137950	TAMMY HAARLOW	$86.87
12/2/25	1137951	DANIEL SELSOR	$24.82
12/2/25	1137952	JOSHUA PARK	$124.10
12/2/25	1137953	COURTNEY STRICKLER	$62.05
12/2/25	1137954	JASON HEINTZ	$24.82
12/2/25	1137955	DAWNA FUQUA	$62.05
12/2/25	1137956	DEBORAH OLSON	$62.05
12/2/25	1137957	DIANNA JOHNSON	$124.10
12/2/25	1137958	LES TOMMINGER	$24.82
12/2/25	1137959	PAUL NYENHUIS	$62.05
12/2/25	1137960	NATHAN CRAWFORD	$62.05
12/2/25	1137961	SUZANNE DURGAN	$124.10

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/2/25	1137962	ERIN O'CONNELL	$248.20
12/2/25	1137963	BRIAN MELNYK	$12.41
12/2/25	1137964	ANDY LEE	$1,613.30
12/2/25	1137965	RANDY LIND	$372.30
12/2/25	1137966	SCOTT EILER	$310.25
12/2/25	1137967	KATHLEEN JONES	$310.25
12/2/25	1137968	TIM MCAFEE	$124.10
12/2/25	1137969	BOB FLAKE	$33.13
12/2/25	1137970	SIMON DANIELS	$24.82
12/2/25	1137971	GREG LONG	$24.82
12/2/25	1137972	MILO WILLIAMSON	$24.82
12/2/25	1137973	CRAIG PRICE	$198.56
12/2/25	1137974	DWANE SMALL	$12.41
12/2/25	1137975	JAMES HOFF	$37.23
12/2/25	1137976	SHARON SALYER	$62.05
12/2/25	1137977	SPENCER ATWOOD	$124.10
12/2/25	1137978	DAVID HEWITT	$99.28
12/2/25	1137979	ANTON MATIUK	$45.37
12/2/25	1137980	MARIO BETITA	$124.10
12/2/25	1137981	BILLY MURRAY	$124.10
12/2/25	1137982	CATHERINE FARREY	$62.05
12/2/25	1137983	RUSSELL MCDUFF	$1,613.30
12/2/25	1137984	JAMES HERRLING	$124.10
12/2/25	1137985	RICK BRUSKRUD	$74.46
12/2/25	1137986	BETTY WESTFALL	$124.10
12/2/25	1137987	BILL KOENIG	$24.82
12/2/25	1137988	BILL TRUEIT	$62.05
12/2/25	1137989	MICHAEL NORRIS	$124.10
12/2/25	1137990	ANTONIA LAWRENCE	$12.41
12/2/25	1137991	HEATHER LOGAN	$62.05
12/2/25	1137992	CHRISTOPHER BARNETT	$62.05
12/2/25	1137993	THOMAS KAMMERZELL	$43.40

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/2/25	1137994	KAREN ZIEMER	$62.05
12/2/25	1137995	DIANE SHANE	$62.05
12/2/25	1137996	JAMES WALTER JACOBSON	$49.64
12/2/25	1137997	MARK BABB	$1,116.90
12/2/25	1137998	GREGORY FERGUSON	$1,241.00
12/2/25	1137999	WILLIAM FRANKHOUSER	$24.82
12/2/25	1138000	MICKI REED	$12.41
12/2/25	1138001	KYLER FLORES	$124.10
12/2/25	1138002	SCOTT OETZEL	$372.30
12/2/25	1138003	DANIELLE ZAPPARELLI	$62.05
12/2/25	1138004	NANCY SEXTON	$24.82
12/2/25	1138005	BRIAN BODE	$24.82
12/2/25	1138006	SAFE HARBOR INVESTMENTS LLC	$36.45
12/2/25	1138007	KEN ROBINSON-ELMSLIE	$24.82
12/2/25	1138008	ANDREW YAMANE	$56.69
12/2/25	1138009	RACHEL CLIFTON ABSHIER	$744.60
12/2/25	1138010	DON SHIMKEVICH	$12.41
12/2/25	1138011	EDWARD WARTELLE	$62.05
12/2/25	1138012	FARRAH DOWNING	$12.41
12/2/25	1138013	KRISTINE KOLBECK	$124.10
12/2/25	1138014	SYLVIA KAWABATA	$62.05
12/2/25	1138015	MICHAEL EHLEBRACHT	$24.82
12/2/25	1138016	MARGARET BANIN	$62.05
12/2/25	1138017	MICHAEL CASTRO	$124.10
12/2/25	1138018	JOSEPH LEANDER	$24.82
12/2/25	1138019	JAMES BAKER	$111.69
12/2/25	1138020	KEVIN WATIER	$62.05
12/2/25	1138021	ERIK THOMPSON	$310.25
12/2/25	1138022	EDDIE SHIH	$124.10
12/2/25	1138023	JILL REASONER	$12.41
12/2/25	1138024	JOHN MALENIC	$62.05
12/2/25	1138025	SABRINA FRIEND	$496.40

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/2/25	1138026	JOHN GUILFORD	$620.50
12/2/25	1138027	RICHARD LANG	$12.41
12/2/25	1138028	EDIE MARRS	$24.82
12/2/25	1138029	SAMUEL HERBST	$37.23
12/2/25	1138030	BLANCA TORRES	$116.50
12/2/25	1138031	VOID	$0.00
12/2/25	1138032	MARLON GRANADOS MARTINEZ	$21.37
12/2/25	1138033	ANDREW HAYS	$930.75
12/2/25	1138034	VICTORIA TODY	$124.10
12/2/25	1138035	MICHAEL MCDONNELL	$24.82
12/2/25	1138036	JR RON ROLLINS	$12.41
12/2/25	1138037	SHANNON NIELSEN	$24.82
12/2/25	1138038	JENNIFER LUTZ	$24.82
12/2/25	1138039	ROBERT HOWIE	$49.64
12/2/25	1138040	GORDON SCOUGALE	$62.05
12/2/25	1138041	JAMES ARNOLD	$62.05
12/2/25	1138042	WILLIAM SCOLLARD	$12.41
12/2/25	1138043	GARY LAKEY	$620.50
12/2/25	1138044	KELLY MITCHELL	$124.10
12/2/25	1138045	PAM IRMER	$310.25
12/2/25	1138046	ELIZABETH KEYES	$74.46
12/2/25	1138047	MICHAEL WHITE	$198.56
12/2/25	1138048	ERICH LISH	$930.75
12/2/25	1138049	MARC ROSSON	$62.05
12/2/25	1138050	BRIAN JOHNSTONE	$124.10
12/2/25	1138051	SARAH CANN	$62.05
12/2/25	1138052	MARC LINN	$62.05
12/2/25	1138053	JENNIFER BERGER	$62.05
12/2/25	1138054	LAURA HARTMAN	$136.51
12/2/25	1138055	LORA COX	$310.25
12/2/25	1138056	SEHYI YIN	$51.29
12/2/25	1138057	JANEL PEREZ	$636.08

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/2/25	1138058	JULIE FIDDAMAN	$24.82
12/2/25	1138059	DARCIA HURST	$24.82
12/2/25	1138060	LAUREN ROGERS	$124.10
12/2/25	1138061	JULEE ANNE CUNNINGHAM	$124.10
12/2/25	1138062	DALE SKORBURG	$124.10
12/2/25	1138063	DEBORAH BOYLE	$124.10
12/2/25	1138064	BETH BURROWS	$62.05
12/2/25	1138065	JIM LAHTI	$62.05
12/2/25	1138066	PATRICIA FOGARTY CRAMER	$124.10
12/2/25	1138067	JUNE HAMILTON	$124.10
12/2/25	1138068	STEVE GRINAKER	$62.05
12/2/25	1138069	ROBERT PUTNAM	$12.41
12/2/25	1138070	KELLY BRONSON	$24.82
12/2/25	1138071	GEORGE VAUGHN	$62.05
12/2/25	1138072	GARY LINTZ	$62.05
12/2/25	1138073	STEVEN JENKINS	$124.10
12/2/25	1138074	SARAH WOLFF	$12.41
12/2/25	1138075	TIFFANY ROSE	$124.10
12/2/25	1138076	RANDY WOOD	$1,365.10
12/2/25	1138077	VALERIE KELLOGG	$62.05
12/2/25	1138078	JOSEPH D GRENNAN	$24.82
12/2/25	1138079	JOHN EWALD	$24.82
12/2/25	1138080	MELISSA DALE	$62.05
12/2/25	1138081	ERIC LAWRENCE	$62.05
12/2/25	1138082	APRIL SCHEFFLER	$37.23
12/2/25	1138083	SHARMAN SMITH	$24.82
12/2/25	1138084	DENNIS TANJI	$124.10
12/2/25	1138085	KATHLEEN BRIGHT	$620.50
12/2/25	1138086	TABETHA BENNETT	$12.41
12/2/25	1138087	BEXAEW BOTHELL RIDGE LP	$64.14
12/2/25	1138088	NW HOUSING PRESERVATION GROUP	$83.51
12/2/25	1138089	ALDERWOOD APARTMENTS LLC	$26.72

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/2/25	1138090	MARY GAGE	$49.64
12/2/25	1138091	STEVE HERSCH	$1,241.00
12/2/25	1138092	TOM HOVDE	$310.25
12/2/25	1138093	LEE JOHNSON OF EVERETT, LLC	$5,706.64
12/2/25	1138094	LEE JOHNSON OF EVERETT, LLC	$2,194.80
12/2/25	1138095	KEN SCHUELLER	$1,323.54
12/2/25	1138096	EDMONDS SENIOR CENTER	$310.25
12/2/25	1138097	ROBERTO CARLOS GARNICA	$29.73
12/2/25	1138098	SAROJHA SRINIVASAN	$37.58
12/2/25	1138099	COLBY HAUGLAND	$16.48
12/2/25	1138100	FRANCINE HAVERTY	$49.64
12/2/25	1138101	FRED CLARK	$62.05
12/2/25	1138102	WILLIAM KINGSTON	$1,613.30
12/2/25	1138103	RAY RIDOUT	$124.10
12/2/25	1138104	MICHELLE RICHARDS	$17.61
12/2/25	1138105	LINDA OLSEN	$62.05
12/2/25	1138106	ALAN HALL	$1,613.30
12/2/25	1138107	MADELET PACK	$62.05
12/2/25	1138108	VADIM KRAVCHANKO	$59.50
12/2/25	1138109	BARBARA BRADY	$1,613.30
12/2/25	1138110	CHRISTIE BUETOW	$930.75
12/2/25	1138111	CURTIS KO	$24.82
12/2/25	1138112	JAMES MCKNIGHT	$248.20
12/2/25	1138113	GEORGE GUTTMANN	$496.40
12/2/25	1138114	EDWARD FERGUSON	$24.82
12/2/25	1138115	PETER PIAS	$1,613.30
12/2/25	1138116	MAUREEN NILSON	$248.20
12/2/25	1138117	SHERRIE RINGSTAD	$124.10
12/2/25	1138118	DALE HOGGINS	$37.23
12/2/25	1138119	CABRYN TAYLOR	$12.41
12/2/25	1138120	LOUIS RUSH	$62.05
12/2/25	1138121	JUNJI YAMAMOTO	$62.05

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/2/25	1138122	SAACHA BELGAR	$12.41
12/2/25	1138123	HEATHER HUGHEY	$12.41
12/2/25	1138124	DANIEL MARSHALL	$310.25
12/2/25	1138125	ERIC FROLAND	$62.05
12/2/25	1138126	CARSON TAVENNER	$12.41
12/2/25	1138127	NATAYA FURRER	$148.92
12/2/25	1138128	MIGUEL RAMIREZ	$434.35
12/2/25	1138129	DIANE STEELE	$62.05
12/2/25	1138130	AMY ROCHON	$24.82
12/2/25	1138131	JASON KLEIN	$248.20
12/2/25	1138132	TERRY GRINAKER	$1,116.90
12/2/25	1138133	LESLIE GROSSRUCK	$124.10
12/2/25	1138134	JAMES DOUTHITT	$53.72
12/2/25	1138135	NAOMI BALTUCK	$1,551.25
12/2/25	1138136	SEAN LARGE	$37.23
12/2/25	1138137	GEORGE LOCKEMAN	$99.28
12/2/25	1138138	ADAM CARL	$62.05
12/2/25	1138139	DENNIS REESE	$62.05
12/2/25	1138140	MICHAEL VAN WINKLE	$12.41
12/2/25	1138141	JANNA GROSS	$223.38
12/2/25	1138142	REBECCA WOLFE	$62.05
12/2/25	1138143	STEVEN CHITTENDEN	$1,476.54
12/2/25	1138144	BARBARA TOLBERT	$12.41
12/2/25	1138145	MICHAEL RAY	$24.82
12/2/25	1138146	JULIE VILLENEUVE	$37.23
12/2/25	1138147	GLORIA CASTRO-ZAPPIA	$620.50
12/2/25	1138148	ROSS CAREY	$62.05
12/2/25	1138149	ELLEN BEAUMONT	$62.05
12/2/25	1138150	SHARON CARLSON	$310.25
12/2/25	1138151	REBECCA DEWATERS	$12.41
12/2/25	1138152	KRISTINA MCCLENAHAN	$37.23
12/2/25	1138153	MATTHEW GORMLEY	$124.10

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/2/25	1138154	CAROL LYCETTE	$37.23
12/2/25	1138155	KATY HAIGH	$49.64
12/3/25	1138156	CRAIG ALTMAIER	$262.49
12/3/25	1138157	TRAVIS HARDESTY	$82.22
12/3/25	1138158	KENDRA CLEETON	$27.15
12/3/25	1138159	ROSE MAXWELL	$24.61
12/3/25	1138160	DDS KELLY PETERSON	$351.27
12/3/25	1138161	LARRY BREWER	$5.00
12/3/25	1138162	RON DUGAS	$203.00
12/3/25	1138163	DAWN SCURLOCK	$204.41
12/3/25	1138164	LINDA WIGGINS	$45.65
12/3/25	1138165	LANE PHELAN	$64.65
12/3/25	1138166	AMY DEL REAL	$767.71
12/3/25	1138167	VIKTORIIA RYBAK	$160.00
12/3/25	1138168	FININ ASSOC LTD LP	$264.97
12/3/25	1138169	NGUVINDUEZU MUTIRUA	$60.11
12/3/25	1138170	JAMES WRIGHT	$909.60
12/3/25	1138171	HELEN COOK	$173.00
12/4/25	1138172	MICHAEL SHORES	$55.11
12/4/25	1138173	JOHN REED	$91.13
12/4/25	1138174	DEBRA WILLIAMS	$6.69
12/4/25	1138175	JACK MCALISTER	$415.45
12/4/25	1138176	FREEBORN CHURCH	$26.46
12/4/25	1138177	ALTERNATIVE SUITES INT LLC	$178.99
12/4/25	1138178	PB INC WASHINGTON	$15.00
12/4/25	1138179	PACIFIC RIDGE - DRH, LLC	$18.20
12/4/25	1138180	TYLER WILLIAMS	$37.84
12/4/25	1138181	CARLEY STINNETT	$811.33
12/4/25	1138182	FOUR CORNERS LLC	$18.03
12/4/25	1138183	JOHN MATHEWS	$30.30
12/5/25	1138184	ISSA BARRY	$12.39
12/5/25	1138185	HOUSING HOPE	$640.91

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/5/25	1138186	KRYSTAL WYATT	$132.57
12/5/25	1138187	EQUITY RESIDENTIAL PROP	$25.11
12/5/25	1138188	ERP OPERATING LP	$64.89
12/5/25	1138189	KINECT @ LYNNWOOD APARTMENTS, LLC	$36.72
12/5/25	1138190	WEST EDGE DEVELOPMENT TWO LLC	$99.45
12/5/25	1138191	TYLER WILLIAMS	$109.22
12/5/25	1138192	FRANK ARCURI	$33.90
12/5/25	1138193	LOREN HOLMBERG	$150.00
12/5/25	1138194	ERP OPERATING LP	$55.93
12/5/25	1138195	MIHAELA CIOBANU	$284.88
12/5/25	1138196	MILNER VENTURES	$31.16
12/5/25	1138197	FOO CHINN	$677.73
12/5/25	1138198	ULLA REHNFELDT	$69.12
12/5/25	1138199	JOSHUA JACOBS	$86.33
12/5/25	1138200	DISH WIRELESS HOLDING LLC	$12.74
12/5/25	1138201	MARILYN NORRIS	$186.38
12/5/25	1138202	EQUITY RESIDENTIAL PROP	$38.49
12/5/25	1138203	KBHPNW LLC DBA KB HOME	$84.90
		Total:	**$140,446.89**

Revolving Fund - Electronic Customer Refunds			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
11/24/25	000532074800	AMIE JATTA	$95.99
11/24/25	000532074801	AMIE JATTA	$95.99
11/25/25	000532085815	ANNETTE DUCKERING	$200.00
12/1/25	000532117230	ABIGAIL SCHNEIDER	$104.71
12/1/25	000532117240	LILLI RUSSELL	$40.70
12/1/25	000532117241	CURTIS FRUNZ	$75.56
12/1/25	000532117242	JANET MESSIER	$44.13
12/1/25	000532117243	ELIBERTO ROJAS PERALES	$53.38
12/1/25	000532117244	DIDIER BERMUDEZ MORENO	$208.86
12/1/25	000532117245	JULIAN MIRANDA	$10.36
12/1/25	000532117246	DIDIER BERMUDEZ MORENO	$65.94
12/1/25	000532117247	MARIA DEANG	$82.09
12/1/25	000532117248	KAITLIN ODONOVAN	$86.56
12/1/25	000532117249	RICARDO GOMEZ MARTINEZ	$65.96
12/1/25	000532117250	BRANDON TROUTMAN	$6.88
12/3/25	000532155755	DESTINY PARK	$211.28
12/3/25	000532155756	DAVID WEST	$39.57
12/3/25	000532155757	JUANITA ANTONSON	$190.00
12/3/25	000532155758	ANNIE IRWIN	$14.02
12/3/25	000532155759	TUAELIA TAUALO	$63.38
12/3/25	000532155760	WENDY NIELSEN	$24.63
12/3/25	000532155761	MUKUL GARG	$153.72
12/3/25	000532155762	JUANITA ANTONSON	$88.17
12/3/25	000532155763	VATASL PATEL	$46.27
12/3/25	000532155764	MING LIN	$236.82
12/3/25	000532155765	ARMANDO MORENO	$23.54
12/3/25	000532155766	ASTRID COREA RAMIREZ	$69.31
12/3/25	000532155767	KALILA GARRISON	$16.09
12/3/25	000532155768	JUAN CARLOS LARA GALINDO	$75.51
12/3/25	000532155769	GERMAN RAMOS BECERRA	$91.00
12/3/25	000532155770	ALEX EMOND	$117.89
12/3/25	000532155771	CHRISTINA NATALE	$24.54

Revolving Fund - Electronic Customer Refunds			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
		Total:	**$2,722.85**

Accounts Payable Warrants			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
11/25/25	8084657	ANIXTER INC	$12,030.64
11/25/25	8084658	APERTA INC	$10,960.21
11/25/25	8084659	DISH NETWORK	$104.82
11/25/25	8084660	CITY OF EVERETT	$250,227.60
11/25/25	8084661	KENT D BRUCE	$62.59
11/25/25	8084662	LEXISNEXIS RISK DATA MANAGEMENT INC	$219.80
11/25/25	8084663	BEACON PUBLISHING INC	$660.00
11/25/25	8084664	GENUINE PARTS COMPANY	$916.91
11/25/25	8084665	CITY OF ARLINGTON	$2,028.15
11/25/25	8084666	SNOHOMISH COUNTY	$10.00
11/25/25	8084667	SNOHOMISH COUNTY	$10.00
11/25/25	8084668	SOUND PUBLISHING INC	$3,357.50
11/25/25	8084669	STATE OF WASHINGTON	$2,269.00
11/25/25	8084670	WASTE MANAGEMENT OF WASHINGTON INC	$5,108.30
11/25/25	8084671	WESCO GROUP INC	$89.92
11/25/25	8084672	BICKFORD MOTORS INC	$6,383.23
11/25/25	8084673	CINTAS CORPORATION NO 2	$54.40
11/25/25	8084674	DIRECTV ENTERTAINMENT HOLDINGS LLC	$179.99
11/25/25	8084675	EDS MCDOUGALL LLC	$385.00
11/25/25	8084676	PROLAND SERVICES INC	$4,902.00
11/25/25	8084677	JAMES SIDERIUS	$1,200.00
11/25/25	8084678	SPRINGBROOK NURSERY AND TRUCKING IN	$284.43
11/25/25	8084679	TWELVE THIRTY ONE INCORPORATED	$328.60
11/25/25	8084680	WRECKING BALL DEMOLITION LLC	$691.17
11/25/25	8084681	WYNNE AND SONS INC	$456.09
11/25/25	8084682	A1 MOBILE LOCK & KEY INC	$240.41
11/25/25	8084683	VISON PROFILE EXTRUSIONS USA LTD	$69,338.55
11/25/25	8084684	PNG MEDIA LLC	$708.64
11/25/25	8084685	STANLEY ROOFING COMPANY INC	$9,336.32
11/25/25	8084686	SNOHOMISH COUNTY 911	$2,546.46
11/25/25	8084687	KENDALL DEALERSHIP HOLDINGS LLC	$231.03
11/25/25	8084688	BAXTER AUTO PARTS INC	$10,685.35

Accounts Payable Warrants			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
11/25/25	8084689	ACCESS INFO INTERMEDIATE HLDNG I LL	$1,437.39
11/25/25	8084690	TCF ARCHITECTURE PLLC	$8,733.92
11/25/25	8084691	ARTHUR J GALLAGHER & CO	$588.00
11/25/25	8084692	MICROCHIP TECHNOLOGY INC	$3,420.00
11/25/25	8084693	IRIS GROUP HOLDINGS LLC	$527.52
11/25/25	8084694	WICKED WRAPS LLC	$4,412.70
11/25/25	8084695	SOUND STORAGE OF SNOHOMISH LLC	$16,429.00
11/25/25	8084696	ROYAL HOLDCO CORP	$532.60
11/25/25	8084697	SNOHOMISH COUNTY	$8,720.54
11/25/25	8084698	NORTHPOINT LEGAL PLLC	$385.00
11/25/25	8084699	CITY OF MARYSVILLE	$344.85
11/25/25	8084700	CITY OF MUKILTEO	$152.22
11/25/25	8084701	NORTHWEST PUMP & EQUIPMENT CO	$8,199.48
11/25/25	8084702	CASCADE COFFEE LLC	$110,704.58
12/2/25	8084703	COWBOY BUILDERS LLC	$634.00
12/2/25	8084704	ANIXTER INC	$2,597.06
12/2/25	8084705	AT&T CORP	$19,321.37
12/2/25	8084706	CAMANO WATER ASSN	$98.00
12/2/25	8084707	COMCAST HOLDING CORPORATION	$383.47
12/2/25	8084708	CITY OF EVERETT	$18,713.33
12/2/25	8084709	FIRST AMERICAN TITLE	$384.65
12/2/25	8084710	IRON MOUNTAIN QUARRY LLC	$246.65
12/2/25	8084711	KENT D BRUCE	$1,028.10
12/2/25	8084712	LANGUAGE LINE SERVICES INC	$3,845.16
12/2/25	8084713	GENUINE PARTS COMPANY	$1,784.49
12/2/25	8084714	CITY OF ARLINGTON	$36.09
12/2/25	8084715	RIVERSIDE TOPSOIL INC	$407.50
12/2/25	8084716	SCADA AND CONTROLS ENGINEERING INC	$18,865.00
12/2/25	8084717	SIX ROBBLEES INC	$2,554.52
12/2/25	8084718	SOUND PUBLISHING INC	$108.78
12/2/25	8084719	STEWART TITLE COMPANY	$329.70
12/2/25	8084720	SEPTIC SERVICES INC	$1,516.49

Accounts Payable Warrants			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/2/25	8084721	THE BOEING COMPANY	$32,785.50
12/2/25	8084722	WASTE MANAGEMENT OF WASHINGTON INC	$472.93
12/2/25	8084723	WESCO GROUP INC	$1,998.86
12/2/25	8084724	ALDERWOOD WATER & WASTEWATER DISTRI	$96.60
12/2/25	8084725	BICKFORD MOTORS INC	$4,090.39
12/2/25	8084726	EPFD EVERETT EVENTS CENTER	$13,650.00
12/2/25	8084727	EDS MCDOUGALL LLC	$785.00
12/2/25	8084728	PACIFIC SAFETY SUPPLY INC	$4,581.07
12/2/25	8084729	PUBLIC UTILITY DIST NO 1 OF	$12,523.86
12/2/25	8084730	STRUCTURED COMMUNICATION SYSTEMS IN	$22,922.54
12/2/25	8084731	STATE OF WASHINGTON	$101.40
12/2/25	8084732	WYNNE AND SONS INC	$79.13
12/2/25	8084733	ELECTROIMPACT INC	$1,214.39
12/2/25	8084734	WASHINGTON CRANE & HOIST LLC	$15,334.88
12/2/25	8084735	CASCADE COLLISION CENTER INC	$2,049.23
12/2/25	8084736	THE INTERPUBLIC GROUP OF COMPANIES	$43,406.57
12/2/25	8084737	OVERTON SAFETY TRAINING INC	$125.00
12/2/25	8084738	THE PAPE GROUP INC	$618.25
12/2/25	8084739	KENDALL DEALERSHIP HOLDINGS LLC	$72.16
12/2/25	8084740	ACCESS INFO INTERMEDIATE HLDNG I LL	$3,730.83
12/2/25	8084741	REECE CONSTRUCTION COMPANY	$721.08
12/2/25	8084742	RADIATE HOLDINGS LP	$3,610.80
12/2/25	8084743	RMA GROUP INC	$6,791.80
12/2/25	8084744	NISSAN OF EVERETT LLC	$69.87
12/2/25	8084745	DLR GROUP INC	$5,630.00
12/2/25	8084746	NORTHWEST FIBER LLC	$2,400.00
12/2/25	8084747	KENDALL DEALERSHIP HOLDINGS LLC	$3,588.14
12/2/25	8084748	WEST RIDGE ENERGY LLC	$4,300.50
12/2/25	8084749	SOLID WASTE SYSTEMS	$412.77
12/2/25	8084750	GEOTEK HOLDINGS INC	$24,232.95
12/4/25	8084751	TMOBILE WEST LLC	$40,847.67
12/4/25	8084752	KING HYDROSEEDING INC	$275.00

Accounts Payable Warrants			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/4/25	8084753	MICHAEL LAJUDICE	$275.00
12/4/25	8084754	M-51 INDUSTRIAL LLC	$11,780.24
12/4/25	8084755	ARBITER SYSTEMS INC	$4,287.13
12/4/25	8084756	AT&T CORP	$49,186.26
12/4/25	8084757	EQUIFAX INFORMATION SERVICES LLC	$12,433.69
12/4/25	8084758	CORE & MAIN LP	$4,043.80
12/4/25	8084759	CITY OF MARYSVILLE	$125.00
12/4/25	8084760	GENUINE PARTS COMPANY	$222.73
12/4/25	8084761	SOUND PUBLISHING INC	$108.78
12/4/25	8084762	US BANK NA	$4,045.45
12/4/25	8084763	WASTE MANAGEMENT OF WASHINGTON INC	$6,884.98
12/4/25	8084764	WESCO GROUP INC	$114.30
12/4/25	8084765	BICKFORD MOTORS INC	$55.09
12/4/25	8084766	PACIFIC PUBLISHING CO INC	$730.80
12/4/25	8084767	ROM ACQUISITION CORPORATION	$117.95
12/4/25	8084768	PUBLIC UTILITY DIST NO 1 OF	$932.00
12/4/25	8084769	SNOHOMISH SCHOOL DISTRICT #201	$843.40
12/4/25	8084770	LAMAR TEXAS LTD PARTNERSHIP	$3,443.10
12/4/25	8084771	COMCAST CORPORATION	$568.86
12/4/25	8084772	JD POWER	$5,495.00
12/4/25	8084773	PAUL POLK	$11,134.23
12/4/25	8084774	KENDALL DEALERSHIP HOLDINGS LLC	$223.95
12/4/25	8084775	ASM AFFILIATES	$3,510.00
12/4/25	8084776	CONCENTRIC LLC	$668.06
12/4/25	8084777	FERGUSON ENTERPRISES LLC	$7,911.11
12/4/25	8084778	REECE CONSTRUCTION COMPANY	$581.03
12/4/25	8084779	CONSERVE ENERGY LLC	$3,795.29
12/4/25	8084780	FIVE LEAF ENTERPRISES LLC	$73,982.43
12/4/25	8084781	CLOUD COVER MEDIA INC	$86.00
12/4/25	8084782	PYE-BARKER FIRE & SAFETY LLC	$913.00
12/4/25	8084783	DAE HWA CORP	$23,125.00
12/4/25	8084784	KAREN HAYNES	$8,033.00

Accounts Payable Warrants			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/4/25	8084785	BREEZE FREE INC	$734.00
12/4/25	8084786	SUPERIOR GLASS INSTALLATIONS INC	$625.00
12/4/25	8084787	BUDDERFLY INC	$473.45
		Total:	**$1,128,457.55**

Accounts Payable ACH			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
11/24/25	6060105	BLX GROUP LLC	$4,300.00
11/24/25	6060106	DAVID EVANS & ASSOCIATES INC	$15,092.00
11/24/25	6060107	DOBLE ENGINEERING CO	$693.00
11/24/25	6060108	GLOBAL RENTAL COMPANY INC	$13,106.60
11/24/25	6060109	HOWARD INDUSTRIES INC	$106,921.71
11/24/25	6060110	PARAMETRIX INC	$9,615.55
11/24/25	6060111	RWC INTERNATIONAL LTD	$11,673.76
11/24/25	6060112	STAR RENTALS INC	$654.16
11/24/25	6060113	STELLAR INDUSTRIAL SUPPLY INC	$532.34
11/24/25	6060114	STELLA-JONES CORPORATION	$34,090.76
11/24/25	6060115	TOPSOILS NORTHWEST INC	$132.00
11/24/25	6060116	GORDON TRUCK CENTERS INC	$7,411.61
11/24/25	6060117	BENEFITFOCUS COM INC	$8,472.61
11/24/25	6060118	CHAMPION BOLT & SUPPLY INC	$927.08
11/24/25	6060119	GENERAL PACIFIC INC	$4,762.52
11/24/25	6060120	NORTHWEST CASCADE INC	$104.50
11/24/25	6060121	ROHLINGER ENTERPRISES INC	$7,187.19
11/24/25	6060122	WESTERN SAFETY PRODUCTS INC	$1,538.60
11/24/25	6060123	ALTEC INDUSTRIES INC	$5,464.59
11/24/25	6060124	ANIXTER INC	$139,453.80
11/24/25	6060125	SEATTLE NUT & BOLT LLC	$1,423.42
11/24/25	6060126	THE GOODYEAR TIRE & RUBBER CO	$5,895.74
11/24/25	6060127	TRAFFIC CONTROL PLAN CO OF WA LLC	$525.00
11/24/25	6060128	HARMSEN LLC	$1,077.50
11/24/25	6060129	CLEAR ENERGY BROKERAGE & CONSULTING	$6,882.75
11/24/25	6060130	OPENSQUARE HOLDINGS LLC	$8,126.22
11/24/25	6060131	BORDER STATES INDUSTRIES INC	$4,044.65
11/24/25	6060132	PURCELL TIRE & RUBBER COMPANY	$6,836.48
11/24/25	6060133	WPENGINE INC	$6,624.00
11/24/25	6060134	MARIAN DACCA PUBLIC AFFAIRS LLC	$9,683.00
11/24/25	6060135	ANATEK LABS INC	$750.00
11/24/25	6060136	STUART C IRBY COMPANY	$714.35

Accounts Payable ACH			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
11/24/25	6060137	IHEARTMEDIA ENTERTAINMENT INC	$5,625.00
11/24/25	6060138	EUROFINS ENVR TESTING AMERICA HOLDI	$234.00
11/24/25	6060139	MOBILIZZ USA INC	$772.20
11/24/25	6060140	ANN NICHOLS	$63.70
11/24/25	6060141	JESSICA SPAHR	$550.74
11/24/25	6060142	LEE ERVIN	$402.00
11/24/25	6060143	APRIL SULLIVAN	$988.75
11/24/25	6060144	PAUL KISS	$318.80
11/24/25	6060145	RYAN COLLINS	$224.44
11/24/25	6060146	JEFFREY BISHOP	$859.49
11/25/25	6060147	CENTRAL WELDING SUPPLY CO INC	$402.11
11/25/25	6060148	DAVID EVANS & ASSOCIATES INC	$469.50
11/25/25	6060149	ELECTRO-MECHANICAL CORP	$26,463.92
11/25/25	6060150	HARGIS ENGINEERS INC	$16,377.00
11/25/25	6060151	NELSON DISTRIBUTING INC	$976.09
11/25/25	6060152	ROMAINE ELECTRIC CORP	$5,008.03
11/25/25	6060153	STELLAR INDUSTRIAL SUPPLY INC	$10,384.45
11/25/25	6060154	TOPSOILS NORTHWEST INC	$132.00
11/25/25	6060155	THE COMPLETE LINE LLC	$1,736.42
11/25/25	6060156	GENERAL PACIFIC INC	$6,830.79
11/25/25	6060157	LENZ ENTERPRISES INC	$2,163.56
11/25/25	6060158	NORTHWEST CASCADE INC	$1,628.48
11/25/25	6060159	ROHLINGER ENTERPRISES INC	$10,175.83
11/25/25	6060160	SENSUS USA INC	$30,741.23
11/25/25	6060161	ULINE INC	$458.80
11/25/25	6060162	WALTER E NELSON CO OF WESTERN WA	$263.83
11/25/25	6060163	WESTERN PACIFIC CRANE & EQUIP LLC	$17,803.80
11/25/25	6060164	SHERMAN & REILLY INC	$3,086.89
11/25/25	6060165	ANIXTER INC	$64,788.01
11/25/25	6060166	MOTION & FLOW CONTROL PRODUCTS INC	$10,056.20
11/25/25	6060167	RADIANS INC	$829.44
11/25/25	6060168	WORKLOGIX MANAGEMENT INC	$1,125.00

Accounts Payable ACH			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
11/25/25	6060169	TARREN ACKERMANN	$339.66
11/25/25	6060170	RODDAN INDUSTRIAL LLC	$37,490.06
11/25/25	6060171	MOBILIZZ USA INC	$29,090.34
11/25/25	6060172	STILLY RIVER MECHANICAL INC	$2,875.00
11/25/25	6060173	AA REMODELING LLC	$425.00
11/25/25	6060174	COHEN VENTURES INC	$229,716.43
11/25/25	6060175	SUPER ATTIC SOLUTIONS INC	$1,423.00
11/25/25	6060176	ROBERT STEINER	$175.00
11/25/25	6060177	PHILLIP SCHEMENAUER	$175.00
11/25/25	6060178	KIMBERLY JOHNSTON	$98.00
11/25/25	6060179	LOGAN FORBIS	$34.30
11/26/25	6060180	ASPLUNDH TREE EXPERT LLC	$45,483.25
11/26/25	6060181	CDW LLC	$116,350.58
11/26/25	6060182	CENTRAL WELDING SUPPLY CO INC	$869.42
11/26/25	6060183	CERIUM NETWORKS INC	$3,132.15
11/26/25	6060184	IIA LIFTING SERVICES INC	$2,265.00
11/26/25	6060185	FASTENAL COMPANY	$302.23
11/26/25	6060186	GLOBAL RENTAL COMPANY INC	$542.08
11/26/25	6060187	HOWARD INDUSTRIES INC	$96,382.30
11/26/25	6060188	KUBRA DATA TRANSFER LTD	$44,255.31
11/26/25	6060189	NW SUBSURFACE WARNING SYSTEM	$6,993.00
11/26/25	6060190	PETROCARD INC	$38,177.06
11/26/25	6060191	PITNEY BOWES PRESORT SERVICES LLC	$241.21
11/26/25	6060192	PTC INC	$744.06
11/26/25	6060193	RWC INTERNATIONAL LTD	$4,985.16
11/26/25	6060194	SISKUN INC	$1,529.15
11/26/25	6060195	SHI INTERNATIONAL CORP	$2,694.86
11/26/25	6060196	SUBURBAN PROPANE LP	$1,743.99
11/26/25	6060197	TOPSOILS NORTHWEST INC	$132.00
11/26/25	6060198	UNITED PARCEL SERVICE	$235.55
11/26/25	6060199	GORDON TRUCK CENTERS INC	$253.79
11/26/25	6060200	STATE OF WASHINGTON	$8,913.51

Accounts Payable ACH			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
11/26/25	6060201	WEST PUBLISHING CORPORATION	$8,180.59
11/26/25	6060202	WIDENET CONSULTING GROUP LLC	$3,966.92
11/26/25	6060203	WILLIAMS SCOTSMAN INC	$257.66
11/26/25	6060204	WASHINGTON ST NURSERY & LANDSCAPE A	$3,410.00
11/26/25	6060205	DOBBS HEAVY DUTY HOLDINGS LLC	$171.22
11/26/25	6060206	AABCO BARRICADE CO INC	$115.40
11/26/25	6060207	BENEFITFOCUS COM INC	$8,254.10
11/26/25	6060208	CELLCO PARTNERSHIP	$1,526.10
11/26/25	6060209	CUZ CONCRETE PRODUCTS INC	$3,187.10
11/26/25	6060210	DESIGNER DECAL INC	$9,233.53
11/26/25	6060211	DICKS TOWING INC	$192.10
11/26/25	6060212	EVERGREEN SAFETY COUNCIL	$1,820.00
11/26/25	6060213	LENZ ENTERPRISES INC	$161.05
11/26/25	6060214	NORTHWEST CASCADE INC	$2,196.92
11/26/25	6060215	OPEN ACCESS TECHNOLOGY INTL INC	$1,016.77
11/26/25	6060216	PACIFIC MOBILE STRUCTURES INC	$703.25
11/26/25	6060217	RICOH USA INC	$10,948.08
11/26/25	6060218	SEATTLE AUTOMOTIVE DISTRIBUTING INC	$87.40
11/26/25	6060219	SENSUS USA INC	$197,094.66
11/26/25	6060220	SOUND SAFETY PRODUCTS CO INC	$2,898.07
11/26/25	6060221	TYNDALE ENTERPRISES INC	$7,825.90
11/26/25	6060222	GRAYBAR ELECTRIC CO INC	$2,243.19
11/26/25	6060223	ALTEC INDUSTRIES INC	$1,158.99
11/26/25	6060224	GRAVITEC SYSTEMS INC	$8,955.00
11/26/25	6060225	ROADPOST USA INC	$1,315.69
11/26/25	6060226	Z2SOLUTIONS LLC	$5,945.00
11/26/25	6060227	MOTION & FLOW CONTROL PRODUCTS INC	$238.73
11/26/25	6060228	TRAFFIC CONTROL PLAN CO OF WA LLC	$1,400.00
11/26/25	6060229	ATWORK COMMERCIAL ENTERPRISES LLC	$4,352.67
11/26/25	6060230	GOLDFARB & HUCK ROTH RIOJAS PLLC	$12,820.00
11/26/25	6060231	NEWSDATA LLC	$18,737.95
11/26/25	6060232	HARMSEN LLC	$1,986.70

Accounts Payable ACH			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
11/26/25	6060233	LISTEN AUDIOLOGY SERVICES INC	$650.00
11/26/25	6060234	FUELCARE INC	$686.63
11/26/25	6060235	TWILIO INC	$13,585.89
11/26/25	6060236	EIP COMMUNICATIONS I LLC	$6,624.22
11/26/25	6060237	SHERELLE GORDON	$32,000.00
11/26/25	6060238	QCL INC	$1,430.00
11/26/25	6060239	MAPBOX INC	$727.54
11/26/25	6060240	JACKAREN CONSULTING	$1,869.60
11/26/25	6060241	T BAILEY INC	$37,765.00
11/26/25	6060242	SERIES SEVEN INC	$663.59
11/26/25	6060243	GLASS FIX LLC	$802.27
11/26/25	6060244	TERNIO II INC	$300.00
11/26/25	6060245	ELEVATOR SUPPORT COMPANY LLC	$3,181.61
11/26/25	6060246	SYNOPTIC DATA PBC	$1,900.00
11/26/25	6060247	SCI NETWORKS USA	$18,902.50
11/26/25	6060248	HOUGH BECK & BAIRD INC	$754.67
11/26/25	6060249	PERFORMANCE SYSTEMS	$116,093.00
11/26/25	6060250	TRUVIEW BSI LLC	$740.88
11/26/25	6060251	CLOUD CREEK SYSTEMS INC	$8,792.00
11/26/25	6060252	GUARD PEST CONTROL	$273.65
11/26/25	6060253	TOYOTA MATERIAL HANDLING NW INC	$2,767.49
11/26/25	6060254	KPOCH INTERMEDIATE INC	$111,398.09
11/26/25	6060255	EUROFINS ENVR TESTING AMERICA HOLDI	$546.00
11/26/25	6060256	ALAMON INC	$53,637.37
11/26/25	6060257	BOWMAN CONSULTING GROUP LTD	$1,012.50
11/26/25	6060258	TIMOTHY EPP	$274.00
11/26/25	6060259	DANIEL MOULTON	$379.00
11/26/25	6060260	JOHN PETOSA	$25.00
11/26/25	6060261	KEVIN LAVERING	$3,743.20
11/26/25	6060262	JAMIE CONTRERAS	$298.20
11/26/25	6060263	MITCHEL VAN WEGEN	$602.11
11/26/25	6060264	JOHN HAARLOW	$1,341.10

Accounts Payable ACH			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
11/26/25	6060265	SIDNEY LOGAN	$532.20
11/26/25	6060266	PAUL KISS	$2,102.60
11/26/25	6060267	HAYLEY TENGS	$401.62
11/26/25	6060268	DILLON NEIE	$190.80
12/1/25	6060269	CARDINAL PAINT & POWDER INC	$773.80
12/1/25	6060270	CLEAN HARBORS ENVIRONMENTAL	$129.62
12/1/25	6060271	HATCH ASSOCIATES CONSULTANTS INC	$15,284.32
12/1/25	6060272	PETROCARD INC	$35,135.79
12/1/25	6060273	ROBERT HALF INC	$5,060.00
12/1/25	6060274	RWC INTERNATIONAL LTD	$1,414.73
12/1/25	6060275	SHI INTERNATIONAL CORP	$20,692.34
12/1/25	6060276	SUBURBAN PROPANE LP	$418.13
12/1/25	6060277	TERRACON CONSULTANTS INC	$4,148.73
12/1/25	6060278	TOPSOILS NORTHWEST INC	$1,628.78
12/1/25	6060279	GORDON TRUCK CENTERS INC	$19.70
12/1/25	6060280	WETLAND RESOURCES INC	$7,429.19
12/1/25	6060281	DOBBS HEAVY DUTY HOLDINGS LLC	$1,277.31
12/1/25	6060282	BRAKE & CLUTCH SUPPLY INC	$389.14
12/1/25	6060283	CELLCO PARTNERSHIP	$6,090.35
12/1/25	6060284	ENERGY NORTHWEST	$60,695.00
12/1/25	6060285	HOGLUNDS TOP SHOP INC	$1,912.27
12/1/25	6060286	NORTHWEST CASCADE INC	$632.25
12/1/25	6060287	NORTHWEST HANDLING SYSTEMS INC	$3,875.07
12/1/25	6060288	SENSUS USA INC	$197,094.66
12/1/25	6060289	SOUND SAFETY PRODUCTS CO INC	$124.58
12/1/25	6060290	BRENT STAINER	$275.00
12/1/25	6060291	TACOMA HYDRAULICS INC	$2,939.83
12/1/25	6060292	WALTER E NELSON CO OF WESTERN WA	$848.94
12/1/25	6060293	ALTEC INDUSTRIES INC	$7,202.73
12/1/25	6060294	ANIXTER INC	$39,392.66
12/1/25	6060295	MALLORY SAFETY AND SUPPLY LLC	$903.65
12/1/25	6060296	THE GOODYEAR TIRE & RUBBER CO	$1,220.62

Accounts Payable ACH			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/1/25	6060297	BNSF RAILWAY COMPANY	$837.71
12/1/25	6060298	NASH CONSULTING INC	$12,494.36
12/1/25	6060299	TRAFFIC CONTROL PLAN CO OF WA LLC	$700.00
12/1/25	6060300	DS SERVICES OF AMERICA INC	$2,738.52
12/1/25	6060301	CENVEO WORLDWIDE LIMITED	$8,409.33
12/1/25	6060302	HARMSEN LLC	$487.03
12/1/25	6060303	BANK OF AMERICA NA	$389,693.56
12/1/25	6060304	PUGET SOUND HARDWARE INC	$2,325.04
12/1/25	6060305	TOYOTA MATERIAL HANDLING NW INC	$2,584.37
12/1/25	6060306	TESSCO TECHNOLOGIES INC	$879.57
12/1/25	6060307	CURALINC LLC	$3,678.00
12/1/25	6060308	EUROFINS ENVR TESTING AMERICA HOLDI	$182.00
12/1/25	6060309	MOBILIZZ USA INC	$999.32
12/1/25	6060310	AA REMODELING LLC	$1,850.00
12/1/25	6060311	BRENDA WHITE	$70.70
12/1/25	6060312	AARON JANISKO	$95.90
12/1/25	6060313	JASON ZYSKOWSKI	$404.44
12/1/25	6060314	JOHN PETOSA	$43.40
12/1/25	6060315	KYM HOUSTON	$172.20
12/1/25	6060316	KRISTOPHER SCUDDER	$336.65
12/1/25	6060317	LAURA ZORICK	$2,504.44
12/1/25	6060318	KRYSTA RASMUSSEN	$1,515.67
12/1/25	6060319	HEATHER HERBST	$240.00
12/1/25	6060320	MICHAEL CONYERS	$175.00
12/1/25	6060321	DANIEL NYACHUBA	$2,625.00
12/1/25	6060322	AUSTIN JOHNSON	$383.25
12/1/25	6060323	CLAUDIU LAZAR	$117.60
12/1/25	6060324	IAN TACHIBANA	$138.40
12/1/25	6060325	ERICA KEENE	$49.00
12/2/25	6060326	ALS GROUP USA CORP	$200.00
12/2/25	6060327	CLEAN HARBORS ENVIRONMENTAL	$397.95
12/2/25	6060328	COMMERCIAL FILTER SALES & SERVICE	$159.42

Accounts Payable ACH			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/2/25	6060329	DAVID EVANS & ASSOCIATES INC	$22,782.60
12/2/25	6060330	JACO ANALYTICAL LAB INC	$1,256.41
12/2/25	6060331	NELSON DISTRIBUTING INC	$385.35
12/2/25	6060332	NORTH COAST ELECTRIC COMPANY	$16,395.20
12/2/25	6060333	PETROCARD INC	$13,369.65
12/2/25	6060334	ROBERT HALF INC	$5,060.00
12/2/25	6060335	STELLAR INDUSTRIAL SUPPLY INC	$1,029.67
12/2/25	6060336	TOPSOILS NORTHWEST INC	$836.92
12/2/25	6060337	GORDON TRUCK CENTERS INC	$2,078.88
12/2/25	6060338	DOBBS HEAVY DUTY HOLDINGS LLC	$693.20
12/2/25	6060339	GENERAL PACIFIC INC	$7,912.80
12/2/25	6060340	LONE MOUNTAIN COMMUNICATIONS LLC	$3,354.00
12/2/25	6060341	LONGS LANDSCAPE LLC	$46,636.80
12/2/25	6060342	NORTHWEST CASCADE INC	$4,565.02
12/2/25	6060343	POLY BAG LLC	$123.63
12/2/25	6060344	ROHLINGER ENTERPRISES INC	$350.67
12/2/25	6060345	SENSUS USA INC	$260,161.62
12/2/25	6060346	STOEL RIVES LLP	$35,036.00
12/2/25	6060347	TACOMA HYDRAULICS INC	$4,413.58
12/2/25	6060348	ALTEC INDUSTRIES INC	$878.46
12/2/25	6060349	ANIXTER INC	$43,284.60
12/2/25	6060350	3DEGREES GROUP INC	$106,290.00
12/2/25	6060351	HARMSEN LLC	$9,382.50
12/2/25	6060352	CURTIS A SMITH	$10,990.11
12/2/25	6060353	ARNETT INDUSTRIES LLC	$8,009.24
12/2/25	6060354	THEODORE BLAINE LIGHT III	$1,235.00
12/2/25	6060355	FLEET SERVICE VEHICLE REPAIR LLC	$279.86
12/2/25	6060356	GUARD PEST CONTROL	$2,334.45
12/2/25	6060357	EUROFINS ENVR TESTING AMERICA HOLDI	$208.00
12/2/25	6060358	GOBLE SAMPSON ASSOCIATES INC	$20,146.06
12/2/25	6060359	ON-SITE ENVIRONMENTAL INC	$426.00
12/2/25	6060360	STILLWATER ENERGY LLC	$37,055.00

Accounts Payable ACH			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/2/25	6060361	GIUSEPPE FINA	$380.49
12/2/25	6060362	JEANNE HARSHBARGER	$2,208.33
12/2/25	6060363	GARRISON MARR	$336.65
12/2/25	6060364	JOHN HAARLOW	$2,309.70
12/2/25	6060365	COLLEEN MURPHY	$658.66
12/2/25	6060366	ABEYALEW ALEMNEH	$639.06
12/2/25	6060367	DARREK DANIELSON	$667.00
12/2/25	6060368	AMY CARSTENS	$315.59
12/3/25	6060369	CONSOLIDATED ELECTRICAL DISTRIBUTOR	$29,303.06
12/3/25	6060370	INTERCONTINENTAL EXCHANGE HOLDINGS	$1,585.00
12/3/25	6060371	NORTHSTAR CHEMICAL INC	$1,653.09
12/3/25	6060372	ROMAINE ELECTRIC CORP	$3,175.45
12/3/25	6060373	RWC INTERNATIONAL LTD	$1,913.56
12/3/25	6060374	STAR RENTALS INC	$3,489.49
12/3/25	6060375	SNOHOMISH COUNTY SOCIETY OF	$3,700.00
12/3/25	6060376	TOPSOILS NORTHWEST INC	$528.00
12/3/25	6060377	WILLIAMS SCOTSMAN INC	$2,759.49
12/3/25	6060378	HOGLUNDS TOP SHOP INC	$1,747.42
12/3/25	6060379	NORTHWEST CASCADE INC	$128.20
12/3/25	6060380	ZIPPER GEO ASSOCIATES LLC	$2,833.25
12/3/25	6060381	GRAYBAR ELECTRIC CO INC	$1,131.82
12/3/25	6060382	ALTEC INDUSTRIES INC	$1,376.00
12/3/25	6060383	MALLORY SAFETY AND SUPPLY LLC	$1,532.29
12/3/25	6060384	THE GOODYEAR TIRE & RUBBER CO	$1,291.28
12/3/25	6060385	ICONIX WATERWORKS INC	$10,514.04
12/3/25	6060386	CARAHSOFT TECHNOLOGY CORP	$19,187.49
12/3/25	6060387	WILLDAN ENERGY SOLUTIONS INC	$4,600.00
12/3/25	6060388	QCERA INC	$2,396.00
12/3/25	6060389	QCL INC	$3,624.20
12/3/25	6060390	FLEET SERVICE VEHICLE REPAIR LLC	$2,828.03
12/3/25	6060391	BLUEBERRY TECHNOLOGIES LLC	$5,500.00
12/3/25	6060392	PURCELL TIRE & RUBBER COMPANY	$13,931.15

Accounts Payable ACH			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/3/25	6060393	ALAN L MONSON	$252.77
12/3/25	6060394	IHEARTMEDIA ENTERTAINMENT INC	$6,666.66
12/3/25	6060395	QUALUS LLC	$101,119.25
12/3/25	6060396	LUMEN TACTICAL LLC	$741.88
12/3/25	6060397	XYLEM I LLC	$10,323.59
12/3/25	6060398	ALAMON INC	$80,513.35
12/3/25	6060399	MICHAEL FRISK	$6,690.00
12/3/25	6060400	DC BACH COMPANY LLC	$19,745.83
12/3/25	6060401	STILLY RIVER MECHANICAL INC	$5,750.00
12/3/25	6060402	AA REMODELING LLC	$925.00
12/3/25	6060403	CHRISTINA BRUECKNER	$41.30
12/3/25	6060404	LAURIE GOOTEE	$2,159.97
12/3/25	6060405	PHILIP SCOUGALE	$464.98
12/3/25	6060406	KIMBERLY HAUGEN	$1,149.40
12/3/25	6060407	ANDRA FLAHERTY	$572.14
12/3/25	6060408	RACHELLE POWELL	$170.68
12/3/25	6060409	BRYAN GREGORY	$386.98
12/3/25	6060410	MONICA SAMUELS	$11.20
12/3/25	6060411	JOHN HAARLOW	$1,777.84
12/3/25	6060412	SHAWN WIGGINS	$54.60
12/3/25	6060413	BRANDON CLASBY	$136.00
12/3/25	6060414	NATHAN GIBSON	$3,756.08
12/3/25	6060415	KATIE BRITTEN	$5.60
12/3/25	6060416	CAITLIN AUSTIN	$11.20
12/3/25	6060417	AVA GREEN	$493.15
12/4/25	6060418	ASPLUNDH TREE EXPERT LLC	$34,366.44
12/4/25	6060419	CONSOLIDATED ELECTRICAL DISTRIBUTOR	$16,926.80
12/4/25	6060420	ROMAINE ELECTRIC CORP	$1,598.69
12/4/25	6060421	STELLAR INDUSTRIAL SUPPLY INC	$1,034.42
12/4/25	6060422	TOPSOILS NORTHWEST INC	$264.00
12/4/25	6060423	GORDON TRUCK CENTERS INC	$588.67
12/4/25	6060424	INDUSTRIAL SOFTWARE SOLUTIONS I LLC	$17,270.79

Accounts Payable ACH			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/4/25	6060425	CULVER COMPANY LLC	$750.00
12/4/25	6060426	DESIGNER DECAL INC	$3,544.28
12/4/25	6060427	ECODOCX LLC	$4,016.85
12/4/25	6060428	GENERAL PACIFIC INC	$1,184.17
12/4/25	6060429	HOGLUNDS TOP SHOP INC	$1,637.52
12/4/25	6060430	NORTHWEST HANDLING SYSTEMS INC	$250.58
12/4/25	6060431	ROGER R OLSEN	$3,081.76
12/4/25	6060432	PUBLIC UTILITY DISTRICT EMPLOYEES	$1,885.00
12/4/25	6060433	GRAYBAR ELECTRIC CO INC	$576.76
12/4/25	6060434	THE GOODYEAR TIRE & RUBBER CO	$3,606.86
12/4/25	6060435	CONSOLIDATED PRESS LLC	$37,478.67
12/4/25	6060436	SERIES SEVEN INC	$1,757.92
12/4/25	6060437	ADP INC	$10,808.05
12/4/25	6060438	TRINITY CONSULTANTS INC	$19,817.44
12/4/25	6060439	JONI WILBURN	$26.60
12/4/25	6060440	ANN NICHOLS	$184.80
12/4/25	6060441	KATY HOLTE	$11.20
12/4/25	6060442	TESSA MORENO	$67.20
12/4/25	6060443	LYNETTE ZWAR	$1,295.00
12/4/25	6060444	LISA PORTER	$49.00
12/4/25	6060445	JOHN HAARLOW	$2,828.69
12/4/25	6060446	DUSTIN PITTIS	$490.40
12/4/25	6060447	CAROL JANK	$16.97
12/4/25	6060448	EMILY KUBIAK	$100.80
12/5/25	6060449	CONSOLIDATED ELECTRICAL DISTRIBUTOR	$1,860.61
12/5/25	6060450	HOWARD INDUSTRIES INC	$151,947.74
12/5/25	6060451	MR TRUCK WASH INC	$2,651.67
12/5/25	6060452	ROBERT HALF INC	$3,036.00
12/5/25	6060453	UNITED PARCEL SERVICE	$157.00
12/5/25	6060454	LENZ ENTERPRISES INC	$103.13
12/5/25	6060455	LOUIS F MATHESON CONSTRUCTION INC	$8,097.27
12/5/25	6060456	BRENT STAINER	$75.00

Accounts Payable ACH			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/5/25	6060457	WORKLOGIX MANAGEMENT INC	$1,375.00
12/5/25	6060458	AMERICAN CRAWLSPACE & PEST SERVICES	$5,013.00
12/5/25	6060459	LISA HUNNEWELL	$144.25
12/5/25	6060460	ADAM PERETTI	$1,327.13
12/5/25	6060461	TESSA MORENO	$60.20
12/5/25	6060462	JESSICA TAKARA	$11.20
12/5/25	6060463	JASON WIERSMA	$110.00
12/5/25	6060464	ETHAN KIMBALL	$689.40
12/5/25	6060465	GILLIAN ANDERSON	$72.80
12/5/25	6060466	NAOMI PULLEN	$78.40
12/5/25	6060467	GAVIN HOWELL	$664.20
		Total:	**$4,312,732.38**

Accounts Payable Wires			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
11/24/25	7003820	CRAWFORD & COMPANY	$32,060.00
11/24/25	7003821	ALUMICHEM USA INC	$1,575.00
11/26/25	7003822	US DEPARTMENT OF ENERGY	$28,690,932.00
11/26/25	7003823	ALUMICHEM USA INC	$525.00
12/1/25	7003824	US BANK	$66,002.85
12/2/25	7003825	LL&P WIND ENERGY INC	$344,501.15
12/4/25	7003826	ICMA-RC	$288,913.32
12/4/25	7003827	PUBLIC UTILITY DIST NO 1 OF SNOHOMI	$18,572.24
12/4/25	7003828	ICMA-RC	$739,379.57
12/4/25	7003829	CRAWFORD & COMPANY	$1,296.50
12/5/25	7003830	ICMA-RC	$19,209.74
		Total:	**$30,202,967.37**

Payroll			
Period End Date	**Payment Ref Nbr**	**Payee**	**Amount**
12/3/25	5300001419	PUD EMPLOYEES - DIRECT DEPOSIT	$5,375,590.09
12/5/25	845603 - 845607	PUD EMPLOYEES - WARRANTS	$15,937.95

Automatic Debit Payments			
Payment Date	**Payment Ref Nbr**	**Payee**	**Amount**
11/24/25	5300001413	STATE OF WA DEPT OF REVEN	$2,599,752.65
11/24/25	5300001415	STATE OF WA DEPT OF RETIR	$167,278.23
11/25/25	5300001416	WELLNESS BY WISHLIST INC	$4,222.60
12/1/25	5300001417	US BANK NATIONAL ASSN	$23,104,414.70
12/1/25	5300001418	WELLNESS BY WISHLIST INC	$1,814.86
12/4/25	5300001420	ADP INC	$1,344,136.02
12/1/25	5300001421	LIBERTY MUTUAL GROUP DBA	$12,860.66
12/1/25	5300001422	ELAVON INC DBA MERCHANT S	$2,134.63
12/5/25	5300001423	WELLNESS BY WISHLIST INC	$10,649.27
12/5/25	5300001424	US POSTAL SVC	$10,000.00
12/5/25	5300001425	WELLNESS BY WISHLIST INC	$52,670.33
		Total:	**$27,309,933.95**

BUSINESS OF THE COMMISSION

Meeting Date: December 16, 2025 **Agenda Item**: 2D

TITLE:

Consideration to Prequalify Contractors as Bidders for Electrical Line Work for the District During 2026

SUBMITTED FOR: Consent Agenda

Contracts/Purchasing	Clark Langstraat	5539
Department	*Contact*	*Extension*

Date of Previous Briefing: _____

Estimated Expenditure: _____ Presentation Planned ☐

ACTION REQUIRED:

☐ Decision Preparation
- ☐ Policy Discussion
- ☐ Policy Decision
- ☒ Statutory

☐ Incidental (Information)

☐ Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Board Job Description: GP-3(4)(E) a non-delegable, statutorily assigned Board duty.

RCW 54.04.085 requires that the District annually prequalify contractors bidding on certain categories of public works contracts prior to furnishing proposal forms to such bidders. For the calendar year 2026, 30 previously prequalified contractors requested renewal of their prequalification by affidavit. Five new contractors applied for prequalification.

After a review of each applicant, as summarized in the Prequalification Report, by representatives from Distribution Construction Services; Transmission, Engineering, Generation Engineering, Joint Use and Standards; Finance & Risk Management; and Safety; staff recommends that the contractors listed on Exhibit A be prequalified to bid electrical line construction work in the year 2026 for the categories listed.

List Attachments:

Prequalification Report
Exhibit A

PREQUALIFICATION REPORT

RECOMMENDATION TO PREQUALIFY
CONTRACTORS FOR THE YEAR 2026 FOR ELECTRICAL CONSTRUCTION WORK

As required by RCW 54.04.085, the District must prequalify contractors interested in bidding electrical construction contracts.

RECOMMENDATION:
Based upon a review of each applicant's:

- Technical skills and qualifications to perform the work for which they have applied
- Financial condition
- Organizational/Operational experience
- References/Record of performance over the last (18 mo. or longer depending on category)
- Overall ability to comply with District contracting requirements
- Current registration with the State of Washington
- Current Workers Compensation and Employers' Liability
- Safety Record
- OSHA 300A Report,

The Committee recommends that the 32 of the 35 contractors identified in Exhibit A be prequalified to bid on electrical construction work during the year 2026.

PROCESS:
Staff work was performed by representatives from Contracts & Purchasing; Distribution Construction Services; Transmission, Engineering, Generation Engineering, Joint Use & Standards; Finance & Risk Management; and Safety; for an evaluation of each contractor.

The annual process evaluates new applicants and ensures continued competency in those contractors that have been previously prequalified. Contractors requesting renewal by affidavit which have not done work for the District in the previous three years are required to submit updated references for such category(s) of work. The District received 30 requests for renewal by affidavit and five requests for prequalification from new applicants.

The recommendations that follow were determined using District guidelines based on reference checks, Safety records from OSHA and the State of Washington Department of Labor and Industries, Industrial Safety and Health Division and OSHA's 300A Summary of Work-Related Injuries and Illnesses, and financial records.

RECOMMENDED:
After contacting references provided by applicants, and receiving favorable comments, staff recommend the following contractors for the listed categories:

Current Contractors	**Additional Category(s) Recommended:**
Burke Electric, LLC	A-1
DJ's Electrical, Inc.	C-1; D-1
Olympic Electric Company, Inc.	A-4; B-8; B-10
Palouse Power LLC	A-5

New Applicants	
Magnum Power, LLC	A-1; B-1; B-6
Salish Construction Company	A-1

NOT RECOMMENDED:
The following contractors are not recommended for the listed categories on the basis of insufficient references and/or scope experience:

Current Contractors	Categories
Barnard Construction Company	A-2, C-1
Christenson Electric, Inc.	A-2; A-4; C-1
DJ's Electrical, Inc.	A-2; A-4; B-3; B-7; B-9; B-10; B-11; C-2
Henkels & McCoy West, LLC	B-10; C-1
Michels Pacific Energy, Inc.	B-3
Mountain Power Construction Co.	B-8
Olympic Electric Company, Inc.	A-5; B-3; B-6; B-7; B-9; B-11; C-1; C-2
Power City Electric, Inc.	C-1
Sturgeon Electric Company, Inc.	A-1
Summit Line Construction, Inc.	B-1
Wright Tree Service, Inc.	D-2

New Applicants	Categories & Basis for Recommendation
ArborWorks, LLC	D-1; D-2 Not a Registered Contractor in the State of Washington.
Customer Lighting Services, LLC, dba Black and McDonald	A-1; A-2; A-4; A-5; B-1; B-3; B-6; B-7; B-8; B-9; B-10; B-11; C-1; C-2; D-1;D-2 Insufficient references and incomplete financials.
JACO Power Services, Inc.	A-1; A-2; A-4; A-5; B-1; B-3; B-6; B-7; B-8; B-9; B-10; B-11; C-1; C-2 Insufficient references.
Magnum Power, LLC	A-2; A-4; A-5; C-1; C-2 Insufficient references and/or scope experience.
Salish Construction Company	A-2 Insufficient references and/or scope experience.

Current Contractors REMOVED	Categoryies	Reason
BRZ Power Division, LLC	B-11	Failed to Renew for 2026
Cannon Construction, LLC	B-6, B-8	Failed to Renew for 2026
Michels Pacific Energy, Inc.	B-3	Failed to Renew for 2026

*See Exhibit A for description of work categories.

VIOLATION HISTORY REPORTS:
Safety records from OSHA and the State of Washington Department of Labor and Industries, Industrial Safety and Health Division were reviewed by the Risk and Safety Departments, and nothing was found to disqualify the contractors requesting to be prequalified.

OSHA 300A REPORTS (Summary of Work-Related Injuries and Illnesses):
OSHA 300A Reports were reviewed by the Risk Department and all contractors were found to be within District guidelines.

EXHIBIT A
PREQUALIFICATION 2026
RECOMMENDED CONTRACTORS

CATEGORIES OF WORK:

A. Overhead Line Construction
- A-1 Distribution, 12kV
- A-2 Transmission, 115 kV
- A-4 Telecommunications Cable
- A-5 Transmission, 230 kV

B. Underground Line Construction
- B-1 Distribution, 12 kV
- B-3 Plowing, Solid-Dielectric Power Cables
- B-6 Directional/Conventional Boring Work
- B-7 Cable Injection Work
- B-8 Distribution Pot Holing
- B-9 Transmission, 115 kV
- B-10 Telecommunications Cable
- B-11 Distribtuion, 34.5kV

C. Substation
- C-1 Electrical Facility Construction
- C-2 Electrical Facility Construction, 230 kV

D. Right-of-Way Clearing and Maintenance
- D-1 Tree and Brush Work
- D-2 Spraying

E. Pole Treatment, Reinforcement and Repair
- E-1 Groundline Preservation

PREQUALIFICATION IS NOT REQUIRED IN THE FOLLOWING CATEGORIES OF WORK: B-4 (BACKHOE, EXCAVATION WORK); B-5 (BULLDOZER AND TRACKHOE, EXCAVATION WORK); C-3 (SUBSTATION, EQUIPMENT PAINTING); D-3 (CLEARING, GRADING AND LANDSCAPING ONLY); E-2 (POLE RESTORATION - FORMERLY A-3 STUBBING).

	CONTRACTOR	PREQUALIFIED CATEGORIES	AFFIDAVIT RECEIVED	COMMENTS
1	**Alamon, Inc.**	E-1	Yes	
2	**ArborWorks, LLC** **New Applicant**	(N/A)	N/A	Not Recommended D-1; D-2.
3	**Asplundh Tree Expert, LLC**	D-1; D-2	Yes	
4	**Barnard Construction Company, Inc.**	A-5; C-2	Yes	Not Recommended A-2; C-1.
5	**Basin Tree Service & Pest Control, Inc.**	D-1	N/A	
6	**Burke Electric, LLC**	A-1; B-1; C-1	N/A	Added A-1.
7	**Cannon Constructors, LLC**	A-1; A-2; A-4; B-1; B-6; B-8	N/A	
8	**Cascade Cable Constructors, Inc.**	B-3; B-6; B-8	N/A	
9	**Christenson Electric, Inc.**	A-1; A-2; A-4; B-1; B-10; B-11; C-1; C-2	N/A	Not Recommended A-2; A-4; C-1.
10	**Custom Lighting Services, LLC, dba Black and McDonald** **New Applicant**	(N/A)	N/A	Not Recommended A-1; A-2; A-4; A-5; B-1; B-3; B-6; B-7; B-8; B-9; B-10; B-11; C-1; C-2; D-1; D-2.
11	**Davey Tree Surgery Co.**	D-1; E-1	Yes	
12	**DJ's Electrical, Inc.**	A-1; B-1; B-6; B-8; C-1; D-1	N/A	Added C-1; D-1. Not Recommended A-2; A-4; B-3; B-7; B-9; B-10; B-11; C-2.
13	**Henkels & McCoy West, LLC**	A-1; A-2; A-5; B-1; B-6; B-8; B-11; C-2	N/A	Not Recommended B-10; C-1.
14	**Intec Services, Inc.**	E-1	N/A	
15	**International Line Builders, Inc.**	A-1; A-2: A-4; A-5; B-1; B-6; B-8	Yes	
16	**JACO Power Services, Inc.** **New Applicant**	(N/A)	N/A	Not Recommended A-1; A-2; A-4; A-5; B-1; B-3; B-6; B-7; B-8; B-9; B-10; B-11; C-1; C-2.
17	**Magnum Power, LLC** **New Applicant**	A-1; B-1; B-6	N/A	Added A-1; B-1; B-6. Not Recommended A-2; A-4; A-5; C-1; C-2.
18	**Mi-Tech Services, Inc.**	E-1	Yes	
19	**Michels Pacific Energy, Inc.**	A-1; A-2; A-4; A-5; B-1; B-8; B-9; B-10; B-11; C-1; C-2	N/A	Not Recommended B-3.
20	**Mountain Power Construction Co.**	A-1; A-2; A-4; A-5; B-1; B-3	N/A	Not Recommended B-8.
21	**NW Utility Services Inc**	A-1; A-2; B-8	Yes	
22	**Olympic Electric Company, Inc.**	A-1; A-2; A-4; B-1; B-8; B-10	Yes	Added A-4; B-8; B-10. Not Recommended A-5; B-3; B-6; B-7; B-9; B-11; C-1; C-2.
23	**Pacific Cable Construction, Inc.**	B-6; B-8	Yes	
24	**Palouse Power**	A-1; A-2; A-4; A-5; B-1, C-1; C-2	Yes	Added A-5.
25	**Potelco, Inc.**	2	N/A	
26	**Power City Electric, Inc.**	A-1; B-1	N/A	Not Recommended C-1.
27	**Salish Construction Company** **New Applicant**	A-1	N/A	Added A-1. Not Recommended A-2.
28	**Sturgeon Electric Company, Inc.**	A-1; A-2; A-4; A-5; B-1; B-10; B-11, C-1; C-2	N/A	Not Recommended A-1.
29	**Summit Line Construction, Inc.**	A-1; A-2; A-4; A-5; B-8; C-1; C-2	N/A	Not Recommended B-1.
30	**Tice Electric Company**	C-1; C-2	Yes	
31	**Trenchless Construction Services, Inc.**	B-6; B-8	Yes	
32	**Wilson Construction Company**	A-1; A-2; A-4; A-5; B-1;C-2	N/A	
33	**Wright Tree Service, Inc.**	D-1	N/A	Not Recommended D-2.
34	**Xylem 1, LLC**	D-1	Yes	
35	**Yates Line Construction Company**	A-1; A-2; B-1	Yes	

BUSINESS OF THE COMMISSION

Meeting Date: December 16, 2025 **Agenda Item:** 3

TITLE

CEO/General Manager's Briefing and Study Session

SUBMITTED FOR: Briefing and Study Session

CEO/General Manager	John Haarlow	8473
Department	*Contact*	*Extension*

Date of Previous Briefing: _____

Estimated Expenditure: _____ Presentation Planned ☐

ACTION REQUIRED:

☒ Decision Preparation ☐ Incidental (Information) ☐ Monitoring Report
- ☐ Policy Discussion
- ☐ Policy Decision
- ☐ Statutory

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Executive Limitations, EL-9, Communications and Support to the Board – the CEO/General Manager shall…marshal for the board as many…points of view, issues and options as needed for fully informed Board choices.

List Attachments:

CEO/General Manager's Briefing and Study Session attachments

Media Coverage

SNOHOMISH PUD

Energizing Life In Our Communities

MEDIA COVERAGE

Bomb Cyclone Anniversary

Numerous media stories on the one-year anniversary of the bomb cyclone, including KIRO, KING, KOMO, and Seattle Times.

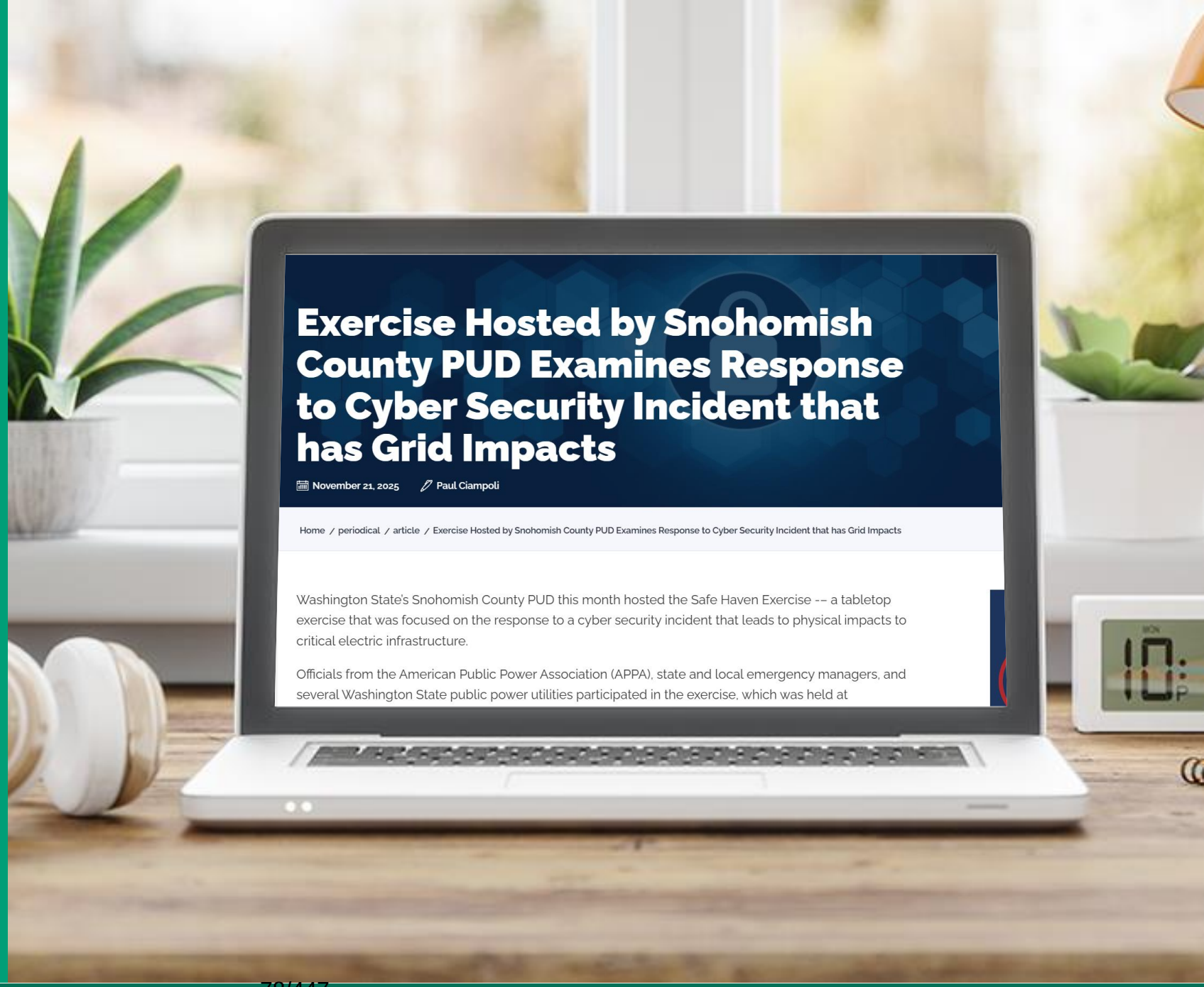
Stories focused on lessons learned, improvements made and lack of FEMA reimbursement.

MEDIA COVERAGE

APPA Cyber Tabletop Exercise

Public Power Daily wrote feature documenting PUD's hosting of regional Safe Haven Exercise.

Cyber tabletop included representation from utilities, cities, and organizations from across the region and leaders from APPA, NERC, and DOE.



MEDIA COVERAGE

Partner Forum Highlighted

Public Power Daily wrote a story on the PUD's first Community Partner Coalition luncheon.

Focus was on PUD's unique position to help customers and the opportunity to bring together organizations that share a similar mission.

Publications

SNOHOMISH PUD

Energizing Life In Our Communities

PUBLICATION

TREE Power Featured in Public Power Monthly

PUD Energy Services Program Manager Sheri Miller contributed a story on PUD's TREE Power Program to APPA's Public Power Magazine.

The story focused on program history, participants, and cooling effect of trees.

The cumulative energy savings from planting these trees is about **20,402 kWh** so far — a figure projected to rise as the trees grow and the program's scope expands.

Washington before.

to build a program supported with

llowed SnoPUD to calculate the
d per tree planted by taking the
used in the program and aggregating
is included incorporating data
ural forestry analysis platform from
riculture, to ensure measurement

sive spreadsheet that included
d kilowatt-hours saved per tree. We
ve felt would be the most popular
em as a group, then averaged the
e our kilowatt-hours saved.
s, SnoPUD determined that each tree
101 kWh in energy savings in the
asing as the trees grow and provide

ed our approach to creating savings,
the program to customers. We
lief for Energy Efficiency, or TREE
asy for customers to remember.
mponents: first, government, quasi-
organizations can apply to fund
; second, customers can donate
jects. Any SnoPUD customer can
ts, and their donations are included
ements. All funded projects must
w customers to visit the forestry
d.
unched on April 10, 2024,
y, and customer donations began in

Shortly after the program launched, four applications were submitted — all from municipal governments. The SnoPUD team evaluated each project along a scoring rubric. These projects were diverse and included proposals to add trees along a popular paved walking and bicycling trail, around a parking lot near a park in a neighborhood with a high proportion of residents with low incomes, and near community gardens adjacent to a popular hiking area.

SnoPUD proceeded with funding three of the proposed projects for a total of $28,426.30. The fourth project, to develop rain gardens in city street intersections, required additional infrastructure work before trees could be planted. (The project was resubmitted for the 2025 application and was awarded.)

For each project, TREE Power's lead arborist preapproved the tree locations and species, one of which was giant sequoias. The three projects led to about 60 new trees funded in 2024 and 80 in 2025.

The results have shown how tree canopies provide a direct and immediate cooling effect on surrounding buildings and pavement. The cumulative energy savings from planting these trees is about 20,402 kWh so far — a figure projected to rise as the trees grow and the program's scope expands.

Our team has already heard from other PUDs across Washington state that are considering their own urban forestry programs and plan to adopt the TREE Power concept in their service territories.

We're optimistic that similar collaboration can seed initiatives tailored to utilities' summer cooling and load-mitigation needs.

We anticipate this program will continue to grow for years to come, and we will continue to partner with government, quasi-government, and nonprofit organizations to plant urban forestry projects.

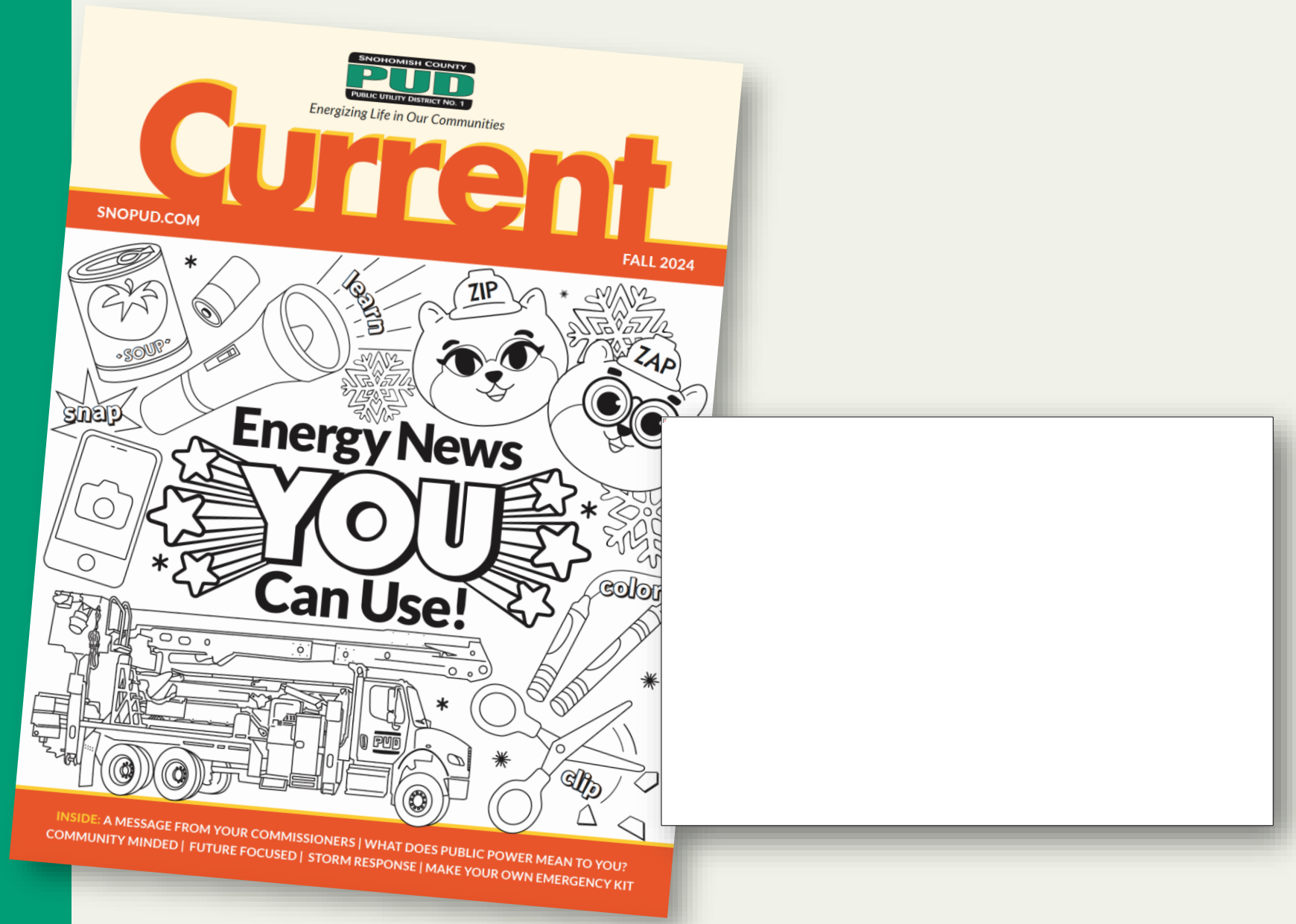
PublicPower.org / #PublicPower 17

PUBLICATION

APPA Awards

PUD Honored with bronze Customer Satisfaction Award for second year in a row.

PUD received an Award of Merit for Print & Digital category in APPA's Excellence in Public Power Communications Awards for the 75th Anniversary edition of Current.



Engagement Report

2025

SNOHOMISH PUD

Energizing Life In Our Communities

2025 Engagement By The Numbers

- PUD Hosted Events (e.g. Energy Block Party, Hydro Days): **13**
- Chamber Meetings: **38**
- Economic Alliance Snohomish County: **8**
- Community Presentations: **6**
  (Everett to Delta Transmission Line, Maltby to Paradise Transmission Line, Crosswind Transmission Line)
- Community Tabling Events: **21**
- Education Program Events: **44**
  (including field trips at Woods Creek and STEM nights)
- Job Recruitment Events: **24**
- Parades: **3**
- High Voltage Trainings: **4**
- Targeted Income Qualified Tables: **24**
- Touch-a-Trucks: **3**
- Tours of District Property: **6**

Total Customers Engaged Through These Activities: **25,530**

2026

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Energizing Life In Our Communities

Significant Projects Driving Engagement

- Marysville Getchell Transmission Line
- Crosswind Transmission Line and Substation
- Everett to Delta Transmission Line Art
- Home Electrification Appliance Rebates (HEARs) funding (potentially)
- Public Safety Power Shutoff
- Engagement Council Data Review

Returning Events

- Herald Senior Resource Festival – March
- City of Everett Arbor Day – April
- Energy Block Party – April 25
- Bike Everywhere Day – June
- Everett Pride – June
- Aquafest – July
- Stanwood Camano Parade – August

Returning Events Cont.

- Granite Falls Show ‘n Shine – August
- National Night Out – August
  - Marysville
  - Everett Neighborhoods
    - (Delta, Riverside, NW, Bayside)
- Fair on 44th - September
- Return of the Salmon – September
- Tulalip Lights & Ice – November
- Holiday on the Bay – December

Returning + Updated Events

- Hydropower Appreciation–May 15 & 16
  - Two Half Days
- Evergreen State Fair–August
  - Shortened employee hours
  - Change in booth location
- Community Energy Run–October 3
  - Water Operations

New Events

- El Sol Al Alcance De Tus Manos – TBD
  - Casino Road, Everett
  - Celebration for new solar array
- Marysville Strawberry Festival Parade – June
  - State Street, Marysville
  - Outreach for upcoming transmission project
- Arlington 4th of July Parade – July
  - Downtown Arlington

New Events Cont.

- Marysville 4th of July Parade – July
  - Ebey Waterfront Park
  - Outreach for upcoming transmission project
- Skyfest – August
  - Arlington Airport
- Marysville Library Popup – September
  - Marysville Sno-Isle Public Library
  - Share community resources & projects
  - Outreach for upcoming transmission project

QUESTIONS? COMMENTS?

SNOHOMISH PUD

Energizing Life In Our Communities

SnoSMART

Snohomish County PUD's Secure Modern Automated and Reliable Technology Project

Quarterly Update

Kevin Lavering – Program Director

John Hieb – Principal Engineer

December 16, 2025

Last Update – March 18, 2025

Commission Presentation

Purpose of Presentation:

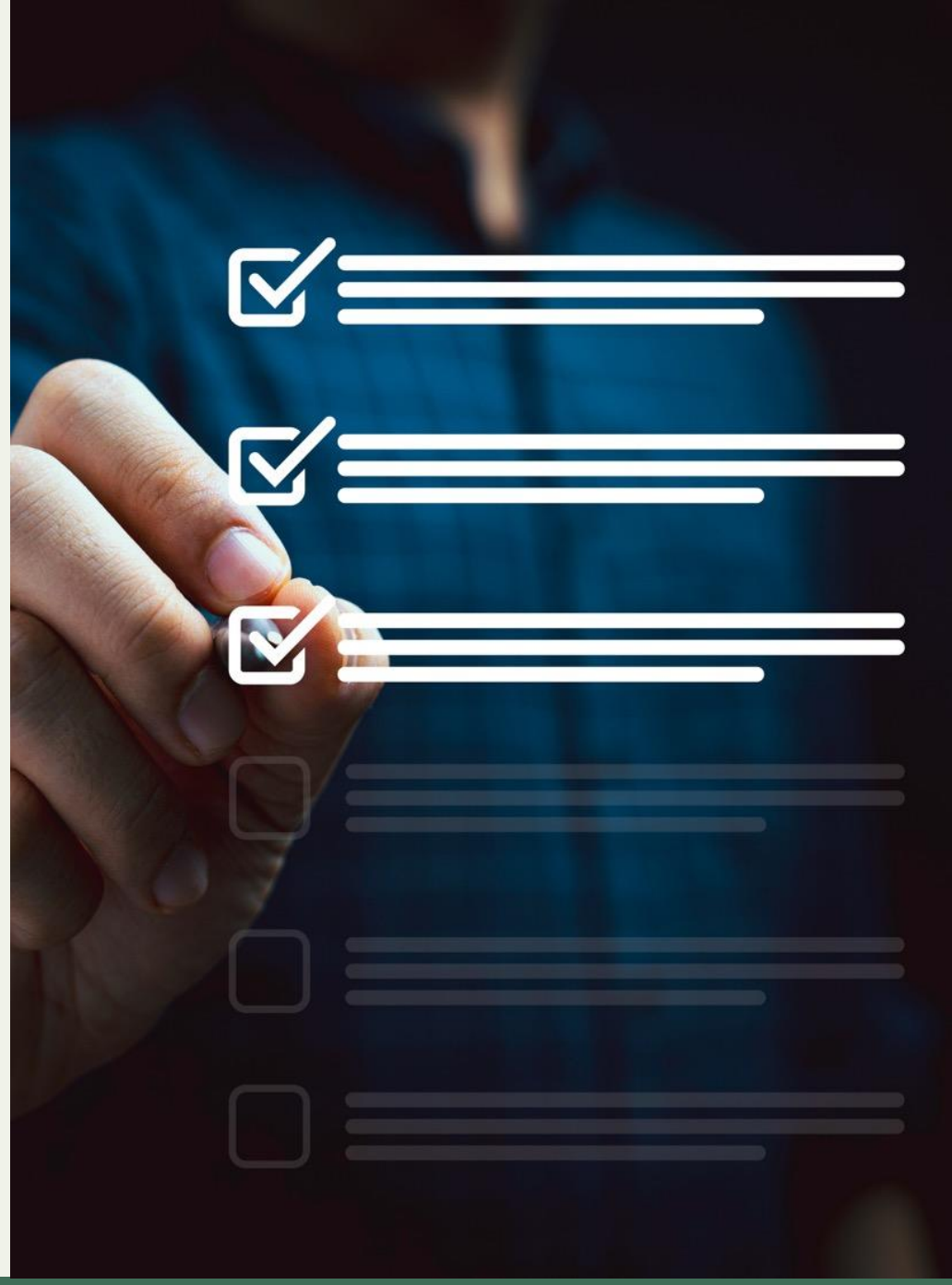
- Provide the quarterly program update to the Commission.

Expectations of the Board:

- Be informed of the program's current status and next steps.

Agenda

- Big 3 Benefits
- Department of Energy (DOE) Partnership
- Challenges and Mitigation
- Metrics and Budget Report
- Distribution Automation Map
- Measurable Customer Benefits
- Next Steps



SnoSMART Big 3 Benefits

- Reduced Outage Times
- **Decreased Wildfire Risk**
- Improved Grid Efficiency

DOE Partnership

- $30M award
- Accelerates timeline (20 years to 5)
- Coordination meetings
- Reimbursements

Challenges and Mitigation

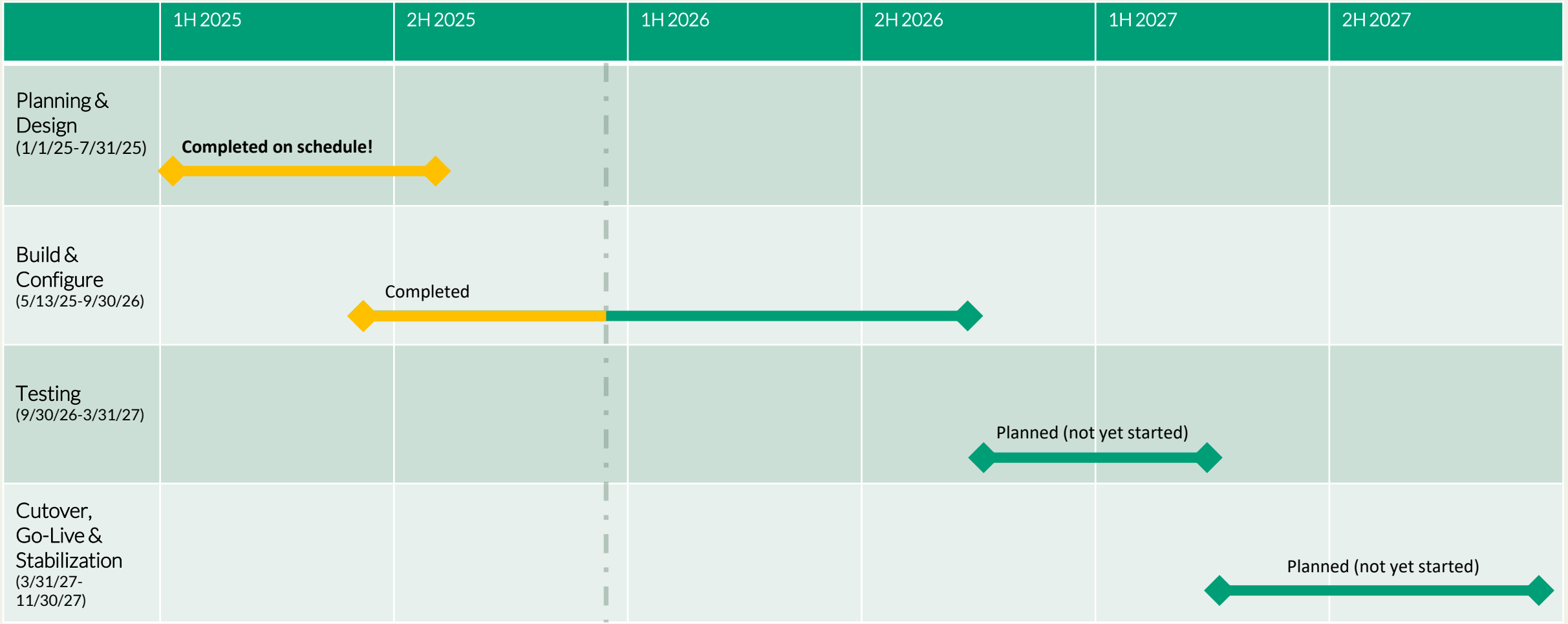
- Supply Chain

Smart Devices

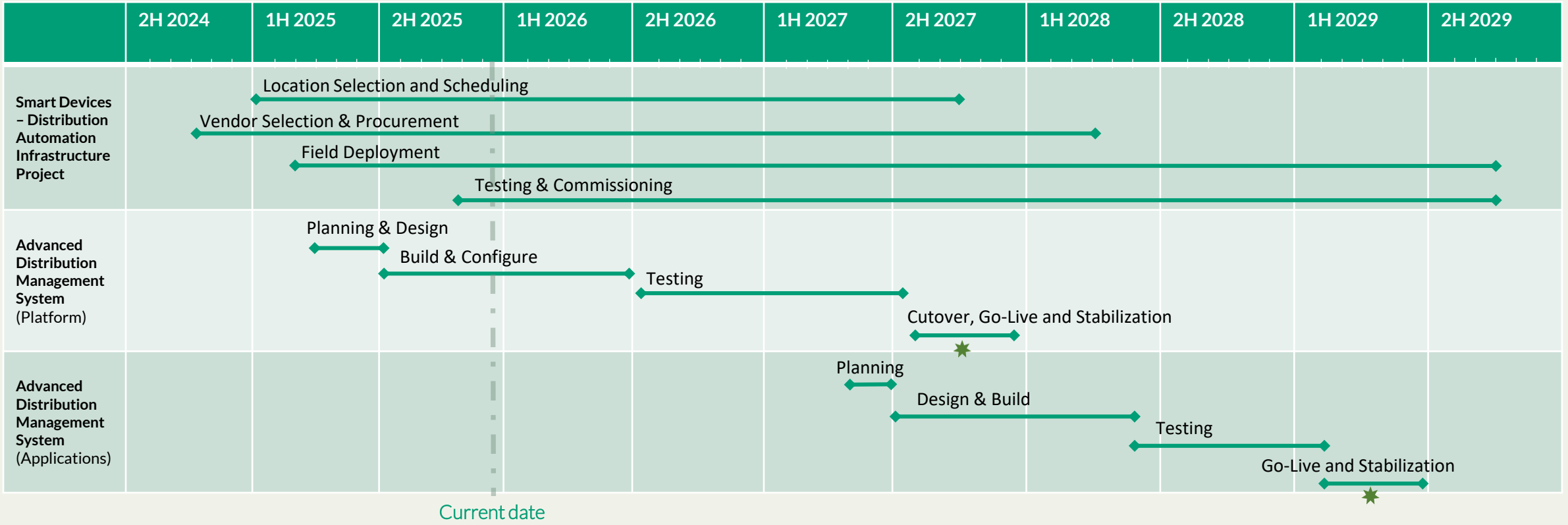
Equipment	Benefit	Schedule	Total	Initiated	Completed
Substation Designs	Reduced outage times	1/25-9/26	32	32	19
3-Phase Reclosers	Reduced outage times	1/25-9/29	430	185	34
Single-Phase Reclosers	Wildfire	9/26-9/29	350	10	0
Voltage Regulators	Improved grid efficiency	9/26-9/29	120	0	0
Capacitor Banks	Reduced outage times & improved grid efficiency	7/28-9/29	10	0	0

Completed column: green=on track; yellow=behind schedule with plan to recover; red=behind schedule impacting program timing; white=NA

Advanced Distribution Management System (Platform)



Program Schedule



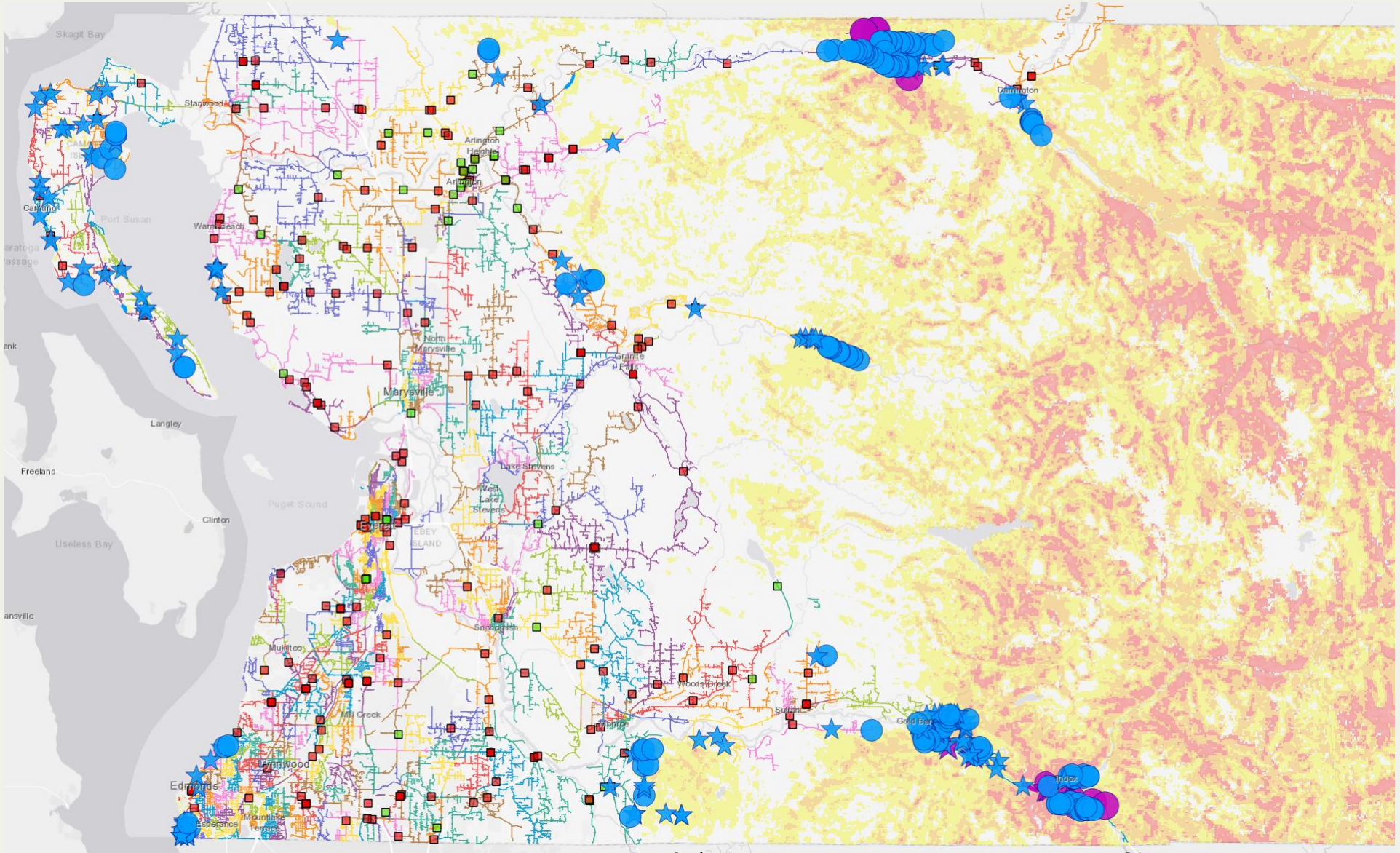
Program Cost

Original budget	$74.2M
Projected cost through end of 2029	$74.5M
Over (under) budget	$300K

2025 actual spend YTD	$8.49M
2025 year budget	$12.40M
2025 year forecast	$11.40M

Current total spend	$8.76M
DOE reimbursements to date	$3.37M
Pending DOE reimbursements (Sept. and Oct. 2025)	$762K

Wildfire Risk – SnoSMART Installation Plan



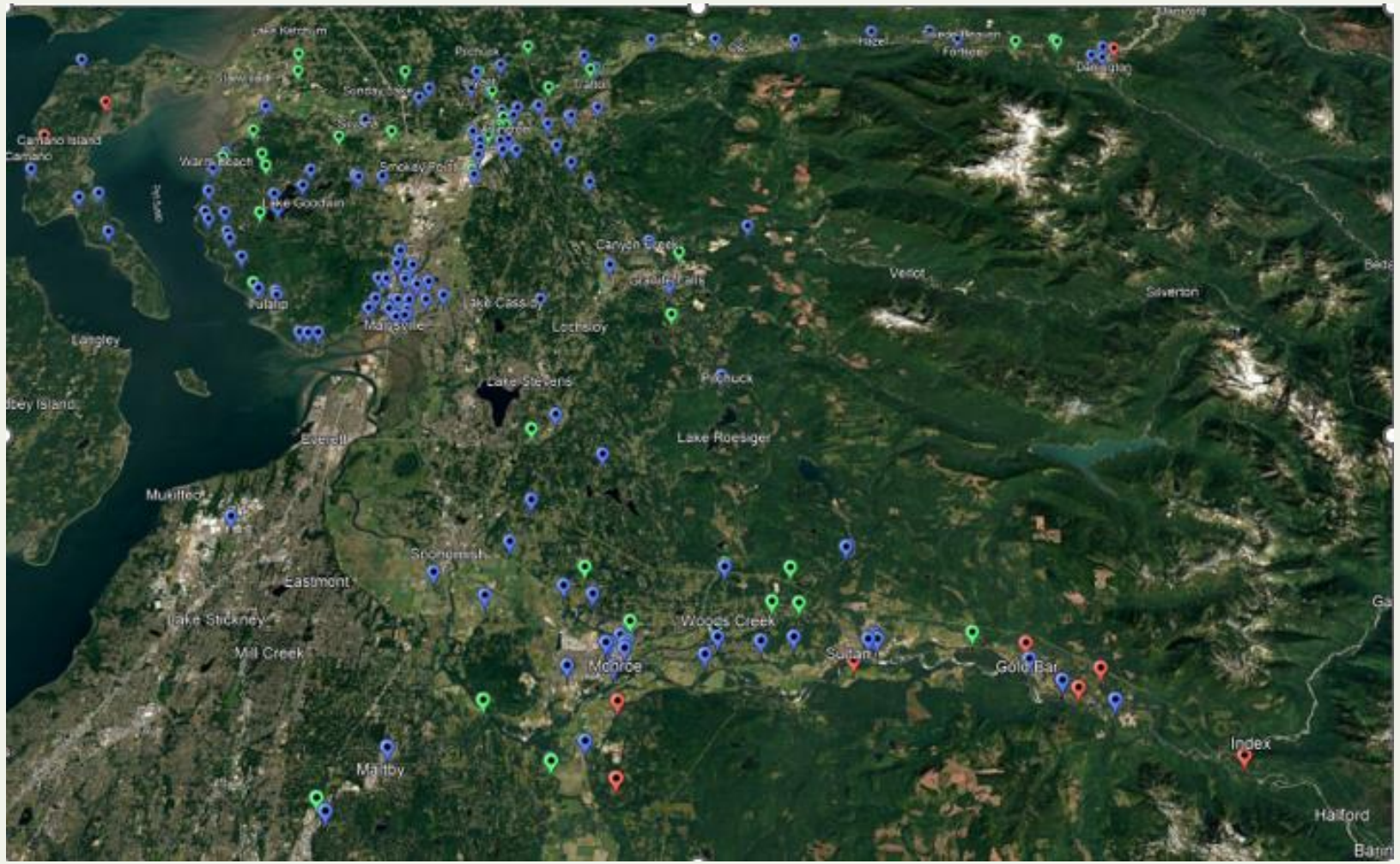
Distribution Automation Map

Legend:

Blue – Planned

Red – Wildfire Planned

Green – Complete



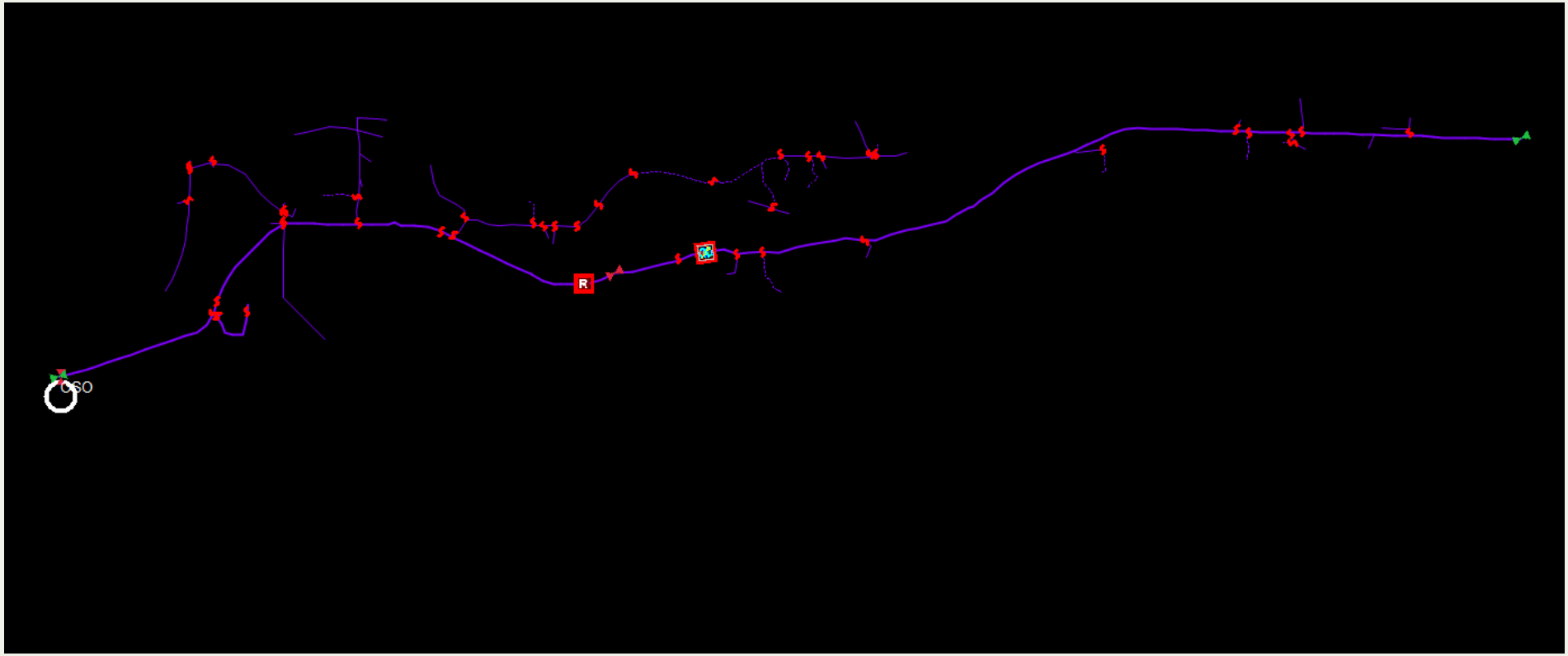
Measurable Customer Benefits

- Improved Grid Efficiency Estimates:
  - $1M Savings/Year.
  - 20% or Minute Decrease in Outage Duration:
    - SAIDI – System Average Interruption Duration Index (Number of minutes the average customer was without power).
    - Examples in next slide.

Expected Reliability Improvements

Substation: Oso
Circuit: 1310
Type: Rural
Location: Oso to Darrington
Length: 5.3 Miles (feeder)
Customers: 153
Midline Devices: 1
SAIDI Improvement Calc: 9%

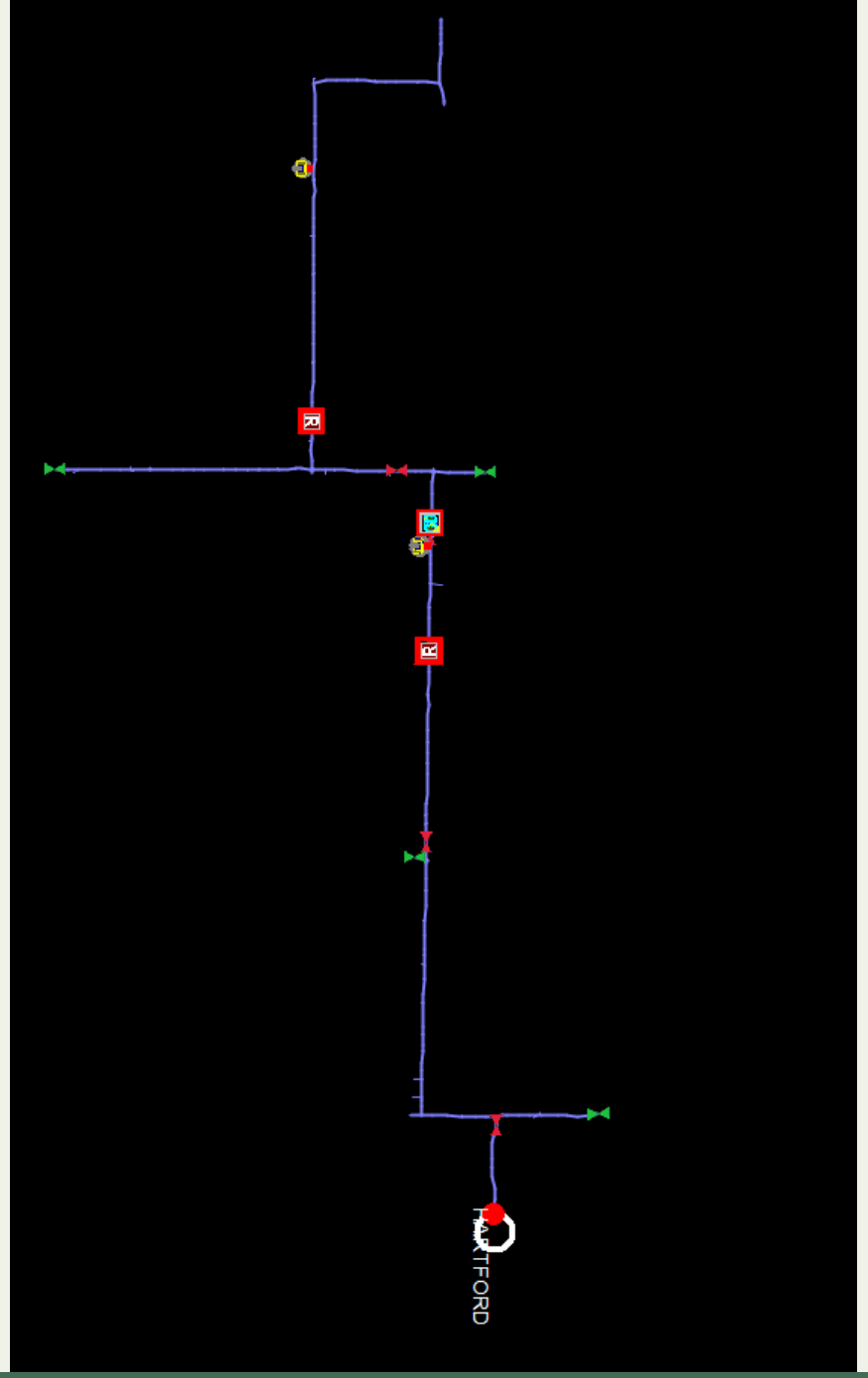
Average customer outage time is expected to be reduced from 6:35 to 5:40.



Expected Reliability Improvements

Substation: Hartford
Circuit: 3120
Type: Rural
Location: North of Lake Stevens
Length: 5.4 Miles (feeder)
Customers: 1667
Midline Devices: 1
SAIDI Improvement Calc: 20%

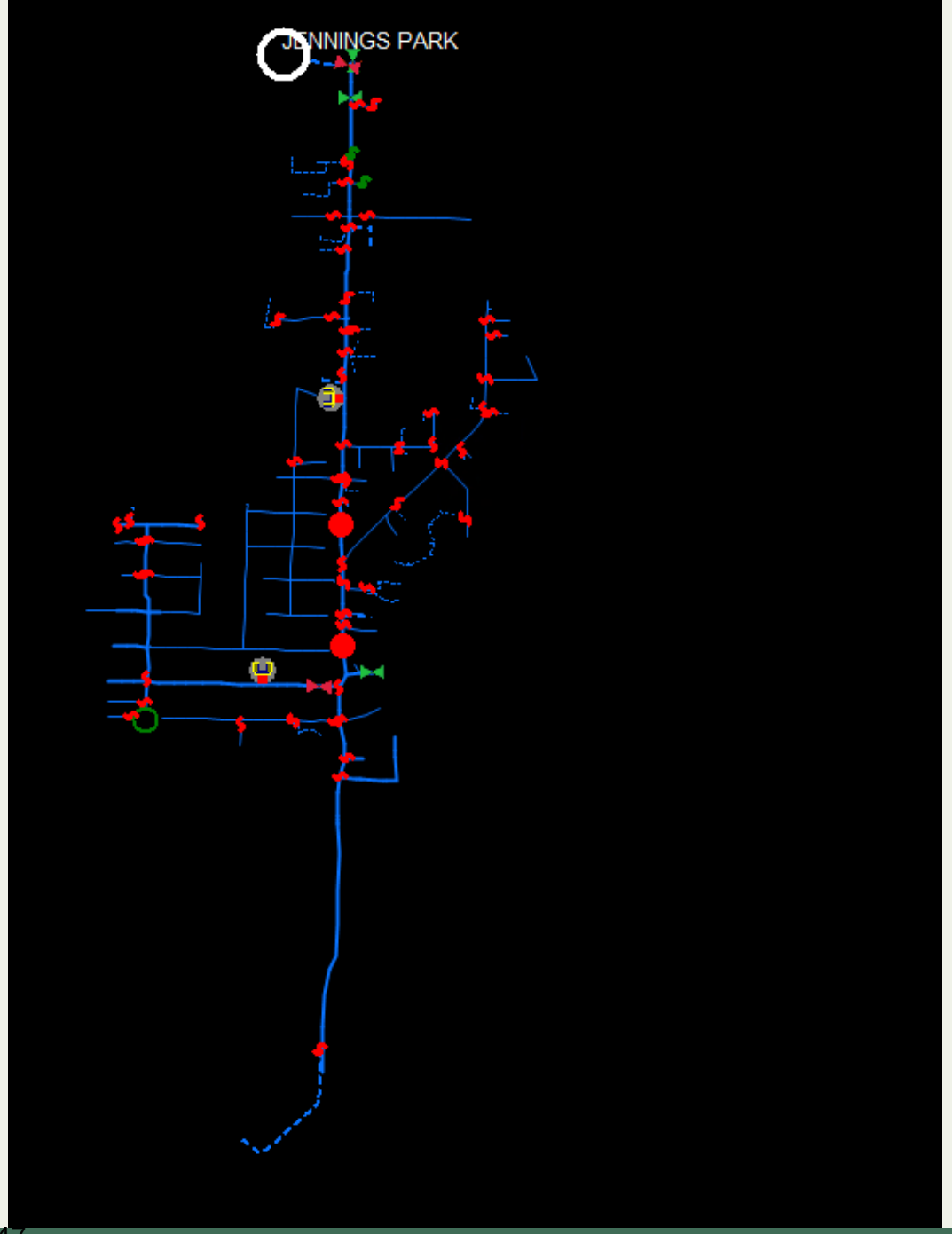
Average customer outage time is expected to be reduced from 1:07 to 0:54.



Expected Reliability Improvements

Substation: Jennings Park
Circuit: 6067
Type: Suburban
Location: Marysville
Length: 3.3 Miles (feeder)
Customers: 1580
Midline Devices: 2
SAIDI Improvement Calc: 33%

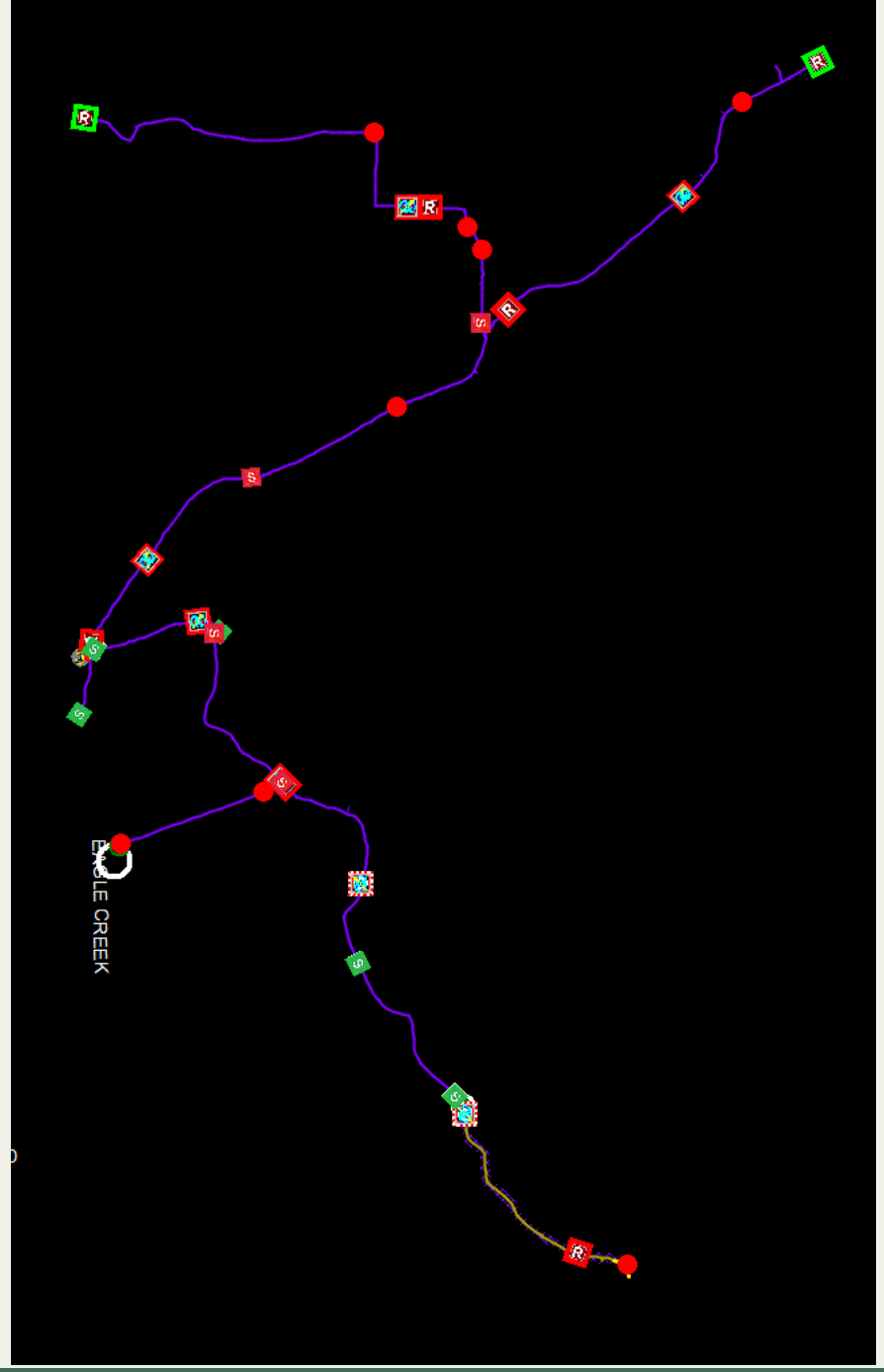
Average customer outage time is expected to be reduced from 0:40 to 0:27.



Expected Reliability Improvements

Substation: Eagle Creek
Circuit: 2618
Type: Rural
Location: Arlington
Length: 18 Miles (feeder)
Customers: 980
Midline Devices: 10
SAIDI Improvement Calc: 43%

Average customer outage time is expected to be reduced from 6:06 to 3:29.



Next Steps

- Commission Quarterly Update in March 2026.
- Procure Equipment for Decreasing Wildfire Risk.
- User Configuration of ADMS/SCADA Systems.

Questions?

Thank you!

SNOHOMISH PUD

Energizing Life In Our Communities

Energy Assistance and Income Qualified Weatherization

Jeff Feinberg
Senior Manager, Energy Services and Customer Innovations
Missy Wilch
Program Manager III, Energy Services

December 16, 2025

Partnership With The County

Since 2019, we've partnered with Snohomish County to deliver Low-Income Residential Weatherization Services for eligible PUD customers—helping improve energy efficiency and generate measurable savings for Snohomish County PUD. Projects are funded by PUD when they align with agreed-upon measures and meet PUD's energy savings criteria.

Year To Date

What we have done:

2024:

- $461,506 incentives paid.
- 2836 Average kWh savings per unit.
- Households (HH) served: 36.

2025 (Through November 2025):

- $581,109.15 paid to county (includes admin fees and repairs required to adequately update weatherization measures).
- 3170 Average kWh savings per unit.
- Households served YTD: 49 HH (64 Jobs completed).

In addition, **every** household is streamline enrolled into PUD's Income Qualified Discount Program.

Need And Timeline Of Events

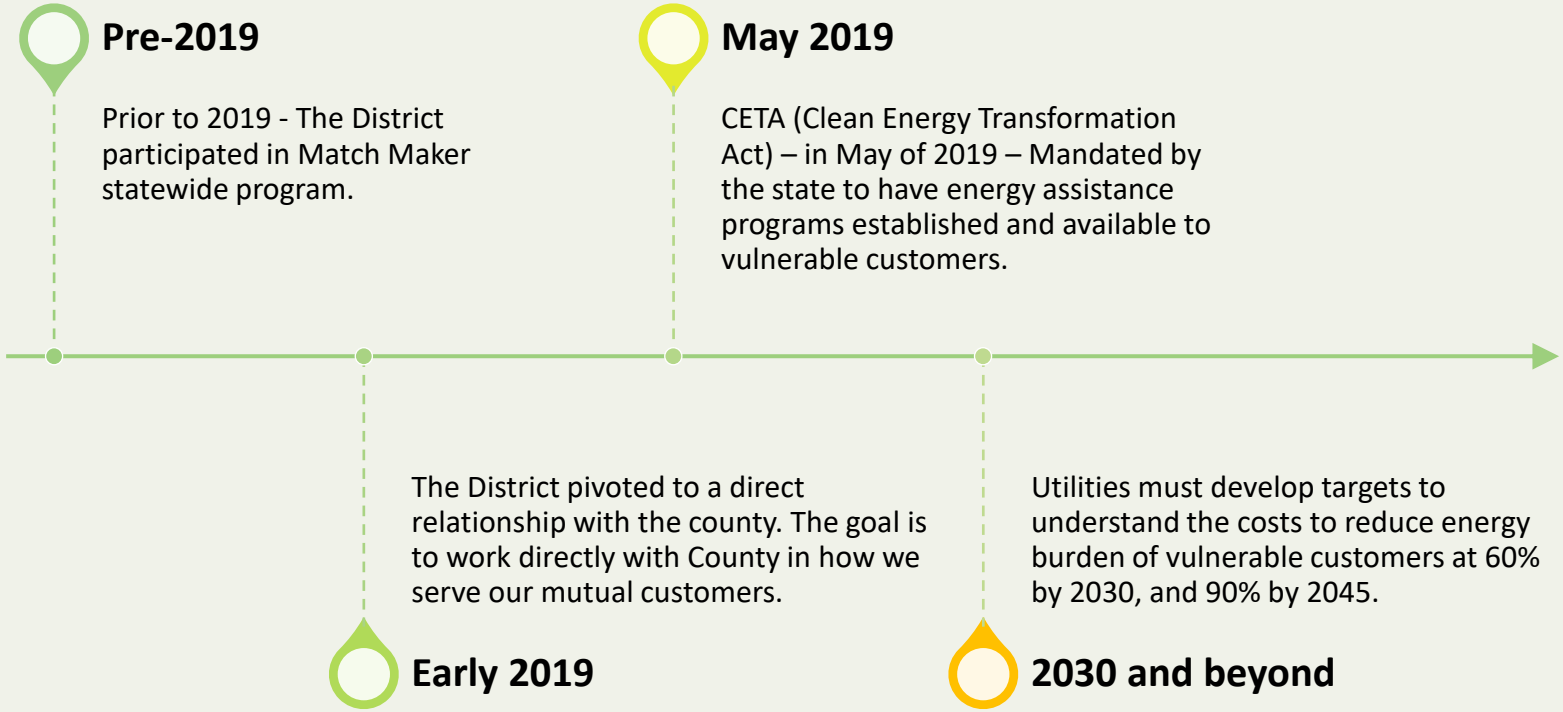
What is the need:

For CETA we identified the total funding need at **$15.3M**.

As of 2023, current funding is **$9.59M** (exceeding 60% of the need for now).

Prime target for Energy Assistance (EA) is approximately **22,000** high burden customers.

50% of those customers have high burden/high efficiency potential and are best served Conservation and Weatherization programs.



Next Steps

Seeking approval for Amendment resolution today December 16, 2025. Approval will increase the funding cap to $4.6M and through 2027*.

*In 2026 and beyond we will partner with Snohomish County Weatherization, PSE, and our customers to reach not only electric, but dual fuel households as well.

SNOHOMISH PUD

Energizing Life In Our Communities

Questions?

BUSINESS OF THE COMMISSION

Meeting Date: December 16, 2025 **Agenda Item:** 4

TITLE

CEO/General Manager's Report

SUBMITTED FOR: CEO/General Manager Report

CEO/General Manager	John Haarlow	8473
Department	*Contact*	*Extension*

Date of Previous Briefing: _____

Estimated Expenditure: _____ Presentation Planned ☐

ACTION REQUIRED:

☐ Decision Preparation
☐ Policy Discussion
☐ Policy Decision
☐ Statutory

☒ Incidental (Information)

☐ Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

The CEO/General Manager will report on District related items.

List Attachments:
None

BUSINESS OF THE COMMISSION

Meeting Date: December 16, 2025 **Agenda Item:** 5A

TITLE

Disposal of Surplus Property – Calendar Year 2026 and 1st Quarter 2026

SUBMITTED FOR: Public Hearing and Action

Materials Management & Warehouse	Claudio Lazar	5005
Department	*Contact*	*Extension*

Date of Previous Briefing: _____

Estimated Expenditure: _____ Presentation Planned ☐

ACTION REQUIRED:

☒ Decision Preparation
☐ Policy Discussion
☐ Policy Decision
☒ Statutory

☐ Incidental (Information)

☐ Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Board Job Description, GP-3(4) --- non-delegable, statutorily assigned Board duty

Request approval to dispose of various materials and equipment from all Divisions, as set forth on Exhibit "A" that accumulated during the previous quarter. These items are no longer necessary or useful to the District and will be sold for high bid, scrap, junk, or used as trade-in.

Request advance approval to dispose of the materials identified in Exhibit "B" that will accumulate during the 2026 calendar year. These materials include waste transformer oil; unserviceable distribution transformers, radiators, pipes, and storage tanks containing PCB material; scrap metal; assorted tires; obsolete automotive parts; obsolete or scrap transmission and distribution inventory; obsolete or scrap substation inventory; obsolete or scrap tools and equipment; obsolete or scrap CPUs, computer components, and miscellaneous electronics; as well as obsolete or scrap furnishings such as chairs, desks, cabinets, tables, and work surfaces. In addition, we request approval of the bid winners for the First Quarter of 2026 scrap disposal and for the 2026 Annual Bids covering surplus waste transformer oil, unserviceable distribution transformers, radiators, pipes, and storage tanks containing PCB material

List Attachments:

Exhibit A
Exhibit B

EXHIBIT A

SURPLUS PROPERTY RECOMMENDATIONS

1st QUARTER 2026

	DESCRIPTION	STORES REF. #	PURCHASE YEAR	ORIGINAL PURCHASE PRICE	APPROX. MARKET VALUE	DISPOSAL METHOD
1.	**ITS Operation Support equipment includes 16 items, consisting of:** IBM Storewise V5000 Controls (Qty 2), IBM Storewise V5000 (Qty 10) and V7000 (Qty 2) expansions, a Raritan KVM T1700, and a Lenovo X3850 X6. The equipment is no longer in support from the manufacturer and therefore unusable by the district to support Data systems in Production.	S-5904	2013/2016	$467,607.90	$250	Sell/Scrap
2.	**ITS Operation Support equipment includes 11 items, consisting of:** HP Proliant DL360 Gen 9 (Qty 4), HP Proliant DL360 Gen 8 (Qty 2), HP Proliant DL380 Gen 9 (Qty 3), an HP P2000, and an HP C7000. The equipment is no longer in support from the manufacturer and therefore unusable by the district to support Data systems in Production.	S-5905	N/A	N/A	$250	Sell/Scrap
3.	**ITS Operation Support equipment includes 11 items, consisting of:** IBM Storewise V5000 (Qty 9), an IBM Storewise V5000 Control, and an HP HPE KVM - 336044-B21. The equipment is no longer in support from the manufacturer and therefore unusable by the district to support Data systems in Production.	S-5906	N/A	N/A	$250	Sell/Scrap
4.	**Network surplus equipment includes:** 2ea CISCO ASR1001-X 2ea CISCO WS-6504-E Equipment is used and no longer supported.	S-5908	2011/2017	$110,385.75	$350	Sell/Scrap

EXHIBIT A

SURPLUS PROPERTY RECOMMENDATIONS

1st QUARTER 2026

	DESCRIPTION	STORES REF. #	PURCHASE YEAR	ORIGINAL PURCHASE PRICE	APPROX. MARKET VALUE	DISPOSAL METHOD
5.	**Network surplus equipment includes:** 2ea FIREEYE NX7400 4ea A10 NETWORKS THUNDER 1030S Equipment is used and no longer supported.	S-5909	2017/2018	$241,256.82	$350	Sell/Scrap
6.	**Avaya IQ Appliance**: SN:13AN38400052; P13621. Appliance consists only of the chassis. Equipment is no longer supported by the vendor and cannot be reused.	S-5935	N/A	N/A	TBD	Sell/Scrap /Pay for Disposal

SURPLUS PROPERTY RECOMMENDATIONS
CALENDAR YEAR 2026

EXHIBIT B

	DESCRIPTION	PURCHASE YEAR	ORIGINAL PURCHASE PRICE	APPROX. MARKET VALUE	DISPOSAL METHOD
1.	Waste transformer oil, bulk mineral oil containing PCBs less than 2 ppm to be disposed of as needed in Calendar Year 2026.	Various	Various	$ TBD / Gallon (paid to District)	Dechlorinated to <1 ppm PCB Recycled by TBD
2.	Waste transformer oil, PCBs between 2 to less than 49 ppm to be disposed of as needed in Calendar Year 2026.	Various	Various	$ TBD / Gallon (paid to District)	Dechlorinated to <1 ppm PCB Recycled by TBD
3.	Unserviceable distribution transformers and electrical equipment containing PCBs of less than 1 ppm to be disposed of as needed in Calendar Year 2026.	Various	Various	$ TBD / KVA (paid to District)	Oil recycled equipment is rebuilt for resale or scrapped for metal recovery by TBD
4.	Unserviceable distribution transformers and electrical equipment containing PCBs equal to 1 through 49 ppm to be disposed of as needed in Calendar Year 2026.	Various	Various	$ TBD / KVA (paid to District)	Oil will be dechlorinated & equipment scrapped for metal recovery by TBD
5.	Pre-Authorization for the transfer of poles removed from service, free of charge. Allowable on a "first come, first serve" basis in the following order during Calendar Year 2026: i. Customer/Property Owners adjacent to pole, ii. To a Customer/Property Owner near the pole, if requested, or iii. Crew members if no Customer/Property Owner requests.	Various	Various	N/A	Scrap

SURPLUS PROPERTY RECOMMENDATIONS
CALENDAR YEAR 2026

EXHIBIT B

	DESCRIPTION	PURCHASE YEAR	ORIGINAL PURCHASE PRICE	APPROX. MARKET VALUE	DISPOSAL METHOD
6.	Pre-Authorization for obsolete and/or miscellaneous Transmission and Distribution inventory to include: street lighting, poleline hardware, concrete products, wire, transformers, and other related materials to be sold as needed in Calendar Year 2026.	Various	Various	Various	High Bid
7.	Pre-Authorization for obsolete and/or miscellaneous Transmission and Distribution inventory to include: street lighting, poleline hardware, concrete products, wire, transformers, and other related materials to be scrapped as needed in Calendar Year 2026.	Various	Various	Various	Scrap
8.	Pre-Authorization for obsolete material and/or miscellaneous office equipment to include items that are not Capital Assets to be sold as needed in Calendar Year 2026.	Various	Various	Various	High Bid
9.	Pre-Authorization for obsolete material and/or miscellaneous office equipment to include items that are not Capital Assets to be scrapped as needed in Calendar Year 2026.	Various	Various	Various	Scrap

SURPLUS PROPERTY RECOMMENDATIONS
CALENDAR YEAR 2026

EXHIBIT B

	DESCRIPTION	PURCHASE YEAR	ORIGINAL PURCHASE PRICE	APPROX. MARKET VALUE	DISPOSAL METHOD
10.	Pre-Authorization for furnishings that are excess to District needs and/or do not meet District standards to include: chairs, desks, work surfaces, and miscellaneous cabinets to be sold as needed in Calendar Year 2026.	Various	Various	Various	High Bid
11.	Pre-Authorization for furnishings that are excess to District needs and/or do not meet District standards to include: chairs, desks, work surfaces, and miscellaneous cabinets to be scrapped in Calendar Year 2026.	Various	Various	Various	Scrap
12.	Pre-Authorization for obsolete and/or miscellaneous computer components to include: CPU's, monitors, keyboards, printers, iPhones, iPads, and miscellaneous electronics that are not Capital Assets to be sold as needed in Calendar Year 2026.	Various	Various	Various	High Bid
13.	Pre-Authorization for obsolete and/or miscellaneous computer components to include: CPU's, monitors, keyboards, printers, iPhones, iPads, and miscellaneous electronics that are not Capital Assets to be recycled, scrapped, or junked as needed in Calendar Year 2026.	Various	Various	Various	Recycle/Scrap/Junk

SURPLUS PROPERTY RECOMMENDATIONS
CALENDAR YEAR 2026

EXHIBIT B

	DESCRIPTION	PURCHASE YEAR	ORIGINAL PURCHASE PRICE	APPROX. MARKET VALUE	DISPOSAL METHOD
14.	Pre-Authorization for obsolete and/or miscellaneous auto parts and supplies to include: tailgates, bumpers, seats, tires, tools and other related automotive materials that are not Capital Assets to be sold as needed in Calendar Year 2026.	Various	Various	Various	High Bid
15.	Pre-Authorization for obsolete and/or miscellaneous auto parts and supplies to include: tailgates, bumpers, seats, tires, tools and other related automotive materials that are not Capital Assets to be scrapped as needed in Calendar Year 2026.	Various	Various	Various	Scrap
16.	Pre-Authorization for any obsolete and/or miscellaneous Tool Room equipment and/or material that is not a Capital Asset to be sold during Calendar Year 2026.	Various	Various	Various	High Bid
17.	Pre-Authorization for any obsolete and/or miscellaneous Tool Room equipment and/or material that is not a Capital Asset to be junked during Calendar Year 2026.	Various	Various	Various	Junk
18.	Pre-Authorization for any obsolete and/or miscellaneous Water Department equipment and/or material that is not a Capital Asset to be sold during Calendar Year 2026.	Various	Various	Various	High Bid

SURPLUS PROPERTY RECOMMENDATIONS
CALENDAR YEAR 2026

EXHIBIT B

	DESCRIPTION	PURCHASE YEAR	ORIGINAL PURCHASE PRICE	APPROX. MARKET VALUE	DISPOSAL METHOD
19.	Pre-Authorization for any obsolete and/or miscellaneous Water Department equipment and/or material that is not a Capital Asset to be scrapped during Calendar Year 2026.	Various	Various	Various	Scrap
20.	Pre-Authorization for any obsolete and/or miscellaneous Generation Department equipment and/or material that is not a Capital Asset to be sold during Calendar Year 2026.	Various	Various	Various	High Bid
21.	Pre-Authorization for any obsolete and/or miscellaneous Generation Department equipment and/or material that is not a Capital Asset to be scrapped during Calendar Year 2026.	Various	Various	Various	Scrap
22.	Pre-Authorization for Any District Departments obsolete and/or miscellaneous equipment and/or material that is not a Capital Asset to be sold during Calendar Year 2026.	Various	Various	Various	High Bid
23.	Pre-Authorization for Any District Departments obsolete and/or miscellaneous equipment and/or material that is not a Capital Asset to be scrapped during Calendar Year 2026.	Various	Various	Various	Scrap

SURPLUS PROPERTY RECOMMENDATIONS
CALENDAR YEAR 2026

EXHIBIT B

	DESCRIPTION	PURCHASE YEAR	ORIGINAL PURCHASE PRICE	APPROX. MARKET VALUE	DISPOSAL METHOD
24.	Pre-Authorization for obsolete and/or miscellaneous Telecommunication equipment and/or material that is not a Capital Asset to include: communication equipment, radios, receivers, and other related equipment and/or material to be sold during Calendar Year 2026.	Various	Various	Various	High Bid
25.	Pre-Authorization for obsolete and/or miscellaneous Telecommunication equipment and/or material that is not a Capital Asset to include: communication equipment, radios, receivers, and other related equipment and/or material to be scrapped during Calendar Year 2026.	Various	Various	Various	Scrap
26.	Pre-Authorization for Facilities equipment and/or materials that are excess to District needs and/or do not meet District standards that are not Capital Assets to be sold during Calendar Year 2026.	Various	Various	Various	High Bid
27.	Pre-Authorization for Facilities equipment and/or materials that are excess to District needs and/or do not meet District standards that are not Capital Assets to be scrapped during Calendar Year 2026.	Various	Various	Various	Scrap

SURPLUS PROPERTY RECOMMENDATIONS
CALENDAR YEAR 2026

EXHIBIT B

	DESCRIPTION	PURCHASE YEAR	ORIGINAL PURCHASE PRICE	APPROX. MARKET VALUE	DISPOSAL METHOD
28.	Pre-Authorization for scrap metal including: copper, aluminum, brass, steel, iron, meters, street light heads, and any other related metal types to be sold as needed during Calendar Year 2026.	Various	Various	$109,300.00 (Average based on previous 4 quarters)	High Bid

SURPLUS PROPERTY RECOMMENDATIONS

EXHIBIT B

1st QUARTER 2026

QUARTERLY SALVAGE MATERIALS BID AWARD RECOMMENDATION FOR APPROVAL

The successful Bidder for the 1st QUARTER SALVAGE MATERIALS BID 2026 is: Pacific Iron & Metal Co.

This contract covers the scrapping of SALVAGE materials (Aluminum, Steel, Brass, Copper, etc.) and would begin January 1, 2026, and end March 31, 2026. The bid is for the loading, hauling, transporting, and recycling of all salvage metals that are being scrapped in the 1st Quarter 2026.

The District expects to scrap approximately 5,000 lbs. of Bare AL, 60,000 lbs. of WP AL, 75,000 lbs. of Steel, 500 lbs. of Brass, 1,000 lbs. of Cont. Brass, 4,000 lbs. of Bare CU, and 5,000 lbs. of WP CU.

All scrapped material shall be recycled, and non-recyclable material shall be disposed of in an environmentally friendly manner.

We received 2 bids in total. Pacific Iron & Metal Co submitted the high bid. The staff recommends awarding the 1st QUARTER 2026 SALVAGE MATERIALS BID to Pacific Iron & Metal Co.

SURPLUS PROPERTY RECOMMENDATIONS
CALENDAR YEAR 2026

EXHIBIT B

ANNUAL SURPLUS ELECTRICAL EQUIPMENT
BID AWARD RECOMMENDATION FOR APPROVAL

The successful bidder for the 2026 ANNUAL SURPLUS ELECTRICAL EQUIPMENT BID is: Transformer Technologies.

This contract covers the scrapping of SURPLUS electrical equipment and would begin with the effective date of the District's Notice to Proceed and end December 31, 2026. The bid is for the loading, hauling, transporting, storing, and recycling of oil filled electrical equipment that is being scrapped in the year 2026.

The District expects to dispose of approximately 1,000 transformers containing less than 1 ppm PCB oil and 50 transformers containing 1 ppm to less than 50 ppm PCB oil in 2026.

We received two bids in total. Transformer Technologies submitted the high bid. The staff recommends awarding the 2026 ANNUAL SURPLUS ELECTRICAL EQUIPMENT BID to TRANSFORMER TECHNOLOGIES.

SURPLUS PROPERTY RECOMMENDATIONS
CALENDAR YEAR 2026

EXHIBIT B

ANNUAL SURPLUS BULK MINERAL OIL FROM ELECTRICAL EQUIPMENT BID AWARD RECOMMENDATION FOR APPROVAL

The successful bidder for the 2026 ANNUAL SURPLUS BULK MINERAL OIL FROM ELECTRICAL EQUIPMENT BID is: Transformer Technologies.

This contract covers the purchase of surplus bulk mineral oil and would begin with the effective date of the District's Notice to Proceed and end December 31, 2026. The bid is for the loading, hauling, treating, and recycling of bulk used mineral oil from electrical equipment within Snohomish County and Camano Island.

The District estimates having 15,000 gallons of oil removed from an underground storage tank (UST), 600 gallons of FR3 fluid removed from miscellaneous totes, and 10,000 gallons of oil removed from substation transformers.

We received one bid in total. Transformer Technologies submitted the sole bid. The staff recommends awarding the 2026 ANNUAL SURPLUS BULK MINERAL OIL FROM ELECTRICAL EQUIPMENT BID to TRANSFORMER TECHNOLOGIES.

BUSINESS OF THE COMMISSION

Meeting Date: December 16, 2025 **Agenda Item:** 5B

TITLE

Consideration of a Resolution Ordering, Approving, Ratifying and Confirming the Construction and Installation of the Plan or System of Additions to the District's Water Utility, as Adopted on November 18, 2025, and Applicable to the Local Utility District Hereinafter Described, Forming Local Utility District No. 68 of Snohomish County, Washington, and Confirming the Final Assessment Roll

SUBMITTED FOR: Public Hearing and Action

Water Utility	Christina Arndt	3001
Department	*Contact*	*Extension*

Date of Previous Briefing: November 18, 2025
Estimated Expenditure: Presentation Planned ☐

ACTION REQUIRED:

☒ Decision Preparation
☐ Policy Discussion
☐ Policy Decision
☒ Statutory

☐ Incidental (Information)

☐ Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Board Job Description: GP-3(4)(D)(1) a non-delegable, statutorily assigned Board duty – Local Utility Districts. Form and establish the method of procedure in all matters relating to local utility districts.

The Board of Commissioners has authority under RCW 54.16.120-.170 to establish and define the boundaries of local assessment districts, to be known as local utility districts (LUD). Pursuant to that authority, the Commission adopted policies and procedures for formation of local utility districts in Section 3.3.2 of the Water Service Policies and Procedures. Under Section 3.3.2, the LUD process can be used for individual, pre-existing single-family residences to finance the cost of water system attachment through participation in a "non-contiguous Local Utility District."

On November 18, 2025, the Board of Commissioners adopted Resolution No. 6254 setting December 16, 2025, as the date for a public hearing on the formation of a proposed water local utility district (LUD No. 68).

The final assessment roll for LUD 68 consists of one (1) specifically benefited property. The total dollar amount for the assessments is $9,790.00, which will be collected over 20 years. Each of the property owners signs a Water Connection Agreement. The Agreement is prepared such that the property owner's signature qualifies in the same manner as signing a petition for formation of an LUD. Since only those requesting financing for water service have signed Connection Agreements, the LUD has 100 percent property owner support.

To expedite the process, applicants waive publishing notice of the public hearing in The Herald and agree to receive a written notice sent by mail at least 15 days prior to the hearing on formation of the LUD and confirmation of the assessment roll. Property owners were mailed a notice of the hearing and final assessment roll on November 19, 2025.

If adopted, the Resolution included in the packet will approve the final assessment roll and confirm that the assessments are equitable and proper and fairly reflect the benefits to the assessed properties. The Resolution also directs the Snohomish County Treasurer to establish a fund to receive all payments of principal, interest, and penalties made with respect to the assessment roll.

List Attachments:

Resolution
Exhibit A
Exhibit B

RESOLUTION NO. _____

A RESOLUTION Ordering, Approving, Ratifying and Confirming the Construction and Installation of the Plan or System of Additions to the District's Water Utility, as Adopted on November 18, 2025, and Applicable to the Local Utility District Hereinafter Described, Forming Local Utility District No. 68 of Snohomish County, Washington, and Confirming the Final Assessment Roll

WHEREAS, the Board of Commissioners has authority under RCW 54.16.120-.170 to establish and define the boundaries of local assessment districts, to be known as local utility districts (LUD); and

WHEREAS, under Section 3.3.2 of the Water Service Policies and Procedures the LUD process can be used for individual, pre-existing single-family residences to finance the cost of water system attachment through participation in a "non-contiguous Local Utility District;" and

WHEREAS, by Resolution No. 6254 passed by the Board of Commissioners of the District on November 18, 2025, a plan or system of additions and related appurtenances to the District's Water Utility, all in accordance with the Feasibility Study in "Exhibit B" thereto, which by this reference is made a part hereof, was adopted, which resolution also declared the intention of the Board of Commissioners to form Local Utility District No. 68 in connection with carrying out such plan; and

WHEREAS, the boundaries and a general description of the proposed local utility district, together with the names and addresses of the owners of all lots, parcels, or tracts of land or other property within such local utility district, as shown on the tax rolls of the County Treasurer, and the legal descriptions and proposed annual assessments for all such lots, parcels or tracts of land or other property within the proposed local utility district, are

as set forth in the Final Assessment Roll in "Exhibit A" attached hereto and by this reference incorporated herein; and

WHEREAS, on November 19, 2025, written notice of the hearing to form such proposed local utility district and adopt related assessment rolls was sent by first class mail, U.S. postage prepaid, to the owners of all lots, parcels, or tracts of land or other property within the proposed local utility district; and

WHEREAS, the publication of such notice has been waived in writing by each and every member of the proposed local utility district; and

WHEREAS, no protest petition signed by fifty percent (50%) or more of the property owners within such proposed local utility district was filed with the Secretary of the Board of Commissioners on or before twelve o'clock noon on the date fixed for hearing; and

WHEREAS, on December 16, 2025, commencing at 9:00 a.m., the Commission conducted a hearing on such proposed local utility district, and considered all timely written objections and oral arguments presented for or against the formation of such district and for or against the proposed assessment roll for such district; and

WHEREAS, under the State Environmental Policy Act, WAC 197-11-800 (16) and -800 (23)(b), the proposed action is categorically exempt, and no environmental checklist was prepared prior to the formation and construction of Local Utility District No. 68; and

WHEREAS, the Commission finds that it is reasonable and proper and in the best interest of the District to form Local Utility District No. 68 as hereinbefore described, and to confirm the assessment roll for such local utility district.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Snohomish County, Washington, as follows:

Section 1. The construction of the plan or system of additions to and extensions of the District's Water Utility as adopted in Resolution No. 6254 and as more particularly set forth in "Exhibit B" thereto, is hereby approved, ratified and confirmed.

Section 2. The proposed Local Utility District No. 68 of Snohomish County, Washington, as more particularly described in "Exhibit A," appears to be financially and economically feasible, and is hereby formed.

Section 3. The cost and expense of carrying out the plan or system provided in Section 1, including construction and installation, overhead and general expenses and engineering and legal expenses, is hereby declared to be $9,790. Not to exceed 100 percent of such cost and expense shall be borne by assessments against property within said local utility district specially benefited by the improvement. The Commission finds that the cost and expense to be borne by each lot is not greater than the benefit to be conferred on each lot.

Section 4. Assessment shall be made against the property within said local utility district on a per buildable lot basis. Each assessment shall include, in addition to a proportionate share of the cost of facilities constructed as part of the plan or system described in Section 1 hereof, a general facilities charge, which represents the charge imposed by the District for access to the source, storage and transmission facilities of the District's Water Utility. A connection charge shall also be levied for each service connection. The Board of Commissioners hereby finds that such method of assessment is

equitable and proper and fairly reflects the special benefits to the respective assessed properties.

Section 5. The proposed final assessment roll and assessments for Local Utility District No. 68 as set forth in the attached "Exhibit A" is fair and reasonable and is hereby approved and confirmed.

Section 6. The assessments in such utility district may be paid in cash, without penalty, interest or cost, at any time within thirty days from the first day of publication of notice by the Treasurer of Snohomish County, Washington, that the assessment roll is in his or her hands for collection, and if not then paid, such assessments may, at the option of the several property owners, be paid in 20 equal annual installments; that the first of such installments be due one year after the expiration of the aforesaid 30-day period, and subsequent installments shall be due annually after such date; that the sum remaining unpaid at the expiration of such 30-day period shall bear interest at the rate 5.0 percent per annum, and interest on the unpaid amount shall be due on the due date of the first installment of principal and each year thereafter on the due date of each installment of principal; that assessments or installments thereof, when delinquent, in addition to such interest, shall bear a penalty in the amount of 12 percent per annum on the outstanding delinquent balance; and that the owner of any lot, tract or parcel of land or other property charged with any such assessment may redeem it from all liability for the unpaid amount of the assessment, at any time after the 30-day period allowed for payment of the assessment without penalty or interest, by paying the entire unpaid amount of the assessment to the Snohomish County Treasurer, with interest thereon to the date of maturity of the installment next falling due.

Section 7. The cost of the plan described in Section 1 hereof shall be met and defrayed from the District's Water Utility General fund and the proceeds of assessments levied and assessed against all property within the local utility district created by Section 2 hereof, legally and properly assessable therefore and specially benefited by said improvement, as provided by the laws of the State of Washington and the resolutions of the District. The entire principal of and interest on such assessments, as well as penalties for late payment, shall be paid into a local improvement fund which is hereby created and established in the office of the Snohomish County Treasurer to be known as "Utility Local Improvement District No. 68, (Water Distribution System) – Non-Contiguous" and shall be used for the sole purpose of paying the cost of the plan described in Section 1, and/or paying principal of and interest on District warrants and/or notes, inter-fund loans or bonds issued in payment of the cost and expense of such improvements; and the Snohomish County Treasurer is hereby authorized and directed to remit to the District, on or prior to the tenth day of the month following receipt thereof, for use for such purposes, any and all monies received by the Treasurer from time to time in said fund.

Section 8. The Secretary of the Board of Commissioners of the District is hereby authorized and directed to certify unto the Snohomish County Treasurer and any and all public authorities or others interested in Utility Local Improvement District No. 68, (Water Distribution System) – Non-Contiguous or properties contained therein as to the giving of all notices, the manner and form of all resolutions or proceedings and any other information or material which may be necessary or appropriate with respect thereto.

PASSED AND APPROVED this 16th day of December, 2025.

_____
President

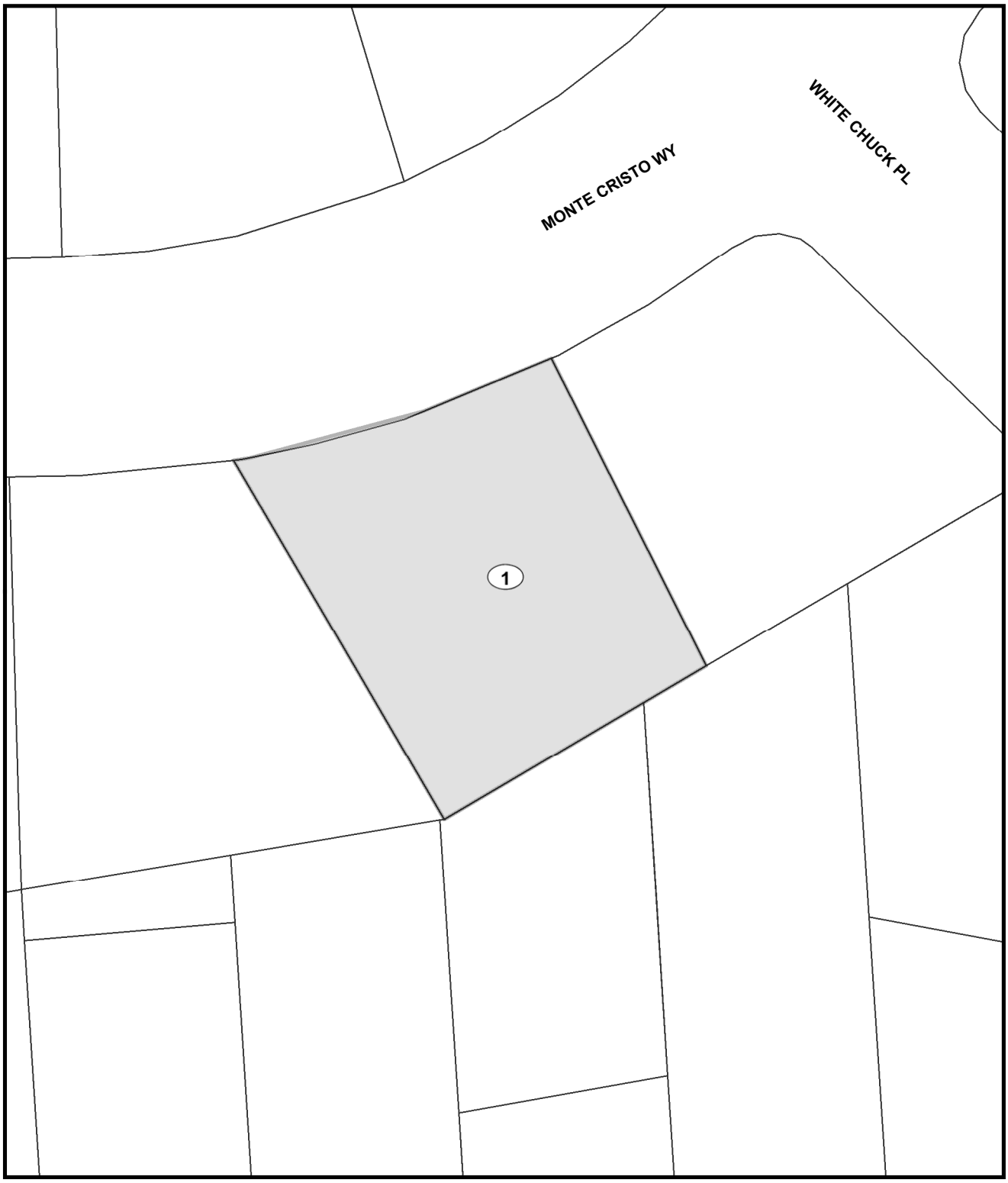
_____
Vice-President

_____
Secretary

EXHIBIT A

Final Assessment Roll for Lots Within Boundaries of 2025 Non-Contiguous LUD 68 of Public Utility District No. 1 of Snohomish County, Washington

Tax Account No.	Legal Description	Recorded Owner & Mailing Address	Assessment
004010-000-163-00	Section 06 Township 30 Range 07 Quarter SW CANYON FALLS PARK BLK 000 D-00 - LOT 163 PLUS UNDIV INT IN PRIV RDS 2014	Casey Rich 12615 Monte Cristo Way Granite Falls, WA 98252	$ 9,790.00
		TOTAL	**$ 9,790.00**



Snohomish County PUD
Water Utility

NON-CONTIGUOUS LUD NO. 68

TAX ACCOUNT #:

004010-000-163-00

ATTACHMENT 1 TO EXHIBIT "A" PRELIMINARY ASSESSMENT ROLL

EXHIBIT B

PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY

WATER UTILITY

NON-CONTIGUOUS
WATER LUD NO. 68

FEASIBILITY STUDY

November 2025

1. INTRODUCTION AND BACKGROUND

The properties included in Local Utility District (LUD) No. 68 are located in unincorporated Snohomish County in the Granite Falls area. The properties are attached to the District's main on Monte Cristo Way (See attached maps of property locations).

Research by the District's Office of General Counsel determined that an LUD was the only mechanism through which the District could offer financing for attachment to District water service, and that an LUD need not include contiguous parcels. Thus, the concept of a Non-Contiguous LUD was developed to allow voluntary participation by property owners wishing to take permanent service from an existing District water supply main.

Participants have been provided with a Water Connection Contract (See Exhibit D). The Water Connection Contract is written such that the property owner's signature qualifies as a signed LUD petition. Since only those requesting financing for water service have signed Contracts, the LUD has 100 percent property owner support.

2. COST

The cost per customer varies depending upon which main the service is connecting to.

<u>The following fees for connection are charged at the 2025 rates:</u>

There is one property connecting to the distribution main on Monte Cristo Way. The connection fees total $9,790 for each property and consist of a General Facilities Charge (GFC) of $3,645, a Distribution System Charge (DSC) of $4,210, a Service Connection Charge (SCC) of $1,355 (for a ¾" meter), a Snohomish County Right-of-way permit costing $100, a pressure reducing valve costing $280, and a LUD Administrative fee of $200.

The GFC represents a pro-rata share of the cost of funding transmission, storage and water source improvements, which are required to serve the LUD properties. The DSC is based on the average cost per lot for new distribution systems installed in the District's rural service area (this amount will vary based on when the District-installed water main extension was completed or if the property was located in an area where another LUD-financed main was installed). The SCC is the average cost of installation of a meter and a service line from the main to the property line. The LUD administrative fee provides recovery of costs associated with administering the LUD, including formation costs and annual fees charged by the Snohomish County Treasurer's Office.

No. of Properties	Connection Fee	Assessment
1	2025 Standard SF Connection Fee w/ ¾" Meter and PRV	$9,790.00
1 TOTAL		**$9,790.00**

2025 Standard SF Connection Fee w/ ¾" Meter and PRV	
General Facilities Charge	$ 3,645.00
Distribution System Charge	$ 4,210.00
Service Connection Charge (3/4")	$ 1,355.00
County Right-of-Way Permit	$ 100.00
Pressure Reducing Valve	$ 280.00
LUD Administrative Charge	$ 200.00
	$ 9,790.00

3. FINANCING

Bonds will not be sold for this LUD since the District incurs no substantial costs in providing the new customer service attachments to existing facilities. Once the final assessment roll has been approved, the Snohomish County Treasurer will be notified, and the Treasurer will in turn notify the property owners. Following a 30-day opportunity to pay the assessment off in-full with no interest or penalty, the first annual installment would be due 12 months following that notice. The interest rate charged to the property owners would be established by the District at the public hearing on the final assessment roll. An interest rate of approximately 5.0 percent is anticipated. As the Treasurer collects assessment payments, the proceeds are forwarded to the District.

Since the assessment will be secured by a senior lien on the property, in second position behind general property taxes, the District may foreclose on a parcel if the assessment is not paid. For all parcels included in the LUD, the value of the property exceeds by several times the amount of the assessment. Further, District policy provides for disconnection of water service in the event of default, hence the District is well protected from possible non-payment.

4. ECONOMIC FEASIBILITY

For an LUD to be economically feasible, the assessed parcel's value must be increased by at least as much as the amount of the assessment. By signing the Connection Contract, all owners stipulate and agree that the benefits to their property exceed the estimated cost of the assessment. Further, all property owners applying for a District water connection via the non-contiguous local utility district method agree that the benefits to their property will be greater than the estimated cost of the improvements. Property owners also acknowledge and agree that water service options other than direct connection to the District's system are more expensive and provide less benefit than a direct connection to the District's water system.

5. PRELIMINARY ASSESSMENT ROLL

The preliminary assessment is attached as Exhibit "A".

6. RATES

All customers in this LUD will pay the District's standard single-family water rate. Rates currently in effect for a single-family residential water service include a $27.64 minimum monthly charge and $4.23 per 100 cubic feet (748 gallons) of water usage. An average single-family household using 700 cubic feet per month would see a monthly bill of $57.25 per month, or $687.00 per year.

7. SUMMARY AND RECOMMENDATION

The proposed LUD is financially, economically and technically feasible. The District will not issue bonds for the LUD, and will collect assessment payments over the projected 20-year life of the LUD. It is recommended that the LUD be formed and the properties assessed as outlined in the Feasibility Study.

BUSINESS OF THE COMMISSION

Meeting Date: December 16, 2025 **Agenda Item:** 5C

TITLE

Consideration of a Resolution Adopting the 2025 Integrated Resource Plan

SUBMITTED FOR: Public Hearing and Action

Power Supply	Garrison Marr	1604
Department	*Contact*	*Extension*

Date of Previous Briefing: December 2, 2025
Estimated Expenditure: Presentation Planned ☐

ACTION REQUIRED:

☐ Decision Preparation
☐ Policy Discussion
☒ Policy Decision
☒ Statutory
☐ Incidental (Information)
☐ Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, GP-3(4)C(1) – a non-delegable, statutorily assigned duty – Rates/fees Ends Policy 2.2 – Utilities are in adequate supply with reasonable reserves

Pursuant to Chapter 19.280 RCW utilities such as Public Utility District No. 1 of Snohomish County (the "District") formally adopt Integrated Resource Plans ("IRPs"), after September 1, 2008, and file with the Washington State Department of Commerce a comprehensive IRP every four years, and report on the progress on that plan or provide an update every two years thereafter to Commerce.

In putting together the IRP, the Board is required to consider and assess, among many other factors, commercially available conservation and energy efficiency resources, commercially available demand response and smart rates programs, commercially available generation and energy storage technologies, and to conduct a comparative evaluation of renewable and non-renewable resources.

The proposed 2025 IRP represents a fully scoped comprehensive Integrated Resource Plan spanning a 20-year planning horizon. District staff presented to the Board of Commissioners a series of briefings throughout the IRP development process with a public hearing held on December 2, 2025. The Draft 2025 IRP was posted to the District's publicly accessible website on

October 13, 2025 for public feedback and no public feedback was received through the PUD website or the State Environmental Policy Act ("SEPA") process held in parallel.

For the proposed 2025 IRP staff prepared a programmatic environmental checklist under the State Environmental Policy Act ("SEPA"). The District's SEPA Responsible Official issued a Determination of Non-Significance ("DNS") for the proposal on October 13, 2025, and published the DNS and the Draft 2025 IRP for the required comment period.

Staff is recommending that the Board formally adopt the 2025 IRP.

List Attachments:
Resolution
Exhibit A

RESOLUTION NO. _____

A RESOLUTION Adopting the 2025 Integrated Resource Plan

WHEREAS, Chapter 19.280 RCW requires utilities such as Public Utility District No. 1 of Snohomish County (the "District") to formally adopt Integrated Resource Plans ("IRPs") by September 1, 2008, to file progress reports on the plan with the Washington State Department of Commerce every two years, and to adopt and file with the Department of Commerce an updated plan every four years; and

WHEREAS, District staff have prepared the Draft 2025 IRP, the analysis which complies with the statutory mandate to consider and assess, among many other factors, commercially available demand-side resources such as energy efficiency and demand response, commercially available supply-side generation and energy storage technologies, and to conduct a comparative evaluation of renewable and non-renewable resources; and

WHEREAS, staff prepared a programmatic environmental checklist for the draft 2025 IRP under the State Environmental Policy Act ("SEPA"), the PUD's SEPA Responsible Official issued a Determination of Non-Significance ("DNS") for the proposal on October 13, 2025, and published the DNS for public comment for the requisite period; and

WHEREAS, the District provided a public comment period, held a public meeting on the proposed 2025 IRP on October 21, 2025, and held a formal public hearing on the proposed 2025 IRP on December 2, 2025, and staff now recommends formal adoption.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 1 of Snohomish County, Washington, that the proposed 2025 Integrated Resource Plan in the form attached hereto as Exhibit A is hereby approved and adopted.

PASSED AND APPROVED this 16th day of December, 2025.

_____
President

_____
Vice-President

_____
Secretary

SNOHOMISH COUNTY PUD
PUBLIC UTILITY DISTRICT NO. 1

2025 Integrated Resource Plan

DECEMBER 2025

To Our Customers, Stakeholders, and Community Partners,

I am pleased to present Snohomish County PUD's 2025 Integrated Resource Plan (IRP), a strategic roadmap that guides how we will meet the energy needs of our customers in the years ahead. This plan reflects our commitment to delivering reliable, affordable, and environmentally responsible power while remaining responsive to a rapidly evolving energy landscape.

The 2025 IRP is shaped by modest projected load growth and a dynamic regulatory environment, including Washington State's Renewable Portfolio Standard and the Clean Energy Transformation Act. In response, our resource strategy emphasizes a balanced portfolio of conservation, demand response, clean energy resources, and strategic purchases of Bonneville Power Administration (BPA) Tier 2 power. These additions will help us meet growing demand while maintaining flexibility and resilience.

Importantly, this plan positions the PUD to adapt to upcoming changes in our power supply, including BPA's new Load-Following product and the next BPA power contract beginning in 2028. By planning ahead, we ensure that our resource choices remain aligned with our long-standing values: low rates, clean power, and reliable service.

At Snohomish PUD, our purpose is to deliver essential utility services to help our communities thrive. The 2025 IRP reflects that purpose by prioritizing sustainability, affordability, and reliability. We are proud of the work that has gone into this plan and look forward to continuing our tradition of leadership in clean energy and customer service.

Thank you for your continued trust and partnership.

Sincerely,

Jason Zyskowski
Chief Energy Resource Officer
Snohomish County PUD

Acknowledgements

The 2025 Integrated Resource Plan represents the contributions of numerous individuals both within the PUD and external. We acknowledge the thoughtful input from all stakeholders whose engagement and expertise informed the development of this plan. In particular we want to recognize the contributions from:

Our Customers.

PUD staff engage our customers for questions, comments and feedback on our planning processes and to gain their perspectives. This feedback is invaluable as we seek to shape a resource strategy that meets our customers' needs. There have been many public engagements throughout the development and finalization of the 2025 IRP, which are described in more detail in Technical Appendix C. PUD staff thank our customers for their participation, we are grateful for the opportunity to serve as public servants, to provide safe, reliable, affordable and environmentally sustainable electricity to our community.

Our Elected PUD Commissioners.

During the development of the 2025 IRP, Commissioners Sidney Logan (President, District 1), Tanya Olson (Vice-President, District 3), and Julieta Altamirano-Crosby (Secretary, District 2) provided regular feedback through their active participation in public meetings, which has helped shaped the 2025 IRP to reflect their perspectives on behalf of their constituents.

Our IRP Technical Team.

The PUD utilizes a cross-functional team of subject matter experts to peer review IRP inputs and outputs to ensure the technical soundness of the approach, as well as the appropriateness of the resulting strategy. Members of the Technical Team for the 2025 IRP include: Aaron Swaney, Adam Cornelius, Adam Lewis, Adam Peretti, Alex Chorey, Andrew Cox, Andrew McDonnell, Angela Johnston, Brenda White, Christina Leinneweber, Dawn Presler, Doris Payne, Doug O'Donnell, Dwane Small, Emily Kubiak, Emily Parry, Felicienne Ng, Greyson Murakami, Ian Hunter, Jane Avatare, Jeanne Harshbarger, Jeff Feinberg, Jenna Peth, Jessica Spahr, John Norberg, John Petosa, Karl Haack, Kenn Backholm, Kim Johnston, Kimberly Haugen, Laura Lemke, Laura Reinitz, Lauren Way, Logan Forbis, Maria-Isabel Gomez, Marie Morrison, Michael Coe, Michael Landau, Nathan Rhoades, Nick Peretti, Orion Eaton, Peter Dauenhauer, Quinton Harrington, Rhyan Kyle, Ryan Collins, Sarah Bond, Scott Gibson, Scott Richards, Scott Spahr, Shane Frye, Shelley Pattison, Sirena Fothergill, Suzanne Oversvee, Ted Light, Zack Scott.

Authors

- Garrison Marr – Senior Manager, Power Supply
- Ian Hunter – Power Analyst, Power Supply
- Kris Scudder – Utility Analyst IV, Power Supply
- Landon Snyder – Utility Analyst II, Power Supply

Graphics

- Wendy Parris – Communications and Marketing Specialist III, Communications

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1 Executive Summary

Integrated resource planning is a comprehensive process that considers how a utility will provide reliable electric service to its customers at the lowest reasonable cost while adhering to the policy requirements that govern electric utilities. This process must also consider the risks and uncertainties inherent in a rapidly changing and complex industry. Accordingly, an integrated resource plan (IRP) must be flexible, allowing the utility to adapt to changing circumstances without adverse financial or operational impacts. To achieve this objective, a range of alternatives are considered and evaluated, from which a preferred plan is established. [1]

Key steps in the PUD's 2025 IRP process

- Gather public perspectives and feedback to inform study scenarios.
- Assess the planning environment and establish guiding principles.
- Identify a variety of futures or scenarios the utility could face.
- Analyze the utility's existing and committed resources to determine the potential range of future energy and regulatory needs.
- Define the types of demand and supply-side resources considered to be reliable and commercially available over the study period to meet the future needs identified in scenarios.
- Optimize portfolios for each scenario that identify the mix of reliable and available resources best suited for meeting future energy and regulatory needs, based on lowest reasonable cost and lowest reasonable risk criterion.
- Find commonalities and themes across scenarios, selecting a portfolio or Long-Term Resource Strategy that best positions the utility to meet future needs while addressing potential risks and maintain flexibility.
- Establish a near-term action plan with steps the utility can take to implement the plan over the next two to four years.

The PUD's 2025 IRP covers the 20-year planning horizon of 2026 through 2045. This planning horizon enables the IRP to study how the PUD will transition to the 100% clean energy environment by 2045, as prescribed by Washington State's Clean Energy Transformation Act.

[1] Revised Code of Washington, Chapters 19.280 and 19.285 prescribe the statutory requirements of an integrated resource plan

Guiding Principles for 2025 IRP

The 2025 IRP effort was governed by the following guiding principles:

1. Reflect updated PUD portfolio needs and opportunities associated with the transition to the BPA Load-Following power product and the Post-2028 BPA Power Contract;
2. For future load growth not met by the PUD's existing or committed resources, implement new conservation acquisitions measures and pursue clean, renewable resource technologies where feasible. Resource planning must take into consideration resource options "that provide the optimum balance of environmental and economic elements;"
3. Comply with all applicable Board policies, regulations, state laws and established IRP planning standards; and
4. Preserve the PUD's flexibility to adapt to changing conditions.

Progress on 2023 IRP Action Plan

The PUD completes an IRP biennially, and this continuous process enables the PUD to refine its Long-Term Resource Strategy in response to the changing operating environment and make progress on objectives identified in the IRP. Below are the Action Plan items from the 2023 IRP Update, accompanied by a summary of progress achieved to date.

1. **Actively engage with BPA's post-2028 contract process and analyze new power products**
    - PUD staff engaged in the Post-2028 process and was successful in negotiating a new contract that is largely similar to the prior contract but with additional provisions for energy storage resources. Furthermore, PUD staff conducted an extensive analysis of the current BPA product offerings and determined a change to Load-Following would benefit our customers by reducing cost and cost variance in the face of extreme weather events. In October 2025 the PUD changed from BPA's Slice/Block power product to Load-Following and the 2025 IRP process was overhauled to reflect the new environment.

2. **Acquire 10.54 aMW or more cost-effective conservation by 2025**
    - As of October 13, 2025, the PUD is on track to acquire at least the target and potentially more. The results will be reported to Washington State in 2026 for the 2023 – 2025 biennium.
3. **Continue planned development of additional Time of Day Rate options for customers and explore additional cost-effective demand response programs**
    - The planned deployment of Automated Metering Infrastructure (AMI) has faced challenges and delays largely attributed to supply chain shortages. The deployment of AMI is a required prerequisite for Time-of-Day Rates. As a result, there have been delays in smart rate deployments. Despite these delays, PUD staff are continuing to develop new rate options and marketing strategies that will be launched when AMI deployment is sufficient to support program success.
4. **Develop low-cost, locally sited energy storage, and perform due diligence for future projects**
    - PUD staff are currently in the construction phase of the Arlington Battery Energy Storage System, a 25MW/100MWh battery system located at the PUD's North County facility. The PUD contracted with a developer and is providing the interconnecting substation while the developer will build and maintain the energy storage system. Anticipated commissioning of the project is expected in 2026.
    - PUD staff performed an analysis of PUD owned parcels to determine the feasibility for new energy storage sites at existing infrastructure. Staff identified three (3) potential sites with sufficient area for a new energy storage project and examined potential transmission and distribution benefits for each site.
5. **Perform due diligence on regional renewable energy projects, and prepare for potential procurement activity**
    - PUD staff published a request for proposals (RFP) for regional renewable energy projects. Staff reviewed the submitted proposals and selected a solar photovoltaic project in Eastern Washington for further consideration. The PUD released a letter of intent (LOI) and was allocated an 84.5MW share of the 127.5MW project. The solar facility is expected to reach commercial operation in 2030. Power Purchase Agreement negotiations are currently underway; if mutually acceptable terms are reached, a PPA will be presented to the Board for consideration.
6. **Acquire 50MW of short-term market contracts**
    - The PUD acquired 50MW of short-term market contracts to augment the energy and capacity position for the winter on-peak energy period from 2024-2025. These contracts provided resource-specific hydropower output from Washington facilities and included the associated incremental hydropower RECs needed for compliance with the Energy Independence Act (EIA) Renewable Portfolio Standard (RPS) compliance.

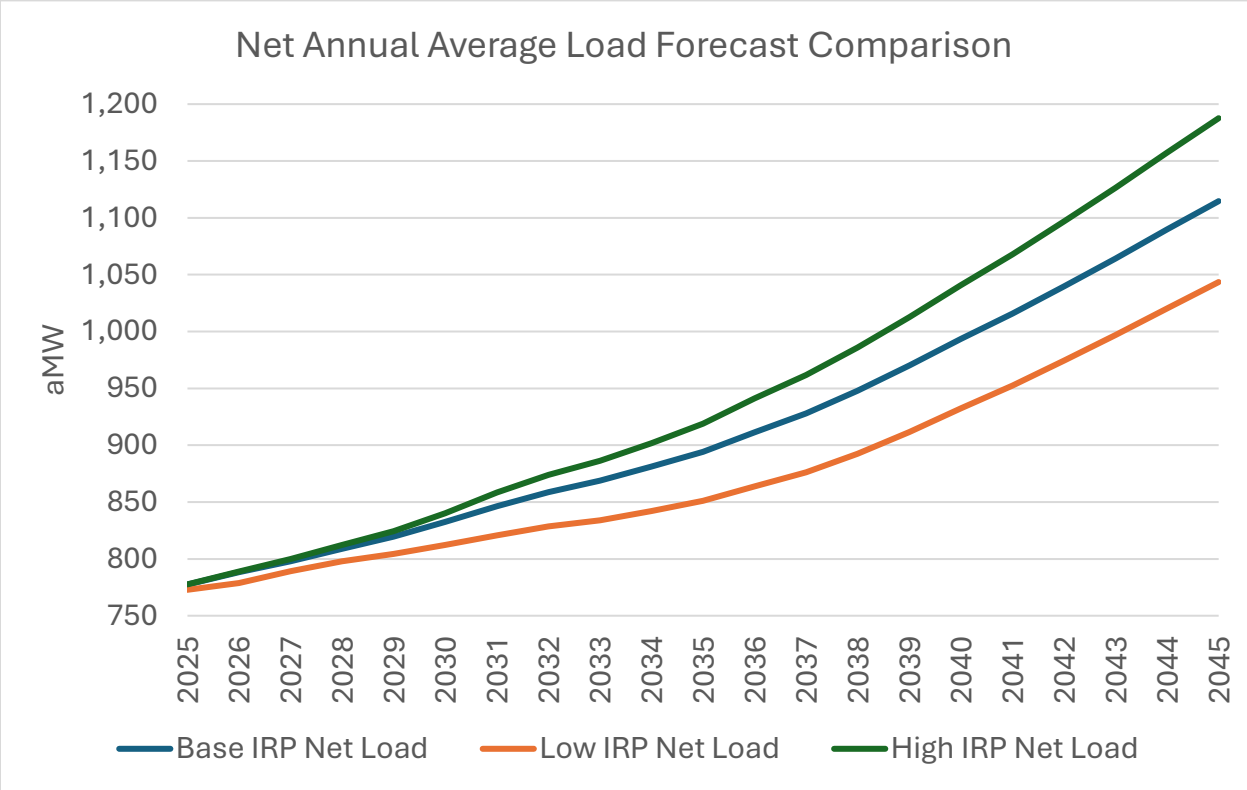
7. **Ensure continued compliance with state clean energy mandates**
    - The PUD continues to comply with the EIA, while pursuing the most cost-effective compliance pathway for PUD customers. In 2022, the PUD successfully applied the no load growth methodology for the 2021 compliance year, resulting in 2021 savings of approximately $5 million while extending the PUD's supply of EIA compliant Renewable Energy Credits (RECs) available for future compliance years. The PUD continues to transact in the REC market to supplement the PUD's supply of RECs generated from owned or contracted resources.
8. **Continue commitment to best-practice rooftop solar customer processes, while continuing evaluation of Community Solar project opportunities**
    - In response to customer feedback and Northwest Power and Conservation Council (NWPCC) work, the PUD contracted for a Solar Potential Assessment (SPA) for the first time the results of the assessment are included in this 2025 IRP. The PUD is exploring programs to maximize the benefits of customer-owned solar facilities by collaborating with new customers to provide a rate credit if RECs are granted to the PUD.
9. **Perform due diligence on local hydro capacity uprate projects**
    - After the PUD changed to the Load-Following product the need for capacity resources changed, as their attributes were now applied to the Load-Following billing paradigm. Under Load-Following, resources outside the service territory do not contribute to peak demand reduction and therefore do not have the same capacity value. The two projects envisioned for a capacity uprate are outside the PUD service territory and cannot reduce the monthly peak requirement. As a result, due diligence has been paused until the operating environment prompts reconsideration.
10. **Develop and enhance local partnerships for fusion energy**
    - PUD staff continue to engage with local fusion partners and track the development of the fusion sector. Continued engagement into the future while the technology develops is an opportunity to partner where appropriate with an emergent local sector.
11. **Continue participation in regional forums on climate change modeling, resource adequacy development, and organized market formation.**
    - The PUD continues to play a leadership role in many emerging regional issues. PUD staff have served on the leadership board and Program Review Committee of the Western Resource Adequacy Program (WRAP), served in leadership positions in work groups and task forces associated with Markets+ and the day-ahead market development effort, and contribute to committees focused on regional power planning best practices, such as the System Planning Committee, organized by the Pacific Northwest Utility Coordinating Council.

PUD Portfolio Needs

The PUD's portfolio needs are generally classified into two categories: (1) energy needs and (2) regulatory needs. Energy needs are measured as the capability to generate electricity to serve load or reduce peak demand needs, whereas regulatory needs are measured as the number of environmental attributes required to meet applicable clean energy regulatory requirements. Based on the forecasted needs of the PUD, the 2025 IRP evaluates potential portfolios that can meet both categories of needs, the results of which are summarized below.

Annual Energy Needs Grow with Load

Figure 1-1 PUD Load Forecast



Load growth in the PUD's service territory is the result of many factors including population growth, electrification, and increased adoption of electric vehicles. These factors contribute to annual energy needs and regulatory compliance needs increasing over time. This growth drives planned renewable resource procurements in the 2030's through the end of the study period. The supply of RECs in the secondary market is not viewed as sufficient to meet future

PUD needs in any scenario studied. Therefore, there is a need for resource procurements in 2030 through the end of the study period.

Key Findings of the 2025 IRP

- Throughout the entire study period and under all scenarios and sensitivities, conservation and clean energy resources represent the primary resource additions that produce the lowest cost portfolio given the PUD's increasing load and regulatory compliance requirements.
- Demand response and smart rate options are identified as a low-cost approach to mitigating demand costs of the BPA Load-Following product.
- The BPA Load-Following product supplies all capacity (ability to ramp up and ramp down with load changes) and all energy needs until 2028. After 2028, conservation, clean energy resources, and flexible purchases of BPA Tier 2 power are expected to meet energy needs.
- Local investments and customer collaboration are an important component of the lowest-cost PUD resource strategy. Conservation, demand response and local solar investments are opportunities to invest in Snohomish County and Camano Island. This opportunity is in alignment with PUD Strategic Priority #3: Actively Help Our Communities Thrive.
- Additional key insights are discussed in **SECTION 7 KEY INSIGHTS** this document.

Scenarios

The 2025 IRP utilized eight scenarios to consider the range of possible futures the PUD could face during the 2026 - 2045 study period. These scenarios were developed based on feedback from the public and PUD subject matter experts. Table 1-1 below summarizes key variables considered by the scenarios evaluated in the 2025 IRP analysis:[2]

Table 1-1 PUD Scenario Descriptions

Scenario	Description
Base Case	Moderate forecast load growth and moderate-cost operating environment
Low Growth	Low forecast load growth and low-cost operating environment

[2] The 2025 IRP scenarios are described in Section 4 – *Scenario & Planning Assumptions*.

High Growth	High forecast load growth and high-cost operating environment
Advanced Technology	High load growth with plentiful access to renewables, energy storage, and emerging technologies at low-cost
Limited Renewable Project Availability	Base load growth with limited access and high-cost environment for REC and renewable acquisition

Four additional sensitivities of the base case were considered to examine one variable's impact on the resource plan. These were high BPA costs, low BPA costs, shallow REC market and a CETA only policy environment. Further descriptions of scenarios and sensitivities can be found in **SECTION 4 SCENARIOS AND PLANNING ASSUMPTIONS**.

Long-Term Resource Strategy

The PUD's Long-Term Resource Strategy must be flexible enough to yield low and reasonable costs for customers across a wide variety of potential futures but be defined enough for the PUD to take concrete actions, especially as it relates to the PUD's need to meet energy and regulatory requirements.

Risk Factors

To address the challenge of developing a resource strategy that is suitable for various futures, the PUD evaluated a wide range of scenarios that encompass many potential risks and assessed the commonalities of the most economic portfolio combinations across scenarios. The risk factors were identified with customers and a cross-departmental team of PUD staff over a four-month public visioning process. Those principal risk factors, and the scenario or sensitivity, that most directly consider them is depicted in Table 1-2.

Table 1-2 Risk Factors and Scenario/Sensitivity Assignment

Risk	Scenario/Sensitivity
Low economic growth and load	Low Growth
High economic growth and load	High Growth
Renewable project development is impacted by policy or transmission limitations	Limited Renewable Project Availability
Renewable energy credits have limited availability for compliance	Shallow Renewable Energy Credit Market
BPA costs change	High BPA Costs, Low BPA Costs
Policy changes impact the PUD	CETA Only Policy Environment, Limited Renewable Project Availability

New generation or storage resources become available at low costs	High Technology

Scenario Results

Staff found a similar set of resource acquisitions proved cost-effective to meet PUD needs across most scenarios. While timing and resource scales differed modestly, core portfolio components remained consistent. The most significant deviation across portfolios came from highest load growth trajectory scenarios and at the latter portion of the study period (2030's and beyond), suggesting that the PUD may have additional time to address unique needs in those scenarios based upon cumulative evidence of load growth. Table 1-3 provides a comparison of key resource acquisition types by category and scenario for the first 10 years of the study period and highlights the relatively narrow range of portfolio variance across scenarios.

Table 1-3 Portfolio Additions in Years 1-10 Across Scenarios

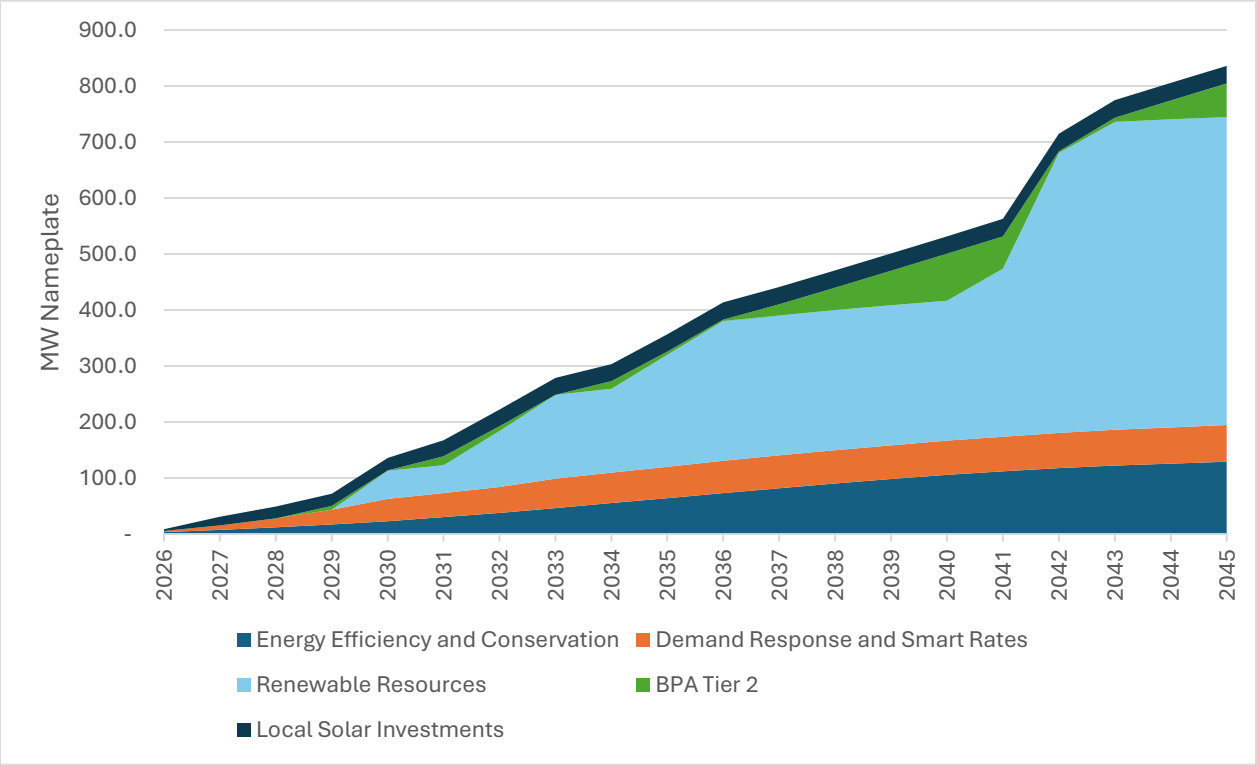
Scenario	Conservation (aMW)	DR & Rates (MW)	Local Solar (Nameplate MW)	Renewable Resources (Nameplate MW)	BPA Long-Term Tier 2 (aMW)	Battery Energy Storage (Nameplate MW)
Base	64.2	56.1	34.0	100	-	-
Low	57.5	56.1	34.0	-	-	-
High	74.9	56.1	34.0	200	-	-
High Technology	64.2	56.1	34.0	150	-	-
Limited Renewable	74.9	57.1	34.0	200	-	25
High BPA Costs	74.9	56.1	34.0	200	-	25
Low BPA Costs	64.2	57.1	34.0	250	-	50

Shallow REC Market	64.2	57.1	34.0	300	-	100
CETA Only Policy Environment	64.2	51.7	34.0	250	-	100

Long-Term Resource Strategy Components

The stability of results across scenarios allows the PUD to consider that the resources added for any planned future will still provide value and meet portfolio needs across a wide range of other scenarios. To establish specific scale and timing estimates for the PUD to plan towards, the Base Case scenario, which represents the expected load, market and existing portfolio resource generation outcomes at the time of publication, was used. The Long-Term Resource Strategy is shown in Figure 1-2 and its component parts are described in the narrative sections that follow. It should be noted that while nameplate is appropriate for renewable resources and local solar investments in the chart, BPA Tier 2 is represented as the annual aMW of Tier 2 purchases, conservation is the energy savings in annual aMW, and Demand Response is represented by peak hour demand savings. These units are displayed together to provide a snapshot of aggregated investments needed for load service.

Figure 1-2 Long Term Resource Strategy Additions (MW)



Conservation

Conservation provides the foundation for the PUD's resource plan, delivering multiple value streams for meeting portfolio needs. The PUD's 2-year, 4-year, and 10-year conservation targets are shown in the figure below. Conservation provides the PUD value by contributing to capacity needs (by reducing load that otherwise would have occurred during peak hours), reducing the PUD's energy needs, reducing transmission costs, and by reducing load associated with regulatory obligations under the EIA and CETA.

Figure 1-3 Conservation Targets (Annual aMW) [3]

2027 (2-year)	2029 (4-year)	2035 (10-year)
7.5	17.0	64.2

Demand Response and Smart Rates

Demand Response and Smart Rate programs provide the PUD with low-cost, within service territory resources to meet peak demand needs and provide regulatory value. The

[3] Conservation targets are expressed at the BPA busbar, cumulatively, such that the 2027 target is the targeted conservation acquired in 2026 & 2027 added together.

development of these programs is highly contingent upon the timing, rollout, and leveraging of the PUD's AMI program. That infrastructure will allow the PUD to access and develop the lowest cost load-shifting programs. The PUD completed a comprehensive Demand Response Potential Assessment in support of this IRP, and additional details are contained in that assessment. The PUD's 2-year, 4-year, and 10-year demand response and smart rates targets (combined as DR targets) are given in the table below and are expressed in Peak Hour Nameplate Capability in MW.

Figure 1-4 DR Targets (Nameplate MW)

2027 (2-year)	2029 (4-year)	2035 (10-year)
8.1	26.6	56.1

Local Solar

The PUD has been successful in developing multiple local solar projects, including community solar projects. The 2025 IRP finds additional local medium-scale solar projects to be cost-effective due to their low transmission and resource support costs, regulatory value, and flexibility in timing and scale. The regulatory value of medium utility-scale solar has increased based on recent Washington State legislation granting a 4 times multiplier on generation from projects under 5MW commissioned before 2030. The total nameplate target is for MW of solar installations not to exceed 5MW increments.

Figure 1-5 Medium Utility-Scale Solar (Nameplate MW)

2027 (2-year)	2029 (4-year)	2035 (10-year)
0	5	10

Renewable Energy Certificates

The PUD uses RECs to comply with the RPS and anticipates using them for CETA compliance. RECs can be acquired with energy from a renewable project, or separately (termed "unbundled") as a compliance instrument only. The 2025 IRP finds unbundled RECs paired with the existing PUD portfolio to be the most cost-effective way to meet compliance requirements, however, the availability of unbundled RECs is uncertain and there may be less available than is needed for compliance purposes. Renewable resource acquisition was found to be a cost-effective way to mitigate unbundled REC supply risks and contribute to load service needs. Unbundled RECs were added in all portfolios studied to augment the existing portfolio and planned acquisitions.

Summary

The totality of the PUD's Long-Term Resource Strategy additions are shown below for 2-, 4- and 10-year horizons. Additional detail and the total resource strategy is given in **SECTION 7 KEY INSIGHTS AND ACTION PLAN**.

Table 1-4 Long-Term Resource Additions Summary

	2027 (2-year)	2029 (4-year)	2035 (10-year)
Conservation (Cumulative Annual aMW)	7.5	17.0	5
Demand Response (Cumulative Peak Hour MW)	8.1	26.6	56.1
Medium Utility-Scale Solar (Cumulative Nameplate MW)	0	5	10
Incentivized Large Customer-Owned Solar (Cumulative Nameplate MW)	15.6	16.9	20.4
Utility-Scale Renewable Resources (Cumulative MW)	0	0	200

CETA Compliance

This is the PUD's first IRP with CETA requirements under the Load-Following product, and as such, it is important to share with the reader how the PUD considered compliance obligations, what the outcomes are forecast to be, and how the PUD considered meeting its requirements analytically.

The PUD projects that in changing to Load-Following, the PUD will have a fuel mix that roughly matches BPA's resource portfolio, historically approximately 92% clean on average. The PUD is still well-positioned for CETA compliance, and the clean energy resources and RECs in the Long-Term Resource Strategy are forecast to be sufficient for CETA compliance.

Action Plan Summary

The following is a summary of near-term actions identified by the 2025 IRP to ensure the PUD can meet the future needs of its customers. Further details of the full long-term resource strategy and action plan can be found in **SECTION 7 2025 ACTION PLAN**.

1. **Acquire 7.5 aMW of cost-effective conservation by 2027**
2. **Develop cost-effective Demand Response & Smart Rates options, maximizing the regulatory and peak management value**
3. **Develop local PUD solar and explore programs for large (>50 kW) customer-owned solar resources**
4. **Perform due diligence on regional renewable energy projects, and prepare for potential procurement activity**
5. **Perform additional analysis on BPA Tier 2 product options**
6. **Ensure compliance with clean energy mandates**
7. **Perform due diligence on local battery energy storage**
8. **Explore partnerships with local fusion energy companies**
9. **Continue to engage in regional transmission policy and planning efforts to ensure sufficient transmission capacity to serve load**
10. **Continue to engage in Organized Markets development**
11. **Demonstrate regional leadership on power, transmission and policy issues**
12. **Continue to build and enhance community engagement on long-term planning**
13. **Continue to advance the PUD's long-term planning tools to capture more risks, opportunities and scenario-planning tools with the goal of achieving lowest reasonable costs for customers.**
14. **Develop a strategy and framework to manage new large load requests**

Organization of the Document

The organization of the 2025 IRP document is as follows:

- Section 1 is this Executive Summary.
- Section 2 describes the PUD, including current load forecast and trends, existing and committed power supply resources, and demand side programs.
- Section 3 discusses the industry's changing dynamics and planning environment, including recently adopted or proposed legislation that may affect utility operations and costs. These set the stage for the IRP planning process.
- Section 4 details the scenarios, range of forecasts and planning assumptions incorporated in the 2025 IRP analysis.
- Section 5 summarizes the analytical framework and planning standards used to examine the PUD's load resource balance and identify future resource need.
- Section 6 describes the portfolio results for the scenarios and the selection of the Long-Term Resource Strategy.
- Section 7 describes the key insights of the 2025 IRP analysis and the near-term Action Plan to implement the selected Long-Term Resource Strategy.

- Appendix A describes the clean energy action plan including the 10-year portion of the long-term resource plans contribution to meeting clean energy goals.
- Appendix B contains a summary of the clean energy implementation plan with a near term 4-year vision for clean energy compliance.
- Appendix C describes the public process for engaging with customers and soliciting feedback in development of the IRP scope.
- Appendix D has been intentionally left blank.
- Appendix E shows the analysis of demand response value drivers based on WA State Bill 5445 giving regulatory value to demand response and smart rates.
- Appendix F describes the emerging supply-side generation and energy storage technologies that were not included in the resource options but are at some stage of development. These technologies are being followed for future inclusion pending commercial developments.

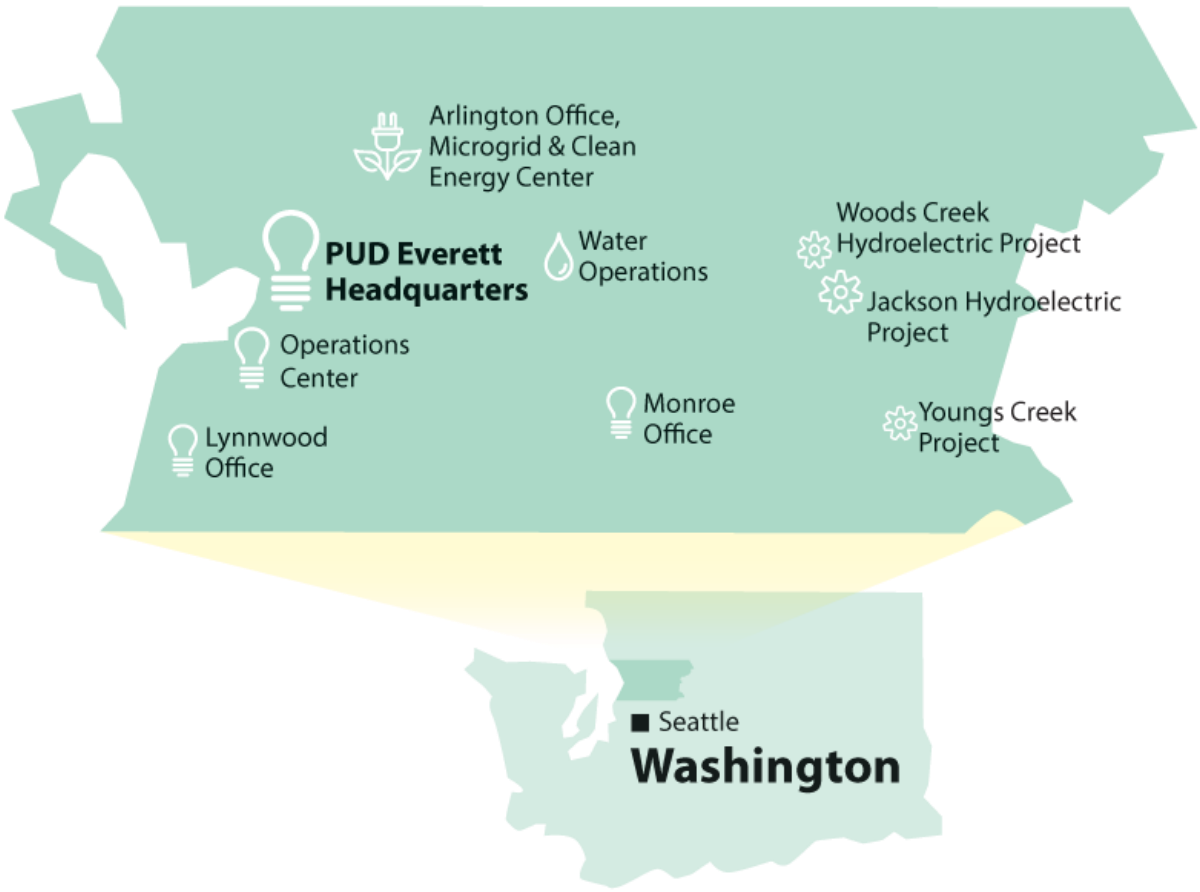
2 Who We Are

The Public Utility District No. 1 of Snohomish County (the PUD) began utility operations in 1949 by purchasing the electric distribution facilities for Snohomish County and the Camano Island portion of Island County from Puget Power & Light. The PUD is the 12th largest public utility in the U.S. and the second largest in Washington state serving more than 380,000 electric customers and more than 23,000 water customers.

The PUD is committed to delivering the best possible service, keeping rates competitive and maintaining the highest levels of reliability for our customers. As stewards of critical community resources, the PUD takes these responsibilities seriously.

The PUD is governed by a Board of Commissioners, which is composed of three members. They represent specific areas of the county and are elected at-large for staggered six-year terms. The legal responsibilities and powers of the PUD, including the establishment of rates and charges for services rendered, reside with the Board of Commissioners. The PUD is a not-for-profit utility and takes great pride in serving our customers in our community.

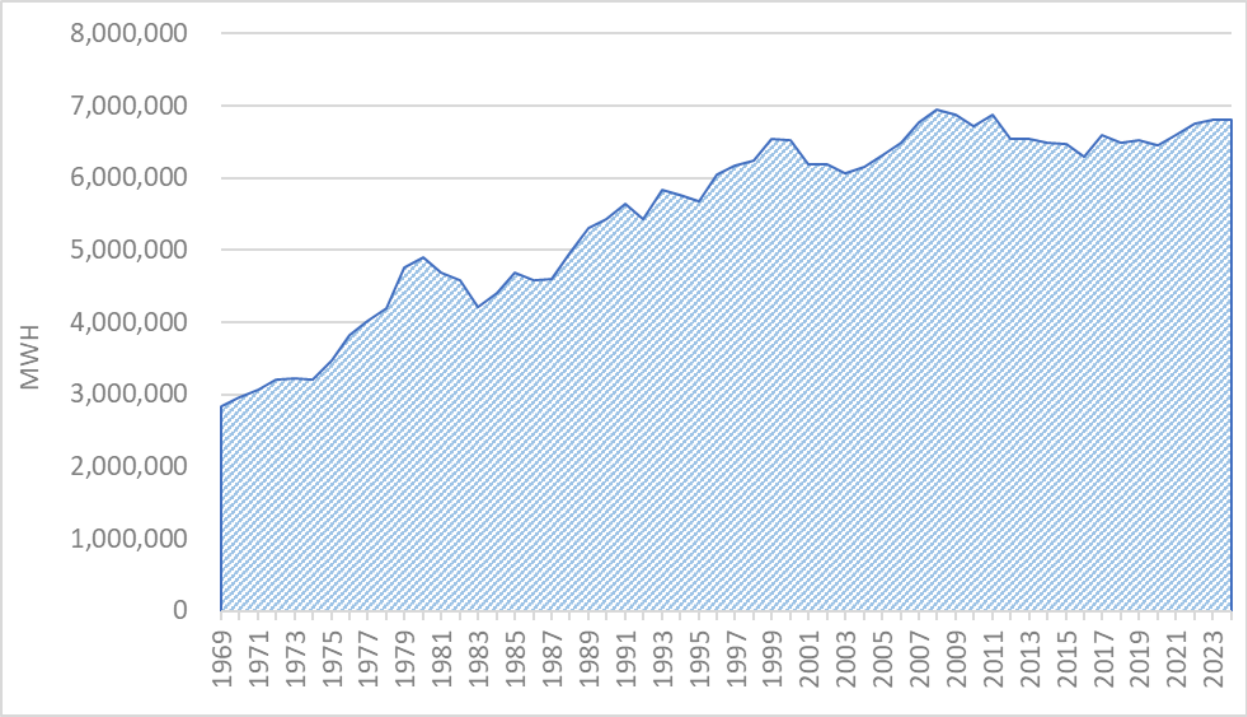
Figure 2-1 Snohomish PUD Service Territory



Load Growth

From 1970 to 2024, the PUD's total load grew at an average annual rate of 1.7%, with residential and commercial loads increasing by 1.8% and 3.5% respectively, while industrial load declined by 0.8% annually. Conservation and energy efficiency have been a key strategy for managing costs and load growth. Between 2010 and 2024, the PUD acquired 133 average megawatts of new conservation. As a result, the adjusted average annual load growth from 2010 to 2024 was -0.03%. This trend is reflected in **FIGURE 2-2 SNOHOMISH PUD HISTORICAL ANNUAL MWH RETAIL SALES**, which shows relatively flat retail sales since 2008, despite significant population and economic growth in Snohomish County.

Figure 2-2 Snohomish PUD Historical Annual MWh Retail Sales



Current Trends Influencing Load Growth

The economic environment in Snohomish County and Washington State remains in a phase of sustained recovery from the impacts of the COVID-19 pandemic. The unemployment rate in Snohomish County has declined significantly—from a peak of nearly 20% during the height of the pandemic in 2020 to 6.1% in June 2025. The leisure and hospitality sectors were among the hardest hit, while high-tech and professional industries were more resilient due to their ability to pivot to remote work environments.

Despite the challenges of the pandemic, the PUD successfully connected approximately 5,000 new premises in 2020, slightly above the pre-pandemic trend of around 4,000 new connections annually. Looking ahead, this pace is expected to continue, with projections of 4,000 to 5,000 new connections per year in response to sustained population growth and development activity. Snohomish County's population is projected to surpass 1 million residents by the 2040 timeframe. This continued growth is fueling strong housing demand across the region, increasing pressure on housing inventory. Along with population and housing expansion, Washington State's clean energy policies are accelerating the adoption of electric vehicles (EVs). Under the state mandate, all new passenger vehicles sold by 2035 must be zero-emission. As a result, Snohomish County expects a significant increase in EV

adoption over the coming decade, which will drive rising demand for residential, commercial, and public EV charging infrastructure.

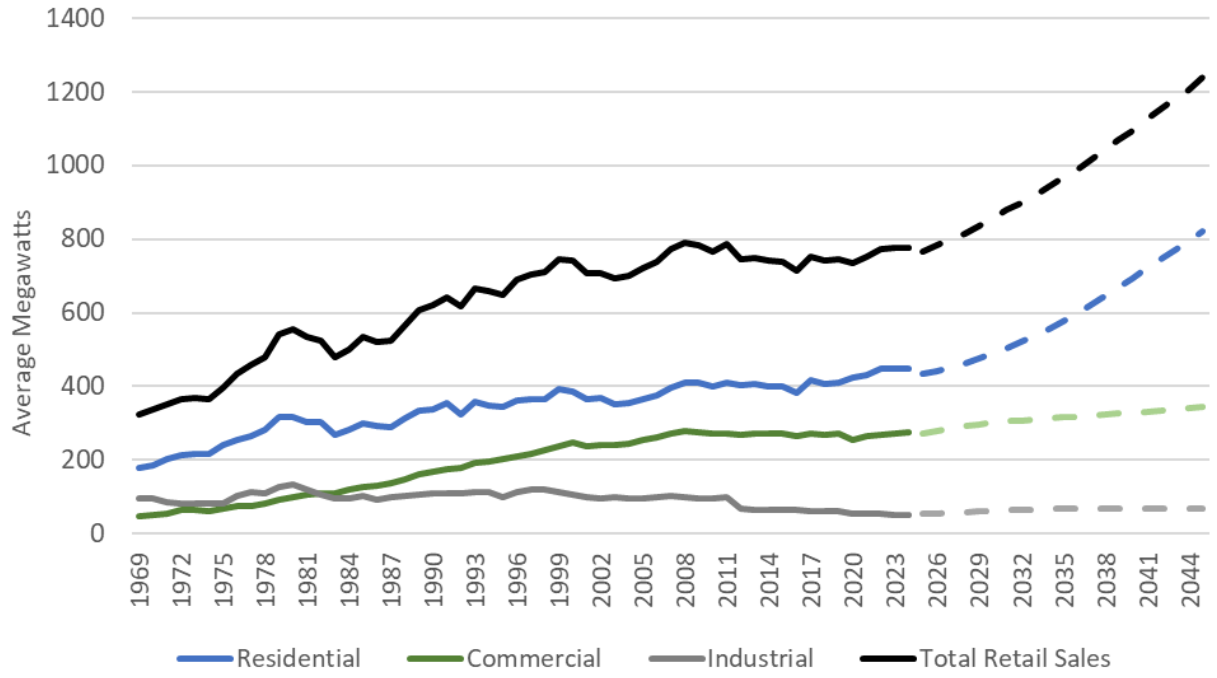
Snohomish County's main employment base remains in aerospace manufacturing, primarily Boeing's Everett Plant, and hundreds of small aerospace companies delivering parts for the 747, 767, 777, and 787 programs. Naval Station Everett, Snohomish County, and Providence Hospital are also major employers in the region. Growth also continues in the biotech sector in South Snohomish County, as well as continued changes to the manufacturing sector in the Everett area and North Snohomish County. The Cascade Industrial Center, which spans from Marysville to Arlington, will be the second largest manufacturing-industrial center in the county. The Port of Everett's development of the Waterfront Place Central and Riverfront is also underway and is expected to provide jobs and easy access to the waterfront. This effort, located east of downtown Everett, will transform the waterfront into a sustainable and unique commercial, recreation, and residential community.[1]

Historical Perspective on Load Growth

Figure 2-3 shows that historically following recessionary periods, the PUD's total retail sales rebound and resume their prior upward slope. In previous recessionary periods, customer demand recovered to meet or exceed pre-recessionary loads. However, recovery from the previous 2008 recession had been markedly different for the PUD, with retail sales generally flat. This finding casts some doubt on the degree to which structural growth in demand should be expected in the period following the Covid-19 economic impact. The flattening of retail sales in recent years is likely due to several factors, such as the culmination of decades of energy efficiency acquisitions and the growing impact of building codes and standards improvements.

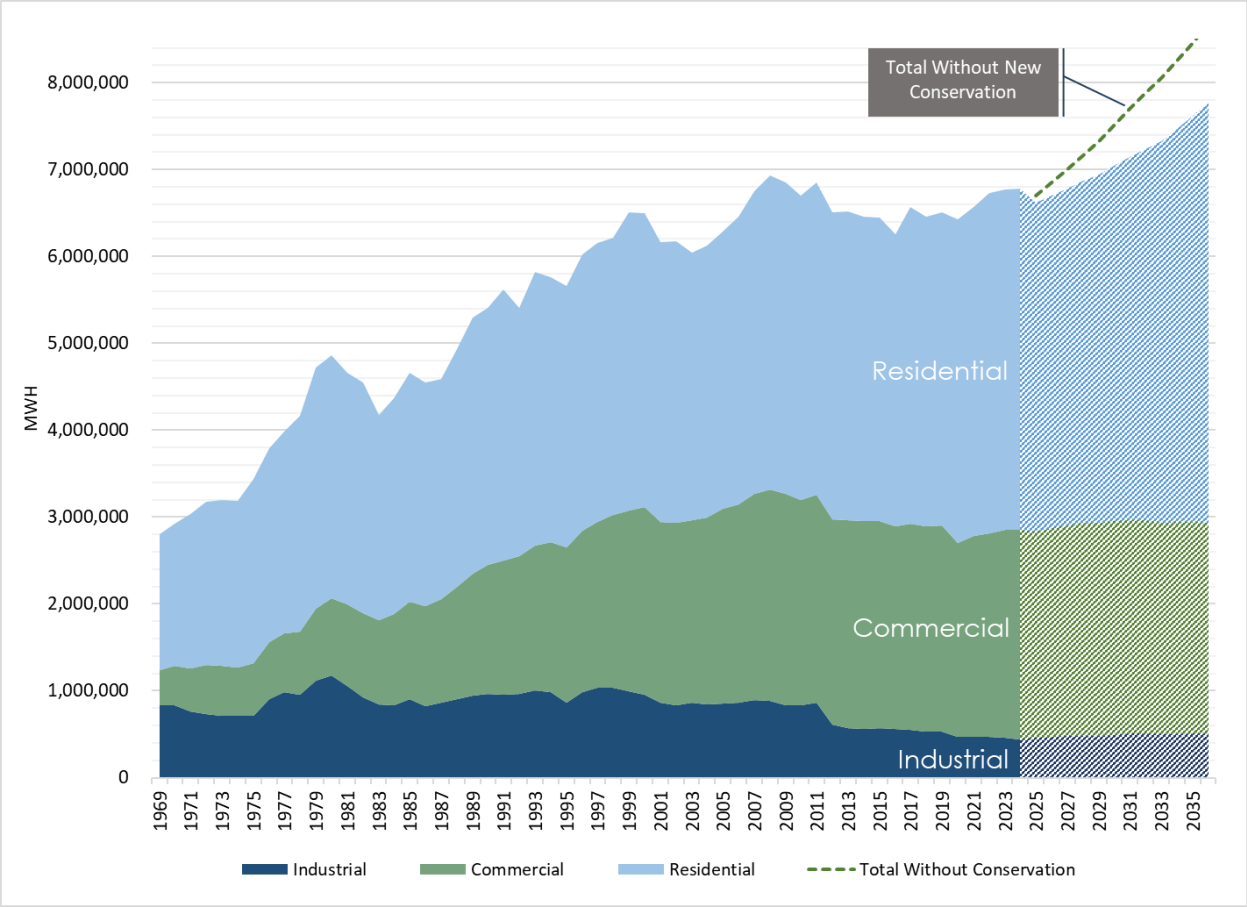
[1] Section 2 – *Who We Are*, discusses the PUD's load forecast methodology and current trends. Section 4 – *Scenarios and Planning Assumptions*, describes the various future socio-economic factors and elements considered in the study scope of 2025 IRP analysis.

Figure 2-3 Historic PUD Annual aMW load by sector before conservation



Despite these considerations the PUD expects to see sustained positive load growth in the foreseeable future, reflecting strong population inflows, a resilient regional economy in the greater Puget Sound area, and the increasing adoption of electric vehicles. This growth is further supported by ongoing development and electrification trends in new housing such as the shift toward electric heating, cooking, and water heating. Together, these factors are reshaping load patterns and supporting long-term growth in system demand. Figure 2-4 shows the impact of these sources of residential load growth in context of overall load growth and the relative growth of other customer segments.

Figure 2-4 Historic Snohomish PUD Load By Sector in Annual MWh



Overview of the PUD's Portfolio

The PUD relies on a diversified power portfolio consisting of a broad range of conservation and energy-efficiency programs, a long-term power supply contract with the Bonneville Power Administration (BPA), PUD owned hydroelectric projects, and PUD owned or contracted small renewable projects. The PUD is a full-requirements customer of BPA and uses the Load-Following power product for most of its long-term power supply.

Existing & Committed Resources

The PUD relies on a portfolio of resources to meet customer demands. These include:

- **Supply side resources**
  - BPA Power Sales Agreement for Load Following
  - PUD-owned generating resources

  - Small renewables program and customer-owned generation
  - Regional transmission contracts

- **Demand side resources**
  - PUD energy efficiency programs
  - Demand response programs

Existing Supply Side Resources

BPA Power Contract

The PUD meets its load obligations by managing the energy available from the BPA power contract in concert with its owned resources and other long-term power supply contracts.

BPA is a revenue-financed federal agency under the U.S. Department of Energy that markets wholesale electricity to more than 140 utility, industrial, tribal and governmental customers in the Pacific Northwest. Its service area covers more than 300,000 square miles with a population of approximately 14 million in Idaho, Oregon, Washington and parts of Montana, Nevada, Utah and Wyoming.

BPA sells electric power at wholesale rates, which is generated from 31 federal hydroelectric projects in the Columbia River basin, including one nonfederal nuclear plant and several other small nonfederal power plants. The federal hydroelectric projects and the related electrical system are known collectively as the Federal Columbia River Power System (the "Federal System"), which has an expected aggregate output of approximately 9,089 annual average megawatts under average water conditions and approximately 8,135 annual average megawatts under adverse water conditions. The Federal System produces more than one-third of the region's electric energy supply.

Load-Following Product

The PUD currently purchases the Load-Following product from BPA for the contract term of October 1, 2025 through September 30, 2028. The PUD plans to continue purchasing the Load-Following product from BPA on Oct 1, 2028 but will continue to evaluate the best product choice for cost and load service. The PUD purchases more than 90% of its power supply from the BPA under the long-term power contract. The Load-Following product provides firm power service to meet customer load minus dedicated resources with BPA assuming load service planning responsibility for peak loads. This product is scheduled by BPA to serve load but requires a separate service with additional cost to integrate renewable resources. The PUD also switched transmission products from Point-to-Point (PTP) to Network Transmission (NT) to help facilitate the Load-Following power product.

For the duration of the current BPA power contract, BPA determines the total of its customers' loads and the size of the Federal hydro or "Tier 1 System," to allocate costs. This Rate Period High Water Mark process establishes the maximum amount of energy the PUD is eligible to purchase from BPA at cost, or the Tier 1 rate. Under the current contract the size of the Tier 1 System varies due to changes in BPA's system obligations, customer load growth, and maintenance outages and refurbishments to the Federal System. Table 2-1 shows the actual BPA Tier 1 system size and Tier 1 contract allocation amount for the PUD for the 2015 through 2025 period:

Table 2-1 BPA Tier 1 System Size and Contract Allocation

Fiscal Year	BPA Tier 1 System Size (in aMW)	Maximum Tier 1 Available to PUD Rate Period High Water Mark (in aMW)	Actual BPA Tier 1 Contract Allocation to Snohomish PUD (in aMW)
2015	6992	811	755
2016	6983	791	759
2017	6983	791	778
2018	7023	786	729
2019	6866	786	729
2020	7054	795	723
2021	6995	795	723
2022	6802	762	718
2023	6670	762	742
2024	7097	799	742
2025	7029	799	761

After September 2028, the Federal System size will be fixed at 7,250 Average MW reducing the system allocation calculation to only depend on the planned load proportion.

PUD-Owned Generating Resources

Jackson Hydroelectric Project

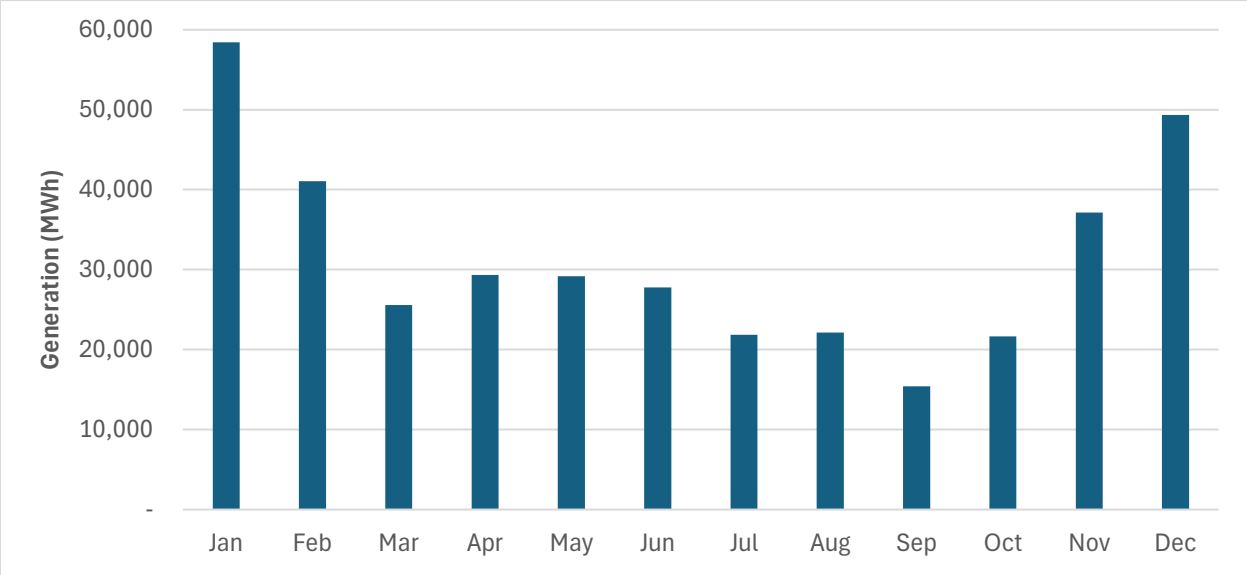
The Jackson Hydroelectric Project (Jackson Project) is located on the Sultan River, north of the City of Sultan, and is owned and operated by the PUD. The project has two large 47.5 MW nameplate Pelton generating units and two smaller 8.4 MW Francis generating units for a total nameplate capacity of 111.8 MW. The firm energy for the project, based on the 1940-41 water year, is ~29.5 aMW. The average annual or expected output is approximately 49 aMW. Project output is delivered directly into the PUD's electric system.

The Jackson Project is operated to maximize the revenue generated through the Secondary Crediting Services annually, subject to specified minimum releases of water into the Sultan River for maintenance of fish and the diversion of water into the City of Everett's water

reservoir system. An agreement from 1961, with subsequent amendments, established the rights and duties of the City of Everett and the PUD to the uses of water from the project. The City of Everett receives its water supply from Lake Chaplain Reservoir, which the project feeds through the two 8.4 MW generators. The PUD received a new 45-year project license as the sole licensee in September 2011. The new license did not alter how the project is operated. License requirements to maintain stream flows and supply the City of Everett's potable water supply do limit the project's ability to change generation within a day.

For the 2021 through 2024 period, the Jackson Project generated an annual average of 378,972 MWh, with a minimum of 297,996 MWh in 2023 and a maximum of 443,267 MWh in 2021. Figure 2-5 Jackson Average Monthly Generation 2021-2024 below shows Jackson's average monthly generation over the 2021 through 2024 period.

Figure 2-5 Jackson Average Monthly Generation 2021-2024



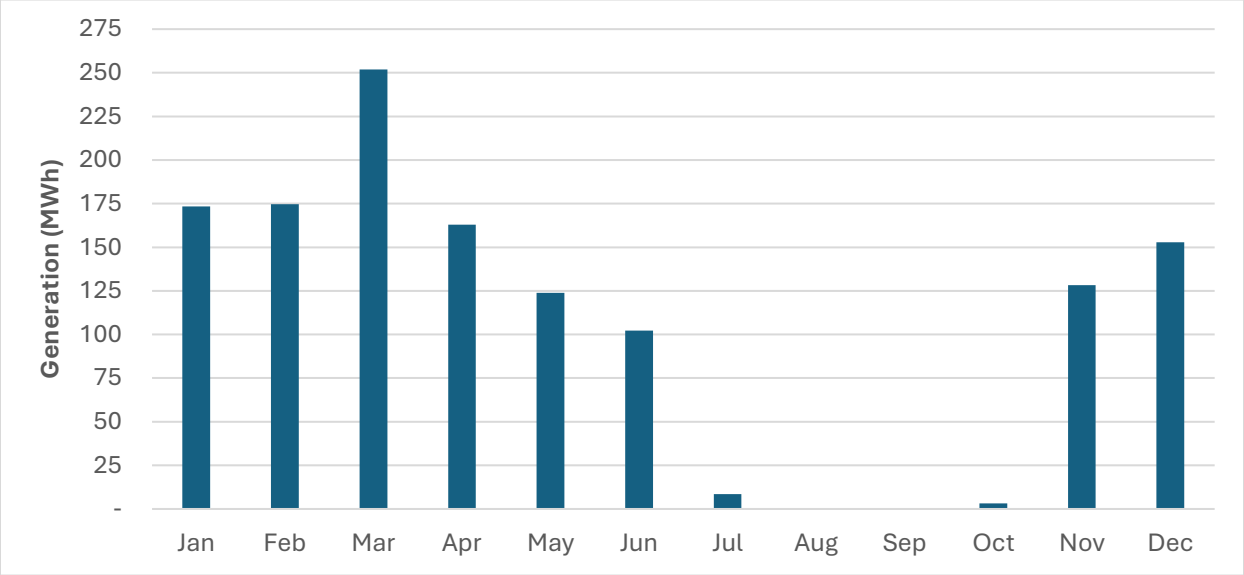
Woods Creek Hydroelectric Project

The Woods Creek Hydroelectric Project is located in Snohomish County, north of the city of Monroe, with a nameplate capacity of 0.65 MW. The PUD purchased the powerhouse and adjoining acreage in February 2008. Prior to its acquisition, the PUD had been purchasing the output from this plant. This project is adjacent to Woods Creek, a tributary of the Skykomish River, with the powerhouse located at the base of a natural impassible barrier to anadromous fish. The majority of its generation is produced between November and April.

Since acquiring the project, the PUD has made numerous engineering and efficiency improvements which has increased annual production from the historical 10-year average

production of 497 MWh to just under 1,800 MWh, depending on hydrological conditions. Improvements to the project that increase production without increasing diversion or impoundment are considered "incremental hydro." Incremental hydro qualifies for Renewable Energy Credits and can be applied toward the PUD's annual renewables requirement.[4] For the 2021 through 2024 period, Woods Creek has generated an annual average of 1,282 MWh. Figure 2-6 shows the actual generating profile for this resource.

Figure 2-6 Woods Creek Average Monthly Generation 2021-2024



Youngs Creek Hydroelectric Project

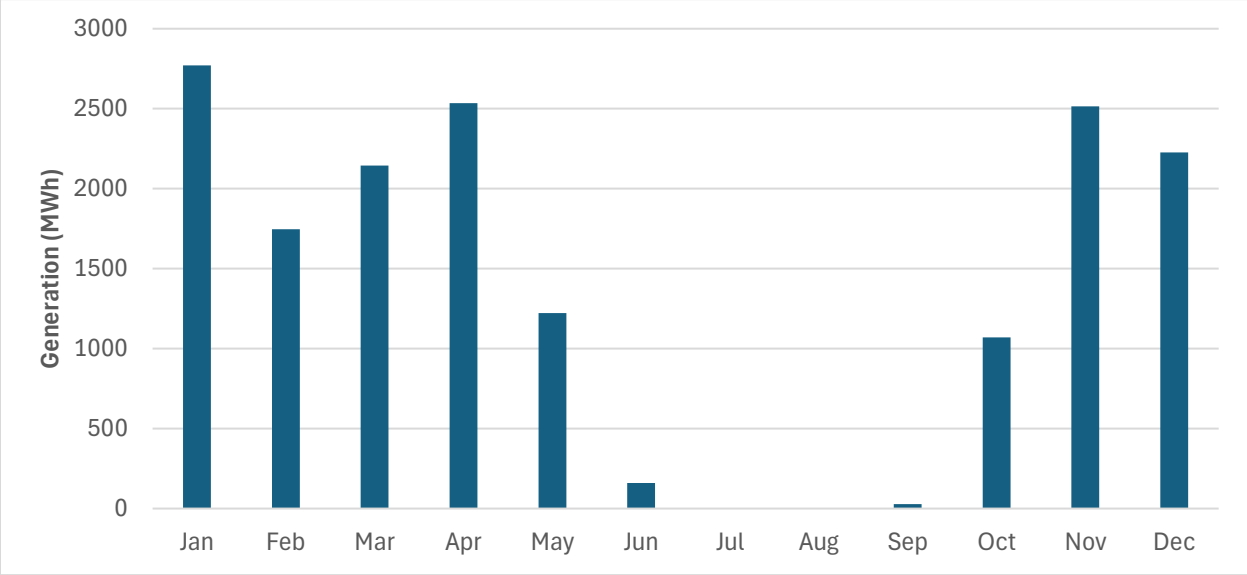
In 2008, the PUD purchased the unconstructed Youngs Creek Hydroelectric Project located on Youngs Creek, a tributary of Elwell Creek near Sultan in Snohomish County. The project is situated above a natural impassable barrier to anadromous fish. Commissioning of this new run of river resource, with single Pelton unit at 7.5 MW nameplate, occurred in November 2011. Youngs creek acted as a project base for Hancock Creek and Calligan Creek and all three projects have similar designs.

Youngs Creek was the first new hydroelectric resource to be constructed in the region in more than 17 years. It is licensed through 2042. For the 2021 through 2024 period, the project

[4] Washington Administrative Code (WAC) Section 194-37-040 (13)(b) provides: "Incremental electricity produced as a result of efficiency improvements completed after March 31, 1999, to a hydroelectric generation project owned by one or more qualifying utilities [see definition of qualifying utility in RCW 19.285] and located in the Pacific Northwest or to hydroelectric generation in irrigation pipes and canals located in the Pacific Northwest, where the additional electricity generated in either case is not a result of new water diversions or impoundments."

generated an annual average of 16,418 MWh, with the majority generated during the winter and spring months as shown in Figure 2-7.

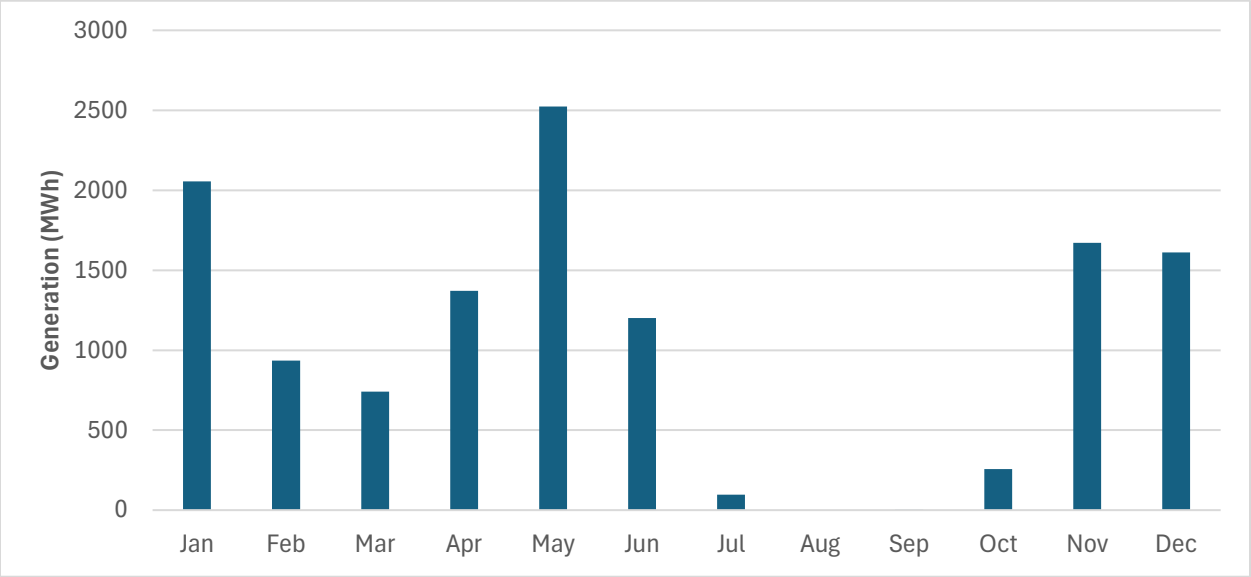
Figure 2-7 Youngs Creek Average Monthly Generation 2021-2024



Calligan Creek Hydroelectric Project

In 2015, the PUD received an original 40-year license for the Calligan Creek Hydroelectric Project located on Calligan Creek, a tributary to the North Fork Snoqualmie River in King County. The project is located above Snoqualmie Falls, a natural barrier to anadromous fish. Construction on this run of river 6.0 MW Pelton unit began in 2015 and began commercial operation in February 2018. For the 2021 through 2024 period, the project generated an annual average of 12,464 MWh, with the majority generated during the winter and spring months (Figure 2-8). The output of this project is currently sold on a short-term basis until October 2028.

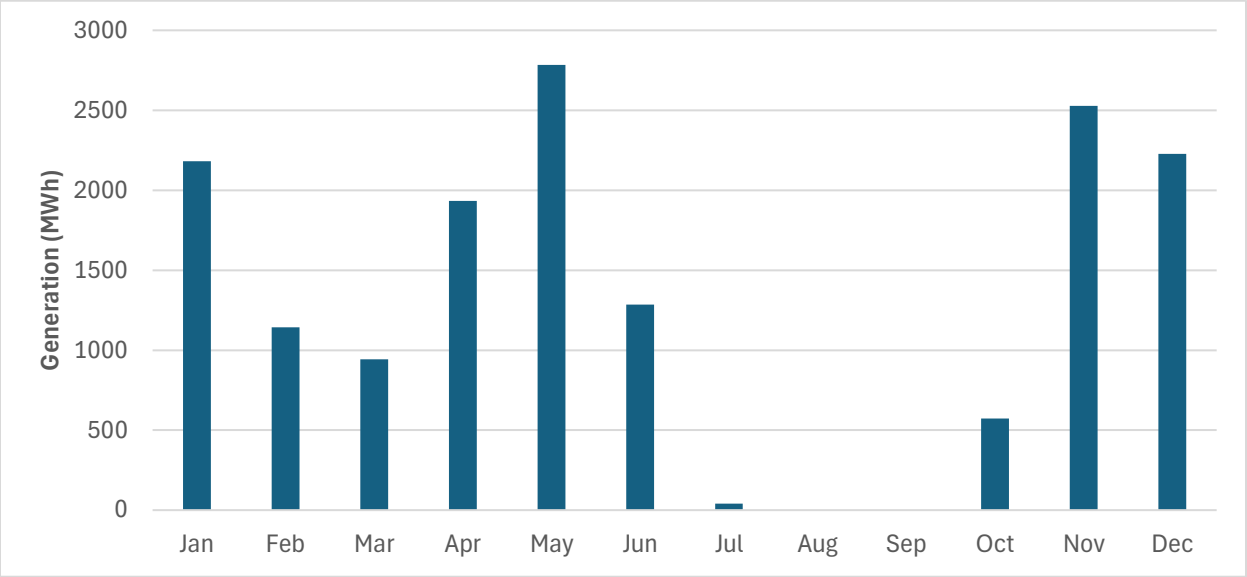
Figure 2-8 Calligan Creek Average Monthly Generation 2021-2024



Hancock Creek Hydroelectric Project

In 2015, the PUD received an original 40-year license for the Hancock Creek Hydroelectric Project located on Hancock Creek, a tributary to the North Fork Snoqualmie River in King County. The project is located above Snoqualmie Falls, a natural barrier to anadromous fish. Construction on this run of river 6.0 MW facility with one Pelton unit began in 2015 and began commercial operation in February 2018. For the 2021 through 2024 period, the project generated an annual average of 15,641 MWh, with the majority generated during the winter and spring months (Figure 2-9). The output of this project is currently sold on a short-term basis until October 2028.

Figure 2-9 Hancock Creek Average Monthly Generation 2021-2024



Arlington Microgrid & Community Solar

In 2017 the PUD announced the Arlington Microgrid (AMG) Solar Array as part of its new local office complex in Arlington, Washington, located east of the Arlington Municipal Airport. This facility is a demonstration testbed for several distributed energy technologies interconnected to be self-sustaining if islanded from the electrical grid.

The project was funded in part through a Clean Energy Fund II grant provided by the Washington State Department of Commerce. The microgrid project consists of a:

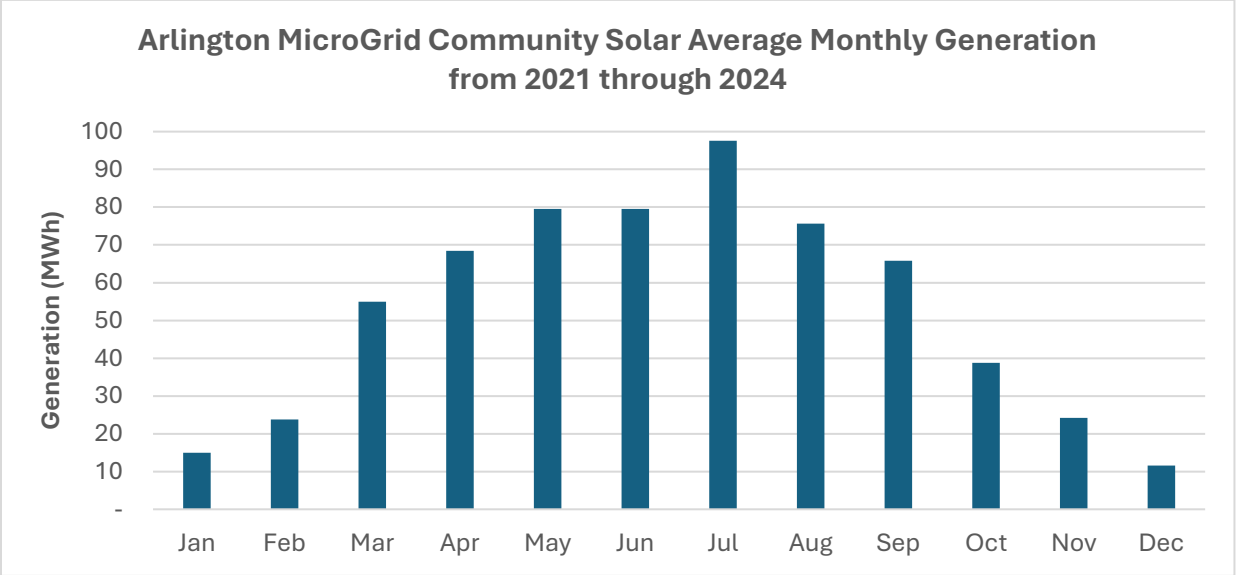
- 500 kW utility scale solar array
- 1000 kW/1500 kWh lithium-ion battery
- Two vehicle-to-grid (V2G) charging systems with connected electrical vehicles
- Clean Energy Center (CEC) to provide the load and demonstration area
- Backup data center for PUD information technology resilience.

These components are interconnected and controlled via a central control system for microgrid operations and connect with the North County Office opened in February 2025. The battery storage system may be called upon by the PUD as needed and will support microgrid operations in the event of loss of the PUD grid connection. The vehicle to grid (V2G) chargers provide an additional source of energy and provide testing for larger scale V2G applications. The PUD is currently participating in a solar smoothing and balancing pilot with

BPA utilizing the renewable plus storage to understand the impacts of storage on renewable output.

The solar array at the AMG was designed and built as a community solar project to support the PUD's clean renewable energy development efforts while providing opportunities for PUD customers to participate and benefit from solar energy generation. Customers were given the opportunity to purchase or lease "shares" of the output of the solar project without requiring their own rooftop, to fund, or install their own solar panels. This aspect of the project was highly successful with 8100 units offered at 1/5 of a panel each. All units were sold over the course of several weeks and over 500 customers participated. The community solar project is expected to last 20 years.

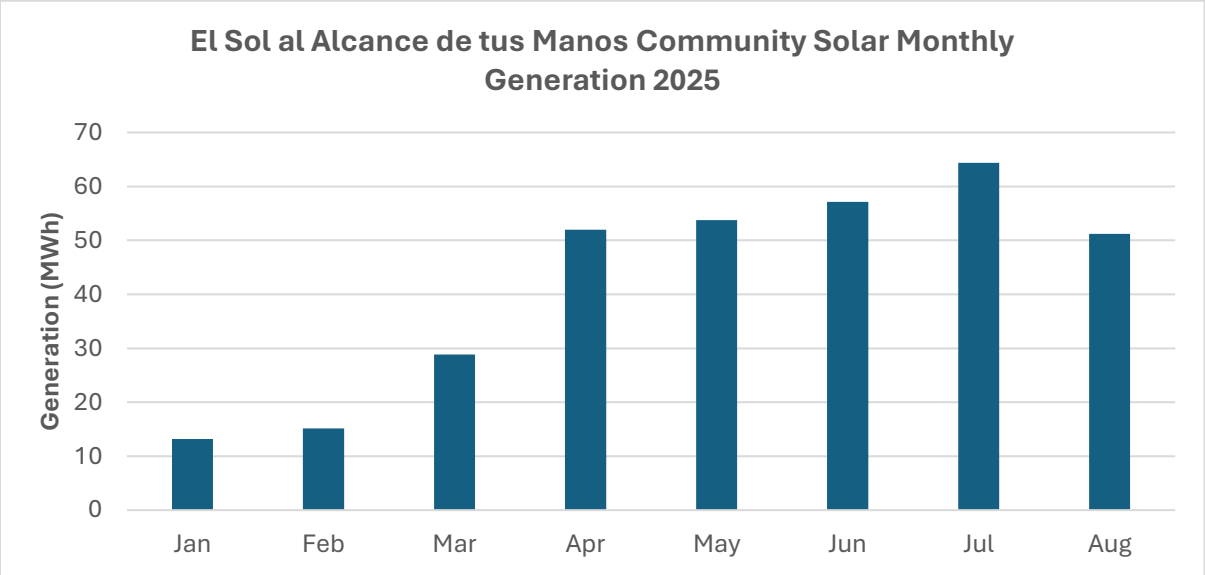
Figure 2-10 Arlington Solar Average Monthly Generation 2021-2024



El Sol al Alcance de tus Manos - South Everett Community Solar

The PUD received a grant from the Washington State Clean Energy Fund (CEF) to build a solar project in south Everett to generate funds for the PUD Community Energy Fund administrated by St. Vincent de Paul. The total project is 400 kW and was completed in December of 2024 at the Walter E Hall Park facility in Everett. Project generation through August of 2025 is included in Figure 2-11 below. Forecast generation is expected to match the shape of the Arlington Solar Project.

Figure 2-11 El Sol al Alcance de tus Manos Monthly Generation Jan - Aug 2025



Long-Term Power Supply Contracts

The PUD has several long-term contracts for energy, each associated with a specific generating resource. The PUD has no ability to shape deliveries under these contracts.

Hampton Lumber Mill – Darrington Cogeneration Contract

In 2006, the PUD executed a 10-year contract with Hampton Lumber Mills-Washington, Inc., for 100% of the electrical output from the 4.5 MW cogeneration project that utilizes wood waste. The project is a primary employer for residents in the town of Darrington, WA. The project began commercial operation in February 2007 and produces approximately 2 aMW. The contract was amended in December 2011 to reflect acquisition by the PUD of both the energy and RECs from the project for the 2012 through 2016 term; a 2016 amendment extended the contract term through 2025 which was further extended to 2028. This project is recognized as an eligible renewable resource under the EIA and qualifies for the two times distributed generation multiplier for every MWh generated.

Packwood Lake Hydroelectric Project

This small hydroelectric project is located at Packwood Lake, 20 miles south of Mount Rainier in Packwood, Washington, and began operating in 1964. This project is managed and operated by Energy Northwest and has a nameplate capacity of 27.5 MW. The PUD is a participant in this project and contracts for a 20% share, or 1.3 aMW, on a firm energy basis. Since October 2011, the PUD has been taking delivery of its 20% contractual share,

which it plans to maintain for the foreseeable future. The PUD's 20% share of the project's output has averaged just under 20,000 MWh for 2021 through 2024 period.

Small Renewables Program

The Small Renewables Program was adopted by the Board of Commissioners in August 2011 to encourage development of customer-owned, distributed generation inside the service area. The program established a standard methodology for determining the price the utility may pay for the energy and environmental attributes produced by the customer-owned resource. The contract term ranges from one to five years. Participation in this program is limited to renewable resource technologies between 100 kilowatts and 2 megawatts (MW) nameplate, with a total program limit of 10 MW aggregated nameplate capacity.

Customer-owned Renewables

The PUD introduced its Solar Express program in March 2009 to incentivize the development of renewable distributed generation by residential customers. This program sunset for new enrollments at the end of 2017 after having reached a total of 1,167 photovoltaic systems and a total of 11.3 MW nameplate of installed rooftop solar. In aggregate, these PV systems produced 6,988 MWh in 2024. Despite the sunset of the Solar Express program, the PUD continues to interconnect customer-owned, generally rooftop, distributed generation systems upon request. To date customers have installed over 47MW DC of nameplate solar across over 5000 installations. In 2024 customers installed close to 5MW DC nameplate solar over 550 installations.

Firm Transmission Contracts

Until October 2025 the PUD utilized long-term firm Point-to-Point (PTP) transmission on BPA's system. This firm transmission was used to schedule and deliver power from the source of the generation to the homes and businesses in Snohomish County and Camano Island.

When the PUD elected to change its power product to Load-Following it also changed its transmission product to better fit its BPA power product; the PUD now purchases Network Transmission (NT). NT is a transmission product that allows the PUD to designate Network Resources and Network Loads. BPA then optimizes and manages its transmission system to provide firm capacity for delivering those designated resources to the designated loads in accordance with Part III of BPA's current Open Access Transmission Tariff.

This is contrasted from the PTP product, which provides a set of fixed paths for the customer to manage. While the PUD expects to fully serve its load utilizing NT transmission, the PUD currently maintains contracts for 580 MW of firm point-to-point capacity with BPA. These contracts include 7 different points of receipt (where BPA picks up power for the PUD) and 9

points of delivery (where BPA will deliver power for the PUD). The point-to-point transmission services can be used for marketing power sales and market connections as NT does not allow sales or remarketing of resources.

The contract term expirations for the PUD's firm point-to-point contracts with BPA range from 2026 through 2044; under BPA's transmission business practices, said contracts are eligible for the PUD to request renewal (rollover rights) with a first right of refusal.

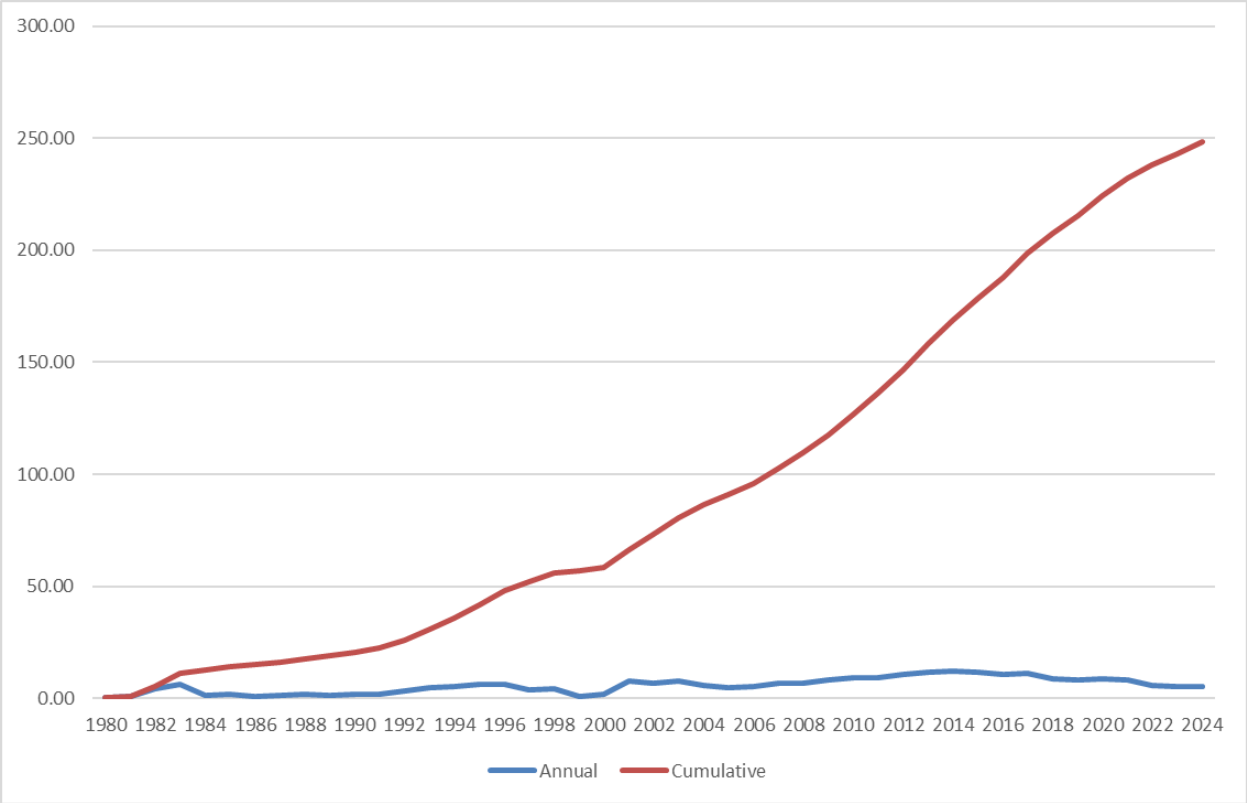
Existing Demand Side Resources

Conservation

The PUD has actively engaged in conservation and demand-side management for over 45 years. Since 1980, conservation and energy efficiency programs have resulted in the cumulative acquisition of almost 250 aMW of conservation resources, or enough to power more than 80,000 homes annually. Figure 2-12 shows the gross annual and cumulative savings accomplishments for the PUD through 2024:[5]

[5] The cumulative savings calculation does not include degradation of savings as energy efficiency measures reach the end of their useful life.

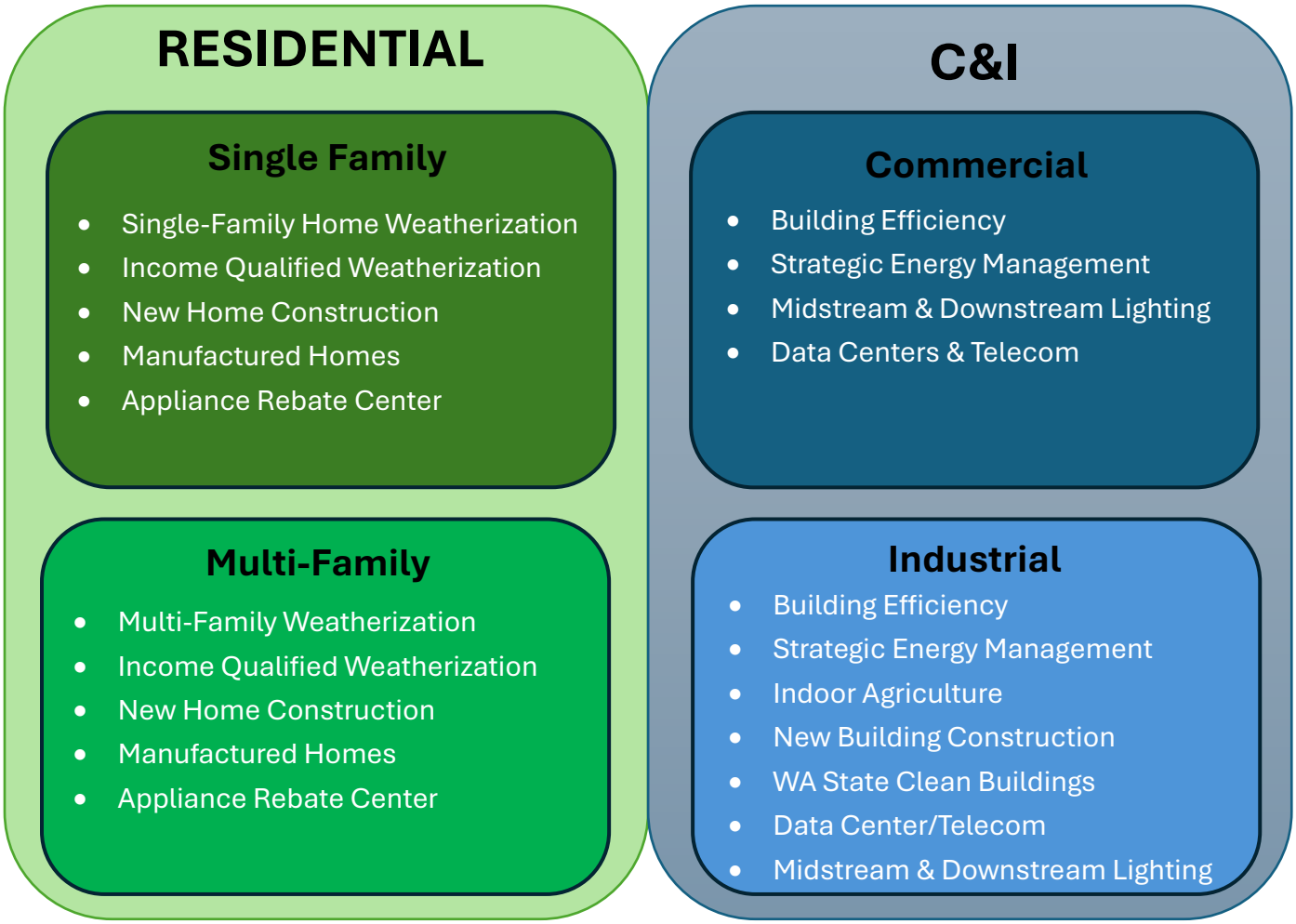
Figure 2-12 Annual and Cumulative Conservation Achievements 1980-2024



The acquisition of new conservation through energy efficiency programs encourages customers to use energy more efficiently, which can defer the acquisition of new supply side resources or reduce the need for BPA Tier 2 energy, postpone the need for new transmission and distribution system upgrades, create value for customers, increase affordability for households, and reduce operating costs for businesses. Conservation is a low-cost resource with minimal environmental impacts.

The PUD offers financial incentives, technical assistance, and educational services for all customer classes. For residential customers, the PUD provides a comprehensive set of energy efficiency programs targeting single and multi-family residences, new construction, and low-income households. Financial incentives are offered for efficiency products including new heating systems, window and insulation upgrades, and home appliances. For commercial and industrial customers, the PUD offers financial incentives and technical assistance to help reduce energy use and annual operating costs. Efficiency products include HVAC, high-efficiency lighting, insulation, process load efficiencies, motors, and equipment controls. highlights key programs and the sector served. Figure 2-13 highlights key programs and the sector served.

Figure 2-13 Energy Efficiency Programs by Target Sector



Program Innovation

In addition to the PUD's traditional conservation programs, the PUD actively seeks out new approaches to markets and emerging technologies. Examples include:

- In partnership with Snohomish County, the PUD secured state matching funds to help improve efficiency for income qualified housing.
- With grant funding from Washington State the PUD provided over $5 million to 1,429 households for energy efficient appliances. The PUD was responsible for nearly half of the households served by the program across the state.
- With market transformation in efficient lighting, the PUD was able to revise its incentives to focus on how best to increase other efficiency opportunities for its commercial and industrial customers. Savings from these other areas can reduce peak demand periods and aid in reducing the PUD's energy needs.

- The PUD recently added numerous new technologies to its program offerings. Emerging products such as direct outside air systems for HVAC, electric hybrid water heaters, high efficiency control systems, and advanced lighting controls provide exciting new opportunities for energy savings and often provide important secondary benefits to customers.

Community Programs

The PUD places high value on offering programs and measures to serve all customers in our community. Recently, staff worked with the NWPCC to study whether the PUD's programs were reaching all customers and markets. Specific attention was given to difficult to reach populations (income qualified customers, multifamily tenants, manufactured home dwellers, small business owners, commercial tenants, and industrial customers). In general, the study showed that most of the hard-to-reach markets were well served by the PUD's energy efficiency programs. Income qualified residential customers participated at rates roughly equal to their distribution in the customer population. Manufactured home dwellers and rural residential customers had proportionally high participation rates. As a group, small business owners, commercial tenants, and industrial customers, participated proportionally throughout PUD's service territory.

Regional and National Efforts

The PUD remains actively engaged in regional and national conservation activities to identify new technologies, develop new delivery strategies and affect policy related to energy efficiency and conservation.

- The PUD actively participates and provides financial support for market transformation efforts through the Northwest Energy Efficiency Alliance, Consortium for Energy Efficiency and the Electric Power Research Institute.
- The PUD is a member of the Regional Technical Forum and the Snohomish County Sustainable Development Task Force and supports the Pacific Northwest Integrated Lighting Design Labs.
- The PUD actively participates in the Conservation Resources Advisory Committee tasked with reviewing and the development and review of the conservation supply curves developed by the NWPCC in their periodic regional Power Plan releases. The PUD supports establishing achievable energy efficiency targets and recognizes the need to conduct research, development and demonstration activities to ensure a sustainable pipeline of future energy efficiency resources.

Demand Response Program and Strategy

Demand response involves the development of programs, pricing structures and technologies to influence when and how customers use electricity. By shifting electricity demands from peak hours when loads are highest to hours of lower loads, the PUD can reduce its costs and maintain or increase reliability, all of which can reduce customers' power bills. Demand cost management under the BPA Load-Following product represents a high value vector of cost mitigation. The BPA rate structure determines the relative value of energy on a monthly diurnal basis coupled with the peak hour demand cost.

Demand response programs take multiple forms: dispatchable load controls, scheduled load controls, voluntary calls to action, and price incentives. Dispatchable load control programs give utilities the ability to call on resources without any action by the customer. Dispatchable resources are often available within 10 or 15 minutes after being requested or "dispatched" by a utility. Scheduled load control programs require customers to temporarily change business processes and typically require advance notice by the utility ahead of a request for load reduction.

The PUD's adopted 2023 IRP included an action item to develop time-of-use (TOU) rate options for customers and to explore cost-effective demand response programs. The IRP is aligned with the PUD strategic plan priority to **Enhance and Evolve Customer Experiences** by *giving our customers increased flexibility and control over their usage and costs*. The ConnectUp program deployment of automated meters ramped up from 2024 through 2025 with expected full deployment by 2027. Time of use rate options have been determined to be a cost-effective solution for several IRPs but rely on the ConnectUp program.

Other demand response efforts in the Northwest were driven primarily by the need to: 1) demonstrate technology; 2) test customer acceptance; and/or 3) explore demand response costs and potential. National programs – largely from summer peaking utilities – were found to be more mature yet still considered 'developing,' and not fully mature.

In 2021 the PUD launched three pilot smart rate options, FlexTime, FlexResponse and FlexPeak programs to develop understanding of customer behavior under various smart rate options. The FlexTime program used time-of-day rate designs to encourage load shifting, FlexResponse used incentives on devices to allow calls for load reduction during critical times and FlexPeak using critical peak pricing notifications to reduce peak load in critical conditions.

Demand response is viewed as having the potential to serve as a reliable resource for peak demand cost management. Demand response may also impact and potentially defer transmission and distribution investment needs over time, as well as serve as a customer

engagement offering. A comprehensive strategy will incorporate the benefits and assess the value that demand response products and programs can bring to the PUD and power supply portfolio. This effort is expected to develop specific demand response options - with quantified cost and performance attributes – that can be incorporated into the list of available demand side resource options for future IRP processes.

3 The Planning Environment

Part of the process for determining the best way to meet future customer needs and demands involves establishing an environment in which the PUD sees itself operating. This environment must consider both the current landscape of policy and trends and how they may evolve over time. To evaluate these trends, the more significant factors have been categorized by their sphere of influence on the PUD:

- The PUD's Strategic Priorities
- The Puget Sound Economy
- BPA
- Energy Policy and Regulatory Requirements
- Electric Industry Regional Efforts

These factors all inform and influence the scenarios and sensitivities to be studied in the IRP.

PUD's Strategic Priorities

The Board of Commissioners expects the PUD to deliver power and water to its customers in a safe, sustainable, and reliable manner while successfully navigating complex changes in our industry. The PUD accomplishes this by empowering its teams to provide quality service to its community and prudently managing costs while investing for the future. The Strategic Priorities, adopted by the Commission in 2023 and supported by specific objectives and initiatives in the PUD's 2023-2027 strategic plan, are designed to support the PUD's mission of providing quality water and electric energy products and services and include a distinct focus on 5 key areas:

1. Bolster operational reliability and resiliency
2. Enhance and evolve customer experiences
3. Actively help our communities thrive
4. Build a sustainable future with our communities
5. Create a culture and capabilities needed for the future.

The IRP's long term resource strategy and action plan have direct impact on the PUD's ability to achieve the strategic priorities. It is imperative that the two plans are synergistic in their focus and long-term objectives. Below are specific strategic objectives within each priority the IRP supports or impacts.

Figure 3-1 IRP Impacts on Strategic Priorities

Strategic Priority	
1. Bolster operational reliability and resiliency **1.3 Ensure resource adequacy by expanding and protecting resources** **1.4 Preserve exceptional customer value**	The IRP has a foundational role in ensuring resource adequacy by strategically assessing resource needs, efficiently managing existing resources and acquiring new resources needed to meet current and future needs. This dual approach of expansion and preservation ensures that the PUD can deliver cost-effective, reliable service while adapting to evolving environmental, economic, and regulatory conditions. Including demand-side and supply-side resource options gives the IPR a comprehensive suite of options to meet customer requirements.
2. Enhance and evolve customer experiences **2.3 Give customers increased flexibility and control over their usage and costs**	The IRP includes demand-side resources as potential resources which partner with our customers for energy and demand management. Conservation investments help both PUD customers control their costs and help ensure the PUD uses its existing low-cost energy most efficiently. Demand response rates and programs are offerings the PUD values for managing its own costs while customers employing these demand response options gain additional control over their own costs for mutual benefit.
3. Actively help our communities thrive	The IRP was scoped collaboratively with customers through an extensive public engagement process that gave customers multiple opportunities and avenues to share their perspectives. Feedback from

3.1 Strengthen our community connections **3.2 Support the economic vitality of our communities**	customers is included in the scoping of the IRP study The IRP includes supply and demand side resource options that result in investments in Snohomish County and Camano Island and supports the local economy. The IRP has included conservation investments as a resource of choice for many years due to the localized benefits of resources developed in Snohomish County and Camano Island. Transmission and regulatory benefits for local resources are included in the least-cost analysis.
4. **Build a sustainable future with our communities** **4.2 Help our customers and communities achieve their goals**	The IRP follows the PUD guidelines and directives that only sustainable energy investments are considered. The customer feedback received showed support for clean energy resource options in the IRP. Conservation measures ensure the PUD takes full advantage of the existing clean cost-effective portfolio and maintains the environmental value of the PUD's portfolio.
5. **Create the culture and capabilities needed for the future** **5.3 Increase organizational alignment and effectiveness**	The IRP uses a deliberately collaborative process relying on a cross-functional team of subject matter experts ensuring the resource decisions are well vetted and aligned with other efforts across the organization. Finding synergies between organizational efforts and resource planning is advantageous to organizational investments and initiatives and ensures widespread organizational support for the IRP action plan.

The Economy – Puget Sound and Beyond

In 2024, the Puget Sound region experienced an adjusted 0.9 percent increase in employment, with a similar expected growth of 0.6 percent in 2025[6]. However, expectations of economic growth in 2025 are tentative due to the uncertainty surrounding persistent inflation and the Federal Reserve's future decision to hold or lower rates. From June 2024 to June 2025, the Consumer Price Index for both the Seattle area and the nation have increased by 2.7 percent. Retail sales have increased by 5.61 percent in the region from 2024 to 2025, having steadily recovered from the pandemic. While retail sales growth is forecasted to increase by 4.63 percent in 2025 to 2026, shifting consumer sentiment due to future price uncertainties may quickly change this forecast.

In May 2025, the unemployment rate in Snohomish County was 4.3 percent[7], in line with the national unemployment rate at 4.2 percent[8]. However, the Puget Sound region is forecasted to experience increased unemployment levels at 5.0 percent by the end of 2025, as several major employers in the region have announced layoffs.

Financial and Regulatory Framework

When the PUD changed its BPA long term power product to Load-Following, the costs and risks of power service changed as well. BPA is required by statute to provide load service for the PUD's total net requirements including hourly peaks and annual load growth which fundamentally changes the framework under which the IRP operates by removing load service risks at either the hourly or annual metric. Because BPA is obligated to provide load service, the risks to the PUD in the future are primary financial, stemming from increased BPA exposure, new resource costs, or regulatory compliance risks associated with state clean energy legislation. The new IRP structure seeks to minimize these risks.

BPA

BPA is a significant supplier of power to the region; as such, its success and long-term viability are of great importance to public utilities like the PUD and its customers. When the PUD transitioned to Load-Following, the PUD's reliance on BPA for its power needs increased. Ensuring access to low-cost clean federal energy represents a high priority for the

[6] Western Washington University Center for Economic and Business Research. The Puget Sound Economic Forecaster. June 2025
[7] US Bureau of Labor Statistics. Retrieved July 24, 2025. https://www.bls.gov/news.release/archives/laus_06242025.pdf
[8] Western Washington University Center for Economic and Business Research. The Puget Sound Economic Forecaster. June 2025

PUD. BPA costs are an important driver for PUD portfolio costs and two sensitivities surrounding BPA costs are studied within the base case to understand the impacts of changing BPA costs, either increasing or decreasing.

Because BPA derives a significant portion of its generation from hydroelectric facilities on the Columbia River, the Columbia River Treaty between Canada and the United States governing water and power rights on the Columbia River should be addressed. While the treaty is currently under review at the federal level, any potential changes would be speculative and are not considered in the IRP. As the treaty changes, future IRPs and IRP updates will include any resulting changes to hydroelectric generation forecasts.

Post 2028 Contract

The PUD's long-term power contract with BPA expires on September 30, 2028, and the PUD, along with the other Pacific Northwest public utilities, negotiated with BPA for a new long-term power contract. In 2020 BPA launched the Provider of Choice (POC) initiative to engage its customers on the structure of the Post-2028 contract. The results of the POC public process were published as an Administrator Record of Decision in March of 2024. Contract details are largely similar to the prior 20-year power contract with impactful changes reflected in the IRP study. The new POC contract begins October 1, 2027 and expires on September 30, 2044, however the IRP study does not account for a change of contract structure following the end of the POC contract term and assumes the POC contract structure continues through the end of the study period. At this time the structure of a new 2045 BPA contract would be hypothetical and is not considered.

BPA Tier 2

Under the current Regional Dialogue contract the PUD's load does not exceed its allocated contract amount of Tier 1 power. However, once the POC contract begins in 2028 the PUD will face above high water mark or "Tier 2" load. Tier 2 load service is for load above the Tier 1 contract allocation and is structured and priced differently to preference Tier 1 power. The PUD will need to make two choices in 2026 regarding which Tier 2 products to purchase (if any). The first choice will be the type of product(s), and the second is the associated volumes. Descriptions of Tier 2 products and their associated attributes are included in **SECTION 5 BPA TIER 2**.

Transmission

When the PUD changed to Load-Following for power delivery, the transmission portfolio also transitioned to better accommodate the new power product. The PUD became a Network

Transmission (NT) customer and converted a significant portion of its long-term point-to-point transmission contractual rights for NT use. The NT product substantially changes the planning environment for supply-side resources previously modeled in the IRP process. Network Transmission is a product that places the responsibility of serving network loads upon the transmission provider. The product incurs charges based on network usage during the peak network hour instead of a flat reservation cost for firm service. Because the cost of NT service is separated from the average amount of transmission usage, the IRP does not include transmission costs for new supply side resources unless they impact local load within the service territory.

Curtailments remain a risk for Network service. Load shedding events are extremely rare, meaning curtailment risks are primarily financial and regulatory through the loss of environmental attributes from curtailed generation. Tier 2 product provisions would similarly protect load service from impact in the case of curtailments. Network transmission costs are calculated in the IRP. While the costs can be mitigated with demand side resources, they are unaffected by other types of resources. These costs are included in the total portfolio costs.

In 2023 BPA launched an initiative in a special rate case process to reform its Standard Large Generation Interconnection Procedures (LGIP) to alleviate long interconnection queue delays. At the time of reform, the LGIP was a “first-come, first-served” serial process where studies were done as project information was available. In a serial process, changes to projects during system impact or facility studies on a project near the front of the queue would have adverse impacts on projects farther down the queue leading to restudy delays and costs. In the TC-25 effort BPA revised its methodology to use a “first-ready, first-served” “cluster study” format where a window would open to projects meeting certain readiness requirements and all projects would be studied simultaneously rather than sequentially. This change to the interconnection process is ongoing with the transition cluster study expected to open its application window in 2025 and the study itself to start in October 2025.

In February 2025 BPA paused its Transmission Service Request (TSR) Study and Expansion Project (TSEP) when TSRs reached 65GW of unstudied transmission requests and the backlog becoming unmanageable. Transmission expansion is a challenge in the current environment. New transmission builds are not keeping pace with increasing needs and BPA determined that a revised transmission study process was needed. At the time of writing neither the new process nor next TSEP cluster study have not been announced, and the transmission request pause remains in effect. Consideration of transmission constraints is critical to developing a holistic resource strategy and the 2027 IRP update will include updates as available.

Energy Policy and Regulatory Requirements

Future legislative policy and regulatory requirements can have profound effects on the PUD's power supply portfolio and the future resources it may consider, acquire, or operate. For example, the requirements of CETA will help shape the portfolio options and choices available to the PUD over the planning horizon. In addition, there are several ongoing regulatory processes that may have a significant impact on the PUD's existing resources or future resource decisions.

Tariffs and Supply Chain

In 2024 the federal government began implementing a series of tariff policies on imported raw materials and manufactured goods. Manufacturers and consumers began preparing for cost increases associated with new tariff policies on supply side resource builds. The tariff policies are evolving over time and have impacted new resource costs in the IRP. As tariff policies change, the IRP update in 2027 will incorporate more information on costs and manufactured goods availability.

The direct impacts of the Covid-19 pandemic have largely passed in 2025; however supply chain impacts are ongoing, and lead times have dramatically increased over the past 4 years. Supply chain challenges represent delays for new supply side resource options and increase the project timelines for new utility scale renewable generation projects. These delays, including extended renewable development timelines, supply chain challenges, and interconnection request backlogs represent some of the questions for the IRP to examine.

Inflation Reduction Act and Tax Policy

The 2022 Inflation Reduction Act (IRA) provided tax benefits on renewable energy projects and energy storage and allowed non-taxed entities to claim some capital tax benefits on such projects. These tax credits reduce the effective capital costs of projects depending on several factors up to 30%, however the IRP only assumes a 15% reduction in capital costs and used updated market pricing from a Renewable RFP to further adjust renewable project pricing to capture uncertainty associated with tariff policy and tax credit changes during the course of the 2025 IRP analysis. As tax credit policy evolves, the IRP update in 2027 will include any future changes.

WA State Bill 5445

Washington State Bill 5445 is a new law passed in 2025 that gives incentives to distributed energy priorities to encourage development. For the IRP, these changes are represented by changes to demand response, energy storage, and local solar projects. For energy storage projects located within the current utility infrastructure sites and demand response

programs, the bill grants equivalent RECs compliant with the EIA requirements based on resource capability and total system load. For solar projects commissioned before Jan 1, 2030, and located on utility or superfund sites within a utility's service territory the existing multiplier on RECs is increased from 2 times to 4 times generation. These changes represent new opportunities for energy storage, demand response, and local solar.

WA State Bill 5974

In 2022, former Governor Inslee issued a directive for Washington State (along with Washington State Bill 5974) requiring "all publicly owned and privately owned passenger and light duty vehicles model year 2030 or later that are sold, purchased, or registered in Washington state be electric vehicles." The policy tracks and follows similar policies in California. This mandate increases expectations of electric vehicle adoption through the study period. The 2025 IRP utilizes the existing policy environment and accounts for increased electric vehicle adoption; any changes to legislation or policy will be reflected in subsequent IRPs and IRP updates.

Energy Independence Act

In 2006, the voters of Washington State approved the EIA through the state's initiative process. This Act requires electric utilities with 25,000 or more customers to pursue all cost-effective energy conservation measures, and to acquire and include in their portfolios a mandated amount of eligible renewable resources, renewable energy credits, or combination of the two. The amount of eligible renewable resources required scales based upon the utility's retail load.

Utilities have three methods to comply with the renewable mandate of the EIA: meeting the load-based goals with resources or RECs, demonstrating investment of 1% of its retail revenue requirement in eligible renewable resources or RECs without load growth, or demonstrating investment in excess of 4% of the utility's annual retail revenue requirement (commonly referred to as the "cost cap" method) in eligible renewable resources or RECs. The IRP assumes the PUD will comply via load-based goals given the load growth expectations.

Clean Energy Transformation Act

In 2019, the Washington State legislature passed CETA. CETA places several new requirements on utilities centered around clean energy targets beginning in 2030. The core clean energy CETA provisions require:

- Elimination of coal from rates by 2026
- Utilities to be 100% carbon-neutral by 2030

    - "Alternative compliance" available for up to 20% of a utility's total retail load amount
- Utilities to be 100% carbon-free by 2045

Because the PUD relies on a portfolio that is predominantly carbon-free, the PUD anticipates full compliance with CETA's clean energy provisions. The Clean Energy Transformation Act (CETA) contains several requirements which have been incorporated in the IRP.

In 2030 the PUD must be 100% net carbon neutral. The PUD plans to achieve this using its clean power portfolio and utilizing compliant renewable energy credits for those carbon emissions associated with BPA market operations, which may account for up to 20% of the PUD's total retail load.

The carbon emissions from BPA's system are the most significant source of carbon associated with the PUD's portfolio. Because BPA engages in market transactions to balance their hour-to-hour resource and load obligations, those market transactions may carry some portion of carbon emissions which is attributed to BPA's overall fuel mix. This fuel mix is assigned, pro rata, to each of BPA's customers translating into a carbon obligation for the PUD. In order to comply with the 2030 standard, the PUD expects to procure either renewable energy resources to serve load or environmental attributes for alternative compliance to achieve a net zero power portfolio from 2030 onward. CETA allows hydroelectric and non-emitting resources to supply clean energy to serve load including nuclear energy and fusion energy.

The current policy environment in Washington State contains multiple clean energy regulations with distinct goals and metrics creating a challenge for utilities. Trying to comply with both CETA and EIA using a single integrated compliance strategy is difficult given the divergent constraints. To help provide insight into these challenges the IRP studied a scenario with a single environmental policy environment for resource planning to highlight potential inefficiencies in the multiple-compliance program framework.

Climate Commitment Act

Washington's Climate Commitment Act (CCA) is a cap-and-invest style regulation that "caps" the total amount of emissions economy-wide. The program accomplishes this by requiring any carbon emissions to retire an associated "allowance" which are limited in number. The amount of allowed emissions is equal to the number of allowances issued. These allowances are primarily provided by the state via auction.

Electric utilities, however, primarily achieve their carbon reduction efforts through compliance with the Clean Energy Transformation Act (CETA). The CCA provides electric

utilities a number of allowances at no cost allowing them to mitigate the costs of program. This protects utility ratepayers from double-paying for carbon reductions.

Because the CCA is designed to be cost-neutral for electric utilities, the IRP does not directly consider the CCA when building resource portfolios but rather focuses on regulatory compliance associated with the Energy Independence Act (EIA) and CETA. Staff will continue monitoring the CCA and how it develops to determine whether this approach may need to be updated in future IRP iterations.

The Electric Industry Regional Efforts

The electric industry in the Pacific Northwest is facing dynamic changes. When assessing the state of the industry, several anticipated developments relevant to utility resource planning stand out and must be considered when considering future actions. These include the regional Resource Adequacy Program, the NWPCC's Power Plan, and the potential for newly forming day ahead electricity markets.

Western Resource Adequacy Program

The Western Resource Adequacy Program (WRAP) represents a regional program from the Western Power Pool based on member requests and a regional acknowledgement that resource adequacy concerns are growing, and a standardized resource adequacy metric is needed. The PUD was involved in the development of the WRAP program and its associated tariff with a binding requirement by summer of 2027. The PUDs 2023 IRP included WRAP as a consideration, but WRAP requirements were incomplete at the time. As WRAP developed and the PUD considered its power supply portfolio, WRAP compliance appeared increasingly challenging. The PUD's change to the Load-Following shifts WRAP obligations to BPA, representing a reduction in financial risk for the PUD as BPA has more resources to meet WRAP obligations. The PUD is no longer a full member of WRAP but remains committed to regional success and seeks to continue developing WRAP.

Northwest Power and Conservation Council

The NWPCC is a public agency created by the Pacific Northwest Electric Power Planning and Conservation Act of 1980. The agency's three primary functions include:

1. Develop 20-year electric power plans for the Northwest that guarantee adequate and reliable energy at the lowest economic and environmental cost;
2. Develop programming to protect and rebuild fish and wildlife populations affected by hydropower development in the Columbia River Basin; and
3. Educate and involve the public in the Council's decision-making processes.

Due to the nature of the Council's work and its structure within the Northwest Power Act, its five-year power plan serves as a guidebook for resource planning in the region. Many utilities, as well as BPA, look to the Council's Power Plans as a key source of information for their own planning needs.

The Council's 2021 Power Plan covering 2022 through 2042 with an action plan from 2022 to 2027 is the current power plan with the ninth power plan in development. The current plan was developed at a time when the Northwest power system was facing increased renewable energy penetration, changes in clean energy policy changes, baseload resource retirements, salmon recovery actions, electrification, and the climate change impacts to load.

Key findings for the 2021 Power Plan analysis include:

1. Much of the inexpensive efficiency has been achieved, and what remains is close to the price of power from the least expensive generating resources.
2. Utilities should study demand response programs in the form of Time of Use Rates (TOU) and Demand Voltage Reduction (DVR).
3. Renewable energy resources represent the lowest cost resource for meeting energy needs and clean energy requirements.
4. Energy imports from California in the form of renewable energy are important for the region. Thermal resources will be important in the power supply as the clean energy transition occurs slowly over time.
5. Regional collaboration on new market tools such as capacity or reserves products increase efficiency and reduce costs.

Energy Markets

Since 2015, several Northwest utilities either joined or signaled their intention to join the Energy Imbalance Market (EIM) is operated by the California Independent System Operator (CAISO). While the Northwest energy market has traditionally traded bilaterally on an hourly basis, the EIM is designed to balance energy and capacity needs through market dispatch on a sub-hourly basis. The region is monitoring the results and the cost/risk tradeoffs associated with joining an EIM, particularly as to how it can help contribute flexibility and value to the region.

Two day-ahead market options are in development across the western footprint representing new opportunities for the PUD: the Extended Day Ahead Market (EDAM) and Markets+. CAISO is working on the Extended Day Ahead Market (EDAM) to expand the footprint outside of California, while Markets+ is an offering from the Southwest Power Pool (SPP) representing a new market from the same administrators of the WRAP program. As a Load-Following

customer, the PUD is not a market facing entity. However, the PUD will have a market presence vicariously through BPA. BPA issued a record of decision in 2025 opting to continue development of Markets+ and committing to join once the market is operational. When BPA joins Markets+ remaining in the EIM appears to be infeasible potentially leading to BPA, and by extension the PUD, exiting the EIM.

Day ahead markets will change how resources are dispatched and energy is traded across the Western interconnection. The PUD considers new markets as an opportunity for resource optimization to serve load. At this point it is unknown if or how resources owned by entities that are not market participants themselves can participate. As Markets+ continues development in its phase 2 the PUD will continue to advocate for hydro resources and BPA in the framework and update its planning models depending on further developments.

4 Scenarios and Planning Assumptions

Introduction

The 2025 IRP uses scenarios and sensitivities to test various environments by changing one or more key variables to compare resource plans. These different environments provide insights into how resource decisions change with varying input. Within each scenario or sensitivity, the opportunities and risks can be evaluated and the stability of resource plans across multiple environments gives insight into the best pathways. Maintaining flexibility in resource decisions to adapt to changing conditions helps to maintain least-cost, least-risk pathways for reducing costs to Snohomish PUD customers. The 2025 IRP examined 5 scenarios and 4 sensitivities.

Scenario Development

The scoping phase of the 2025 IRP provided critical insight from customers and subject matter experts regarding different scenarios and sensitivities in which to develop the IRP's portfolios, well beyond future load growth or future market energy price assumptions. These scenarios and sensitivities are born from questions such as:

- What if our service territory electrifies much faster over time than we think?
- What if technology advancements happen in a shorter timeframe than anticipated?
- What if the regional transmission system is constrained and new resources cannot be procured for load service?
- What if BPA costs change?
- What if the implementation rate of smart, grid integrated technology is faster than we think?
- What cost impacts would adding additional energy storage have?

Scenarios

Scenarios help explain how changes in economic, social, technical and environmental trends could affect the PUD's future load growth and resource forecast, and the cost and risk of various resource plans developed in response. These scenarios also provide useful insights into potential uncertainties and broad sets of risks the PUD could face under each of these futures. The 2025 IRP evaluated five scenarios that considered the range of futures the PUD could face for the 2026 through 2045 study period. The primary descriptors for each case are summarized below. All scenarios and sensitivities include climate change impacts, electrification growth, carbon pricing as per CETA, baseline organic rooftop solar installations and base conservation efforts.

1. Base Case Scenario
2. Low Growth Scenario
3. High Growth Scenario
4. High Technology Scenario
5. Limited Regional Renewables Scenario

Base Case Scenario

The future under the Base Case reflects moderate relative load growth due to expected economic growth and conditions. Market energy price forecasts take into account the progressively decarbonizing WECC region due to legislation such as Washington State's Clean Energy Transformation Act and various other regulatory and legislative mandates set by other states throughout the Western Interconnection. Resources across the Western Interconnection develop in line with current interconnection procedures.

Low Growth Scenario

The Low Growth Scenario reflects a future where economic growth and conditions are significantly less than average throughout our service territory and the greater WECC region. This could be caused by a variety of global or nationwide political, economic, and supply chain related causes. A low growth scenario also assumes cheaper market energy due to lower overall regional demand as well as a larger WECC-wide assumption in natural gas capacity. In the low growth scenario regional economic conditions result in lower energy prices, lower demand for energy projects and lower electric vehicle adoption.

High Growth Scenario

The High Growth Scenario is marked by higher relative average annual load growth for our service territory of Snohomish County and Camano Island. The socio-economic factors of population, employment, and income growth for the Puget Sound exceed the national average across the study period. The County's leadership in technology and innovation enhances its position in the global economy. The increased cost of housing in the greater Seattle area spurs residential development to more affordable Snohomish County. The advancement and application of innovative new technologies makes Puget Sound a hotbed for high tech industry, and South Snohomish County booms with new businesses and residents. New commercial and industrial development in North Snohomish County currently under construction finishes and comes to fruition causing a boom in economic development and with it energy and power capacity needs to supply that development. Load growth, resource costs and wholesale market energy costs are high, which makes this scenario prove comparatively challenging.

High Technology Scenario

The High Technology Scenario is a future where installed energy storage capacity throughout the WECC is exceptionally high, well beyond current and expected levels. The wholesale electricity market reflects a potential future where market participants buy energy in bulk during high renewable generation hours and dispatch that energy into peak hours however load is increased so prices stabilize at the base case level.

The High Technology scenario assumes novel or developing carbon free generation technologies become commercially available earlier at the same cost as they would in the base case. This includes earlier adoption of advanced nuclear technology such as small modular reactors, enhanced geothermal projects and fusion energy in the study period, at larger scales than in the base case. Other resources are available at lower cost than in the base case representing technological development of existing technology. The scale of resource availability is increased representing larger scales of project developments.

In the High Technology Scenario customer technology develops and is adopted at higher levels than the base case. In this scenario load is higher as more sectors of the Snohomish County and Camano Island economy electrify and electric vehicle adoption rates increase.

The High Technology scenario represents a more speculative future than the base case, high or low scenarios. Predicting the growth or development of new technologies is less predictable than economic indicators in the near term so this scenario is less predictive of resource decisions. However, this scenario does give valuable insight into the impacts of increased technological development on the resource decisions of the PUD and how resource plans could change to adapt.

Limited Renewable Project Availability

The Limited Renewable scenario envisions a WECC buildout where bulk transmission constraints, federal tariff policy, tax credit impacts, supply chain difficulties, or interconnection queue delays result in delayed and limited renewable energy projects being developed. In this scenario physical resources are limited leading to changes in regulatory compliance strategies. Due to limited physical resources being interconnected market prices are higher as supply is constrained, BPA Tier 2 costs are increased due to market price increases and less physical inventory is included in the long-term Tier 2 product. As fewer renewable projects attain operational status the market for environmental attributes is comparatively shallow leading to increased REC prices for similar demand.

Sensitivities

Sensitivities are single or limited variable changes to help understand how changes to a single variable impact resource decisions within the base case. The base case assumptions of carbon pricing, load, electrification, climate change, baseline rooftop solar and conservation efforts. Testing single or limited variable sensitivities grant insights to risks faced by the PUD and mitigation strategies for possible changes in the future. The 2025 IRP examined 4 sensitivities within the base case.

1. High BPA Costs
2. Low BPA Costs
3. Shallow Renewable Energy Credit Market
4. CETA Only Policy Environment

High BPA Costs

The PUD has historically gotten a majority of its bulk power from BPA however with the change to the Load-Following product the proportion of the PUD's power coming from BPA is expected to increase. Increased BPA costs for both preference or Tier 1 power and above-high-water mark or Tier 2 power are impactful to the PUD and may result in a different set of resource decisions. Load, market prices, resource costs and REC prices are the same as the base case while this sensitivity examines higher BPA Tier 1 costs, higher short and long-term Tier 2 costs and more physical resources in the long-term Tier 2 mix.

Low BPA Costs

In contrast to the High BPA Cost sensitivity the Low BPA cost sensitivity examines the impacts to resource decisions if BPA costs are lower than expected. Tier 1, short and long-term Tier 2 prices are lower in this variation of the base case while the long-term Tier 2 mix has fewer physical resources assuming fewer physical resource purchases. All other base case variables remain the same as above.

Shallow Renewable Energy Credit Market

The PUD's primary compliance approach to EIA RPS and CETA is to use a combination of bundled (RECs purchased with accompanying energy) and unbundled RECs (RECs purchased without accompanying energy). The PUD transacts in the bilateral market for unbundled RECs to help cost-effectively meet its compliance requirements. This sensitivity will assess the portfolio response to a shallow unbundled REC market depth that limits the supply for transactions, driving prices higher due to low supply while maintaining the same regional demand.

CETA Only Policy Environment

In 2030, both RPS and CETA will overlap, creating both clean energy and renewable energy requirements that are somewhat different. This sensitivity evaluates what a portfolio solution if CETA became the State's singular clean energy policy. If CETA becomes the single clean energy policy the Base Case variables remain the same except REC market depth will increase and REC prices will decrease.

Figure 4-1 IRP Scenario and Sensitivity Variable

Scenario	Load Forecast	BPA Costs	REC Price	Notes
Base	Base	Base	Base	
Low	Low	Low	Low	
High	High	High	High	
High Technology	High	Base	Low	Additional Supply Side Resource Options
Limited Renewable	Base	High	High	Later Supply Side Resources at Limited Scale
High BPA Costs	Base	High	Base	
Low BPA Costs	Base	Low	Base	
Shallow REC Market	Base	Base	High	
CETA Only Policy Environment	Base	Base	Low	

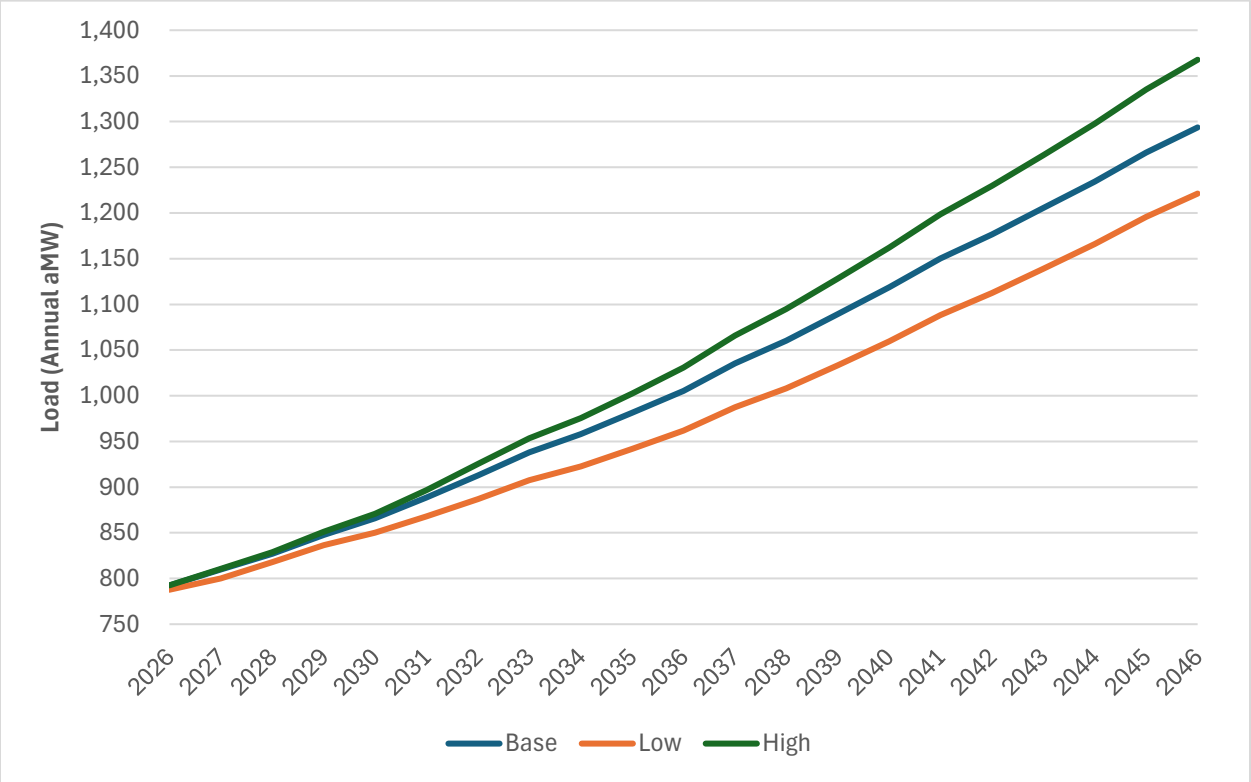
Load Forecasts

The range of load forecasts developed for the 2025 IRP rely on a mix of econometric and deterministic approaches. An econometric approach was used for modeling historical weather, consumption, and customer information to build a baseline from which future years can be predicted. In building this baseline, the PUD relies on actual consumption data from the past several years by sector and then, holding other variables constant, forecasts what consumption would have been under normal or expected historical weather.

With the baseline established, PUD staff then adjusted for expected future conditions, including changes in: population, housing type and efficiency, electric vehicle adoption[9], electric water and space heating adoption, county employment and projections in the goods-producing, service-producing and military sectors, known industrial developments, and other factors. These changes are summed and net effects are applied over the forecast period.

Figure 4-2 shows the average annual load forecast by scenario for the 2026 through 2045 study period, before new conservation. Note that the Limited Renewable Project shares the same load forecast as the Base Case Scenario and are not shown in Figure 4-2.

Figure 4-2 Average Annual Load Growth Trajectories Before New Demand-side Resources



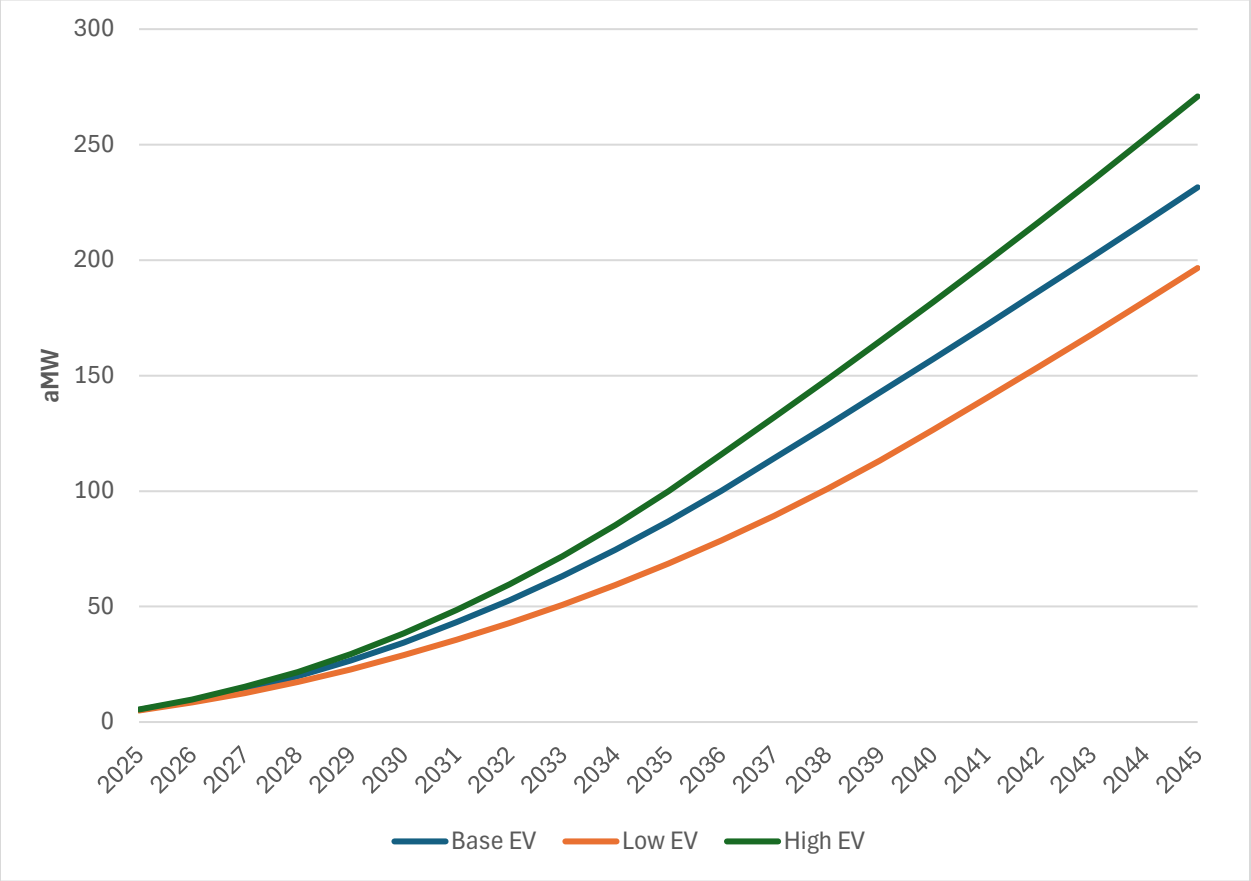
Electric Vehicle Adoption

Electric vehicle (EV) adoption assumptions were built into each of the scenario load forecasts and reflect the PUD's expectation that EV's may become a significant component of future load growth. State policy mandates more electric vehicle adoption and a phase-out of internal combustion engine vehicles leading to increasing EV adoption over all scenarios.

[9] Estimates for electric vehicle adoption (plug-in electric and battery electric technologies) in the PUD's service territory were derived from a 2017 joint study performed Energy and Environmental Economics (E3), *"Economic & Grid Impacts of Plug-In Electric Vehicle Adoption in Washington & Oregon,"* March 2017. This study was

In the High-Technology scenario EV growth is accelerated to account for EV technology developing faster and the infrastructure required for EV adoption to come earlier. The High Growth Scenario uses the same EV growth rate as the High-Technology scenario. The Low Growth Scenario uses a low EV adoption rate. All other scenarios and sensitivities use the Base level of EV growth. Figure 4-3 illustrates the adoption rates used in the Low Growth case, Base case, and High Growth case.

Figure 4-3 Electrical Vehicle Adoption Rate Assumptions (aMW)

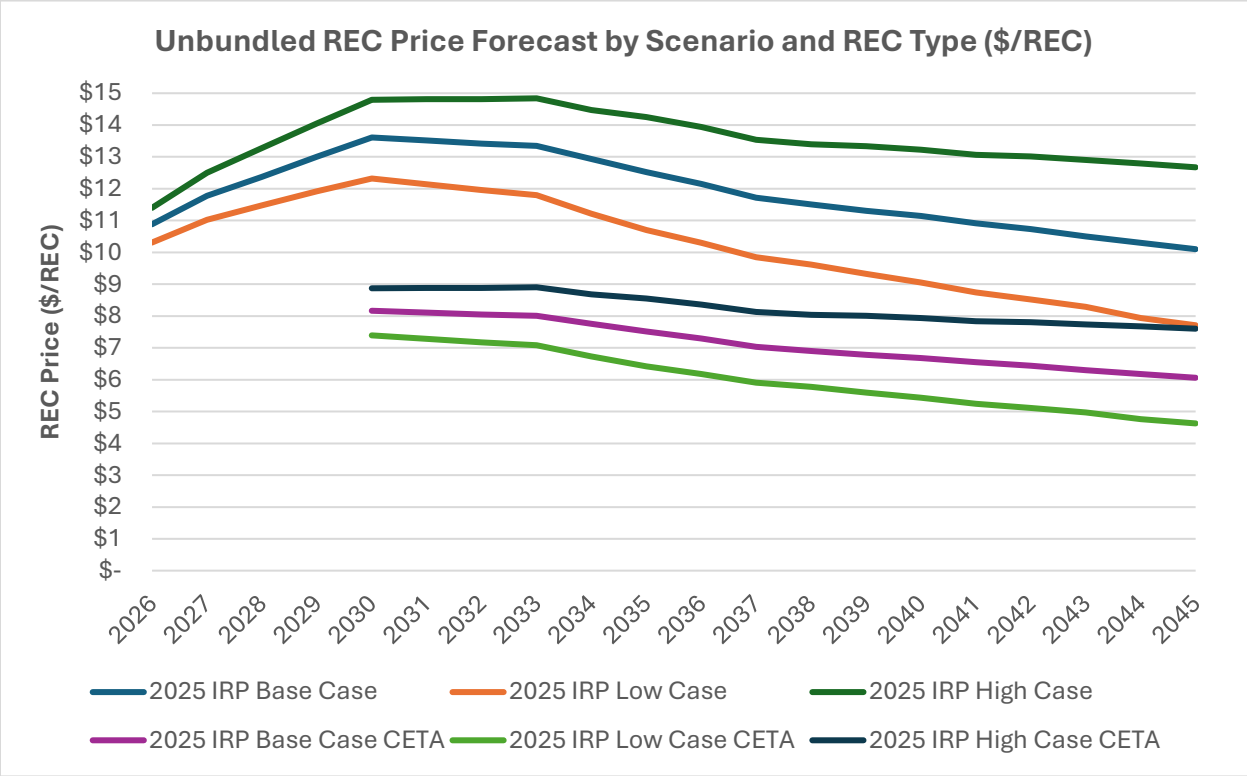


REC Price Forecast

The 2025 IRP uses three price forecasts for EIA compliant RECs and three price forecasts for CETA compliant RECs used for alternative compliance options. The 100% net clean with maximum 20% alternative compliance portion of CETA begins in 2030, before that period CETA RECs are not shown with any price. In the 2026 to 2030 compliance period EIA compliant RECs continue to increase in price as regional loads and needs grow and resource connection delays limit new supply leading to increasing prices. In 2030 CETA becomes a constraint and the REC supply from hydro resources gain regulatory compliance attributes

price is expected to be lower than EIA compliant RECs and prices decrease over time as the regional buildout of renewable resources increases REC supply.

Figure 4-4 Unbundled REC Price Forecast by REC Type ($/REC)



Planning Assumptions

BPA Long-Term Contract

In 2024 the PUD asked to change its BPA long-term power product from the Block-Slice Product to the Load-Following Product following a comprehensive analysis of potential "what-ifs" on past performance, a short-term look-ahead analysis, a long-term analysis and a qualitative analysis. The conclusion of these studies was the Load-Following Product provided better load service options with more cost stability for PUD customers. The PUD selected the Load-Following Product in the Provider of Choice Contract starting 2028 through 2045.

The **Load-Following** product provides firm power service to meet customer load minus dedicated resources, with BPA assuming load service planning responsibility for peak loads. This product is scheduled by BPA to serve load but requires separate service with additional cost to integrate renewable resources. The costs of the Load-Following Product fall into three categories: fixed structural costs, energy costs, and peak demand costs. Above contract

high water mark load allocation may be served with Tier 2, non-federal resources, or a combination of both.

The **Block and Block with Shaping Capacity** products provide a planned amount of firm power to meet planned annual net load. The block product gives a set amount of power in each hour in either a flat annual block shape or a block shaped to the forecast load minus resources. When shaped, the block can vary between heavy and light load hours and by month. The PUD does not have sufficient owned or contracted resources to be a BPA Block customer without a significant cost impact.

The **Block/Slice** product is a composite of two distinct power products. The block portion is similar to the standalone Block product, with monthly energy volumes determined by load. All hourly deliveries are equal throughout the month, though each month's volume is different. Block amounts are calculated as the difference between the annual net requirements load and the firm slice amount. The Slice portion of the power product represents a federal system sale including firm requirements power, hourly scheduling, and environmental attributes but not operational control. The ability to ramp the Slice portion of the Block/Slice product was a key feature to integrate new renewable energy projects without the additional Resource Support Service costs. This was the BPA product the PUD held until October 1, 2025 when the formal switch to Load-Following occurred.

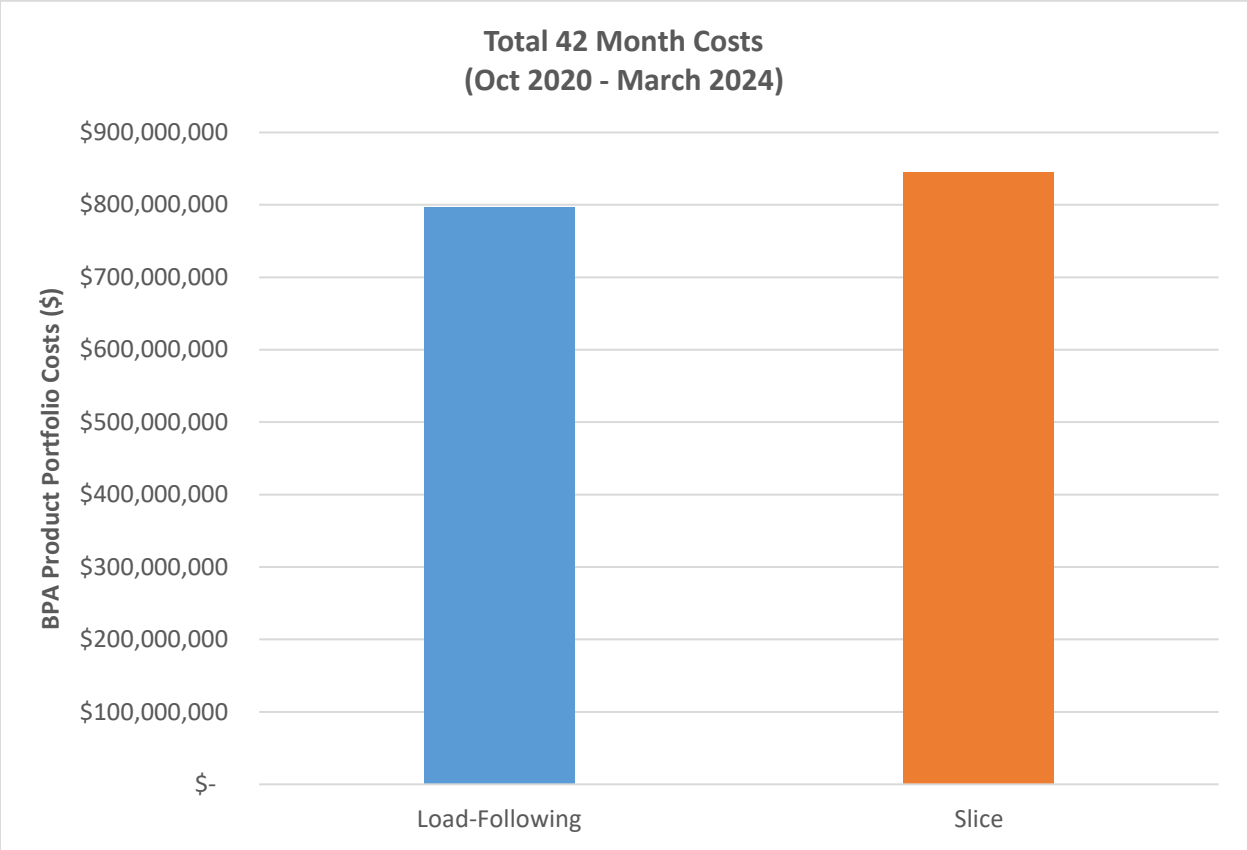
BPA Product Switch

In early 2024, the PUD requested an opportunity to examine the possibility of changing to the Load-Following product from BPA within the scope of the current Regional Dialogue contract. PUD staff conducted four different studies looking at various aspects of a potential Load-Following switch.

Look-Back Analysis

The Look-Back analysis examined how the PUD would have fared if it had been Load-Following in the prior three years. This period included 3 extreme weather events, one summer heat dome event and two regional cold events. The results of this analysis concluded the PUD would have benefited from access to BPA Load-Following capacity.

Figure 4-5 Look-Back Analysis Cost Results Oct 2020 - March 2024



The results of the Look-Back analysis indicated the PUD would have saved $48 million under the Load-Following product compared to what occurred assuming the same load conditions, market purchases or sales, BPA rates and power bills.

Look-Forward Analysis

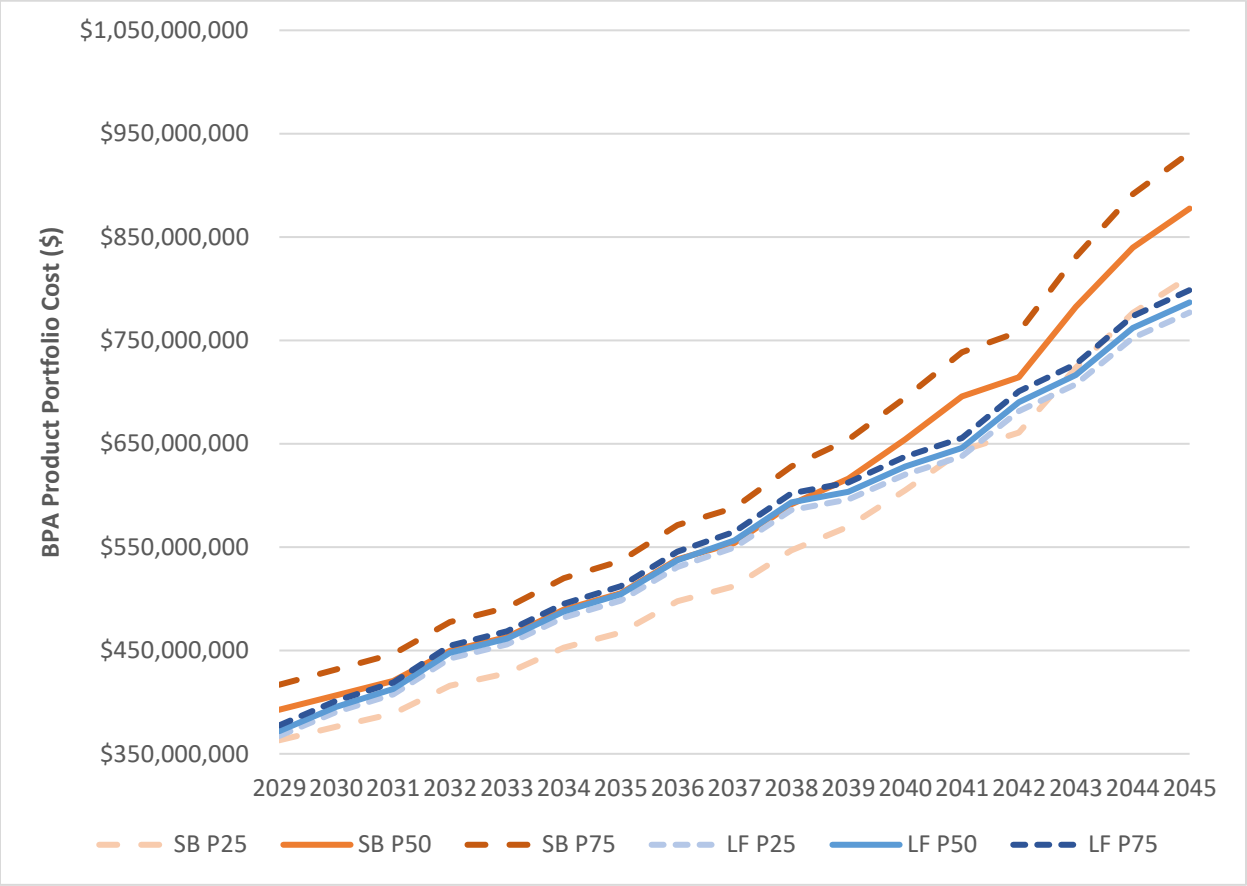
The Look-Forward analysis explored the planned future for fiscal year 2026 through fiscal year 2028 which aligns closely with the end of the current BPA contract in 2028. The Look-Forward study is a probabilistic analysis of both products under a wide range of hydro and load conditions across weather conditions. Upcoming requirements for the Western Resource Adequacy Program (WRAP) and organized market costs were included in the analysis. The PUD's transmission portfolio transition costs and resource integration costs were assumed for Load-Following. Comparing costs on an equal footing between the products in the expected operating environment showed Load-Following savings of $13 million over Block/Slice at expected conditions. Variability was higher under Block/Slice and structural costs related to WRAP compliance shifted in 2027.

Figure 4-6 Look-Forward Analysis Results FY26 - FY28

Long-Term Analysis

The Long-Term analysis studied the cost impacts from 2029 through 2045, incorporating the impacts of WRAP, Slice moving from an hourly product to a day-ahead product in organized markets. WRAP costs are significant in the early term for Block/Slice while resource builds offset WRAP costs while load service needs eventually result in sufficient procurements to eliminate WRAP compliance costs. Environmental compliance was a revenue opportunity in the post 2030 CETA environment with excess hydro production in expected scenarios generating more RECs than required for regulatory needs. Load-Following does not carry WRAP compliance costs and BPA Tier 2 provided for load service in the long-term study, however regulatory compliance costs are higher with Load-Following. The results of the study showed the total net present value costs of Block/Slice were $170 million more than Load-Following at expected conditions.

Figure 4-7 Long-Term Analysis Portfolio Costs 2029 - 2045



The Qualitative Study examined impacts that were not captured in the previous studies but were worth consideration. PUD staff were surveyed and 50 topics across 6 subject areas were identified. The areas of concern identified were financial systems, strategic plan alignment, resource diversity, future needs, market depth, and organizational impacts.

High level results of the qualitative study showed the PUD could meet its strategic goals with less complexity and risk with Load-Following than with Block/Slice. Changing to Load-Following will come with trade-offs for resource flexibility, local operational control, and resource diversity. Load-Following had small positive forecast impacts for the PUD's financial systems via less variance and increased credit rating. Both products aligned with the PUD's strategic plan and both have pathways forward to meet the strategic objectives. Resource diversity is expected to decrease with Load-Following meaning Block/Slice had an advantage in staff's opinion. Future needs identified WRAP compliance requirements, markets risks and regulatory compliance flexibility as requirements each product would need to satisfy. Load-Following had met future needs with less risk and complexity and was

clearly superior in this aspect. Load-Following reduces market exposure in an increasingly thin wholesale energy market, making Load-Following less risky. Organizational impacts were expected for PUD departments working the Block/Slice product and real time power marketing. Staff level changes were expected under Load-Following, but exact impacts were unknown.

The results of the four product studies showed a net benefit to the PUD to switch to the Load-Following product. Staff recommended making a formal request to change the PUD's BPA power product and the commission agreed with staff assessments. The final product change occurred on October 1, 2025.

After the product change was confirmed with BPA and implementation began, the PUD determined that NT costs were lower than PTP, resulting in net savings. In addition, Resource Support Services (RSS) provided a net benefit for the Jackson Hydroelectric Project. Together, these factors reduced the overall cost of Load-Following compared to what had been projected during the product switch analysis.

BPA Tier 1 Allocation

Until October 2028 under the existing contract for ratemaking purposes, BPA determines the total of its customers' loads and the Federal System size to allocate costs over the two-year rate period[10]. This Rate Period High Water Mark process establishes the maximum amount of energy the PUD is eligible to purchase from the BPA at cost, or the Tier 1 rate. Under the current contract term beginning in October 2011, the size of the Tier 1 System has varied. Tier 1 System size variations occur due to changes in BPA's system obligations and hydro operations, and maintenance outages and refurbishments to the federal hydro system. Table 4-1 shows the actual BPA Tier 1 System Size and Tier 1 contract allocation to the PUD from 2015 through 2025.[11]

Table 4-1 BPA Tier 1 System Size and Snohomish PUD Tier 1 Allocation

Fiscal Year	BPA Tier 1 System Size (in aMW)	Maximum Tier 1 Available to PUD Rate Period High Water Mark (in aMW)	Actual BPA Tier 1 Contract Allocation to Snohomish PUD (in aMW)
2015	6992	811	755
2016	6983	791	759
2017	6983	791	778
2018	6945	786	729
2019	6945	786	729

[10] The 2026 Rate Period is 3 years by agreement to accommodate the new BPA contract negotiations
[11] BPA Tier 1 is allocated contractually based on the customer's Tier 1 Cost Allocation (TOCA) percentage.

2020	6985	795	726
2021	6995	795	726
2022	6802	762	718
2023	6670	762	720
2024	7098	799	756
2025	7028	799	771

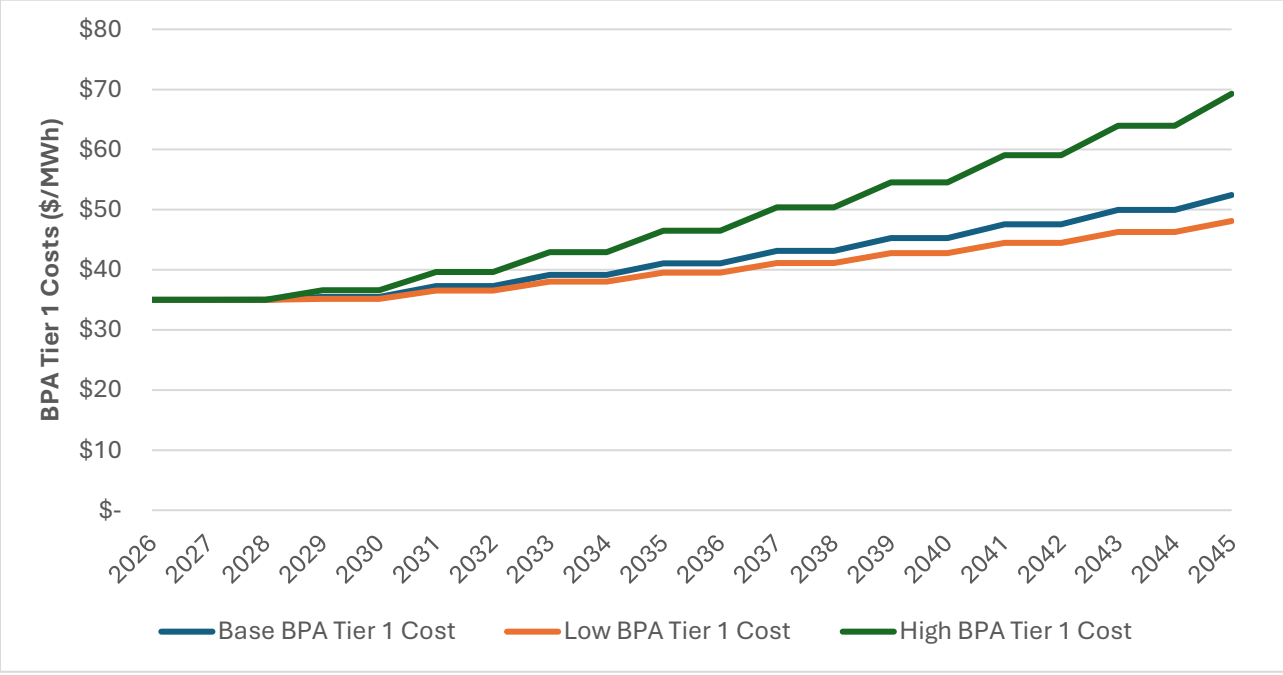
On October 1, 2028, under the new POC contract the BPA Tier 1 system size will be fixed at 7250 aMW granting a stable planning baseline for Tier 1 allocation.

With the change in BPA products the PUD will continue purchasing the Load-Following product for at least 2 rate periods following the start of the 2028 contract with an option to change products one time included in the contract provisions.

BPA Costs

The PUD's power portfolio is predominantly BPA Tier 1 energy; hence the PUD's power costs are correlated with BPA Tier 1 costs. One key variable for the assorted scenarios and sensitivities is BPA cost trajectories. Three forecasts were created to be used for low, base and high BPA cost environments. The chart below shows the costs across forecasts on a rate case basis for Tier 1 service based on the PUD's net requirements and the BPA energy charges

Figure 4-8 BPA Tier 1 Costs ($/MWh)



The base cost trajectory is used in the Base, High Technology, Limited Renewable Project, Shallow REC Market and CETA Only Policy scenarios or sensitivities. The low-cost forecast is used for the Low Growth and Low BPA Cost scenarios while the high-cost trajectory is used in the High Growth and High BPA Cost scenarios. These three cost trajectories give insights into PUD cost exposure and resource decisions based on BPA cost changes.

Carbon Costs

In IRPs prior to 2021 the cost of carbon was included in all scenarios ranging between 13 and 90 dollars per metric ton of carbon dioxide equivalent, depending on the scenario and year. After 2021, as per CETA, IRPs must include the price of carbon as defined by law. While the PUD has no plans to own or operate carbon emitting generation sources, any energy purchased from the wholesale market, including in BPA's fuel mix, will have some amount of carbon, as other market participants market may generate and/or sell electricity produced by carbon emitting sources.

Table 4-2 Carbon Price ($/MWh)

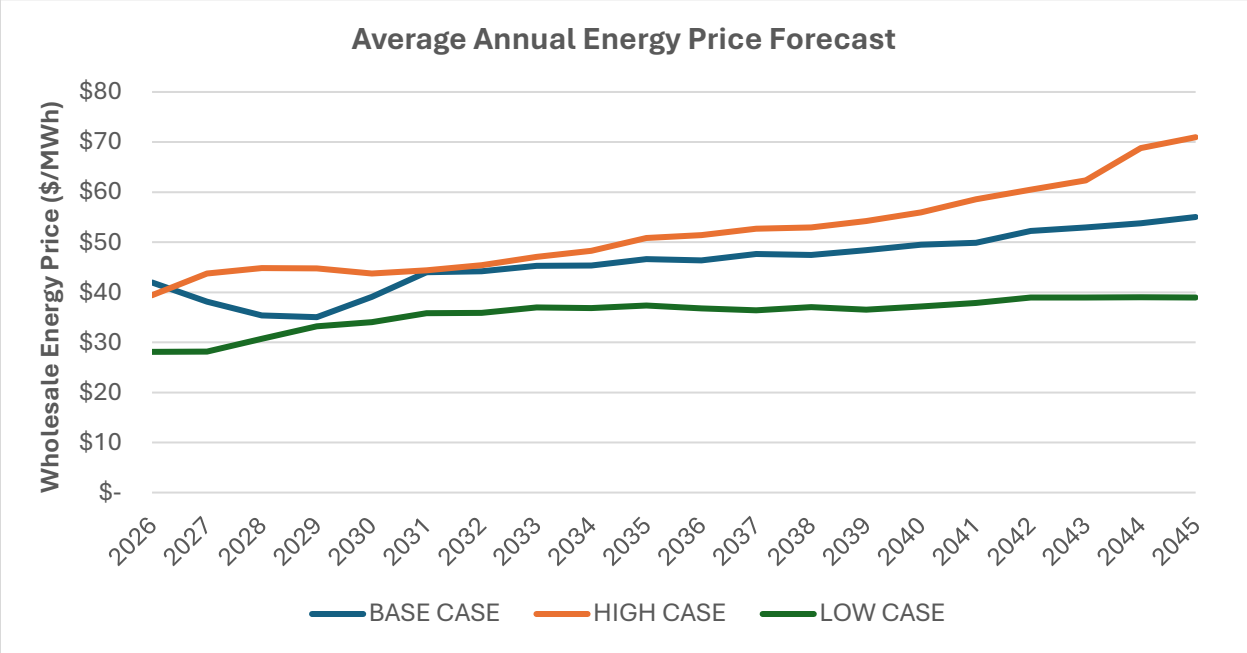
Year	Carbon Price ($/MWh)
2026	$83.29
2027	$86.63
2028	$90.12
2029	$93.66
2030	$97.42
2031	$101.17
2032	$106.71
2033	$110.79
2034	$113.94
2035	$117.91
2036	$121.16
2037	$124.45
2038	$128.60
2039	$131.99
2040	$136.26
2041	$139.75
2042	$144.15
2043	$148.61
2044	$155.05
2045	$159.67

Forecast Wholesale Market Energy Prices

The PUD does not use a capacity expansion model to generate its own price forecasts. Instead peer utilities and organizations with market price forecasts are used if they have the societal cost of carbon included. The final market price forecast is a blend of forecasts

from Puget Sound Energy, Avista Utilities, Seattle City Light, and the NWPCC. Using peer utilities gives a wider range of expectations with varying expected resource builds and hence price threads. A blended price thread is then expanded to create a high and low-price expectation. These market prices inform BPA Tier 2 prices and reflect expectations of fundamental energy prices.

Figure 4-9 Wholesale Market Price Forecast



5 Analytical Framework

This section of the 2025 IRP document discusses the quantitative analytical framework within the 2025 IRP. This framework includes input variables like load, resource option costs, resource output profiles and regulatory compliance attributes. The framework also includes discussion of the structure of the optimization model that uses IRP inputs to calculate the cost of the portfolio, with the goal of identifying the lowest reasonable cost portfolio for each scenario.

Scenarios, load forecasts, existing resource forecasts, and other key planning assumptions are described in Section 4 and provide additional insights on load forecast input variables. Section 6 discusses the outputs of the analytical framework: the resulting candidate case portfolios and the Long-Term Resource Strategy formed by consideration of those portfolios.

Optimization Framework

The goal of the 2025 IRP analysis, consistent with the statutory requirements in RCW 19.280.030, is to integrate into a long-range assessment the lowest reasonable cost mix of supply and demand side resources that meet current and future needs under a range of scenarios or futures. To perform this analysis, the PUD used an integrated portfolio approach, established parameters based on BPA billing and Washington State regulatory compliance requirements, selected resources from the demand and supply-side resource options, and developed candidate portfolios for each case scenario.

An in-house portfolio optimization model was developed to solve for the lowest reasonable cost portfolio, that satisfied regulatory compliance requirements and constraints, for each case scenario. This in-house model calculated millions of possible combinations of supply-side resources, conservation by cost bundle, BPA Tier 2 product options, demand response and rates programs, and unbundled RECs, and solved for the optimal combination of demand and supply-side resources, resulting in the lowest reasonable cost, identified as the net present value (NPV) of net portfolio costs for the scenario. **SECTION 6 PORTFOLIO RESULTS** provides additional detail on the new resource additions for each portfolio in the 2025 IRP analysis.

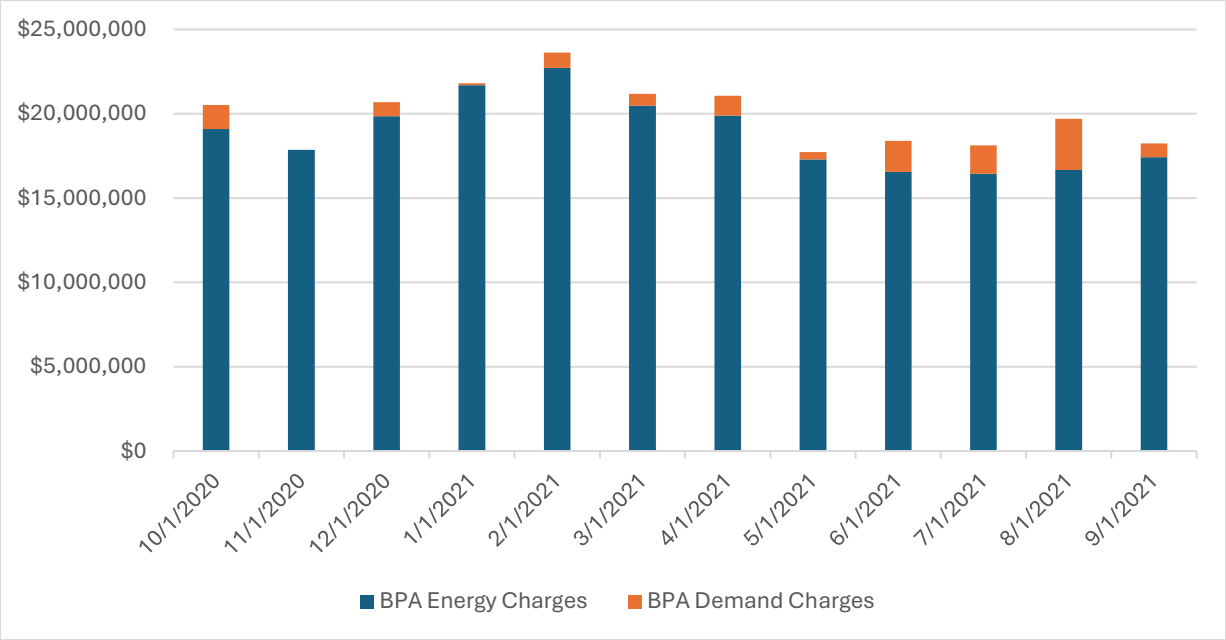
Solving Energy Needs

A significant effort in the integrated resource planning process is for the utility to assess how it can meet its customers' future needs with its existing energy resources, and when it will need to plan for new resource additions. Serving customer loads requires energy and capacity resources from a utility's power portfolio. In a power portfolio, energy resources provide power over extended periods of time, such as months or years. Examples include

solar, wind, hydropower, and geothermal resources. This contrasts with capacity resources which are best suited to provide power or load relief on a targeted, time-limited basis.

The PUD is a Load-Following customer of BPA and as such, it receives energy and capacity through that product. The Load-Following product provides the PUD with a block of energy that is priced based on a forecast of annual energy consumption and monthly actual consumption, as well as capacity that ramps up and down with load and is priced based on the monthly peak hour load of the PUD. Most of the cost of the PUD Load-Following bill is from energy charges, and the balance is from capacity charges (called "Demand Charges" by BPA). As an example, the following is a monthly and annual breakdown of what PUD Load-Following charges would have been in FY2021 based on actual BPA rates and actual PUD loads.

Figure 5-1 FY2021 BPA Load-Following Bill Categorization Example



Under the BPA Load-Following product contract, BPA is obligated to serve up to 100% of the PUD's total retail load through tiered rate structures. Tier 1 energy is priced at the cost to produce energy from the federal system and is considered low-cost energy due to its average price. For example, the forecast average BPA Power cost in the PUD's 2026 budget is $37.40/MWh compared to the EIA's Northwest wholesale power price forecast for 2025 of $55/MWh[12]. Utilities can access Tier 1 energy up to a contractual ceiling called a High-Water-

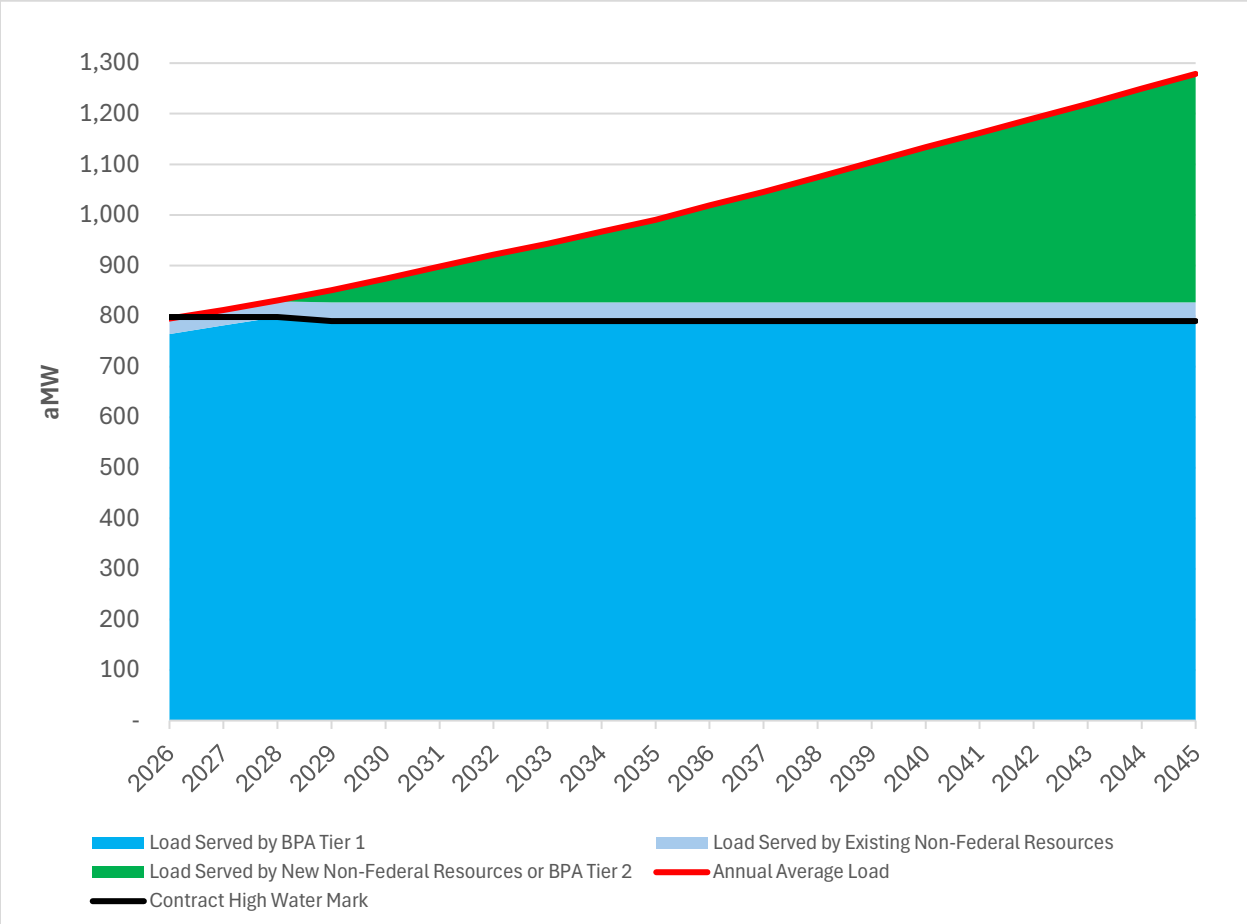
[12] Energy Information Administration. January 27, 2025. Forecast wholesale power prices and retail electricity prices rise modestly in 2025. https://www.eia.gov/todayinenergy/detail.php?id=64384#:~:text=We%20forecast%20that%20the%2011%20wholesale%20prices%20we,2025%20%28weighted%20by%20demand%29%2C%20up%207%25%20from%202024.

Mark. Load that exceeds the contractual ceiling is referred to as Above-High-Water-Mark (AHWM) load. AHWM load can be served by BPA Tier 2 energy, or through resources the utility acquires, referred to by BPA as “non-federal resources”.

Starting in 2029, the PUD is forecast to have a total retail load higher than its Tier 1 energy allotment (AHWM load). The figure below shows the PUD’s Above-Contract-High-Watermark load in the Base Case scenario. AHWM loads start at 7 aMW in 2029, increases to 96 aMW by 2035, and are forecast to reach 316 aMW by 2045. A fundamental question of the 2025 IRP is what resource options to serve this AHWM load result in the lowest costs for PUD customers. The answer must consider the cost of the resources as well as how the resources do or do not contribute to overlapping regulatory compliance needs. The Portfolio Optimization tool assesses all available resources and optimizes the portfolio for all needs simultaneously.

Figure 5-2 below shows an example of BPA’s Contract High Water Mark when applied the PUD’s load forecast for the Base Case scenario. The red line represents the annual average load forecast. The black line represents the Contract High Water Mark, where any shaded area above that black line and up to the red line must be served with energy that is not BPA Tier 1 energy. This energy would be from existing or future demand-side or supply-side resources, or from BPA Tier 2.

Figure 5-2 Contract High-Water-Mark and Forecast Load

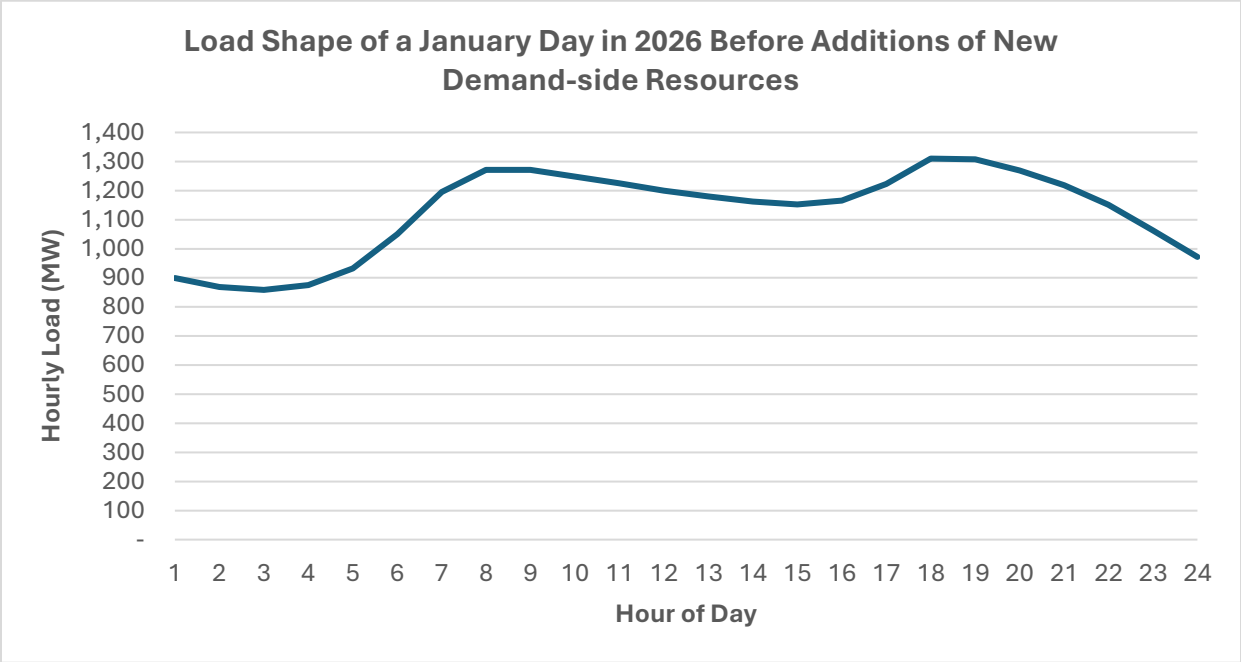


BPA Tier 2 energy is offered in two main product forms in the Post-2028 BPA Power contract: Short-term Tier 2 and Long-term Tier 2. The characteristics of Tier 2 products are described in **SECTION 5 BPA TIER 2.** Non-federal resources are demand-side or supply-side resources procured by the PUD for purposes of reducing load, serving load, and/or meeting regulatory compliance obligations. Any Above-Contract-High-Watermark load servicing needs not displaced by new non-federal resources would be served by BPA Tier 2.

Solving Capacity Costs

Under the BPA Load-Following product, the PUD has access to BPA capacity to serve load variations that occur on an hourly basis. The typical load profile of the PUD's total retail load varies across the day based on the consumption of PUD retail customers. This load profile, illustrated in the figure below, is typically characterized by a morning peak and an evening peak with a base level of energy consumption throughout the day and overnight. The Load-Following product ramps up and down to meet local demand.

Figure 5-3 Hourly Load Shape Jan 2026



Capacity pricing under the Load-Following product is based on the highest hourly load for a given month, and the rate design (or billing equation) is different in FY2026-2028 period from the FY2029-FY2045 period. This is due to the differing rate designs in the BPA Regional Dialogue contract which expires in FY2028, and the new BPA POC contract which starts in FY2029. In the Regional Dialogue contract capacity pricing (called the Demand Charge) is given by the following equation:

Figure 5-4 RD Demand Charge Calculation

$$Monthly\ Demand\ Charge = Monthly\ Capacity\ Price * (Peak\ Hour\ Load - HLH\ Load\ in\ aMW - Contract\ Demand\ Quantity)$$

In this billing design, capacity is separated from energy billing by subtracting HLH load (which stands for Heavy Load Hour energy and is load that occurs from 6am-10pm Monday through Saturday), and the number is reduced further by a Contract Demand Quantity which is a volume of capacity for which there is no charge.

This rate design differs from the POC capacity billing which is given by the following equation:

Figure 5-5 POC Demand Charge Calculation

$$Monthly\ Demand\ Charge = Monthly\ Capacity\ Price * (Peak\ Hour\ Load - Average\ Load\ in\ aMW - RICc\ capacity\ credit)$$

The optimization model evaluates the expected load profile of the PUD given investments in resources that can reduce or reshape that load profile and feeds the load profile through the appropriate billing design for all months and years of the study period to calculate the Demand Charge. Investments that reduce demand, update forecasted BPA bills in the model, but the cost to acquire them is also factored in.

The PUD's monthly peak loads are served at a financial rate determined and defined every BPA rate period. A monthly peak load is defined by the maximum hourly load value in MW for any given month. This part of the BPA bill is called the Demand Charge.

Figure 5-6 Monthly Base Case Net System Peak below shows the median monthly peak load values before new cost-effective energy efficiency and demand response measures for the Base Case scenario in 5-year incremental snapshots from 2026 through 2045. The PUD is now and is expected to remain to have it annual peak in the winter months throughout the study period. However, the monthly summer peaks do grow at a faster rate relative to their starting point in 2026 than the winter peak growth rate.

Figure 5-6 Monthly Base Case Net System Peak

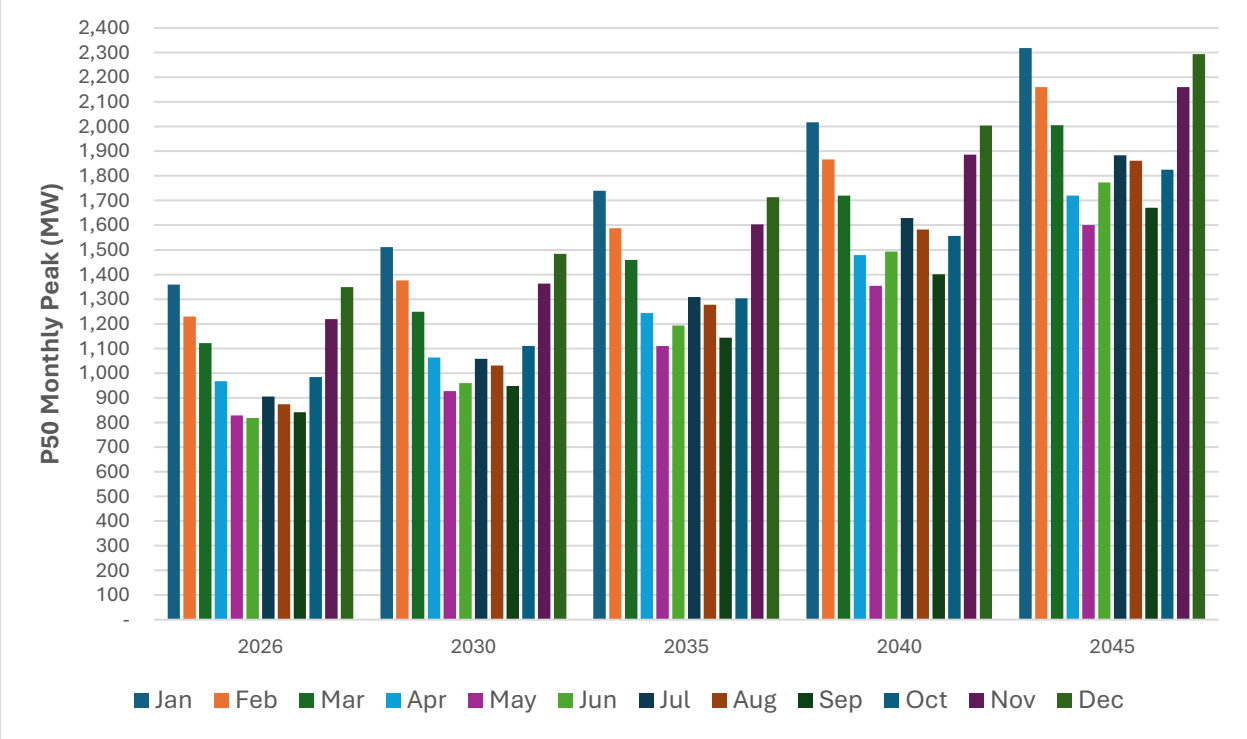
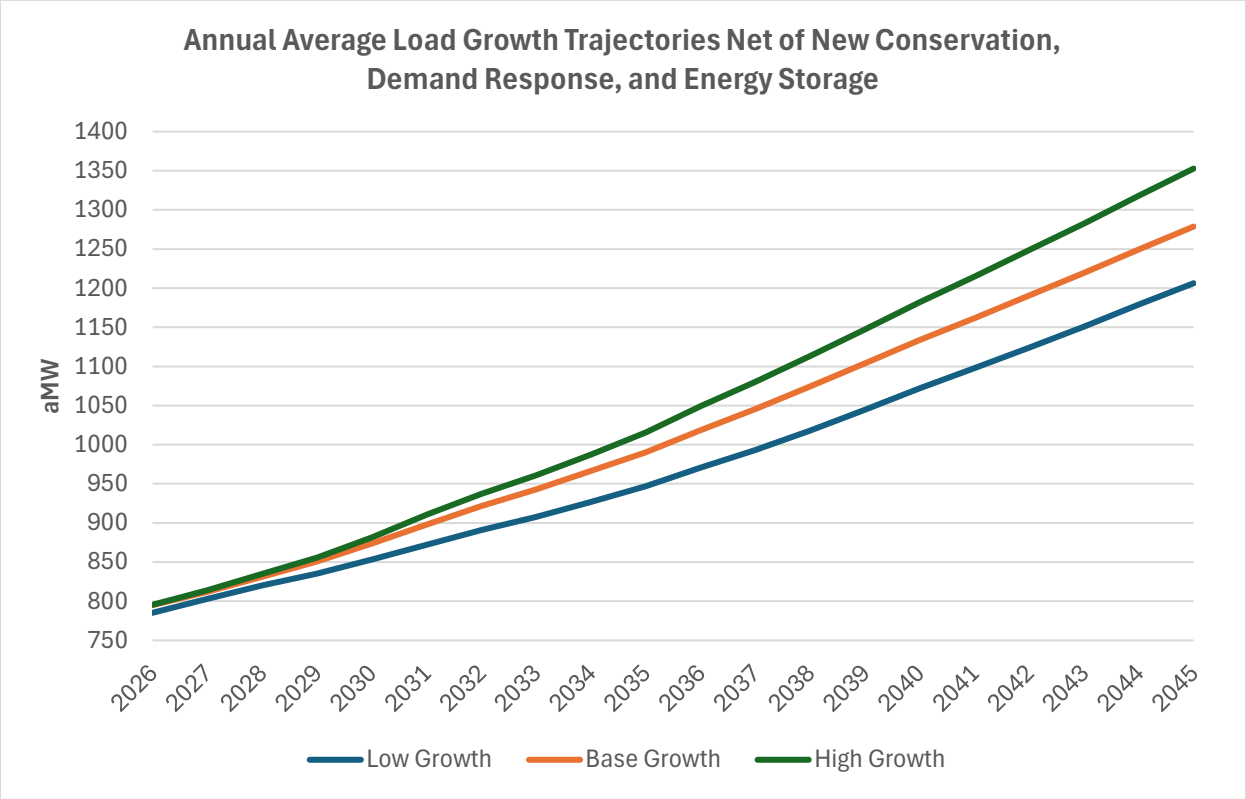


Figure 5-7 below shows the three unique annual peak load growth trajectories at the fiftieth percentile (P50) before new demand-side or supply-side resource additions. Each scenario or sensitivity utilizes one of these three load growth trajectories. Generally, the PUD forecasts annual peak load growth to outpace annual average load growth by approximately two times.

Figure 5-7 Annual Net System Peak Load Growth



The BPA monthly Demand Charge can be reduced by reducing the monthly peak load. The optimization process considers the cost and monthly peak reduction capabilities of demand-side and supply-side resources and compares those costs and capabilities against the price of BPA's established demand charge rate. If a resource can reduce the demand charge at a cost that is lower than what BPA would otherwise charge to serve that peak, then that resource could be considered cost-effective in that it drives down total portfolio costs.

Solving Energy Independence Act Compliance

The EIA, passed by Washington voters in 2006 as Initiative 937, requires electric utilities with more than 25,000 customers to pursue all cost-effective conservation and meet RPS targets. Utilities can comply with the RPS targets using any of the following three compliance methodologies.

- Target Methodology: Serve 15% of total retail load with eligible renewables and/or eligible RECs
- No Load Growth Methodology: Demonstrate no average annual retail load growth
- Cost Cap Methodology: Spend at least 4% of annual retail revenue requirement on eligible renewables or eligible RECs

The PUD is forecasting load growth in all scenarios, and analysis has shown that the cost cap methodology is more expensive than the target methodology. Thus, the target methodology is the most likely methodology for the PUD to comply with the EIA.

On July 27 of 2025, Washington Governor Bob Ferguson signed into law Senate Bill 5445 which creates a new compliance incentive under Washington's Energy Independence Act by enhancing the renewable energy credit utilities receive for certain distributed energy project generation. Previously, qualifying distributed generation could be counted at twice its actual electrical output toward RPS targets. The new law expands this by allowing "distributed energy priority" (DEP) generation projects such as solar on capped landfills, agrivoltaics, or non-utility-scale wind to count at four times their actual output, but only if they commence operation before December 31 of 2029, and are located on qualifying sites within the utility's service territory. This 4X multiplier provides significant compliance value. Energy storage and demand response were also given REC-equivalent value based on their nameplate capabilities, peak system load and total retail load as described below.

For purposes of meeting EIA RPS targets, the IRP recognizes the ability to buy large quantities unbundled RECs annually. However, to avoid overreliance on uncertain markets for these RECs, the IRP an annual ceiling on REC purchases as a model constraint to limit exposure to this compliance risk. For most scenarios and sensitivities including and Base Case, this ceiling is 750,000 RECs/year. The Shallow REC Market sensitivity intentionally halves this amount to test the Base Case portfolio resilience against an environment where unbundled RECs are sparse in the market.

The figures below show the PUD's forecast EIA compliance position given its current resource portfolio and REC market ceiling, before any new resources or new unbundled REC purchases for the Base Case scenario and Shallow REC Market sensitivity.

Figure 5-8 EIA Portfolio Needs Before Resources or REC Purchases

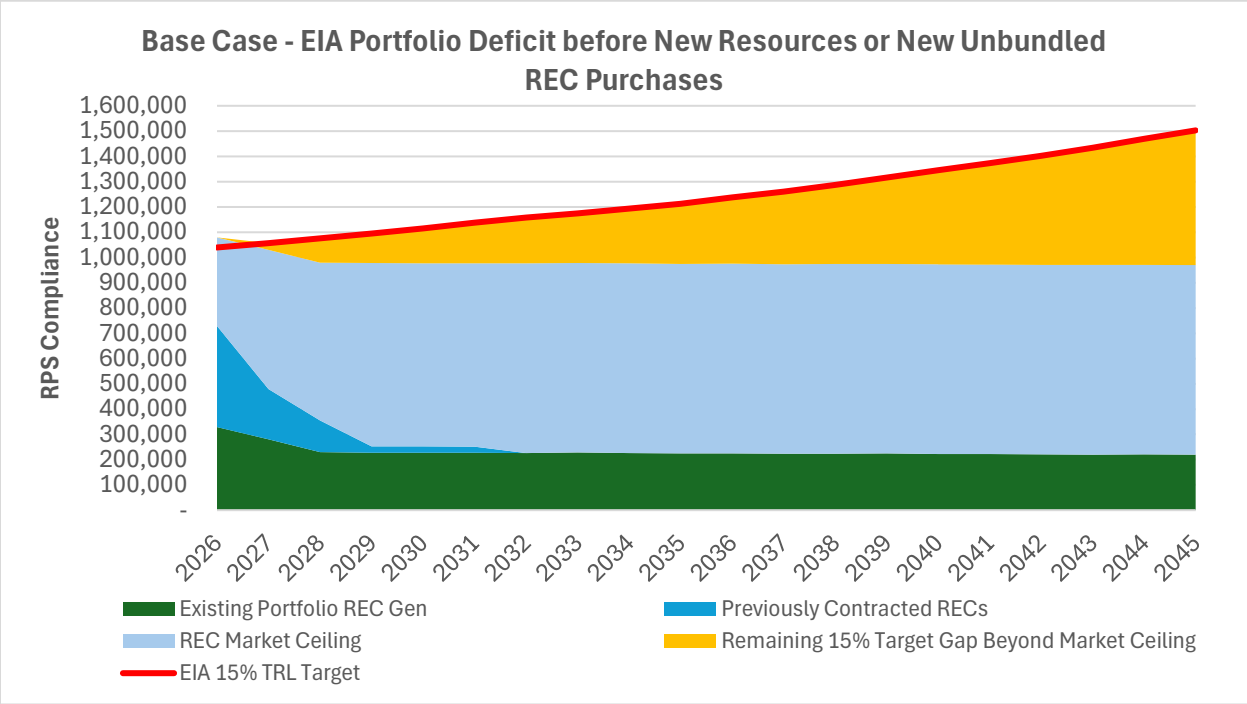
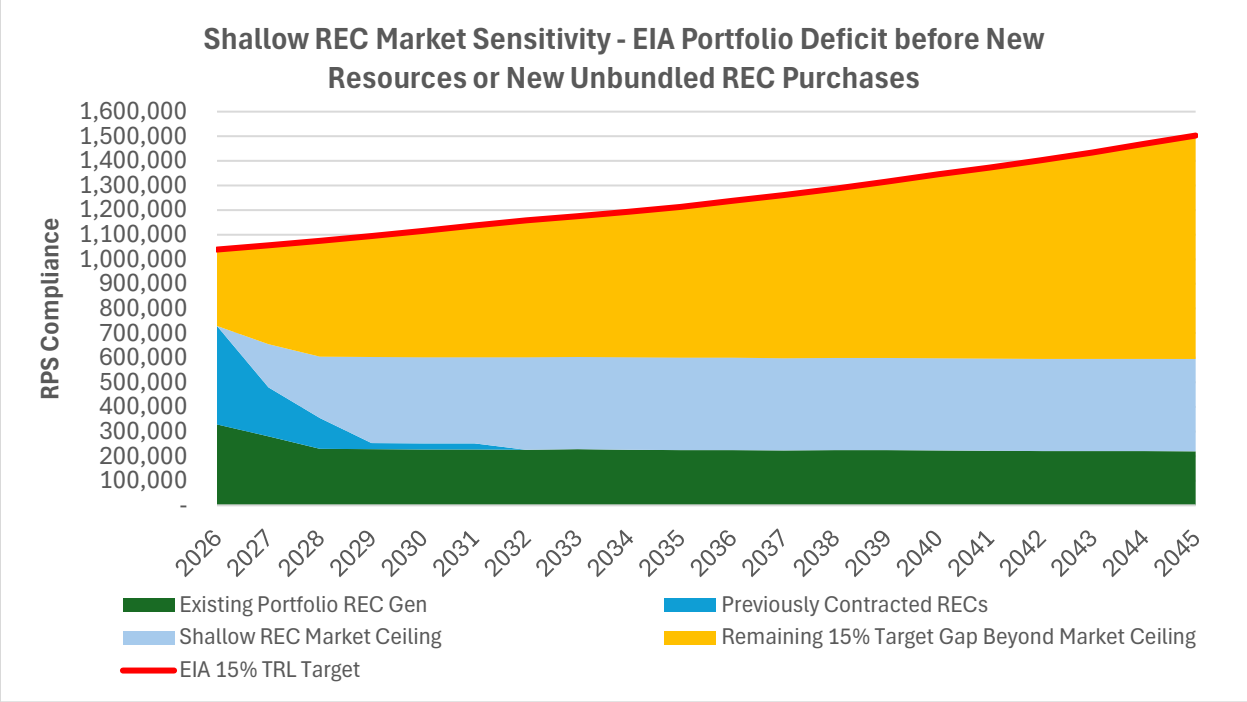


Figure 5-9 EIA Portfolio Needs Before Resources Shallow REC Market



To solve the RPS requirements above the market depth as shown in the figures above, new resources much be added to the portfolio to avoid non-compliance penalties. These resources have historically been energy efficiency (which lowers load and the RPS target volume of RECs) and eligible renewables such as wind and solar (which produce RECs). However, the newly passed SB 5445 allows demand response and certain types of energy storage to contribute toward EIA RPS targets, as well as enhancing certain types of newly constructed generation if in service before calendar year 2030.

All new resources for selection in the optimization process generate EIA compliance attributes in accordance with statute. The EIA allows eligible renewable projects under 5 MW nameplate capacity to be eligible for a 2X multiplier toward compliance, with new solar under 5 MW to be eligible for a 4X multiplier if placed in service before 2030. Battery energy storage and demand response contribute toward compliance via the following math equation.

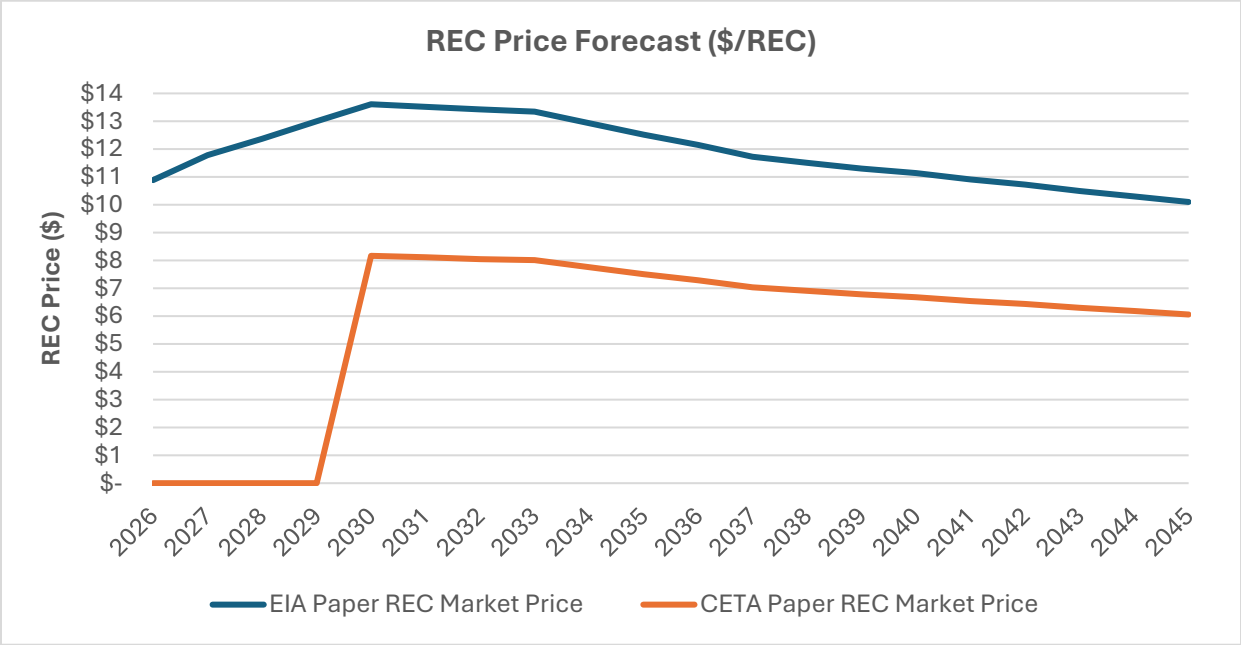
$$\frac{Peak\ Reduction\ Contribution\ of\ Resource\ (MW)}{Utility\ System\ Peak\ (MW)} \times Total\ Retail\ Load\ of\ Utility\ (MWh)$$

Where nameplate is the nameplate capacity of the resource in units of MW, peak is the adjusted annual system peak in units of MW, and TSL is the total annual system load in units of MWh. As an example, a 25 MW, 100 MWh battery energy storage facility would generate approximately 125,000 RECs per year given a 25MW peak reduction, 1,400MW system peak, and 7,000,000 MWh load. These peak and load values are roughly equivalent to the PUD today.

To solve for compliance needs the IRP uses unbundled RECs at a forecast market price with a ceiling to the volume available to be purchased from the secondary market. The optimization process solves for compliance needs by avoiding alternate or non-compliance penalties as required by the statutes.

The figure below shows the price stream for the Base Case scenario. This price stream was established using a Monte Carlo model developed in-house by the PUD and is based on a composite of market observations and market forecasts.

Figure 5-10 Base REC Price Forecast ($/REC)



Solving Clean Energy Transformation Act Compliance

The Clean Energy Transformation Act, or CETA, is a clean energy law enacted in 2019. It requires electric utilities in Washington State to:

- Eliminate retail electricity sales sourced from coal-fired facilities from their portfolios by 2025
- Ensure retail electricity sales are 100% greenhouse neutral and achieve 80% annual carbon-free retail electricity sales by 2030
- Achieve 100% annual carbon-free retail electricity sales by 2045

The PUD does not have coal in its portfolio and does not source from any coal-fired facilities. As a BPA Load-Following customer, the PUD will not directly transact in the wholesale energy market for balancing purchases. Instead, BPA will make balancing purchases on behalf of all customers it serves to augment its portfolio of resources. These BPA wholesale market purchases are the only source of non-renewable energy in BPA's portfolio. The PUD will receive RECs for BPA purchased power as part of the Post-2028 contract. The only portion of BPA Power not expected to come with RECs is the small share of power associated with BPA's wholesale market balancing purchases.

Figure 5-11 and Figure 5-12 below show the PUD's forecast CETA compliance position for the Base Case and Shallow REC sensitivities before any new resources, demand-side or supply-

side, are added. Due to the overall nature of the PUD's current portfolio, the 80% clean energy target is annually met without needing to add any new clean energy resources until 2039. If the shallow REC market sensitivity is applied, then the need for new physical resources is accelerated to meet the clean energy target due to the sensitivity's restriction on unbundled REC purchases.

Figure 5-11 CETA Base Case Portfolio Position Before Resources or REC Purchases

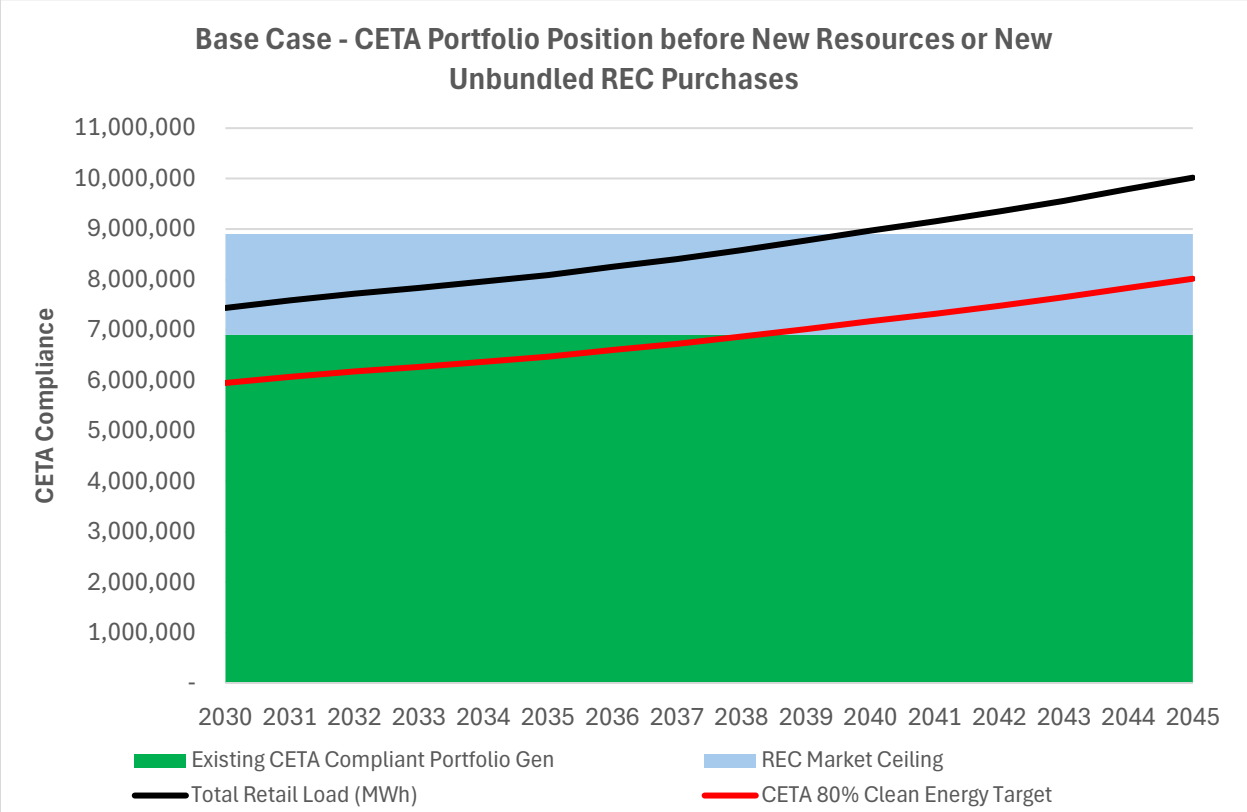
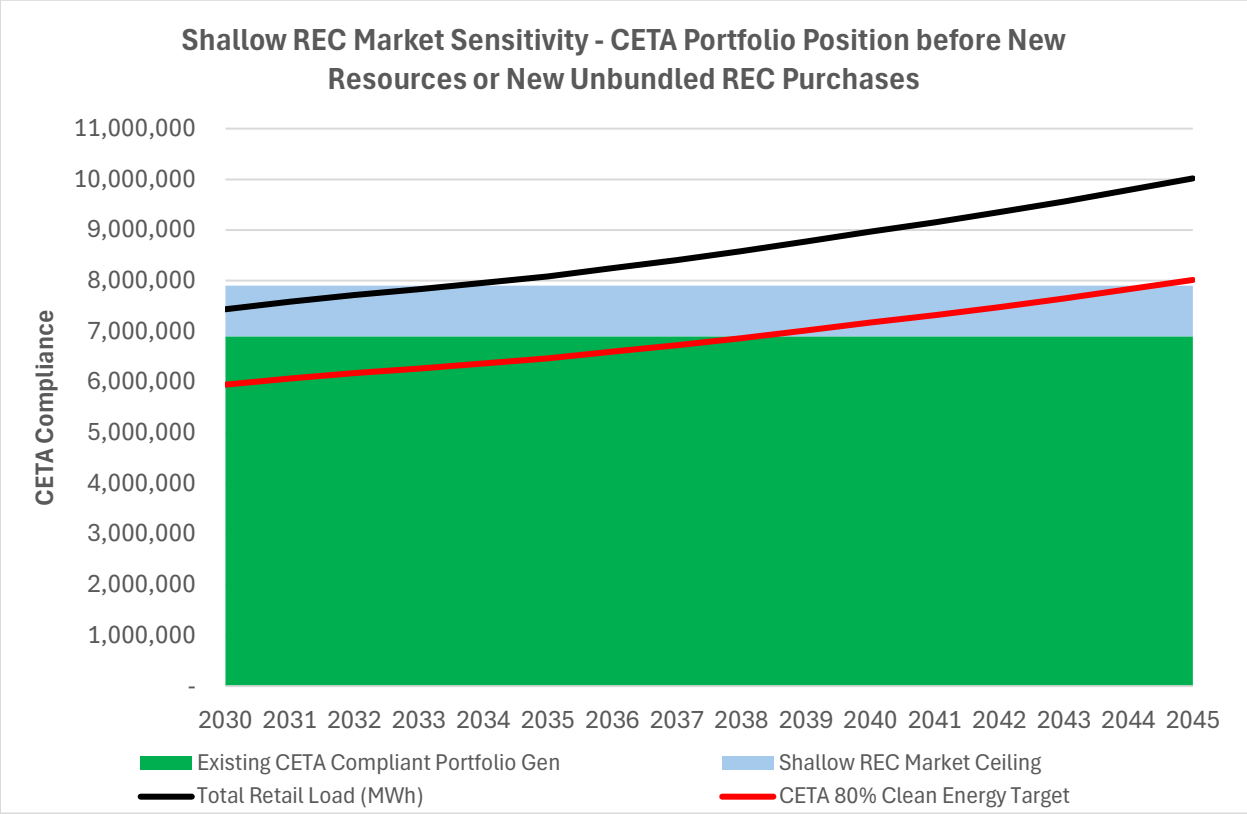


Figure 5-12 CETA Shallow REC Market Portfolio Position Before Resources or REC Purchases



Much like the EIA, CETA has a non-compliance penalty price that the optimization process avoids by adding a mix of new resources which result in the lowest portfolio cost NPV. The clean energy gaps as seen in the figures above is solved by incrementally adding new non-emitting resources, new energy efficiency, and/or purchasing new unbundled RECs.

Optimization Framework Summary

The optimizer considers the combination of regulatory compliance attributes, load serving attributes, load reduction attributes, cost-saving potential and cost of each potential new resource and weighs that combination against non-compliance penalties plus incremental BPA Tier 2 load serving costs to create a mix of resources which best meet regulatory compliance requirements and load serving needs at lowest portfolio cost NPV.

Resource Options

It is important to understand the differences among resource options available to serve future load growth and regulatory compliance needs while providing reliable, lowest reasonable cost electric service to the PUD's customers under a variety of futures. The 2025 IRP evaluated the relative costs and benefits of different types, sizes and time constraints of commercially available resources. Supply side and demand side resources were evaluated using the same measurements: their potential contributions to peak demand reduction, average energy, their potential in satisfying annual renewable compliance requirements and their cost. In this way, the PUD was able to use an integrated portfolio approach for each scenario, creating candidate portfolios that combined the best mix of demand and supply side resources to meet future need, based on least cost criterion.

Demand Side Resource Options

Demand-side resources are customer-based energy solutions that help manage energy and peak demand needs efficiently with investments in customer programs. Instead of increasing supply through new generation or infrastructure, demand side options reduce or shift energy use through programs like energy efficiency, demand response, and distributed energy technologies. By integrating demand side resources into the IRP as resource options, the PUD can lower costs, enhance grid reliability, and support sustainability goals while investing and partnering with our customers.

Conservation Potential Assessment

The PUD contracted for a utility-specific analysis with Lighthouse Energy Consulting, who conducted a 2025 Conservation Potential Assessment (CPA) study. The CPA identified all achievable technical conservation within the PUD's service territory over the 20-year study period.[13] The CPA was informed by: the PUD's past conservation achievements; Northwest Power and Conservation Council's 2021 Power Plan, customer characteristics supplied by the PUD, and program updates based on the Regional Technical Forum. The CPA informs the amount, type, and availability of conservation measures, their associated savings, and costs.

The CPA assessed each achievable technical conservation measure and sorted the measures into sixteen different bundles by levelized cost per bundle. The two types are annual measures and winter measures, where annual measures reduce load on more of an annual basis, and winter measures generally reduce load in just the winter months of November through February. The sixteen bundles are split 8 for winter and 8 for annual

[13] A full description of the conservation resources available to the PUD can be found in the PUD's 2025 CPA Report.

conservation programs. These bundles were then used to determine the amount of conservation that is cost-effective, alongside supply side resource options, using an integrated portfolio approach for each scenario.[14] Figure 5-13 shows the relationship between technical, achievable and economic potential.

Figure 5-13 Types of Energy Efficiency Potential

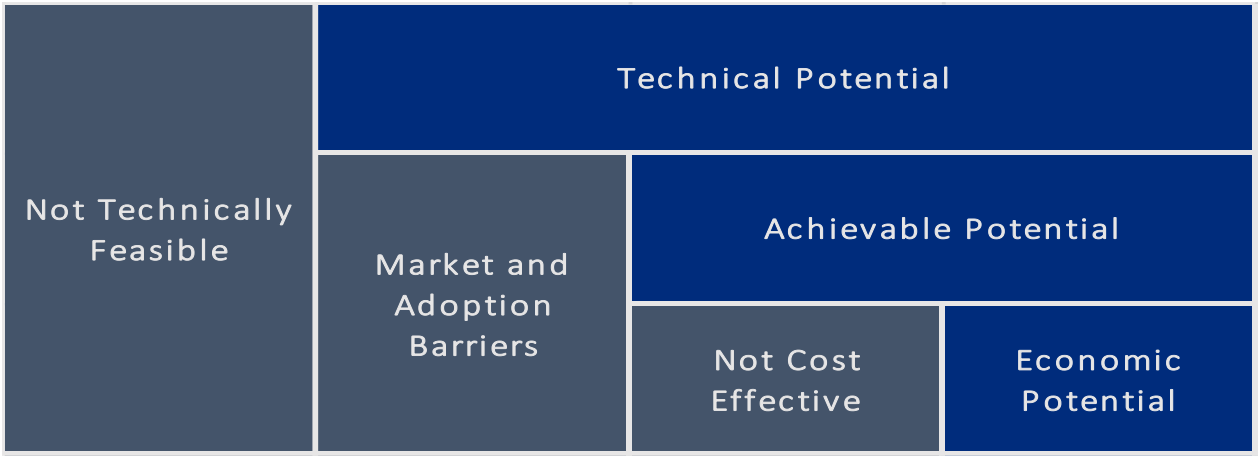


Figure 5-14 and Figure 5-15 illustrate the 2025 CPA's conservation supply curve, separated by bundle. This supply curve facilitates comparison of demand-side resources to supply-side resources. Each section in the chart below represents the amount of achievable technical conservation potential (annual or winter as measured during December On-Peak Hours based on end use profiles) and a demand side resource option available for selection in the 2025 IRP analysis.

[14] The integrated portfolio analysis was performed in the development of the portfolios via the optimization process.

Figure 5-14 Cumulative Annual Achievable Technical Potential Supply Curve 2026-2045

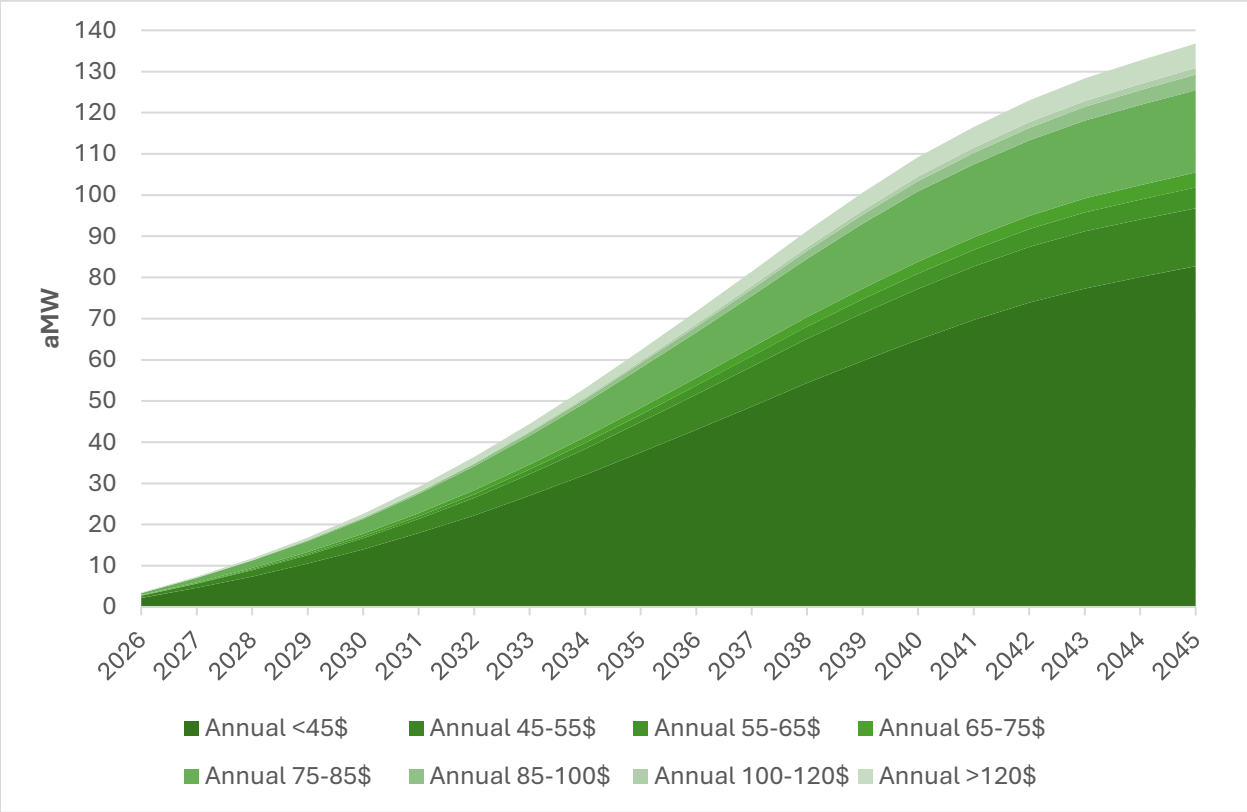
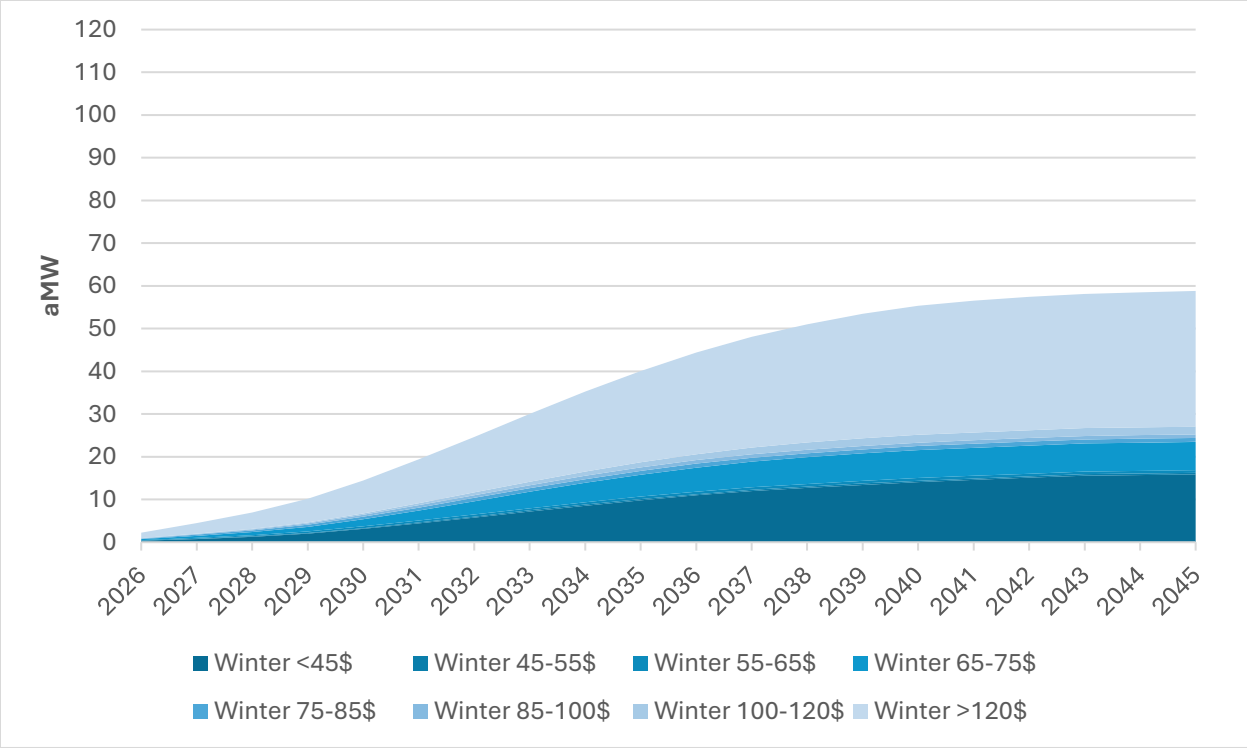


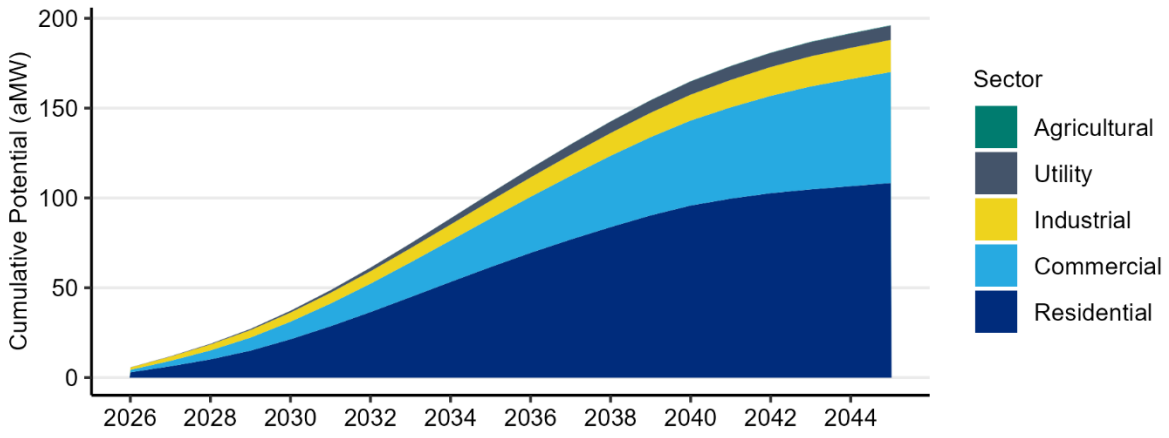
Figure 5-15 Cumulative Winter Achievable Technical Potential Supply Curve 2026-2045



Bundle 1 represents the conservation measures identified at a levelized cost of $45/MWh or less that have a total of achievable technical potential of 82 aMW in annual energy savings over 20 years, and 15 aMW of winter benefit over 20 years. The stacked bars in Figure 5-16 below show total cumulative conservation grouped by levelized cost in $/MWh. The total technical achievable conservation is 137aMW of annual savings and 59aMW of winter savings for a total of 196aMW cumulative conservation. This represents the maximum amount of total achievable technical conservation savings that could be achieved over 20 years (through 2045).

The residential sector accounts for approximately 55% and the commercial and industrial sectors account for 31% and 9% of achievable technical conservation potential, respectively. The balance of potential is in agricultural and distribution efficiency measures. Over 20 years the PUD's total potential peak reduction from technical achievable conservation could be up to 359.8 MW. The 2-year total potential peak demand savings for total technical achievable conservation is 22.1MW. Figure 5-16 shows cumulative total achievable technical potential in aMW distributed by sector.

Figure 5-16 20 Year Achievable Technical Potential by Sector



Demand Response

Demand Response programs entail coordination with customers to alter their energy consumption patterns to help the PUD defer or shift customer demand in a time with peak load pressure to a time with less peak load pressure. An example of this type of program is described in the NWPCC's 2021 Power Plan as Time of Use (TOU) rates where energy rates vary throughout the day between peak times and off-peak times to shift demand out of peak

hours. Demand Response is increasingly viewed as a significant resource in the region to temporarily assist with meeting peaking and system flexibility and reliability needs.

Demand Response Potential Assessment

As part of the 2025 IRP effort, the PUD contracted with Lighthouse Energy for a 20-year demand response potential assessment (DRPA) to identify demand response potential by product and levelized cost to inform the potential demand response programs in the resource options. The IRP economic optimization process takes the program costs and peak demand impacts to determine the cost-effective potential. The DRPA generally followed the methodology used by the NWPCC in the 2021 Power Plan and included many of the same demand response (DR) products, plus several additional products the PUD is considering. The DR products included in this DRPA are applicable to the commercial, industrial, and residential sectors, impact both the summer and winter seasons, and utilize a range of strategies, including direct load control, customer-initiated demand curtailment, and time-varying prices to effect reductions in peak demand.

Like a conservation potential assessment, the DR potential calculation process began with the quantification of technical potential, which is the maximum amount of DR possible without regard to cost or market barriers. The assessment then considered market barriers, program participation rates, and other factors to quantify the achievable potential. As with the conservation potential assessment, the achievable potential assessment did not include an economic screen to determine cost-effectiveness. Instead, the results of this assessment were provided as inputs to the 2025 IRP process, which determines the level of cost-effective DR resources through economic optimization across a variety of demand and supply-side resources using the integrated portfolio approach. Figure 5-17 provides an overview of the types of programs, their sector association, and their broad program categorization.

Figure 5-17 Demand Response Programs Across Sectors

	Commercial	Industrial	Residential
Direct Load Control	Space Heating Switch Smart Thermostat		EV Charging Water Heater Controls Space Heating Switch Smart Thermostat Behind the Meter Batteries
Demand Curtailment		Demand Curtailment	
Time-Varying Prices	Time of Use Rates Critical Peak Pricing	Time of Use Rates Critical Peak Pricing	Time of Use Rates Critical Peak Pricing

The DRPA found the majority of technical potential originates from the residential sector, in alignment with prior DRPA studies. The estimated total achievable winter peak hour demand response is 110MW with 93MW of that supplied from the residential sector. Peak loads are highly correlated with residential load during the winter months when the PUD typically has the highest peaks, while commercial loads tend to peak during the summer month and industrial loads are generally flat. Commercial and industrial loads have less capacity to reduce or shift loads and participation is limited in demand response programs leading to lower potential in the winter. Total summer potential is 126MW with 95MW of the total provided by the residential sector. New to this DRPA is the utility sector demand voltage reduction enabled by communications infrastructure deployed with the SNOSmart Grant.

Figure 5-18 Winter DR by Sector

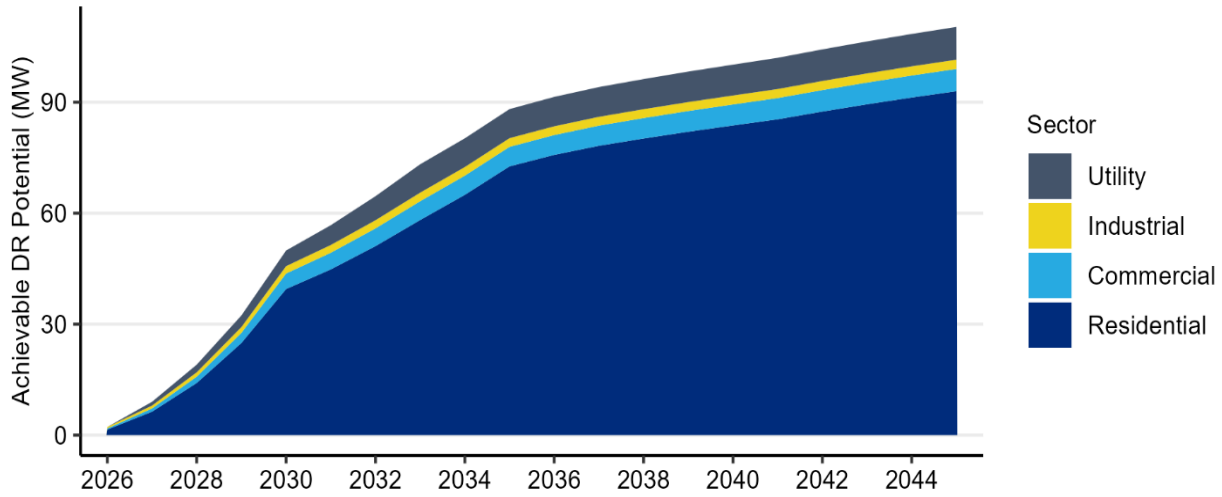
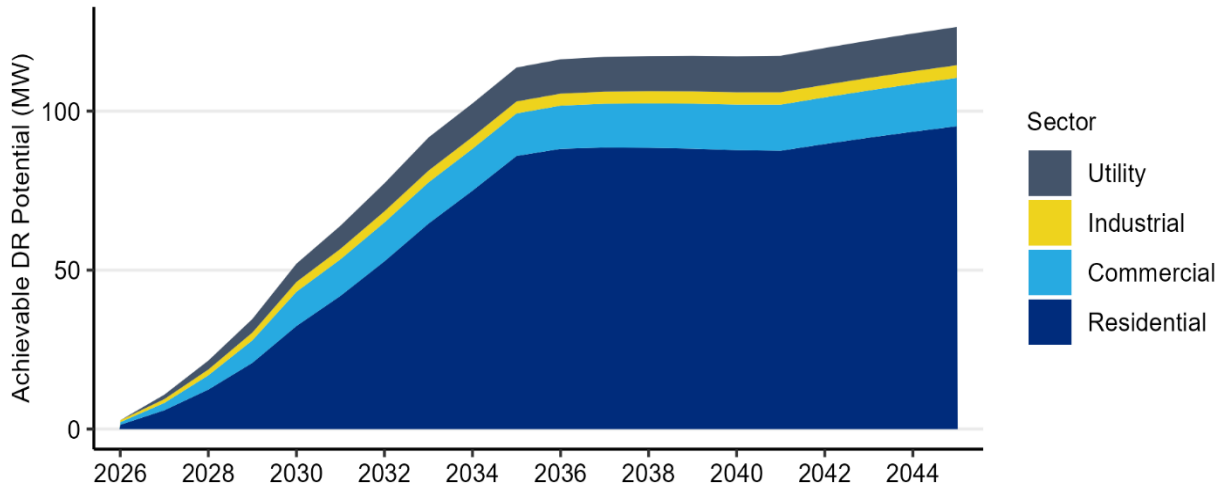


Figure 5-19 Summer DR by Sector



The potential is spread evenly across the categories of space heating, water heating, EV charging, and the all end use. The all end use includes pricing products, curtailment strategies, and DVR, whose impacts are not specific to a single end use. The growth rates for each end use reflect different rates of eligibility for different types of equipment. The growth in potential from EV charging is driven by the forecasted adoption of electric vehicles. The DR potential in water heating is impacted by the adoption of heat pump water heaters, which provide energy savings throughout the year but less callable load reductions for demand

response. Growth in the all end use is based on the rollout of curtailment programs as well as the planned implementation of AMI and price-based programs.

Figure 5-20 Winter DR by End Use

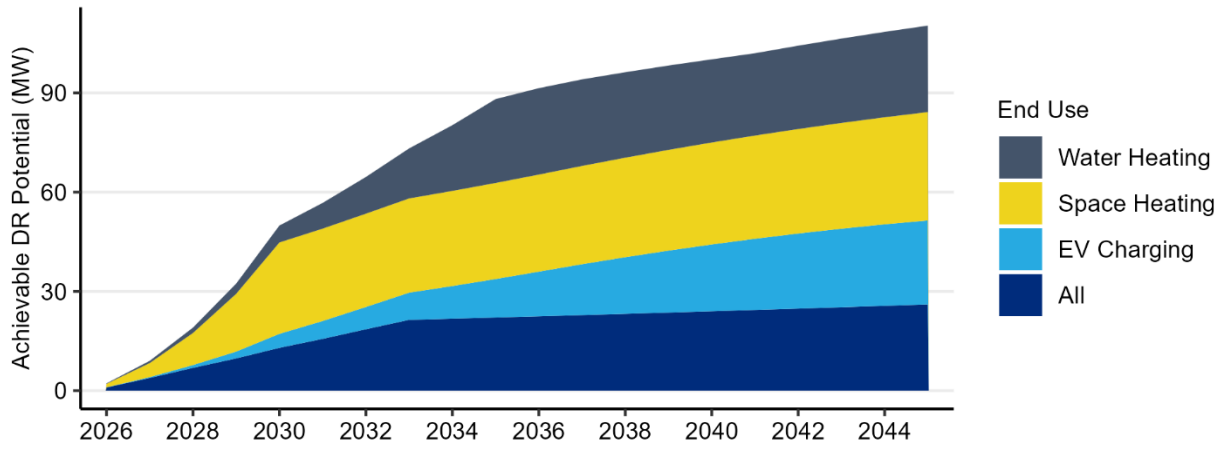
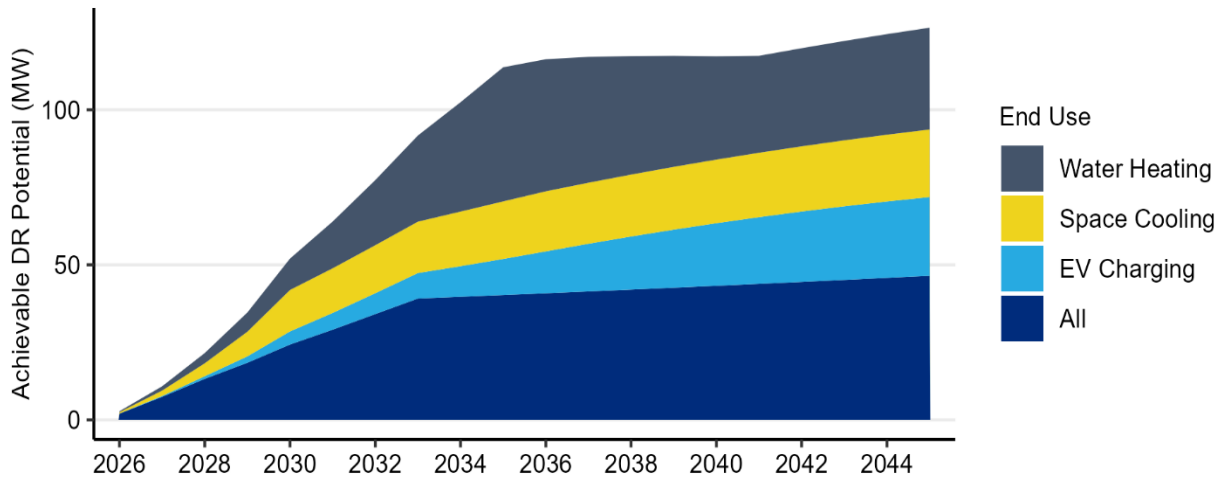


Figure 5-21 Summer DR by End Use



The costs associated with the studied demand response programs are detailed in the demand response supply curves. These supply curves show the quantity at different cost thresholds and are shown below for winter and summer programs. The dark area represents the incremental addition while the light blue area shows the cumulative potential from previous products.

Figure 5-22: Winter DR Supply Curve (MW and $/kW-year)

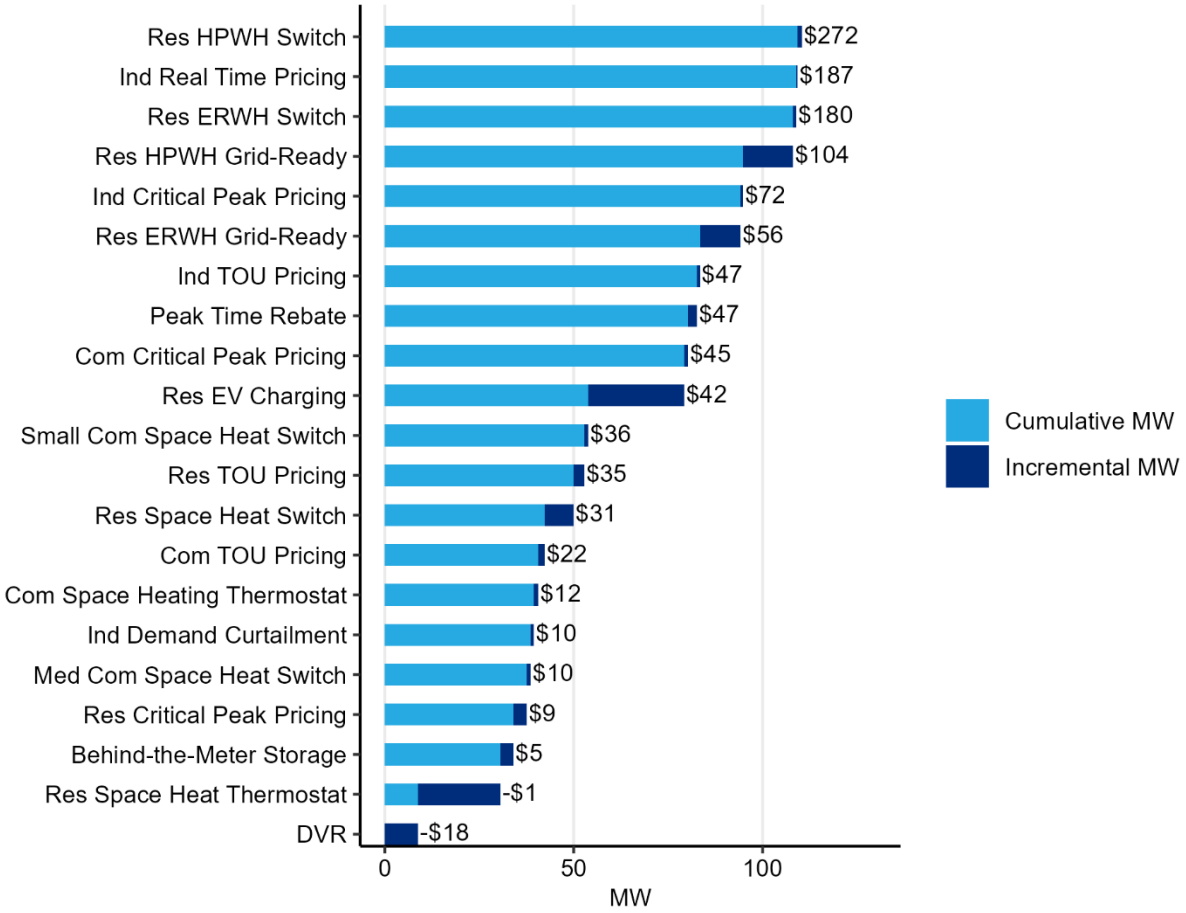
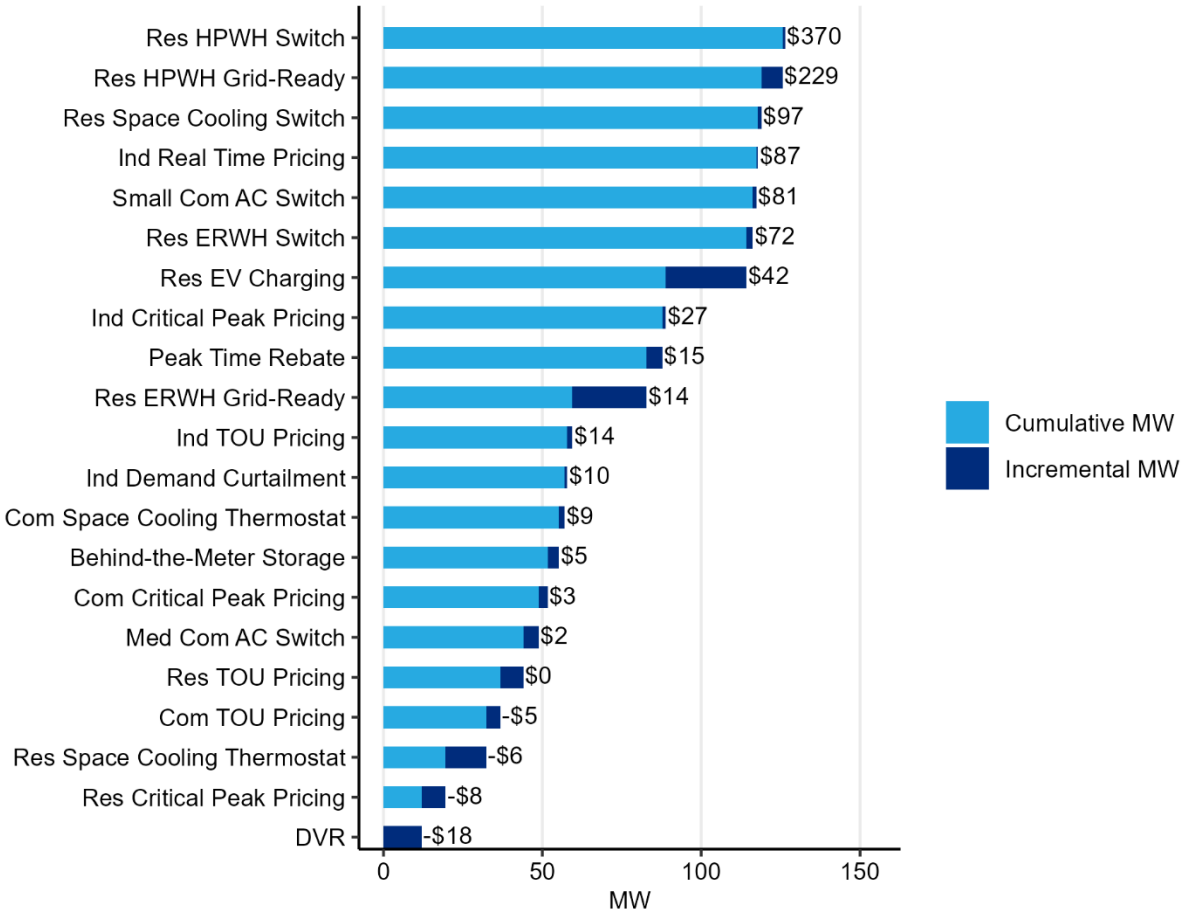


Figure 5-23 Summer DR Supply Curve (MW and $/kW-year)



One unique attribute of some demand response programs is that they are call-limited, meaning they cannot be freely called upon. Rather, the programs have a set number of calls that can be made upon participating customers. Due to this limit, the contributions of demand response programs are likely limited based on the PUD's ability to predict peak demand hours. The demand construct for the Load-Following product depends on the monthly peak hour demand and to the extent demand response is time or call limited its effect is discounted. Utility controlled products such as demand voltage reduction (DVR) and passive rate constructs are better positioned to meet the monthly peak hour demand. New to this IRP is WA State Bill 5445 which grants environmental policy compliance attributes based on the demand response program's ability to meet the annual system peak multiplied by the annual system load. Operational control and dispatch considerations are not considered in the IRP, only the capabilities and characteristics were included in the study.

Solar Potential Assessment

Consistent feedback from PUD customers through the public process during this IRP and prior IRPs is a desire to include more rooftop solar incentives and options in the potential supply options. In 2023 the PUD included a one-time incentive to increase solar adoption rates and advance rooftop solar development in the early part of the study. This was found to be not cost-effective however staff determined a more rigorous study should be performed. The Solar Potential Assessment (SPA) study was performed for the PUD by Nauvoo Solutions in parallel with the CPA and DRPA studies and represents a new method of examining rooftop solar potential. By studying rooftop solar as a resource instead of as a load modifier the SPA gave new insights into sectors and values that were incomplete prior to performing the study.

The SPA used several sources for data which include the National Renewable Energy Laboratory (NREL) for solar irradiance (pvwatts), payback curves (Distributed Market Generation Demand Model, dGEN), expected growth rates (ATB) and rooftop square footage data (dGEN). Rooftop solar capital costs are from Lawrence Berkley National Lab and the PUD provided existing rooftop solar penetration, rate structures and average system size. The SPA examined three incentive levels across three sectors to determine if incentivizing rooftop solar installations would be a way to reduce costs to PUD customers. The three sectors examined were residential, small C&I and medium C&I characterized by system size of 7.37kW, 16.63kW and 55.20kW respectively. The descriptions of these sectors do not necessarily reflect the customer or installation site but rather is only differentiated on system size where small and medium C&I installations are much larger than typical residential installations. The three incentive levels are described in Table 5-1below.

Table 5-1 Solar Potential Assessment Incentive Levels

Sector	Average System Size (kW)	Base Incentive (% of System Costs)	Incentive Level 1 (% of System Costs)	Incentive Level 2 (% of System Costs)
Residential	7.37	0	15	25
Commercial – Small Load	16.63	0	10	25
Commercial – Medium Load	55.20	0	40	50

All scenarios included tax credits based on current policy at the time of writing, in common with other resource options. Finally, total societal costs were used for the NPV costs in common with the CPA methodology, which includes non-energy values and benefits. Using societal costs as the metric for costs means the given costs are not necessarily the same as

utility costs. The three charts below show the effect of incentive levels on solar installation in aMW for each sector.

Figure 5-24 Residential Solar Potential by Incentive

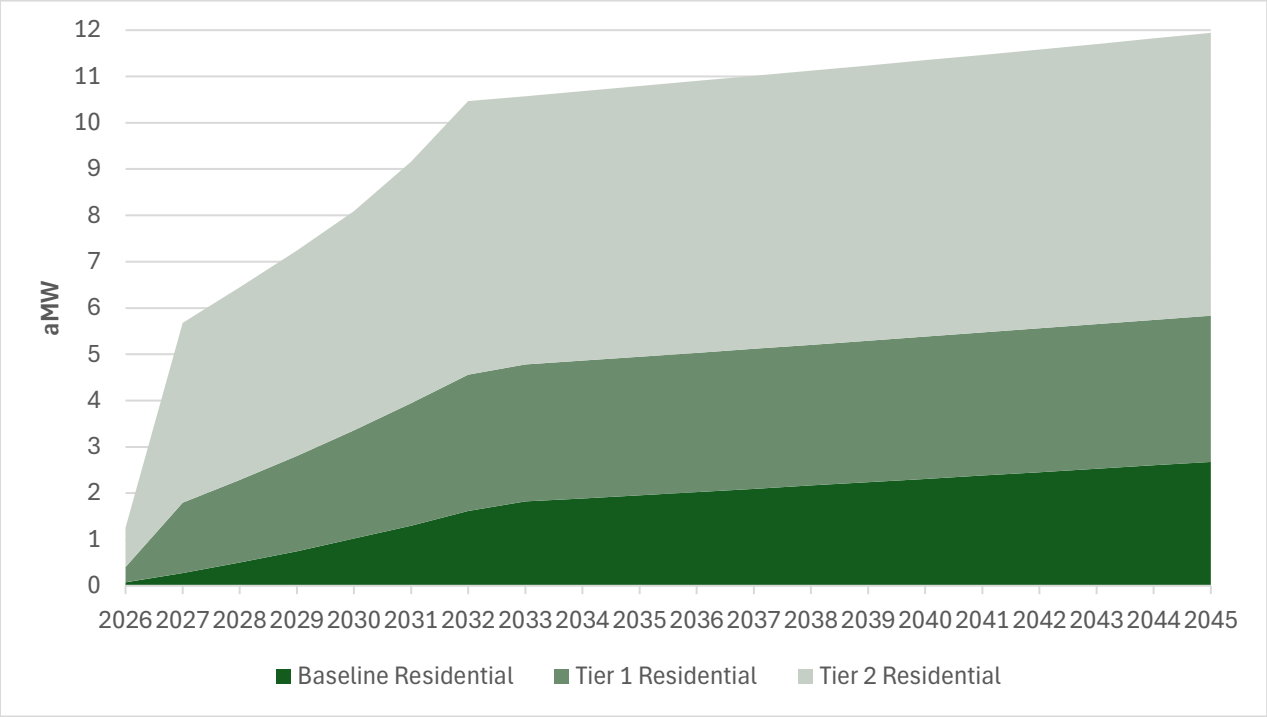


Figure 5-25 Small Commercial and Industrial Solar Potential by Incentive Level

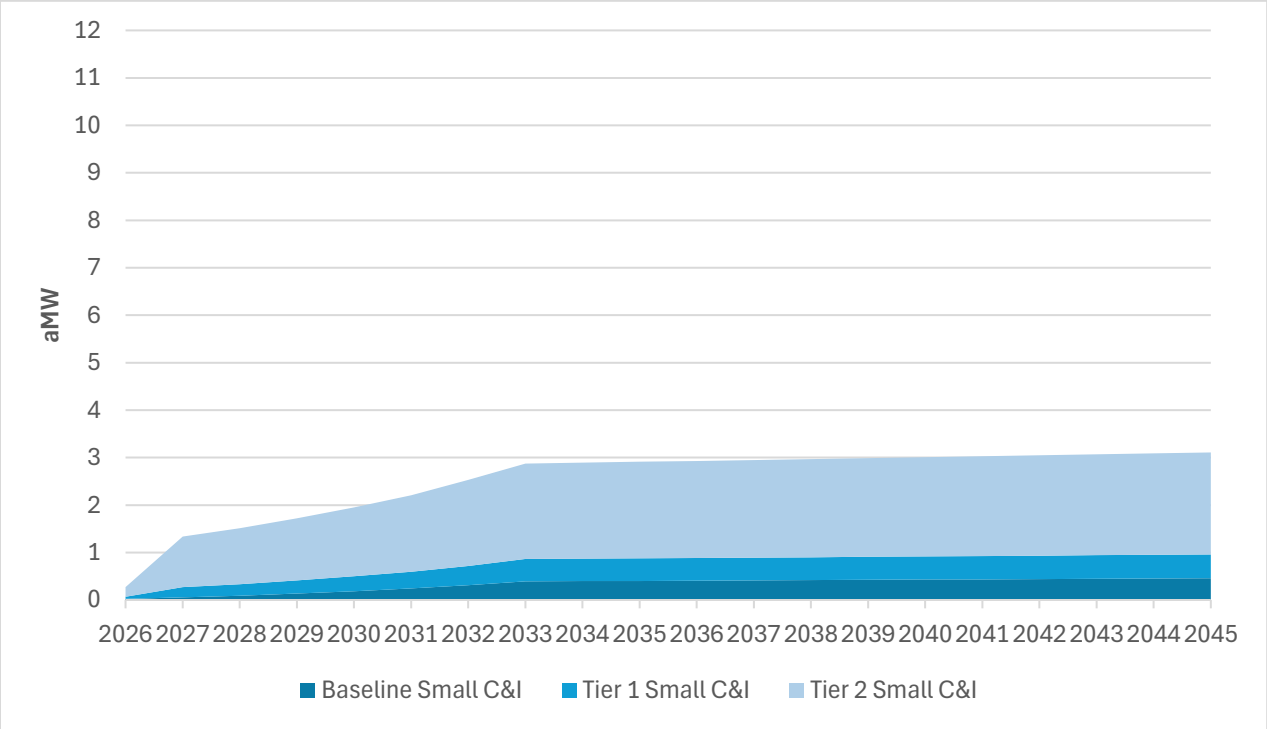
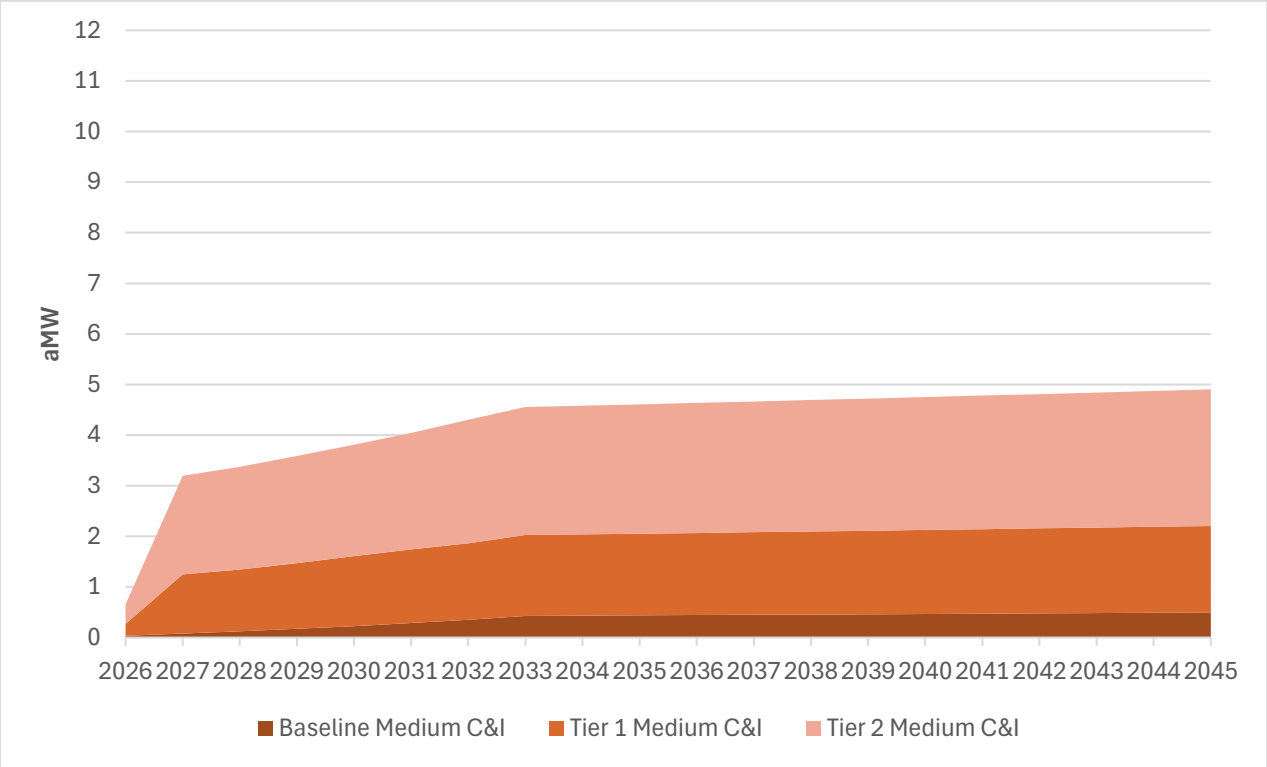


Figure 5-26 Medium Commercial and Industrial Solar Potential by Incentive Level



The incremental additions for each sectors incentive levels in 2045 at the end of the study period over the base, non-incentivized growth. The residential sector has the highest potential under all incentive levels which is unsurprising, however it also has the highest cost. Medium load commercial systems have the lowest societal costs however the volume of both small C&I and medium C&I are comparatively small relative to the residential sector.

Table 5-2 Solar Potential by Sector and Incentive in aMW by 2045

Sector	Baseline aMW	Tier 1 aMW	Tier 2 aMW
Residential	2.675	3.159	6.108
Commercial – Small Load	0.458	0.501	2.149
Commercial – Medium Load	0.496	1.707	2.701

Table 5-3 Solar Societal Costs by Sector and Incentive ($/W)

Sector	Baseline Societal Cost	Tier 1 Societal Cost	Tier 2 Societal Cost
Residential	$108.26	$113.13	$114.54

Commercial – Small Load	$98.09	$102.25	$103.20
Commercial – Medium Load	$53.75	$57.75	$57.43

Supply-side Resource Options

The PUD's integrated portfolio approach to planning for the future sets demand-side resources, market resources, and supply-side resources as a menu of options for the 2025 IRP's economic optimization model to choose from as it seeks the lowest net cost portfolio to meet the PUD's portfolio needs. Supply-side resources are resources that generate or store energy, as well as BPA provided energy. There are a wide variety of available resource types available across the Pacific Northwest, and consideration of these resources requires an assessment of their commercial availability, generating attributes, regulatory compliance values, development costs, and operating costs. The PUD screens resources for their commercial availability based on a staff assessment of whether a resource could be permitted, built, and have available market cost estimates. Some resources, such as coal plants, are not considered commercially available for the purposes of the 2025 IRP because energy policies create a reasonable doubt as to whether they would be permittable, as well as impose significant regulatory costs. Other technologies, such as hydrogen turbines, tidal generation, and new battery technologies, show promise but are not yet fully commercially available. Any nascent resource not deemed commercially available for use or further analytical consideration the IRP portfolio is deemed an "Emerging Technology" and can be found in Appendix F. Emerging Technologies

Supply-Side Resource Types

The 2025 IRP classifies supply-side resources into three categories: baseload resources, variable resources, and dispatchable resources. Baseload resources have a generation profile that is relatively stable and similar across hours of the day and across months of the year. An example of a baseload resource is a nuclear energy project, or a variable renewable energy project paired with energy storage to smooth and stabilize output. Variable energy resources have a generation profile that varies throughout the day and may have seasonal differences in the amount of energy that might be produced across months in a year. An example of a variable resource is a solar generation facility. Dispatchable resources can be controlled to dispatch into targeted hours of the day based on utility needs. An example of a capacity resource is a utility-scale battery. BPA Tier 2 service is not included in the traditional supply side resource options but is an option discussed later in this section.

Baseload Resources

The 2025 IRP evaluated baseload resources listed in Table 5-4. Renewable energy with on-site storage acts to smooth the output of the otherwise variable resource, and both Wind+Storage and Solar+Storage were considered. The storage is assumed to be 50% of the renewable energy nameplate with energy storage capacity for 4 hours. Total energy storage for each solar and wind baseload unit was 25MW/100MWh. Small modular reactors are modeled as first available in 2038 and the model assumes the PUD could be a contracted energy off-taker for a portion of a project but would not be a project owner. The 2025 IRP includes fusion energy in the final 5 years of the study period, in common with the 2023 Update. Snohomish County is home to a growing fusion energy sector with multiple local companies contributing to technological advances. Fusion energy is given a deliberately cautious first year availability date and the prices are assumed to be at a similar rate as renewable energy resources. This treatment enables the PUD to consider whether fusion could be a good fit in the distant future and enables the PUD to proactively develop long-term relationships with local partners in the event commercial projects can be developed with layers of community benefits. Geothermal generation is part of the resource options for the first time in the 2025 IRP in 2038, acknowledging the regional research in geothermal energy. Geothermal in the IRP is modeled as a blend of flash and binary systems with an associated blended cost of both types. Enhanced Geothermal Systems (EGS) was not included and is discussed in the emerging technologies appendix. Natural gas baseload plants are included for comparison only.

Table 5-4 Baseload Resource Options

Resource Type	Fuel Source	Nameplate MW	Units Available	First Year Available
Utility Scale Solar + Storage	Solar	50	4	2028
Gorge Wind + Storage	Wind	50	4	2028
Montana Wind + Storage	Wind	50	4	2028
Geothermal	Geothermal Heat	40	1	2038
SMR Nuclear	Nuclear Fission	50	1	2038
Fusion	H2 Fusion	50	1	2041
Natural Gas Combined Cycle	Natural Gas	50	1	2026

Variable Energy Resources

The 2025 IRP evaluated variable resources listed in Table 5-5. The traditional variable resources, solar and wind have been modeled in prior IRPs and represent the common utility scale resources. Solar and wind projects in this section do not have paired storage and are stand-alone energy projects. The 2025 IRP considered two run-of-river hydroelectric plant options: one new stream development and one buyout of an existing project. Both options were assumed to in Western Washington and modeled on existing PUD owned projects. The new stream development option would be within the Snohomish PUD service territory while the existing buyout would be outside the service territory. Each of these options have a capacity factor of 27%. Two local solar types are modeled based on two policy environments. These are 5MW solar plants located in Snohomish County on existing utility infrastructure sites or existing capped landfills. WA State Bill 5445 grants additional clean energy credits for regulatory compliance if completed before 2030. The 2028 BPA contract includes concessions for small, behind-the-meter resources up to 5MW combined total. These first 5 MW nameplate do not impact net requirements and do not require resource support services. To capture both policy environments two local solar projects were included. These different policy environments give rise to the two local solar options. Each local solar project has a capacity factor of 17% based on NREL capacity factors for Western Washington and data from the PUD's current local solar projects. Eastern Washington Solar is modeled at utility scale with a capacity factor of 30%. Two locations for wind projects are modeled in the IRP, one in the Columbia River Gorge and the other in Western Montana. Columbia Gorge wind capacity factors are based on the PUD's experience with several projects in the area and NREL wind speed class, giving a blended capacity factor of 38.7%. Montana wind is less developed than Gorge Wind, however several prospective projects exist. Montana wind has a capacity factor of 44.7% with higher variability and operates across seasons rather than primarily during the summer months.

Table 5-5 Variable Energy Resource Options

Resource Type	Fuel Source	Nameplate MW	Units Available	First Year Available
2026 Local Solar	Solar	5	1	2026
2030 Local Solar	Solar	5	1	2030
Run-Of-River New Development	Hydro	7.5	1	2032
Run-Of-River Buyout	Hydro	7.5	1	2028

Utility Scale Solar	Solar	50	5	2028
Gorge Wind	Wind	50	5	2028
Montana Wind	Wind	50	5	2028

Dispatchable Resources

The 2025 IRP considered the dispatchable resources in Table 5-6. Dispatchable resources impact the PUDs demand costs but do not impact average energy needs and, in some cases, add load as any charging energy required was accounted for in attributes. Dispatchable resources were given discounts to capacity based on dispatch duration and its ability to reliably be dispatched to meet peak hour needs. Longer duration resources have more ability to meet peak hour demands and are given more capacity attributes. In the summer season of 2027 WRAP becomes a binding program for entities choosing to join, while BPA has indicated a plan to join in 2028. The post-2028 contract is anticipated to include credits for capacity resources owned by customers, effectively reducing the cost of owning energy storage. These capacity credits are modeled in the IRP. Stand-alone lithium-ion batteries are the most common new dispatchable resources being installed across the utility industry and are a well-developed technology. For the IRP, new lithium-ion batteries are modeled inside Snohomish County, not paired with any specific renewable generation project. Each unit is modeled as a 25MW/100MWh based on the existing PUD Arlington Battery Energy Storage System. WA State Bill 5445 adds regulatory compliance value to energy storage if it is built on existing utility infrastructure and these benefits were included in the attributes for battery projects. The REC equivalents are based on the batteries ability to meet the PUD's annual peak load and its average annual load. Iron-air batteries are a new technology onto the market with very long duration and similar price to lithium-ion at the cost of project footprint and worse round-trip efficiency compared to lithium-ion. One unit was included for analysis of extended duration energy storage for demand reduction. Two configurations of local pumped hydro storage were considered with varying durations and output capability based on studies for a local pumped storage project within the PUD service territory. The PUD did not consider natural gas resources in the 2025 IRP as a viable long-term baseload or dispatchable resource. This choice is reflective of the Commission's stated Climate Change policy, increasing regulatory uncertainty around fossil fuel resources, and analysis that concludes that the PUD could procure lower cost supply-side resources through pursuit of storage or renewable resources. Natural gas plant pricing is provided as a price reference only for levelized energy and capacity price tables provided later in this section.

Table 5-6 Dispatchable Resource Options

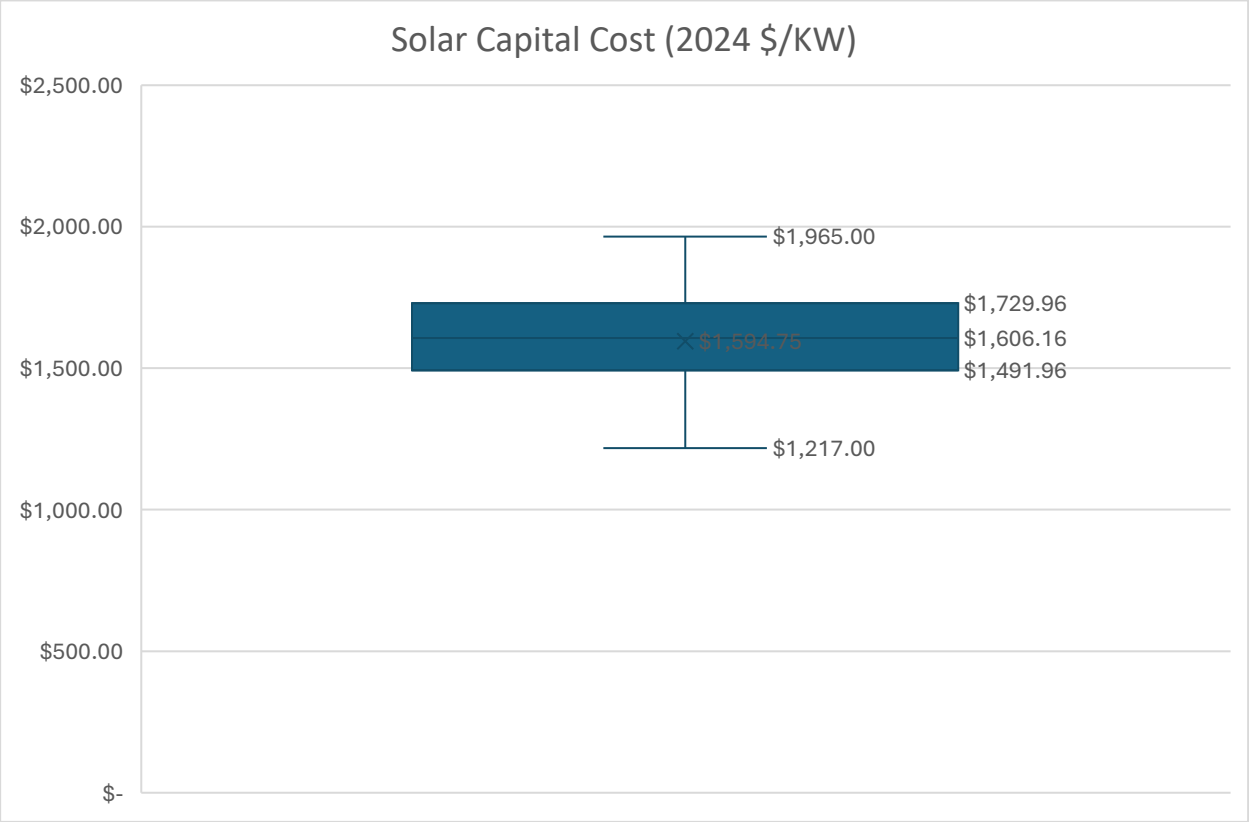
Resource Type	Storage Duration	Nameplate MW	Units Available	First Year Available
Biodiesel Peaker	*	50	1	2026
Lithium-Ion Battery	4 Hr.	25	8	2029
Iron Air Battery	100 Hr.	25	1	2032
300MW Pumped Hydro Storage	8 Hr.	300	1	2035
150MW Pumped Hydro Storage	10.66 Hr.	150	1	2035
Simple Cycle Natural Gas Peaker	*	50	1	2026

Resource Costs

Supply-side resource costs in the 2025 IRP include the assessed total resource cost of developing and operating a resource. Operating costs include the cost of fuel (if applicable), the cost of resource support services if the resource is not delivered in flat annual energy blocks, and the cost of ancillary services that may be required to support the resource such as Variable Energy Resource Balancing Service (VERBS) through BPA as the PUD's balancing authority. All costs assume a discount rate of 4.5%, are in USD currency, and were converted to a 2024 dollar-year value. All federal tax credits such as the production tax credit and investment tax credit are included as the inflation reduction act and other incentives were at the time of writing. Changes to the tax incentive environment are covered in Section 3 Planning Environment. Cost estimates were made in each feasible delivery year for each resource type, such that the economic optimization model could draw upon present value cost estimates while considering PUD ownership of any given resource. The PUD's methodology for determining supply-side resource costs was derived by developing a composite of credible, third-party cost estimates for the Pacific Northwest region, and normalizing this value to the scale, dollar year, and cost methodology. Cost data was derived from other recent regional utility IRPs, the Northwest Renewable Energy Laboratory's (NREL) All-Technology Bulletins (ATB), and the NWPCC's 2021 Power Plan. The 2025 IRP considers the midpoint of a distribution of regional costs to be the composite cost used as an input for the base case scenarios. Low-cost scenarios use the bottom quartile and high-cost scenarios use the high quartile cost spreads as described in Section 4. Figure 5-27 below

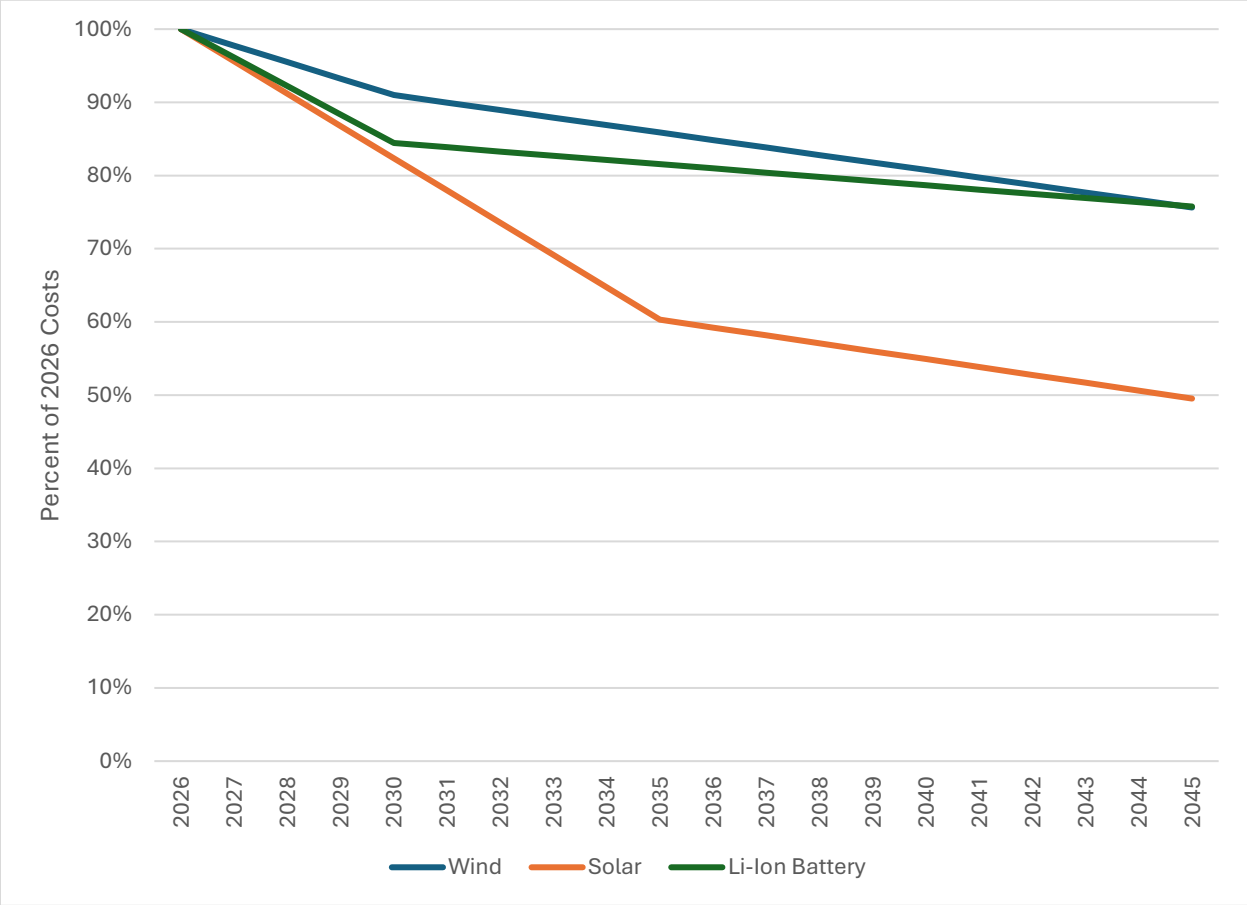
shows an example of how a composite cost was derived for the Overnight Cost of Capital (development cost estimate) for utility-scale solar plants.

Figure 5-27 Example Composite Overnight Capital Cost



For some resource types where the efficiency of a resource is expected to increase significantly, or costs are expected to decrease significantly, the 2025 IRP applies a modification to the effective cost-per-nameplate of the resource. These modifications are derived from the NREL's 2023 and 2024 Annual Technology Baseline data forecasts for cost and efficiency changes over time for resources available to the broader Seattle market. The purpose of this practice is to financially account for technology improvements over time, such that the economic value of resource deferral includes consideration of cost decreases or efficiency gains. Cost modifications are made lithium-ion batteries, utility scale solar, and utility scale wind resources to reflect forecasted technology improvements.

Figure 5-28 Overnight Capital Cost Projections from Technological and Efficiency Improvements



Resource Support Services

When the PUD changed to the Load-Following product, resources that are used to serve above high-water mark load must be delivered in flat annual energy, per the BPA Regional Dialogue Guidebook[15] and the Tier Rates Methodology (TRM). Resources may be flattened and shaped with either BPA supplied resource support services (RSS) or must be supplied externally to deliver the resource in flat annual blocks. BPA offers a suite of services under the RSS umbrella including Diurnal Flattening Service (DFS), Forced Outage Reserve Service (FORS), Secondary Crediting Service (SCS), Resource Remarketing Service (RRS), and Transmission Curtailment Management Service (TCMS). RSS enables BPA to cover the costs of following the variation between planned and actual resource amounts and to account for the impact that resource shapes and fluctuations have on BPA's cost to meet its other customer load. The costs for RSS are applied to each variable resource option including Run-

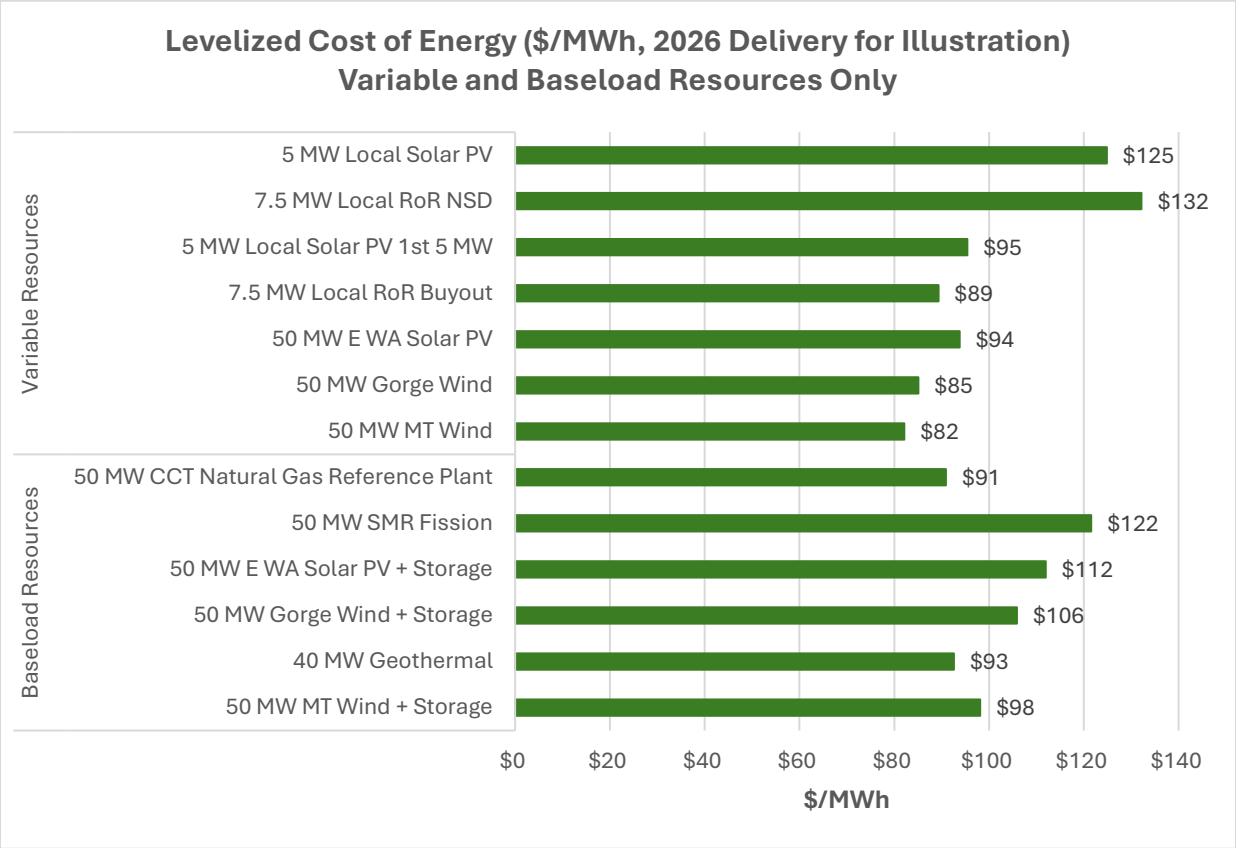
[15] Regional Dialogue Guidebook: Background on Products, Rates, and Resource Support Services available to BPA's Public Utilities

of-River Hydro, Solar, Wind and Renewables plus Storage. Planning RSS costs necessarily makes assumptions on actual generation given the cost is based on the variation between planned and actuals. The PUD used the BP-26 rate case RSS model provided by BPA to estimate average RSS costs based on an assumed generation profile and generated a $/MWh price for each type of resource. For variable renewable projects with storage, variability and output will better match planned output leading to a lower RSS cost, so the PUD added a 33% discount to RSS costs for renewable plus storage projects. Baseload resources such as nuclear and fusion have flat energy profiles and do not carry RSS costs. Energy storage such as batteries or pumped storage hydro are not considered generating assets and are not used to serve load, therefore don't have RSS costs. RSS costs are inflated over time in line with other BPA costs. RSS costs did not vary by scenario or sensitivity and were fixed across resource cost trajectories used. The effect of RSS on resource attributes is to eliminate variability and provide a planned output regardless of weather conditions. RSS also provides certainty to remarket excess generation if there is insufficient above-high-water mark load to serve at the BPA remarketing rate.

Levelized Cost of Energy

Levelized cost of energy represents a measure of the net present value of the energy production of a given resource over its lifetime. To fairly compare different types of resources, costs are normalized to 2026 even though most resources have earliest available dates in the future. A comparison of the Levelized Cost of Energy across Baseload and Variable Supply-Side Resources is provided in Figure 5-29 Variable energy sources have the lowest levelized cost of energy due to low capital and operational costs. Baseload resources have higher levelized cost of energy than variable resources owing to their higher capital costs associated with paired storage or higher capital costs. Only resources with readily available pricing information are compared.

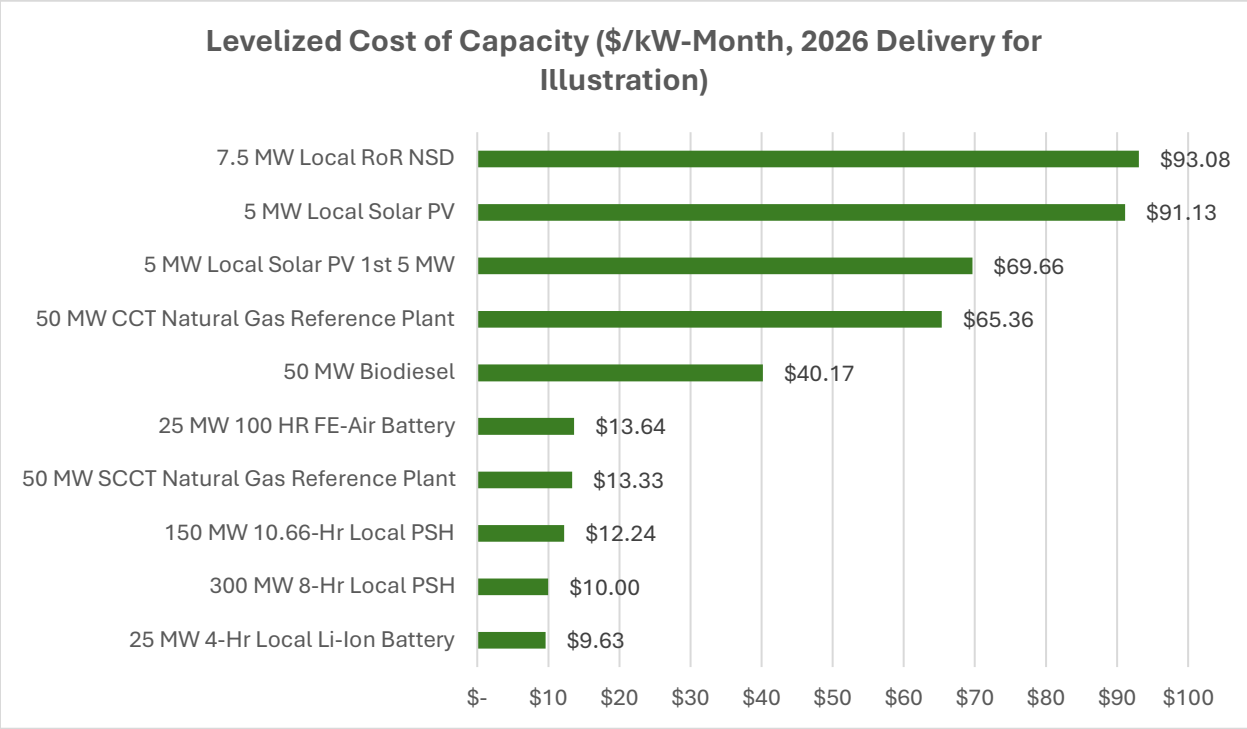
Figure 5-29 Levelized Cost of Energy, 2026 Delivery



Levelized Cost of Capacity

Levelized cost of capacity normalizes the total cost of a resource's ability to dispatch or provide energy in the monthly peak hour across all years in the study period. This metric provides the cost of a resource to provide peak reduction the project lifetime. A comparison of the Levelized Cost of Capacity (LCOC) across supply-side resource options that reduce peak demand is provided in Figure 5-30. Generation resources within the PUD service territory are given demand credit based on the WRAP methodology for capacity contribution and the BPA Provider-of-Choice framework for billing credits. Storage resources offer a very low levelized cost of capacity while energy resources in the service territory offer very little peak demand contributions based on the WRAP methodology. Resources outside the PUD service territory do not have peak demand reduction attributes and are not included here.

Figure 5-30 Levelized Cost of Capacity 2026 Delivery



Emissions

Carbon content is primarily treated financially in the 2025 IRP, consistent with the CETA requirement to incorporate the Societal Cost of Carbon (SCC) for direct or indirect emissions. This embedded cost is attributable to all resources that use the wholesale market as a fuel, as the PUD is not considering adding any fossil fuel resources to its portfolio. Only BPA's Tier 1 and Short-Term Tier 2 products (discussed in the next section), include indirect wholesale market exposure. To capture generic carbon estimates in metric tons of CO2 equivalent for comparative use for resource evaluation, simplifying assumptions were made. These assumptions presume that the 0.437 CO2 equivalent metric found in state law for Fuel Mix Disclosure purposes is an appropriate estimate of wholesale market emissions on average.

BPA Tier 2

A core question of this IRP is the Tier 2 election the PUD will make in early 2026. Tier 2 serves above-high-water mark load and comes in two primary varieties: Short-Term and Long-Term.

Short-Term Tier 2 consists of a market price indexed product assumed to be sourced by BPA from the Wholesale market. Long-term Tier 2 is based on the BPA resource plan, which

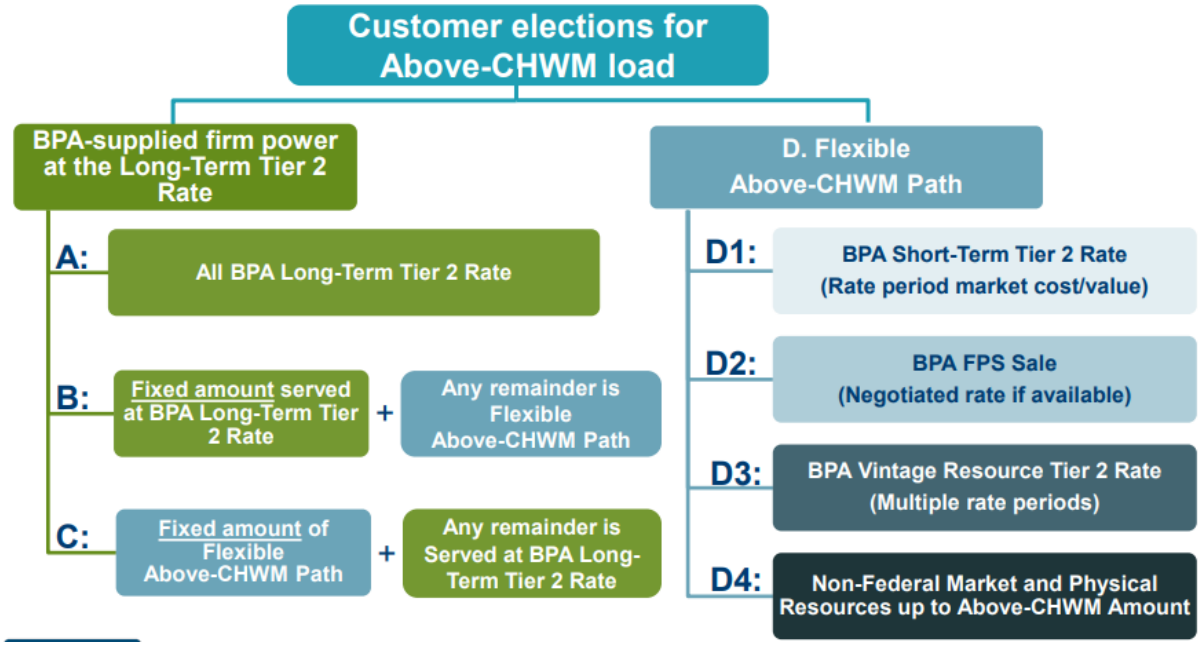
includes significant market purchases and solar procurement in the later period. The IRP models long-term Tier 2 as always starting with 100% market purchased energy and layering in solar until it is a 50/50 mix of market energy and solar for the base case market environment. Market price expectations change BPA's resource plan substantially and therefore, the IRP's long-term Tier 2 model adjusts its market to physical resource mix depending on market prices. In a high market price environment long-term Tier 2 is modeled to add physical resources until long-term is 75% solar. In contrast a low-price environment will have less incentive to add physical resources, leading to a 75/25 market to physical mix.

The 2025 IRP informs a default strategy the PUD will use as it learns additional details of Tier 2 service from BPA in 2026. The choice of Long-term or Short-term Tier 2 first will inform future resource decisions while offering tradeoffs between them. Electing long-term Tier 2 first gives the PUD product certainty for serving future load growth up to its elected amount, removes delivery risk of supply side resources and leverages BPA's large purchasing power for new physically backed resources if they are acquired. Long-term Tier 2 cannot be displaced once it has been delivered like short-term Tier 2 potentially reducing flexibility however costs for long-term Tier 2 delivery are only for power delivered. Short-term Tier 2 power is determined on a rate period by rate period basis. Costs and quantity to be delivered are both determined through the rate case process and are subject to rate changes. The PUDs short term Tier 2 take can be offset or reduced with new supply side resource acquisitions giving the PUD optionality and flexibility in meeting regulatory compliance. The BPA Post-2028 contract includes a one-time option to reduce the election of undelivered long-term Tier 2. The PUD will choose which pathway to take and its fixed amount of first choice to create a comprehensive strategy for long term load service. The pathway option is described below. The flexible Above-CHWM path includes excess FPS sales and vintage rates that are not considered for the IRP analysis. Neither of these options can be expected to be used for a planning study, may not be available when required and may not have the attributes required for load service. These will be evaluated on a case-by-case basis when they are offered but are not included here. On the other side of the flowchart long-term Tier 2 can either supply all load growth, serve up to an elected amount of load growth, or serve load after an elected amount of short-term Tier 2 is exhausted.

Both BPA Tier 2 products are at least partially market based and market prices include the societal cost of carbon in the dispatch price. Load service through either Tier 2 product will include the societal cost of carbon proportionate to the emissions of energy sourced from an unspecified source for the market portions of long-term and the entirety of short-term Tier 2. Figure 5-31 below illustrates the election options and the Tier 2 products as described by BPA. Short-term Tier 2 products are shown in blue, long-term Tier 2 are indicated by green. BPA FPS Sale and BPA Vintage Resource Tier 2 Rate are on an "as available" basis and not

always available on a planning basis so are not considered for long-term resource planning. If these are offered during any given rate period the cost and benefits would be evaluated at that time for resource fit and cost. On the long-term Tier 2 pathway the volume needed to fully supply the PUD's long term load growth needs is known and may be elected for the first portion of either option B or option C meaning that option B can be thought of as entirely long-term or some portion of load service at long term rates, making option A the less flexible pathway. Therefore, the decision reduces to either option B or option C with an appropriate volume election for flexibility.

Figure 5-31 Tier 2 Election Path Options



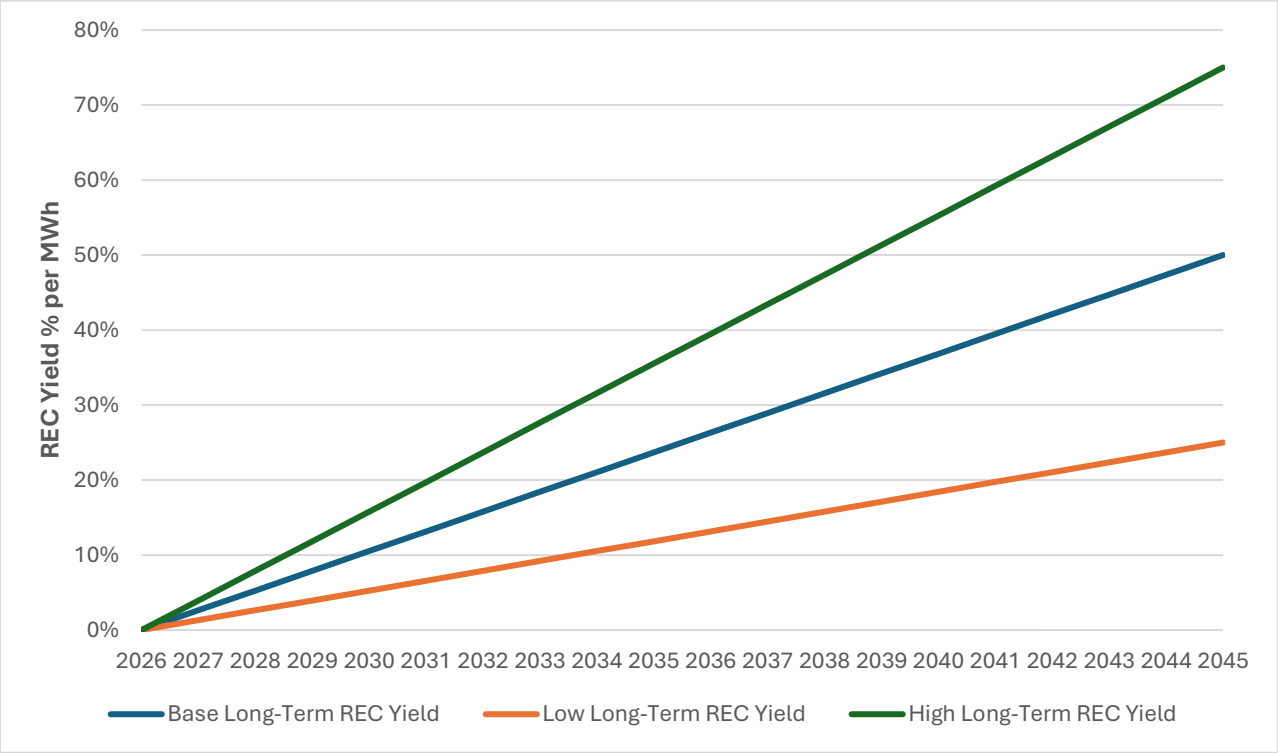
Tier 2 Costs

The IRP considers Tier 2 for its regulatory compliance and cost characteristics compared to other supply- or demand-side resources. These costs are shown for both long-term and short-term Tier 2 products below. The assumptions of long-term environmental attributes are described above and are not considered in the costs for long-term Tier 2 separately. The costs for short-term Tier 2 are based on the wholesale market price forecast with an expected high market price increase plus a capacity price. This blended price forecast is based on BPA's BP-26 rate book to align market prices with BPA's updated pricing methodology. Two additional price traces were created from the base price for high and low Tier 2 cost scenarios and sensitivities.

Figure 5-32 Tier 2 Price Forecast ($/MWh)

Long-term Tier 2 is proportionally based on physical renewable resources that bear RECs as shown in Figure 5-33 on a MWh basis. Higher market prices lead to more physical resources, displacing market supply leading to a higher REC yield and vice versa for low price environments. Over time the proportion of physical resources grows in line with BPA's current resource program.

Figure 5-33 Long-Term Tier 2 Forecast REC Yield



Transmission

The PUD uses the Network Transmission product to facilitate delivery of its Load-Following product to serve load in its service territory. The NT product is a metered product based around the demand the PUD places on the regional BPA transmission system at the time of BPAs highest monthly usage. The PUD expects to utilize NT transmission for all of its load service.

The PUD continues to maintain some Point-to-Point (PTP) pathways to facilitate transactions beyond load service such as surplus resource marketing. Because the NT product can only be used to serve load, PTP is necessary for the export of power or market transactions.

NT transmission billing determinants are strictly associated with the amount of NT capacity utilized by the PUD during BPA's peak usage hour. This has several implications for resources and their impacts on the PUDs transmission costs. Under PTP, resources sited within the PUDs service territory lowered transmission costs as PTP was not required to deliver those resources to the PUDs system. Under NT however, whether a resource is within the PUDs service territory or is external will not impact the cost of the NT product.

While resources outside the service territory do not incur additional transmission costs to serve load, if a new resource is sited and the transmission paths required to deliver it to the

PUD are constrained or do not have available firm capacity, that resource will be delivered on “non-firm” transmission. Non-firm transmission increases the risk of curtailment in the event congestion occurs and limitations are required; however, BPA provides NT Redispatch to ensure that dedicated loads are served which comes with a redispatch cost. This protection makes the risk associated with non-firm transmission financial rather than incurring delivery or reliability risk.

NT costs are calculated for forecast peak needs including the effects of conservation, demand response and appropriate supply-side resources. Ancillary balancing services (VERBS) are required by BPA as the PUD’s balancing authority to ensure frequency standards are maintained and these costs are included for the appropriate resources.

Summary

The analytic framework the IRP uses to find least-cost, lowest-risk pathway to serve energy, capacity, and regulatory needs. Using a combination of demand-side, supply-side, and BPA Tier 2 options provides a robust set of resource choices to meet the needs of the PUD from 2026 to 2045. All resources are compared on an equal footing using established methodologies from outside subject matter experts as well as PUD analysis of available technologies and BPA Tier 2 options to appropriately benchmark all resources for fair comparison. The BPA power contracts provide the structure defining the cost and benefits under the Load-Following benefits for all programs while regulatory compliance is a key driver of resource decisions. The result of each scenario and sensitivity is an optimal portfolio selection, and these are provided below in Section 6.

6 Portfolio Results

The development, use case, and detailed descriptions of the 2025 IRP scenarios and sensitivities are contained in Section 4 and provide varying environments to develop least-cost, least-risk portfolios. The scenarios and sensitivities are as follows.

Scenarios:

1. Base Case
2. Low Growth Case
3. High Growth Case
4. High Technology Case
5. Limited Renewable Project Availability Case

Sensitivities:

1. High BPA Costs
2. Low BPA Costs
3. Shallow Renewable Energy Credit Market
4. CETA Only Policy Environment

Note that all optimization scenarios and sensitivities include base assumptions and forecasts that include the effects of climate change, societal cost of carbon emissions (per CETA), electrification (including electric vehicles), market energy prices, load growth, and resource attributes and costs.

In addition to demand-side resources, these nine portfolios were evaluated with a broad range of renewable and nonrenewable resources required by state rules for IRP planning,[16] which informed the selection of a preferred Long-Term Resource Strategy. The Long-Term Resource Strategy represents the most effective mix of demand and supply-side resources that consider supply availability, energy-related regulatory policies, resource costs and other uncertainties.

Portfolio Development

The process used to construct the final portfolio output for each case is nearly identical. The differences in the process are entirely related to the unique model inputs for each case as described in Section 4. Based on these inputs, an in-house optimization model simultaneously identifies the optimal mix of conservation and energy efficiency measures,

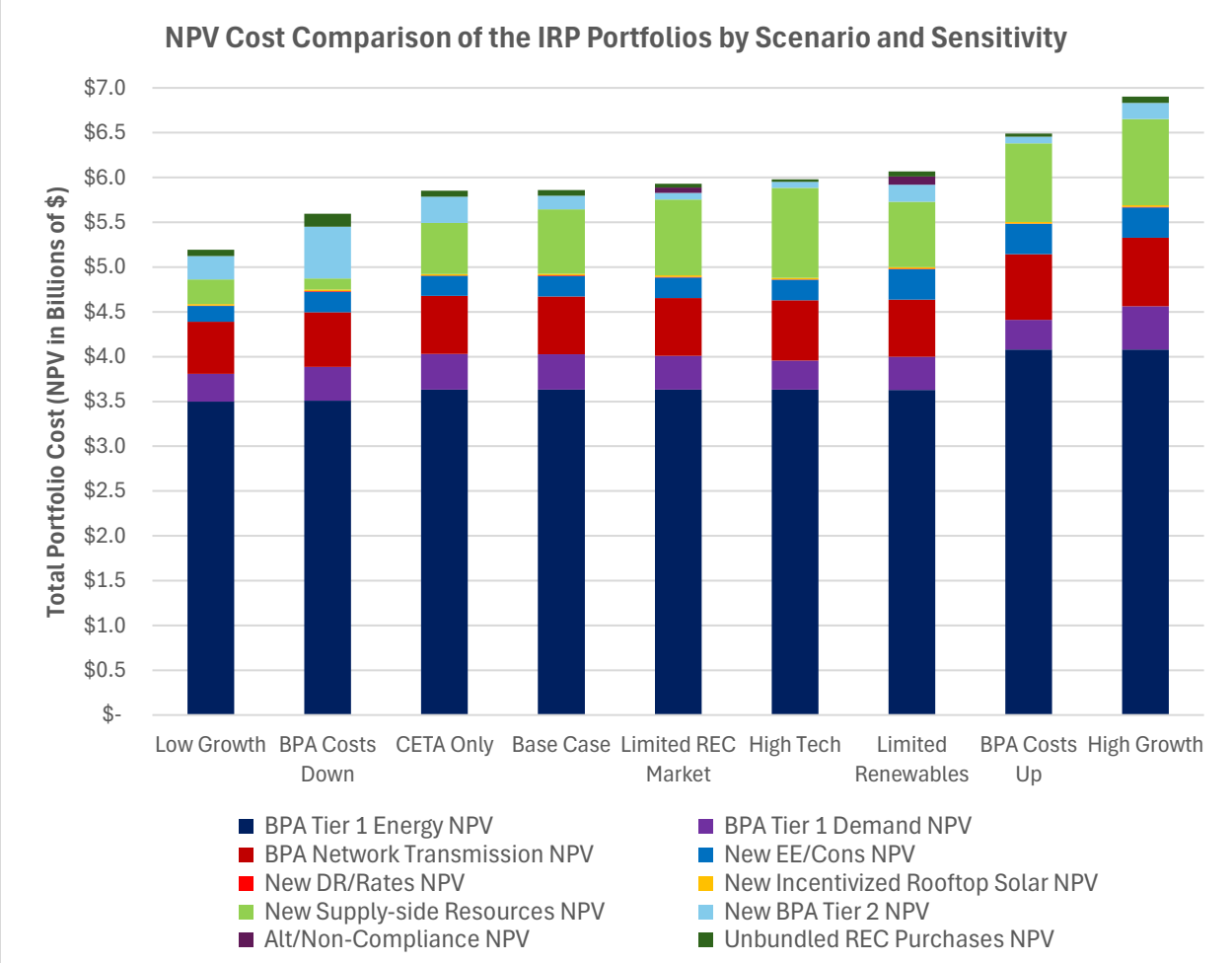
[16] Referenced requirements are detailed in the Revised Code of Washington, Section 19.280.030.

demand response measures, new rate programs, supply-side resources, BPA Tier 2 service, and unbundled REC options to solve for load service and regulatory compliance.

The in-house portfolio optimization model identifies the incremental costs and benefits associated with each candidate portfolio. Portfolio costs are measured as the net present value (NPV) of the incremental cost of new resource additions to the portfolio over the 2026 through 2045 study period. Net portfolio costs include fuel costs, cost of carbon emissions from supply-side resources where applicable, demand side costs and REC market purchases.

Figure 6-1 below illustrates the net present values (NPVs) of the total portfolio costs by scenario or sensitivity over the 20-year study period. The stacked bars represent the total portfolio cost NPV for BPA Tier 1 energy, demand, network transmission, incremental demand side investments, supply-side resource additions, and new REC additions for each scenario and sensitivity.

Figure 6-1 Portfolio NPV by Scenario and Sensitivity and Resource Type



Portfolio Findings

Several general trends and insights emerged in the development of the portfolios:

1. Energy efficiency and conservation are cost-effective in all scenarios and sensitivities. Demand side resource investments play a significant role in the long-term resource strategy.

2. Utility-scale renewable energy resources are the primary supply-side additions across scenarios and sensitivities for load service and regulatory compliance. BPA Short-Term Tier 2 energy acts as the bridge between new resource additions.

3. In all scenarios and sensitivities, demand response and rates programs are cost-effective to mitigate demand charges from BPA and help to meet compliance targets with the Energy Independence Act.

4. Some but not all portfolios include locally sited battery energy storage additions depending on the input variables. These additions can lower the BPA Demand Charge as well as help meet regulatory compliance targets with the Energy Independence Act.

5. Locally sited solar under 5 MW and some customer-owned solar programs for large systems greater than 50 kW are cost-effective across portfolios.

6. Significant amounts of unbundled REC purchases are required annually in all scenarios and sensitivities to meet regulatory compliance targets.

7. All portfolios are fully compliant with the Energy Independence Act and the Clean Energy Transformation Act throughout all years of the IRP study period.

These findings and other key insights along with the long-term resource plan and action plan are explored in Section 7 of this document.

Portfolio Results

The final candidate portfolio for each case represents the lowest reasonable cost combination of resources that meets regulatory and load growth needs given the scenario.

Table 6-1 summarizes the resource additions for the nine scenarios and sensitivities:

Table 6-1 Summary of Total Portfolio Resource Additions by Case

Case Portfolios	BPA Long-Term Tier 2 (aMW)	EE/Cons (aMW)	Battery Energy Storage (MW)	Locally Sited Solar (MW)	Utility-scale Solar (MW)	Utility-scale Wind (MW)	Other Clean Energy Resources (MW)	DR/Rates (Peak MW)	Large Rooftop Solar Incentive (aMW)
Base	0	129.16	-	10	**0**	**500**	50	65.56	2.70
Low	0	118.91	50	10	**0**	**100**	50	65.56	2.70
High	0	150.06	-	10	**250**	**500**	50	65.56	2.70
High Tech	0	129.16	200	10	**250**	**500**	100	65.56	2.70
Limited Renewables	0	150.06	25	10	**150**	**300**	50	66.64	2.70
High BPA Costs	0	150.06	200	10	**200**	**450**	50	65.56	2.70
Low BPA Costs	0	129.16	0	10	**0**	**200**	50	66.64	2.70
Shallow Rec Market	0	129.16	25	10	**200**	**500**	50	66.64	2.70
CETA Only Policy	0	129.16	0	10	**0**	**250**	50	60.63	2.70

The following section details the portfolios by case showing the total resource additions from 2026 through 2045:

Base Case

Figure 6-2 and Figure 6-3 below detail portfolio resource additions in the Base Case scenario added over time to serve load growth, reduce or shift peak load, and/or meet regulatory compliance obligations. Annual compliance obligations that are in excess of new physical resource acquisitions are met by a limited and controlled amount of unbundled REC purchases which are not shown in the resource addition figures.

Figure 6-2 Base Case Energy Resource Additions

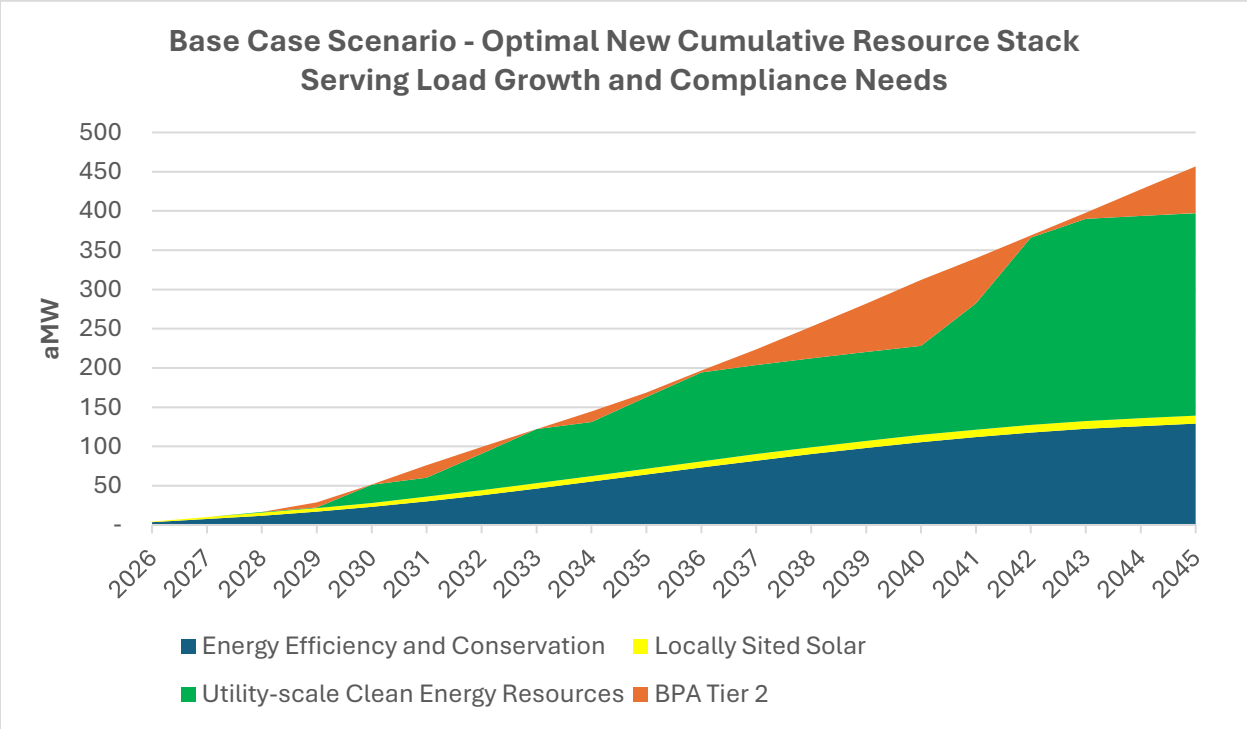
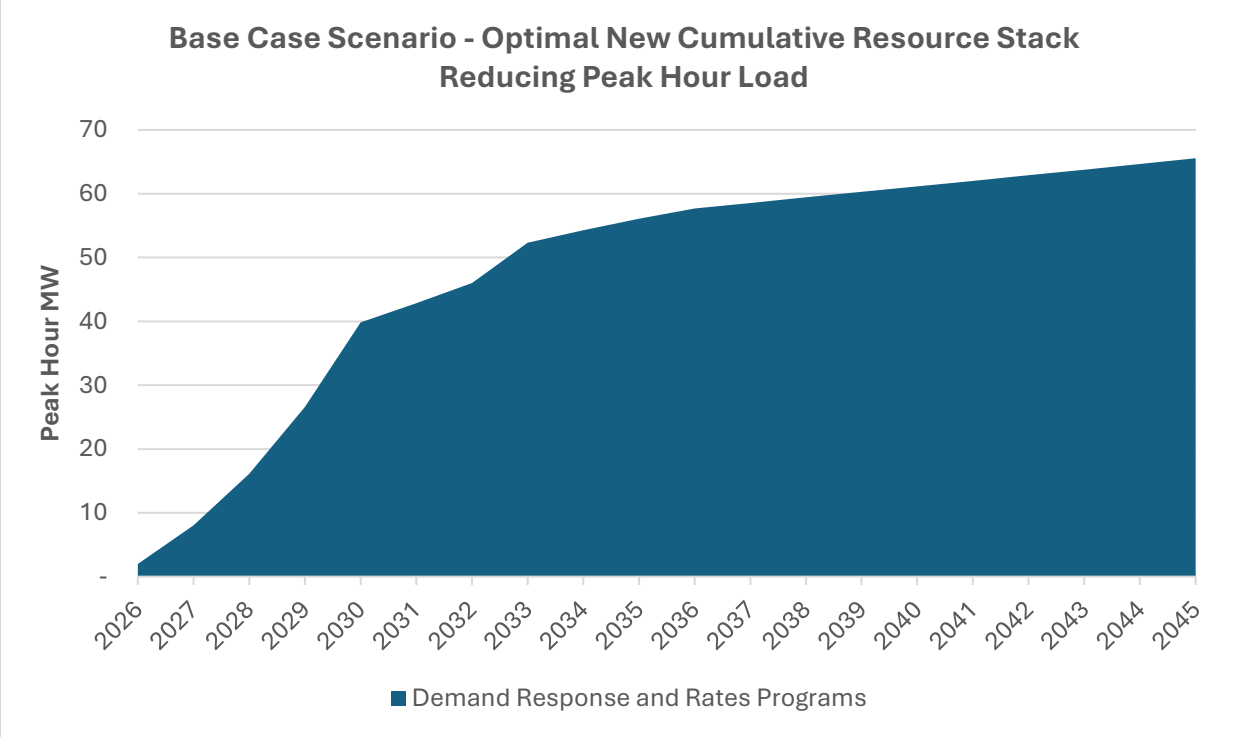


Figure 6-3 Base Case Peak Demand Resource Additions



Low Growth Case

Figure 6-4 and Figure 6-5 below show the optimal resource additions selected to meet the needs of the Low Growth scenario. While the general mix of resource additions is similar to the Base Case, the total amount of new resource additions is lower due to the lower load growth forecast assumptions built into this scenario. This lower load growth also reduces the ultimate regulatory compliance obligation targets, thus requiring fewer utility-scale clean energy resources. In this scenario, locally sited battery energy storage is part of the optimal resource stack due to the lower capital cost assumptions built into this scenario.

Figure 6-4 Low Growth Case Energy Resource Additions

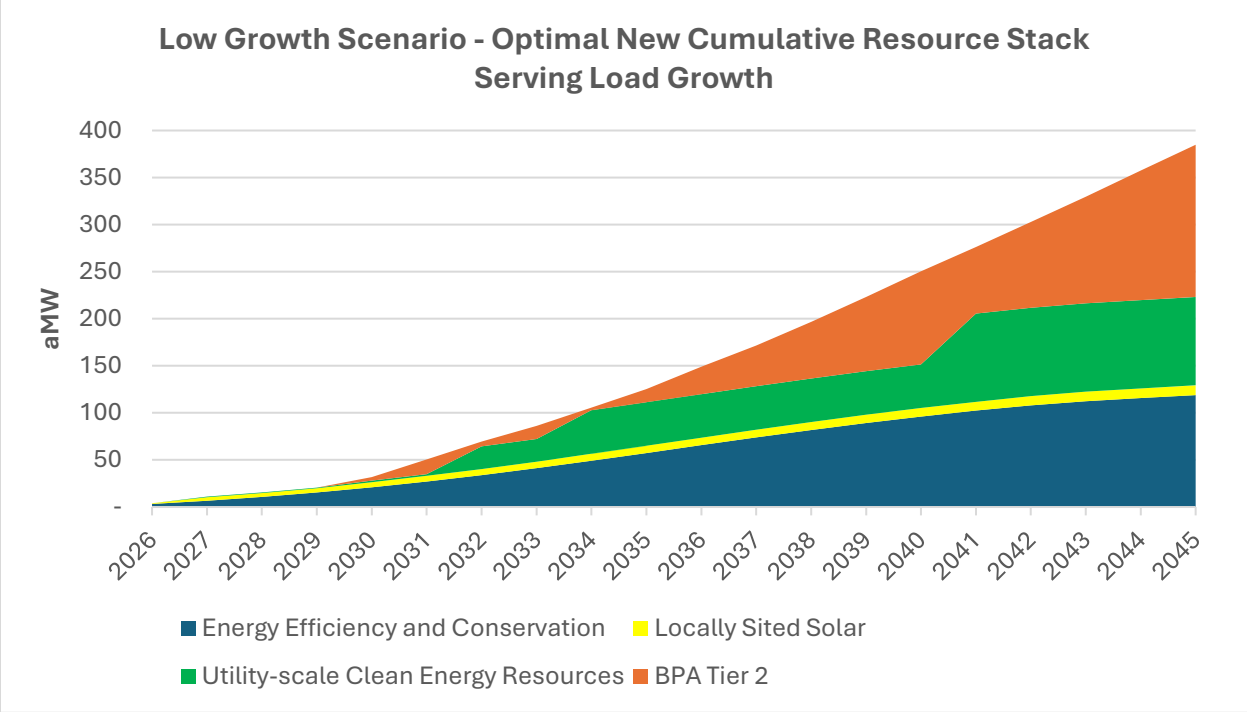
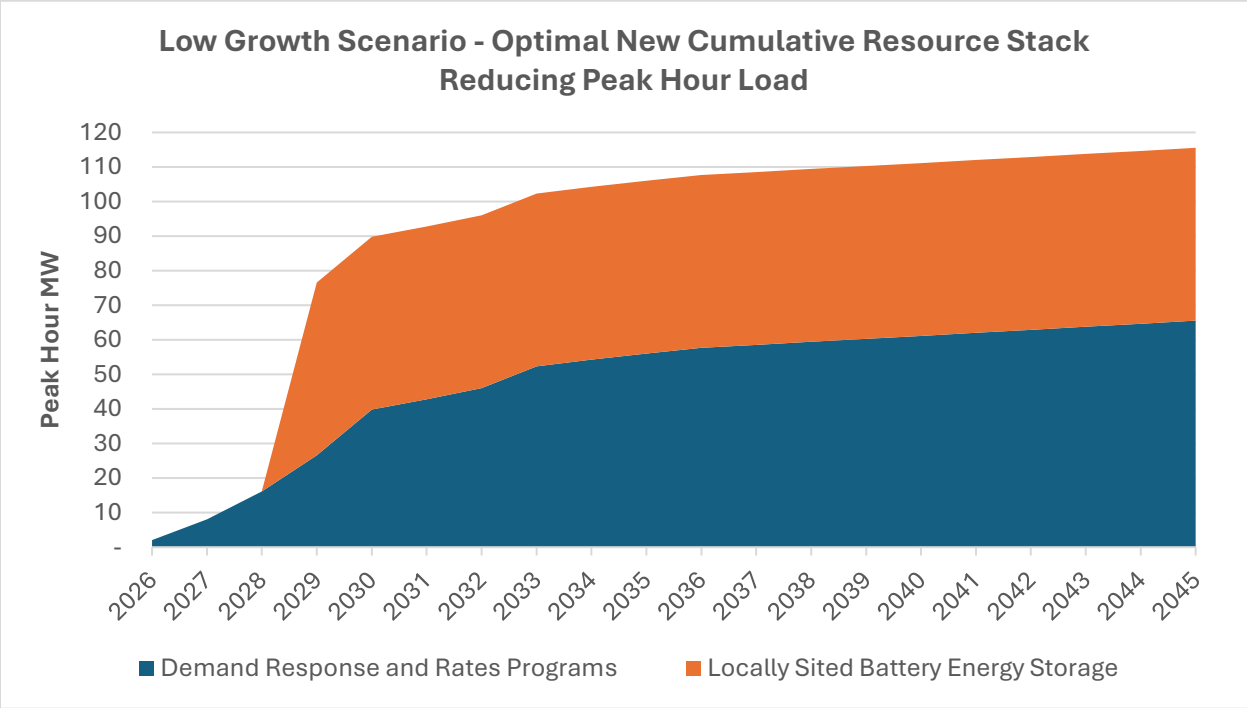


Figure 6-5 Low Growth Case Peak Demand Resource Additions



High Growth Case

Figure 6-6 and Figure 6-7 below show the new resource additions for the High Growth scenario. In this scenario, load growth is significantly higher than in the Base Case scenario. Regulatory compliance obligation targets are higher, thus more utility-scale clean energy resources are needed to meet these targets and serve load growth. In this scenario, locally sited battery energy storage is not selected due to the increased capital cost assumptions built into this scenario.

Figure 6-6 High Growth Case Energy Resource Additions

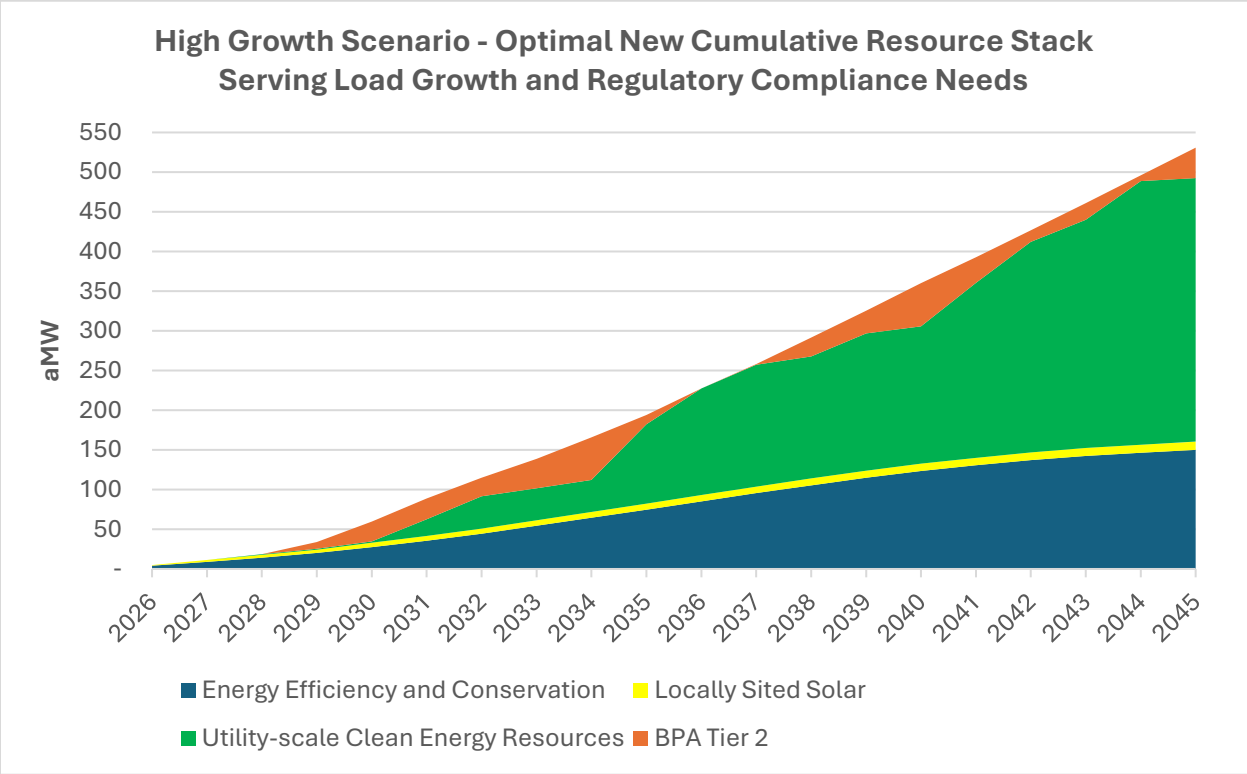
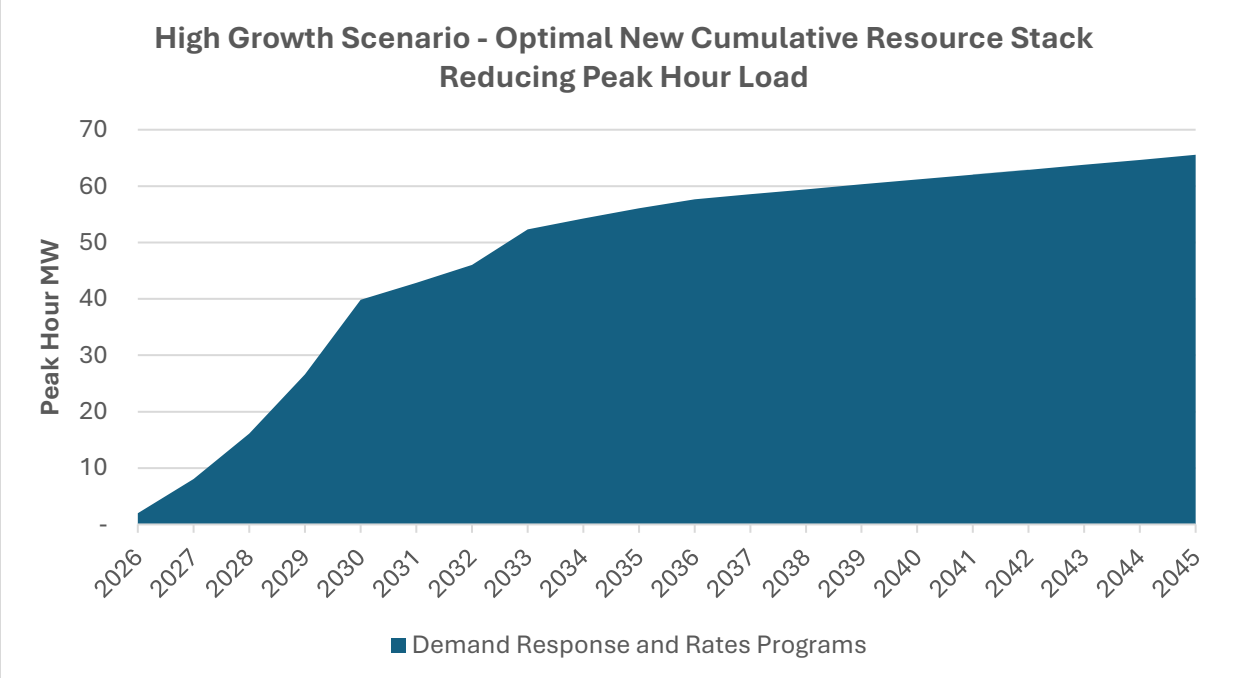


Figure 6-7 High Growth Case Peak Demand Resource Additions



High Technology Case

Figure 6-8 and Figure 6-9 below show the new resource additions for the High Technology scenario. In this scenario, utility-scale clean energy resources and batteries are selected in large quantities due to their relative decrease in capital cost assumptions and relative increase in scalability and ease of procurement.

Figure 6-8 High Technology Case Energy Resource Additions

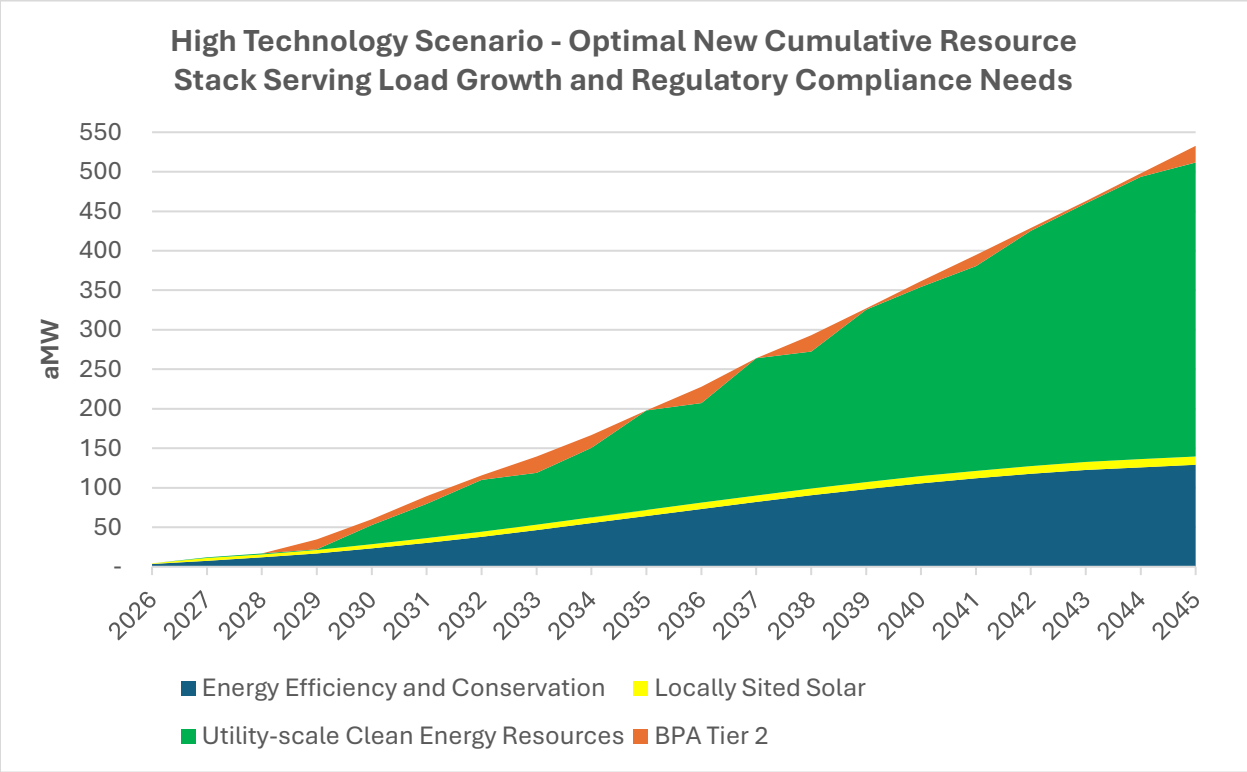
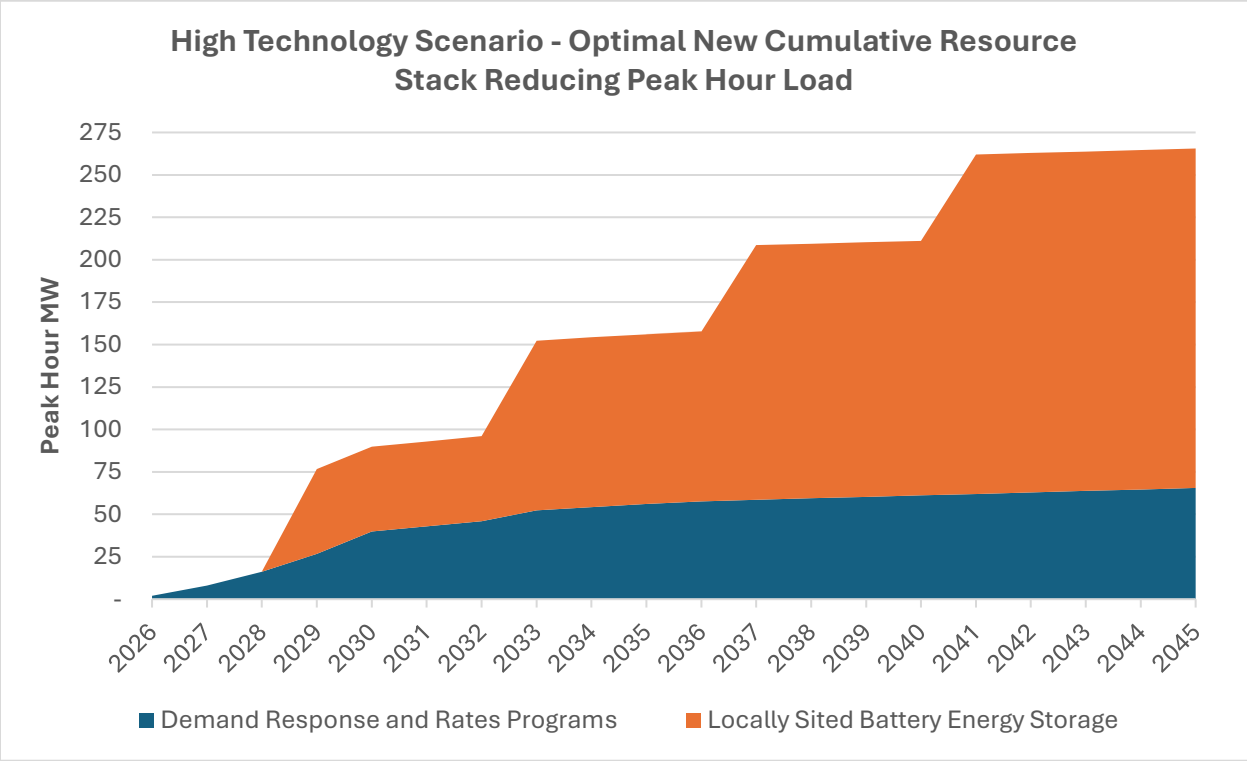


Figure 6-9 High Technology Case Peak Demand Resource Additions



Limited Regional Renewables Case

Figures 6-11 and 6-12 show the new resource additions for the Limited Renewables scenario. Resource additions in this scenario are not largely different than in other scenarios in terms of resource types, however the development of these renewable resources is delayed. Meeting compliance targets in this scenario is costly and difficult and increases reliance on unbundled REC purchases in a constrained REC market. With fewer regional renewable energy resources developed later in the study period the REC market is constrained and REC prices are higher, leading to higher compliance costs. Energy storage is developed in this case for its regulatory compliance attributes to offset higher REC prices.

Figure 6-10 Limited Renewables Case Energy Resource Additions

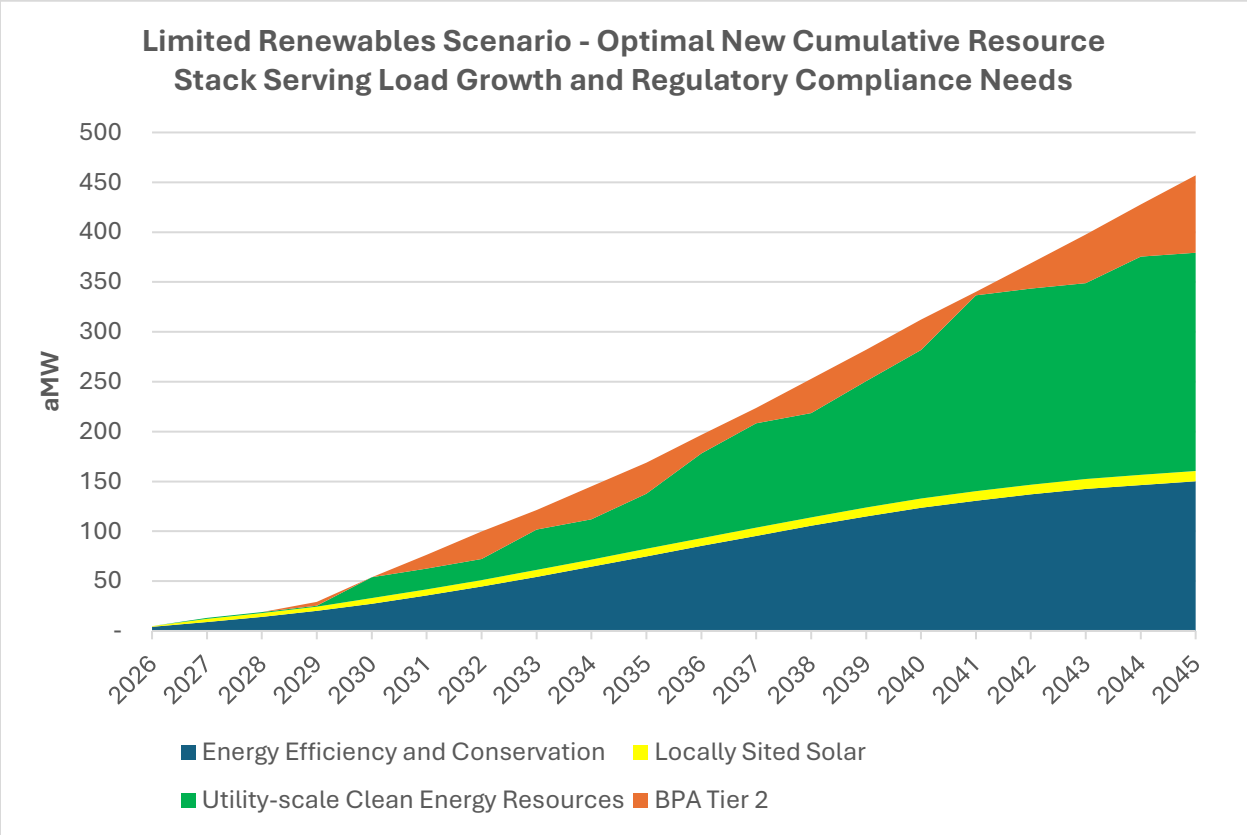
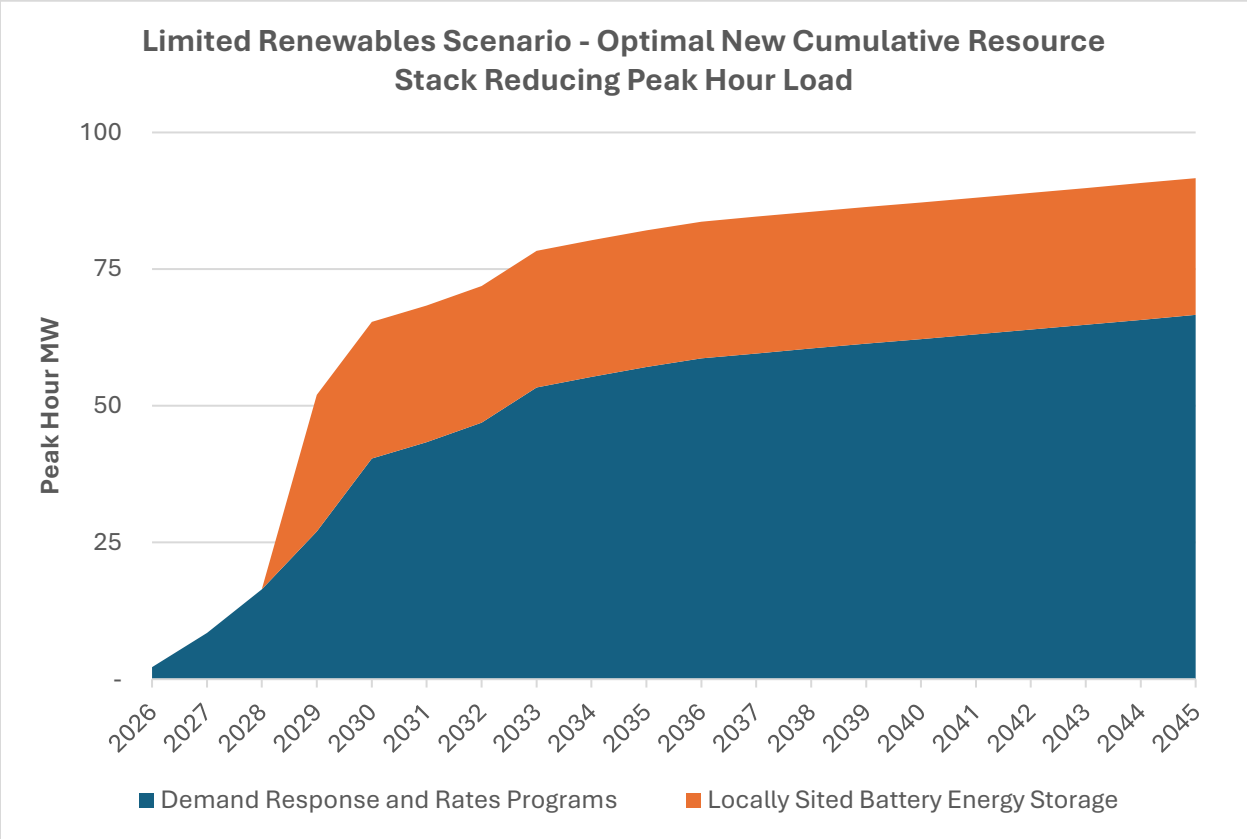


Figure 6-11 Limited Renewables Case Peak Demand Resource Additions



High BPA Costs Case

Figure 6-12 and Figure 6-13 show the resource additions for the High BPA Costs sensitivity. In this sensitivity, reliance on BPA for peak load service and Tier 2 service is dramatically displaced by other resources due to the increased BPA cost escalation assumptions built into this sensitivity. Local battery energy storage and utility-scale clean energy resources are acquired in larger relative quantities due to their lower costs to serve load growth and peak load.

Figure 6-12 High BPA Cost Case Energy Resource Additions

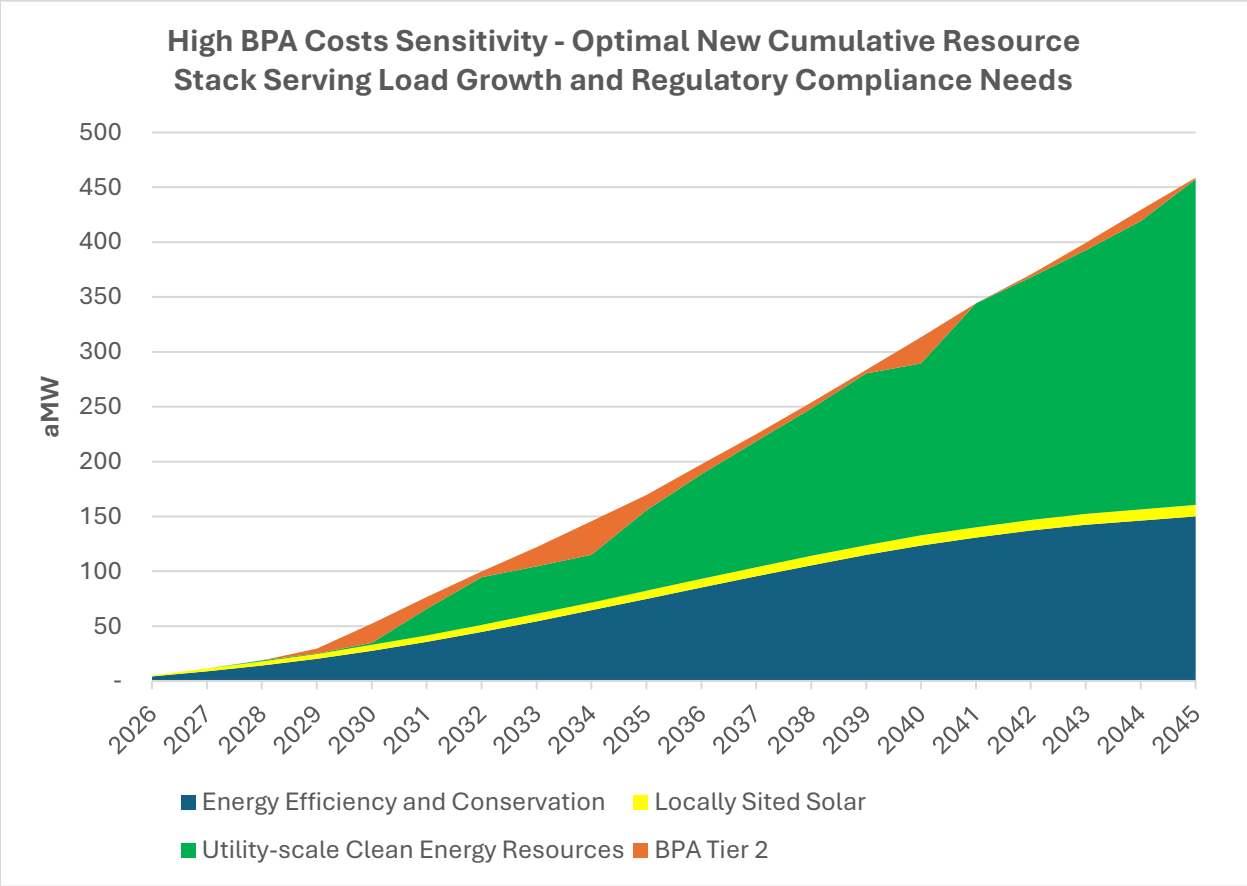
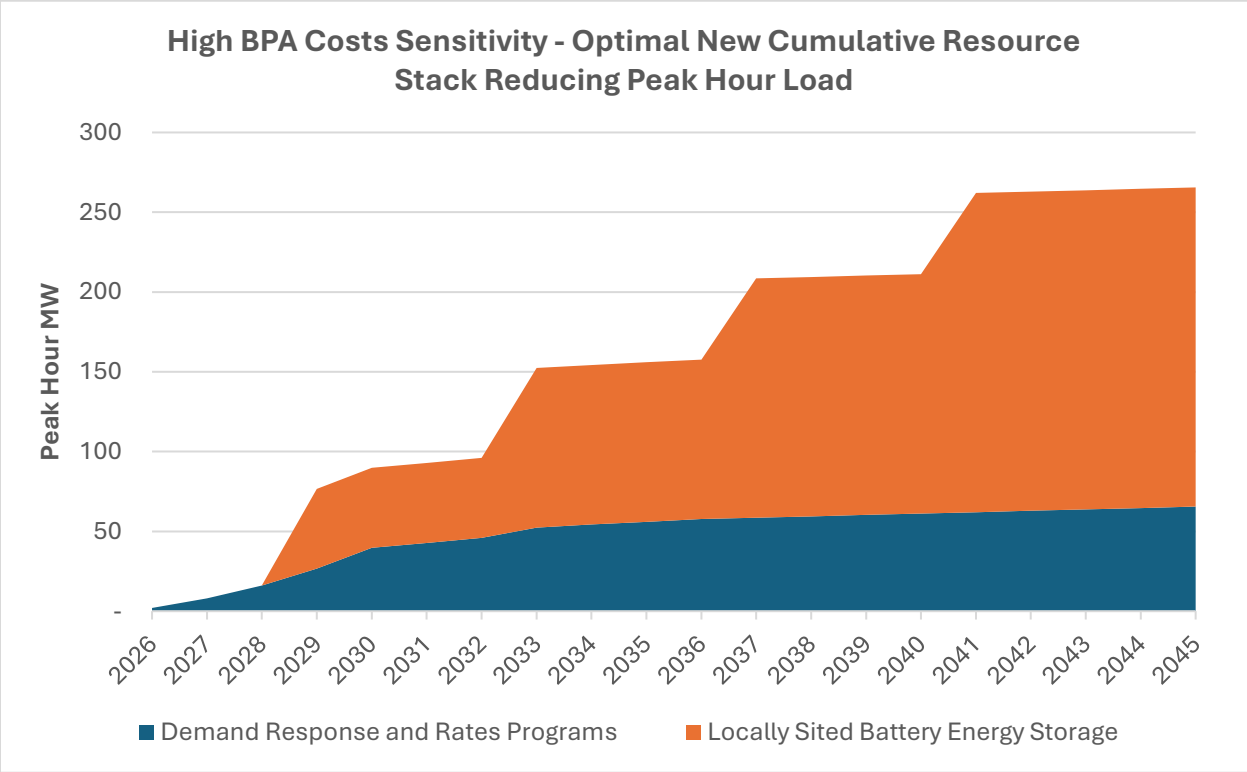


Figure 6-13 High BPA Cost Case Peak Demand Resource Additions



Low BPA Costs Case

Figure 6-14 and Figure 6-15 show the new resource additions for the Low BPA Costs sensitivity. Conversely to the High BPA Costs sensitivity, reliance on BPA for load growth and peak load service is relatively increased. Utility-scale clean energy resources are added only to meet regulatory obligations. Locally sited battery energy storage is not present in the resource plan because the BPA demand charge is a lower relative cost to serve peak load.

Figure 6-14 Low BPA Cost Case Energy Resource Additions

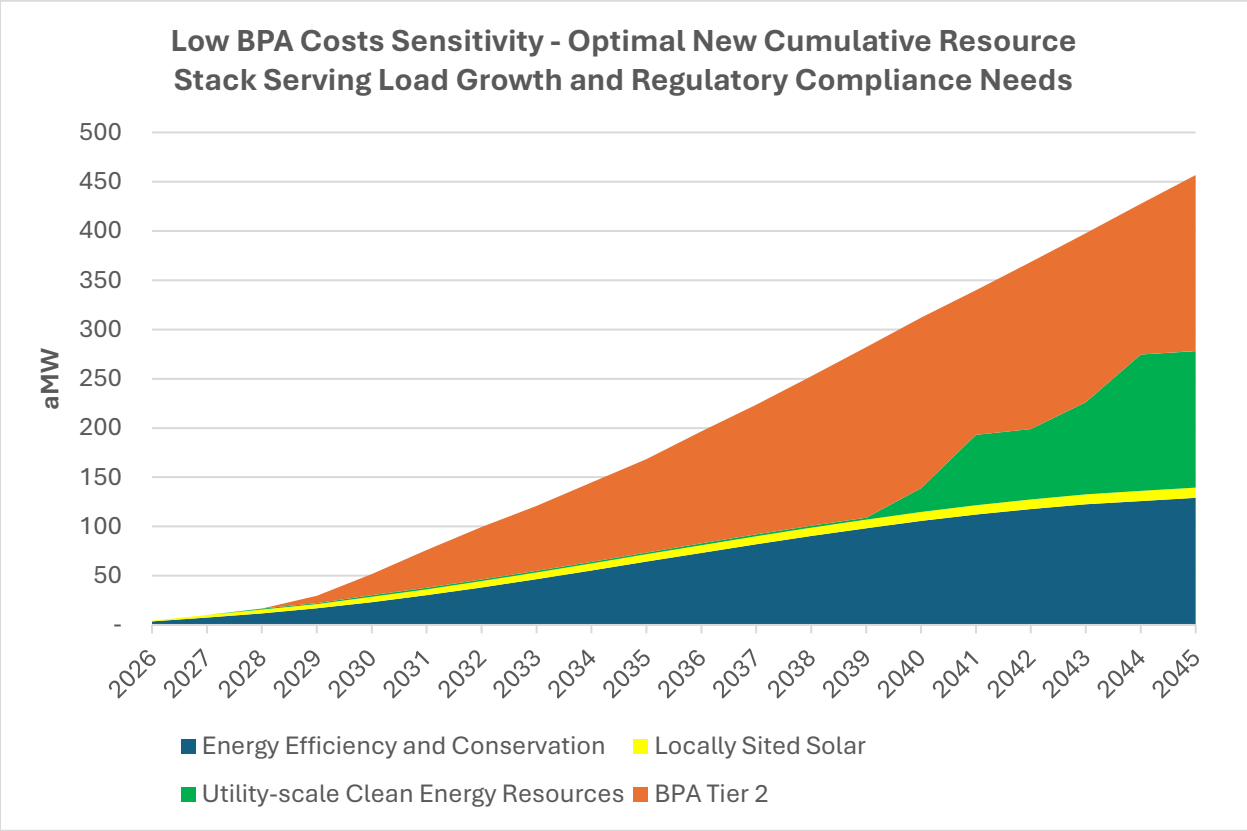
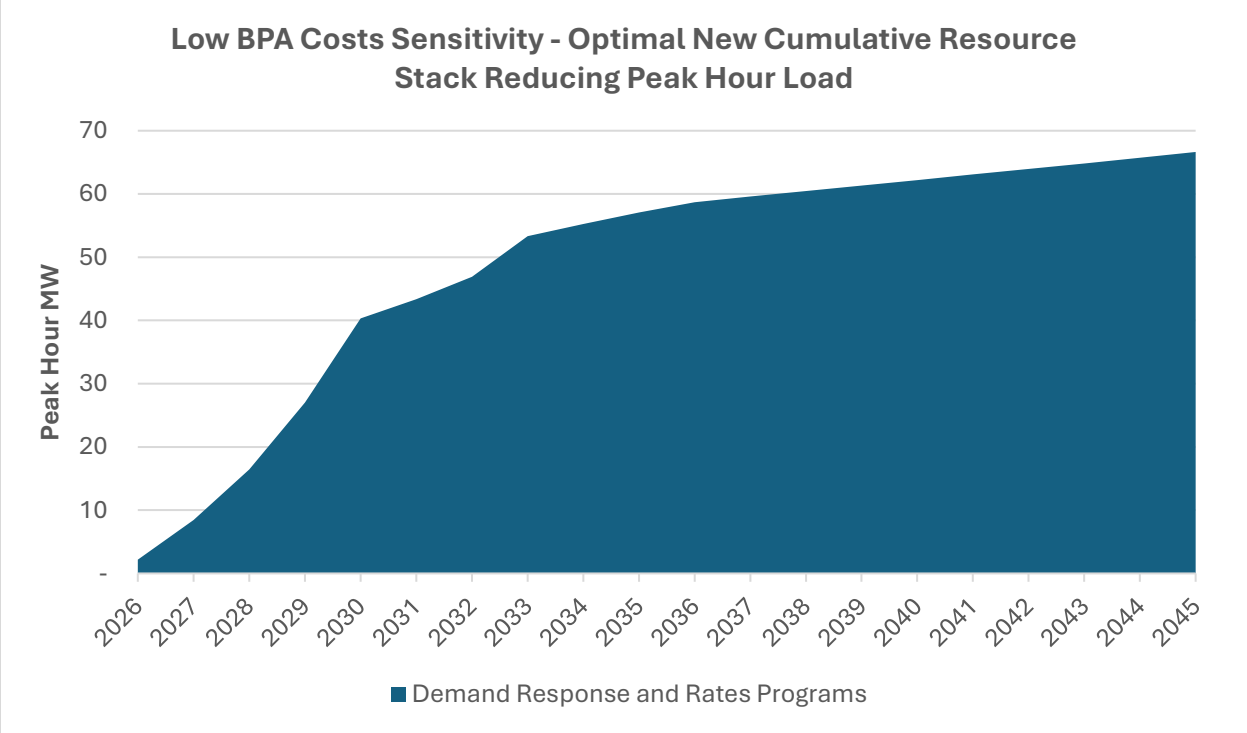


Figure 6-15 Low BPA Cost Case Peak Demand Resource Additions



Shallow Renewable Energy Credit Market Case

Figure 6-16 and Figure 6-17 below show the new resource additions for the Shallow REC Market sensitivity. New utility-scale clean energy and locally sited battery energy storage resources are added in this scenario to meet more relatively constraining compliance obligation targets.

Figure 6-16 Shallow REC Market Case Energy Resource Additions

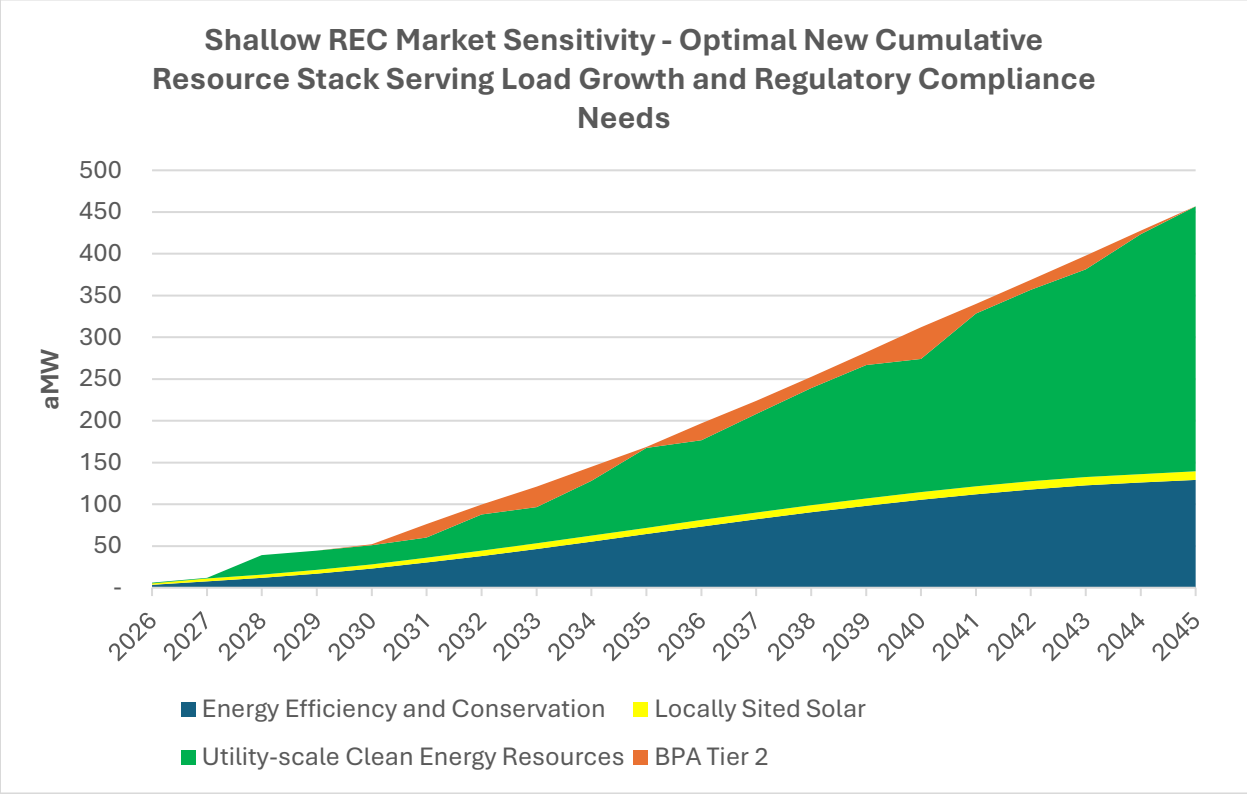
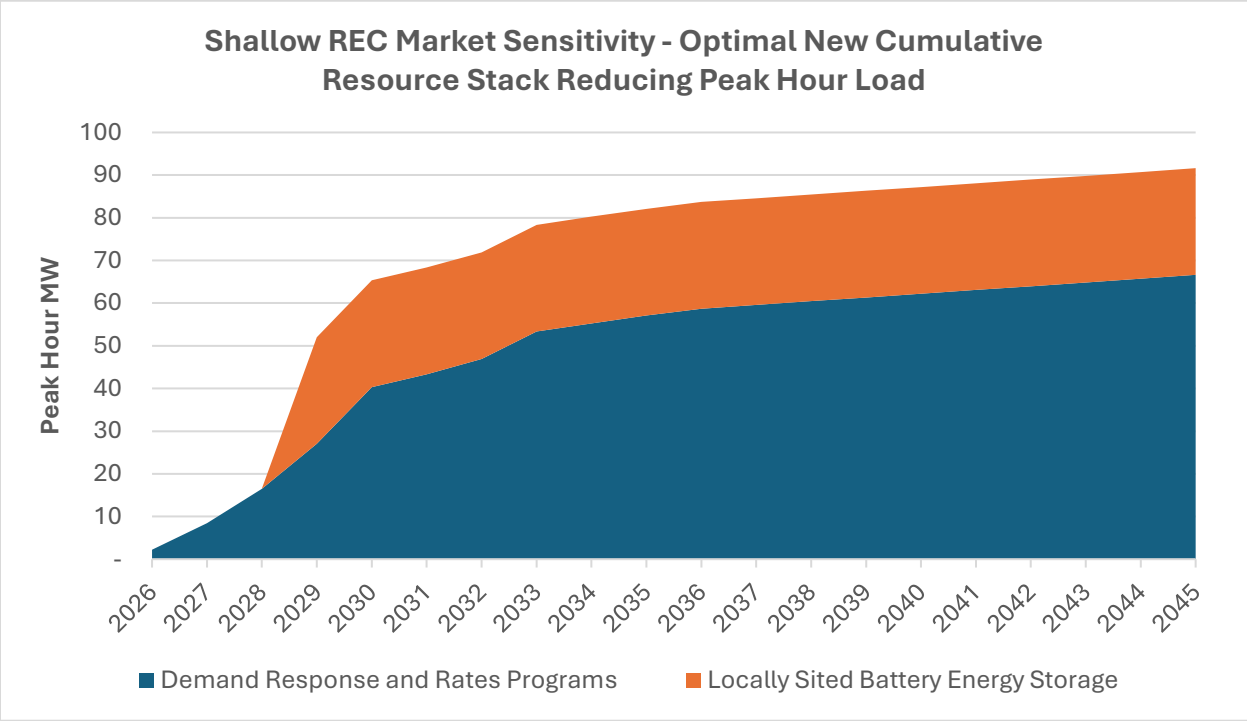


Figure 6-17 Shallow REC Market Case Peak Demand Resource Additions



CETA Only Policy Environment

Figure 6-18 and Figure 6-19 show the new resource additions to the CETA Only Policy Environment sensitivity. For this sensitivity, utility-scale clean energy resources are added to serve load alongside BPA Tier 2, and to meet regulatory requirement targets set forth by the CETA requirements. Locally sited battery energy storage is not added, and demand response and rates are added in less amounts, due to the lack of Energy Independence Act regulatory obligations as well as inability to compete against the relative costs of BPA's demand charge.

Figure 6-18 CETA Only Case Energy Resource Additions

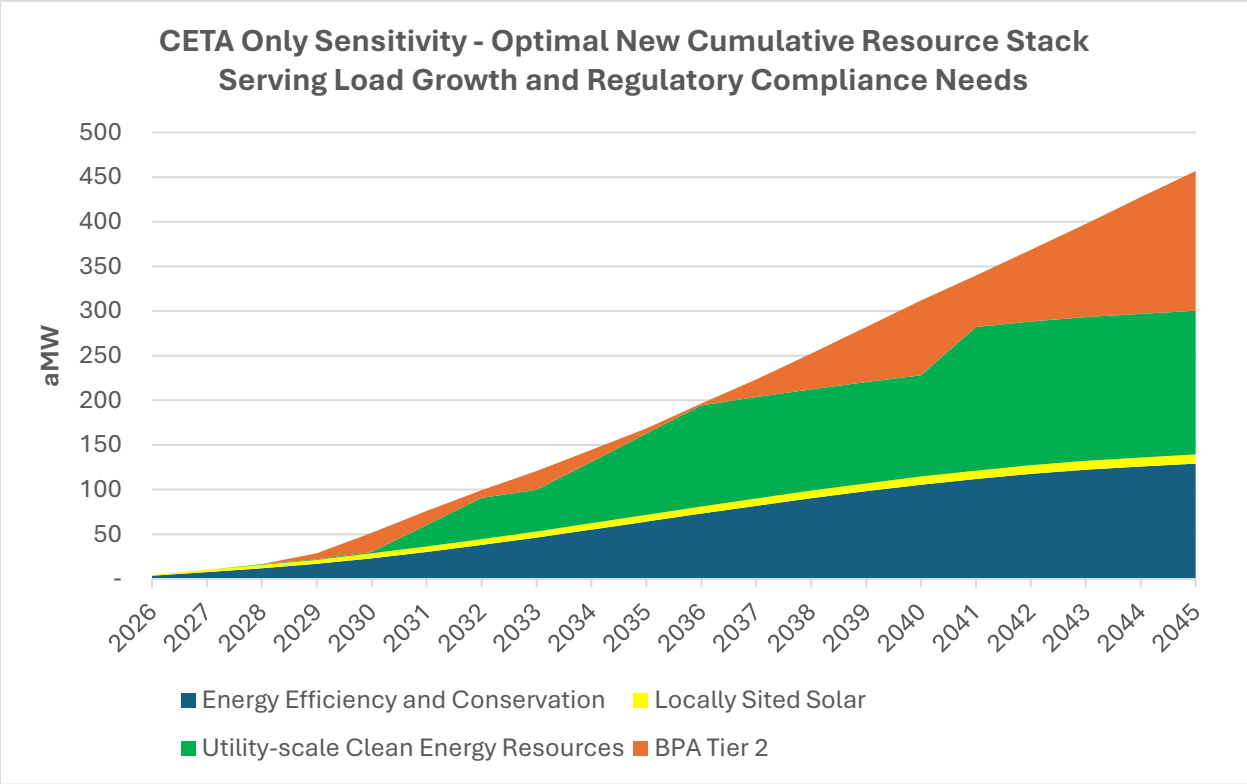
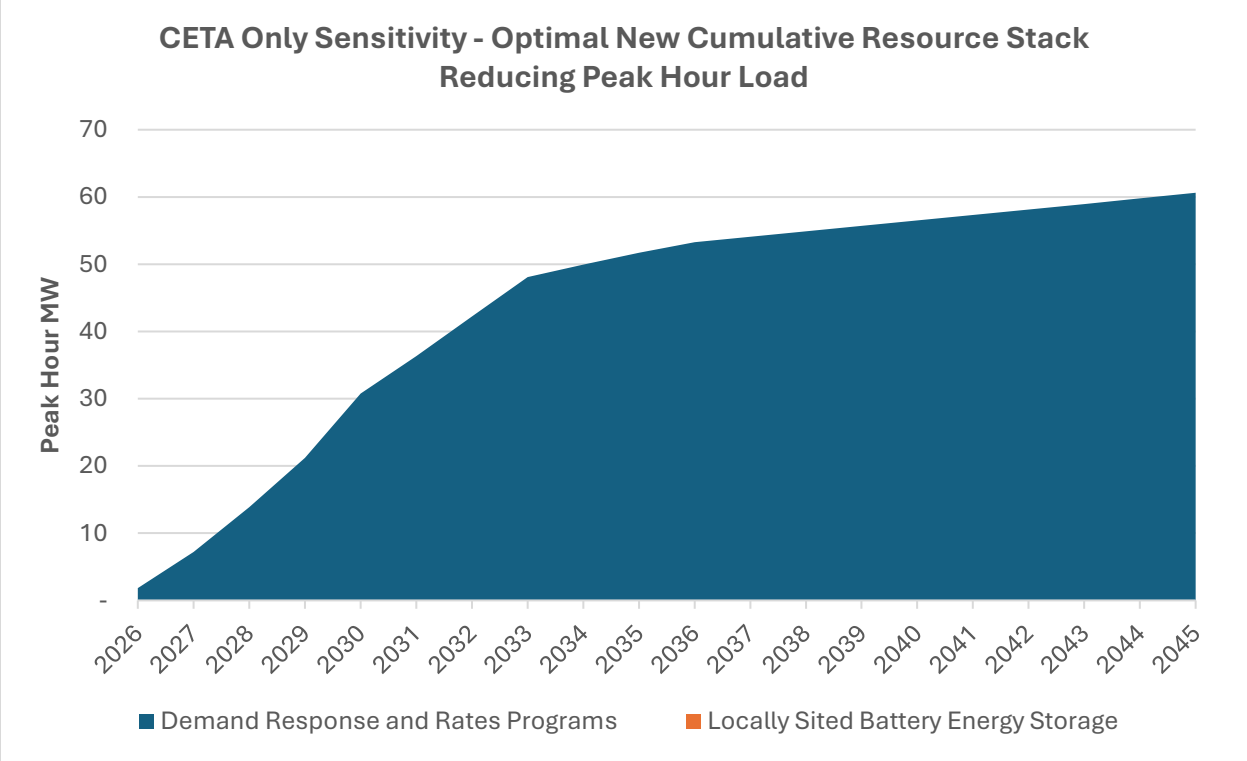


Figure 6-19 CETA Only Case Peak Demand Resource Additions



7 Key Insights and Action Plan

The 2025 Integrated Resource Plan takes place in a new planning environment with different constraints than past IRPs, however the plan remains like past resource plans. The central finding of the 2025 IRP is that conservation, demand response and renewable energy are core resource additions over the study period. Historically, short-term market contracts provided a bridge resource, but these are no longer required, and BPA Tier 2 becomes the bridge resource of choice, necessitating additional study of the attributes of long-term Tier 2. Clean energy policy compliance is a key consideration in the near and long-term study period leading to resource additions for environmental attributes as well as for load service. The preferred base case portfolio does not include energy storage, however several scenarios and sensitivities did, therefore additional due diligence is warranted.

While this is the central insight from the 2025 IRP, the totality of the analysis also provides insights into new opportunities, how the PUD can meet future challenges, and how risks presented themselves across scenarios. Conducting an integrated resource planning process every two years yields insights for our existing portfolio, planning assumptions used, and the alternate portfolios evaluated, regardless of which future unfolds. This is an added benefit of the IRP process. The following represents some of the key insights from the 2025 IRP analysis.

Key Insights

While a Long-Term Resource Strategy is identified quantitatively through economic analysis, it can also be evaluated qualitatively in terms of the key risks, opportunities, and organizational goals of the PUD. The following key considerations represent additional lenses for viewing a long-term resource strategy and can provide insights into factors outside the purely quantitative results.

Load-Following and the Post 2028 Contract

The PUD's long-term power contract with BPA expires in 2028 and the Long-Term Resource Strategy must be flexible enough to meet customer needs through the post 2028 product transition. Resource additions beyond the Tier 1 BPA service were evaluated for feasibility for least risk load service and regulatory compliance. Tier 2 service offers opportunities to mitigate resource delivery and transmission risks while acting as a buffer for additional renewable projects to be procured.

Electrification Needs

The PUD is forecasting growing loads under all scenarios in the 2025 IRP due to electrification of transportation and building heating and cooling. The long-term resource strategy needs to be flexible and capable of serving increased load as customers move to higher electric energy needs and is potentially sensitive to the policy environment.

Regulatory compliance drives acquisition

Clean energy regulatory compliance throughout the study period drive resource decisions and ultimately resource acquisitions. Complying with EIA and CETA requirements under the Load-Following BPA product requires a new strategy for the PUD compared to the Block/Slice Product. Tier 2 power was displaced throughout the study period for renewable energy resources for regulatory compliance credits.

Cost effective conservation continues to provide the PUD with significant value.

Conservation has been a consistently sound investment for the PUD for several decades. The analysis from this IRP cycle confirms this value and plans for significant additional investment over the 20-year study period. Available low-cost conservation is lower than prior IRP's based on past accomplishments, however the value of conservation remains high. Cost effectiveness for conservation has increased to achieve similar levels as prior plans.

Development of demand response and smart rate programs will help the PUD keep customer costs low, manage demand charges and give regulatory compliance value.

The 2021 IRP was the first PUD IRP to find Demand Response programs cost-effective. This was made possible by planned AMI investments bringing down the costs of acquiring demand response and smart rate programs. The 2023 Update continued to show the value of Demand Response and Smart Rate programs. This resource type has value in all scenarios helping contribute to peak demand management and regulatory compliance with the Energy Independence Act Renewable Portfolio Standards at very low cost. As such, Demand Response programs provide one component of a multi-component strategy to help meet future needs.

Technology Innovation

The electric energy sector has seen rapid development and adoption of new technology on both demand and supply sides. The cost of energy storage has dramatically decreased while project longevity has increased. Renewable generation sources are widely deployed, more

mature, and produce electricity with greater efficiency. New emerging technologies are under development across the industry. The PUD's Long-Term Resource Strategy must be flexible to access price and capability advantages of new and maturing technology. This flexibility would likely include diversification across planned resource investments and multiple time horizons.

Community Values, Company Values, and Public Feedback

The PUD has a long-standing commitment to conservation and clean energy sources, and its customers have voiced support for continuing this approach in public venues. A resource strategy that utilizes resource investments within Snohomish County may provide customers and the community more public benefit than a resource strategy where more investments are made outside Snohomish County and Camano Island. Energy efficiency, demand response, and locally sited energy storage resources all represent resource investments in PUD communities. PUD staff engaged with the public frequently during the scoping and development of the 2025 IRP, and that feedback was important in shaping this study.

Risks and Opportunities

As the PUD evaluates the current landscape and executes the long-term resource strategy, it is essential to assess both the potential risks and emerging opportunities that may impact customers, strategic goals, or regulatory compliance. The long-term resource strategy seeks to quantify risks that could pose challenges, as well as highlight opportunities for benefit, by proactively understanding risks and seeking opportunities, the PUD can make informed decisions that improve outcomes for customers.

Key Risks

1. **Load growth is lower than anticipated and renewable procurement leads to stranded assets.**
   The long-term resource strategy acquires significant renewable resources largely for regulatory compliance with state clean energy policy. If load growth is lower than expected regulatory compliance requirements are lower, the PUD has the opportunity to slow the pace of resource acquisition or utilize more service from the BPA Tier 2 product. PUD staff should remain diligent to load growth trends and local economic conditions to modify resource procurements as needed for future conditions. BPA resource remarketing services under the RSS suite and/or marketing unbundled energy while retaining the environmental attributes are additional mitigation strategies available to the PUD.

2. **REC acquisition for regulatory compliance is more challenging than expected**

   The PUD will be sourcing unbundled RECs from the wholesale market for both EIA and CETA compliance for the foreseeable future. The REC market itself is somewhat opaque, and the depth of available RECs is a risk to the PUD's compliance strategy. The IRP places limits on the number of unbundled RECs available for purchase how the number on the open market is a function of regional loads, renewable buildouts and compliance needs of other Washington State utilities. Proactive REC acquisition mitigates the risk the PUD faces non-compliance penalties from insufficient REC volumes, and the PUD has begun a program of proactive procurement.

3. **Regional renewable buildouts are insufficient for the PUD's needs**
   The PUD has growing needs for energy for both regulatory compliance and load service while resource developments have been slowed by interconnection delays, transmission constraints and permitting challenges. The PUD resource plan uses renewable resources for regulatory compliance and the PUD faces the risk of competing in a constricted development environment with other organizations facing similar regulatory hurdles for a limited number of projects. The PUD can utilize BPA Tier 2 service if the non-federal procurement pace becomes unaligned with load service needs.
4. **BPA cost assumptions are incorrect**
   A core part of the long-term resource plan is the use of short-term Tier 2 as a bridge between resource procurements. PUD staff will evaluate the two Tier 2 products prior to finalizing a Tier 2 strategy and election prior to the 2028 contract. Tier 2 pricing may be higher than assumed, and if the PUD chooses a strategy dependent on long-term Tier 2, displacement is not possible leading to increased customer costs. Short-term Tier 2 offers options to displace with non-federal resources or wholesale market contracts mitigating the risk of stranded costs and the election provisions include a one-time option to reduce the PUDs fixed long-term Tier 2 amount. For these reasons, staff propose additional analysis in 2026 on Tier 2 options as more information becomes available to ensure Tier 2 elections are based on the best available information, and the election is compatible with a comprehensive strategy.

Opportunities

1. **Short-term Tier 2 offers planned market exposure if buildouts drive market costs down**
   The long-term resource strategy uses short-term Tier 2 as a bridge mechanism between supply-side resource acquisitions, however it also offers a way to access

planned market exposure if the wholesale market prices go down with regional buildouts. Short-term Tier 2 is fundamentally a market-based product with prices changing on a rate period by rate period basis through BPA's ratemaking process. The BPA resource program also includes significant market exposure for its own needs and if market prices are depressed long-term Tier 2 is assumed to include a substantial portion of market purchases. Both Tier 2 options therefore allow the PUD to access the wholesale market through BPA while also mitigating the risk of market exposure.

2. **Portfolio flexibility allows the PUD to respond and adjust to changing conditions**
   A flexible long-term resource plan enables the PUD to adjust and adapt to changing conditions to keep costs low while maximizing the PUDs ability to procure resources that best fit future needs in the environment the PUD finds itself in while using the shared resources from several scenarios. In all scenarios conservation, demand response, renewable energy and local solar were cost effective meaning these have value in a variety of possible environments and should form the core of the long-term resource strategy.
3. **The long-term resource strategy can mitigate demand charges through energy storage if the costs are appropriate**
   The PUD has opportunities to mitigate peak demand charges by gaining a comprehensive understanding of energy storage costs. A flexible long-term resource strategy can evaluate the relative costs and benefits of energy storage compared to alternative options, helping to identify the most cost-effective capacity additions as battery economics evolve due to policy shifts or technological advancements. While batteries were not cost-effective in the base case scenario, their inclusion in other scenarios suggests they are near the margin of viability. This indicates that changes in the planning or policy environment could change the economics, warranting further investigation. If costs become favorable, batteries could help offset BPA demand cost inflation and enable the PUD to shape its own strategic direction.

Long-Term Resource Strategy

Determination of the Long-Term Resource Strategy

Across all scenarios and sensitivities, energy efficiency and conservation, demand response and rates, utility-scale clean energy resources, and locally sited community-scale solar are cost-effective new resource additions, albeit at varying volumetric increments and varying timings of the increments. Additionally, all optimal portfolios have a limited but consistent

embedded reliance throughout all years of the study period on wholesale unbundled REC purchases to meet regulatory obligation targets for both the EIA and CETA requirements. Generally, BPA short-term Tier 2 energy is used as a load-serving bridge between other new supply-side resource additions and as a backstop for any remaining load after new resource additions are added and after regulatory requirements are met.

Locally sited battery energy storage is chosen in scenarios or sensitivities where EIA compliance targets are more difficult or otherwise more expensive to reach relative to the Base Case, or when the assumed effective cost of this resource is relatively lower than in the Base Case or when BPA costs are increased such as in the BPA Increased Cost sensitivity.

The Long-Term Resource Strategy reflects the quantitative results of the Base Case scenario's optimized portfolio. The Base Case represents a reasonable load trajectory and operating environment while remaining flexible enough to react to large changes to load, operating environment or resource costs. The Base Case balances risks and opportunities faced by the PUD with optionality and flexibility moving forward for customers.

Near Term Resource Strategy

Near-term actions are decisions taken by the PUD in the next 2-4 years to serve load-cost effectively and prepare for the new 2028 BPA contract

Table 7-1 Near Term Resource Strategy

Cost-Effective Conservation	Cost effective conservation remains a key component of the PUD's long term resource strategy and provides the PUD with significant value. Conservation has been a consistently sound investment for the PUD for several decades. The analysis from the 2025 IRP confirms this value and plans for significant additional investment over the study period. **The biennial conservation target for 2026 - 2027 is 7.5 aMW.**
Demand Response and Smart Rate Options	Demand Response programs and Smart Rate options provide participating customers more control over their energy usage and peak demand allowing the PUD to incentivize demand shifts from higher-cost periods to serve to lower-cost periods. The IRP has showed the value of demand response and smart rates for several cycles

	in parallel with the roll-out of advanced meters that will make these rate options possible. The 2025 IRP targets an aggressive 26.6 MW of peak reduction capability by 2030.
Local Solar Energy	Local solar energy projects offer unique regulatory value and contribute to a low-cost portfolio. These investments take the form of two programs, utility scale solar and large customer owned solar. The 2025 IRP targets 5 MW of local utility scale solar before 2030 to maximize the regulatory benefit of the project. Large (>50kw) customer owned solar incentives are cost-effective in the long-term resource strategy. The IRP values the regulatory value and economies of scale offered by larger customer owned solar projects. The 2025 IRP targets 17.5 MW of large-scale customer owned solar by 2030.
Renewables and Clean Energy	The PUD does not face above high water mark load until the start of the BPA POC Contract and expects renewable project development timelines to exceed the 4-year timeframe for the near-term actions. However, procurement activities will need to happen during this period to achieve longer term goals.
Unbundled RECs	To meet clean energy requirements the PUD will need to proactively procure renewable energy credits for EIA compliance in the near term. Until new renewable resources can be acquired, unbundled RECs act as a bridge to 2030 when additional compliance requirements begin. The PUD plans to procure unbundled RECs based on load conditions and resource output from existing resources.
Tier 2	The PUD will use Tier 2 as a bridge between renewable energy procurements or as a basis for load growth depending on the composition of the long-term Tier 2 products. The PUD expects to have 7MW of

	Tier 2 exposure by 2030 and will make an election in 2026.

Intermediate Term Resource Strategy

Intermediate term actions are decisions taken by the PUD in years 5-10 of the study period to serve growing load needs and begin resource procurement for CETA compliance

Table 7-2 Intermediate Term Resource Strategy

Conservation	The PUD will continue to invest in conservation programs to manage load growth, lessen demand costs and regulatory compliance needs. The 10-year conservation estimate is 64.2 aMW by 2035.
Demand Response and Smart Rate Options	The PUD anticipates growing participation in demand response and smart rate programs as AMI deployment completes and programs are developed for additional segments of the population. As the PUD develops programs and begins education efforts the number of customers familiar with demand response and smart rates will grow and they will find a best fit program for their needs. These programs provide customers more control over their usage and help the PUD avoid demand charges. By 2035 the anticipated peak reduction capability is 56.1 MW.
Local Solar Energy	Local solar energy projects provide regulatory value across all years of the study and especially before 2030. However, it could be challenging to develop two projects of significant size prior to 2030. A further 5 MW of utility size local solar beyond the initial near-term additions is cost effective. Continued growth in the large size customer owned solar will grow the anticipated total local solar to 10 MW of utility scale local solar and 21.1 MW of large size customer owned solar.

Renewables and Clean Energy	Load growth and regulatory needs accelerate in years 5 to 10 of the IRP study increasing the need for renewable energy resources and the PUD will have above high water mark load to serve. To meet growing energy and regulatory needs the PUD will need to invest in additional renewable and clean energy projects. The PUD should prioritize projects that generate the most environmental attributes however the best fit resources will need to be determined by the PUD as needs grow and resources are developed. The IRP expects to acquire 200 MW of renewable energy resources for regulatory compliance and energy needs.
Unbundled RECs	Clean energy regulatory needs change in 2030 when the CETA provisions become a constraint. The PUD anticipates it will use alternative compliance for the portion of BPA's fuel mix supplied to the PUD. The PUD will no longer have direct market exposure and does not expect to have its own unspecified energy purchases however BPA performs balancing operations for its own needs. These balancing purchases are passed onto public utilities who take BPA power.
Tier 2	The PUD will continue to use Tier 2 as a bridge between renewable energy procurements or as a basis for load growth depending on the composition of the long-term Tier 2 products. The PUD expects to have 90MW of Tier 2 exposure by 2035. The volume of Tier 2 used for load service will depend on the Tier 2 election in 2026.

Long Term Resource Strategy

Long term resource decisions are actions by the PUD in the mid 2030's to 2046 to serve accelerating load growth in Snohomish County and Camano Island. Because the PUD adopts a new IRP every two years the specific strategy should adapt and evolve in response to conditions in the future.

Table 7-3 Long Term Resource Strategy

Conservation	The PUD investments in conservation help offset load growth and regulatory compliance needs. An estimated 129.2 aMW of conservation achievement by the end of the study period is anticipated.
Demand Response and Smart Rate Options	The late study period is characterized by increasing load and even further increased peak needs. Demand response and smart rates are fully deployed, and customer participation is ordinary. In 2045 the anticipated peak reduction capability is 65.6 MW.
Non-emitting resources	Non emitting resources become available in the late study period and offer unique attributes relative to variable renewable resources. The PUD anticipates 50MW of non-emitting resources coming online and acquired by the end of the study period.
Renewables and Clean Energy	Clean energy resources continue to be a backbone resource addition for load growth and regulatory compliance. The PUD continues to acquire renewable resources through the end of the study period and procures 500MW of renewable energy resources by the end of the study.
Unbundled RECs	The PUDs regulatory needs change over time as clean energy resources contribute to load growth. EIA compliance becomes less constraining while CETA compliance turns into the constraint. The PUD will continue to use alternative compliance mechanisms for a portion of its BPA power portfolio through the study period.
Tier 2	Short-term Tier 2 acts as a bridge between renewable procurements peaking at 84MW in the late 2030s before being displaced and reaching 60MW at the end of the study. However, procurement decisions will drive Tier 2 exposure and will be evaluated as needs occur.

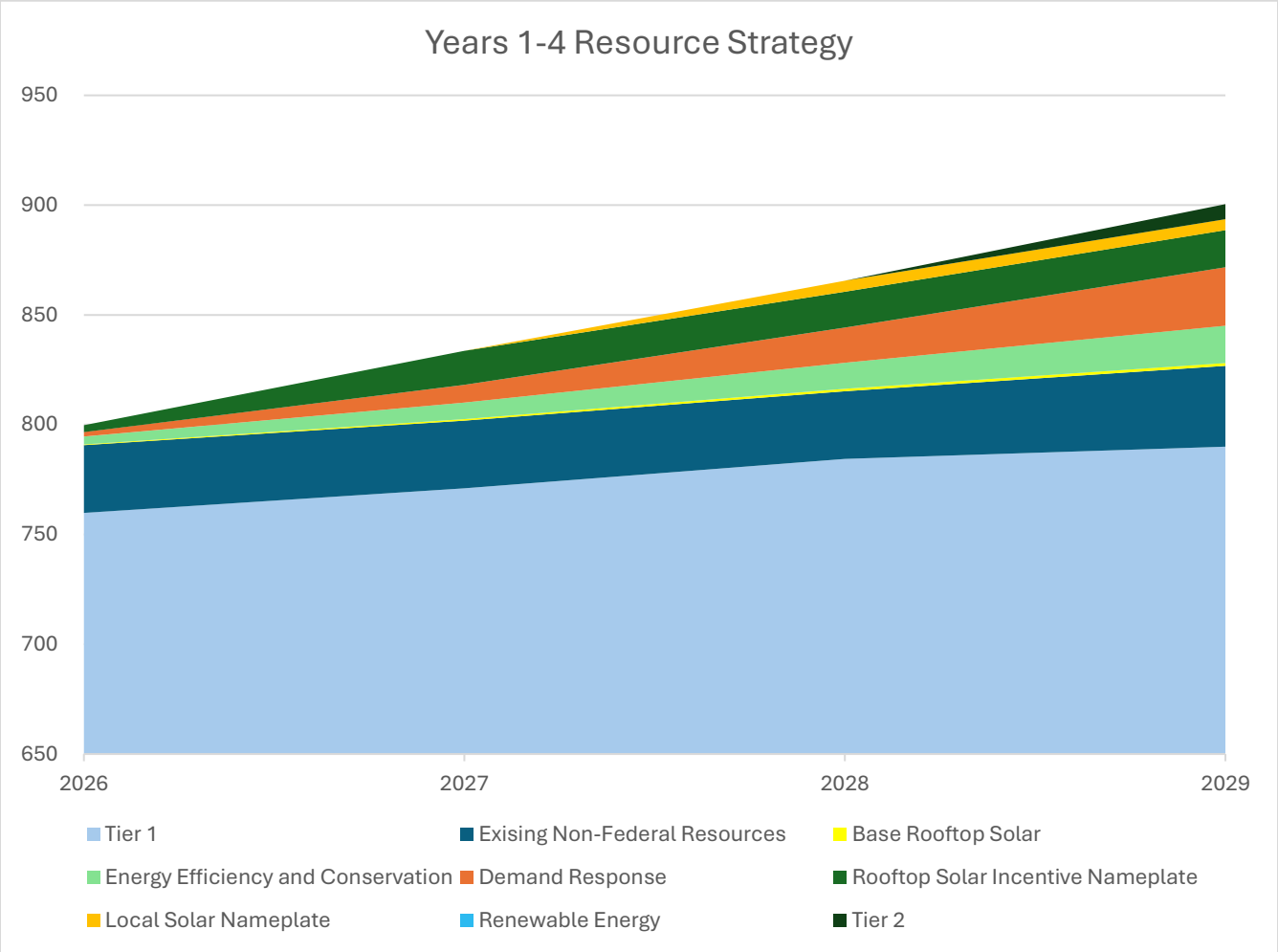
Resource Strategy Details

The foundation of the long-term resource strategy is described above and are shown below in graphical form. The resource strategy represents the lowest cost solution to the base case scenario as described in Sections 4 and 6.

Near Term Resource Strategy Details

The near-term resource strategy for years 1 to 4 representing calendar years 2025-2029. During these years the PUD transitions from the current BPA Regional Dialogue Contract to the new POC Contract and will have Tier 2 exposure, however the CETA requirements are not in effect. This period represents the next Clean Energy Implementation Plan reporting period and contains the EIA required biennial conservation targets. The resource strategy continues to use the Load-Following product into the POC Contract and a Tier 2 election will be made in 2026. Renewable energy resource development timelines exceed this study period and the PUD did not have enough above-high-water mark load to serve with a utility-scale renewable project, however due-diligence is needed during this period to enable acquisitions in the intermediate years. Tier 1 remains sufficient to meet the PUD's energy needs until the final year of the near-term period. Conservation, demand response and smart rates, and local solar investments provide a bridge to the intermediate term.

Figure 7-1 Near Term Total Resource Strategy

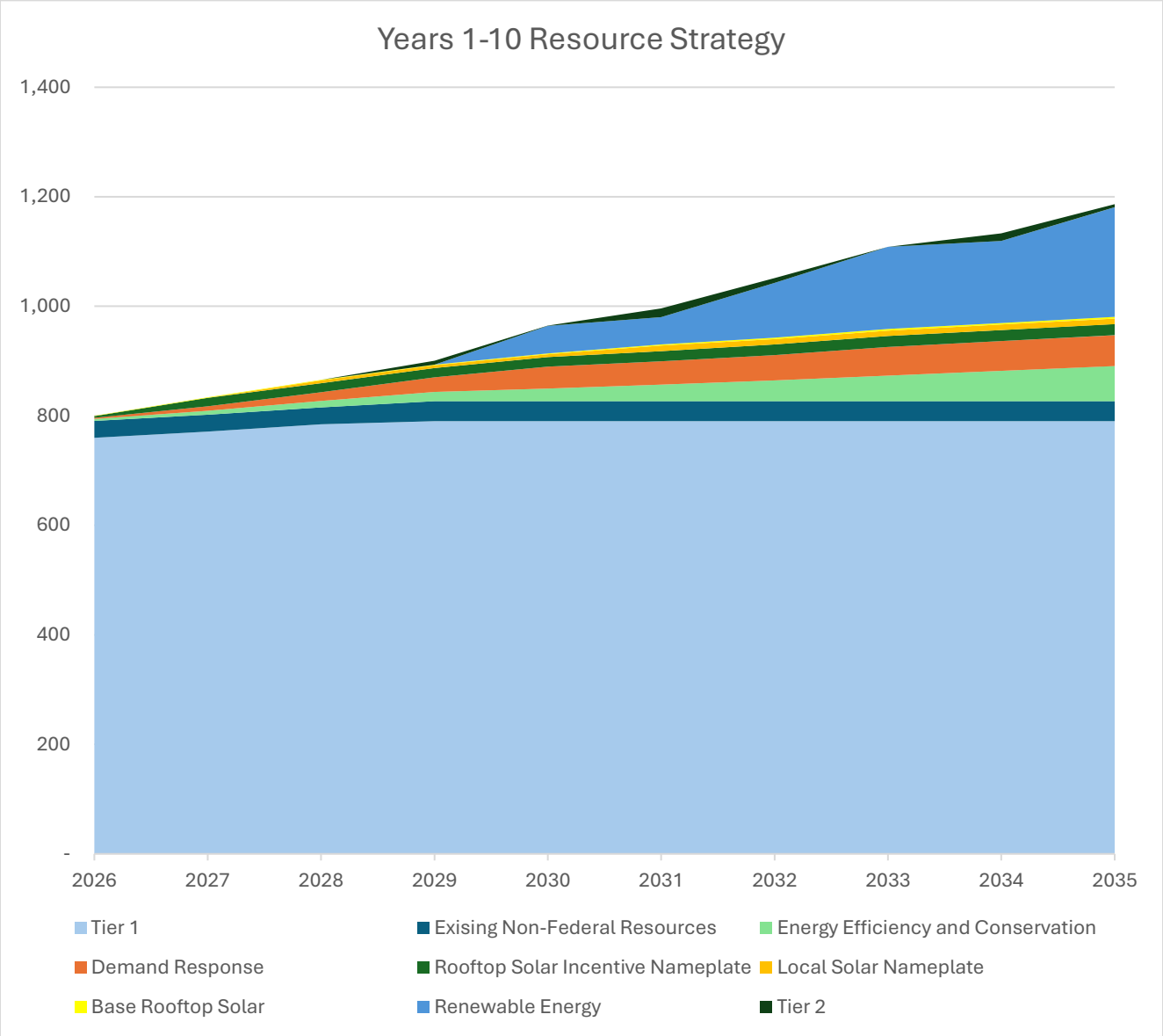


Intermediate Term Resource Strategy Details

The intermediate term of the resource strategy covers calendar years 2030 to 2035 and begins when CETA net-zero requirements take effect. Load forecasts increase in this period with Washington State electric vehicle mandates becoming binding, electrification increasing and inherent load growth growing, leading to above high-water-mark load. The PUD is expected to reach the contractual ceiling of its Tier 1 from 2030 until the end of the study period and resource additions are required to serve load growth. Supply side resource options are available in this period and technological advancements improve renewable energy efficiency while buildouts increase. Conservation remains a foundational resource for the PUD with demand response and smart rate capacities increasing to offset demand charges and providing regulatory compliance support. Renewable energy acquisitions increase for regulatory compliance needs and to serve load growth. During the intermediate

term EIA compliance becomes less constraining as renewables are procured while CETA compliance becomes more challenging. The resource strategy shown below includes all years including both near and intermediate terms.

Figure 7-2 Intermediate Term Total Resource Strategy

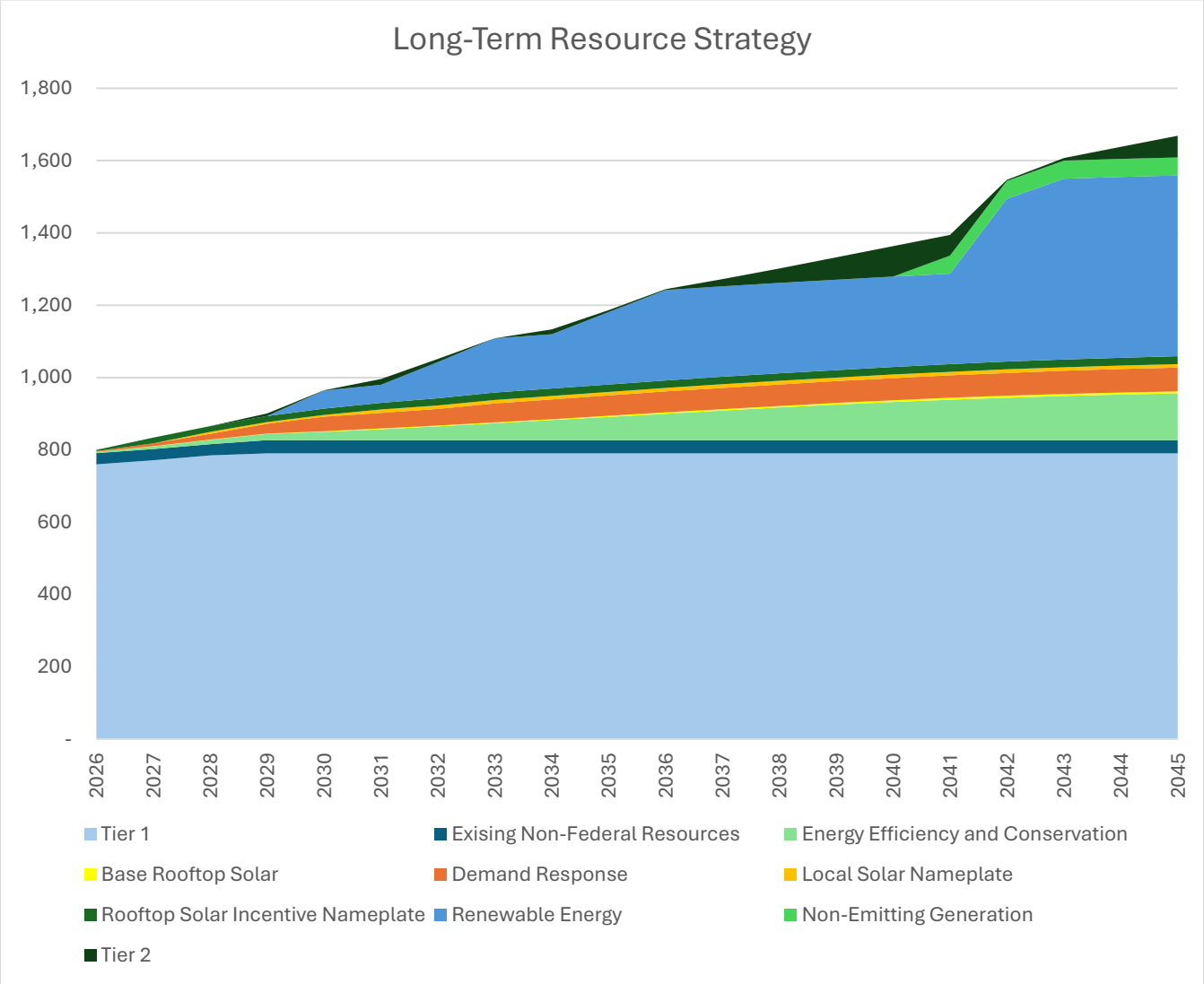


Total Resource Strategy

The resource strategy based on the Base Case covering all years is shown below and represents an economic optimization satisfying all clean energy regulatory requirements.

The IRP provides a flexible vision for the resources that will be added across the study period but will be updated in future IRPs as the later years get closer. Conservation remains a significant investment across the study period and combined with renewable resources provide much of the load growth service. Demand response and smart rate options grow throughout the study period to mitigate demand costs and provide regulatory value while EIA compliance is a constraint. The PUD will examine incentives for large customer-owned solar and this provides additional investments in customer resources. The strategy includes non-emitting resources in the final years of the study and developments in these sectors will be followed. Tier 2 acts as a buffer between resource additions and gets displaced with renewable resources when sufficient load growth occurs to need the resource output.

Figure 7-3 Long Term Resource Strategy



The resource strategy represents a flexible plan to meet future needs at the lowest reasonable costs while complying with all regulatory requirements and mitigating the risks the PUD could face over 20 years.

2025 Action Plan

The 2025 IRP has identified several near-term actions to ensure the PUD can meet the needs of its customers in a rapidly changing environment, well into the future:

1. **Acquire 7.5aMW of cost-effective conservation by 2027**
   - The 2025 IRP sets a biennial conservation target of 7.5 cumulative annual aMW for 2026-2027. Conservation remains a critical resource for meeting future load growth as it has in previous IRP cycles. The acquisition of conservation savings reduces the demand for electricity, delaying the need to acquire new resources and reducing the overall cost of energy and regulatory compliance for PUD customers.
2. **Develop cost-effective Demand Response & Smart Rates options, maximizing the regulatory and peak management value.**
   - The PUD AMI investment and the maturation of a variety of new customer-facing technologies allows for new options that could allow customers more control over their bills, and more tools for the PUD to work with customers to shape the PUD load profile into a more cost effective one. While the 2025 IRP identifies a variety of programs that would be financially cost-effective for the PUD, staff have identified that additional development work is needed to find the programs that provide the most value for customers and reduce PUD costs to the benefits of all customers. Development work should also consider staff resources required to launch and sustain programs. The IRP sets a 4-year target of 26.6 MW of peak reduction capability.
3. **Develop local PUD solar resources and explore programs for large (>50kW) customer-owned solar resources.**
   - The 2025 IRP finds that local solar could have increased value due to the BPA Power and Transmission product changes, recent state regulatory changes, and new features of the Post-2028 BPA Power contract. There are two local solar elements found cost-effective in the 2025 IRP: PUD-managed solar at larger (1-5MW) build sizes, and customer-owned solar at build sizes greater than 50kw. Accordingly, staff should:
     - Develop a plan to deliver up to 10MW of cost-effective locally sited, PUD-managed solar projects, in increments not to exceed 5MW, by 2035. This plan should prioritize the regulatory value of these projects granted by WA

State Bill 5445 and BPA's Post-2028 contract behind-the-meter resource incentives.

- Assess the feasibility of developing and managing an incentive program for larger customer-owned solar projects (> 50kW) in partnership with local stakeholders. Large size customer owned solar projects are an underdeveloped market segment which offers unique benefits and economies of scale. Developing programs or incentives for large scale customer solar projects creates opportunities for the PUD to lower costs and acquire environmental attributes while being responsive to customer feedback on expanding customer solar options. Staff should develop a framework to effectively deliver cost-effective large-scale customer solar and ensure appropriate staff resources and organizational capabilities can support the framework.

4. **Perform due diligence on regional renewable energy projects, and prepare for potential procurement activity**
   - 200 MW of new renewables are identified in Years 3-10 of the Resource Strategy for clean energy regulation compliance and load growth. Renewable resources take time to develop and to prepare for potential renewable additions, staff will start due diligence activities now, making flexible procurement plans. Due diligence activities include but aren't limited to: evaluating the potential to access existing projects, monitoring regional RFPs and announced contracts for best practices and price points, evaluating transmission needs, talking with regional peers to identify partnership opportunities, and procurement activities like Requests for Information (RFI) and Requests for Proposals (RFP).
5. **Perform additional analysis on Above-High-Water-Mark load service options**
   - The PUD will choose a Tier 2 election strategy in 2026 for above-high-water-mark service. At the time of the 2025 IRP, BPA has provided limited information on the contents of the Long-Term Tier 2 product option, and the 2026 BPA Resource Program was not completed. PUD staff expect additional information before the Tier 2 election deadline and anticipate performing additional analysis to ensure that the PUD makes an appropriate election and makes any needed adjustments to resource planning in response to that election. PUD staff will provide the results of the analysis to the Commission with a recommendation to inform Commission decision-making.
6. **Ensure compliance with clean energy mandates**
   - The PUD is committed to meeting or exceeding clean energy and carbon regulatory requirements, and the PUD's portfolio is well-positioned to do so. The IRP forecasts a need to acquire Renewable Energy Credits (RECs) in the near-term

to augment portfolio resources and meet Renewable Portfolio Standards. PUD staff will:

- Continue to develop its REC procurement framework to mitigate risks and employ lowest cost strategies.
- Implement the Clean Energy Implementation Plan and Clean Energy Action Plan contained in the 2025 IRP per the Clean Energy Transformation Act statute.

7. **Perform due diligence on local battery energy storage**
   - Staff should continue to perform due diligence on utility-scale local battery projects including quantifying cost savings via in-house development, quantifying local transmission and distribution system value, and considering the strategic value of reducing regional transmission system risks while working with local stakeholders. The results of the due diligence process should inform a comprehensive strategy for local energy storage.
8. **Explore partnerships with local fusion energy companies**
   - Snohomish County is home to a developing fusion energy sector and the PUD is well positioned to further relationships with local fusion energy developers. The PUD will appropriately support local fusion companies and continue to follow advances in this sector.
9. **Continue to engage in regional transmission policy and planning efforts to ensure sufficient transmission capacity to serve load**
   - Regional transmission availability and reliability is a topic of sector-wide concern and PUD staff should continue to be at the table on behalf of PUD customers to advocate for projects and policy that reduce risks and follow sound business principles.
10. **Continue to engage in Organized Markets development.**
    - Various regional discussions on RTOs, Day Ahead Markets, and other market structures can present new risks and opportunities for the PUD. To adequately plan and influence market formation and design, PUD staff should continue to participate in relevant discussions, evaluations, and exploratory efforts to mitigate risks and develop new opportunities for the PUD on behalf of its customers. Specifically, staff should continue advocacy to ensure hydropower is appropriately valued, that the economic opportunities and risks of planned dispatchable resources are accounted for, and regulatory compliance is facilitated.
11. **Demonstrate regional leadership on power, transmission and policy issues.**

- Regional issues require the active engagement by subject matter experts to guide policymaking that could have significant implications for risks, costs, and opportunities for PUD ratepayers. Accordingly, staff should:
    - Continue to engage in local, state and federal policymaking for energy-related issues. Analysis in the 2025 IRP has found that state regulatory compliance obligations drive resource builds and that alternative regulatory compliance structures can produce cost savings for PUD customers. PUD staff should continue to be engaged with local, state and federal policymaking that can help meet clean energy and carbon goals at the lowest reasonable cost to ratepayers.
    - Continue to advocate for sound business principles and sound policy in BPA proceedings to achieve low and stable cost trajectories of BPA Power and Transmission products. BPA continues to be an integral part of the PUD's long-term power supply and keeping BPA's costs low and stable is a critical method of mitigating cost pressures on our customers. Collaborative efforts with BPA to ensure sound business practices and sensible policy objectives are followed and met will ensure BPA's long-term financial sustainability and stewardship of the regions unique resources.

12. Continue to build and enhance community engagement on long-term planning

- PUD staff should continue to develop and enhance community engagement efforts in the development of long-term plans. This customer-centric approach will help ensure that planning efforts meet the needs of customers and incorporate the feedback from customers.

13. Continue to advance the PUD's long-term planning tools to capture more risks, opportunities and scenario-planning tools with the goal of achieving lowest reasonable costs for customers.

- PUD staff should continue to work cross-functionally to capture the potential of local resources to defer infrastructure needs and costs on the T&D system. Systematically capturing such opportunities within Resource planning and T&D System planning efforts has the potential to identify cost-saving investments across PUD business lines. Specifically, staff should:
    - Develop and solicit an RFP for a new Demand Side Services support contract to deliver updated Conservation Potential Assessment, Demand Response Potential Assessment, and Solar Potential Assessment studies based on staff recommendations.

- Continue to advance the Load-Following Optimization Model for the IRP, incorporating more tools to capture risks, opportunities, and deeper scenario analysis.

14. Develop a strategy and framework to manage new large load requests

- PUD staff should work collaboratively across departments to develop a strategic framework for managing new large load requests. The increasing volume of these requests presents significant implications for the PUD and warrants further analysis before service commitments are made. A comprehensive framework is needed to guide the evaluation and processing of future large load requests.

Appendix A. Clean Energy Action Plan

Clean Energy Action Plans (CEAPs) are a component of utility resource planning introduced by CETA. The purpose of the CEAP is to identify the planned actions over the next 10 years to meet specific goals of CETA. The 2025 IRP contains the CEAP in its 10-year vision of the Long-Term Resource Plan, and it presents the Long-Term Resource Action Plan's contributions to long-term clean energy goals. The PUD does not plan to add emitting resources to the portfolio; only renewable and non-emitting resources will be considered for meeting future load growth. However, because BPA's portfolio passes on a portion of its unspecified market purchases, the PUD expects to achieve 2030-2044 compliance through REC purchases.

Clean Energy Action Plan Summary

The 10-year CEAP has identified the following resources to be added by 2035 as shown in Figure 7-2 Intermediate Term Total Resource Strategy.

Table A - 1 Clean Energy Action Plan Targets

	2035 (10-Year)
Conservation (Cumulative annual aMW)	**64.2**
Demand Response (Cumulative MW Peak Reduction)	**56.1**
Distributed Energy Resources (Nameplate MW)	**34.0**
Renewable Resources (Nameplate MW)	**200**
Non-Emitting Resources (Nameplate MW)	**0**

The PUD uses the WRAP resource adequacy standards as defined by the WRAP program as its resource adequacy standard. The PUD will comply with the WRAP by purchasing the WRAP-compliant Load-Following Product from BPA.

To help plan for and meet the PUD's transmission needs, the PUD will utilize BPA's NT product for load service. This product allows the PUD to identify network loads and resources used to serve its needs, which BPA then manages. As an NT customer, BPA is responsible for planning and providing load service for any and all identified customer loads.

Snohomish will engage with BPA's planning processes to ensure that firm transmission continues to be available for serving its customers.

Appendix B. Clean Energy Implementation Plan Snapshot

The Clean Energy Implementation Plan (CEIP) is to be informed by the IRP but include separate public process results and assess specific questions contained in the law not included in the IRP. The 2025 CEIP is a separately published document, however, this appendix provides a resource-related snapshot as a companion to the 2025 CEIP.

Clean Energy Implementation Plan Summary

For the 4-year CEIP horizon the IRP has identified these resources as additions by the end of 2029.

Table B - 1 Clean Energy Implementation Plan Targets

	2029 (4-Year)
Conservation (Cumulative annual aMW)	**17.0**
Demand Response (Cumulative MW Peak Reduction)	**26.6**
Local Solar (Nameplate MW)	**23.7**
New Utility-Scale Renewables (Nameplate MW)	**0**

Appendix C. Public Process

The PUD utilizes an extensive public process to inform the development of long-term plans and has a customer-centric approach to planning. The public processes are intended to understand the perspectives of customers, incorporate analysis of interest to customers, and provide transparency for customers throughout the planning process.

The public engagement process has been expanded and developed from the 2021 IRP and 2023 IRP public processes incorporating feedback from attendees. The 2025 IRP public process integrated both IRP and clean energy implementation plan questions to gather feedback from our customers regarding their thoughts on the utility planning scope and clean energy actions and associated impacts. The PUD hosted one community leaders listening session, two traditional open houses, two community open houses, one virtual PowerTalks open house and a table at the energy block party for customers to engage with the PUD to give feedback.

IRP Listening Session

On May 23, 2024, the PUD hosted a listening session with 18 members of large businesses, non-governmental service organizations and governmental planning teams from Snohomish County and Camano Island. These organizations represent a wide cross section of insight into energy opportunities the community has, and potential challenges businesses and individuals could face in the IRP study timeframe.

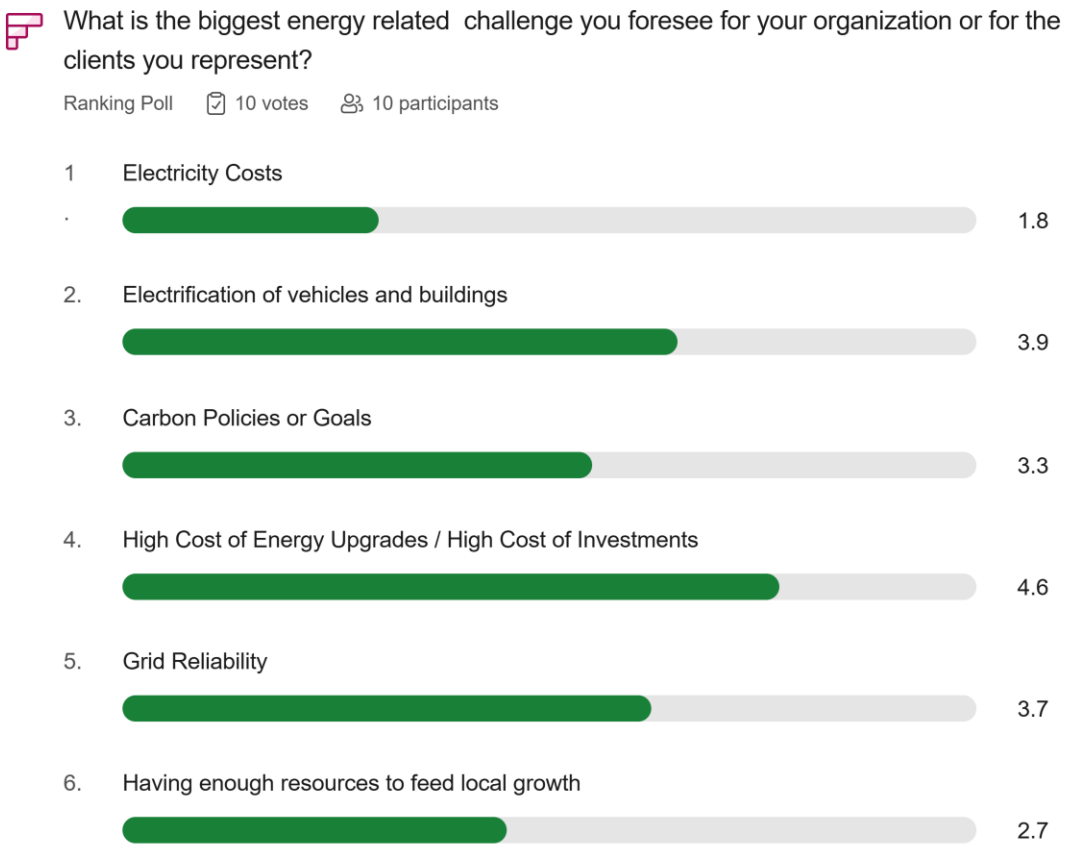
Customer feedback included the following (paraphrasing used here for clarity and brevity):

- Fleet electrification is probable in the PUD's service territory. Several individuals mentioned their organizations were exploring potential to change their fleets to electric vehicles outside of the traditional goods transportation sectors.
- Residential adoption of electric vehicles for energy burdened or low-income customers is challenging. The cost of electric vehicles are a high barrier to adoption.
- Electrification of processes is an opportunity for customers with fossil fueled systems however upgrades are complex and represent a large investment.
- Reliable power supply and developing new technology and programs were the highest priorities for attendees. Several organizations indicated reliability and resiliency were related but offered different value to the organization. Both were high priorities for customers.

- Cost of energy upgrades and investments were the biggest challenges across sectors. Supply chain challenges represented additional challenges to upgrades depending on the type of upgrade.
- Clean energy and sustainability developments were most exciting with several mentions of news stories on new generation technology breakthroughs.

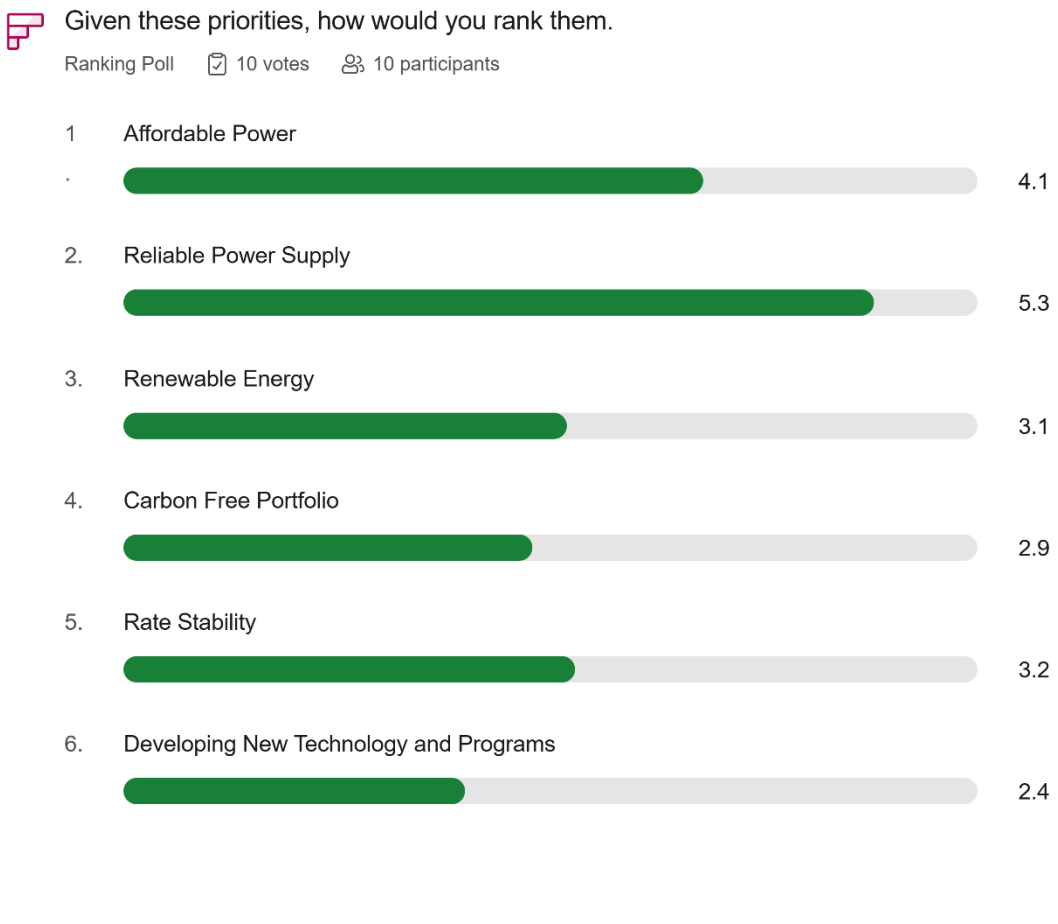
Figure C - 1 Most Exciting Aspect of the Energy Future

Figure C - 2 Largest Challenge for the Energy Future



Amongst the community leaders across the business, public service and government sectors sustainability was an opportunity for the future rather than a hinderance. A common thread among responses was the clean energy future was a high priority for all these community leaders and several mentioned environmental efforts or corporate sustainability initiatives. The biggest challenge the leaders responded with was the costs of upgrades for electrification or conservation, electrification of buildings and facilities and grid reliability. Across sectors responses were aligned with opportunities and challenges implying the PUD can impact our community in positive ways that benefit all segments of our customer base with thoughtful resource planning.

Figure C - 3 Ranked Priorities



Community leaders indicated reliable power supply was the highest priority meaning both resource sufficiency for future needs and enough grid support to deliver power. Affordability and keeping rates low was a high priority for industrial customers and organizations serving low-income customers as these customers are disproportionately impacted by rate increases meaning sound fiscal planning is paramount through the IRP process. Customers did not indicate new programs, or technology was a high priority relative to other priorities they did mention that new program and technology were an opportunity to impact other priorities such as costs and reliability.

IRP Open Houses

The PUD hosted four public engagement events: two traditional-format open houses and two gamified community events. The traditional open houses took place at the Everett

headquarters and at the Arlington Clean Energy Center. The community events took place at Cedar Valley Community School and a senior center in Snohomish County. Across all events, nearly 100 community members engaged with the IRP team to share their perspectives on the IRP study.

To gather feedback, PUD staff used Slido, an interactive tool, during the traditional open houses. For the community events, similar questions were presented in a gamified format, encouraging more dynamic and conversational interactions. All events featured consistent content and questions to ensure feedback could be compared evenly.

Participants received a high-level overview of the IRP process and how their input would influence future planning. Feedback questions focused on electric vehicles, home electrification and heating systems, customer priorities, and perceived challenges.

Key insights included:

- Most participants did not currently own electric vehicles, though about half were considering purchasing one.
- The majority had not installed new heating or cooling systems or switched fuel sources for cooking or heating.
- Heat pumps and heat pump water heaters were the most commonly supported energy-efficient upgrades.
- Customers ranked **renewable energy** and **affordable electricity** as their top priorities, followed by **reliability**. While **stable rates** were seen as beneficial, they were ranked lower in priority.

Perceived challenges varied by event type. Attendees at traditional open houses identified **resource adequacy** as the biggest concern, while those at community events highlighted **building and vehicle electrification** and **carbon policy** as key challenges.

Power Talks

The PUD hosts virtual meetings open to customers on specific topics called PowerTalks. These PowerTalks offer an online format to engage with customers that may prefer a virtual option to join. In September the topic of PowerTalks was *"The Clean Energy Future and How the PUD Plans for It"*. Garrison Marr, Kris Scudder and Landon Snyder joined to give an overview of the IRP process, the core questions of this IRP and the timeline of the 2025 IRP. PUD customers and staff were attending the webinar and had time at the end of the presentation for questions. Customer questions germane to resource planning were on the plans for time of use rates and fusion energy in the IRP.

As a result of customer feedback, the 2025 IRP included a solar potential study as described in Solar Potential Assessment. No additional technologies were considered based on public feedback, however based on subject matter expert opinion geothermal energy was considered.

Energy Block Party

In both 2024 and 2025, the PUD hosted its annual Energy Block Party, featuring numerous booths where staff engaged directly with customers. The IRP team participated by hosting a booth focused on the future of the PUD's power supply and planning process. Customers were invited to ask questions and share feedback, including which energy-efficient technologies they were most likely to adopt—such as electric vehicles, heat pumps, air conditioning units, or heat pump water heaters. Electric vehicles emerged as the most popular choice, though many attendees expressed interest in learning more about all available energy-saving options. Additionally, customers voiced strong support for rooftop solar programs, the exploration of emerging technologies, and the pursuit of carbon-free energy solutions.

Commission Briefings

PUD staff provide briefings during the development of the IRP to provide Commissioners an opportunity to provide feedback, and for additional public transparency of the process. PUD staff break the IRP process into 5 phases, and these phases are shared sequentially (sometimes in groups). These Phases are as follows:

- Phase 1: Definition of study scope
- Phase 2: Calculation of resource need given load and resource forecasts
- Phase 3: Evaluation of Resource Options, including cost and capability
- Phase 4: Portfolio Optimization
- Phase 5: Resource Strategy and Action Plan

Briefing 1: March 19, 2024

This briefing kicked off the 2025 IRP process, with staff presenting a refresher on what an IRP is, some anticipated areas of study, the overall timeline, and proposed public process. Secondly the Commission was briefed on the CEIP requirements and how the CEIP aligns with the IRP public process.

Briefing 2: January 21, 2025

Following an extensive public engagement process and input from a technical team of subject matter experts, staff presented the proposed IRP study scope to the Commission. The presentation included a summary of public feedback and an analysis of study factors identified by the technical team, evaluated based on their potential impact and likelihood.

Briefing 3: April 8, 2025

The third briefing discussed the Phase 2 results and presented the load growth projections and projected resource needs. Staff explained the Load-Following products interaction with resources, and a brief introduction to Tier 2.

Briefing 4: June 17, 2025

The fourth briefing presented the resource menu for the Commissioners feedback. Commissioners were briefed on the results of the CPA, DRPA and SPA studies, the supply side resource menu and BPA Tier 2 service.

Briefing 5: August 19, 2025

The fifth briefing summarized the outcomes of Phase 4 of the Integrated Resource Plan (IRP), focusing on the results of the optimization process. It presented the base case scenario along with the 4- and 10-year portfolio additions, highlighting key strategic insights. Core resource additions were evaluated across the IRP scenarios, providing a comparative view that informed the foundation of the long-term resource strategy.

At the time of writing the phase 5 and final briefing are upcoming with the Commission. The planned public hearing will follow the final briefing, and adoption will occur by the end of 2025.

CEIP Incorporation

The PUD employed an integrated public engagement process to support the CEIP and ensure alignment between resource planning and CEIP outcomes. A key objective of this process was to gather public input on the definitions of vulnerable populations, as outlined in the CETA.

To maintain consistency in evaluating metrics and tracking the impacts of specified actions over time, the PUD recommended continuing with the definitions of vulnerable populations established in the 2021 CEIP. Feedback collected during the open house sessions helped identify the most impactful metrics from the customer perspective.

Throughout the engagement process, customers expressed support for retaining the definitions of vulnerable populations as “distribution-constrained customers” and “energy-burdened customers.” These definitions are detailed in the CEIP document. Additionally, customers emphasized the need for expanded programmatic support for non-homeowner groups within the energy-burdened category, while affirming that the overall definition remained appropriate.

Appendix D.

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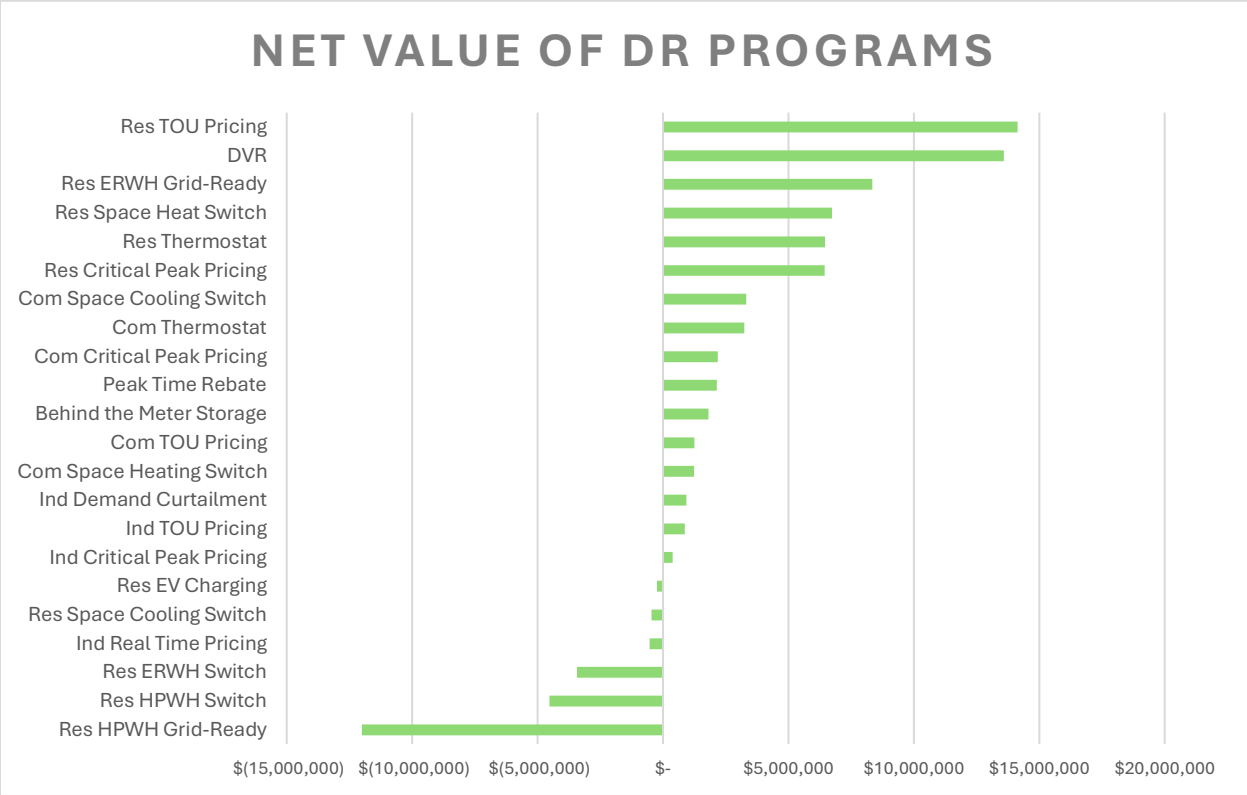
Appendix E. Demand Response Value Analysis

The DRPA included 22 demand response (DR) programs for consideration in the 2025 IRP, with 16 of these were found cost-effective to develop. A significant change from the 2023 Update is that DR programs now have two primary value streams. The traditional driver of value comes from capacity value - a reduction in load during peak hours which reduces the monthly peak demand bill. With recent legislative changes, demand response programs now additionally generate value by creating REC equivalents to meet annual EIA regulatory compliance targets. Staff estimate that the regulatory value could represent 60-70% of the net value from DR.

The net value is not equal among all cost-effective DR programs. Out of the 16 that are found to be cost-effective, the top 3 programs are estimated to provide half of the total net value. The Residential Time of Use rate was found to bring the most value, with the second being Demand Voltage Reduction. There is also a clear trend between program value and program customer type, with most of the highest-value DR being residential programs, mid-value being commercial, and the lowest-value being industrial programs. These are largely aligned with expectations based on the PUD's customer base primarily being residential and smart rate options having fewer program costs than device-based programs. Demand Voltage Reduction represents a unique program based on utility actions without relying on customers.

Figure E - 1 Program Net Value



Capacity value

With the Load-Following product, BPA's capacity pricing is based on a demand charge applied to the highest measured hourly load in every month. This incentivizes the PUD to reduce its peak monthly load if it is more cost-effective than BPA's demand charge to reduce the net peak costs. DR programs provide capacity value by reducing the PUD's demand charge exposure. A DR program must successfully bring down the month's highest hourly load to provide this capacity value. Out of the 16 programs found cost effective, 10 were cost-effective through capacity value alone without including regulatory value. High-cost DR and those with an estimated low net value are those that are not expected to be cost effective through capacity value alone. The DR that is found to be highly cost-effective through capacity value alone may be considered as having the least risk from a cost perspective. Not considered in this analysis is the capability to reduce peak hour demands, instead all programs were given their full capacity for all months. The ability to call rely on called customer programs has diminishing returns and forecast errors in predicting peak hours will degrade program capabilities depending on the program.

Regulatory value

The passage of Washington State's Senate Bill 5445 provides a significant new incentive to procure DR by generating equivalent RECs to meet the PUD's compliance targets in accordance with the Energy Independence Act. The amount of regulatory value DR programs produce is based on the amount of the PUD's peak system load the DR program could reduce, as shown in Section 3.

The conversion of capacity to RECs uses the DR power capacity to meet the peak needs and this is converted to MWhs through annual system load which are equivalent to RECs for meeting EIA requirements. The claimed capacity of the DR programs must be verified through measurement and verification. The biggest difference with this value stream is that it comes from annual peak load reduction capability while the capacity value comes from actual monthly peak load reduction.

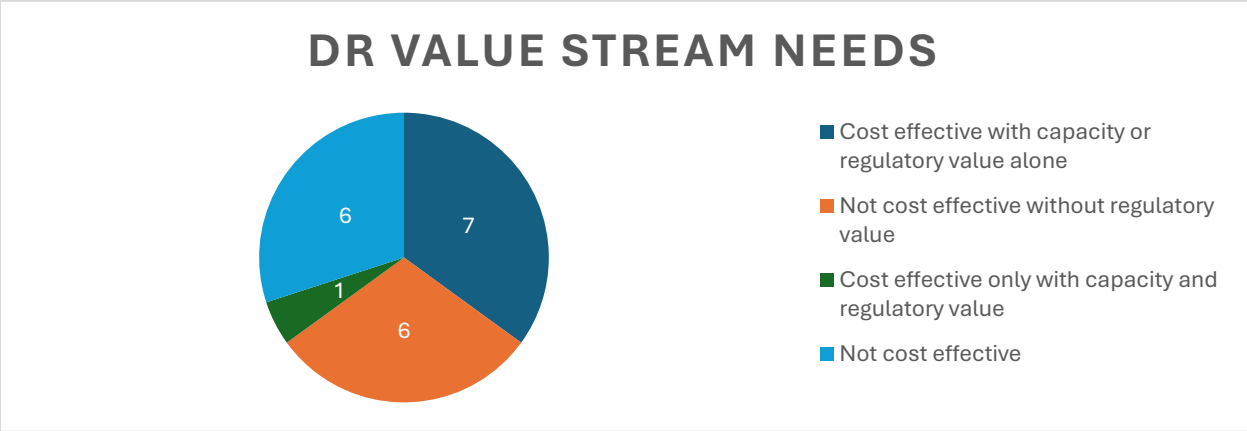
The amount of regulatory value received through the DR is dependent on the price of the RECs that would have otherwise been purchased in compliance with the Energy Independence Act. It is also dependent on how DR capacity against peak system load is counted; if the bill uses the maximum capacity of a DR program in any part of the year against the system peak, summer-peaking DR will benefit. If the bill only takes the maximum capacity of DR during the same period as system peak, winter-focused DR will benefit from the bill and summer peaking programs will be disadvantaged, even if the PUD load is close to being dual-peaking since annual peak loads will be during the winter for the foreseeable future.

Other considerations

Outside of the benefit in bringing energy and regulatory costs down for customers, other strongly considered aspects of DR program development include administrative feasibility, customer education and customer interest. The difficulty of establishing a program from an administrative perspective should factor in feasibility. Some DR programs require several steps to deploy, including appliance retrofits and contractor involvement, while others, such as smart rates, are lower cost and offer more flexibility for customers. Several DR programs have been chosen as the most feasible to deploy from staff perspectives of administrative feasibility and customer interest. Additionally, staff perspective on customer appetite for programs suggests that a large menu of items may be confusing from a customer perspective, so DR deployment should start with a small number of high value programs.

DR program development should seek to maximize both regulatory and capacity value. Since regulatory value may prove to provide the majority of the monetary net benefit of DR programs, it is important to optimize for this new aspect. Programs that are cost-effective based on capacity value alone may have the most durable value to the PUD, carrying less policy risk. Programs that are not found to be cost-effective without SB5445 should be carefully considered and programs that require both regulatory and capacity value should have additional due diligence performed before allocating resources.

Figure E - 2 DR Program Value Stream Requirements



Appendix F. Emerging Technologies

The purpose of this appendix is to examine and describe various supply-side generation and capacity resource technologies that did not make it into the body of the PUD's 2025 IRP. These technologies usually need more time to mature and become commercially available in and around our greater geographic region at a price point that is reasonably competitive with existing alternatives that meet similar needs. Each technology listed is categorized into either generation or capacity resources.

Generation

Offshore Wind

Offshore wind resources typically have higher speeds and less variability than land-based winds, and offshore wind turbines have grown in popularity to capture the vast amount of kinetic energy that comes from the ocean winds.[i] The turbines' placement in the ocean allows them to be very large, with their average hub height (water line to rotor) expected to reach 500 feet, and a higher average capacity factor than onshore turbines, at 43% against 34%.[ii] However, they require special design and infrastructure due to the complexities of being offshore. Offshore wind has been included in the last 5 years of the IRP's High-Tech scenario assuming technological development facilitates this resource type.

Offshore turbines can be divided into two types: fixed-bottom and floating. Fixed-bottom turbines are connected to fixed structures which are embedded into the ocean floor. Above water, fixed-bottom turbines are nearly identical to onshore turbines, except that they are marinized for oceanic conditions and their power capacity tends to be far greater than a typical onshore turbine due to their greater size and the stronger winds. Almost all operational offshore turbines are fixed-bottom. The greatest constraint with fixed-bottom turbines is that they can usually only be in water up to around 200 feet deep, making them not applicable to the Pacific Coast, which requires turbines to be at a greater water depth.[iii]

Floating turbines are a newer design where the turbines float on the water, attached to floating foundations which are then connected to mooring lines. Floating turbines can be installed in deep water, allowing them access to far more offshore wind resources than fixed-bottom turbines. They may also have a smaller environmental effect on the surrounding marine ecosystem due to their farther proximity from the coast and reduced environmental disturbance during installation.[iv] However, because of the lack of currently operating floating turbines, research and continued monitoring of the existing floating projects is needed to fully assess the environmental impact.

As of 2025, there are no offshore wind projects operating in the Western U.S., but several in Rhode Island, Massachusetts and Virginia. More than 6GW offshore capacity is planned in mostly the East Coast.[v] Higher costs associated with the complexities of offshore installation, maintenance and transmission can impact the economic feasibility of offshore wind resources. Some of the biggest risks can be attributed to undersea power cables, including array cables, which transfer the generated electricity from the turbines to the offshore substations, and export cables, which connect the power from the substations to the onshore grid. More than 80% of financial losses and insurance claims in the offshore wind industry are caused by power cable failures, which usually take 1-2 months to repair.[vi] Both operational and environmental risks related to undersea cables should be minimized through continued research and development, new technologies and a strong regulatory framework. Site location must be carefully considered based on marine coastal ecosystem impact and visual disturbances. An action plan by the Department of Energy was released in 2025 to address the necessary transmission development for offshore power on the West Coast, as an expanded transmission network, coordinated planning and technological advancements are all necessary to support the development of floating turbines in the Pacific Region.[vii] As the permitting process streamlines, and the cost of infrastructure, construction, and operations continue to decline, offshore wind turbines have the potential to become commercially available in the Western U.S.

Enhanced Geothermal Systems

While natural geothermal reservoirs require specific geological conditions like heat, fluids, and permeable rock, Enhanced Geothermal Systems (EGS) only need underground heat, as they can artificially create geothermal reservoirs through technologies such as hydraulic fracturing and fluid injections. Like traditional geothermal systems, EGS pump water through the fracture networks, which then heat a working fluid above-ground to spin a turbine. The first operating EGS project was installed in New Mexico, US in the early 1970s.[viii] There have since been many EGS projects around the world, with 3 project pilots funded by the DOE in Oregon, Northern California and Utah.[ix] The Utah project is planned to provide up to 2GW of power.[x]

Unlike many renewable resources, geothermal generators provide steady baseload power, which adds value to their production. There is a considerable amount of underground heat resource in the Western U.S. which is suitable for EGS, and some organizations are performing analyses on potential sites in the Cascade Mountain Range. There have been concerns over the risks of induced seismicity that can be caused by the fracturing process, the heavy amount of water EGS consume, and water contamination risks. Water contamination risks are considered low since EGS operate extremely deep, below and away

from any drinking source, and with usually benign fluid.[xi] EGS operate through a closed-loop system, so geothermal fluid is kept inside a well casing and not deposited onto the surface. Ongoing research and development continue to optimize fluid flow, economize the wellbore and drilling process, and reduce the risk of induced seismicity. As costs are reduced and technology improves, EGS may be explored further as a viable renewable baseload resource.

Hydrogen Turbines

Hydrogen gas has the potential to be used as fuel for peaking power plant turbines. Peaking power plants ("Peakers") are generators with relatively low fixed costs and high variable costs which can be quickly dispatched to meet peak demand hours. Peaking power plants are usually fueled with natural gas, although some generators use other fuels like oil. These Peakers can be retrofitted to be Hydrogen-capable, using 100% hydrogen to fire the plant instead of natural gas. Hydrogen does not emit pollutants and can be produced using nonpolluting energy. Many current retrofitted Peakers cofire natural gas with a mix of 5%-20% hydrogen, usually with a goal of reaching 100% hydrogen in the future. The conversion of a natural gas Peaker plant requires an upgrade of the fuel injection, combustion systems and burners to handle hydrogen gas. Hydrogen-fired turbines with onsite hydrogen production may also be considered a capacity resource, with hydrogen being stored onsite and the turbine used to discharge the stored energy.

The primary barrier to feasibility for fully hydrogen-fired turbines is the cost of green hydrogen production and the necessary storage and/or delivery infrastructure. Hydrogen made from renewable energy through electrolysis is not yet offered at a competitive price. The hydrogen can either be produced and stored onsite or transported either through trucking or through pipeline systems. Their development must also navigate permitting and policy frameworks that are not specific to hydrogen. Washington State released a June 2025 Green Hydrogen Programmatic EIS to help streamline their environmental reviews,[xii] but permitting is still on a case-by-case basis and policy infrastructure for hydrogen is still in the process of being made. Because hydrogen burns at a higher temperature than methane, hydrogen turbines can release a high amount of nitrogen oxide, which may require further modifications depending on regulatory requirements.[xiii] Key policy support and local regional efforts to bring down prices and implement a hydrogen hub, combined with a comparatively low cost of electricity in the Pacific Northwest, may help hydrogen turbines to be a viable resource to address peak demand in the future. However, capacity resources such as lithium batteries are currently a more economic option to address peak demand.

Ocean Energy

Ocean energy generators harness energy from tidal forces, wind waves, and temperature differences in the ocean. Ocean thermal energy systems are most effective in tropical

locations and therefore are not applicable in the local region. The other two primary ocean energy systems are tidal and wave power.

Tidal power generation can be divided by tidal stream and tidal barrage systems. Tidal stream systems use a turbine, usually underwater, in the location of fast flowing currents. They are very similar to wind turbines, using blades that capture kinetic energy to then turn a rotor. Tidal barrage systems use barrages, which are dams, across enclosed bays, inlets, or rivers. They are more like hydropower plants as they take advantage of changes in sea level. As the tide comes in, potential energy is held behind the dam. Water is then released through a turbine which generates power.

Wave power systems, usually called wave energy converters (WEC), generate energy captured by waves, and typically float on top of the ocean. To date, WEC only generate around 20MW worldwide. Around 96% of all installed ocean energy capacity comes from the 254MW Sihwa Lake tidal barrage in South Korea, and the 240MW La Rance tidal barrage in France. Tidal stream and WEC technologies are still in their infancy, and as research progresses, they will likely take a larger share of the installed ocean energy capacity.

The predictability of tidal energy offers an advantage against other renewable resources such as the sun and wind, which generally cannot be forecasted as accurately. While wave resources are not quite as predictable, since the waves come mostly from wind, the Pacific Northwest has been assessed by several organizations and ranked highly for wave power potential. Because water is around 800 times denser than air, tidal stream turbines do not need to be as large as wind turbines to generate an equivalent amount of power and therefore can be constructed in smaller sizes.

There can be environmental concerns as ocean energy systems have the potential to cause harm to the surrounding ecosystems. Underwater turbines can impact marine wildlife, and their placement can cause disruptions to the seabed and migration patterns of both marine animals and birds.[xiv] Tidal barrages especially require consideration of environmental impact due to the system damming an inlet, which can lead to an array of ecosystem changes due to the change in tidal flow and saltwater concentration within. Underwater turbines and infrastructure are also subject to heavy corrosion due to saltwater and potentially strong tidal streams, which means that the turbines need to be engineered to withstand far harsher environmental conditions than a wind turbine. Because of this, the cost of construction and maintenance are not economically competitive.

CCS Natural Gas

Carbon Capture, Utilization and Storage (CCUS) or Carbon Capture and Storage (CCS) are technologies that capture CO2 gases from an emitting source. The CO2 is either stored in a

deep geological reservoir or transported to an off taker and reused for industrial manufacturing. CCS natural gas turbines mitigate a percentage of the CO2 emissions from their smokestack, usually targeted at 90%.[xv] The PUD has no emitting resources in its portfolio and does not plan to add any natural gas resources to its portfolio in the future. However, CCS natural gas turbines may be a future option for other utilities in the region. While carbon capture technology has existed since the 1920s, as of 2025 there are not yet any currently operating CCS natural gas electrical generating plants.

CCS natural gas plants have the benefits of a combined-cycle gas plant, including the reliability benefit of dispatching on-demand and the ability to quickly ramp up power to meet peak needs. In contrast, intermittent renewable resources like solar and wind cannot generate electricity on demand or ramp up generation during peak hours. For utilities that already have natural gas infrastructure, combined-cycle gas plants with carbon capture technology may prove to be an economical way to meet their customers' energy needs while reducing carbon emissions and meeting state regulatory compliance targets.

While the standard target carbon capture rate for CCS natural gas plants is around 90%, studies show that reaching levels of up to 99% may include low or no additional marginal cost.[xvi] However, capture rates of 98% or higher do usually require more equipment and energy.[xvii] CCS natural gas plants carry compliance risk in this region, given CETA's requirement for Washington State utilities to not have any non-emitting resources by 2045. There are also permitting complications with the construction of a natural gas plant in Washington State, the carbon capture monitoring and verification, and the geological sequestration. Additionally, CCS natural gas plant generating costs are subject to the price of natural gas. CCS natural gas plants have reliability benefits and a strong ability to ramp up during peak demand, however the permitting complications, compliance risks and the necessary infrastructure as well as geological siting make CCS natural gas plants a resource choice that is particularly difficult for any utility in the state to consider.

Capacity Resources

Flywheel Energy Storage Systems

Flywheel Energy Storage Systems (FESS) store energy through a rotating flywheel powered by a motor/generator that spins at very high speeds. FESS convert electrical energy into mechanical energy for storage, captured through the acceleration of the flywheel. FESS can then dispatch energy through the flywheel's conversion back to electrical energy, resulting in deceleration of the flywheel. There are several 20MW FESS operating under utilities in the U.S., including New York and Pennsylvania and a planned project in California, as well as a 30MW FESS operating in China.

FESS have incredibly long lifespans while requiring minimal maintenance, and when they have magnetic bearings, they have a very high roundtrip efficiency at up to ~90%. They can also be charged and dispatched rapidly, with both a high power and energy density. The components of a FESS consist of mainly steel and magnets, which makes their permitting process and code compliance easier than a lithium-ion BESS development because of the low fire risk, lack of hazardous materials and low environmental impact. Their decommissioning process is also simpler, as the facilities can usually be fully recyclable at the end of their lifecycle. Flywheel storage systems can also operate under extreme temperatures (-40C to 50C) and humidity, and do not experience battery degradation, reducing the variability of the cost of their operations and maintenance. Flywheel systems usually have high ramp rates and short durations, making them best suited for grid frequency regulation and not optimal for long-duration capacity needs. While the planned project in California will have a 4-hour duration at 20MW, many are limited to 1 hour.[xviii] Flywheel storage systems offer distinct advantages over other forms of storage, but they are not yet economically competitive with lithium storage systems as a grid capacity resource.

Liquid Air Energy Storage

Liquid Air Energy Storage (LAES) is a type of cryogenic energy storage in which air is captured, cleaned, dried, and cooled to -196C, liquifying the gas into a cryogenic fluid that is ~710 times denser than air in a gas state. To discharge back into electricity, the liquid air is then warmed back into a gas and driven through a turbine. LAES company Highview Power is constructing a 300MWh project in Manchester, UK, and Tacoma Power, partnered with Praxair, announced a plan to build a 450MWh project in Washington State.

Liquifying gases through the Claude Cycle is not a new process and is used in many industrial cases. An advantage to liquid air storage is that the facilities do not need special geologic conditions, as they do not need very much area due to the density of the liquified air. However, the roundtrip efficiency of a liquid air storage system is only around 25%, which strongly affects the system's economic viability since fuel is a primary cost driver. A low roundtrip efficiency means the compressors, which are energy intensive, must be used more often. Some developers claim that LAES could be capable of potentially reaching up to 70% roundtrip efficiency if both cold and waste heat are captured. LAES are not yet commonly commercially available, and further development is needed for the liquid air storage systems to reach higher efficiency and lower overall costs. There are not yet any operating utility-scale commercial liquid air storage systems.

Nickel Hydrogen Batteries

Rechargeable nickel-hydrogen batteries store energy using nickel-hydroxide and hydrogen gas. These batteries first store hydrogen gas in a pressurized container, and upon discharge,

hydrogen reacts with nickel-hydroxide to produce electricity. Upon recharging, hydrogen is regenerated. Nickel-hydrogen batteries are most used in aerospace, with NASA implementing them in satellites since 1970s,[xix] including the James Webb Telescope. The California-based company Enervenue is pilot testing utility-scale nickel-hydrogen batteries in Milwaukee.

The potential for this battery technology has expanded into grid-scale storage due to their extreme durability, long lifespan and fire safety. They can last up to 30,000 cycles and 30 years, are 100% recyclable, and have no thermal runaway risk.[xx] While they are projected to be more expensive than lithium-ion batteries per unit of energy, some studies show nickel-hydrogen energy storage systems to be more economic due to their long lifespan and simple maintenance needs. There are no currently operating nickel-hydrogen battery storage systems, and their deployment onto the grid will shed better light on their feasibility.

Flow Batteries

Redox Flow Batteries (RFB), also called Flow Batteries, use liquid electrolytes which are pumped through two tanks separated by a membrane. One tank has negative electrolytes while the other has positive electrolytes, and electrons are transferred from one tank releasing the electrons through oxidation, and the other tank gaining the electrons through reduction. The most popular type of redox flow batteries use vanadium, called Vanadium Redox Flow Batteries (VRFB), which are seen as the most promising due to their ability to exist in four different oxidation states as well as their lifespan, environmental and safety benefits.[xxi] There are several currently operating redox flow batteries, with the largest being a 200MW VRFB in China, completed in 2025.

RFBs have more flexibility in scaling their storage and power separately, since increasing capacity only takes larger tanks and increasing power takes increasing the size of the reactor.[xxii] For this reason, RFBs are easier to scale up in capacity. VRFBs can also discharge for up to 12 hours at a time, can be brought to full power very quickly, and have a wide operating temperature range.[xxiii] However, RFBs have low energy density and are not a mature enough technology to be cost competitive with lithium batteries at grid-scale. It's very possible that with further technological improvements to bring down costs, given their distinct benefits, RFBs may become a competitive grid-scale storage product.

Sodium Ion Batteries

Sodium-ion batteries (NIB) can be like lithium-ion batteries, except instead of lithium-ions they use sodium-ions, with sodium being a less expensive and easier to source element. When charging, sodium ions move from the sodium-based cathode to an anode, with the reverse happening upon discharge. An increase in the price of lithium salts led to increased

interest in sodium-ion battery technology in the early 2020s, although sodium batteries have been in development for more than 50 years. There is one company in the United States with a currently operating sodium-ion grid-scale battery, being a 3.5MWh pilot project by Peak Energy constructed in 2025.[xxiv] The largest sodium-ion storage system is a 50MW project located in China and was constructed in 2024.[xxv]

The biggest advantage that sodium-ion batteries have over the standard lithium-based batteries is the accessibility to sodium. Sodium is one of the most abundant elements in the world, while lithium is not naturally abundant.[xxvi] However, sodium-ion batteries tend to have a lower energy density than their lithium-ion competitor and still experience a higher cost per unit of energy stored than lithium-ion storage.[xxvii] Sodium-ion batteries may offer some unique advantages over other forms of storage, with Peak Energy's piloted battery operating under a wide temperature range and requiring no chiller or HVAC, more than a 20 year lifespan, and claiming more than a 95% roundtrip efficiency.[xxviii] Large-scale sodium-ion batteries have not yet been commercialized in the United States, but their popularity may increase if supply chain concerns for lithium-ion storage systems grow.

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BUSINESS OF THE COMMISSION

Meeting Date: December 16, 2025 **Agenda Item:** 5D

TITLE

Consideration of a Resolution Adopting the 2025 Clean Energy Implementation Plan

SUBMITTED FOR: Public Hearing and Action

Power Supply	Garrison Marr	1604
Department	*Contact*	*Extension*

Date of Previous Briefing: December 2, 2025
Estimated Expenditure: Presentation Planned ☐

ACTION REQUIRED:

☐ Decision Preparation ☐ Incidental (Information) ☐ Monitoring Report
☐ Policy Discussion
☒ Policy Decision
☒ Statutory

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, GP-3(4)C(1) – a non-delegable, statutorily assigned duty – Rates/fees Ends Policy 2.2 – Utilities are in adequate supply with reasonable reserves

Chapter 19.405 RCW requires utilities such as Public Utility District No. 1 of Snohomish County (the "District") to formally adopt a Clean Energy Implementation Plan ("CEIP") by December 31, 2021, and every 4 years thereafter.

The proposed 2025 CEIP represents a filing required by the Clean Energy Transformation Act ("CETA"). The CEIP is based upon and consistent with the analysis that the utility prepares for its Integrated Resource Plan, to set interim targets for energy efficiency, demand response and renewable energy, and to identify specific actions to be taken by the utility over the next four years, that demonstrate progress towards meeting the greenhouse gas neutral and 100% clean energy standards under CETA.

The specific actions proposed and analyzed in the CEIP are energy efficiency distribution, demand response impacts, and acquisition of renewable energy resources. In putting together the 2025 CEIP staff members also were required to assess the impacts of actions prescribed by the Integrated Resource Plan on specified populations. Through a public process, vulnerable populations were identified as specified in WAC 480-100-640 (4b). District staff identified census tracts containing

Highly Impacted Communities as required by WAC 480-100-640 (4)(a) based upon Washington State's cumulative impact analysis.

Staff presented the results of the IRP analysis and CEIP results at public Board of Commissioners meetings throughout the 2025 calendar year, culminating on December 2, 2025. The District also released the published draft 2025 IRP document and initiated a 30-day public comment period to solicit comments and feedback. The District held a public hearing on the 2025 CEIP, the 2025 IRP and the 2026-2027 Conservation Targets that are required by the Energy Independence Act, Chapter 19.285 RCW, at the Board's regular meeting on December 2, 2025. Staff is now recommending that the Board formally adopt the CEIP.

List Attachments:

Resolution
Exhibit A

RESOLUTION NO. _____

A RESOLUTION Adopting the 2025 Clean Energy Implementation Plan

WHEREAS, the Clean Energy Transformation Act ("CETA"), Chapter 19.405 RCW, requires utilities such as Public Utility District No. 1 of Snohomish County (the "PUD" or "Public Utility District No. 1 of Snohomish County") to formally adopt a Clean Energy Implementation Plan ("CEIP" or "Clean Energy Implementation Plan") by January 1, 2022, and to adopt and file with the Department of Commerce an updated CEIP every four years; and

WHEREAS, a CEIP is to be based upon and consistent with the analysis that the utility prepares for its Integrated Resource Plan ("IRP"), to set interim targets for energy efficiency, demand response and renewable energy, and to identify specific actions to be taken by the utility over the next four years, that demonstrate progress towards meeting the greenhouse gas neutral and 100% clean energy standards under CETA; and

WHEREAS, over the past two years, PUD staff has conducted the analyses, processes, and public meetings for a proposed 2025 IRP, a proposed 2025 CEIP, and proposed 2026-2027 Conservation Targets concurrently, and is now recommending these documents be formally adopted by the Commission; and

WHEREAS, in addition to the elements required in the CEIP, CETA requires that the PUD assess the impacts of its actions on specified populations, and PUD staff has identified highly impacted communities as defined in RCW 19.405.020(22) as well as used a multi-month public process to identify vulnerable populations by engaging with customers; and

WHEREAS, PUD staff have presented the results of the 2025 IRP analysis and 2025 CEIP results at multiple public meetings of the Commission and is now recommending that the Board formally adopt the 2025 CEIP.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 1 of Snohomish County, Washington, that the proposed 2025 Clean Energy Implementation Plan is hereby approved and adopted.

PASSED AND APPROVED this 16th day of December 2025.

_____
President

_____
Vice-President

_____
Secretary

2025 Clean Energy Implementation Plan

2026-2030

Snohomish PUD

December 2025

Contents

Acknowledgements

The Clean Energy Implementation Plan development process brought together staff from across the District to determine how to continue engaging our customers, and how to build upon the foundation set by the PUD's first CEIP.

Thanks to the following PUD staff members for contributing their efforts to the 2025 CEIP

Jeff Feinberg, Energy Services	Lisa Hunnewell, Corporate Communications
Michael Coe, Energy Services	Taylor Ostrander, Business Readiness
Brenda White, Government Relations	Kris Scudder, Power Supply
Peter Dauenhauer, Rates	Ian Hunter, Power Supply
Garrison Marr, Power Supply	Jason Zyskowski, Chief Energy Resources Officer
Landon Snyder, Power Supply	Aaron Swaney, Corporate Communications
Shelley Pattison, Energy Services	Laura Reinitz, System Planning
Kenny Nichol, Power Supply	Kellie Stickney, Corporate Communications
Sophia Hitsky, Corporate Communications	Jazmin Garcia, Corporate Communications
Nick Peretti, Energy Storage and Emerging Technologies	Christina Leinneweber, Rates
Melissa Wilch, Energy Services	Jackie Morales, Customer Experience
Felicienne Ng, Rates	Laura Zorick, Corporate Communications

Section 1 - Executive Summary

Utility planning is a process that considers how a given utility will provide safe and reliable electric service to its customers at the lowest reasonable cost while adhering to the policy requirements of electric utilities. While the Public Utility District #1 of Snohomish County (PUD) engages in a comprehensive Integrated Resource Planning process to evaluate future needs and select appropriate resources to meet those needs, this Clean Energy Implementation Plan (CEIP) specifically examines how the PUD plans to meet the policy and regulatory objectives of the Clean Energy Transformation Act (CETA).

While the PUD's 2025 IRP establishes its Long-Term Resource Strategy, the CEIP is intended to provide a shorter-term look at targets and goals that will demonstrate the PUD's continued commitment to clean energy and satisfy the statutory requirements of CETA. The CEIP will achieve this by establishing realistic targets for clean energy use, examining specific actions recommended by the IRP, and engaging the PUD's customers for their thoughts and feedback.

Key Features of the CEIP

1. Establish interim targets for clean energy usage

2. Examine to-date progress on previous interim targets

3. Utilize all existing and validated analysis from the PUD's 2025 IRP in establishing specific targets for energy efficiency, demand response, and renewable energy

4. Identify and investigate actions specified in the 2025 IRP's Long Term Resource Plan for their applicability to CETA compliance

5. Consider highly impacted communities and vulnerable populations, and the impact the PUD's actions may have upon those customer groups

6. Meaningfully engage with the PUD's customers to gather feedback and perspectives on the PUD's clean energy future
7. Describe how the PUD expects to continue planning for CETA compliance in the future, and what to expect from future engagements

Establishing Targets

The PUD's 2025 IRP examines the needs and resources that the PUD should consider as it moves through its planning horizon. As the PUD changes the product it purchases from the Bonneville Power Administration to Load Following, the IRP assumes all PUD net load will be served by this new product and the PUD's dedicated resources which include the Jackson, Youngs Creek and Packwood hydropower facilities. This results in a clean energy outcome for Snohomish that looks largely similar to BPA's resource portfolio composition, though slightly cleaner. BPA reports a fuel mix that is, on average, approximately 92% clean, which Snohomish utilizes to characterize BPA's fuel mix, alongside the PUD's dedicated hydro facilities to inform our interim target.

When considering specific targets for energy efficiency and demand response, the PUD conducted a Conservation Potential Assessment. From this assessment, the PUD established energy efficiency targets for the Energy Independence Act. The PUD also conducted a Demand Response Potential Assessment, which informed the 2025 IRP on the availability and viability of utility scale demand response. The CEIP draws from each of these assessments not only to establish the specific targets required by statute, but to maintain consistency across PUD planning efforts and regulatory filings. **The 2026-2029 CEIP establishes an energy efficiency target of 17.0 annual average megawatts (aMW) at busbar, and a peak hour reduction demand response target of 26.6 MW.**

Specific Actions to be Taken by the PUD

Once again leveraging the analysis performed as part of the PUD's 2025 IRP, the CEIP identifies two specific actions to be considered in the 2026-2029 timeframe**: acquiring conservation and demand response.** These actions have been selected as the lowest reasonable cost methods of meeting the PUD's forecasted needs within the next four years, while maintaining reliability,

safety, and environmental standards. The CEIP must consider the potential impacts of these specific actions.

Public Process

In order to identify vulnerable populations and potential impacts of planned specific actions, the PUD engaged the public for its feedback. In an effort to collect meaningful input, **the PUD's 2025 CEIP public process included public meetings both at the PUD Headquarters and at a variety of public locations intended to meet our customers in their communities.** This engagement was in concert with the public process held for the IRP, which encompassed an **eight-month engagement with local businesses and community groups.** In the future, the PUD plans to continue its robust public engagement with a diversity of in-person and virtual meetings to cover a broad cross-section of customer types and to positively iterate making each engagement process better than before.

Evaluating the Impact of the PUD's Specific Actions

Evaluating the impacts of specific actions (acquiring conservation, demand response, and energy storage) requires the **identification of impacted communities** and the **development of metrics used to evaluate the impact of actions**.

CETA statute identifies two classifications of impacted communities: "highly impacted communities" and "vulnerable populations" that may be impacted. The CEIP utilized the Washington Department of Health's Cumulative Impact map to identify highly impacted communities as required by statute[1], which can be found in Appendix B. The PUD is also continuing to monitor the two categories of vulnerable populations developed in the 2022-2025 CEIP study period, reflective of feedback from that public engagement process and from feedback in our most recent public engagement.

[1] As defined in RCW 19.405.020(23)

These vulnerable populations are listed below and described in more detail in Section 5:

1. Customers that have a high energy burden of at least 7% and,
2. Customers living in distribution system constrained area

The metrics identified as appropriate to measure the impacts of actions in these communities are listed below and described in more detail in Section 6:

1. Conservation program participation of high energy cost burden customers and,
2. Forecasted distribution constraint relief from resource acquisition in distribution constrained areas

Resource Adequacy

As a utility that operates within the Bonneville Power Administration's Balancing Authority (BPA BA), the PUD has a different set of considerations for resource adequacy than other utilities that manage their own BA.

Because the PUD has opted to become a Load Following customer of BPA, the PUD does not have the same Resource Adequacy requirements as identified in our previous CEIP. The PUD now fully utilizes BPA to provide and guarantee its Resource Adequacy. Enabling BPA to provide the PUDs Resource Adequacy requirements alleviates significant portfolio pressure from the PUD and enables examination of clean resource combinations not previously possible. For the purpose of this CEIP, the PUD considers compliance with Western Resource Adequacy Program for the PUD's load and resources to be the resource adequacy standard. This is being accomplished on the PUD's behalf by BPA's compliance with WRAP standards for the PUD's loads and resources.

Continuing Commitment to Clean Energy

The PUD's Board of Commissioners has a long-standing policy to meet all future load growth through a combination of cost-effective conservation and non-emitting resources. The 2025 IRP establishes a Long-Term Resource Strategy that is consistent with this vision, and the CEIP team will continue to examine the PUD's expected actions and resource developments to ensure that

the PUD is progressing toward the 2030 and 2045 clean energy standards while equitably distributing the energy and non-energy benefits of its actions.

Because the PUD views the commitment to the transition to clean energy as ongoing, the CEIP reinforces the findings in the IRP and helps lay the foundation for how **the PUD seeks to continue its commitment to non-emitting resources in its power supply portfolio and meet customer needs with clean, affordable, and reliable electricity.**

Section 2 - Identifying Targets

The process of identifying targets in the interim compliance period (2026-2029) accomplishes two tasks set forth in statute: 1) identifying specific targets for new resource additions consistent with the IRP and Clean Energy Action Plan, and 2) identifying those resources which will serve retail load consistent with the existing portfolio, resource additions called for in the IRP and Clean Energy Action Plan, and categorized as renewable resources or non-emitting resources in the Clean Energy Transformation Act statute.

Specific Targets by Resource Type

The CEIP must establish specific targets for (a) Energy Efficiency (as expressed in MWh of first-year savings), (b) demand response (in peak hour MW), and (c) Renewable energy (in MWh)[2]. The 2025 IRP identifies two such planned investments in its long-term resource plan relevant to the four-year interim compliance period of 2026 - 2029. These targets are expressed in Figure 2-A as they are likely to appear in the 2025 IRP. These resources are cumulative in nature, such that that the 2029 figure expressed is the result of all such cumulative achievements by December 31, 2029 of the compliance period.

Figure 2-A: Specific Targets by Resource Type (Cumulative)

	2029 (4-year)
Conservation (Cumulative annual aMW)	17.0
Demand Response (Cumulative peak hour MW)	26.6

Figure 2-B is reproduced in the units called for in the units specified under the applicable administrative code in figure 2-B below.

[2] WAC 194-40-200 (3)

Figure 2-B: Specific Targets by Resource Type (Cumulative)

	2029 (4-year)
Conservation (Cumulative annual MWh)	148,920
Demand Response (Cumulative Peak Hour MW)	26.6

Interim Targets for the Compliance Period

The PUD's switch to Load Following marks a significant operational departure from its historic method of serving its customer load. Previously, the PUD purchased the Block/Slice product from BPA which delivered a fixed amount of power plus a variable amount of power determined by the generating capability of the federal system. This allowed the PUD to manage its own load needs and to utilize surplus clean energy for the benefit of its customers. Further, it supplied clean energy in excess of the 8% unspecified power in BPA's fuel mix allowing the PUD to target 100% clean as our 2022-2025 interim target.

The PUD is proud to confirm that under current CETA reporting standards and utilizing the Block/Slice product, it met its 100% clean target for 2022-2025.

However, the Block/Slice product also exposed the PUD's customers to significant costs related to market price excursions and Resource Adequacy determinations. After significant analysis and public process, the PUD elected to become Load Following customers of BPA which significantly reduced both actual costs and risk for our ratepayers. This change resulted in a roughly $40M cost savings in 2026 relative to the 2025 PUD Power Supply budget - a savings that benefits all PUD ratepayers. This action did, however, change the way that we are able to account for BPA power in our portfolio. We no longer receive "surplus" BPA – instead BPA delivers power to us 1:1 with our load needs, after applying certain PUD-owned resources. As such, BPA's fuel mix is by and large our fuel mix; historically, approximately 92% clean on average.

Figures 2-E and 2-F present data targets in the format specified in statute. Here renewable energy includes all renewable energy (including the PUD's share of BPA Power using the methodology outlined in Section 5 of the 2025 IRP) and non-emitting resources (using the same methodology specified in Section 5 of the 2025 IRP). These targets are provided on a forecast basis, using an assumption of normal (or P50) weather as it affects load and hydropower generation.

Figure 2-E: Interim Targets for the Compliance Period, MWh

	2026	2027	2028	2029
Renewable Energy	5,661,451	5,741,107	5,843,682	5,900,109
Non-Emitting Energy	732,159	742,977	755,896	761,244
Total Renewable and Non-Emitting Resources	6,393,611	6,484,083	6,599,578	6,661,353
Retail Load Forecast	6,926,090	7,024,430	7,149,321	7,274,639

Figure 2-F: Interim Targets for the Compliance Period, Percentage

	2026	2027	2028	2029
Renewable Energy	82%	82%	82%	81%
Non-Emitting Energy	11%	11%	11%	10%
Percentage of Retail Load Served by Renewable or Non-Emitting Resources	93%	93%	93%	91%

Section 3 - Specifying Actions

A Clean Energy Implementation Plan must demonstrate the specific actions a utility plans to take to comply with CETA requirements and describe how specific actions are consistent with IRP and the Clean Energy Action Plan. The specific actions planned are derived directly from the 2025 IRP and its sub-component Clean Energy Action Plan and are the planned resource additions to meet the PUD's defined goals. The CEIP identifies two specific actions to be considered in the 2026-2027 timeframe for the purposes of the CEIP: acquiring conservation and demand response.

The first identified action **is continuing the PUD's investment in and commitment to energy efficiency and conservation.** Conservation represents the foundation for the PUD's resource plan by providing multiple value streams for meeting the PUD's future needs; by reducing future needs, conservation presents itself as a viable and cost-effective alternative to expensive resource acquisitions. Further, the capacity benefit provided by its reduction during peak hours helps manage potential capacity costs of BPA Power and Transmission products. While the PUD has a robust conservation portfolio already established, the CEIP hopes to explore its accessibility to all customers, and how the PUD can improve and increase conservation portfolio availability to vulnerable populations throughout Snohomish County.

The second identified action is continuing development of local demand response and smart rate programs with our customers. Demand response represents a cost-effective capacity addition to help the PUD meet capacity needs and reduce supply-side capacity resource acquisitions. While the PUD has pilot demand response programs established, the CEIP hopes to continue exploring its accessibility to all customers, and determining how the PUD can improve and increase demand response program availability to Snohomish County. Development of demand response programs will be interdependent on the development and rollout of the PUD's Advanced Meter Infrastructure (AMI) project.

Figure 3-A provides the scale and type of planned actions, expected by 2025.

Figure 3-A: Specific Resource Additions over Compliance Period by Resource Type (Cumulative)

	2029 (4-year)
Conservation (Cumulative annual aMW)	17.0
Demand Response (Cumulative peak hour MW)	26.6

Section 4 - Engaging the Public

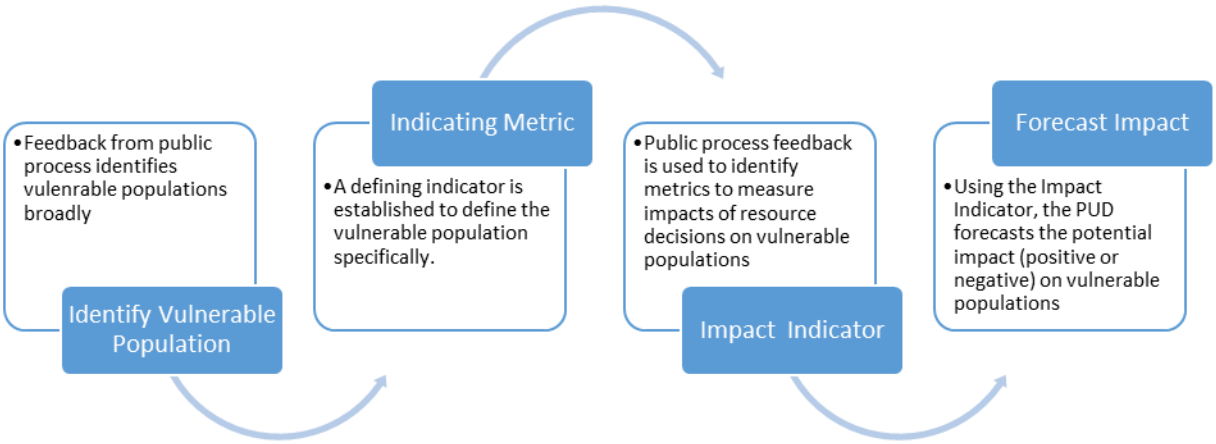
As a publicly owned utility, the PUD believes that its customers voices are critical to our mission of serving Snohomish County with safe, reliable, and environmentally responsible power at the lowest reasonable cost. Under PUD organizing statutes, our regulatory body is made up of three elected PUD Commissioners who serve as the decision-making foundation upon which the PUD operates. While this CEIP will be discussed and considered in open public Commission meetings, it was the goal of the CEIP team to perform additional targeted outreach to our customers.

The PUD began its public outreach for the 2025 CEIP with acknowledgements that the 2021 CEIP intended to expand the public process the 2020 pandemic subsided. The PUD's 2021 and 2023 IRP public process proved successful, and these efforts helped develop the public engagement process for the 2025 IRP and 2025 CEIP's. Future CEIPs will continue to build on successes in the 2025 outreach and include a more expansive, community-based, more inclusive public process, and the PUD looks forward to setting a high standard for utility customer engagement.

The primary purpose of the public processes was to receive feedback and input to inform an identification of vulnerable populations as defined under the statute, and to explore meaningful metrics that may measure how planned actions may impact community groups. The PUD also engaged the public in their perception of planned actions listening for public feedback on how actions could best meet community needs. The PUD's Board of Commissioners is also a critical component of the public process by virtue of their policy leadership on the 2025 IRP for which the CEIP relies, the feedback they provide during IRP briefing sessions, and through the public comment processes that Commission briefings provide.

The interrelationship of vulnerable population identification, measurement, and forecast impacts is described in Figure 4-A below:

Figure 4-A: Public Process and Development of Vulnerable Population, Indicator and Forecast Impact Relationships



For the 2026-2029 CEIP, the public engagement strategy consisted of four parts:

- A community-leaders forum,
- Four open house events to gather feedback
  - Two traditional open house events incorporating IRP and CEIP feedback,
  - Two community-based events utilizing an inclusive, gamified feedback process,
- A virtual open house offering via the PUD's PowerTalks series, and;
- Commission Meeting Briefings and Public Comment periods on planned CEIP efforts

A summary of the high-level themes across public processes is as follows:

- Customers supported continuing to prioritize the vulnerable populations identified in the PUD's 2021 Clean Energy Implementation Plan (CEIP). These groups were previously defined as "distribution-constrained customers" and "energy-burdened customers." Customers unanimously agreed that these definitions remain relevant, and maintaining consistency allows for tracking impacts over time.
- PUD customers understand the importance of reliability as it relates to their ability to maintain a high quality-of-life at home, in their workplace, the reliability of the businesses they frequent, and increasingly, as they work from home. In this context, customers want PUD resource plans that consider reliability for the community as a whole and in the neighborhoods where they live, work and play. This includes adequately

planning for the potential of future innovation, such as electric vehicles and rooftop solar growth.

- The PUD should ensure any programs to support distribution constrained customers account for non-homeowners. Although the vulnerable population was appropriately broadly defined an emphasis was noted for renters or other living situations and services and programs should account for some customers inability to participate.
- Future PUD public processes should continue to expand offerings with an emphasis on connecting with community groups, finding ways to connect with customers that may not speak English as a first language, and providing venues for discussion or learning to customers where those communities are, and providing venues for discussion to community members without regular access to computers or the internet.

The feedback received thus far has been valuable and has been accounted for when considering the specific actions identified in this CEIP.

Community Leaders Forum

A community leaders forum was held at the PUD headquarters in Everett, WA on May 23, 2024 inviting service organizations, local business leaders and governmental planning teams. This forum represented a wide cross section of the county customer base and insight into challenges faced by customers. Service organizations were invited to present the challenges faced by low-income customers and gave feedback on the PUD planning process and resource decisions. Feedback received during the community leaders forum supported both vulnerable population choices with the high cost of energy investments and upgrades were identified as a significant challenge across sectors and reliable energy were the highest priorities for our customers.

Open Houses

The PUD conducted four public engagement events as part of its outreach efforts: two traditional-format open houses and two interactive, gamified community events. The open houses were held at the Everett Headquarters and the Arlington Clean Energy Center, while the community events took place at Cedar Valley Community School and a senior center in

Snohomish County. The PUD recognizes the importance of inclusivity of our diverse community and included support for Spanish speaking households at our community open houses. Future community outreach will incorporate feedback received from the community on the importance of continuing to engage the diverse community the PUD serves.

In total, nearly 100 community members participated, engaging directly with the Integrated Resource Plan (IRP) team to share their insights on the PUD's resource planning process and the Clean Energy Implementation Plan (CEIP). Feedback across all events consistently supported maintaining the current definition of vulnerable populations, with additional consideration for non-homeowners through programmatic approaches.

Participants identified renewable energy and affordable electricity as their highest priorities, closely followed by reliable service. These community-identified priorities are reflected in the criteria used to define vulnerable populations within the planning framework.

Section 5 - Identifying Highly Impacted and Vulnerable Communities

CETA statute asks utilities to identify both Highly Impacted communities, using a set methodology, and Vulnerable Populations using a public process.

Identifying Highly Impacted Communities

The PUD follows the Washington State Department of Commerce guidance on identifying Highly Impacted Communities provided in their CEIP reporting template. In general, that guidance identifies census tracts with "cumulative environmental health disparities" index values of 9 or above (as determined by the Washington state Department of Health), or census tracts containing Tribal Lands as highly impacted communities for consideration in CEIP documents. These identified Census tracts are provided in Appendix B and contain a total of 29 Census Tracts. Ten (10) of these Census tracts were identified because their disparity index value was greater than 9, and nineteen (19) were identified because they contained Tribal Lands.

Identifying Vulnerable Communities

Through the public engagement processes, the PUD distilled feedback to identify vulnerable populations related to the provision of electricity service that the PUD could meaningfully impact through resource acquisition actions.

Energy-Cost-Burdened Customers

The PUD is sensitive to the needs of its community and the economic pressures they face. While the PUD offers assistance programs for those customers who are income-qualified, there may be other customers who face a high energy burden but whose income is above the threshold required to qualify for the current assistance program. Public feedback directly refenced a public interest in an expansive consideration of customers who may have a harder time paying their bills. **To define this vulnerable population, the PUD has used an indicator on high energy cost burden, which defines a customer as having a high energy burden if their energy costs are 7% or more of their income.**

One community that we are actively monitoring are those energy-cost-burdened customers who rent rather than own their homes. This sub-population may have different challenges related to energy burden that we want to better understand. We have not identified this group as a stand-alone Vulnerable Population yet but will consider this action in the next CEIP cycle based on our observations during the 2026 – 2029 period.

Customers Living in Distribution System Constrained Areas

As the PUD reviews its distribution system, there are areas in Snohomish County that are quickly growing. This growth is just one factor that could contribute to the distribution system in a particular geographic region becoming constrained. While existing customers may not see a reduction to reliability, increased usage of the existing system could produce future constraint. In addition, distribution constrained systems are at increased risk of reliability interruptions due to increasingly frequent extreme weather events.

During the public feedback process, service reliability and pro-actively planning for future customer load, especially for those in parts of the service territory that may be more vulnerable to service interruptions was discussed. The public feedback sessions indicated a desire for consideration of non-homeowners in the design of programs. The PUD proposes to maintain its second vulnerable population of "customers living in a distribution system constrained area" to continue proactively assessing the potential benefits of resource additions in these areas. Consideration of this vulnerable population model could help inform future decisions about where resources might be sited in Snohomish County to maximize the benefit not only for the PUD's portfolio, but also for those customers whose local distribution system may need reinforcement.

To define this population, the PUD has used as an indicator those customers who are on Distribution System Circuits that have limited capacity on the primary line serving the circuit.

Section 6 - Assessing Impacts of Specific Actions on Identified Communities

Assessing the impacts of specific actions requires a layered look in the context of CEIP regulatory obligations. Utilities must provide an expectation of the energy or nonenergy benefits and costs, provide an expectation of expected effects of specific actions, and a description of how the utility intends to reduce risk to vulnerable populations in the Clean Energy transition.

In many respects, the PUD's Clean Energy Implementation Plan can be characterized as a conveyance of benefits to identified communities, rather than a distribution of costs or harms. This is because the largest investments in the CEIP are conservation and demand response measures that seek to lower energy consumption, bills, and distribution system strain for customers across the service territory. In addition, because this is the lowest cost way for the PUD to meet its portfolio needs, it is expected that this course of action will result in the lowest costs to customers in identified communities.

Expected Energy and Nonenergy Benefits and Costs

Because conservation is the single most cost-effective resource that can be acquired, the PUD prioritized conservation as a starting point for the measurement of energy and non-energy benefits as it represents the largest investment by scale. The PUD will continue analysis throughout the interim compliance period. In addition, it is worth noting that because the planned actions are the result of a lowest reasonable cost plan analysis, the actions anticipated are expected to result in the lowest cost to all customers, including those in Highly Impacted Communities and among Vulnerable Populations.

Expected Energy Benefits

Expected energy benefits of conservation were developed using a geospatial analysis tool the PUD developed as part of the Conservation Potential Assessment process. This tool allows the PUD to model the cost-effective conservation geospatially to see what cost-effective conservation potential there may be in Highly Impacted Communities and Vulnerable Populations that are mappable.

It is expected that 19.14% of the cumulative cost-effective conservation and cumulative demand response planned by 2029 will be located in Highly Impacted Communities. Additional information is provided in Appendix C.

Staff estimates that 19.47% of the cumulative conservation and cumulative demand response planned by 2029 will be located in areas with Distribution System constraints. Additional information on this breakdown is provided in Appendix D.

Expected Non-Energy Benefits

Non-energy benefits are an included component of the Conservation Potential Assessment are included as a financial consideration in the CPA methodology. To estimate the non-energy benefits of conservation in Highly Impacted Communities and Vulnerable Populations, the total non-energy benefit total for cost-effective conservation measures was calculated and applied to the proportion of cost-effective energy found for the applicable identified communities in terms of expected energy benefits. The total non-energy benefits for cost-effective conservation to be achieved by 2029 is estimated at $6.7 million in net present value lifetime savings, with all of it in the residential sector. The estimated non-energy benefits within Highly Impacted Communities is estimated at $1.28 million in lifetime savings expressed in net present value terms. The estimated nonenergy benefits within the Vulnerable Population of Distribution Constrained Areas is estimated at $1.3 million in lifetime savings expressed in net present value terms.

Other Energy and Nonenergy Benefit Considerations

The PUD also plans to develop demand response, including time-of-use rates within the interim compliance period. As development activities take further shape, PUD will be proactive in considering the impact of these activities on highly Impacted Communities and Vulnerable Populations and will seek to minimize harm and maximize benefits of actions, as appropriate, and on balance with other utility obligations.

Expected Effect of Specific Actions

The overall anticipated effect of the specific activities identified in the 2025 CEIP is that they will result in the lowest reasonable costs to PUD customers. However, it is also anticipated that the planned actions will produce additional benefits for Highly Impacted Communities and Vulnerable Populations.

Energy Bill Savings

It is expected that conservation and demand response will reduce the energy bills of customers that participate. As stated in the section above, it is anticipated that 19.14% of the energy bill savings from planned conservation actions will occur within Highly Impact Communities and 19.47% of the energy bill savings from planned conservation actions will occur within the Vulnerable Population of Customers in Distribution System Constrained Area.

Distribution System Relief

The PUD further expects that conservation savings will provide additional distribution system capacity in areas where there is little existing capacity on the circuit. Figure 5-A above provides a chart of the circuits with limited capacity. It is anticipated that planned conservation activities will add at least 3.31 aMW of additional capacity to these areas by 2029.

How the PUD Intends to Reduce Risks to Clean Energy Transition to Vulnerable Communities

The PUD's decision to change power products to Load Following is one of the primary strategies for protecting vulnerable communities moving forward. The product switch not only provides significant cost savings and rate shock mitigation for all PUD ratepayers but improves reliability and delivery certainty combined with the NT transmission product. Further, it frees up PUD resources to focus on projects that will benefit vulnerable populations as identified in the IRP's Action Plan including demand response and locally sited solar that provide system benefits and regulatory value.

Section 7 - Ensuring Resource Adequacy

The Clean Energy Transformation Act requires utilities to make "a determination of resource adequacy metrics for the resource plan…"[3]. The PUD is in a unique situation to do so because of its relationship to BPA and the BPA Power and Transmission products that the PUD is procuring. The PUD elected to change to the BPA Load-Following product on October 1, 2025, in part because of analysis showing it would help cost-effectively meet regional resource adequacy program requirements. The BPA Load-Following product is considered to be full-requirement load service, whereby BPA provides all power needed for load service after dedicated utility-owned resources are brought to load. BPA has also joined the Western Resource Adequacy Program, and its load service obligations (inclusive of the PUD) are covered by that program. As a result, the PUD considers the Western Resource Adequacy Program (WRAP) to be the appropriate current measure, and the PUD is meeting WRAP program requirements by virtue of taking a WRAP-compliant BPA Power product.

The Western Resource Adequacy Program

The Western Resource Adequacy Program (WRAP) is a voluntary program established in 2019 in which participating utilities in the western region engage in reliability planning and resource sharing to reach regional capacity compliance, helping utilities to meet resource adequacy needs at the lowest cost. In the late 2010s, studies from several organizations concluded that the western region may reach serious capacity shortages by the mid-2020s, which would critically impact regional reliability.[4][5] WRAP was created in response to these concerns, helping participants to maintain reliability in a range of conditions, which is especially important during

[3] RCW Chapter 19.285.030 (1)(g). https://app.leg.wa.gov/RCW/default.aspx?cite=19.280.030

[4] Gangelhoff, G. (2020, June 16). *E3 projects Substantial capacity shortfall in the Pacific Northwest - E3*. E3. https://www.ethree.com/e3-projects-substantial-capacity-shortfall-in-the-pacific-northwest/

[5] PNUCC System Planning Committee. (2019). *Northwest Regional Forecast of Power Loads and Resources 2020 through 2029*. https://www.pnucc.org/wp-content/uploads/PNUCC-2019-NRF.pdf

this current period of transition as coal-fired plants are retiring and reliance on variable renewable resources increases.[6]

The primary components of WRAP are forward-showing and an operational program. In forward-showing, participants demonstrate that they have sufficient regional capacity secured around 7 months in advance. An operational program provides short-term forecasts, and if a participant is projected to have a capacity deficit they will be supplied with resources from those with a surplus. The program is still in the late stages of its full development and not yet fully binding, expecting to be a fully binding program by 2028.

[6] Energy & Environmental Economics (E3). (2019). Exploring a resource adequacy program for the Pacific Northwest. In *An Energy System in Transition* [Report]. https://www.westernpowerpool.org/private-media/documents/2019.11.12_NWPP_RA_Assessment_Review_Final_10-23.2019.pdf

Section 8 - Looking to the Future

The PUD is committed to a clean energy future and is well-positioned to meet compliance standards under the new CETA provisions. While this CEIP continues to build upon the foundation set by the 2021 CEIP, the PUD recognizes areas to focus on for further development in the next CEIP and throughout the interim compliance period of 2026-2029.

Continuing to Develop Robust Public Processes

The PUD has embraced the public process components of the CEIP and has been making a concerted effort to build increasingly robust public engagement processes each IRP cycle. 2023 IRP Update public processes included more public open house opportunities than the 2021 IRP, and the 2025 IRP had more than the 2023 IRP. In addition, the 2025 IRP held Open Houses at different locations across the service territory, included language services for potential participants who did not speak English as a first language, and included outreach to seniors, in an effort to capture a broad spectrum of customer perspectives. Future public processes will meet our internal expectation of exceeding customer's expectations, taking a customer-centric approach to service provision, and building on previous efforts.

Indicator Development

The PUD intends to continue to develop indicators that capture how planned actions impact identified communities as additional CEIP's are developed, in consultation with internal subject matter experts and input from the public. It is the PUD's intention to develop indicators, avoid negative impacts, and drive towards positive benefits throughout the interim compliance period.

Appendix A.

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Appendix B. List of Identified Highly Impacted Communities in Snohomish County

The PUD follows the Washington State Department of Commerce guidance on identifying Highly Impacted Communities provided in their CEIP reporting template. This guidance instructs utilities to reference Department of Health data on census tracts with an Environmental Health Disparities index score of 9 or 10 (out of a range of 1 to 10) and census tracts that contain tribal lands.

This dataset can be found online at the Department of Health's website[7]:

Census Tract	County Name	Highly Impacted Community (Yes/No)	Tribal Lands (Yes/No)	Environmental Health Disparities Topic Rank
53061053400	Snohomish	Yes	Yes	3
53061040100	Snohomish	Yes	Yes	8
53061040200	Snohomish	Yes	No	10
53061040700	Snohomish	Yes	No	9
53061040800	Snohomish	Yes	No	10
53061041100	Snohomish	Yes	No	9
53061041202	Snohomish	Yes	No	9
53061041806	Snohomish	Yes	No	10
53061041901	Snohomish	Yes	No	9
53061041904	Snohomish	Yes	No	10
53061051701	Snohomish	Yes	No	9
53061051803	Snohomish	Yes	No	9
53061052104	Snohomish	Yes	Yes	7
53061052803	Snohomish	Yes	Yes	5
53061052804	Snohomish	Yes	Yes	5
53061052805	Snohomish	Yes	Yes	7
53061052903	Snohomish	Yes	Yes	8
53061052904	Snohomish	Yes	Yes	8

[7] https://www.doh.wa.gov/DataandStatisticalReports/WashingtonTrackingNetworkWTN/ClimateProjections/CleanEnergyTransformationAct/CETAUtilityInstructions

53061052905	Snohomish	Yes	Yes	8
53061053102	Snohomish	Yes	Yes	4
53061053202	Snohomish	Yes	Yes	1
53061053301	Snohomish	Yes	Yes	1
53061053302	Snohomish	Yes	Yes	3
53061053508	Snohomish	Yes	Yes	6
53061053700	Snohomish	Yes	Yes	5
53061940001	Snohomish	Yes	Yes	7
53061940002	Snohomish	Yes	Yes	5
53057951100	Skagit	Yes	Yes	2
53029971700	Island	Yes	Yes	1

Appendix C. Expected Energy Benefits in Highly Impacted Communities

Census Tract	County Name	Cumulative 2029 EE (aMW)	Cumulative 2029 DR (PH MW)
53061053400	Snohomish	0.14	0.31
53061040100	Snohomish	0.33	0.27
53061040200	Snohomish	0.23	0.18
53061040700	Snohomish	0.27	0.26
53061040800	Snohomish	0.18	0.14
53061041100	Snohomish	0.15	0.21
53061041202	Snohomish	0.11	0.19
53061041806	Snohomish	0.07	0.20
53061041901	Snohomish	0.30	0.24
53061041904	Snohomish	0.08	0.13
53061051701	Snohomish	0.13	0.20
53061051803	Snohomish	0.06	0.15
53061052104	Snohomish	0.10	0.12
53061052803	Snohomish	0.35	0.36
53061052804	Snohomish	0.13	0.26
53061052805	Snohomish	0.12	0.19
53061052903	Snohomish	0.15	0.20
53061052904	Snohomish	0.06	0.18
53061052905	Snohomish	0.08	0.17
53061053102	Snohomish	0.13	0.26
53061053202	Snohomish	0.07	0.22
53061053301	Snohomish	0.17	0.25
53061053302	Snohomish	0.11	0.31
53061053508	Snohomish	0.08	0.11
53061053700	Snohomish	0.08	0.19
53061940001	Snohomish	0.36	0.44
53061940002	Snohomish	0.07	0.20
53057951100	Skagit	0.01	0.02
53029971700	Island	0.07	0.31
	System Total Cumulative 2029 Potential	**17.0 Annual aMW**	**26.6 PH[8] MW**

[8] Peak Hour

	Highly Impacted Community 2029 Potential	**4.20 Annual aMW**	**6.25 PH MW**
	Percent in Highly Impacted Communities	**24.71%**	**23.49%**

Appendix D. Expected Energy Benefits in Distribution Constrained Areas

Station	Circuit	Cumulative 2029 EE (aMW)[9]	Cumulative 2029 DR (PH MW)
BUNK FOSS	4113	0.04	0.06
CASCADE	2087	0.04	0.10
CASCADE	2088	0.04	0.11
CASCADE	2089	0.04	0.08
CASCADE	2090	0.05	0.09
CLEARVIEW	586	0.04	0.06
CLEARVIEW	587	0.05	0.13
EAST MARYSVILLE	38	0.04	0.10
EVERETT	101	0.03	0.03
EVERETT	112	0.07	0.11
EVERETT	3702	0.01	0.01
FRONTIER	534	0.07	0.11
FRONTIER	535	0.06	0.14
FRONTIER	536	0.07	0.11
GIBSON	2897	0.05	0.14
GOLDBAR	554	0.10	0.22
GOLDBAR	555	0.03	0.07
GRANITE FALLS	4614	0.02	0.02
GRANITE FALLS	4615	0.04	0.13
GRANITE FALLS	810	0.04	0.12
GRANITE FALLS	811	0.03	0.07
HARBOUR POINTE	4676	-	-
HARDESON	4556	0.00	0.00
HARTFORD	3117	0.03	0.10
HARTFORD	3119	0.03	0.09
HARTFORD	3120	0.05	0.14
HILTON LAKE	497	0.03	0.08
HILTON LAKE	498	0.01	0.05
LAKE SERENE	339	0.05	0.08
LAKE STEVENS	124	0.05	0.14

[9] Some circuits in this table do not have EE or DR values because those circuits do not normally carry customers or do not have installed meters.

LAKE STEVENS	125	0.05	0.14
LAKE STEVENS	273	0.02	0.06
LAKE STEVENS	274	0.06	0.17
LAKE STEVENS	4034	-	-
NORTH CAMANO	315	0.01	0.05
NORTH CAMANO	316	0.03	0.14
NORTH CREEK	1413	0.05	0.08
NORTH MOUNTAIN	2514	0.06	0.15
NORTH MOUNTAIN	2515	0.02	0.05
NORTH MOUNTAIN	2516	0.18	0.04
PAINE FIELD	1729	0.06	0.07
PAINE FIELD	1730	0.04	0.06
PAINE FIELD	1731	0.03	0.08
PAINE FIELD	1732	0.12	0.03
PORT GARDNER	6022	-	-
PORT GARDNER	6023	-	-
PORTAGE	3502	0.07	0.05
SILVER LAKE	253	0.04	0.10
SKY VALLEY	6046	0.03	0.02
SKY VALLEY	6047	0.03	0.10
SKY VALLEY	6048	0.01	0.05
SMOKEY POINT	1509	0.05	0.11
SMOKEY POINT	1510	0.02	0.04
SNOHOMISH	123	0.06	0.10
SOUTH CAMANO	1530	0.02	0.07
SOUTH CAMANO	1531	0.01	0.05
SOUTH CAMANO	1532	0.04	0.17
SOUTH CAMANO	1533	0.03	0.11
SULTAN	1593	0.02	0.06
SULTAN	1595	0.06	0.14
SULTAN	5004	-	-
SUNSET	5208	0.03	0.14
SUNSET	5209	0.02	0.07
SUNSET	5210	0.02	0.06
SUNSET	5211	0.01	0.04
SUNSET	5212	0.03	0.10
TENTH STREET	327	-	-

THRASHERS CORNER	3304	-	-
THREE LAKES	1818	0.02	0.07
THREE LAKES	1819	0.04	0.13
THREE LAKES	1821	0.02	0.05
TURNERS CORNER	1429	0.01	0.03
TURNERS CORNER	1430	0.06	0.08
TURNERS CORNER	1431	0.04	0.05
TWIN CITY	6035	-	-
WALLACE RIVER	4485	0.02	0.05
WALLACE RIVER	4486	0.05	0.02
WALLACE RIVER	4487	0.04	0.11
WEST MONROE	3361	0.09	0.05
WEST MONROE	3362	0.09	0.08
WEST MONROE	3363	0.04	0.07
WEST MONROE	631	0.07	0.06
WEST MONROE	632	0.03	0.07
WEST MONROE	633	0.02	0.06
WOODS CREEK	1808	0.03	0.02
WOODS CREEK	1809	0.05	0.14
WOODS CREEK	1810	0.05	0.03
WOODS CREEK	1811	0.03	0.10
	System Total Cumulative 2029 Potential	**17.0 Annual aMW**	**26.6 PH[10] MW**
	Distribution Constrained Areas 2029 Potential	**3.36 Annual aMW**	**6.64 PH MW**
	Percent in Distribution Constrained Areas	**19.76%**	**24.96%**

[10] Peak Hour

Appendix E: Climate Commitment Act – Forecast of Loads and Resources

Overview

The PUD is utilizing Appendix E to identify the applicable and appropriate forecasts of loads and resources from the CEIP for use in calculating the PUD's cost burden. The PUD has included information in this Appendix E within the IRP and CEIP study periods for Emission Years not yet allocated by Ecology.

Because Snohomish has become a Load Following customer, Snohomish assumes that its only source of emissions will be from the Load Following product. Snohomish assumes that it will bring its dedicated resources to load at their critical values first (all non-emitting), with the remainder being served by BPA Load Following.

Forecast of Loads

For the Emission Years 2027 through 2029, the following total retail loads were forecast:

	2027	2028	2029
Total Retail Load (MWh)	7,024,430	7,149,321	7,274,639

Forecast of Bonneville Power Administration Electricity Received and Total Cost Burden

Because BPA is the only source of emissions in Snohomish's portfolio, we can directly assume that the cost burden of service will be derived directly from BPA deliveries. BPA's associated carbon content is forecasted based on BPA's most recent ACS value calculated with the California Air Resources Board[11].

	2027	2028	2029
BPA Energy Received (MWh)	6,754,333	6,871,782	6,920,400
BPA ACS Factor (MTCO2 / MWh)	.0452	.0452	.0452
Total BPA Emissions (MTCO2)	305,296	310,605	315,802

Administrative Cost Burden

Under the CCA final rule, utilities can receive allowances based on their administrative costs of "establishing and maintaining compliance accounts, tracking compliance, managing compliance instruments, and meeting the reporting and verification requirements of this chapter." The information required to calculate this administrative cost is not found in the CEIP and therefore is not included in this Appendix. The PUD anticipates Ecology to produce a high-level formula

[11] Mandatory GHG Reporting - Asset Controlling Supplier | California Air Resources Board

approach for determining Administrative Cost Burden that is not tied to specific utility expenditures.

BUSINESS OF THE COMMISSION

Meeting Date: December 16, 2025 **Agenda Item:** 5E

TITLE

Consideration of a Resolution Adopting Two-Year Conservation Targets for 2026-2027 and a Ten-Year Conservation Potential Estimate for the District to Comply with Requirements of the Energy Independence Act

SUBMITTED FOR: Public Hearing and Action

Energy Services	Jeff Feinberg	7449
Department	*Contact*	*Extension*

Date of Previous Briefing: December 2, 2025
Estimated Expenditure: Presentation Planned ☐

ACTION REQUIRED:

☐ Decision Preparation
☐ Policy Discussion
☒ Policy Decision
☒ Statutory
☐ Incidental (Information)
☐ Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Board Job Description: GP-3 non-delegable, statutorily assigned duty

The Energy Independence Act, Chapter 19.285 RCW, requires that the District formally adopt by Resolution two-year conservation targets and a ten-year conservation potential estimate, and submit them to the Washington State Department of Commerce on or before January 1. WAC 194-37-070 requires these targets and estimates to be updated every two years.

At the Commission's public meetings on August 19, 2025, and October 21, 2025, staff presented the planning assumptions and portfolio results associated with the proposed 2025 Integrated Resource Plan ("IRP") that included: the range of conservation potential identified in the utility specific analysis conducted by Lighthouse Energy Consulting; and the range of ten-year conservation potential identified through an integrated portfolio analysis. The integrated portfolio analysis was used in the 2025 IRP, consistent with the Washington Administrative Code 194-37-070 5 (c)(i) and the methodology utilized by the Pacific Northwest Power and Conservation Planning Council.

A public hearing was held at the Commission's December 2, 2025, public meeting, at which staff presented the proposed 2026-2027 two-year conservation targets and ten-year conservation potential estimate, informed by the integrated portfolio approach analysis used in developing the proposed 2025 IRP.

Based on its analysis, staff is recommending adoption of a two-year conservation target for the 2026-2027 biennium of 7.5 average megawatts, and a ten-year conservation potential estimate for the 2026-2035 period of 62.4 average megawatts, calculated at busbar.

List Attachments:
Resolution

RESOLUTION NO. _____

A RESOLUTION Adopting Two-Year Conservation Targets for 2026-2027 and a Ten-Year Conservation Potential Estimate for the District to Comply with Requirements of the Energy Independence Act

WHEREAS, the Energy Independence Act, Chapter 19.285 RCW, requires that Public Utility District No. 1 of Snohomish County (the "District") every two years formally adopt by resolution two-year conservation targets and a ten-year conservation potential estimate, and submit them to the Washington State Department of Commerce on or before January 1; and

WHEREAS, at the Commission's public meeting on November 18, 2025, staff presented the proposed two-year targets and ten-year conservation potential estimate informed by the integrated portfolio approach analysis used in the proposed 2025 Integrated Resource Plan ("IRP") that is consistent with the methodology utilized by the Northwest Power and Conservation Council and Washington Administrative Code Chapter 194-37-070(5)(c)(i); and

WHEREAS, District staff prepared a programmatic environmental checklist for the proposed 2025 IRP under the State Environmental Policy Act ("SEPA"), and the District's SEPA Responsible Official issued a Determination of Non-Significance ("DNS") for the proposal on October 13, 2025, and published the DNS for public comment for the requisite period; and

WHEREAS, staff recommends adoption of a two-year conservation target for the 2026-2027 biennium of 7.5 average megawatts, and a ten-year conservation potential estimate for the 2026-2035 period of 62.4 average megawatts, as calculated at busbar, based on the conservation potential estimate and proposed 2025 Integrated Resource Plan; and

WHEREAS, as required by regulations implementing the Energy Independence Act, public notice has been provided for the Commission meeting at which these targets will be

considered for adoption, indicating that the meeting agenda includes the establishment of the District's ten-year and biennial targets.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Snohomish County, Washington, that a biennial conservation target of 7.5 average megawatts for the 2026-2027 period and a ten-year conservation potential estimate of 62.4 average megawatts for the 2026-2035 period as calculated at busbar are hereby adopted for the District in order to comply with requirements of the Energy Independence Act.

PASSED AND APPROVED this 16th day of December 2025.

_____
President

_____
Vice-President

_____
Secretary

BUSINESS OF THE COMMISSION

Meeting Date: December 16, 2025 **Agenda Item:** 6A

TITLE

Consideration of a Resolution Authorizing the Manager, Real Estate Services, to Execute all Necessary Documents to Purchase Certain Real Property (Tax Parcel Number 27051400101400) Located Near the Intersection of State Route 9 and 184th Street SE, Snohomish, Washington, as the Future Location of a 115kV Ring Bus and Other District Facilities

SUBMITTED FOR: Items for Individual Consideration

Real Estate Services	Maureen Barnes	4373
Department	*Contact*	*Extension*

Date of Previous Briefing: December 2, 2025
Estimated Expenditure: $2,100,000 Presentation Planned ☐

ACTION REQUIRED:

☒ Decision Preparation
☐ Policy Discussion
☐ Policy Decision
☒ Statutory
☐ Incidental (Information)
☐ Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Board Job Description, GP-3(4)(F)(1) a non-delegable statutorily assigned Board Duty to authorize acquisition . . . and the disposition of certain properties and payment therefore.

The District's Electric System Capital Plan has long identified the need for a 115kV ring bus in the Maltby/Clearview area of Snohomish County for capacity and reliability needs and to provide transmission to the future Paradise Substation near Echo Lake. District staff have evaluated numerous locations and have identified a 3+ acre parcel located near the intersection of State Route 9 and 184th Street SE, Snohomish, Washington ("Property"), as the preferred site for the 115kV ring bus. On October 7, 2025, the District entered into a Purchase and Sale Agreement with the property owner (MDR Holdings LLC) to acquire the Property for a purchase price of $2,100,000 but expressly subject to the District Board of Commissioners approving the purchase. Staff have completed their due diligence investigation of the Property and its condition, including

but not limited to an environmental and wetland assessment of the site, and concluded that the Property is appropriate for future development of a 115kV ring bus and other District facilities.

RECOMMENDATIONS/FUTURE ACTIONS:

Staff recommends that the Commission pass a resolution authorizing purchase of the Property for future use as a 115kV ring bus and other District facilities.

List Attachments:
Resolution
Attachment 1

RESOLUTION NO. _____

A RESOLUTION Authorizing the Manager, Real Estate Services, to Execute all Necessary Documents to Purchase Certain Real Property (Tax Parcel Number 27051400101400) Located Near the Intersection of State Route 9 and 184th Street SE, Snohomish, Washington, as the Future Location of a 115kV Ring Bus and Other District Facilities

WHEREAS, the District's Electric System Capital Plan has long identified the need for a 115kV ring bus in the Maltby/Clearview area of Snohomish County for capacity and reliability needs and to provide transmission to the future Paradise Substation near Echo Lake, and

WHEREAS, District staff have evaluated numerous locations and have identified an approximately 3.06 acre parcel located near the intersection of State Route 9 and 184th Street SE, Snohomish, Washington ("Property"), as the preferred site for the 115kV ring bus; and

WHEREAS, on October 7, 2025, the District entered into a Purchase and Sale Agreement with the property owner (MDR Holdings LLC) to acquire the Property for a purchase price of $2,100,000 but expressly subject to the District Board of Commissioners approving the purchase; and

WHEREAS, staff has completed their due diligence investigation of the Property and its condition, including but not limited to an environmental and wetland assessment of the site, and concluded that the Property is appropriate for future development of a 115kV ring bus and other District facilities; and

WHEREAS, District staff recommend that the District Board of Commissioners authorize the purchase of the Property.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Snohomish County that the Manager of the District's Real Estate Services, or her designee, is authorized to:

1. Execute all documents in the name of and on behalf of the District that are required to complete the purchase of the Property pursuant to the terms of the Purchase and Sale Agreement subject to said documents being reviewed and approved by the District's General Counsel or his designee; and

2. Pay at closing the purchase price for the Property of $2,100,000 plus certain other costs and expenses in accordance with the Purchase and Sale Agreement (Attachment No. 1); and

3. Take all other actions necessary to close or otherwise complete the transaction.

PASSED AND APPROVED this 16th day of December, 2025.

_____
President

_____
Vice-President

_____
Secretary

Attachment No. 1

Kidder Mathews
1201 Pacific Ave, Ste. 1400
Tacoma, WA 98402
Phone: 253-722-1400
Fax: 253-722-1409

Form: PS_1A
Purchase & Sale Agreement
Rev. 9/2024
Page 1 of 17

COMMERCIAL & INVESTMENT REAL ESTATE PURCHASE & SALE AGREEMENT

SPECIFIC TERMS

Reference Date: October 2, 2025 10/7/2025

Offer Expiration Date: _____ 5:00pm (the third day after Reference Date, if not completed)

1. **PROPERTY:** The Property is legally described on Exhibit A. Address: 78xx 184TH ST SE _____ City of Snohomish, Snohomish County, Washington. Tax Parcel No(s): 27051400101400
Included Personal Property: ☐ None; ☐ If on and used in connection with the Property, per Section 26 (None, if not completed).

2. **BUYER(S):** Public Utility District No. 1 of Snohomish County a(n) Municipal Corporation

DS 10/10/2025

3. **SELLER(S):** MDR Holdings LLC a(n) Washington Limited Liability Company

DS 10/7/2025

4. **PURCHASE PRICE:** ~~$ 1,800,000.00 Dollars~~ $2,100,000.00 Dollars
Payable as: ☒ Cash; ☐ Financing (attach CBA Form PS_FIN); ☐ Other: _____

Initial 10/10/2025

5. **EARNEST MONEY:** $ 50,000 Dollars; Held by: ☐ Buyer Brokerage Firm; ☒ Closing Agent
Form of Earnest Money: ☒ Wire/Electronic Transfer; ☐ Check; ☐ Note (attach CBA Form PS_EMN); ☐ Other: _____
Earnest Money Due Date: ☐ _____ days after Mutual Acceptance; ☒ 3 days after the Feasibility Contingency Date; or ☐ _____

DS 10/10/2025

6. **FEASIBILITY CONTINGENCY DATE:** ~~60~~ 90 days after mutual acceptance (30 days after Mutual Acceptance if not completed.)

7. **CLOSING DATE:** ☐ _____ ; ☒ ~~30 days after removal of feasibility~~ On or before ~~January 15, 2026~~ January 30, 2026 after removal of feasibility.

8. **CLOSING AGENT:** Katie Brazel Chicago Title Company

DS 10/10/2025

9. **TITLE INSURANCE COMPANY:** Chicago Title

Initial 10/10/2025

10. **DEED:** ☒ Statutory Warranty Deed; or ☐ Bargain and Sale Deed.

11. **POSSESSION:** ☒ on closing; ☐ Other: _____ (on closing if not completed).

12. **SELLER CITIZENSHIP (FIRPTA):** Seller ☐ is; ☒ is not a foreign person for purposes of U.S. income taxation.

13. **BUYER'S DEFAULT:** (check only one) ☒ Forfeiture of Earnest Money; ☐ Seller's Election of Remedies.

INITIALS: Buyer DS _____ Date 10/7/2025 Seller DS _____ Date 10/7/2025
Buyer _____ Date _____ Seller _____ Date _____

Kidder Mathews
1201 Pacific Ave, Ste. 1400
Tacoma, WA 98402
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Fax: 253-722-1409

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14. SELLER'S DEFAULT: (check only one) ☒ Recover Earnest Money or Specific Enforcement; ☐ Buyer's Election of Remedies.

15. UNPAID UTILITIES: Buyer and Seller ☐ Do Not Waive (attach CBA Form UA); ☒ Waive

16. AGENCY DISCLOSURE:
Buyer represented by: ☐ Buyer Broker; ☐ Buyer/Listing Broker (limited dual agent); ☒ Unrepresented
Seller represented by: ☒ Listing Broker; ☐ Buyer/Listing Broker (limited dual agent); ☐ Unrepresented

17. BUYER BROKERAGE FIRM COMPENSATION: See Section 47.

18. EXHIBITS AND ADDENDA. The following Exhibits and Addenda are made a part of this Agreement:

☐ Earnest Money Promissory Note, CBA Form EMN	☐ Back-Up Addendum, CBA Form BU-A
☐ Blank Promissory Note, LPB Form No. 28A	☐ Vacant Land Addendum, CBA Form VLA
☐ Blank Short Form Deed of Trust, LPB Form No. 20	☐ Financing Addendum, CBA Form PS_FIN
☐ Blank Deed of Trust Rider, CBA Form DTR	☐ Tenant Estoppel Certificate, CBA Form PS_TEC
☐ Utility Charges Addendum, CBA Form UA	☐ Defeasance Addendum, CBA Form PS_D
☐ FIRPTA Certification, CBA Form 22E	☐ Lead-Based Paint Disclosure, CBA Form LP-LS
☐ Assignment and Assumption, CBA Form PS-AS	☐ Other: _____
☒ Addendum/Amendment, CBA Form PSA	☐ Other: _____

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COMMERCIAL & INVESTMENT REAL ESTATE
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(CONTINUED)

19. IDENTIFICATION OF THE PARTIES. The following is the contact information for the parties involved in this Agreement:

Buyer(s):
Contact: Maureen Barnes
Address: _____
Business Phone: 425-783-4373
Cell Phone: 425-248-8634
Fax: _____
Email: mlbarnes@snopud.com

Buyer Brokerage Firm
Name: Kidder Mathews
Assumed Name: _____
Buyer Broker: Ryan Haddock
Firm Address: _____
Firm Phone: _____
Broker Phone: 360-480-6680
Firm Email: _____
Broker Email: ryan.haddock@kidder.com
Fax: _____
CBA Office No.: _____

Copy of Notices to Buyer to :

Name: _____
Company: _____
Address: _____
Business Phone: _____
Fax: _____
Cell Phone: _____
Email: _____

Seller(s):
Contact: Steve Ruhnke
Address: _____
Business Phone: _____
Cell Phone: _____
Fax: _____
Email: steve_ruhnke@msn.com

Listing Firm
Name: Kidder Mathews
Assumed Name: _____
Listing Broker: _____
Firm Address: _____
Firm Phone: _____
Broker Phone: _____
Firm Email: _____
Broker Email: _____
Fax: _____
CBA Office No.: _____

Copy of Notices to Seller to :

Name: _____
Company: _____
Address: _____
Business Phone: _____
Fax: _____
Cell Phone: _____
Email: _____

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COMMERCIAL & INVESTMENT REAL ESTATE
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(CONTINUED)

GENERAL TERMS

20. **Purchase and Sale.** Buyer agrees to buy and Seller agrees to sell the commercial real estate identified in Section 1 as the Property and all improvements thereon. Unless expressly provided otherwise in this Agreement or its Addenda, the Property shall include (i) all of Seller's rights, title and interest in the Property, (ii) all easements and rights appurtenant to the Property, (iii) all buildings, fixtures, and improvements on the Property, (iv) all unexpired leases and subleases; and (v) all included personal property.

21. **Acceptance; Counteroffers.** If this offer is not timely accepted, it shall lapse and the Earnest Money shall be refunded to Buyer. If either party makes a future counteroffer, the other party shall have until 5:00 p.m. on the _____ day (if not filled in, the second day) following receipt to accept the counteroffer, unless sooner withdrawn. If the counteroffer is not timely accepted or countered, this Agreement shall lapse and the Earnest Money shall be refunded to Buyer. No acceptance, offer or counteroffer from Buyer is effective until a signed copy is received by Seller, the Listing Broker or the licensed office of the Listing Broker. No acceptance, offer or counteroffer from Seller is effective until a signed copy is received by Buyer, the Buyer Broker or the licensed office of the Buyer Broker. "Mutual Acceptance" shall occur when the last counteroffer is signed by the offeree, and the fully-signed counteroffer has been received by the offeror, his or her broker, or the licensed office of the broker. If any party is not represented by a broker, then notices must be delivered to that party and shall be effective when received by that party.

22. **Earnest Money.** Buyer Broker and Buyer Brokerage Firm are authorized to transfer Earnest Money to Closing Agent as necessary. Buyer Brokerage Firm shall deposit any check to be held by Buyer Brokerage Firm within 3 days after receipt or Mutual Acceptance, whichever occurs later. If the Earnest Money is to be held by Buyer Brokerage Firm and is over $10,000, it shall be deposited to: ☐ the Buyer Brokerage Firm's pooled trust account (with interest paid to the State Treasurer); or ☒ a separate interest bearing trust account in Buyer Brokerage Firm's name, provided that Buyer completes an IRS Form W-9 (if not completed, separate interest bearing trust account). The interest, if any, shall be credited at closing to Buyer. If this sale fails to close, whoever is entitled to the Earnest Money is entitled to interest. Unless otherwise provided in this Agreement, the Earnest Money shall be applicable to the Purchase Price.

23. **Title Insurance.**

a. **Title Report.** Seller authorizes Buyer, its Lender, Listing Broker, Buyer Broker or Closing Agent, at Seller's expense, to apply for and deliver to Buyer a standard coverage owner's policy of title insurance from the Title Insurance Company. Buyer shall have the discretion to apply for an extended coverage owner's policy of title insurance and any endorsements, provided that Buyer shall pay the increased costs associated with an extended policy including the excess premium over that charged for a standard coverage policy, the cost of any endorsements requested by Buyer, and the cost of any survey required by the title insurer. If Seller previously received a preliminary commitment from a title insurer that Buyer declines to use, Buyer shall pay any cancellation fee owing to the original title insurer. Otherwise, the party applying for title insurance shall pay any title cancellation fee, in the event such a fee is assessed.

b. **Permitted Exceptions.** Buyer shall notify Seller of any objectionable matters in the title report or any supplemental report within the earlier of: (a) _____ days (20 days if not completed) after receipt of the preliminary commitment for title insurance; or (b) the Feasibility Contingency Date. This Agreement shall terminate and Buyer shall receive a refund of the Earnest Money, less any costs advanced or committed for Buyer, unless within five (5) days of Buyer's notice of such objections Seller shall give notice, in writing,

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Tacoma, WA 98402
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of its intent to remove all objectionable provisions before Closing. If Seller fails to give timely notice that it will clear all disapproved objections, this Agreement shall automatically terminate and Buyer shall receive a refund of the Earnest Money, less any costs advanced or committed for Buyer, unless Buyer notifies Seller within three (3) days that Buyer waives any objections which Seller does not agree to remove. If any new title matters are disclosed in a supplemental title report, then the preceding termination, objection and waiver provisions shall apply to the new title matters except that Buyer's notice of objections must be delivered within three (3) days of receipt of the supplemental report by Buyer and Seller's response or Buyer's waiver must be delivered within two (2) days of Buyer's notice of objections. The Closing Date shall be extended to the extent necessary to permit time for these notices. Buyer shall not be required to object to any mortgage or deed of trust liens, or the statutory lien for real property taxes, and the same shall not be deemed to be Permitted Exceptions; provided, however, that the lien securing any financing which Buyer has agreed to assume shall be a Permitted Exception. Except for the foregoing, those provisions not objected to or for which Buyer waived its objections shall be referred to collectively as the "Permitted Exceptions." Seller shall reasonably cooperate with Buyer and the title company to clear objectionable title matters and shall provide an affidavit containing the information and reasonable covenants requested by the title company. The title policy shall contain no exceptions other than the General Exclusions and Exceptions common to such form of policy and the Permitted Exceptions.

c. **Title Policy.** At Closing, Buyer shall receive an ALTA Form 2006 Owner's Policy of Title Insurance with standard or extended coverage (as specified by Buyer) dated as of the Closing Date in the amount of the Purchase Price, insuring that fee simple title to the Property is vested in Buyer, subject only to the Permitted Exceptions ("Title Policy"), provided that Buyer acknowledges that obtaining extended coverage may be conditioned on the Title Company's receipt of a satisfactory survey paid for by Buyer. If Buyer elects extended coverage, then Seller shall execute and deliver to the Title Company on or before Closing the such affidavits and other documents as the Title Company reasonably and customarily requires to issue extended coverage.

24. Feasibility Contingency. Buyer's obligations under this Agreement are conditioned upon Buyer's satisfaction, in Buyer's sole discretion, concerning all aspects of the Property, including its physical condition; the presence of or absence of any hazardous substances; the contracts and leases affecting the Property; the potential financial performance of the Property; the availability of government permits and approvals; and the feasibility of the Property for Buyer's intended purpose. This Agreement shall terminate and Buyer shall receive a refund of the Earnest Money unless Buyer gives notice that the Feasibility Contingency is satisfied to Seller before 5:00pm on the Feasibility Contingency Date. If such notice is timely given, the feasibility contingency shall be deemed to be satisfied and Buyer shall be deemed to have accepted and waived any objection regarding any aspects of the Property as they exist on the Feasibility Contingency Date.

a. **Books, Records, Leases, Agreements.** Within 5 days (3 days if not filled in) Seller shall deliver to Buyer or post in an online database maintained by Seller or Listing Broker, to which Buyer has been given unlimited access, true, correct and complete copies of all documents in Seller's possession or control relating to the ownership, operation, renovation or development of the Property, excluding appraisals or other statements of value, and including the following: statements for real estate taxes, assessments, and utilities for the last three years and year to date; property management agreements and any other agreements with professionals or consultants; leases or other agreements relating to occupancy of all or a portion of the Property and a suite-by-suite schedule of tenants, rents, prepaid rents, deposits and fees; plans, specifications, permits, applications, drawings, surveys, and studies; maintenance records, accounting records and audit reports for the last three years and year to date; any existing environmental reports; any existing surveys; any existing inspection reports; and "Vendor Contracts" which shall include

Kidder Mathews
1201 Pacific Ave, Ste. 1400
Tacoma, WA 98402
Phone: 253-722-1400
Fax: 253-722-1409

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maintenance or service contracts, and installments purchase contracts or leases of personal property or fixtures used in connection with the Property. Buyer shall determine by the Feasibility Contingency Date: (i) whether Seller will agree to terminate any objectionable Vendor Contracts; and (ii) whether Seller will agree to pay any damages or penalties resulting from the termination of objectionable Vendor Contracts. Buyer's waiver of the Feasibility Contingency shall be deemed Buyer's acceptance of all Vendor Contracts which Seller has not agreed in writing to terminate. Buyer shall be solely responsible for obtaining any required consents to such assumption and the payment of any assumption fees. Seller shall cooperate with Buyer's efforts to receive any such consents but shall not be required to incur any out-of-pocket expenses or liability in doing so. Any information provided or to be provided by Seller with respect to the Property is solely for Buyer's convenience and Seller has not made any independent investigation or verification of such information (other than that the documents are true, correct, and complete, as stated above) and makes no representations as to the accuracy or completeness of such information, except to the extent expressly provided otherwise in this Agreement. Seller shall transfer the Vendor Contracts as provided in Section 26.

b. **Access.** Seller shall permit Buyer and its agents, at Buyer's sole expense and risk, to enter the Property at reasonable times subject to the rights of and after legal notice to tenants, to conduct inspections concerning the Property, including without limitation, the structural condition of improvements, hazardous materials, pest infestation, soils conditions, sensitive areas, wetlands, or other matters affecting the feasibility of the Property for Buyer's intended use. Buyer shall schedule any entry onto the Property with Seller in advance and shall comply with Seller's reasonable requirements including those relating to security, confidentiality, and disruption of Seller's tenants. Buyer shall not perform any invasive testing including environmental inspections beyond a phase I assessment or contact the tenants or property management personnel without obtaining Seller's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Buyer shall restore the Property and all improvements to substantially the same condition they were in prior to inspection. Buyer shall be solely responsible for all costs of its inspections and feasibility analysis and has no authority to bind the Property for purposes of statutory liens. Buyer agrees to indemnify and defend Seller from all liens, costs, claims, and expenses, including attorneys' and experts' fees, arising from or relating to entry onto or inspection of the Property by Buyer and its agents, which obligation shall survive closing. Buyer may continue to enter the Property in accordance with the terms and conditions set forth in this Section 24 after removal or satisfaction of the Feasibility Contingency only for the purpose of leasing or to satisfy conditions of financing.

c. ☐ (check if applicable) Access Insurance. Notwithstanding anything in this Section 24 to the contrary, prior to entering the Property and while conducting any inspections pursuant to subsection (b) above, Buyer shall, at no cost or expense to Seller: (a) procure and maintain commercial general liability (occurrence) insurance in an amount no less than $2,000,000 on commercially reasonable terms adequate to insure against all liability arising out of any entry onto or inspections of the Property that lists Seller and Tenant as additional insureds; and (b) deliver to Seller prior to entry upon the Property certificates of insurance for Buyer and any applicable agents or representatives evidencing such required insurance.

d. Buyer waives, to the fullest extent permissible by law, the right to receive a seller disclosure statement (e.g. "Form 17") if required by RCW 64.06 and its right to rescind this Agreement pursuant thereto. However, if Seller would otherwise be required to provide Buyer with a Form 17, and if the answer to any of the questions in the section of the Form 17 entitled "Environmental" would be "yes," then Buyer does not waive the receipt of the "Environmental" section of the Form 17 which shall be provided by Seller.

INITIALS: Buyer DS _____ Date 10/7/2025 Seller DS _____ Date 10/7/2025
Buyer _____ Date _____ Seller _____ Date _____

Kidder Mathews
1201 Pacific Ave, Ste. 1400
Tacoma, WA 98402
Phone: 253-722-1400
Fax: 253-722-1409

COMMERCIAL & INVESTMENT REAL ESTATE
PURCHASE & SALE AGREEMENT
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25. Conveyance. Title shall be conveyed subject only to the Permitted Exceptions. If this Agreement is for conveyance of Seller's vendee's interest in a Real Estate Contract, the deed shall include a contract vendee's assignment sufficient to convey after-acquired title. At Closing, Seller and Buyer shall execute and deliver to Closing Agent CBA Form PS-AS Assignment and Assumption Agreement transferring all leases and Vendor Contracts assumed by Buyer pursuant to Section 26(b) and all intangible property transferred pursuant to Section 26(b).

26. Personal Property.

a. If this sale includes the personal property located on and used in connection with the Property, Seller will itemize such personal property in an Exhibit to be attached to this Agreement within ten (10) days of Mutual Acceptance. The value assigned to any personal property shall be $ _____ (if not completed, the County-assessed value if available, and if not available, the fair market value determined by an appraiser selected by the Listing Broker and Buyer Broker). Seller warrants title to, but not the condition of, the personal property and shall convey it by bill of sale.

b. In addition to the leases and Vendor Contracts assumed by Buyer pursuant to Section 25 above, this sale includes all right, title and interest of Seller to the following intangible property now or hereafter existing with respect to the Property including without limitation: all rights-of-way, rights of ingress or egress or other interests in, on, or to, any land, highway, street, road, or avenue, open or proposed, in, on, or across, in front of, abutting or adjoining the Property; all rights to utilities serving the Property; all drawings, plans, specifications and other architectural or engineering work product; all governmental permits, certificates, licenses, authorizations and approvals; all rights, claims, causes of action, and warranties under contracts with contractors, engineers, architects, consultants or other parties associated with the Property; all utility, security and other deposits and reserve accounts made as security for the fulfillment of any of Seller's obligations; any name of or telephone numbers for the Property and related trademarks, service marks or trade dress; and guaranties, warranties or other assurances of performance received.

27. Seller's Underlying Financing. Unless Buyer is assuming Seller's underlying financing, Seller shall be responsible for confirming the existing underlying financing is not subject to any "lock out" or similar covenant which would prevent the lender's lien from being released at closing. In addition, Seller shall provide Buyer notice prior to the Feasibility Contingency Date if Seller is required to substitute securities for the Property as collateral for the underlying financing (known as "defeasance"). If Seller provides this notice of defeasance to Buyer, then the parties shall close the transaction in accordance with the process described in CBA Form PS_D or any different process identified in Seller's defeasance notice to Buyer.

Kidder Mathews
1201 Pacific Ave, Ste. 1400
Tacoma, WA 98402
Phone: 253-722-1400
Fax: 253-722-1409

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28. Closing of Sale. Buyer and Seller shall deposit with Closing Agent by 12:00 p.m. on the scheduled Closing Date all instruments and monies required to complete the purchase in accordance with this Agreement. Upon receipt of such instruments and monies, Closing Agent shall cause the deed to be recorded and shall pay to Seller, in immediately available funds, the Purchase Price less any costs or other amounts to be paid by Seller at Closing. "Closing" shall be deemed to have occurred when the deed is recorded and the sale proceeds are available to Seller. Time is of the essence in the performance of this Agreement. Sale proceeds shall be considered available to Seller, even if they cannot be disbursed to Seller until the next business day after Closing. Notwithstanding the foregoing, if Seller informed Buyer before the Feasibility Contingency Date that Seller's underlying financing requires that it be defeased and may not be paid off, then Closing shall be conducted in accordance with the three (3)-day closing process described in CBA Form PS_D. This Agreement is intended to constitute escrow instructions to Closing Agent. Buyer and Seller will provide any supplemental instructions requested by Closing Agent provided the same are consistent with this Agreement.

29. Closing Costs and Prorations. Seller shall deliver an updated rent roll to Closing Agent not later than two (2) days before the scheduled Closing Date in the form required by Section 24(a) and any other information reasonably requested by Closing Agent to allow Closing Agent to prepare a settlement statement for Closing. Seller certifies that the information contained in the rent roll is correct as of the date submitted. Seller shall pay the premium for the owner's standard coverage title policy. Buyer shall pay the excess premium attributable to any extended coverage or endorsements requested by Buyer, and the cost of any survey required in connection with the same. Seller and Buyer shall each pay one-half of the escrow fees. Any real estate excise taxes shall be paid by the party who bears primary responsibility for payment under the applicable statute or code. Real and personal property taxes and assessments payable in the year of closing; collected rents on any existing tenancies; expenses already incurred by Seller that relate to services to be provided to the Property after the Closing Date; interest; utilities; and other operating expenses shall be pro-rated as of Closing. Seller will be charged and credited for the amounts of all of the pro-rated items relating to the period up to and including 11:59 pm Pacific Time on the day preceding the Closing Date, and Buyer will be charged and credited for all of the pro-rated items relating to the period on and after the Closing Date. If tenants pay any of the foregoing expenses directly, then Closing Agent shall only pro rate those expenses paid by Seller. Buyer shall pay to Seller at Closing an additional sum equal to any utility deposits or mortgage reserves for assumed financing for which Buyer receives the benefit after Closing. Buyer shall pay all costs of financing including the premium for the lender's title policy. If the Property was taxed under a deferred classification prior to Closing, then Seller shall pay all taxes, interest, penalties, deferred taxes or similar items which result from removal of the Property from the deferred classification. At Closing, all refundable deposits on tenancies shall be credited to Buyer or delivered to Buyer for deposit in a trust account if required by state or local law. Buyer shall pay any sales or use tax applicable to the transfer of personal property included in the sale.

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30. **Post-Closing Adjustments, Collections, and Payments.** After Closing, Buyer and Seller shall reconcile the actual amount of revenues or liabilities upon receipt or payment thereof to the extent those items were prorated or credited at Closing based upon estimates. Any bills or invoices received by Buyer after Closing which relate to services rendered or goods delivered to the Seller or the Property prior to Closing shall be paid by Seller upon presentation of such bill or invoice. At Buyer's option, Buyer may pay such bill or invoice and be reimbursed the amount paid plus interest at the rate of 12% per annum beginning fifteen (15) days from the date of Buyer's written demand to Seller for reimbursement until such reimbursement is made. Notwithstanding the foregoing, if tenants pay certain expenses based on estimates subject to a post-closing reconciliation to the actual amount of those expenses, then Buyer shall be entitled to any surplus and shall be liable for any credit resulting from the reconciliation. Rents collected from each tenant after Closing shall be applied first to rentals due most recently from such tenant for the period after closing, and the balance shall be applied for the benefit of Seller for delinquent rentals owed for a period prior to closing. The amounts applied for the benefit of Seller shall be turned over by Buyer to Seller promptly after receipt. Seller shall be entitled to pursue any lawful methods of collection of delinquent rents but shall have no right to evict tenants after Closing. Any adjustment shall be made, if any, within 180 days of the Closing Date, and if a party fails to request an adjustment by notice delivered to the other party within the applicable period set forth above (such notice to specify in reasonable detail the items within the Closing Statement that such party desires to adjust and the reasons for such adjustment), then the allocations and prorations at Closing shall be binding and conclusive against such party.

31. **Operations Prior to Closing.** Prior to Closing, Seller shall continue to operate the Property in the ordinary course of its business and maintain the Property in the same or better condition than as existing on the date of Mutual Acceptance but shall not be required to repair material damage from casualty except as otherwise provided in this Agreement. After the Feasibility Contingency Date, Seller shall not enter into or modify existing rental agreements or leases (except that Seller may enter into, modify, extend, renew or terminate residential rental agreements or residential leases for periods of 12 months or less in the ordinary course of its business), service contracts, or other agreements affecting the Property which have terms extending beyond Closing without obtaining Buyer's consent, which shall not be withheld unreasonably.

32. **Possession.** Buyer shall accept possession subject to all tenancies disclosed to Buyer before the Feasibility Contingency Date.

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33. Seller's Representations. Except as disclosed to or known by Buyer prior to the satisfaction or waiver of the Feasibility Contingency, including in the books, records and documents made available to Buyer, or in the title report or any supplemental report or documents referenced therein, Seller represents to Buyer that, to the best of Seller's actual knowledge, each of the following is true as of the date hereof: (a) Seller is authorized to enter into the Agreement, to sell the Property, and to perform its obligations under the Agreement, and no further consent, waiver, approval or authorization is required from any person or entity to execute and perform under this Agreement; (b) The books, records, leases, agreements and other items delivered to Buyer pursuant to this Agreement comprise all material documents in Seller's possession or control regarding the operation and condition of the Property, are true, accurate and complete to the best of Seller's knowledge, and no other contracts or agreements exist that will be binding on Buyer after Closing; (c) Seller has not received any written notices that the Property or any business conducted thereon violate any applicable laws, regulations, codes and ordinances; (d) Seller has all certificates of occupancy, permits, and other governmental consents necessary to own and operate the Property for its current use; (e) There is no pending or threatened litigation which would adversely affect the Property or Buyer's ownership thereof after Closing; (f) There is no pending or threatened condemnation or similar proceedings affecting the Property, and the Property is not within the boundaries of any planned or authorized local improvement district; (g) Seller has paid (except to the extent prorated at Closing) all local, state and federal taxes (other than real and personal property taxes and assessments described in Section 29 above) attributable to the period prior to closing which, if not paid, could constitute a lien on Property (including any personal property), or for which Buyer may be held liable after Closing; (h) Seller is not aware of any concealed material defects in the Property except as disclosed to Buyer before the Feasibility Contingency Date; (i) There are no Hazardous Substances (as defined below) currently located in, on, or under the Property in a manner or quantity that presently violates any Environmental Law (as defined below); there are no underground storage tanks located on the Property; and there is no pending or threatened investigation or remedial action by any governmental agency regarding the release of Hazardous Substances or the violation of Environmental Law at the Property; (j) Seller has not granted any options nor obligated itself in any matter whatsoever to sell the Property or any portion thereof to any party other than Buyer; and (k) Neither Seller nor any of its respective partners, members, shareholders or other equity owners, is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute or executive order; and (l) the individual signing this Agreement on behalf of Seller represents and warrants to Buyer that he or she has the authority to act on behalf of and bind Seller. As used herein, the term "Hazardous Substances" shall mean any substance or material now or hereafter defined or regulated as a hazardous substance, hazardous waste, toxic substance, pollutant, or contaminant under any federal, state, or local law, regulation, or ordinance governing any substance that could cause actual or suspected harm to human health or the environment ("Environmental Law"). The term "Hazardous Substances" specifically includes, but is not limited to, petroleum, petroleum by-products, and asbestos.

If prior to Closing Seller or Buyer discovers any information which would cause any of the representations above to be false if the representations were deemed made as of the date of such discovery, then the party discovering the information shall promptly notify the other party in writing and Buyer, as its sole remedy, may elect to terminate this Agreement by giving Seller notice of such termination within five (5) days after Buyer first received actual notice (with the Closing Date extended to accommodate such five (5) day period), and in such event, the Earnest Money Deposit shall be returned to Buyer. Buyer shall give notice of termination within five (5) days of discovering or receiving written notice of the new information. Nothing in this paragraph shall prevent Buyer from pursuing its remedies against Seller if Seller had actual knowledge of the newly discovered information such that a representation provided for above was false.

INITIALS: Buyer DS JH Date 10/7/2025 Seller DS Date 10/7/2025
Buyer _____ Date _____ Seller _____ Date _____

Kidder Mathews
1201 Pacific Ave, Ste. 1400
Tacoma, WA 98402
Phone: 253-722-1400
Fax: 253-722-1409

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34. **As-Is.** Except for the express representations and warranties in this Agreement, (a) Seller makes no representations or warranties regarding the Property; (b) Seller hereby disclaims, and Buyer hereby waives, any and all representations or warranties of any kind, express or implied, concerning the Property or any portion thereof, as to its condition, value, compliance with laws, status of permits or approvals, ~~existence or absence of hazardous material on site~~, suitability for Buyer's intended use, occupancy rate or any other matter of similar or dissimilar nature relating in any way to the Property, including the warranties of fitness for a particular purpose, tenantability, habitability and use; (c) Buyer takes the Property "AS IS" and with all faults; and (d) Buyer represents and warrants to Seller that Buyer has sufficient experience and expertise such that it is reasonable for Buyer to rely on its own pre-closing inspections and investigations.

35. **Buyer's Representations.** Buyer represents that Buyer is authorized to enter into the Agreement; to buy the Property; to perform its obligations under the Agreement; and that neither the execution and delivery of this Agreement nor the consummation of the transaction contemplated hereby will: (a) conflict with or result in a breach of any law, regulation, writ, injunction or decree of any court or governmental instrumentality applicable to Buyer; or (b) constitute a breach of any agreement to which Buyer is a party or by which Buyer is bound. The individual signing this Agreement on behalf of Buyer represents that he or she has the authority to act on behalf of and bind Buyer.

36. **Claims.** Any claim or cause of action with respect to a breach of the representations and warranties set forth herein shall survive for a period of nine (9) months from the Closing Date, at which time such representations and warranties (and any cause of action resulting from a breach thereof not then in litigation, including indemnification claims) shall terminate. Notwithstanding anything to the contrary in this Agreement: (a) Buyer shall not make a claim against Seller for damages for breach or default of any representation or warranty, unless the amount of such claim is reasonably anticipated to exceed $25,000; and (b) under no circumstances shall Seller be liable to Buyer on account of any breach of any representation or warranty in the aggregate in excess of the amount equal to $250,000, except in the event of Seller's fraud or intentional misrepresentation with respect to any representation or warranty regarding the environmental condition of the Property, in which case Buyer's damages shall be unlimited.

37. **Condemnation and Casualty.** Seller bears all risk of loss until Closing, and thereafter Buyer bears all risk of loss. Buyer may terminate this Agreement and obtain a refund of the Earnest Money if improvements on the Property are materially damaged or if condemnation proceedings are commenced against all or a portion of the Property before Closing, to be exercised by notice to Seller within ten (10) days after Seller's notice to Buyer of the occurrence of the damage or condemnation proceedings. Damage will be considered material if the cost of repair exceeds the lesser of $100,000 or five percent (5%) of the Purchase Price. Alternatively, Buyer may elect to proceed with closing, in which case, at Closing, Seller shall not be obligated to repair any damage, and shall assign to Buyer all claims and right to proceeds under any property insurance policy and shall credit to Buyer at Closing the amount of any deductible provided for in the policy.

38. **FIRPTA Tax Withholding at Closing.** Closing Agent is instructed to prepare a certification (CBA or NWMLS Form 22E, or equivalent) that Seller is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act, and Seller shall sign it on or before Closing. If Seller is a foreign person, and this transaction is not otherwise exempt from FIRPTA, Closing Agent is instructed to withhold and pay the required amount to the Internal Revenue Service.

INITIALS: Buyer DS _____ Date 10/7/2025 Seller DS _____ Date 10/7/2025
Buyer _____ Date _____ Seller _____ Date _____

Kidder Mathews
1201 Pacific Ave, Ste. 1400
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39. Notices. Unless otherwise specified, any notice required or permitted in, or related to, this Agreement (including revocations of offers and counteroffers) must be in writing. Notices to Seller must be signed by at least one Buyer and must be delivered to Seller and Listing Broker with a courtesy copy to any other party identified as a recipient of notices in Section 19. A notice to Seller shall be deemed delivered only when received by Seller and Listing Broker, or the licensed office of Listing Broker. Notices to Buyer must be signed by at least one Seller and must be delivered to Buyer, with a copy to Buyer Broker and with a courtesy copy to any other party identified as a recipient of notices in Section 19. A notice to Buyer shall be deemed delivered only when received by Buyer and Buyer Broker, or the licensed office of Buyer Broker. Buyer Broker and Listing Broker otherwise have no responsibility to advise parties of receipt of a notice beyond either phoning the represented party or causing a copy of the notice to be delivered to the party's address provided in this Agreement. Buyer and Seller shall keep Buyer Broker and Listing Broker advised of their whereabouts in order to receive prompt notification of receipt of a notice. If any party is not represented by a licensee, then notices must be delivered to and shall be effective when received by that party at the address, fax number, or email indicated in Section 19. Facsimile transmission of any notice or document shall constitute delivery. E-mail transmission of any notice or document (or a direct link to such notice or document) shall constitute delivery when: (i) the e-mail is sent to both Buyer Broker and Buyer Brokerage Firm or both Listing Broker and Listing Firm at the e-mail addresses specified on page two of this Agreement; or (ii) Buyer Broker or Listing Broker provide written acknowledgment of receipt of the e-mail (an automatic e-mail reply does not constitute written acknowledgment). At the request of either party, or the Closing Agent, the parties will confirm facsimile or e-mail transmitted signatures by signing an original document.

40. Computation of Time. Unless otherwise specified in this Agreement, any period of time in this Agreement shall mean Pacific Time and shall begin the day after the event starting the period and shall expire at 5:00 p.m. of the last calendar day of the specified period of time, unless the last day is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050, in which case the specified period of time shall expire on the next day that is not a Saturday, Sunday or legal holiday. Any specified period of five (5) days or less shall not include Saturdays, Sundays or legal holidays. Notwithstanding the foregoing, references to specific dates or times or number of hours shall mean those dates, times or number of hours; provided, however, that if the Closing Date falls on a Saturday, Sunday, or legal holiday as defined in RCW 1.16.050, or a date when the county recording office is closed, then the Closing Date shall be the next regular business day. If the parties agree upon and attach a legal description after this Agreement is signed by the offeree and delivered to the offeror, then for the purposes of computing time, mutual acceptance shall be deemed to be on the date of delivery of an accepted offer or counteroffer to the offeror, rather than on the date the legal description is attached.

41. Assignment. Buyer's rights and obligations under this Agreement are not assignable without the prior written consent of Seller, which shall not be withheld unreasonably; provided, however, Buyer may assign this Agreement without the consent of Seller, but with notice to Seller, to any entity under common control and ownership of Buyer, provided no such assignment shall relieve Buyer of its obligations hereunder. If the words "and/or assigns" or similar words are used to identify Buyer in Section 2, then this Agreement may be assigned with notice to Seller but without need for Seller's consent. The party identified as the initial Buyer shall remain responsible for those obligations of Buyer stated in this Agreement notwithstanding any assignment and, if this Agreement provides for Seller to finance a portion of the purchase price, then the party identified as the initial Buyer shall guarantee payment of Seller financing.

42. Default and Attorneys' Fees.

a. **Buyer's default.** In the event Buyer fails, without legal excuse, to complete the purchase of the Property, then the applicable provision as identified in Section 13 shall apply:

INITIALS: Buyer DS JH Date 10/7/2025 Seller _____ Date _____
Buyer _____ Date _____ Seller DS _____ Date 10/7/2025

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i. **Forfeiture of Earnest Money.** Seller may terminate this Agreement and keep that portion of the Earnest Money that does not exceed five percent (5%) of the Purchase Price as liquidated damages as the sole and exclusive remedy available to Seller for such failure.

ii. **Seller's Election of Remedies.** Seller may, at its option, (a) terminate this Agreement and keep that portion of the Earnest Money that does not exceed five percent (5%) of the Purchase Price as liquidated damages as the sole and exclusive remedy available to Seller for such failure, (b) bring suit against Buyer for Seller's actual damages, (c) bring suit to specifically enforce this Agreement and recover any incidental damages, or (d) pursue any other rights or remedies available at law or equity.

b. **Seller's default.** In the event Seller fails, without legal excuse, to complete the sale of the Property, then the applicable provision as identified in Section 14 shall apply:

i. **Recover Earnest Money or Specific Enforcement.** As Buyer's sole remedy, Buyer may either (a) terminate this Agreement and recover all Earnest Money or fees paid by Buyer whether or not the same are identified as refundable or applicable to the purchase price; or (b) bring suit to specifically enforce this Agreement and recover incidental damages, provided, however, Buyer must file suit within sixty (60) days from the Closing Date or from the date Seller has provided notice to Buyer that Seller will not proceed with closing, whichever is earlier.

ii. **Buyer's Election of Remedies.** Buyer may, at its option, (a) bring suit against Seller for Buyer's actual damages, (b) bring suit to specifically enforce this Agreement and recover any incidental damages, or (c) pursue any other rights or remedies available at law or equity.

c. Neither Buyer nor Seller may recover consequential damages such as lost profits. If Buyer or Seller institutes suit against the other concerning this Agreement, the prevailing party is entitled to reasonable attorneys' fees and costs. In the event of trial, the amount of the attorneys' fees shall be fixed by the court. The venue of any suit shall be the county in which the Property is located, and this Agreement shall be governed by the laws of the State of Washington without regard to its principles of conflicts of laws.

43. Miscellaneous Provisions.

a. **Complete Agreement.** This Agreement and any addenda and exhibits thereto state the entire understanding of Buyer and Seller regarding the sale of the Property. There are no verbal or other written agreements which modify or affect the Agreement, and no modification of this Agreement shall be effective unless agreed in writing and signed by the parties.

b. **Counterpart Signatures.** This Agreement may be signed in counterpart, each signed counterpart shall be deemed an original, and all counterparts together shall constitute one and the same agreement.

c. **Electronic Delivery and Signatures.** Electronic delivery of documents (e.g., transmission by facsimile or email) including signed offers or counteroffers and notices shall be legally sufficient to bind the party the same as delivery of an original. At the request of either party, or the Closing Agent, the parties will replace electronically delivered offers or counteroffers with original documents. The parties acknowledge that a signature in electronic form has the same legal effect as a handwritten signature.

d. **Section 1031 Like-Kind Exchange.** If either Buyer or Seller intends for this transaction to be a part of a

Kidder Mathews
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Section 1031 like-kind exchange, then the other party agrees to cooperate in the completion of the like-kind exchange so long as the cooperating party incurs no additional liability in doing so, and so long as any expenses (including attorneys' fees and costs) incurred by the cooperating party that are related only to the exchange are paid or reimbursed to the cooperating party at or prior to Closing. Notwithstanding this provision, no party shall be obligated to extend closing as part of its agreement to facilitate completion of a like-kind exchanged. In addition, notwithstanding Section 41 above, any party completing a Section 1031 like-kind exchange may assign this Agreement to its qualified intermediary or any entity set up for the purposes of completing a reverse exchange.

44. Information Transfer. In the event this Agreement is terminated, Buyer agrees to deliver to Seller within ten (10) days of Seller's written request copies of all materials received from Seller and any non-privileged plans, studies, reports, inspections, appraisals, surveys, drawings, permits, applications or other development work product relating to the Property in Buyer's possession or control as of the date this Agreement is terminated.

45. ~~Confidentiality.~~ ~~Until and unless closing has been consummated, Buyer and Seller shall follow reasonable measures to prevent unnecessary disclosure of information obtained in connection with the negotiation and performance of this Agreement. Neither party shall use or knowingly permit the use of any such information in any manner detrimental to the other party.~~

46. Agency Disclosure. Buyer Brokerage Firm, Buyer Brokerage Firm's Designated Broker, Buyer Brokerage Firm's Branch Manager (if any) and any of Buyer Brokerage's Firm's Managing Brokers who supervise Buyer Broker represent the same party that Buyer Broker represents. Listing Firm, Listing Firm's Designated Broker, Listing Broker's Branch Manager (if any), and any of Listing Firm's Managing Brokers who supervise Listing Broker represent the same party that the Listing Broker represents. All parties acknowledge receipt of the pamphlet entitled "Real Estate Brokerage in Washington."

~~47. Buyer Broker's Compensation Disclosure.~~

~~a. Compensation from Seller. The compensation offered and paid to Buyer Brokerage Firm by Seller for providing buyer brokerage services to Buyer related to the Property is:~~

☐ ~~Offered: _____ % of purchase price; Paid: _____ % of purchase price~~
☐ ~~Offered: $ _____ ; Paid: $ _____~~
☐ ~~Offered: Other: _____ ; Paid: Other: _____~~

~~b. Compensation from Listing Firm. The compensation offered and paid to Buyer Brokerage Firm by the Listing Firm for providing buyer brokerage services to Buyer related to the Property is:~~

☐ ~~Offered: _____ % of purchase price; Paid: _____ % of purchase price~~
☐ ~~Offered: $ _____ ; Paid: $ _____~~
☐ ~~Offered: Other: _____ ; Paid: Other: _____~~

INITIALS: Buyer DS _____ Date 10/7/2025 Seller _____ DS Date 10/7/2025
Buyer _____ Date _____ Seller _____ Date _____

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48. Seller's Acceptance and Brokerage Agreement. Seller agrees to sell the Property on the terms and conditions herein. The Listing Firm's compensation shall be paid as specified in the listing or commission agreement. If there is no written listing or commission agreement, Seller agrees to pay to Listing Firm compensation of 5 % of the sales price or $ _____ . The compensation to Buyer Brokerage Firm shall be paid as set forth in this Agreement. Seller and Buyer consent to Listing Firm and Buyer Brokerage Firm receiving compensation from more than one party and to the sharing of compensation between firms. Seller and Buyer hereby assign to Listing Firm and Buyer Brokerage Firm, as applicable, a portion of their funds in escrow equal to such compensation and irrevocably instruct the Closing Agent to disburse the compensation directly to the Firm(s). In any action by Listing Firm or Buyer Brokerage Firm to enforce this Section, the prevailing party is entitled to reasonable attorneys' fees and expenses. The Property described in attached Exhibit A is commercial real estate. Notwithstanding Section 45 above, the pages containing this Section, the parties' signatures and an attachment describing the Property may be recorded.

Listing Broker and Buyer Broker Disclosure. EXCEPT AS OTHERWISE DISCLOSED IN WRITING TO BUYER OR SELLER, THE BUYER BROKER, LISTING BROKER, AND FIRMS HAVE NOT MADE ANY REPRESENTATIONS OR WARRANTIES OR CONDUCTED ANY INDEPENDENT INVESTIGATION CONCERNING THE LEGAL EFFECT OF THIS AGREEMENT, BUYER'S OR SELLER'S FINANCIAL STRENGTH, BOOKS, RECORDS, REPORTS, STUDIES, OR OPERATING STATEMENTS; THE CONDITION OF THE PROPERTY OR ITS IMPROVEMENTS; THE FITNESS OF THE PROPERTY FOR BUYER'S INTENDED USE; OR OTHER MATTERS RELATING TO THE PROPERTY, INCLUDING WITHOUT LIMITATION, THE PROPERTY'S ZONING, BOUNDARIES, AREA, COMPLIANCE WITH APPLICABLE LAWS (INCLUDING LAWS REGARDING ACCESSIBILITY FOR DISABLED PERSONS), OR HAZARDOUS OR TOXIC MATERIALS INCLUDING MOLD OR OTHER ALLERGENS. SELLER AND BUYER ARE EACH ADVISED TO ENGAGE QUALIFIED EXPERTS TO ASSIST WITH THESE DUE DILIGENCE AND FEASIBILITY MATTERS, AND ARE FURTHER ADVISED TO SEEK INDEPENDENT LEGAL AND TAX ADVICE RELATED TO THIS AGREEMENT.

INITIALS: Buyer DS _____ Date 10/7/2025 Seller DS _____ Date 10/7/2025
Buyer _____ Date _____ Seller _____ Date _____

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IN WITNESS WHEREOF, the parties have signed this Agreement intending to be bound.

Buyer John Haarlow Printed name and type of entity	Buyer _____ Printed name and type of entity
Buyer DocuSigned by: John Haarlow Signature and title 4F353B6F31F334B6...	Buyer _____ Signature and title
Date signed 10/7/2025	Date signed _____
Seller Steve Ruhnke Printed name and type of entity	Seller _____ Printed name and type of entity
Seller DocuSigned by: Steve Ruhnke Signature and title 1954FE97BACE451...	Seller _____ Signature and title
Date signed 10/7/2025	Date signed _____

INITIALS: Buyer DS JH Date 10/7/2025 Seller _____ Date _____
Buyer _____ Date _____ Seller DS _____ Date 10/7/2025

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EXHIBIT A *
[Legal Description]

Section 14 Township 27 Range 05 Quarter NE TH PTN NE1/4 NE1/4 & NW1/4 NE1/4 SD SEC 14 DAF BEG SE COR NE1/4 NE1/4 SD SEC 14 TH N 89*30 10W ALG S LN SD SUB 976.10FT TH N00*05 02W 30FT TO TPB THN00*05 02W 418.64FT TH N89*30 10W 627.50FT M/L TAP ON E MGN S/HWY TH SWLY ALG SD E MGN S/HWY 469.48FT M/L TAP 30FT N OF S LN NW1/4 NE1/4 SD SEC 14 TH S89*30 10E 825.60FT M/L TO TPB LESS E 208FT THOF &LESS TH PTN DAF BEG INT E LN S/HWY & S LN NW1/4 NE1/4 TH ELY ALG SD S LN 315FT TH N00*05 02W 305FT TH W PLT S LN SD NW1/4 NE1/4 TO E BDY S/HWY TH SLY ALG SD BDY TO POB & ALSO EXC NWLY PTN TO STATEOF WA FOR R/W PER QCD REC UND AFN 201109060376

* To ensure accuracy in the legal description, consider substituting the legal description contained in the preliminary commitment for title insurance or a copy of the Property's last vesting deed for this page. Do not neglect to label the substitution "Exhibit A." You should avoid transcribing the legal description because any error in transcription may render the legal description inaccurate and this Agreement unenforceable.

INITIALS: Buyer DS JH Date 10/7/2025 Seller DS Date 10/7/2025
Buyer _____ Date _____ Seller _____ Date _____

Kidder Mathews
1201 Pacific Ave, Ste. 1400
Tacoma, WA 98402
Phone: 253-722-1400
Fax: 253-722-1409

Form: PSA
Addendum/Amendment to PSA
Rev. 7/2020
Page 1 of 1

ADDENDUM/AMENDMENT TO
PURCHASE AND SALE AGREEMENT

CBA Text Disclaimer: Text deleted by licensee indicated by strike.
New text inserted by licensee indicated by small capital letters.

The following is part of the Purchase and Sale Agreement with Reference Date Oct. 2 , 20 25 (the "Agreement") between Public Utility District No. 1 of Snohomish County ("Buyer") and MDR Holdings LLC ("Seller") regarding the sale of the property located at 78xx 184TH ST SE _____ , Snohomish , WA 98296 (the "Property").

IT IS AGREED BETWEEN THE BUYER AND SELLER AS FOLLOWS:

1. This transaction is expressly subject to the consideration and approval/disapproval of the Public Utility District No. 1 of Snohomish County Board of Commissioners.

ALL OTHER TERMS AND CONDITIONS of the Agreement remain unchanged.

INITIALS: Buyer DS _____ Date 10/7/2025 Seller DS _____ Date 10/7/2025

Buyer _____ Date _____ Seller _____ Date _____

Kidder Mathews
1201 Pacific Ave, Ste. 1400
Tacoma, WA 98402
Phone: 253-722-1400
Fax: 253-722-1409

Form: PSA
Addendum/Amendment to PSA
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Page 1 of 1

ADDENDUM/AMENDMENT TO
PURCHASE AND SALE AGREEMENT

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IT IS AGREED BETWEEN THE BUYER AND SELLER AS FOLLOWS:

1. This transaction is expressly subject to the consideration and approval/disapproval of the Public Utility District No. 1 of Snohomish County Board of Commissioners.

ALL OTHER TERMS AND CONDITIONS of the Agreement remain unchanged.

INITIALS: Buyer _____ Date _____ Seller _____ Date _____

Buyer _____ Date _____ Seller _____ Date _____

BUSINESS OF THE COMMISSION

Meeting Date: December 16, 2025 **Agenda Item:** 6B

TITLE

Consideration of a Resolution Approving Amendment No. 3 to the Collective Bargaining Agreement Between Public Utility District No. 1 of Snohomish County and the International Brotherhood of Electrical Workers, Local No. 77, for the Period of April 1, 2024, Through March 31, 2028

SUBMITTED FOR: Items for Individual Consideration

Water/Human Resources	Karen Latimer/Christy Schmidt	2882
Department	*Contact*	*Extension*

Date of Previous Briefing:

Estimated Expenditure: $127,649.60 Presentation Planned ☐

ACTION REQUIRED:

☒ Decision Preparation
☐ Policy Discussion
☐ Policy Decision
☒ Statutory

☐ Incidental (Information)

☐ Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Policy: Executive Limitation - EL-5.8 - Financial Condition and Activities: The General Manager shall not "[w]ithout prior approval of the Board, execute modifications to the existing collective bargaining agreements between the District and the International Brotherhood of Electrical Workers (IBEW), between contracts, which exceed $100,000 of additional expense to the District in the current or next fiscal year."

Governance Process, Board Job Description: GP-3(4) (A)1 non-delegable, statutorily assigned Board duty to "[f]ix compensation of employees by establishing a scale of salaries for specific classes of work."

The Cross Connection Specialist is a new role being proposed to ensure compliance with state regulations (WAC 246-290-490) and execute cross-connection control programs for the District. Without the creation of this position, the District faces regulatory risks, potential enforcement actions, and increased vulnerability to water contamination. The role provides dedicated expertise and accountability, consolidating responsibilities currently spread across multiple staff.

Additionally, it aligns with the District's strategic goals by protecting public health, ensuring operational excellence, and supporting workforce development.

RECOMMENDATIONS/FUTURE ACTIONS:

Staff recommends that the Commission pass a resolution approving and authorizing Amendment No. 3 to the current Collective Bargaining Agreement to add new position of Cross Connection Specialist.

List Attachments:

Resolution
Exhibit A
Attachment 1 - Job Description for Cross Connection Specialist

RESOLUTION NO. _____

A RESOLUTION Approving Amendment No. 3 to the Collective Bargaining Agreement Between Public Utility District No. 1 of Snohomish County and the International Brotherhood of Electrical Workers, Local No. 77, for the Period of April 1, 2024, Through March 31, 2028

WHEREAS, on April 3, 2024, Public Utility District No. 1 of Snohomish County ("District") and the International Brotherhood of Electrical Workers, Local No. 77 ("IBEW") entered into the current Collective Bargaining Agreement ("CBA") covering the time period of April 1, 2024, through March 31, 2028; and

WHEREAS, the District and the Union desire to amend Article 9 (Compensation) of the current CBA in order to add the new classification of Cross Connection Specialist; and

WHEREAS, the Board of Commissioners has reviewed proposed Amendment No. 3 to the CBA, considered the recommendations of staff, and finds that the proposed Amendment No. 3 is in the best interests of the District and its ratepayers.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Public Utility District No. 1 of Snohomish County hereby approves proposed Amendment No. 3 to the current Collective Bargaining Agreement between the District and the International Brotherhood of Electrical Workers, Local No. 77, in the form set forth as Exhibit A, and approves and authorizes the execution and delivery of said Amendment No. 3 in the name and on behalf of the District by the CEO/General Manager of the District.

PASSED AND APPROVED this 16th day of December, 2025.

_____
President

_____
Vice-President

_____
Secretary

Amendment No. 3 to the Collective Bargaining Agreement
Regarding the Addition of Cross Connection Specialist

This Amendment No. 3 of the Collective Bargaining Agreement (dated April 3, 2024) ("CBA") is entered into by and between Public Utility District No. 1 of Snohomish County ("District") and Local Union No. 77 of the International Brotherhood of Electrical Workers ("Union"). The District and the Union are also referred to herein individually as "Party" and collectively as "Parties."

WHEREAS, the Parties desire to amend Article 9 (Compensation) of the current CBA in order to add the new classification of Cross Connection Specialist.

NOW, THEREFORE, the Parties agree to amend the current CBA as follows:

1. The Water Unit of Article 9 of the CBA is amended as follows to add the classifications of Cross Connection Specialist (the new classification appears below in bold for visibility):

UNIT * General Wage Increase (GWI)	**% Shift Diff. Pay**	**% Cert Pay**	**% of Rate**	**4/1/2024 3.5% GWI***	**4/1/2025 4.05% GWI***	**4/1/2026 3.25% GWI***	**4/1/2027 3.25% GWI***
WATER UNIT							
Water Foreman	N/A	N/A	112.5%	$66.36	$69.05	$71.29	$73.61
Water Crew Coordinator	N/A	N/A	117.5%	$69.31	$72.12	$74.46	$76.88
Water Construction Inspector	N/A	N/A	112.5%	$66.36	$69.05	$71.29	$73.61
Water Electrician	N/A	N/A	105.0%	$61.94	$64.45	$66.54	$68.71
Lead Water Distribution Specialist – Upgrade Only	N/A	N/A	105.0%	$61.94	$64.45	$66.54	$68.71
Cross Connection Specialist	**N/A**	**N/A**	**100.0%**	**N/A**	**$61.37**	**$63.36**	**$65.42**
Water Distribution Specialist*							
Level 1#	N/A	N/A	74.00%	$43.65	$45.42	$46.89	$48.42
Level 2	N/A	N/A	79.00%	$46.60	$48.49	$50.06	$51.69
Level 3	N/A	N/A	84.00%	$49.55	$51.56	$53.23	$54.96
Level 4	N/A	N/A	89.00%	$52.50	$54.63	$56.40	$58.23

WATER UNIT (CONTINUED)

Level 5	N/A	N/A	94.00%	$55.45	$57.70	$59.57	$61.51
Level 6	N/A	N/A	100.00%	$58.98	$61.37	$63.36	$65.42
Water Worker#							
1st 6 mos.	N/A	N/A	50.00%	$29.50	$30.69	$31.69	$32.72
2nd 6 mos.	N/A	N/A	52.00%	$30.67	$31.91	$32.95	$34.02
3rd 6 mos.	N/A	N/A	58.00%	$34.21	$35.60	$36.75	$37.95
4th 6 mos.	N/A	N/A	67.00%	$39.52	$41.12	$42.46	$43.84
Water Helper#							
1st 6 mos.	N/A	N/A	N/A	$24.96	$25.97	$26.81	$27.69
Thereafter	N/A	N/A	N/A	$28.23	$29.37	$30.33	$31.31

* This Water Distribution Specialist Classification is a journeyman at all levels.

2. This Amendment shall be effective on the date that its execution is authorized by the District Board of Commissioners.

3. Except as amended herein, all other terms, provisions and conditions of the current Collective Bargaining Agreement between the Parties remain in full force and effect.

(Signatures on Next Page)

PUBLIC UTILITY DISTRICT NO. 1
OF SNOHOMISH COUNTY

_____
John Haarlow,
CEO/General Manager

Date:_____

_____
Sara Kurtz,
Chief Human Resources Officer

Date:_____

LOCAL UNION NO. 77 OF THE
INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS

_____
Rex Habner,
Business Manager

Date:_____

_____
Nichole Reedy,
Senior Assistant Business Manager

Date:_____

UNION JOB DESCRIPTION

TITLE: Cross Connection Specialist

DEFINITION:

The Cross Connection Specialist is responsible for developing, implementing, and maintaining the District's cross-connection control program in accordance with WAC 246-290-490. This position ensures the protection of the public water system from contamination via cross-connections, beginning at the water supply source and ending at the point of delivery to the customer. The Specialist works under the guidance of the Water Quality Program Manager and reports directly to the Water Superintendent. Position may be called out to investigate backflow incidents.

DISTINGUISHING CHARACTERISTICS:

This is a represented position within the Water Unit. Incumbents work independently and collaboratively across administrative, operations, and jurisdictional teams. The Cross Connection Specialist exercises independent judgement and specialized knowledge and skills in matters concerning cross-connection control.

Incumbents in this classification assigned to the Lake Stevens Water Operations headquarters are required to establish their residence so they will be able to report to work within thirty (30) minutes after being called.

This position is not the designated cross connection specialist in responsible charge per WAC 246-292-050(4); that designation remains with the Water Quality Program Manager.

BASIC RESPONSIBILITIES:

1. Develop, implement, and maintain the cross-connection control program.
2. Assess the degree of hazard posed by consumer water systems.
3. Determine appropriate backflow protection commensurate with the degree of hazard.
4. Inspect and approve backflow preventer installations.
5. Investigate and respond to backflow incidents.
6. Conduct periodic re-evaluations to determine whether the premise protection is adequate to protect the District's water system.
7. Maintain cross-connection control records and reports.
8. Submit reports to the Department of Health, including the Annual Summary Report (ASR).
9. Review and approve certified Backflow Assembly Tester (BAT) credentials and test reports.
10. Send annual test notifications and compliance letters to customers.
11. Review plans for new installations and determine appropriate backflow preventers.
12. Take corrective action as required.
13. Coordinate with Engineering staff to review and recommend modifications to engineering design and development standards.
14. Coordinate with the authority having jurisdiction on matters concerning cross-connection control.
15. Assist customers with implementation of cross-connection control requirements and develop guidance documents.

16. Operate cross-connection control software (e.g. SwiftComply).
17. Operate a District vehicle to visit various job sites and District facilities and to attend meetings and training.

OTHER RESPONSIBILITIES:

1. Perform associated duties as assigned.
2. Attend training related to cross-connection control and water quality.
3. Participate in Water Utility safety and operations meetings.

MINIMUM QUALIFICATIONS:

Knowledge of:

- WAC 246-290-490 regulations.
- Principles of cross-connection control and backflow prevention.
- Hazard assessment and mitigation strategies.
- Local, state, and federal drinking water regulations.
- Cross-connection control software (e.g. SwiftComply).
- Recordkeeping and reporting standards for public water systems.
- Water system infrastructure.
- Customer service protocols.

Ability to:

- Interpret and apply regulatory standards.
- Communicate effectively through excellent verbal and written skills.
- Educate and inform diverse audiences.
- Analyze inspection and test reports.
- Maintain accurate and organized records.
- Respond promptly to incidents and take corrective action.
- Use or learn software tools required for the job.
- Work collaboratively across departments and with external agencies.

Education/Experience:

- High school diploma or equivalent.
- Five years' experience in water utility operations.
- Two years' experience in cross-connection control.

License or Certification:

- Valid Washington State Driver's License, with a good driving record.
- Cross Connection Specialist certification issued by Washington State Department of Health.
- Backflow Assembly Tester certification issued by Washington State Department of Health (within twelve months of hire).
- Water Distribution Manager 2 or higher certification issued by Washington State Department of Health.
- Pass a joint collaborative interview process.
- Confined Space and Enclosed Spaces (within six months of hire).
- CPR/First Aid Certification (within twelve months of hire).

WORKING CONDITIONS:

- Duties are performed in a variety of environments both indoors and outdoors, with occasional walking on uneven, slippery, and unstable surfaces.
- Incumbent must be able to lift and carry equipment and materials up to 50 pounds and climb ladders.
- Duties may require entry into and exit from confined and enclosed spaces.
- May be exposed to hazardous materials and environments.
- Use of appropriate fall protection and personal protective equipment.
- Subject to 24-hour callout for backflow incidents.
- Driving to various job sites, District facilities, meetings, and training sessions.

BUSINESS OF THE COMMISSION

Meeting Date: December 16, 2025 **Agenda Item:** 6C

TITLE

Consideration of a Resolution Authorizing the Chief Customer Officer, Customer and Energy Services, of Public Utility District No. 1 of Snohomish County to Execute Amendment No. 5 to the Agreement 2019-20 Low Income Weatherization and Energy Savings Agreement With Snohomish County

SUBMITTED FOR: Items for Individual Consideration

Energy Services	Jeff Feinberg	1840
Department	*Contact*	*Extension*

Date of Previous Briefing: _____

Estimated Expenditure: _____ Presentation Planned ☐

ACTION REQUIRED:

☒ Decision Preparation
☐ Policy Discussion
☐ Policy Decision
☒ Statutory

☐ Incidental (Information)

☐ Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Board Job Description, GP-3(4) …non-delegable, statutorily assigned Board duty. Board action is required for an interlocal agreement by RCW 39.34.030(2) and RCW 39.34.080.

The Interlocal Cooperation Act (RCW Chapter 39.34) authorizes public agencies to enter into cooperative agreements with one another to make the most efficient use of their respective resources.

In May 2019, the District and Snohomish County entered into the 2019-20 Low Income Weatherization and Energy Savings Agreement ("Agreement") to help improve the energy efficiency of dwellings owned or occupied by eligible low-income electric customers and generate District energy savings. The Agreement has been extended and modified through Amendment Nos. 1, 2, 3, and 4.

The District and the County desire to amend the Agreement in accordance with proposed Amendment No. 5 to extend the term of the Agreement through December 31, 2027, and make certain other amendments.

RECOMMENDATIONS/FUTURE ACTIONS:

Staff recommends that the Commission pass the resolution authorizing execution of Amendment No. 5 to the 2019-20 Low Income Weatherization and Energy Savings Agreement with Snohomish County.

List Attachments:
Resolution
Attachment No. 1

RESOLUTION NO. _____

A RESOLUTION Authorizing the Chief Customer Officer, Customer and Energy Services, of Public Utility District No. 1 of Snohomish County to Execute Amendment No. 5 to the Agreement 2019-20 Low Income Weatherization and Energy Savings Agreement With Snohomish County

WHEREAS, the Interlocal Cooperation Act (RCW Chapter 39.34) authorizes public agencies to enter into cooperative agreements with one another to make the most efficient use of their respective resources; and

WHEREAS, the County is experienced at administering low-income residential assistance programs; and

WHEREAS, pursuant to Resolution No. 5907 (May 19, 2019), the District and Snohomish County entered into the 2019-20 Low Income Weatherization and Energy Savings Agreement ("Agreement") to help improve the energy efficiency of dwellings owned or occupied by eligible low-income electric customers and generate District energy savings; and

WHEREAS, the Agreement has been extended and modified through Amendment Nos. 1 (Resolution No. 5987 (November 3, 2020)), 2 (Resolution No. 6036 (November 16, 2021)), 3 (Resolution No. 6135 (August22, 2023)), and 4 (Resolution No. 6210 (February 18, 2025)); and

WHEREAS, the District and the County desire to amend the Agreement in accordance with proposed Amendment No. 5 to extend the term of the Agreement through December 31, 2027, and make certain other amendments; and

WHEREAS, District staff recommends that District Board of Commissioners authorize execution of Amendment No. 5 to the Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 1 of Snohomish County that the Chief Customer Officer, Customer and Energy Services, or his designee, is authorized to execute, in the name of the District, Amendment No. 5 to the 2019-20 Low Income Weatherization and Energy Savings Agreement with Snohomish County in substantially the form attached as Attachment No. 1.

PASSED AND APPROVED this 16th day of December, 2025.

_____
President

_____
Vice-President

_____
Secretary

CW2237440
AMENDMENT No. 5 to
2019-20 LOW INCOME WEATHERIZATION AND ENERGY SAVINGS AGREEMENT

This Amendment No. 5 ("Amendment") to the 2019-20 Low Income Weatherization and Energy Savings Agreement ("Agreement") is made and entered into by and between Public Utility District No. 1 of Snohomish County, a Washington State municipal corporation ("PUD"), and Snohomish County, a political subdivision of Washington State ("County"). The PUD and the County are also referred to herein individually as "Party" and collectively as "Parties."

RECITALS

WHEREAS, under the Interlocal Cooperation Act (RCW Chapter 39.34), the PUD and the County entered into the Agreement in order to enable the County to assist the PUD in administering and delivering weatherization services to eligible PUD electric customers and generating energy savings for the PUD.

WHEREAS, the Agreement was extended and modified through Amendment Nos. 1, 2, 3 and 4.

WHEREAS, the PUD and the County desire to amend the Agreement to extend the term of the Agreement through December 31, 2027, and make certain other amendments to the Agreement.

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

1. Substitute the following for Section 1.6:

   1.6 "Program Year" is a period of twelve consecutive calendar months commencing on January 1 and ending on December 31 of the same year. The first Program Year of the Agreement will commence on the Effective Date and, unless earlier terminated in accordance with Section 6.2, the Agreement will end on December 31, 2027.

2. Substitute the following for Section 6.1:

   6.1 Term. This Agreement shall cover the 2019-20, 2020-21, 2022-2023, 2024-25, 2025-26, and 2026-27 Program Years, commencing on the Effective Date and expiring on December 31, 2027.

3. Substitute the following contact information for Section 10.2:

   10.2 Notices. All notices required to be given hereunder shall be deemed to be sufficiently given if delivered in person, by email, or mailed, by prepaid, certified mail or overnight courier to the other party's authorized representative at the contact information set forth below. Either party may change its authorized representative or their contact information at any time by giving the other notice of the change in accordance with this section.

To: Public Utility District No. 1
of Snohomish County
Attn: Melissa Wilch
2320 California Street
Everett, WA 98201
Tel: (425) 783-1836
Email: mjwilch@snopud.com

To: Snohomish County

Attn: Dave Somers
3000 Rockefeller Ave.
Everett, WA 98201
Tel: (425) _____
Email:scn-oes-wxaccountadmin
@co.snohomish.wa.us

A notice or other communication under this Agreement will be deemed to have been given as follows: (i) if delivered in person, on the day of delivery; (ii) if delivered by email, two hours after the time sent (as recorded on the device from which the sender sent the email) or if sent on a non-working day or outside of regular business hours then at 8:00am the next business day, unless the sender receives an automated message that the email has not been delivered; (iii) if mailed by prepaid or registered mail, three working days after mailing; and (iv) if sent by overnight courier, one working day after mailing.

3. Substitute the attached revised Exhibit A, entitled "Exhibit A: MAXIMUM FUNDING AMOUNTS," for the amended Exhibit A.

The is Amendment shall be effective upon full execution by the Parties.

Except as modified herein, the original Agreement, as previously amended, remains fully in force and effect.

PUBLIC UTILITY DISTRICT NO. 1
OF SNOHOMISH COUNTY

By:_____
John Hoffman
Chief Customer Officer,
Customer & Energy Service
Date:_____

SNOHOMISH COUNTY

By:_____
Dave Somers
County Executive
Date:_____

REVISED EXHIBIT A

MAXIMUM FUNDING AMOUNTS

Low-Income Weatherization Program
Public Utility District No. 1 of Snohomish County, Washington

Agency Name and Address:
Snohomish County Office of Energy and Sustainability
3000 Rockefeller Ave., MS-303
Everett, WA 98201

Requests for Reimbursement are subject to the following Maximum Funding Amounts:

2019-2027 Program Years
Maximum Funding Amount $4,625,000.00

BUSINESS OF THE COMMISSION

Meeting Date: December 16, 2025 **Agenda Item:** 7A

TITLE

Commission Reports

SUBMITTED FOR: Commission Business

Commission	Allison Morrison	8037
Department	*Contact*	*Extension*

Date of Previous Briefing: _____

Estimated Expenditure: _____ Presentation Planned ☐

ACTION REQUIRED:

☐ Decision Preparation
☐ Policy Discussion
☐ Policy Decision
☐ Statutory

☒ Incidental (Information)

☐ Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

The Commissioners regularly attend and participate in meetings, seminars, and workshops and report on their activities.

List Attachments:
None

BUSINESS OF THE COMMISSION

Meeting Date: December 16, 2025 **Agenda Item:** 7B

TITLE

Commissioner Event Calendar

SUBMITTED FOR: Commission Business

Commission	Allison Morrison	8037
Department	*Contact*	*Extension*

Date of Previous Briefing: _____

Estimated Expenditure: _____ Presentation Planned ☐

ACTION REQUIRED:

☒ Decision Preparation
☐ Policy Discussion
☐ Policy Decision
☐ Statutory

☐ Incidental (Information)

☐ Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

The Commissioner Event Calendar is enclosed for Board review.

List Attachments:
Commissioner Event Calendar

Commissioner Event Calendar – 2026

January 2026	**January 7-9:** • Public Power Council (PPC)/ Pacific Northwest Utilities Conference Committee (PNUCC) Meetings - Virtual

For Planning Purposes Only and Subject to Change at any Time

Commissioner Event Calendar – 2026

February 2026	**February 4-6:** • PPC/PNUCC Meetings – Portland, OR **February 21 - 26:** • American Public Power Association (APPA) Legislative Rally - Washington, DC

For Planning Purposes Only and Subject to Change at any Time

March 2026	**March 4-5:** • PPC Meetings – Portland, OR **March 6:** • PNUCC Meeting - Virtual

Commissioner Event Calendar – 2026

April 2026	**April 1-3:** • PPC/PNUCC Meetings - Virtual

For Planning Purposes Only and Subject to Change at any Time

May 2026	**May 6-8:** • PPC/PNUCC Meetings – Portland, OR

Commissioner Event Calendar – 2026

June 2026	**June 3-4:** • PPC Meeting – Portland, OR

For Planning Purposes Only and Subject to Change at any Time

July 2026	**July 10:** • PNUCC Meeting - Virtual

Commissioner Event Calendar – 2026

August 2026	**August 5-7:** • PPC/PNUCC Meetings – Boise, ID

For Planning Purposes Only and Subject to Change at any Time

September 2026	**September 2-4:** • PPC/PNUCC Meetings – Portland, OR

Commissioner Event Calendar – 2026

October 2026	**October 7-8:** • PPC Meetings – Portland, OR **October 9:** • PNUCC Meeting - Virtual

For Planning Purposes Only and Subject to Change at any Time

November 2026	**November 4-6:** • PPC/PNUCC Annual Meetings – Portland, OR

Commissioner Event Calendar – 2026

December 2026	**December:**

For Planning Purposes Only and Subject to Change at any Time

Snohomish PUD Key Operational Performance Metrics | October 2025

Safeguard What Matters

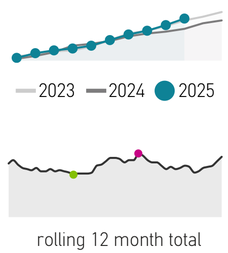
OSHA Recordable Injuries

2025 YTD **45**

2024 YTD **34** | +32%
2023 YTD **43** | +5%

Last 12 Months **54**

Prior 12M **43** | +26%



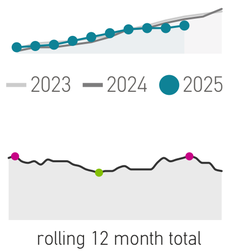
Preventable Vehicle Accidents

2025 YTD **22**

2024 YTD **27** | -19%
2023 YTD **29** | -24%

Last 12 Months **30**

Prior 12M **31** | -3%



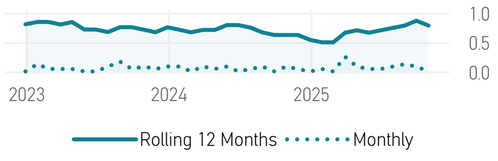
Water System Reliability

In the last 12 months, there have been **19** unplanned water outages. On average, outages impacted **15** customers and lasted **154** minutes.

Outages Per 1,000 Customers

Last 12 Months **0.78**

Prior 12 Months **0.62** | +26%



*sparkline graphs: **yellow line** = target, dots = **best** / **worst** results*

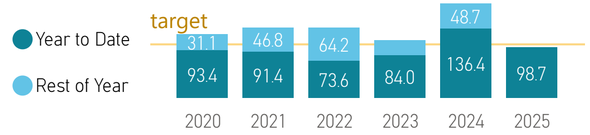
Electric System Reliability

SAIDI | System Average Interruption Duration Index

average total minutes a customer was without power

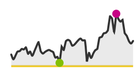
2025 YTD **98.7**

Last Year YTD **136.4** | -37.8
5 Year Average **95.8** | +2.9



Last 12 Months **147.3**

Target **105.0** | +40%
5 Year Avg **139.7** | +5%

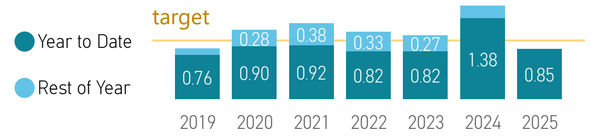


SAIFI | System Average Interruption Frequency Index

average times a customer was without power

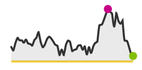
2025 YTD **0.85**

Last Year YTD **1.38** | -0.53
5 Year Average **0.97** | -0.11



Last 12 Months **1.07**

Target **1.00** | +7%
5 Year Avg **1.26** | -15%

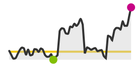


CAIDI | Customer Average Interruption Duration Index

average minutes an outage lasted

Last 12 Months **138**

Target **105** | +32%
5 Yr Avg **111** | +25%



Metrics exclude planned outages and major event days (1 YTD).

Customer Digital Platform Usage

Active Accounts at Month End

With MySnoPUD Profile **74.4%**

273.0K active accounts

Last Year **70.4%** | +6%
Last Month **74.1%** | +0%

With Paperless Billing **50.8%**

186.2K active accounts

Last Year **47.8%** | +6%
Last Month **50.6%** | +0%

With AutoPay **41.1%**

150.7K active accounts

Last Year **37.7%** | +9%
Last Month **40.7%** | +1%

Digital Platform Usage | Oct 2025

% Payments via PUD Digital Platforms* **75.3%**

Last Year **73.0%** | +3%

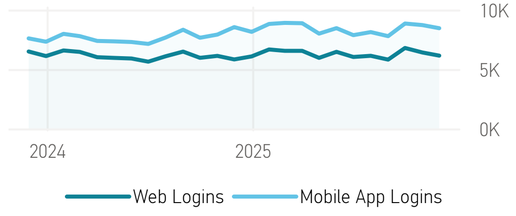
MySnoPUD Web Logins **198.1K**

Last Year **189.3K** | +5%

MySnoPUD App Logins **71.5K**

Last Year **55.6K** | +29%

Average Total Daily Interactions by Channel



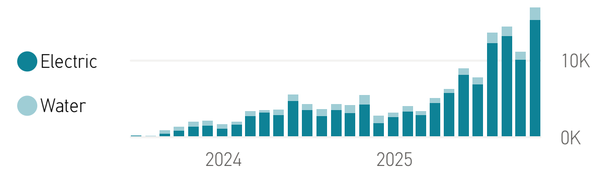
* Includes AutoPay, MySnoPUD, one-time payment, and IVR

ConnectUp Program

Meters Commissioned Thru Oct 31, 2025

142,400 Total
121,632 Electric
20,768 Water

Meters Commissioned by Month



As of Dec 8, 2025:

455 of **1,438** meter reading routes are ≥ 95% complete.

Call Center Service Level

In **October 2025** | the call center answered a total of **18,979** calls. Customers waited an average of **60** seconds to speak to a customer service representative.

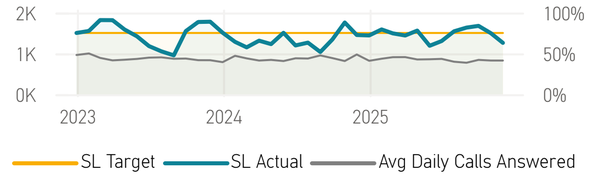
Service Level **75%**

Target **75%**
Last Month **84%**
Last Year **88%**

Avg Daily Calls Handled **825**

Last Month **841** | -2%
Last Year **813** | +2%

Average Call Center Service Level (SL) by Month



Service Level = % of incoming calls answered within 30 seconds of the customer entering the hold queue

Snohomish PUD Key Operational Performance Metrics | **October 2025**

Electric Financials

All $ are in millions. YTD Actuals are shown as a % of YTD budget. Operating Revenue excludes Unbilled Revenue adjustment for prior year. Operating Expense includes O&M, Transmission, and Purchased Power.

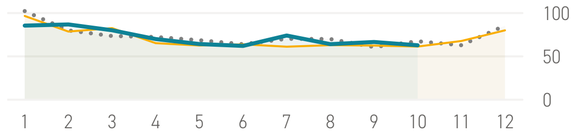
Operating Revenue YTD

103%

Budget YTD $686.1 | +18.8

Last Yr YTD $717.9 | -12.9

Monthly Revenue



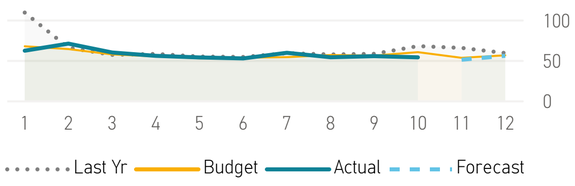
Operating Expense YTD

100%

Budget YTD $570.9 | 0.0

Last Yr YTD $635.0 | -64.2

Monthly Expense



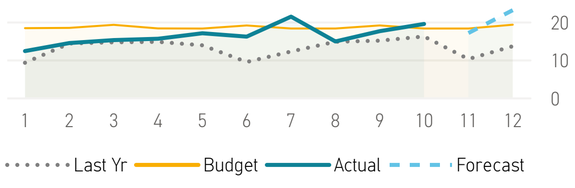
Capital Spend YTD

88%

Budget YTD $184.4 | -21.6

Last Yr YTD $133.3 | +29.5

Monthly Spend



Electric Distribution System

Load is the average real power demand placed on the system by all connected customers. Average Megawatts (aMW) equals the amount of electric energy delivered in megawatt-hours (MWh) during a period of time divided by the number of hours in the period. The 3-year average includes 2022-2024.

aMW YTD

785

Budget YTD 747 | +5%

Last Year YTD 767 | +2%

3 Year Avg YTD 766 | +2%

Peak Hour aMW YTD

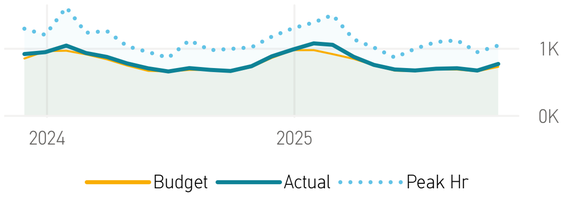
1,489

Wed Feb 12, 2025

Prior 3 Years 1,603 | -7%

Sat Jan 13, 2024

aMW by Month



Billed Retail Customer Energy Usage

A mega-watt hour (MWh) is a measurement of energy usage. 1 MWh = the power that 1,000 space heaters of 1,000 watts use in 1 hour. Because bill periods vary, usage may be billed in a different month than it occured and may not match the load metrics above.

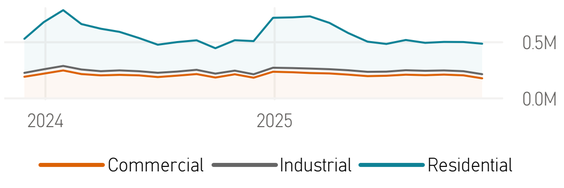
Billed MWh YTD

5.7M

Budget YTD 5.5M | +3%

Last Year YTD 5.6M | +1%

Total Billed MWh by Month



Water Financial Performance

All $ are in millions. YTD Actuals are shown as a % of YTD budget. Operating Revenue excludes Unbilled Revenue adjustment for prior year. Operating Expense includes O&M and Purchased Water.

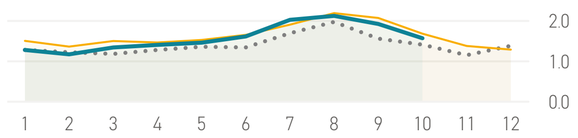
Operating Revenue YTD

94%

Budget YTD $16.6 | -1.0

Last Yr YTD $14.1 | +1.6

Monthly Revenue



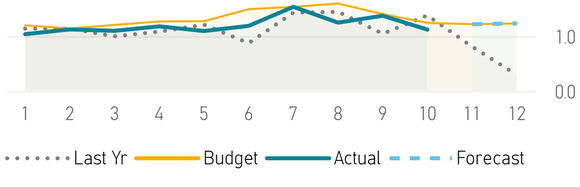
Operating Expense YTD

90%

Budget YTD $13.3 | -1.4

Last Yr YTD $11.7 | +0.3

Monthly Expense



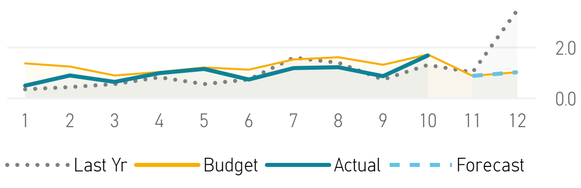
Capital Spend YTD

75%

Budget YTD $12.7 | -3.2

Last Yr YTD $8.2 | +1.4

Monthly Spend



Water Residential Billed Usage

Measured in cubic feet per day (CFPD)

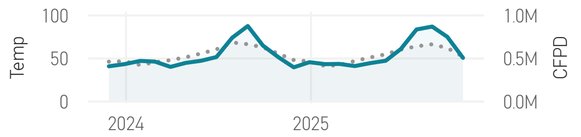
CFPD YTD

567.8K

Last Year YTD 545.4K | +4%

3 Year Avg YTD 545.4K | +4%

CFPD by Month



Generation Financial Performance

All $ are in millions. YTD Actuals are shown as a % of YTD budget. Operating Expense includes O&M. Summing Electric and Generation expenses will not equal the consolidated financials.

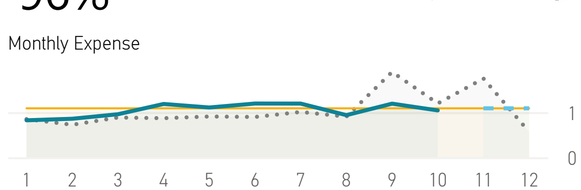
Operating Expense YTD

96%

Budget YTD $10.8 | -0.4

Last Yr YTD $10.1 | +0.4

Monthly Expense



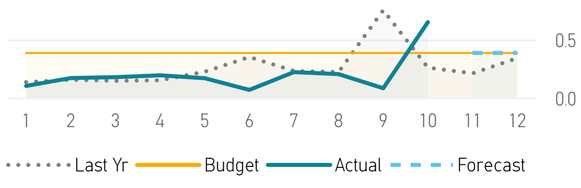
Capital Spend

52%

Budget YTD $3.8 | -1.8

Last Yr YTD $2.6 | -0.6

Monthly Spend



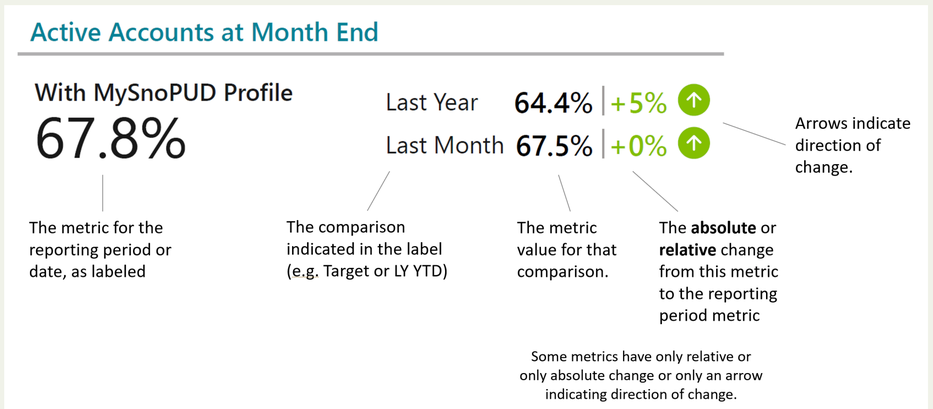
DASHBOARD OVERVIEW

This dashboard is intended to provide key operational performance metrics for Snohomish PUD. The dashboard is updated to the most recent past month when financial close is complete.

If you have questions about the dashboard or the data, please reach out to Laura Lemke.

UNDERSTANDING THE METRIC VISUALIZATIONS

Color of change numbers and/or arrows indicates **positive** or **negative** impact. Color of change numbers and/or arrows are **black** or **gray** where a target is not established or needed.



DEFINITIONS AND ADDITIONAL RESOURCES

Safety Metrics:
OSHA Recordable Injuries: Injuries that meet OSHA definitions. OSHA defines a recordable injury as including: any work-related injury or illness requiring medical treatment beyond first aid; any work-related fatality.

Preventable Vehicle Accidents: determined by the PUD's Driving Committee.

Electric System Reliability Metrics:
SAIDI | System Average Interruption Duration Index - the average total number of minutes a customer was without power in a given period of time.

SAIFI | System Average Interruption Frequency Index - the average number of times a customer was without power in a given period of time.

CAIDI | Customer Average Interruption Duration Index - the average number of minutes an outage lasted. Calculation = SAIDI / CAIDI.

Water Outages per 1000 Customers:
this calculation multiplies the number of unplanned water outages each month by 1000 and then divides it by the number of active water connections.

Customer Self-Service (CSS) Metrics:
Accounts with MySnoPUD Profile - the portion of active PUD accounts in a given month that were associated to one or more MySnoPUD profiles as of the last day of the month.

Accounts with Paperless Billing - the portion of active PUD accounts that receive only an electronic bill as of the last day of the month.

Accounts with AutoPay - the portion of active PUD accounts with an active AutoPay set up as of the last day of the month.

Payments via CSS Tools - this metric does not include electronic payments that customers make through their own bank portal or PUD payment partner sites.

Call Center Metrics:
Service Level - the percent of incoming calls that are answered by a customer service rep within 30 seconds of the customer entering the hold queue.

Financial Metrics: These metrics reflect the close of the month. 2024 results are unaudited.

Electric Distribution System Load: reported at the system level based on when the energy was used. The metric is a leading indicator for future meter reads and billed consumption.

Billed Retail Customer Energy Usage: based on billed meter reads. This metric lags the Distribution System Load because usage may be billed in a different month than it was used.

Water Residential Billed Usage: measured in cubic feet per day (CFPD). Usage is based on bill periods and may not be reflected in the month consumed.

BUSINESS OF THE COMMISSION

Meeting Date: December 16, 2025 **Agenda Item:** 8A

TITLE

Adoption of the 2026 Governance Planning Calendar

SUBMITTED FOR: Governance Planning

Commission	Allison Morrison	8037
Department	*Contact*	*Extension*

Date of Previous Briefing:
Estimated Expenditure: Presentation Planned ☐

ACTION REQUIRED:

☒ Decision Preparation
☐ Policy Discussion
☐ Policy Decision
☐ Statutory
☐ Incidental (Information)
☐ Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Agenda Planning, GP-4: To accomplish its job products with a governance style consistent with Board policies, the Board will follow an annual agenda.

The Planning Calendar is enclosed for Board review.

List Attachments:
Governance Planning Calendar

Governance Planning Calendar - 2026

To Be Schedule	• Active Threat Awareness • ERMC Policy Update • New ERMC Framework • Facilities Comprehensive Plan • Training Center Rentals • Ruby Flats Solar Project Briefing

For Planning Purposes Only and Subject to Change at any Time

Governance Planning Calendar - 2026

Date	Agenda Items
January 6, 2026	**Briefing and Study Session:** • Media • Legislative **Public Hearing and Action:**
January 20, 2026	**Briefing and Study Session:** • Legislative • ERM – Strategic Risk Reporting

For Planning Purposes Only and Subject to Change at any Time

Governance Planning Calendar - 2026

Date	Agenda Items
February 3, 2026	**Briefing and Study Session:** • Media • Legislative
February 17, 2026	**Briefing and Study Session:** • Legislative • Strategic Plan • Rates Program Strategy

For Planning Purposes Only and Subject to Change at any Time

Governance Planning Calendar - 2026

Date	Agenda Items
March 3, 2026	**Briefing and Study Session:** • Media • Legislative
March 17, 2026	**Briefing and Study Session:** • Legislative **Public Hearing and Action:** • Disposal of Surplus Property – 2nd Quarter 2026

For Planning Purposes Only and Subject to Change at any Time

Governance Planning Calendar - 2026

Date	Agenda Items
April 7, 2026	**Briefing and Study Session:** • Media • Legislative Closing Report
April 21, 2026	**Briefing and Study Session:** • Community Engagement • Water Supply Update • Energy Risk Management Report • 2026 Audit Results Public Utility District No. 1 of Snohomish County **Monitoring Report:** • 4th Quarter 2025 Financial Conditions and Activities

For Planning Purposes Only and Subject to Change at any Time

Governance Planning Calendar - 2026

Date	Agenda Items
May 5, 2026	**Briefing and Study Session:** • Media
May 26, 2026	**Briefing and Study Session:**

For Planning Purposes Only and Subject to Change at any Time

Governance Planning Calendar - 2026

Date	Agenda Items
June 9, 2026	**Briefing and Study Session:** • Media **Monitoring Report:** • 1st Quarter 2026 Financial Conditions and Activities
June 23, 2026	**Briefing and Study Session:** • Connect Up **Public Hearing and Action:** • Disposal of Surplus Property – 3rd Quarter

For Planning Purposes Only and Subject to Change at any Time

Governance Planning Calendar - 2026

Date	Agenda Items
July 7, 2026	**Briefing and Study Session:** • Media • SnoSMART
July 21, 2026	**Briefing and Study Session:** • Water Supply Update • Energy Risk Management Report **Monitoring Report:** • Asset Protection

For Planning Purposes Only and Subject to Change at any Time

Governance Planning Calendar - 2026

Date	Agenda Items
August 4, 2026	**Briefing and Study Session:** • Media
August 18, 2026	**Briefing and Study Session:** • Strategic Plan **2027 Budget Notice of Public Hearing** **Monitoring Report:** • 2nd Quarter 2026 Financial Conditions and Activities

For Planning Purposes Only and Subject to Change at any Time

Governance Planning Calendar - 2026

Date	Agenda Items
September 1, 2026	**Briefing and Study Session:** • Media
September 15, 2026	**Briefing and Study Session:** • Connect Up Quarterly Update **Public Hearing and Action:** • Disposal of Surplus Property – 4th Quarter

For Planning Purposes Only and Subject to Change at any Time

Governance Planning Calendar - 2026

Date	Agenda Items
October 6, 2026	**Briefing and Study Session:** • Media **Public Hearing:** • Open the 2027 Proposed Budget Public Hearing
October 20, 2026	**Briefing and Study Session:** • Energy Risk Management Report **Public Hearing:** • Continue Proposed 2027 Budget Public Hearing

For Planning Purposes Only and Subject to Change at any Time

Governance Planning Calendar - 2026

Date	Agenda Items
November 3, 2026	**Briefing and Study Session:** • Media • Strategic Plan Quarterly Update **Public Hearing:** • Continue Proposed 2027 Budget Public Hearing **Monitoring Report:** • 3rd Quarter 2026 Financial Conditions and Activities
November 17, 2026	**Briefing and Study Session:** • Community Engagement **Public Hearing:** • Continue Proposed 2027 Budget Public Hearing

For Planning Purposes Only and Subject to Change at any Time

Governance Planning Calendar - 2026

Date	Agenda Items
December 1, 2026	**Briefing and Study Session:** • Media • Connect Up • Audit Activity Update **Public Hearing and Action:** • Adopt 2027 Budget **Monitoring Report:** • Annual Financial Planning and Budgeting
December 15, 2026	**Briefing and Study Session:** • Community Engagement • SnoSMART **Public Hearing and Action**: • Roll for LUD No. XX • Disposal of Surplus Property – 1st Quarter

For Planning Purposes Only and Subject to Change at any Time

Governance Planning Calendar - 2026

2026 Year-at-a-Glance Calendar

January

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

March

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

April

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

May

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

June

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

September

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

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