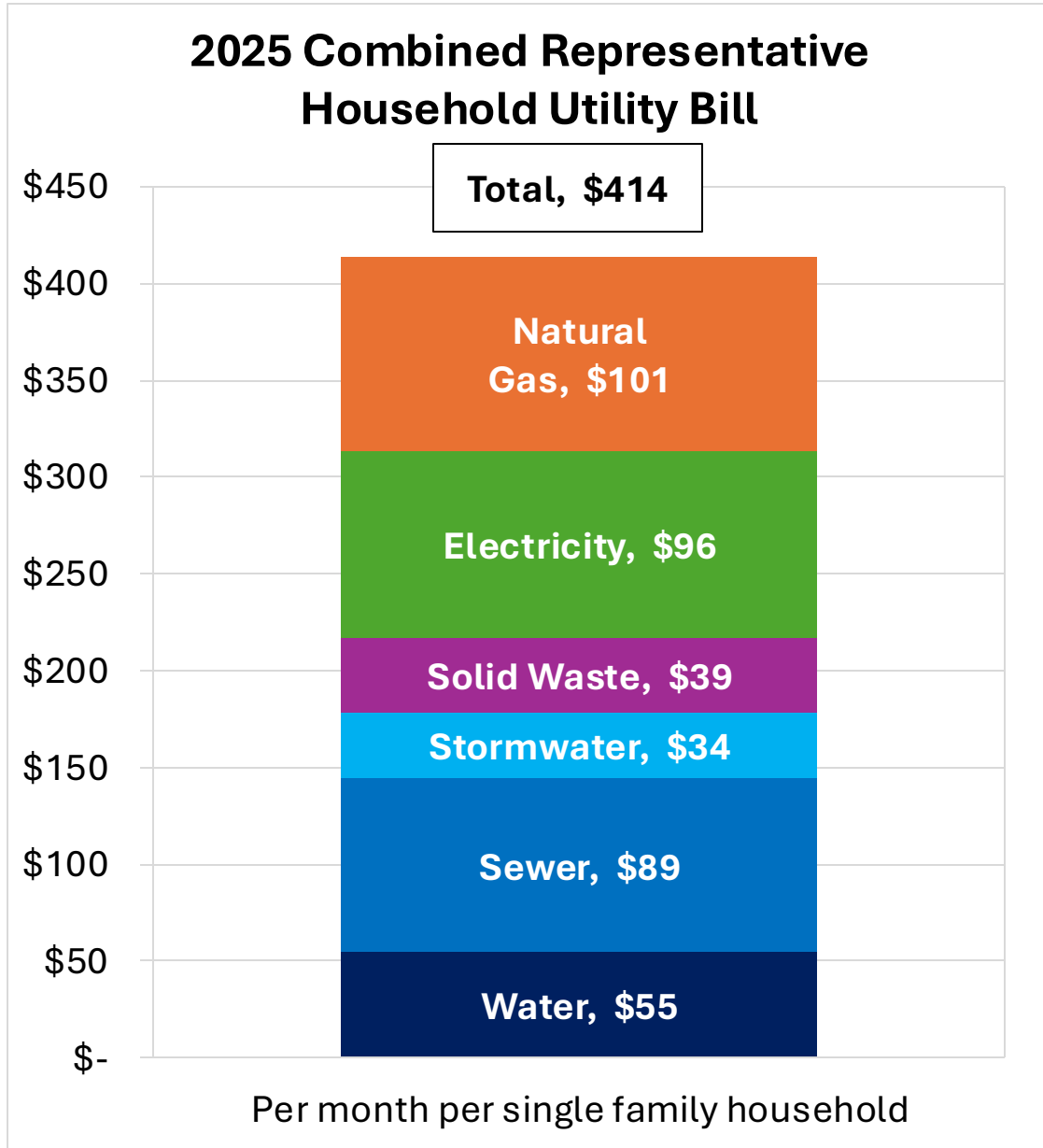


Representative Household Utility Bill



The amounts shown represent the monthly utility bill for a typical single-family household in the service areas of the participating utilities.

This is not exclusively the wholesale utility rates, but rather the full cost borne by the ratepayers, including costs associated with local utility infrastructure, operations, administration, customer billing, and utility taxes.

Actual household bills vary between jurisdictions based on their local costs and rate structures, and between individual households based on their actual utility usage.

Drinking Water Overview

Regional Utility Rate Summit

Alex Chen, Deputy Director,

Seattle Public Utility Water Line of Business

November 2025

A Regional Drinking Water System

Customers

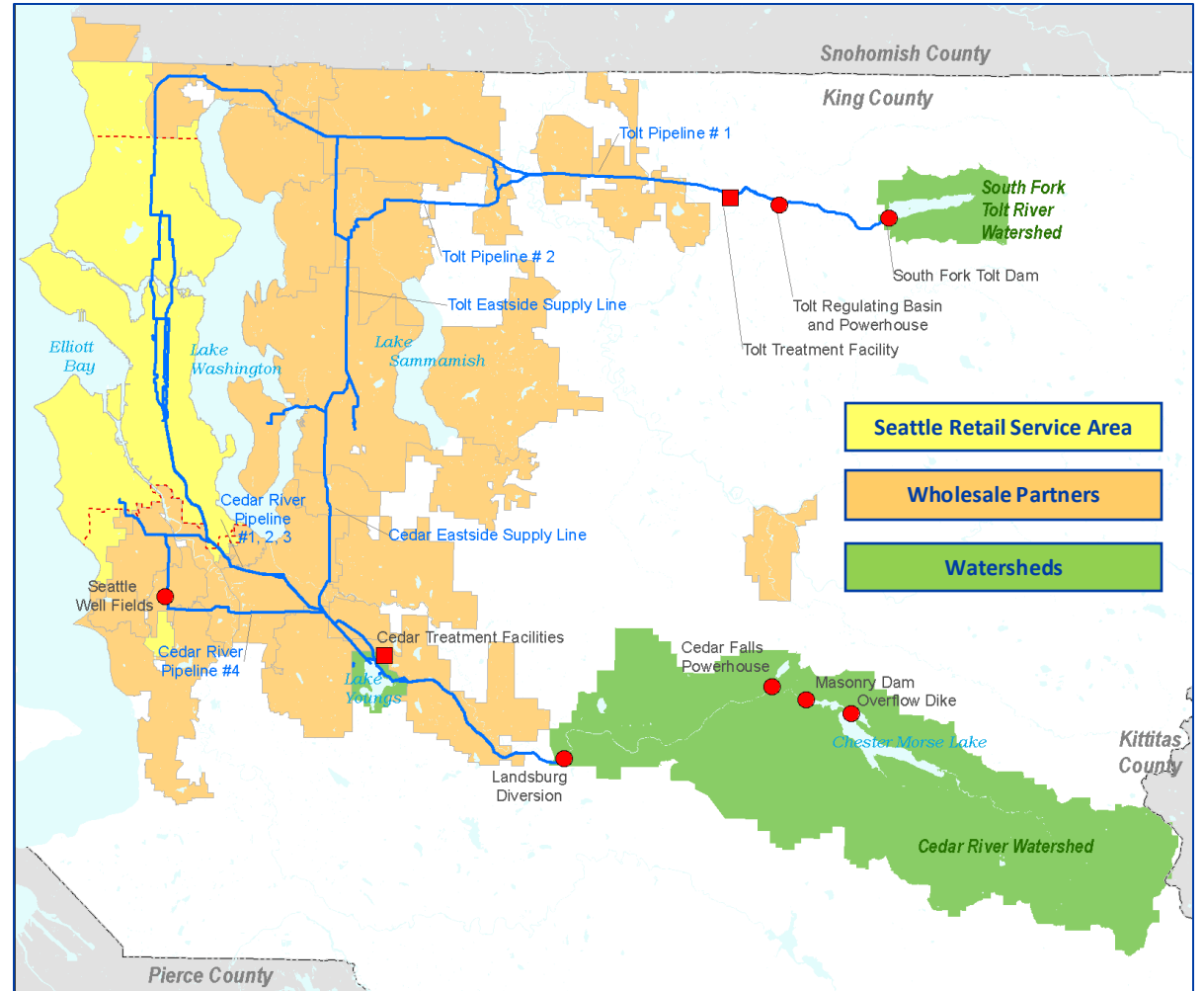
- 1.6 million served, evenly split between Seattle and Wholesale
- 17 municipalities + districts
- Cascade Water Alliance

Regulators

- Department of Health
- Department of Ecology

Infrastructure

- 100,000 acres in 2 watersheds
- 1 seasonal wellfield
- Transmission Pipe: 193 miles
- Distribution Mains: 1,680 miles
- Treated Water: 250+ million gallons annually



Proactive and Protected

Highest Quality

- Over 100 years of investment in protected watersheds
- No public access results in the best water quality
- Proactive protection - Watershed access can be closed immediately during high fire risk periods to limit fire starts

Forest to Faucet
How our drinking water gets to your tap

Watersheds
Our water starts as rainfall and snowmelt, high up in the Cascade Mountains. It flows downhill, collects in mountain reservoirs, and is eventually released to begin its journey to your faucet.

Treatment
Treatment comes next. Before water is safe to drink, it must be treated to get rid of microorganisms that can make us sick. Because Seattle's source water is protected, we don't have to do as much treatment to meet the same water quality regulations as other cities.

Water Quality Lab
Water samples are brought to our water quality lab for testing. We test samples between 10 and 100 times per day, 365 days a year.

Service Lines and Meters
Water travels from the water main to your home via your water service line. Your water meter sits on your service line and tracks your home's water usage.

Reservoirs
After treatment, drinking water is stored in covered reservoirs throughout the city. (The tops of these reservoirs provide acres of open space for recreation!)

Pipes
Water travels through 1,900 miles of pipes to get from the mountains to your faucet. We regularly maintain this network of pipes to prevent leaks and breaks.

Sampling Stations
More than 90 water sampling stations are located throughout the city. We take samples every day of the year to ensure the safety and quality of Seattle Water.

Your Tap
Safe, clean Seattle Water finishes its journey from forested mountain watersheds to a faucet near you. *Enjoy!*

9 Seattle Public Utilities 10 2024 Drinking Water Quality Report



Forward Thinking = Long-Term Supply + Rate Stability

Customers

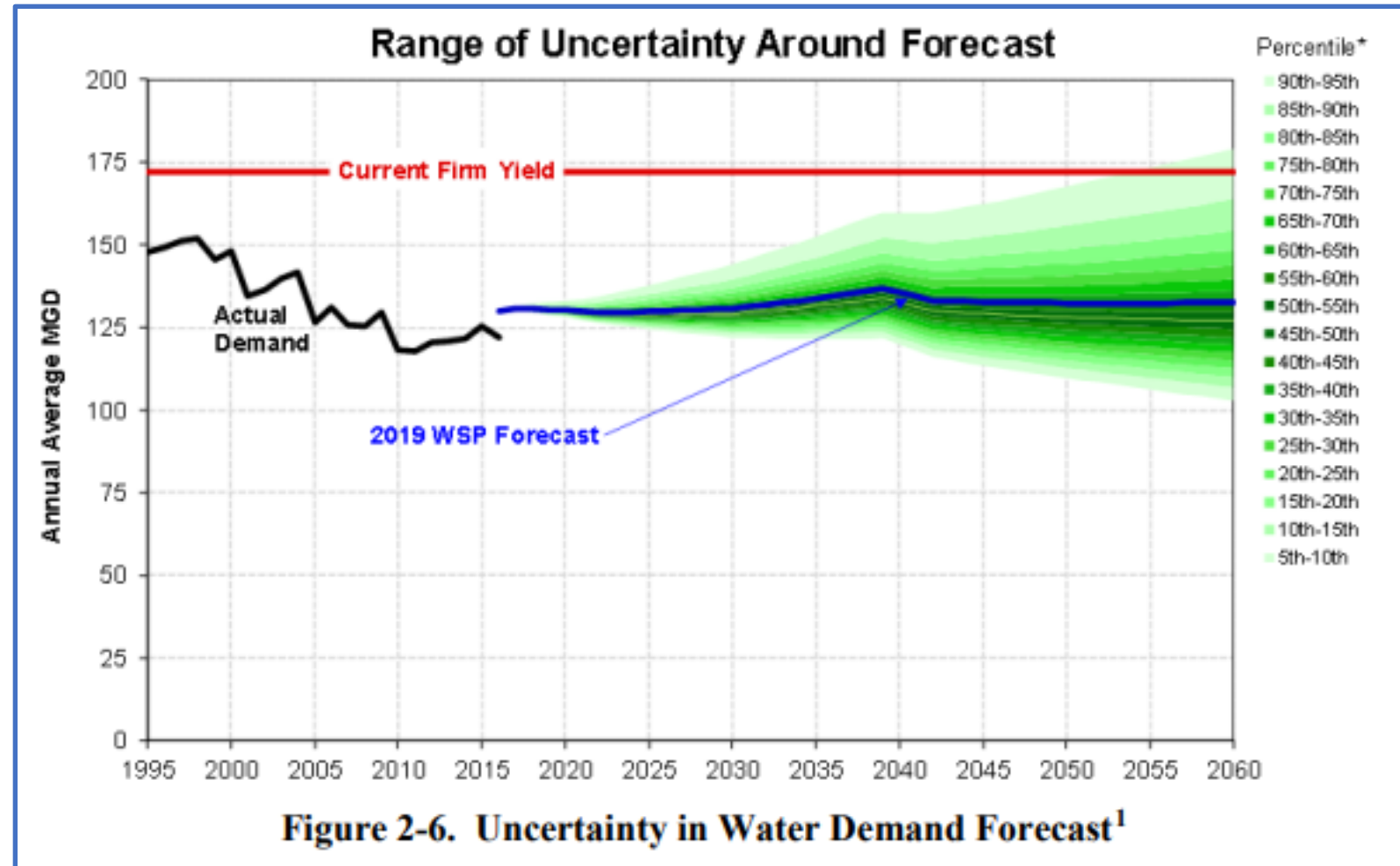
- Long-term wholesale contracts provide certainty and stability

Regulatory

- Required projects completed ahead of deadlines

Infrastructure

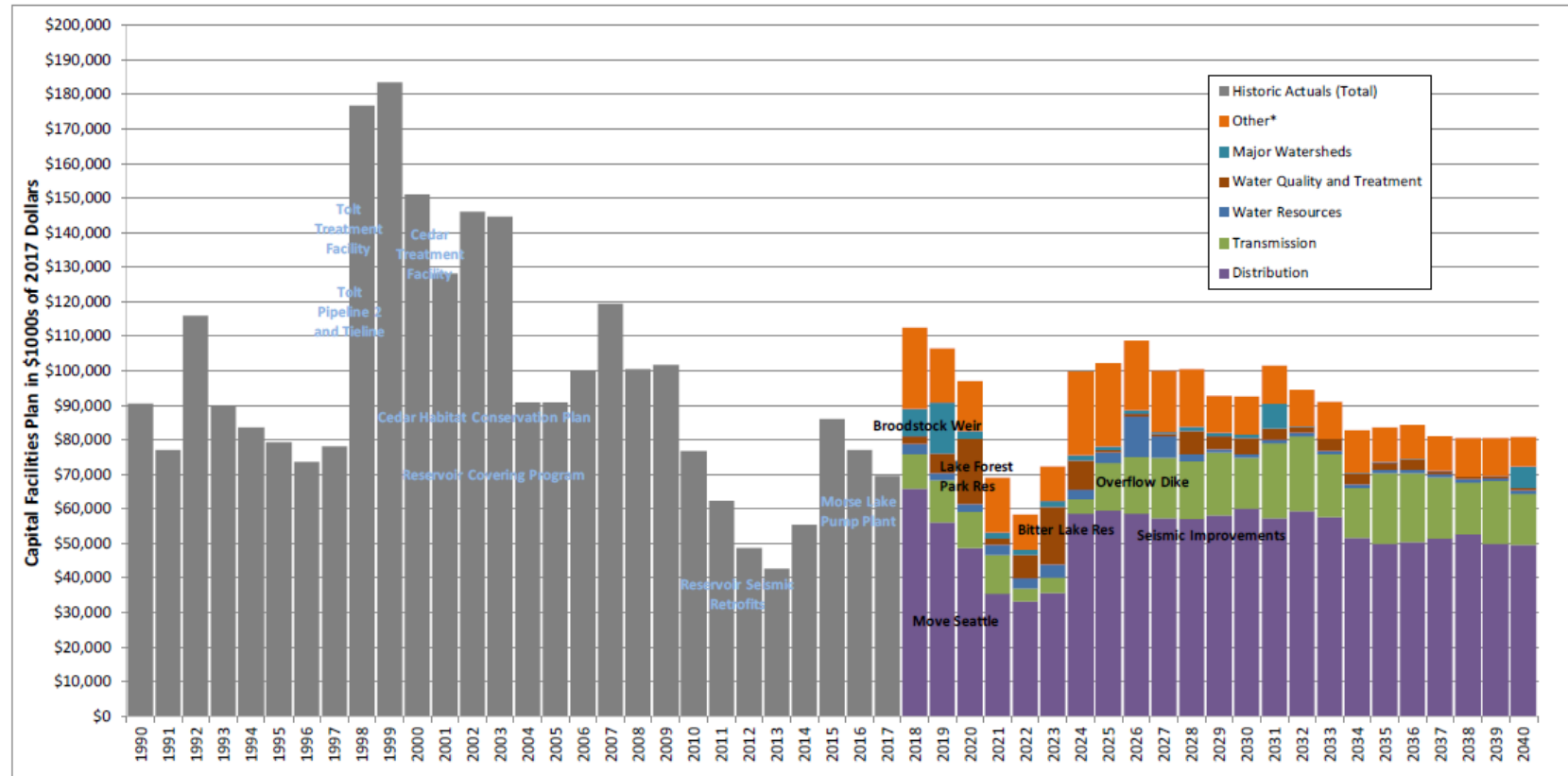
- 35-year history of seismic planning + upgrades
- 25-year history of climate change planning and operational improvements



Strategic Priorities = Stability

- Aging infrastructure
- Seismic
- Climate change
- Water treatment plants' operations and maintenance (O&M)
- Facilities upgrades
- Technology

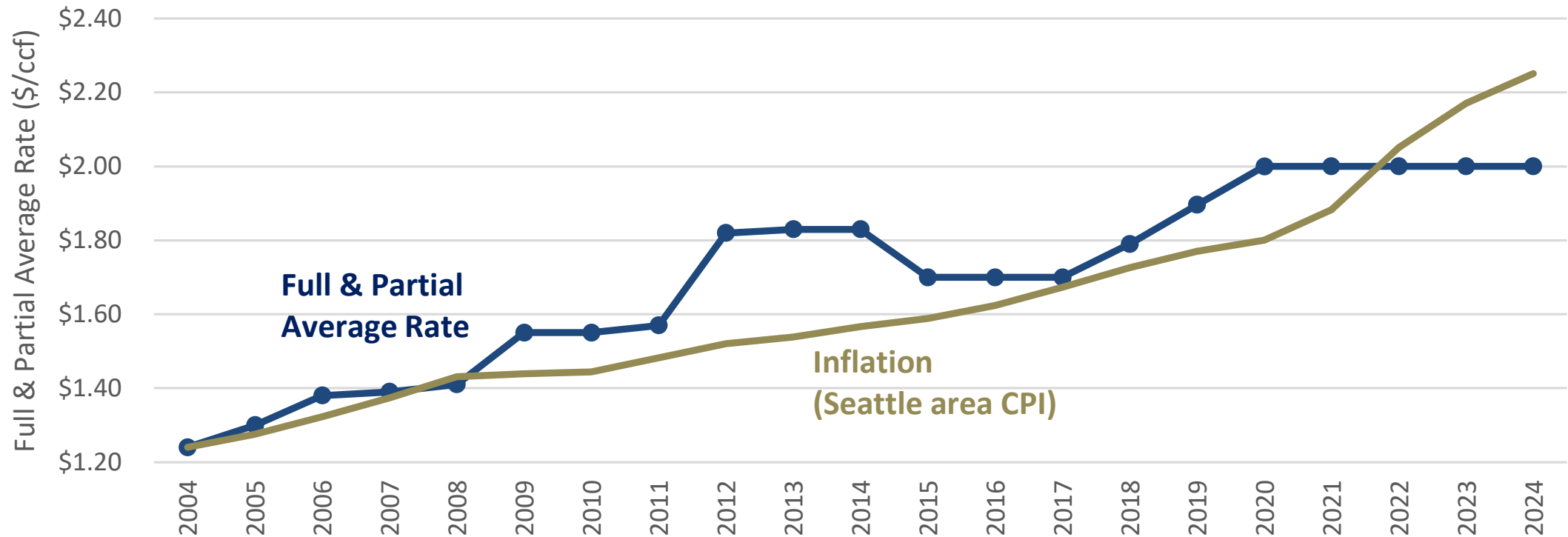
Historic and Proposed Capital Facilities Plan Spending through 2040
(2018-2023 Adopted CIP, plus 2024-2040 Estimate, in thousands of 2017 dollars)



* Other includes Fleets, Facilities, Security, Information Technology, SCADA and other miscellaneous projects.

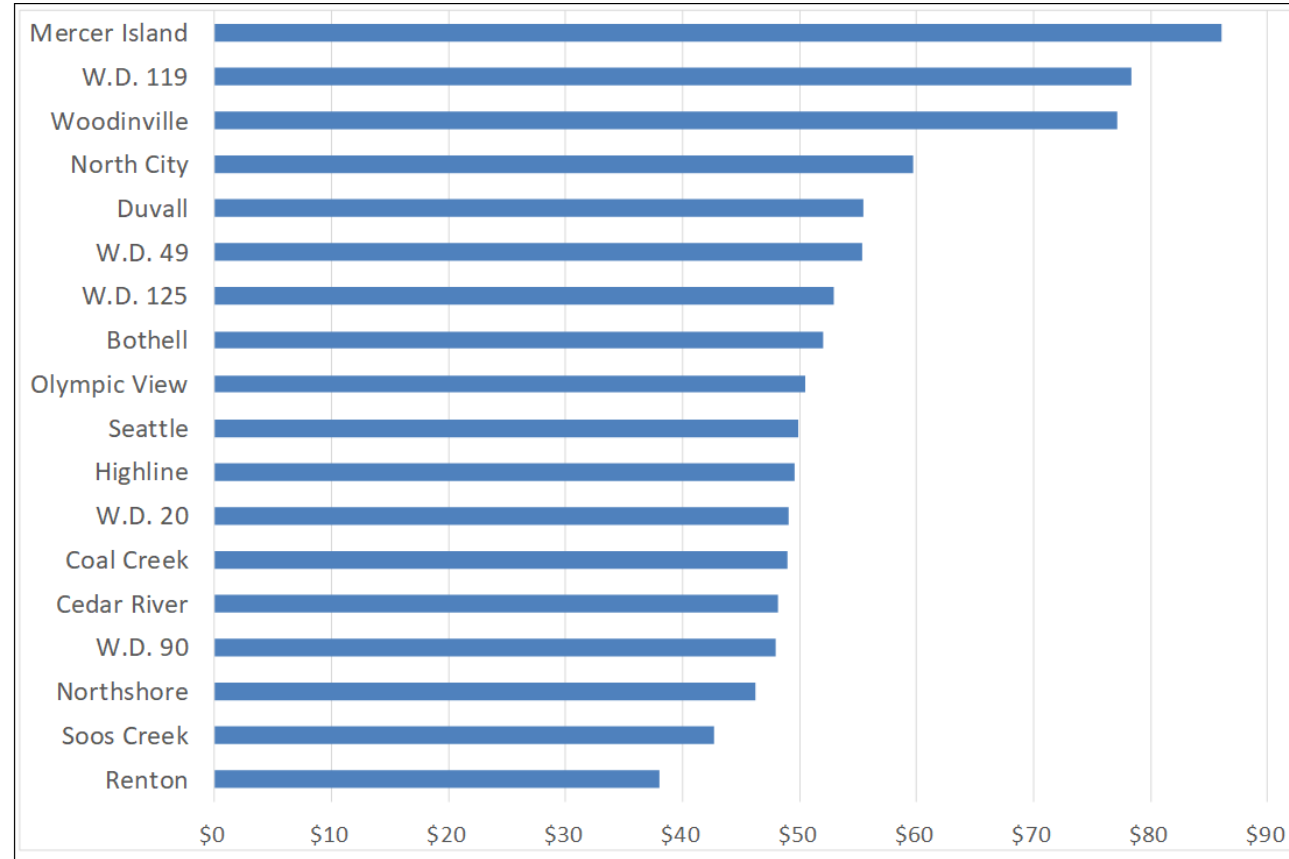


Long-Term Wholesale Rates In Line with Inflation



Average Monthly Residential Water Bill at Each Utility's Average Consumption

	Utility	Average Monthly Bill
1	Mercer Island	\$86.10
2	W.D. 119	\$78.35
3	Woodinville	\$77.18
4	North City	\$59.72
5	Duvall	\$55.50
6	W.D. 49	\$55.35
7	W.D. 125	\$52.94
8	Bothell	\$51.98
9	Olympic View	\$50.55
10	Seattle	\$49.93
11	Highline	\$49.58
12	W.D. 20	\$49.09
13	Coal Creek	\$48.95
14	Cedar River	\$48.15
15	W.D. 90	\$47.97
16	Northshore	\$46.20
17	Soos Creek	\$42.72
18	Renton	\$38.07
	Wholesale Average	\$54.91



Note: Does not include CWA's 400,000 residents from Bellevue, Issaquah, Kirkland, Redmond, Tukwila, Sammamish Plateau Water, and Skyway Water and Sewer District, that receive water from Seattle Public Utilities.



Retail Rates and Affordability

	Rate Path			Rate Forecast			Average
	2025	2026	2027	2028	2029	2030	
Water	2.0%	2.0%	6.3%	3.3%	6.5%	3.8%	4.0%
Wastewater	5.0%	5.0%	5.0%	6.2%	7.0%	5.1%	5.5%
Drainage	5.0%	5.0%	5.1%	6.6%	6.3%	7.2%	5.9%
Solid Waste	2.5%	3.1%	3.4%	3.4%	3.8%	2.5%	3.1%
Combined	3.7%	3.9%	4.9%	5.0%	6.0%	4.6%	4.7%

Strategic Business Plan

- Six-year rate path, updated on a three-year cycle.
- Provides thoughtful planning and a predictable rate path for customers.

Utility Discount Program

- 50% discount for eligible single- and multi-family customers.
- Enrollment of 34% of eligible customers.



Thank you

Alex Chen, Deputy Director, SPU Water Line of Business

Alex.Chen@seattle.gov



Cascade Water Alliance

King County Regional Utility Rate Summit

Andy Baker, Economist

November 14, 2025



Cascade's Mission

Cascade's mission is to provide water supply to meet current and future needs of our members in a cost-effective and environmentally responsible manner through partnerships, conservation, acquiring, constructing and managing water supply infrastructure and fostering regional water planning.

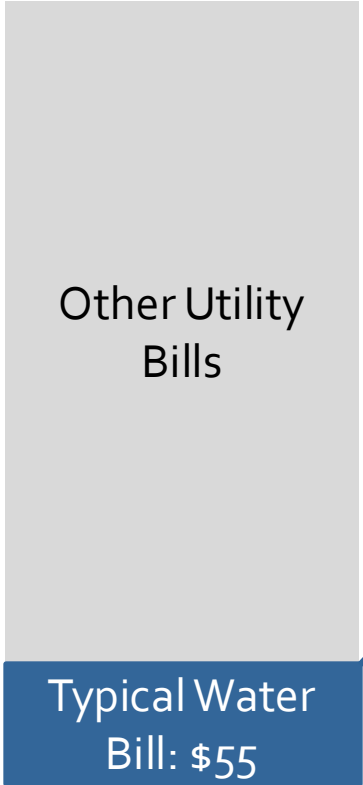
Background on Cascade

- ❖ Seven member agencies.
- ❖ Serves over 400,000 residents and 380,000 employees.
- ❖ Governed by Board of Directors consisting of members' elected officials.
- ❖ Currently purchase contracted water from Seattle.
- ❖ Lake Tapps Reservoir acquired as future source.
- ❖ Constructing regional transmission line to purchase water from Tacoma.

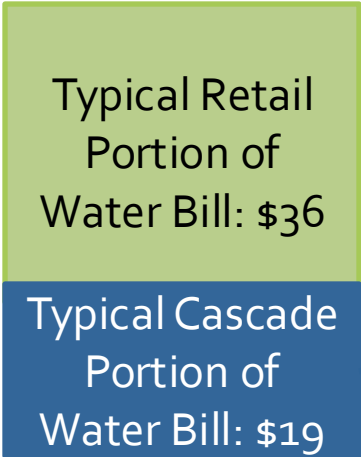


How Cascade Fits in the 2025 Rate Stack

2025 Combined Representative Monthly Household Bill

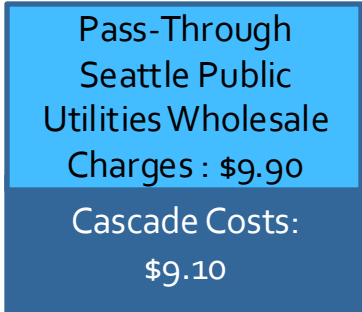


2025 Typical Monthly Household Water Bill



Typical Retail costs include the cost of local infrastructure such as distribution pipes and storage tanks, operations, administration, customer service, and state and local utility taxes.

Typical Cascade Portion of Water Bill



Direct Cascade costs include administration and conservation, operating and maintaining existing infrastructure, and capital for new infrastructure.

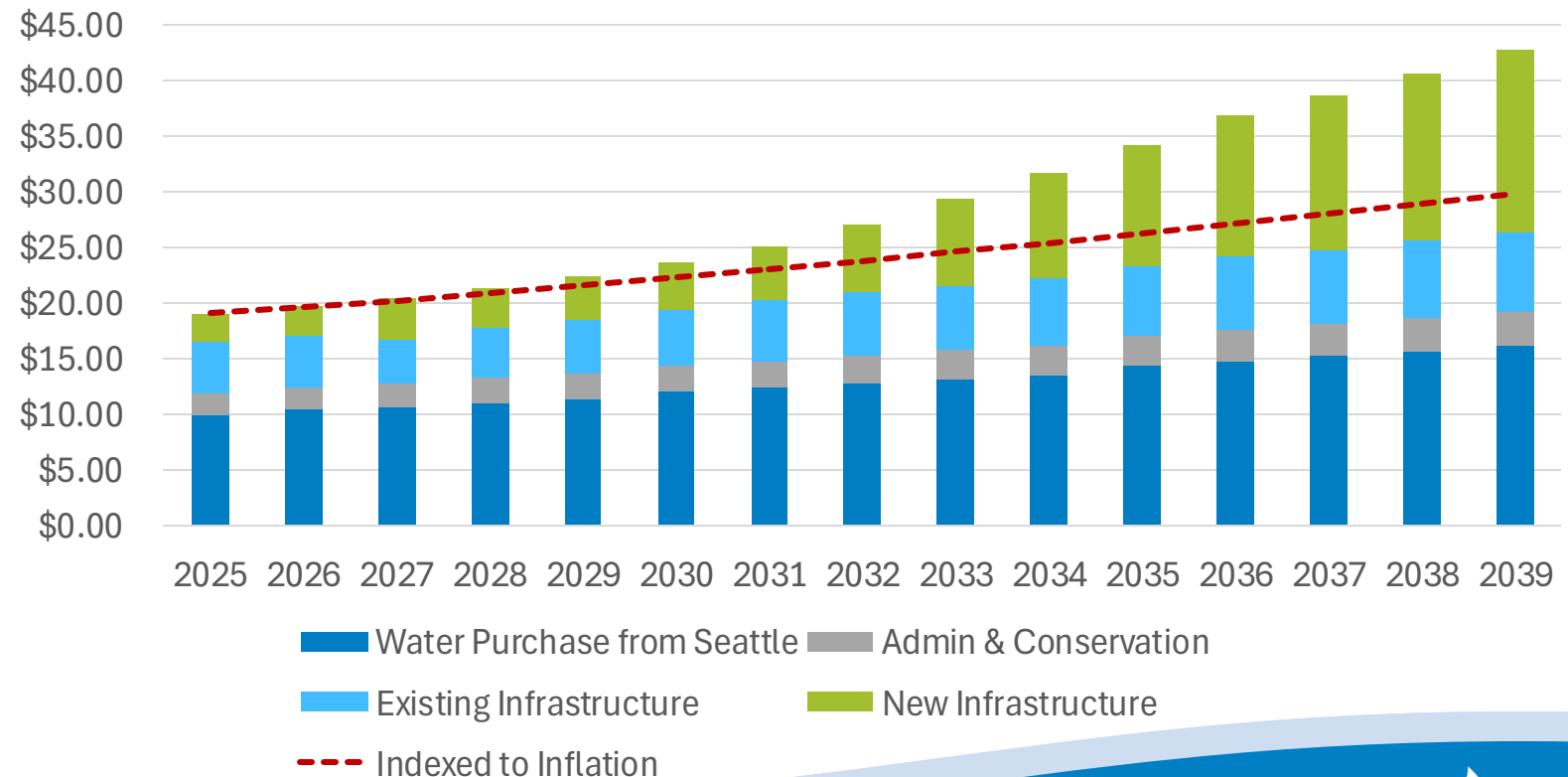
Looking Forward: Rate Drivers

New infrastructure is necessary to ensure reliable, resilient, and cost-effective water supply for our members into the future. A diverse water supply portfolio is essential for the continued growth and economic vitality of our region.

Water Supply is our biggest cost:

- purchasing water from Seattle,
- managing our future water supply source, and
- constructing a new transmission main to convey water from Tacoma.

Cascade Portion of Representative Household Bill



Strategies for Capital Costs

Subsidized Financing:

Federal: **WIFIA*** program provides advantageous terms. Significant potential impact.

State: Public Works assistance is vital for local-scale infrastructure, but there is **not enough state funding** for our scale of capital program. Maximum project size and award size would need to be significantly increased.

Partnerships & Coordination:

With other water purveyors: Can enhance **resiliency** and **service reliability**, but limited potential to reduce cost.

With local jurisdictions: Coordinating necessary infrastructure projects **reduces community construction impacts**, and can reduce costs for all parties.

Permitting Delays and Impacts:

Delays from permitting can increase capital costs simply through additional inflation impacts. Permits conditioned on additional costs that are unrelated to delivering utility service can add between 5 and 10% to construction cost. **Expediting permitting and avoiding unrelated costs** has significant potential impact.

*WIFIA = Water Infrastructure Finance and Innovation Act

How Cascade Addresses Rate Pressures

(Very) Long Term Planning

- 75-year Rate Forecast to capture full infrastructure lifecycle.
- Comprehensive cost-benefit analyses for all major decisions.

Robust Fiscal Policies

- Forward-looking rate smoothing set by policy to avoid sudden rate spikes.
- Policy prevents over-reliance on debt. Requires a capital funding plan for water supply projects that caps use of debt at 80%, and provides for cost increase contingencies.
- Revenue structure ensures cost of infrastructure is shared fairly by both growth and existing ratepayers.

Thank You

Andy Baker, Economist
abaker@cascadewater.org



Utility Rate Summit

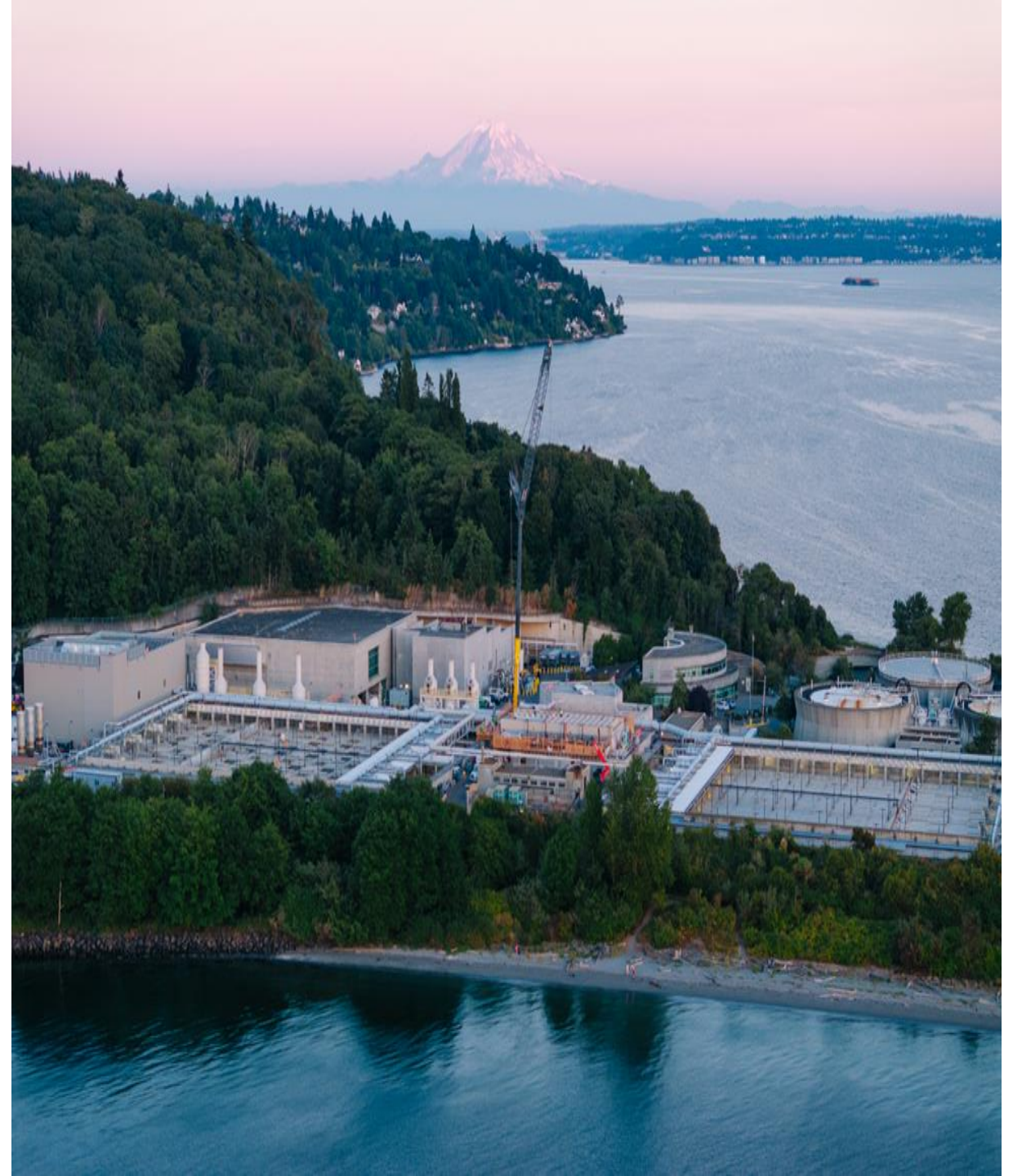
Courtney Black, Chief Financial Officer

Wastewater Treatment Division (WTD), King County, Washington

November 2025

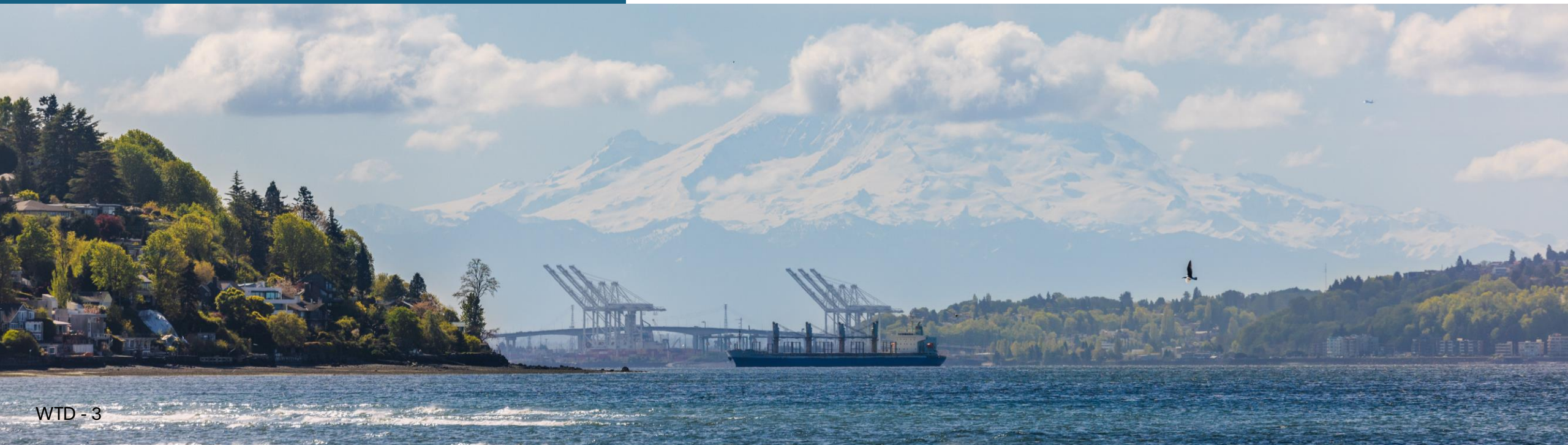
Agenda

- About the System
- Key Rate Drivers: regulation, aging system, and future growth
- Capital spending forecast
- Rate forecast
- Sewer bills by service area
- Key takeaways
- Key efforts



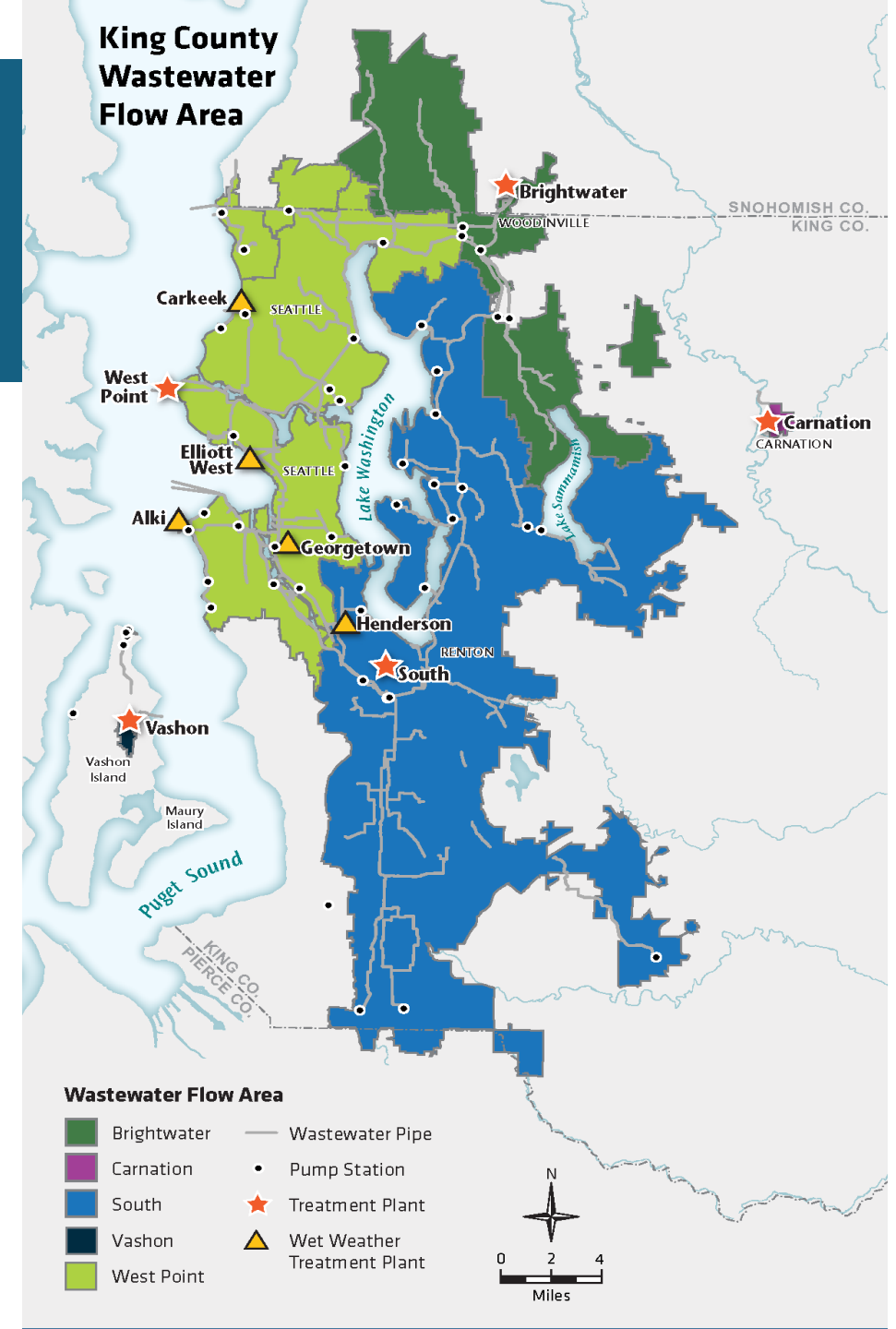
Our Mission

We protect public health and the environment by collecting and cleaning wastewater while recovering valuable resources for a thriving Puget Sound Region.



About the Wastewater Treatment Division

- Largest clean water utility in Washington
- 3 regional plants
- 2 community plants
- 48 pump stations
- 26 regulator stations
- 400 miles of conveyance pipe
- Service area of 2M residents across 424 sq. Miles
- Nearly 950 employees (and growing)
- \$400M+ annual capital program
- \$200M+ annual operational expenses
- Funded by ratepayers
- 34 Local Sewer Agencies



Key Rate Drivers for WTD

A continued challenge for the County's WTD Capital Improvement Program (CIP) includes the "stacking" problem of multiple concurrent and large capital needs.

The three main drivers continue to be:

1. Substantial **regulatory** requirements: Combined Sewer Overflow (CSO) Consent Decree
2. High-risk priority **asset replacement and renewal** investments
3. Meeting contract obligations to serve new **growth capacity**

There are also continued significant regulatory "known unknowns," including nutrient reduction permits and PFAS (toxic, man-made, long-lasting chemicals).

Regulatory Landscape

Near and Certain (Included in Forecast)

- Combined Sewer Overflow (CSO) Consent Decree (signed in 2013 and modified in 2025)
 - Key projects: Georgetown Wet Weather Treatment Station (WWTS), Joint Ship Canal, Elliot West WWTS, Mouth of the Duwamish, and East Ship Canal
 - Spending to date \$0.7bn, remaining spending through 2037 \$5.6bn
- Nitrogen reduction optimization investments (first permit cycle)

Uncertain (Not Yet Included in Forecast)

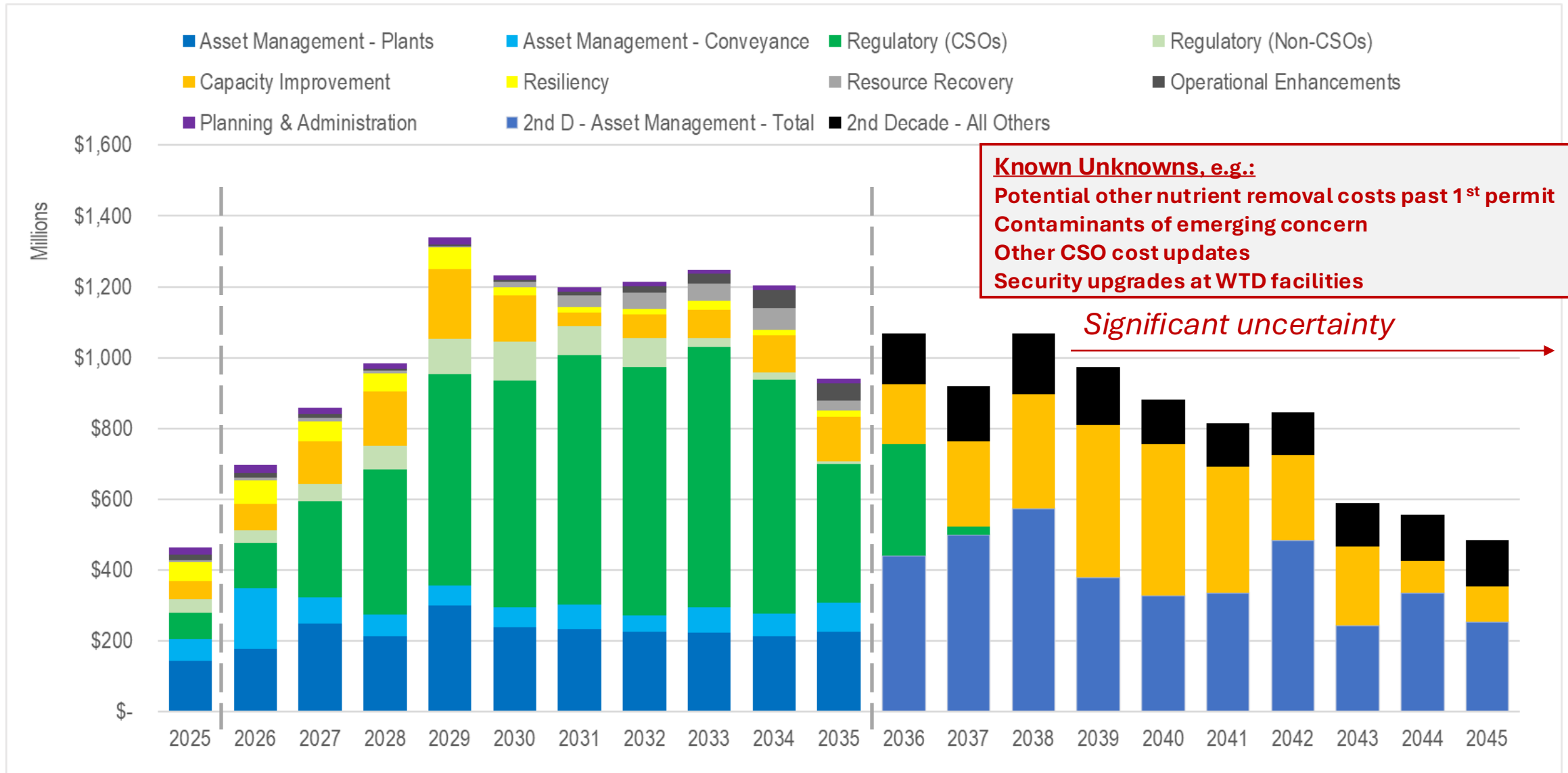
- Other nutrient reduction that may be required in future permit cycles
 - WTD and utility peers sent extensive comments on Draft opt-in Puget Sound Nutrient General Permit Plan, working with AWC to engage Ecology leadership and Governor
 - Potential costs in the \$10bn-20bn range (in today's dollars)
- Contaminants of Emerging Concern (e.g., PFAS)

Market and Other Conditions

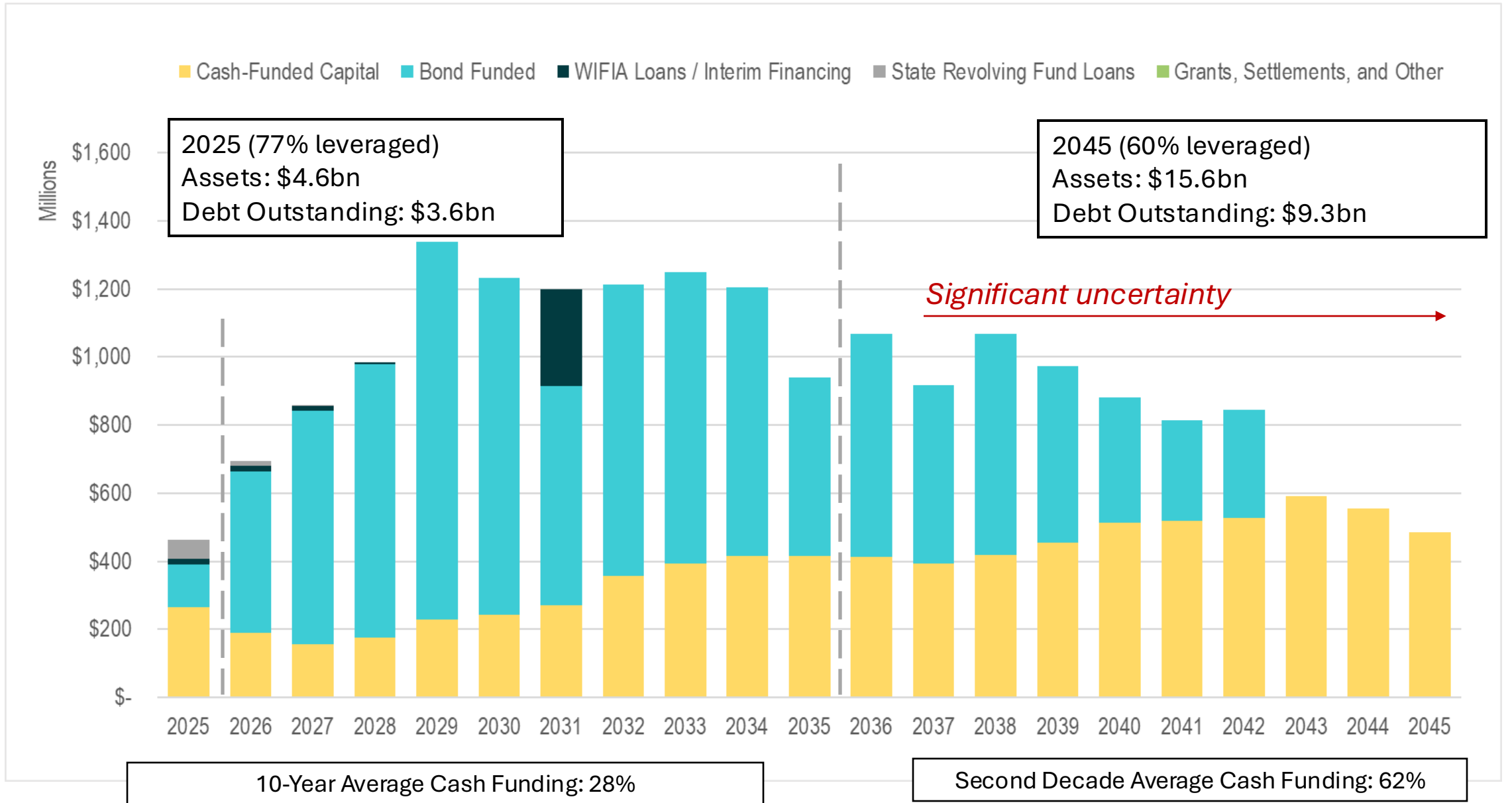
- Continuing to experience high cost but less volatility within the industry
- Growth in the Seattle Metro area construction sector remains at an all-time high
- Local bidding environment reflects construction industry's overall trend limited labor capacity
- Uncertainty due to tariffs and the fear of record inflation (again) may lead to speculation and possible volatility (again)
- These market conditions result in increased construction costs and operations and maintenance (O&M) costs



20-Year Capital Forecast by Portfolio Category

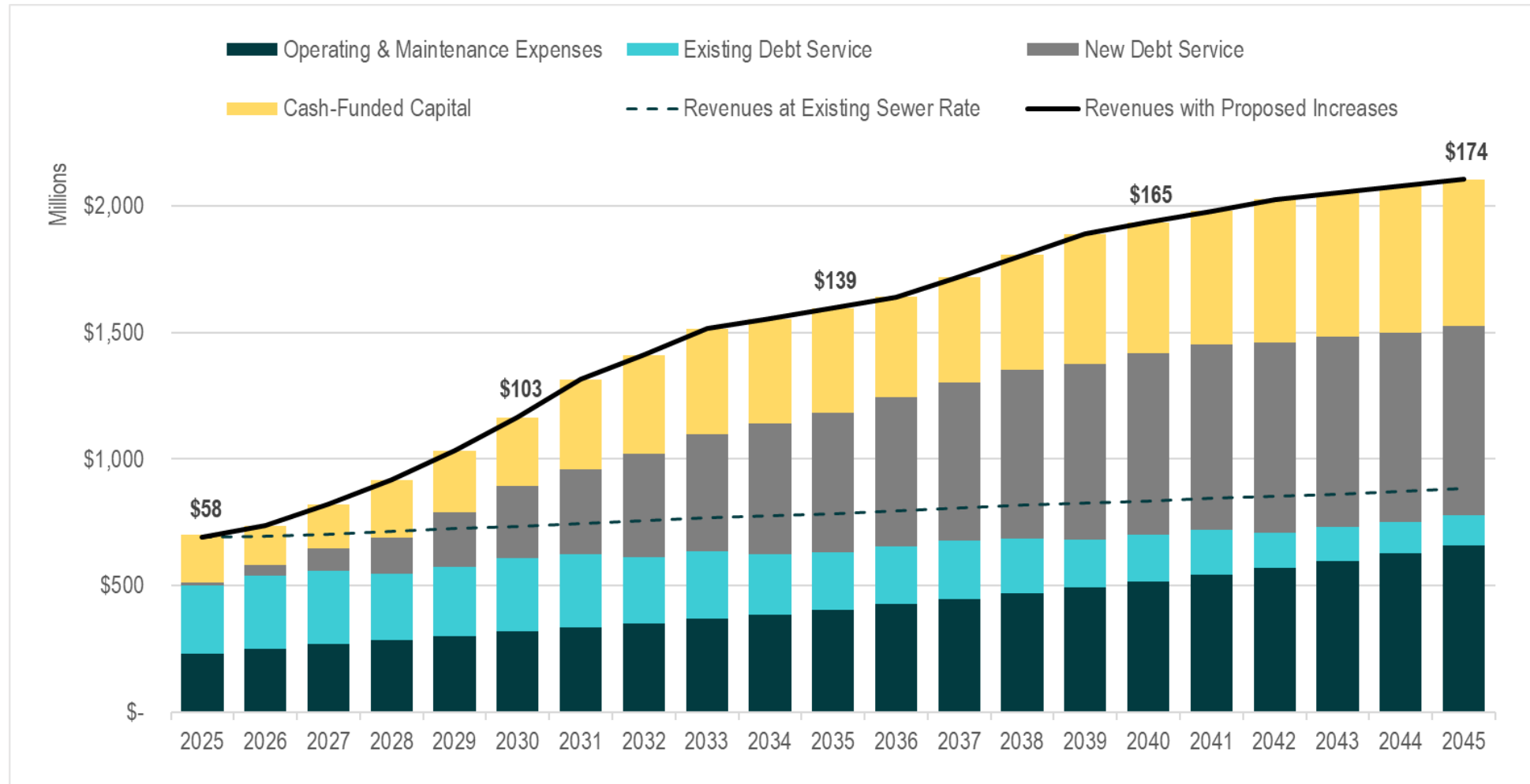


Capital Funding Forecast



Sewer Rate Forecast

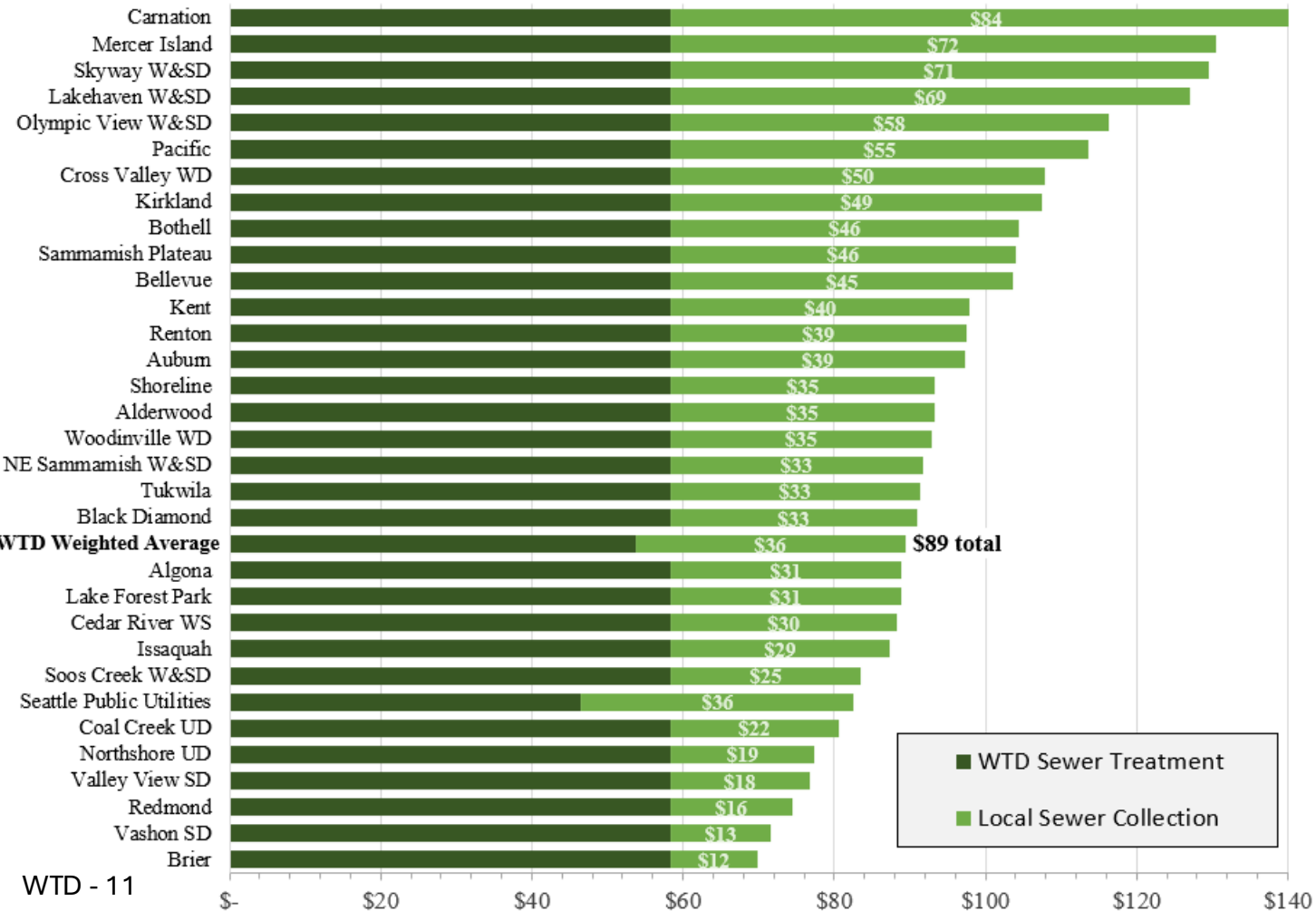
- Mouth of Duwamish CSO new cost estimate is the main driver for higher rate increases
- \$20bn of capital spending over next 20 years, affordability challenge



Sewer Bill = WTD's sewer treatment rate + local agencies sewer collection charges

2025 Single Family Residential Average Monthly Sewer Bills

Includes utility taxes. Monthly usage assumptions: 430cf Seattle, 600cf others



- Representing household financial burden from WTD sewer rate increases is complex
 - Average bills and household income vary significantly among the 34 local agencies
 - Aggregated metrics mask affordability challenges that exist at local levels
- WTD bills the local agencies that set rate structures and bill households and businesses
 - As a regional wholesale provider, WTD rate increases impact households though it does not have the billing relationship to offer assistance programs or other forms of relief

Key Takeaways



Scale of capital program is substantial and rising



Increasing capital program with 'stacking problem' and higher rate forecasts



Federal and state loans help mitigate impacts to ratepayers, but need more

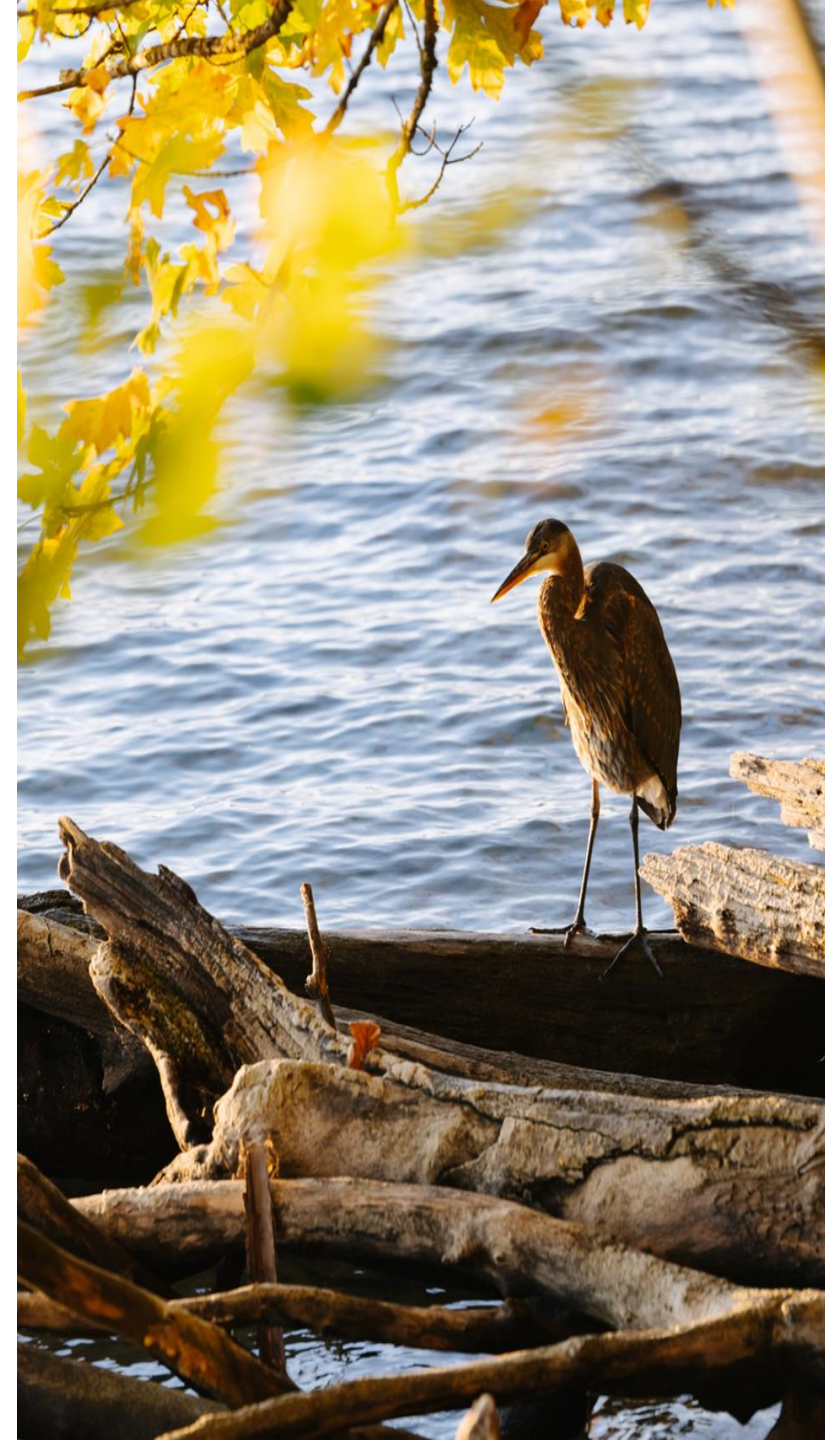


Investments support our economy, protect water quality and public health



Ongoing Advocacy Efforts

- Encourage **nutrient regulatory framework** that improves the health of Puget Sound and is financially sustainable
- Protect and enhance **federal loan funding** in the form of State Revolving Fund (SRF) loans and Water Infrastructure Finance and Innovation Act loans (WIFIA)
- Continue to work with National Association of Clean Water Agencies (NACWA), Environmental Protection Agency (EPA), and others to:
 - Explore other opportunities for **low-income assistance**
 - Demonstrate the need for a **new federal grant** or forgivable loan program for wastewater utilities as a long-term strategy



Sewer Rate and Capital Work Plan to Continue Improving Engagement, Transparency and Accountability

- Meaningful and timely engagement in sewer rate development
- Early visibility and transparency on large project planning
- Improve multi-year predictability
- Evaluate regulatory requirements and develop options to address financial sustainability (e.g., potential for modification of Combined Sewer Overflow consent decree)
- Independent, third-party oversight
- Participation in Utility Rate Summit

Potential Cost-savings Options to Explore

- Streamline state permitting for essential public facilities
- Accelerate local permitting review times
- Improve best value procurement for easier administration
- Raise cap for competitive bidding to allow more self-performed work
- Fast track King County processes for high-priority infrastructure



Thank you

Courtney Black, Chief Financial Officer
coubblack@kingcounty.gov



King County | Wastewater Treatment



Solid Waste

Regional Utility Rate Summit

November 14, 2025

Christopher Stubbs
Deputy Division Director
King County Solid Waste Division



King County
Department of Natural Resources and Parks

Solid Waste Division

waste prevention	resource recovery	waste disposal
------------------	-------------------	----------------

King County Solid Waste Division

Vision and Scope

Vision

Achieve zero waste of resources by enhancing the environment through collaboration and innovation

Service Area

37 cities (all but Seattle and Milton) and unincorporated areas in King County

SWD System

- Eight transfer stations
- Two rural drop boxes
- Nine closed landfills
- One currently operating landfill

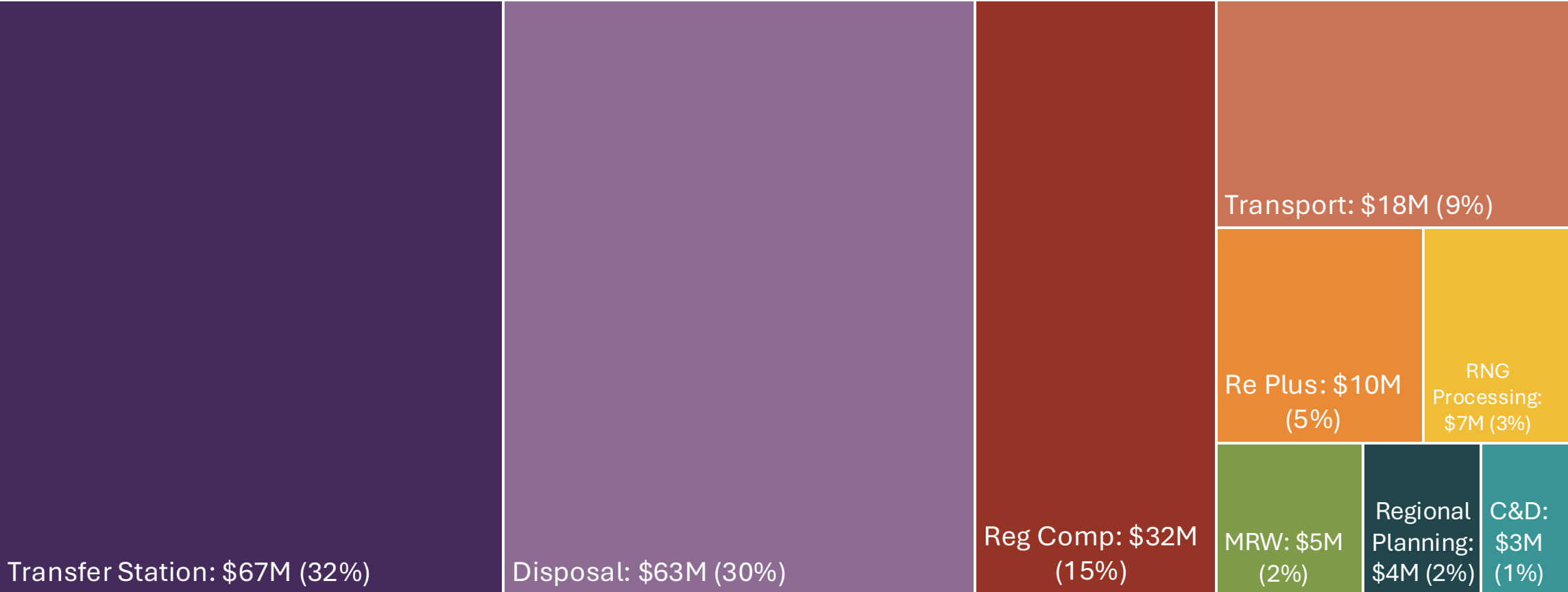
Revenue Sources

82% Tipping fees
12% Fixed Annual Charge (FAC)
5% All Other
1% State Grants

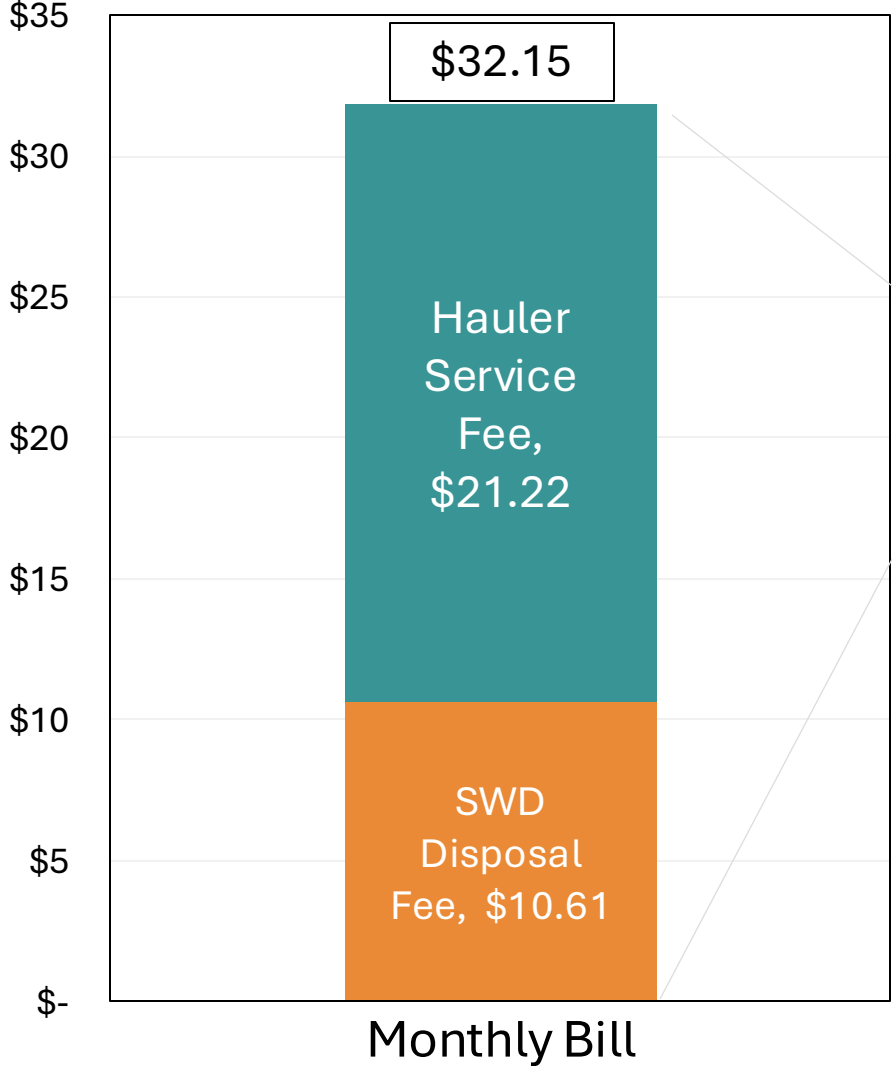


Revenue and Functional Allocation

70% of Revenue Supports Direct Services



Representative Monthly Bill Impact for KC Residents



2025 Per-Ton Disposal Fee - \$217.20

- Tipping Fee = \$165.91
- Fixed Annual Charge (FAC) = \$51.29

Monthly Bill (weighted average) - \$32.15

- Hauler Service Fee = \$21.22
- SWD Disposal Fee = \$10.61

Curbside Impact of 2025 Rate Increase - \$0.87

2019 Solid Waste Comprehensive Plan

Rate increases are needed to achieve objectives defined by stakeholders

Further Development of Cedar Hills Landfill (CHRLF)

Maximizing the disposal capacity of CHRLF has the lowest rate impact and lowest GHG emissions compared to available alternatives.

Transfer System Infrastructure Modernization

Replacing 1960's era transfer stations with modern facilities that offer increased efficiency and expanded services to ratepayers

Achieve Zero Waste of Resources

Investing in the region's materials management system to maximize upstream diversion of materials and recovery of resources

Maintain regulatory compliance through asset management

Replacing and maintaining infrastructure required to remain compliant with local, state, and federal regulations



A rendering of the South County Regional Transfer Station (SCRTS).

Solid Waste Key Rate Drivers

**Operational
Expenditure
(OpEx)**

**Landfill Post-
Closure
Maintenance**

**Capital
Expenditures
(CapEx)**

Solid Waste Key Rate Drivers

Operational Expenditures (OpEx) While OpEx represents the highest proportion of the functional allocation of revenue, its projected growth is modest and mostly tied to inflation. A slight increase is expected in 2026 with the opening of the South County Recycling and Transfer Station (SCRTS) and the additional resources needed to fund the expanded services. Additional staff may be required in the future to maintain SWD assets and infrastructure, and to address new regulatory requirements.

Solid Waste Key Rate Drivers

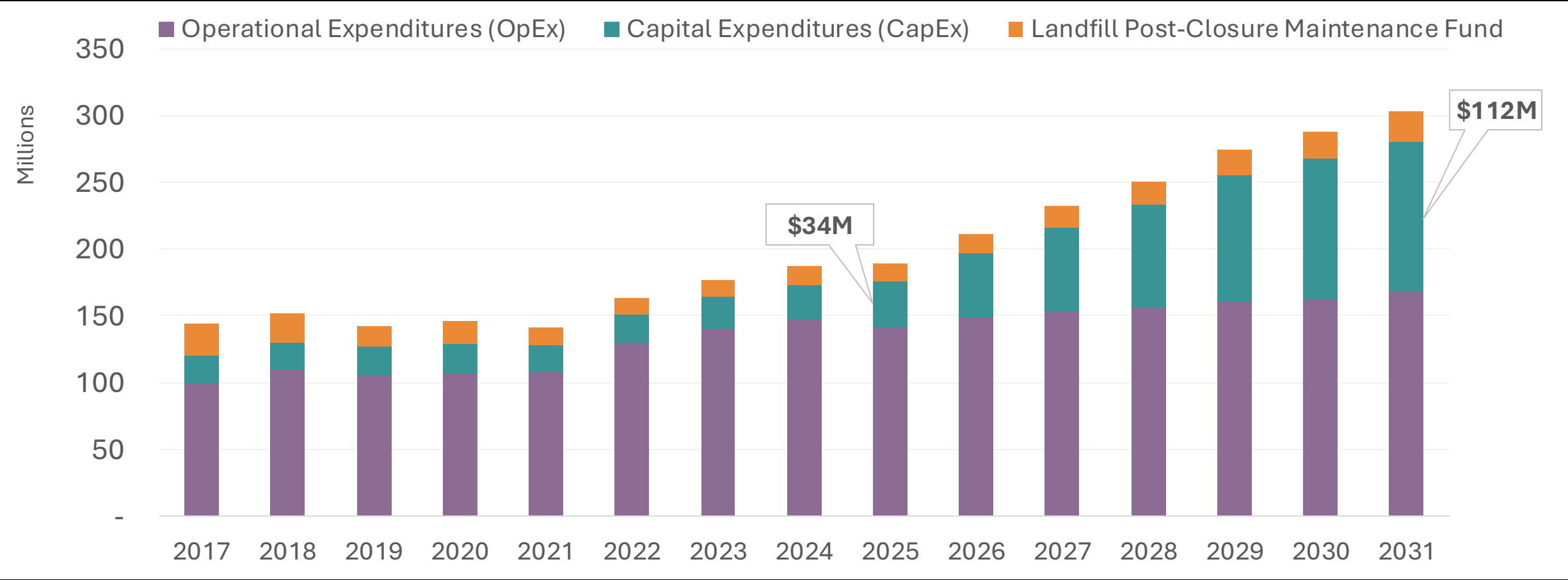
Landfill Post-Closure Maintenance funds are reserved to pay for the activities required to maintain the Cedar Hills Regional Landfill after closure. The fund will be used for environmental monitoring, leachate pretreatments, landfill gas collection, and various other post-closure maintenance activities. These funds are represented as a per-ton amount included in the Solid Waste Disposal Fee. It is currently estimated that Solid Waste will need a \$350M fund balance at the time of closure for the Cedar Hills Regional Landfill.

Solid Waste Key Rate Drivers

Capital Expenditures (CapEx) growth is the primary driver for the projected rate increases in 2026 through 2031. The 2019 Comprehensive Solid Waste Management Plan recommends:

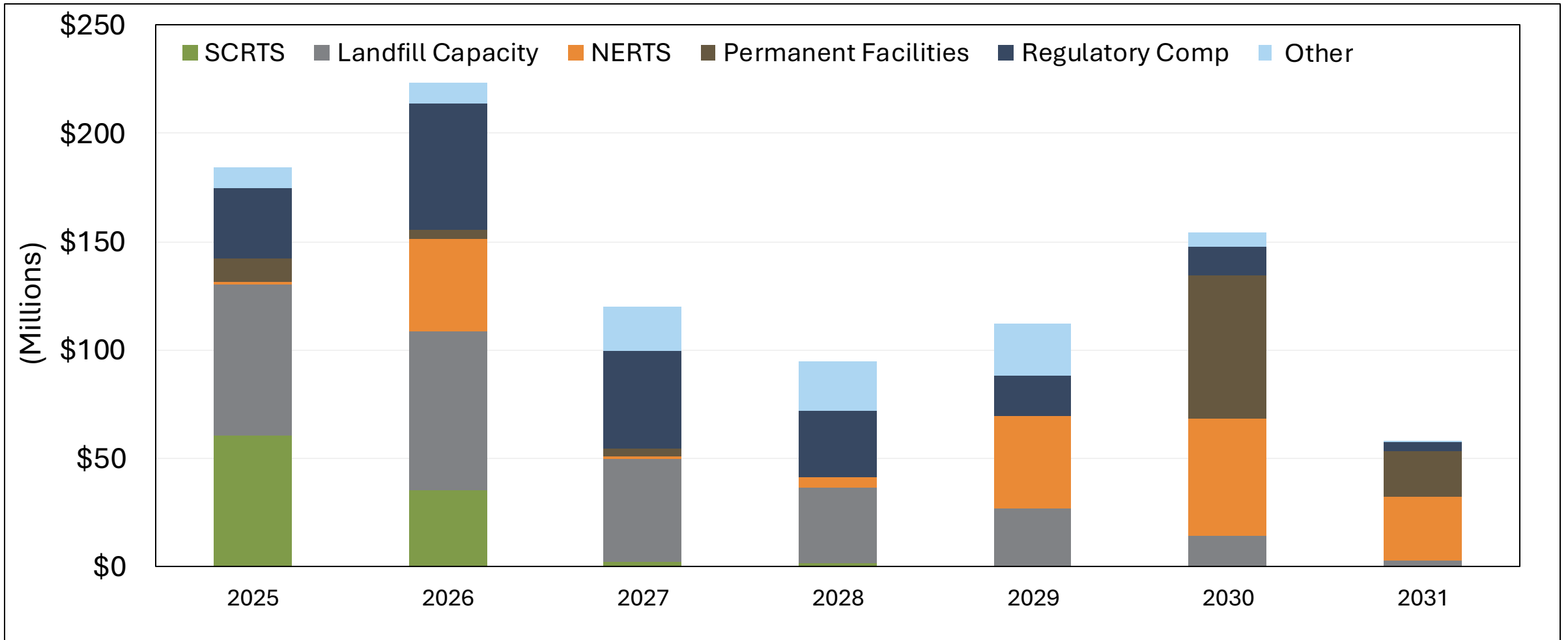
- Modernization of the county's transfer system, including replacing Algona
- Expanding the disposal capacity of the Cedar Hills Regional Landfill to maximize the environmentally responsible and cost-effective disposal it offers ratepayers.
- Maintain infrastructure to ensure regulatory compliance.

CapEx Increases from \$34 Million in 2025 to \$112 Million in 2031



Capital Expenditures are the primary driver for projected rate increases through 2031, with Operating Expenditure increases mostly tracking with inflation.

Large Projects Drive Capital Expenditures Upwards





*See next slide for more information on acronyms and definitions


Large Capital Investment Categories Further Defined

Projects	Description
South County Recycling & Transfer Station	King County Solid Waste Division transfer station facility that will replace the existing 1960's era Algona Transfer Station with a modern design, increased resiliency and efficiency, and expanded recycling services for the surrounding area.
Landfill Capacity	Refers to developing the Cedar Hills Regional Landfill to maximize its environmental and financial benefits to ratepayers.
Northeast Recycling & Transfer Station	Planned King County Solid Waste Division transfer facility that will replace the existing 1960's era Houghton Transfer Station with a modern design, increased resiliency and efficiency, and expanded recycling services for the surrounding area.
Permanent Facilities	This refers to a permanent maintenance facility for SWD's fleet vehicles and equipment. This facility will be needed beyond the closure of the Cedar Hills Landfill to ensure continuity of SWD's transfer system and overall asset management.
Regulatory Compliance	The costs and operational requirements to meet federal, state, and local environmental regulations around stormwater, air permit and state GHG emission requirements, leachate management (wastewater), and groundwater monitoring and assessment
Other	Other Capital Projects that could include Major Asset Rehab at facilities, solar projects.


Challenges


 Replacing **aging infrastructure** with modernized facilities has created a near-term spike in the rate path


 Lack of **federal and state funding** for solid waste infrastructure limits the utility's opportunities for external revenue sources


 Record **inflation and tariffs** have resulted in significant increases in costs to deliver capital projects

Known Unknowns

 **Regulatory landscape** for contaminants of emerging concern (CECs) may generate the need for significant investment to maintain compliance (e.g. PFAS)

 **Long-term disposal solution** for managing waste after Cedar Hills Regional Landfill reaches capacity

 **State and federal laws** can have dramatic impacts to the solid waste and resource recovery landscape (e.g. organics management law, Extended Producer Responsibility (EPR))

 **Advances in technology** in solid waste and other industries can create opportunities for resource recovery and disposal

Mitigation

King County SWD's efforts to minimize impacts to ratepayers

- Ensuring a smooth and gradual rate path by **distributing debt service** costs (via ILA renewals with partner cities) and ensuring **right projects** are delivered at the **right time** for the **right price**.
- **Investing in landfill gas** collection and processing infrastructure will ensure SWD is maximizing resource recovery at the Cedar Hills Regional Landfill.
- Exploring opportunities to develop **partnerships with regional stakeholders and private sector** on resource recovery and future disposal options.
- Closely **monitoring regulatory environments and industry trends** to ensure fully informed and future-oriented decision making.

Opportunities

To support solid waste rate mitigation efforts



1. Increase state and federal funding
2. Flexibility in state procurement requirements
3. Extended Producer Responsibility (EPR)
4. Support commitments made in 2019 Comprehensive Solid Waste Management Plan
5. Streamline state and local permitting processes

Opportunities

To support solid waste rate mitigation efforts

1. **Increase state and federal funding** for solid waste management systems and environmental management infrastructure. Ensure these funds are directly allocated to solid waste enterprise funds rather than being reallocated to support other initiatives.
2. **Increased flexibility in state procurement requirements** for essential public utilities, creating pathways for faster, less expensive, and more predictable vendor acquisition.
3. **Passing Extended Producer Responsibility (EPR)** legislation that shifts the cost of materials management from ratepayers and local government to the producers that create the products.
4. Increase efficiency, expanded service levels, and resiliency of the solid waste system by **continuing to support commitments** identified in the 2019 Comprehensive Solid Waste Management Plan.
5. **Streamline state and local permitting processes** to ensure timely and cost-effective project and program delivery.

Customer Assistance Programs

Equity initiatives

1. Cleanup LIFT discount – flat rate discount at all King County Transfer Stations
 - Customers with a current ProviderOne, EBT, or ORCA LIFT card are eligible for our CleanUp LIFT discount: \$18 off the cost of each type of waste, each visit.
 - Looking into other ways to provide discounts, e.g. military discounts.
 - <https://kingcounty.gov/en/dept/dnrp/waste-services/garbage-recycling-compost/solid-waste-facilities/disposal-fees>
2. Curbside Low Income Discount Program
 - Tentative program launch in Q2 of 2026.
 - Discount for single-family, low-income residents in unincorporated King County.
 - Only single-family homes right now, looking into Multifamily for the future.
 - More information to come.

Thank you

Chris Stubbs

Deputy Director

Solid Waste Division

chstubbs@kingcounty.gov

King County Utility Rate Summit

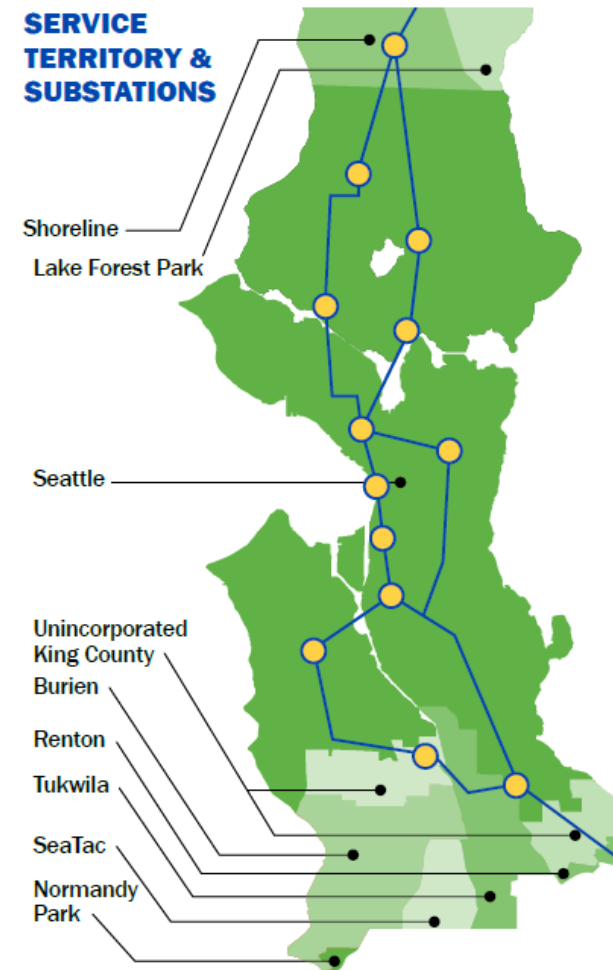
November 14, 2025



WE POWER SEATTLE

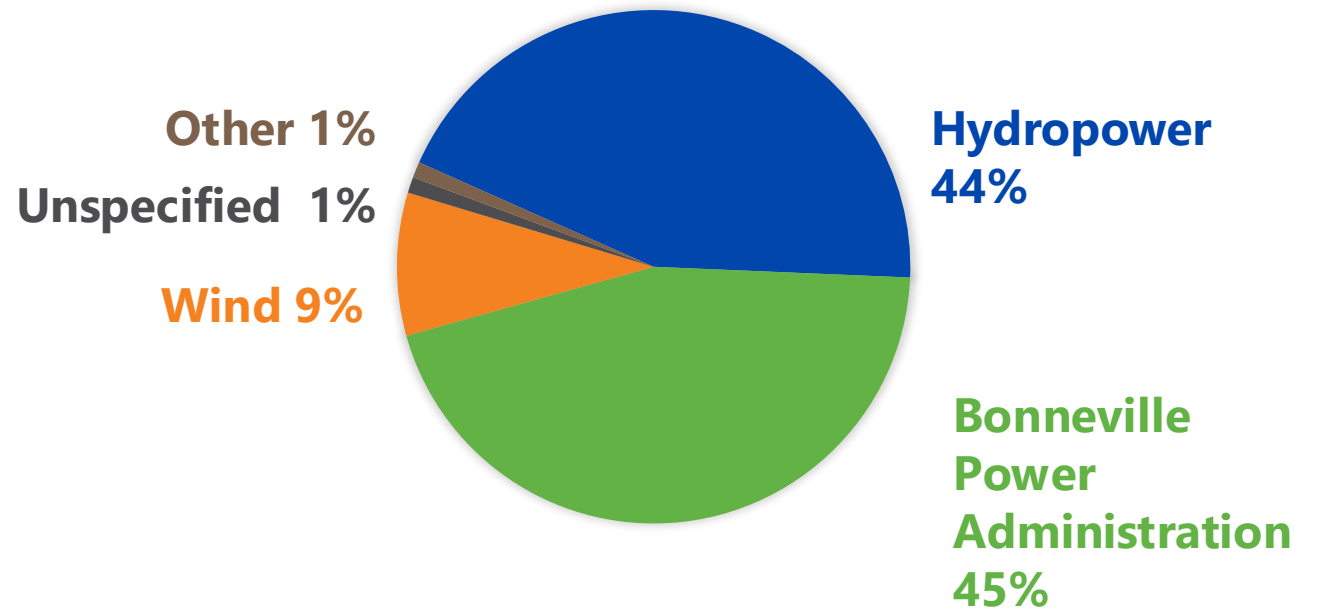
Seattle City Light Snapshot

- 515K meters
- 9.07 M Megawatt-hours
- 470K residential customers
- 50K commercial customers
- Service area 131 square miles
- Population served ~ 983K
- 2024 Total Revenue \$1.4B
- First utility to achieve 100% net carbon neutrality (2005)



Power Supply Mix

- We deliver carbon-neutral electricity, generated primarily from hydropower.
- We're committed to maintaining net zero greenhouse gas emissions.
- We offer our customers incentives to save energy, money, and the environment.



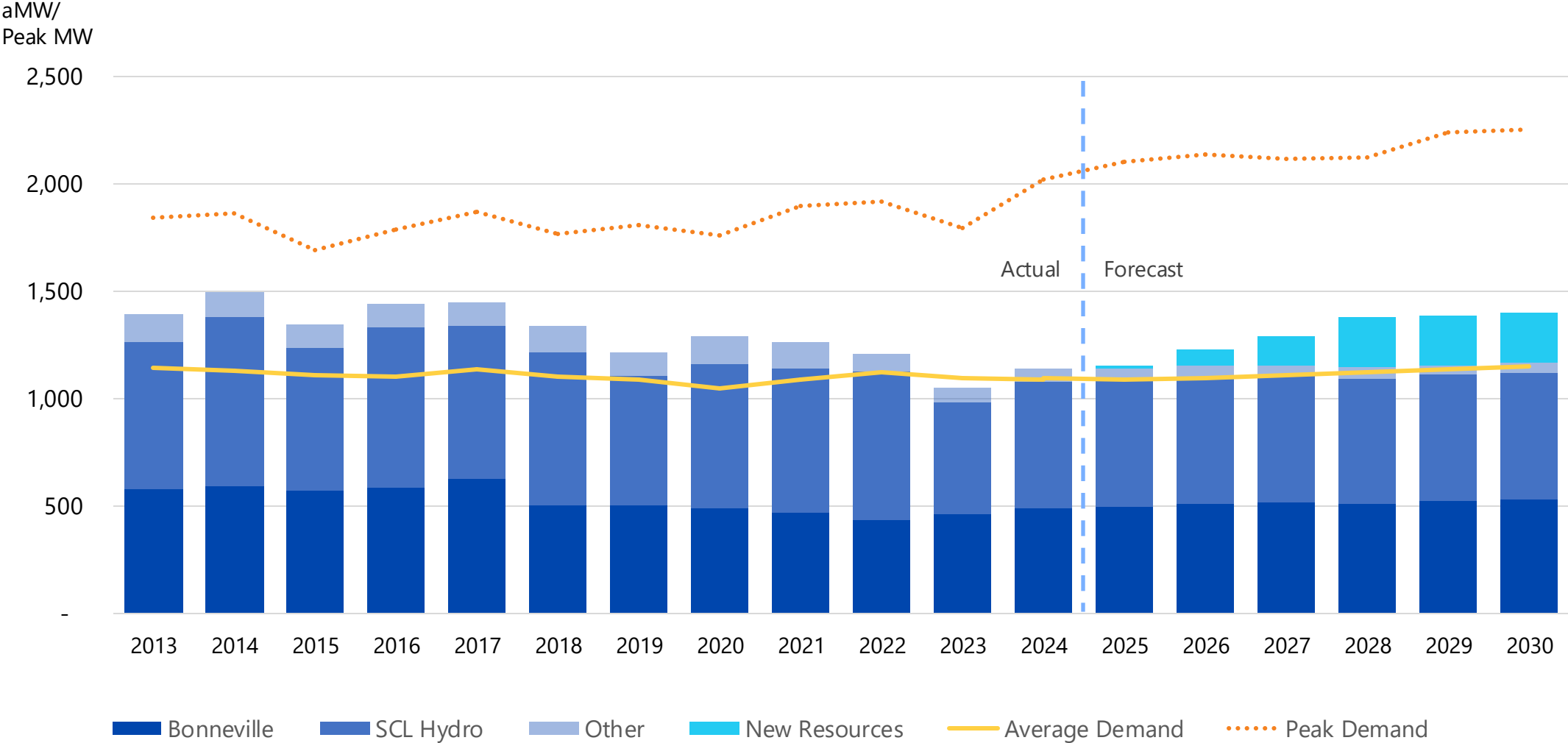
Current Resource Portfolio

- Owned Hydropower
- Treaty Rights from British Columbia
- Long-term hydropower contracts
- Other long-term contracts

Note: CBH = Columbia Basin Hydropower



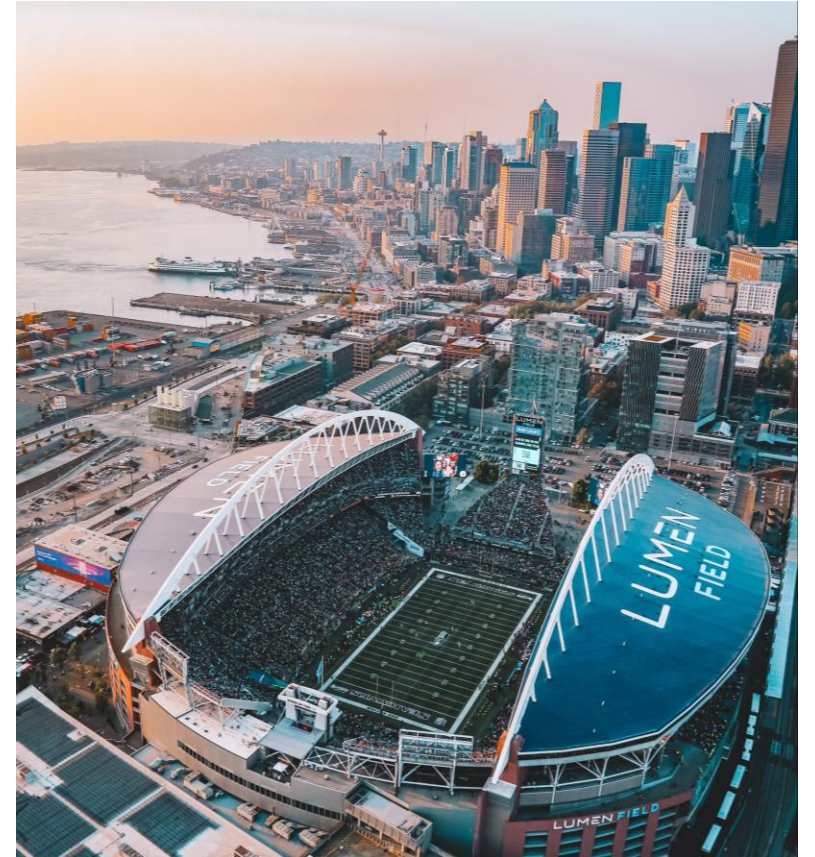
Meeting Growing Electricity Demand



Source: Seattle City Light, Finance Division

Seattle City Light Rate Drivers

1. Relicensing of Skagit Hydroelectric Project
2. Aging infrastructure
3. Procurement of new power resources and transmission
4. Replacing failing underground cable
5. Relicensing South Fork Tolt Hydroelectric Project
6. Increased labor cost



Supporting Affordability for All

For Income-Qualified Customers



60% bill discount

Utility Discount Program



Credits on past due bills

Emergency Bill Assistance Program & Project Share



Up to \$1,250 for heating expenses

Federal LIHEAP



Up to \$1,000 for heating expenses

State Home Energy Assistance program (SHEAP)

For All Customers



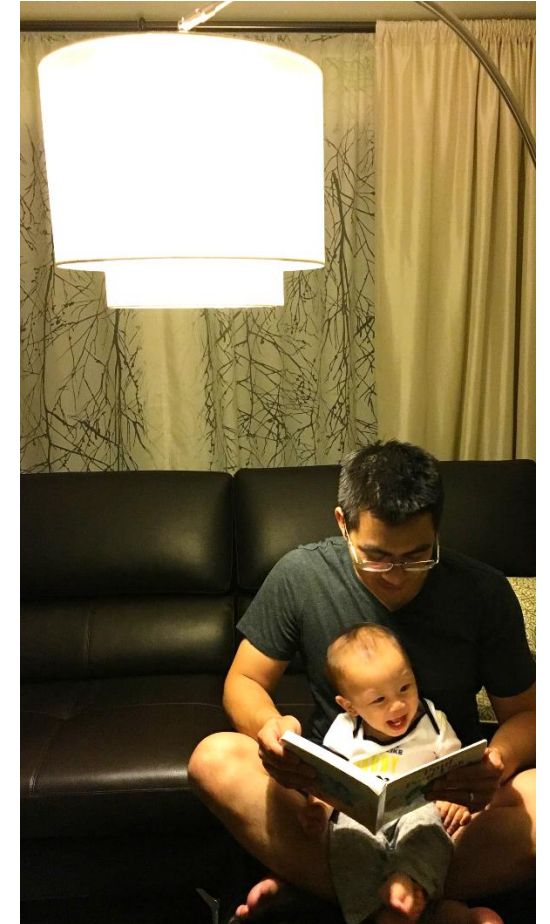
Option to pay a set amount each bill, that readjusts once a year

Budget Billing Program



60 days to catch up on past due bills

Short Term Payment Plan



Use Less – Save Money – Energy Conservation Programs



Home Energy Solutions



Multifamily Offerings (Market Rate and Income Eligible)



Small Business Free Assessments and Rebates



Electric Vehicle Free Assessments and Incentives



Existing Building Incentives



Where to Start? Contact our Energy Advisors!



THANK YOU



Seattle City Light

Contact Us

Delcina Lal

Key Customer Manager

delcina.lal@seattle.gov

PSE's Transformation to Cleaner Energy

Utility Rate Summit – Briefing Book DRAFT POLICY DELIBERATION
PURPOSES ONLY

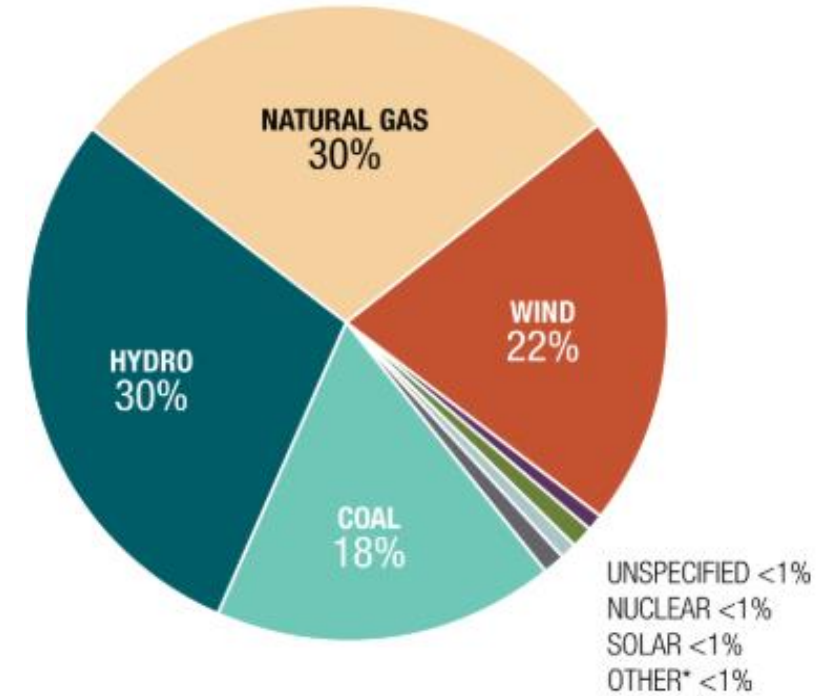
November 14, 2025



**PUGET
SOUND
ENERGY**

About PSE

- ◆ Washington state's **oldest and largest utility**
- ◆ Regulated investor-owned utility serving **1.24M electric customers and 881K gas customers** in 10 counties located primarily in Western Washington
- ◆ **Undergoing the most significant transformation in our 150+ year history** as we strive to meet some of the most ambitious clean energy laws in the nation



PSE's 2023 Fuel Mix

6.5 GW

Generating capacity
(owned & contracted)

33,763

Miles of electric
transmission and
distribution lines

28,077

Miles of natural
gas transmission,
distribution, and
service pipelines

3,257

Full-time equivalent
employees

Our service territory



Safe

Safety remains at our core in order to protect our employees, customers and community



Clean

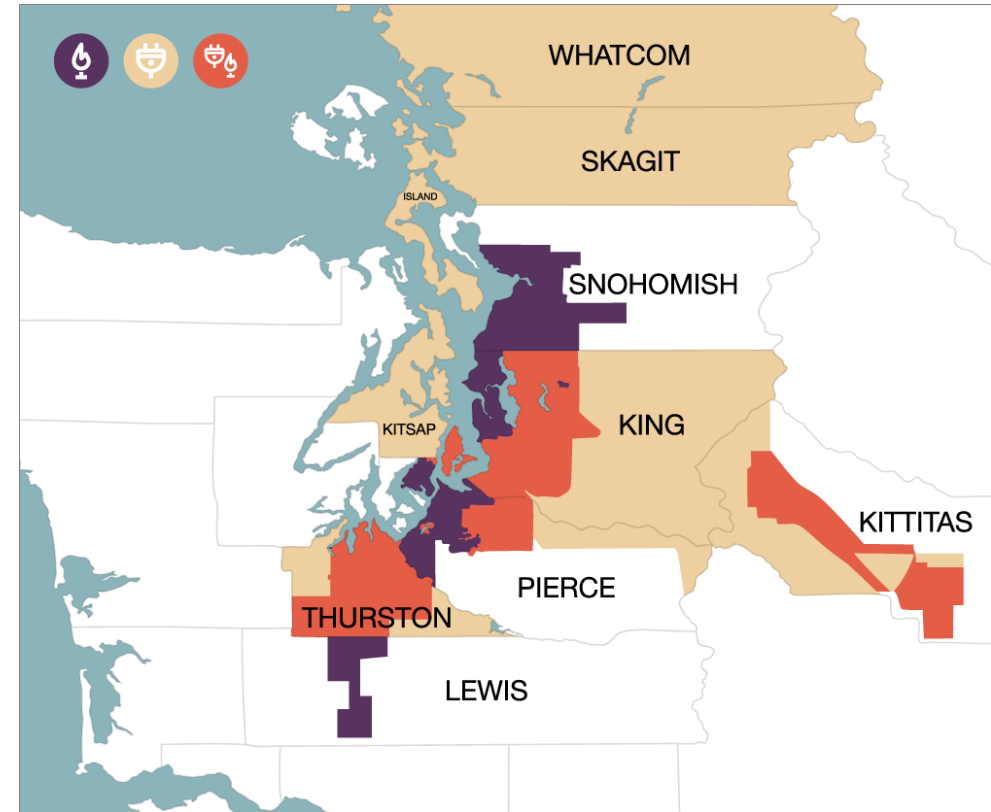
We are focused on being our customers' clean energy partner of choice, reflected in our investments to comply with the state's clean energy laws.



Reliable

We are committed to reliable service for our customers' energy needs, and we work to anticipate how those needs will evolve over time

 Natural Gas Only  Electric Only  Natural Gas + Electric



- ◆ 6,000 square mile service area in Puget Sound region of Western Washington
- ◆ 1.24 million electric customers
- ◆ 881k gas customers

Oversight of retail electric and natural gas service to customers

- ◆ The Washington Utilities and Transportation Commission (WUTC) is a three-member commission appointed by Washington's governor and confirmed by the state senate for 6-year terms.
- ◆ WUTC has oversight over three electric investor-owned utilities (IOUs) and four natural gas IOUs.
- ◆ It has broad oversight over IOUs to ensure the public interest, including oversight over rates, service, certain planning functions, safety, etc.
- ◆ Headquartered in Lacey.



Commissioner
Milt Doumit



Chair
Brian Rybarik



Commissioner
Ann Rendahl

Washington has enacted some of the most ambitious climate policies in the country

Clean Energy Transformation Act (SB 5116)

Passed in 2019 and commits WA state to a carbon-neutral electric supply by 2030 and 100% clean electricity by 2045

Clean Buildings Act (HB 1257)

Passed in 2019 and adopts a new energy performance standard for existing commercial buildings over 50,000 sq. ft.

Climate Commitment Act (SB 5126 – “Cap and Invest”)

Passed in 2021 and establishes a program aimed at capping and reducing GHGs from the largest emitting sources and industries, to work towards the state's greenhouse gas limits set in state law

Clean Fuel Standard (HB 1091)

Passed in 2021 to curb pollution from the transportation sector, which accounts for almost 45% of state GHG emissions

Decarbonization bill (HB 1589)

Passed in 2024, it streamlines planning processes, supporting the future energy choices of our customers in alignment with the state's clean energy goals



We're making progress towards these goals

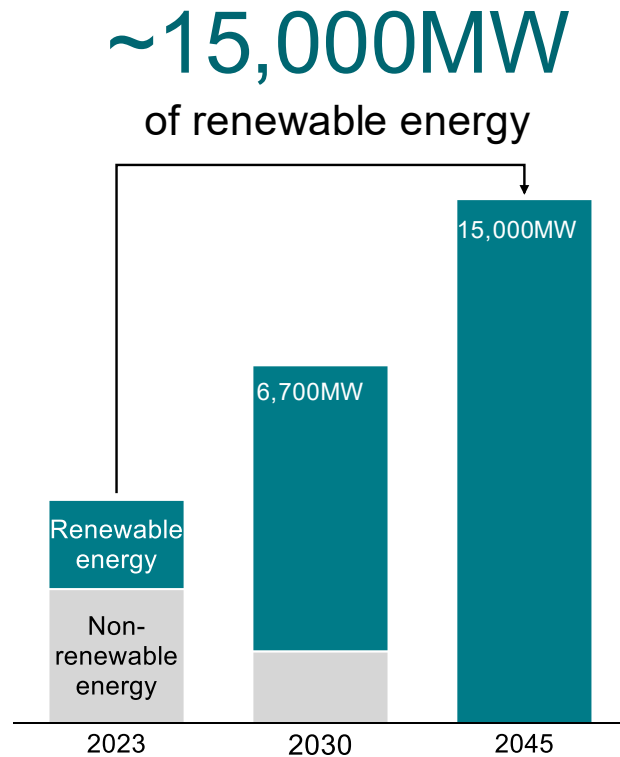
- Since 2019, we've procured more than **6,000 MW** of **renewable energy resources**.
- We're **aggressively pursuing** renewable energy resources, from large generation projects to energy produced locally in our neighborhoods and communities.
- In July 2024, we issued a request for proposals—the largest in our company's history—to help us meet energy needs by 2030. We need **5.37 million MWh of new renewable or non-emitting resources** to comply with CETA.



The path to a cleaner energy future is complex and not without challenges

- The **scale and pace** at which we need to acquire new, cleaner energy resources is **unprecedented**.
- The **demand** for electricity is expected to **increase significantly**
- **Cleaner energy technologies** that can replace reliable and dispatchable generation currently provided by coal and natural gas are **not commercially available** yet.
- Commercially available **renewable resources**, such as wind and solar, are **intermittent** in nature and lead to more volatile and **unpredictable power markets** and **reliability challenges**.
- The **electric grid** needs to be **expanded and modernized** to support the transition to cleaner energy.
- We have to balance this accelerated transformation with the need for **affordability**.

We need to acquire cleaner energy at an unprecedented pace and scale



For scale – that is equivalent to

- 700K residential solar panel systems
- + 50K residential battery storage systems
- + 8 peaking plants
- + 1,250 wind turbines
- + 45 solar plants
- + 15 hybrid generation & storage plants
- + 10 battery storage plants
- + 1,250 MW savings from conservation, demand response

Nameplate capacity required in Resource Plan (in MW)

Planning for future energy needs in alignment with customer choices and state policies

- State legislation (HB 1589) requires PSE to integrate planning for the electric and gas systems, consolidating six-plus existing plans, streamlining processes for our regulator and creating more transparency for customers.
- Natural gas is an essential part of our state's energy supply today. It is the primary source of heating for PSE's 900,000 natural gas customers.
- When demand spikes, natural gas keeps the lights and heat on, even more so when 750 MW of coal-fired generation is removed from our electricity supply at the end of 2025 per state law.



On a cold winter's day, the gas system provides **more than 2X the energy** provided by our electric system to our customers

There's a need for on-demand, clean energy resources to replace carbon emitting resources

- After 2025, our resource portfolio will no longer include nearly 750 MW of traditional coal-fired **baseload generation**.
- We need to replace this energy that acts as an **on-demand, easily dispatched** resource, serving customers when the sun isn't shining or the wind isn't blowing.
- **Emerging technologies** that could fill this gap will likely not be **commercially available** for some time.
- In the near term, the large amounts of **variable resources**, including wind and solar, being added to the system poses a **reliability risk** and **hybrid thermal peaking resources** may be needed to **bridge the gap**.



PSE's Frederickson generating station is an example of a dispatchable energy resource



PSE's Wild Horse wind facility is an example of an intermittent/variable energy resource



We need to expand and modernize the electric grid to support the transition to clean energy

- The vast majority of **renewable energy resources** in the state are located **east of the Cascade mountains**.
- To bring this energy to PSE's service area, we need to **expand and modernize** the existing **transmission and distribution infrastructure**.
- We **continually invest in our system** to maintain customer and public safety, meet customer growth and service needs, and modernize and automate the grid.

Key Rate Drivers

- ◆ Costs to implement the State's ambitious clean energy policies
- ◆ Continued investments in our infrastructure to maintain safe and reliable energy, particularly investments in wildfire mitigation
- ◆ The need for significantly more dispatchable energy to meet growing demand
- ◆ Risks abound – Govt policies, taxes, tariffs, permitting, market volatility, etc.
- ◆ PSE is managing its costs closely and focused on managing its customers' energy burden



Working to keep costs as low as possible

- There is a tension in how **swiftly** we can achieve the ambitious **emissions-free** goals set by the state and **maintain** the **affordability** of vital energy services.
- We're committed to **partnering locally**, ensuring a **range of voices** are heard, and working to keep **bills as low as possible**.
- We have a robust **portfolio of programs** to **assist our most vulnerable customers** with their bills and to provide them opportunities to **participate** in the **clean energy transition**.

We have a number of programs to help customers lower their energy bills and get financial assistance

Income-qualified programs



Bill Discount Rate

Provides ongoing help with your monthly energy bill. You can save 5%-45% a month on your bill.



Home Energy Lifeline Program (HELP)

Provides up to \$1,000 credit to help you pay your bill. If you apply for HELP, we will automatically start an application for the discounted rate, too.



Past Due Bill Forgiveness

Provides you a fresh start by forgiving a portion of your past due bill amount.

Programs for all customers



Understanding your home's energy usage

We offer a range of self-service tools to better help you understand your home's energy usage and receive personalized energy saving tips.



Upgrades to make your home more energy-efficient

We offer a host of rebates on energy efficient appliances and home weatherization solutions including heating and cooling systems, smart thermostats, insulation, windows, and more, to lower your bill long term.



Efficiency Boost

Higher than standard rebates on energy efficient appliances and upgrades to help lower your bill long term.



Home Weatherization Assistance

PSE will connect you with local agencies that can assess your home and provide free, whole-home upgrades to help lower your monthly energy bill.



Community Solar

Save up to \$240* per year on your PSE electric bill with free shares from a local community solar project.



Shifting your energy use away from times of high demand

Shift your energy use off peak hours and earn rewards.

The path forward is complex – we have a lot to do and we must account for a variety of needs.

We're committed to building a cleaner, safer, and more reliable energy future.

[PSE.com/PoweringGenerations](https://www.pse.com/PoweringGenerations)