

Grant County Public Utility District

J.P. MORGAN PUBLIC FINANCE TRANSPORTATION & UTILITY INVESTOR FORUM

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March 2024



Powering our way of life.

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Who is Grant PUD?

Serving Grant County since 1938

We are a public utility providing power and fiber service for Grant County. We own and operate the Priest Rapids Project on the Columbia River in Central Washington. The Priest Rapids Project, comprising Priest Rapids and Wanapum dams, has the capacity to produce more than 2,000 megawatts of clean, renewable and reliable electricity.



Our Strategy

5 Strategic Pillars:

1



Ensuring long-term affordable rates for our core electric customers

2



Sustaining our focus on engaged, empowered & enabled employees

3



Committing to accurate & responsive customer service

4



Developing an intentional power demand strategy

5



Caring for our communities through active engagement



OUR VALUES



SAFETY

Everyone home safe,
every day.



INNOVATION

We make decisions that
best serve present and
future generations.



SERVICE

We are committed
to excellent
customer service.



TEAMWORK

We are one team with
the same mission.



RESPECT

We honor the rights and
beliefs of those we work
with and serve.



INTEGRITY

We hold ourselves and
others accountable to
be professional in our
actions and words.



HERITAGE

We preserve and
perpetuate the spirit of
the PUD and Wanapum
relationship.





Generation

- 1955-FERC license issued to construct PRP
- Both dams were generating power by 1963 (Priest Rapids Development first power generation in 1959, Wanapum first power generation in 1963).
 - At the time the final unit was installed, PRP was the largest non-federal project
 - Long-term power sales contracts for separate developments with 8 Northwest utilities through 2005/2009
- 2005 & 2009– new offtake contracts went into effect – combined output of Priest Rapids and Wanapum developments with 26 purchasers

Historical Cost of Production

Year	\$/MWh	% Avg Water	MWh Gen
2023	\$27.38	74%	6,965,606
2022	\$20.74	111%	9,258,486
2021	\$20.00	87%	9,056,940
2020	\$18.02	104%	9,463,889

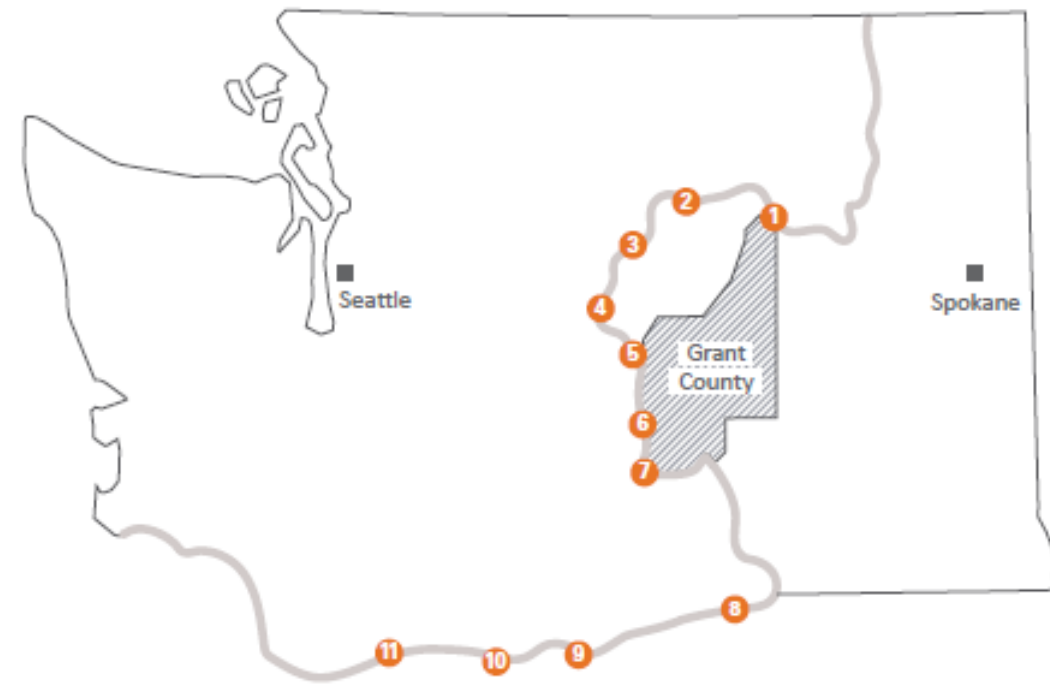


Photo Credit: John Price

Generation

- 2008-FERC awarded new 44-year license to operate PRP (2052 license expiry)
- 2013- Grant PUD celebrates the completion of its Advanced Turbine Replacement Project at Wanapum Dam. The project included the replacement of all 10 of the dam's original turbines.
- 2016- Priest Rapids Dam turbine and generator rewind work begins
- 2020 - In October, the final rehabbed generating unit at Wanapum Dam went online. This marked the completion of a 20-year project to modernize all of the dam's 10 turbines and generators.
- 2023- Priest Rapids Dam - 5th unit completed in November 2023 ahead of schedule, final unit expected to be completed 2/05/2030 (each unit approximately is 14 months)

Generation - PRP




1 Grand Coulee Dam
(River Mile 596.6)
Bureau of Reclamation

5 Rock Island Dam
(River Mile 453.4)
Chelan PUD

9 John Day Dam
(River Mile 215.8)
Corps of Engineers

2 Chief Joseph Dam
(River Mile 541.1)
Corps of Engineers

6 Wanapum Dam
(River Mile 415.8)


10 The Dalles Dam
(River Mile 191.5)
Corps of Engineers

3 Wells Dam
(River Mile 515.1)
Douglas PUD

7 Priest Rapids Dam
(River Mile 397.1)


11 Bonneville Dam
(River Mile 145.5)
Corps of Engineers

4 Rocky Reach Dam
(River Mile 473.0)
Chelan PUD









8 McNary Dam
(River Mile 292.0)
Corps of Engineers

Generation - PRP

Recreation and natural resource requirements accompany the stewardship of PRP

- One of the region's greatest contributors to the enhancement and protection of native fish/habitat



-  Fishing
-  Camping
-  Boat Launch
-  Hiking
-  Swimming
-  Picnic Area
-  Sheltered Picnic Area
-  Hand Launch



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RECREATION SITES

5
Grant PUD operates five public campsites within our project lands on the Columbia River shoreline.



Powered by Recreation

Generation

2023 PRP Project Cost Allocation

Grant PUD	86.22%
PacifiCorp	3.02%
Portland General	3.02%
Puget Sound Energy	1.74%
Avista	1.33%
Tacoma Power	0.69%
Seattle City Light	0.67%
Cowlitz PUD	0.39%
EWEB	0.34%
Exchangers (9 small shares)	2.58%
	100%



- The long-term contracts define output rights and percentage share of production costs on an annual basis.
- Grant's output rights are to claim physical power to meet load on a critical water planning basis up to 63.3% of output.
 - Grant's retail load met this level in 2014
- 6.69% of output contractually goes to long term purchasers
 - 2.48% Exchangers, 4.21% Conversion Contracts
 - Historically purchasers received a larger share of output as Grant's load was growing

Generation

- 30% of output via a contractual financial mechanism allows Grant to meet load on a critical water planning basis.
- Total physical and financial rights to PRP project are expected to be exhausted in 2024. Retail customers' loads won't surpass expected project capabilities until after 2030.
- The District utilizes the wholesale market for meeting load combined with other resources



**Providing clean,
renewable power to
the region**

Our mission is to efficiently and reliably generate and deliver energy to our customers. Grant PUD operates multiple generation sources and delivers power to more than 40,000 customers.

Generation & Other Power Sources

- Two in-county small hydro generation projects operated by the District with rights to output, contracts with the Columbia Hydro Power Authority (owner), expiry in 2025 and 2030
- Nine-Canyon Wind Farm output contract managed by Energy Northwest, expiry in 2030
- Bonneville PF contract for small Grand Coulee area load (~5 aMW), expiry in 2028
- District manages wholesale program through long-term and short-term market contracts to meet retail load and to manage wholesale position



1 WANAPUM DAM

Generation Units	10
Rated Capacity	1,221.7 MW
Concrete/Earthfill Length	8,637 FT
Rated Head	80 FT
Construction Started	1959
First Power Generation	1963

2 PRIEST RAPIDS DAM

Generation Units	10
Rated Capacity	950 MW
Concrete/Earthfill Length	10,103 FT
Rated Head	78 FT
Construction Started	1956
First Power Generation	1959

3 QUINCY CHUTE HYDROELECTRIC PROJECT

Rated Capacity	9.4 MW
First Power Generation	1985

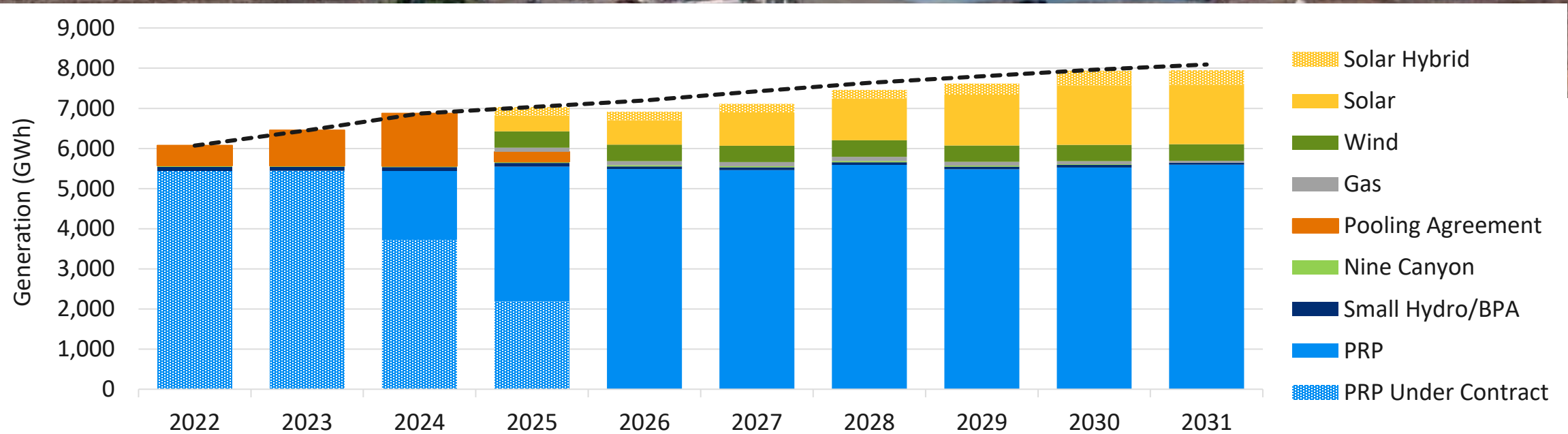
4 POTHoles EAST CANAL HEADWORKS PROJECT

Rated Capacity	6.5 MW
First Power Generation	1990

5 NINE CANYON WIND PROJECT

12.5% of Project Peak Capacity	12 MW
First Power Generation	2003

Expected Energy Generation

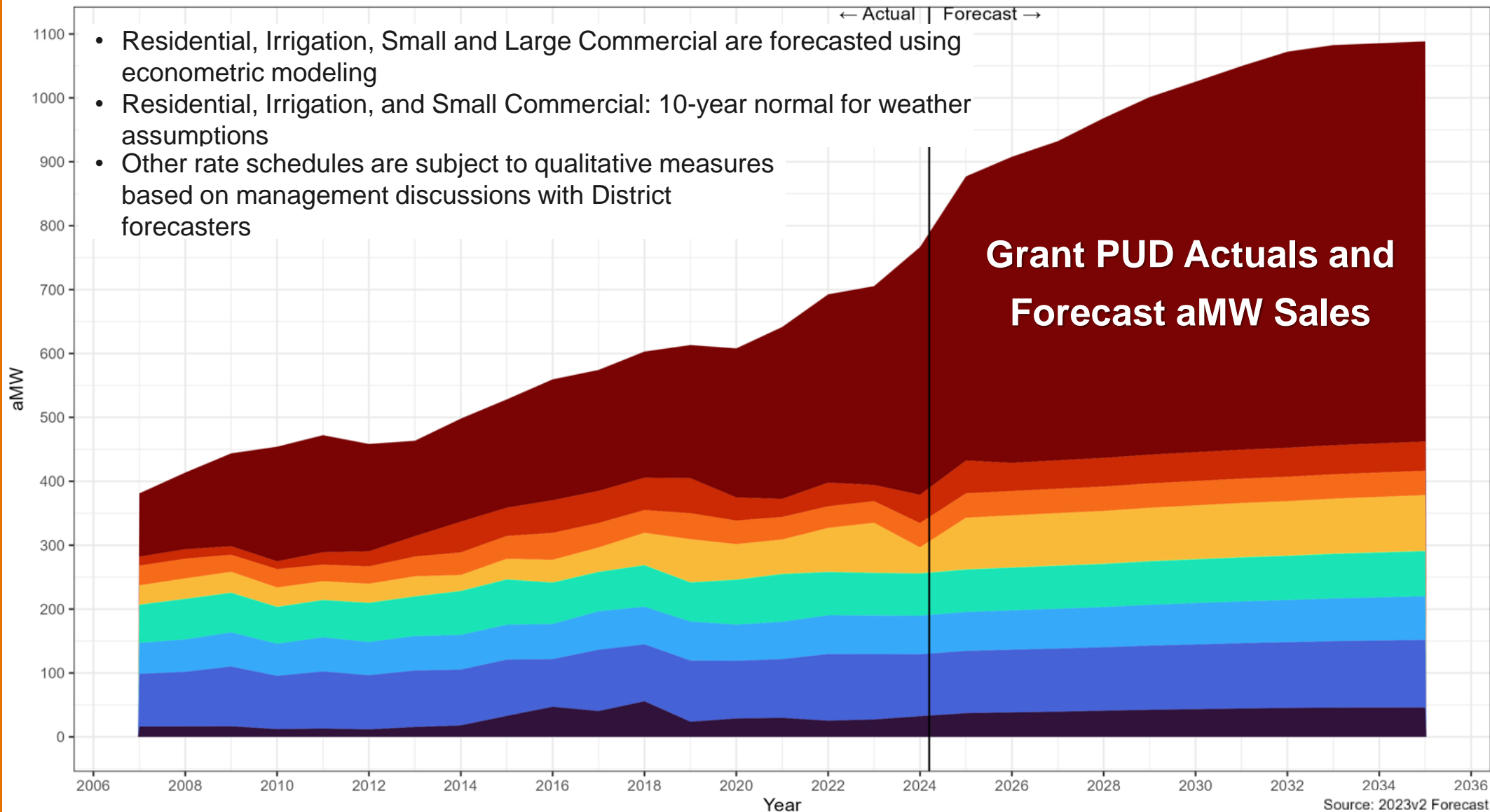


Integrated Resource Plan (IRP)

- State law requires that every two years we develop a comprehensive resource plan
- IRP assesses customer electric needs over a ten-year planning horizon
- Sufficient resource to meet forecast energy requirements through the expiration of our pooling agreement in 2025
- Need to obtain additional clean energy resources to meet primary Clean Energy Transformation Act compliance beginning in 2030

Selected Portfolio (Energy)	2025	2026	2027	2028	2029	2030	2031
From Existing Portfolio (aMW)	675	637	634	647	637	640	644
From Portfolio Additions (aMW)	127	152	177	202	233	266	263
Total from Selected Portfolio (aMW)	803	790	812	849	869	906	908
Additional Needs for Load (aMW)	28	32	36	20	21	3	16

Electric System Retail



- Residential, Irrigation, Small and Large Commercial are forecasted using econometric modeling
- Residential, Irrigation, and Small Commercial: 10-year normal for weather assumptions
- Other rate schedules are subject to qualitative measures based on management discussions with District forecasters



Source: 2023v2 Forecast

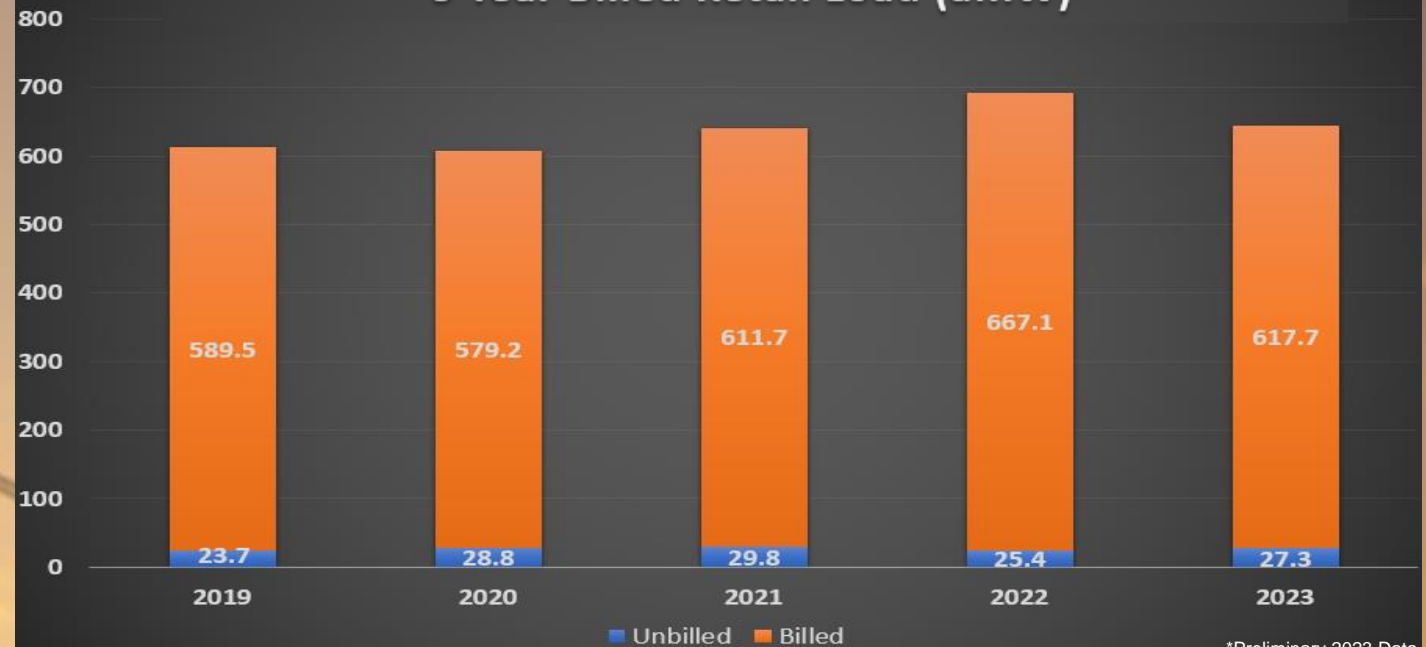
Electric System Retail

- Growing overall system retail load, net 29% increase in past 10 years and 13% in the past 5 years
- System is dual peaking
 - Summer 2023 peak 942MW (July)
 - Winter 2024 peak 1014MW (January)
- Residential and irrigation rate base has been stable with a large demonstrated growth experienced in the commercial/industrial sector
- Customer driven growth includes upfront payments from customers for a connection fee
- System capital investment in distribution and transmission infrastructure enabling additional future growth

Retail Revenue (\$ Millions)



5 Year Billed Retail Load (aMW)



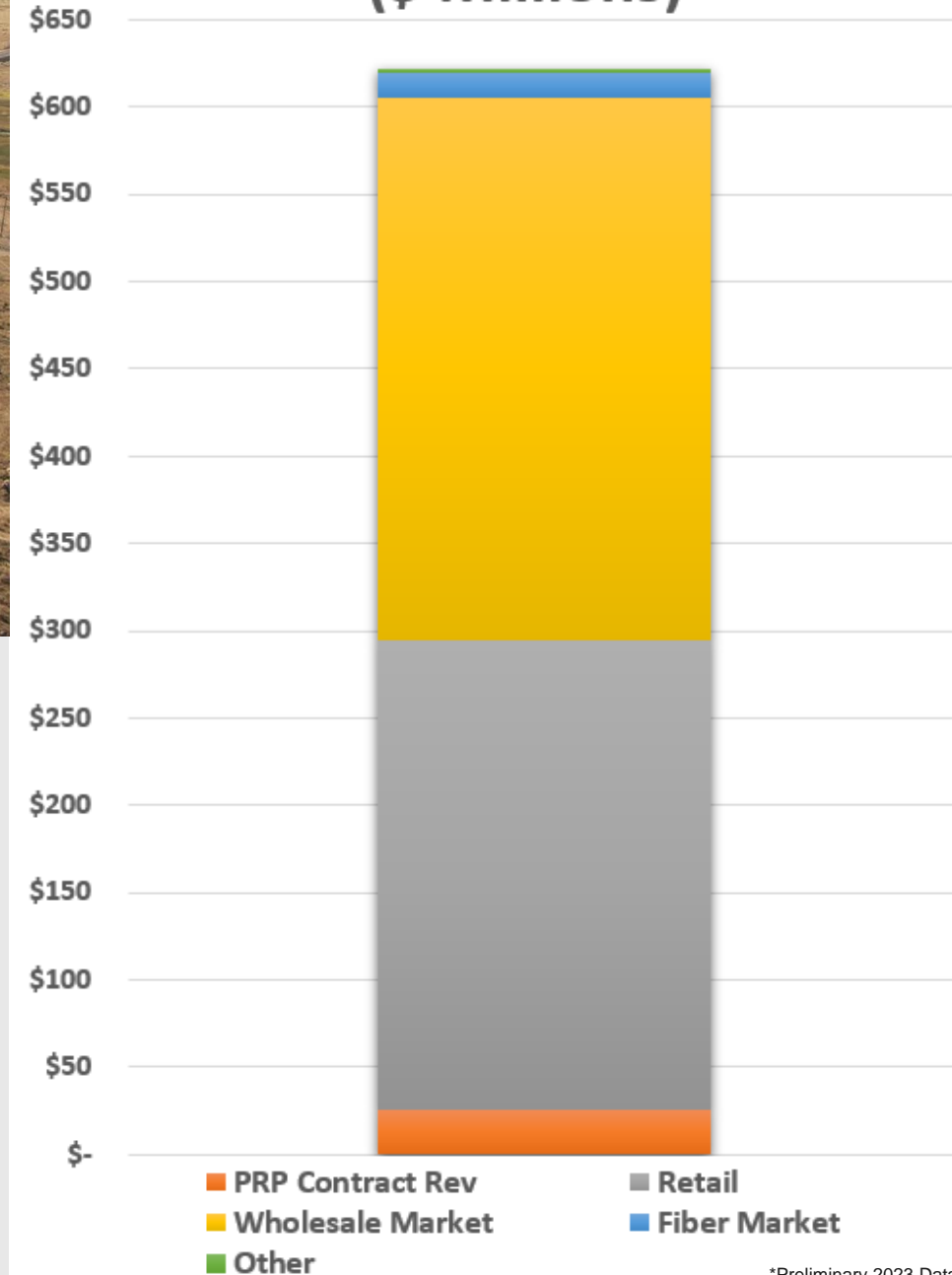
Electric System Retail



- Electric System meets the load of retail customers and manages power supply
- District maintains a large service area with ~3,900 miles of distribution lines and ~500 miles of transmission lines
- Electric System comprised of sophisticated single- and three-phase electric service
- Wholesale fiber operations is included in Electric System with an increasing “take rate” of ~67%



Consolidated Revenue 2023 (\$ Millions)



Electric System Retail

How Do Our Rates Compare?

Average electricity rate for
residential customers*



UNITED STATES



WASHINGTON



GRANT PUD

Residential Electricity Rates
2023 Average

*Source U.S. Energy Information
Administration 2023 Average

Electric System Retail

- Commission has statutory rate-making authority
- Managed based on financial metrics to address inflation pressure, the Commission approved a price increase of 3% averaged over all rate classes
 - Effective April 2, 2023
 - Effective April 1, 2024
- Low retail delivered rates, resulting from PRP favorable generation economics combined with wholesale management/strategy
- Rates are set based upon meeting or exceeding financial targets in future years
- Rate policies provide protection to core retail customer classes and allocate marginal costs associated with growth-risks to non-core customers



Electric System Retail

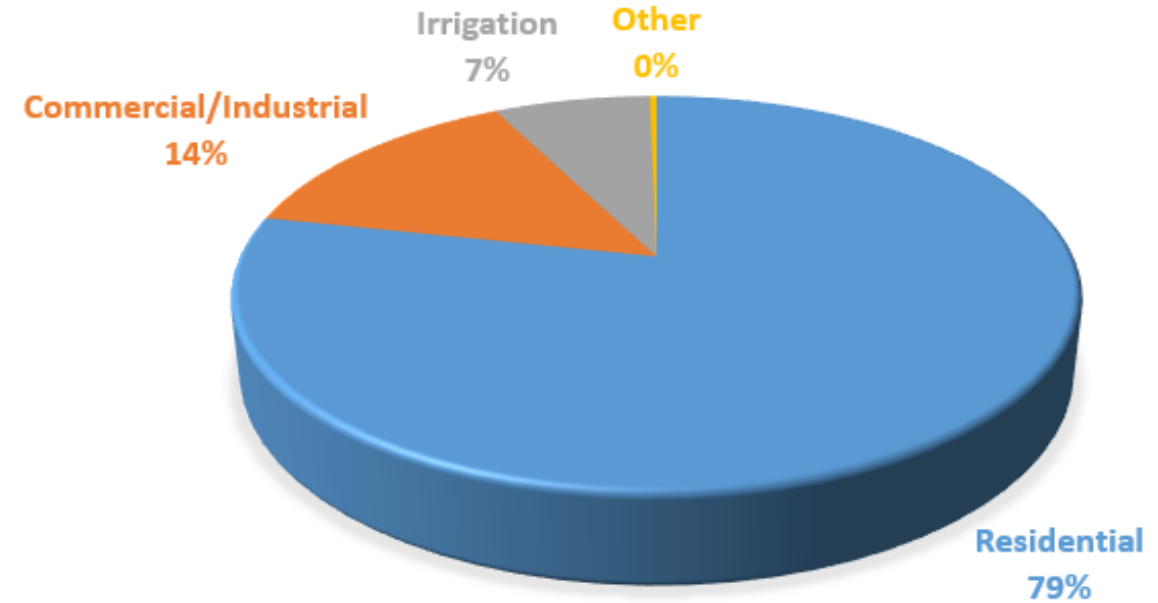
Electric System
Retail Meters
55,012

Customer Count
40,993

Service Territory
Over 90%
Electric Heating

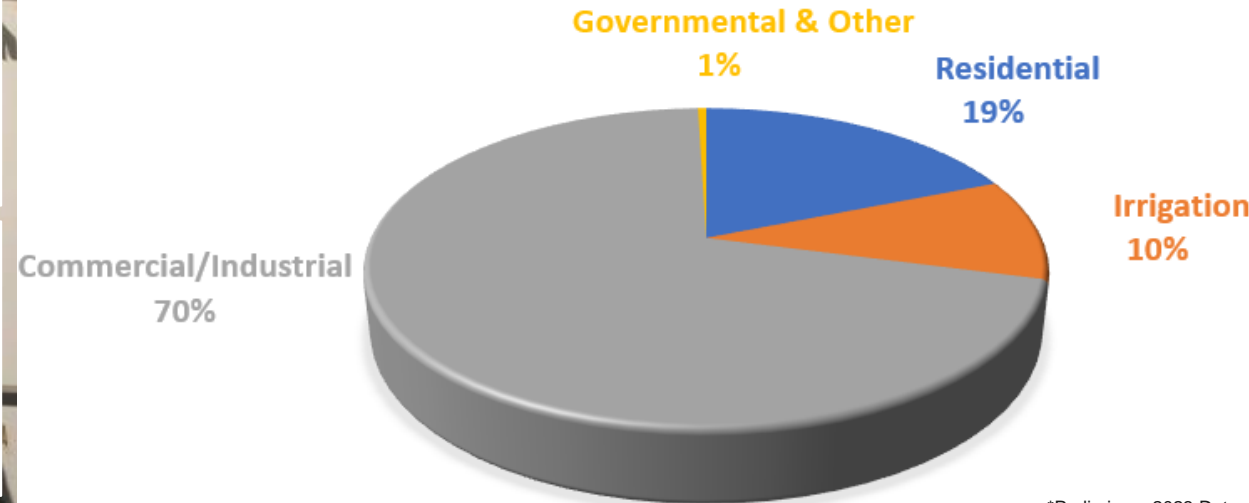
Grant PUD is the
Only Electric
Service Provider
in the County

2023 CUSTOMER COUNT



*Preliminary 2023 Data

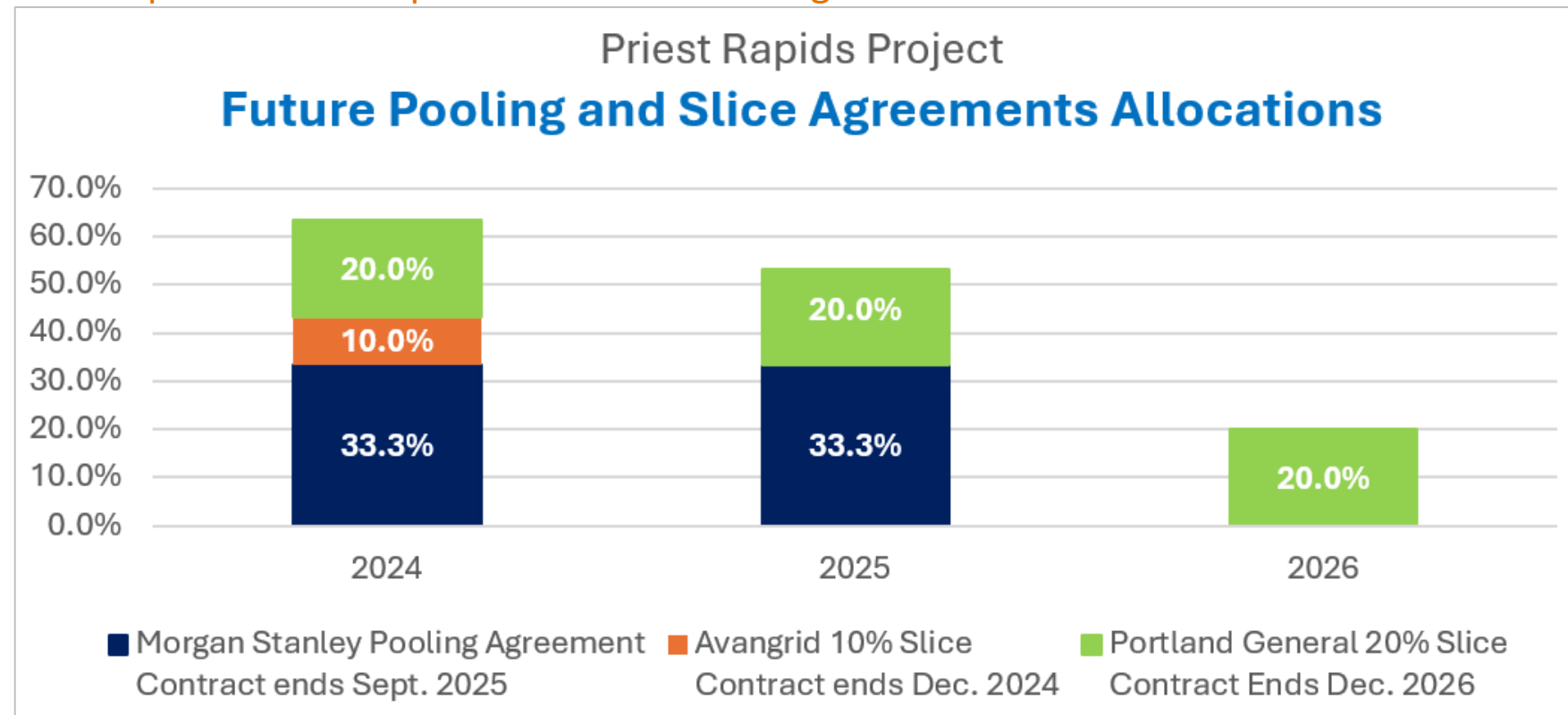
2023 RETAIL REVENUE



*Preliminary 2023 Data

Wholesale Power Services

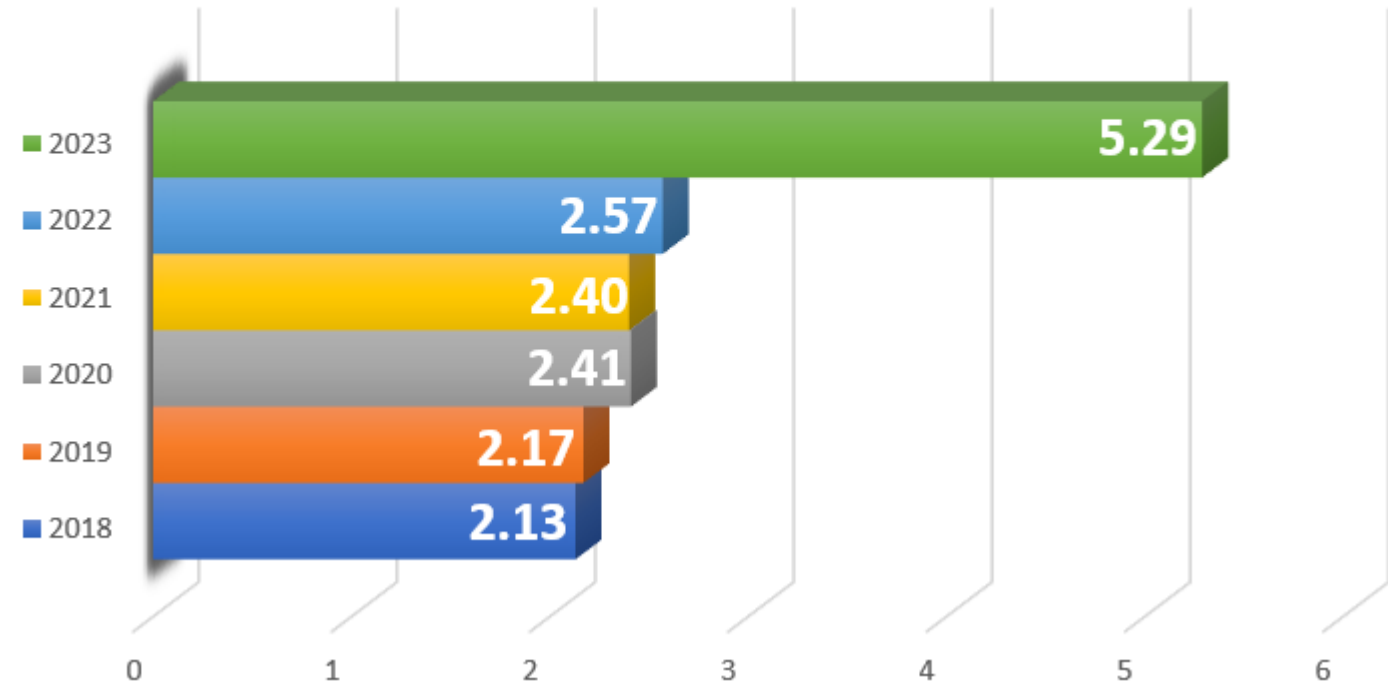
- District has implemented a hedging strategy over time that mitigates inherent fuel (water supply) risks and market costs
- “Slice” contracts have been a historical operational component of PRP with long term and shorter-term purchasers
- Electric System sells “slice” output contracts from 63.3% physical offtake of PRP
- District receives firm revenue stream from 30% of the physically sold reasonable portion of the Priest Rapids Project and can purchase load positions in netted contracts
- Market purchases and sales are utilized as needed to manage smaller positions
- In the process of evaluating the 10% slice



Financial Results

- District has demonstrated strong financial results with robust planning parameters
- Debt Service Coverage target $\geq 1.8x$
 - Senior Lien Bond Covenants:
 - Electric System 1.25x
 - PRP 1.15x PRP
- 2023 Debt Service Coverage includes \$45.0M historical decrement for future Debt Service Coverage calculation

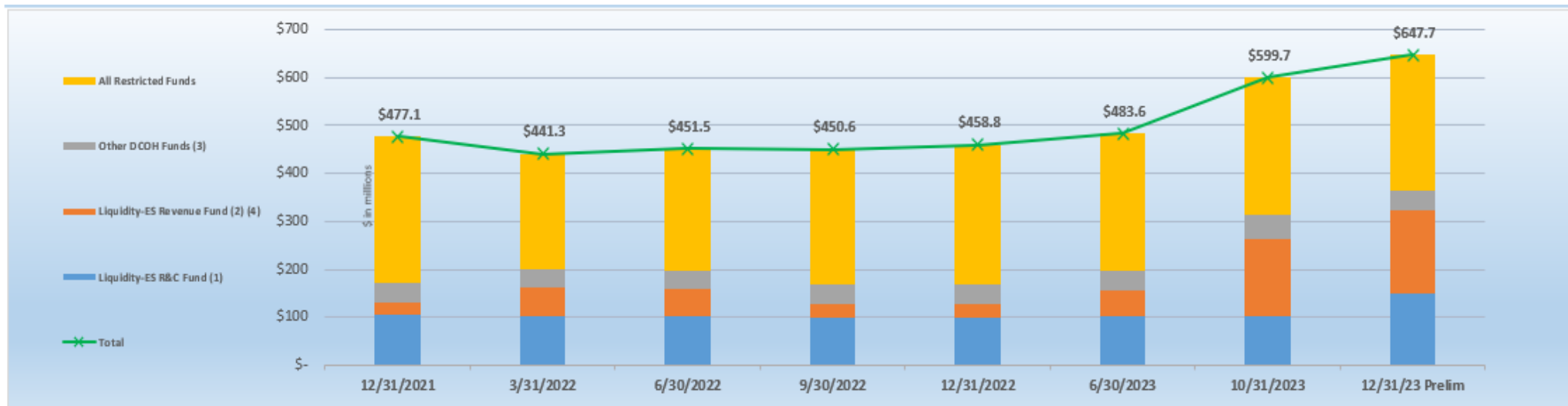
Debt Service Coverage Results (consolidated)



*PRELIMINARY 2023 data

*Preliminary 2023 Data

Financial Results



- 2023 Net Income = \$353.8 million
- 2023 Days Cash On Hand = 628 days consolidated
- Targeted Debt to Net Plant Ratio of $\leq 60\%$
- 2023 Total Utility Plant (book value) \$2.5 billion

*PRELIMINARY 2023 data

- District maintains strong credit ratings
 - Moody's Aa3 both systems
 - Fitch AA both systems
 - S&P AA PRP / AA+ Electric System

*PRELIMINARY 2023 data

Financing Plan

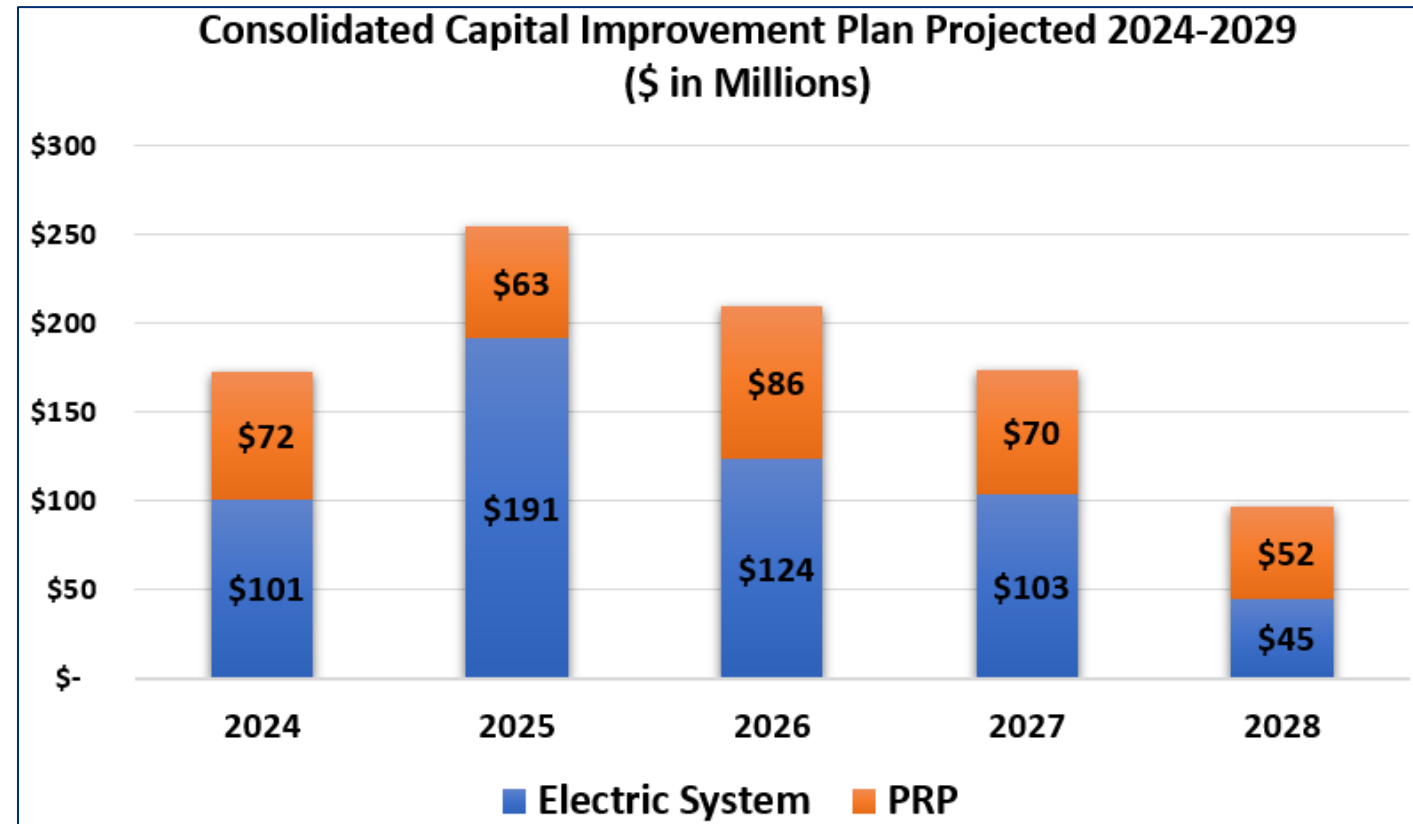
5-Year Capital Improvement Plan Projection: \$1.06 Billion
Approximately \$97-\$255 Million Per Year

PRP Capital Improvement Plan

Projected 2024-2029	(\$ in Millions)
Capital Directs	\$401
Capital Administration and General	\$14
Capital Labor	\$44
Total	\$459

Electric System Capital Improvement Plan

Projected 2024-2029	(\$ in Millions)
Capital Directs Electric System	\$468
Capital Directs Fiber	\$44
Capital Administration and General	\$13
Capital Labor	\$75
Total	\$600

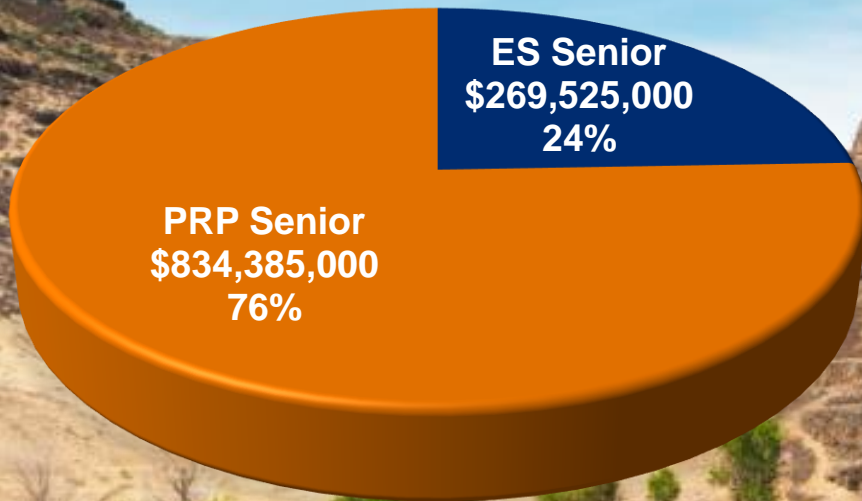


*2024 data from Commission approved 2024 budget; years 2025-2028 from Q4 2023 forecast

Financing -Existing Debt

- The District issues taxable and tax-exempt debt and utilizes both fixed-rate debt and variable rate instruments

OUTSTANDING EXTERNAL DEBT



*Preliminary 2023 Data

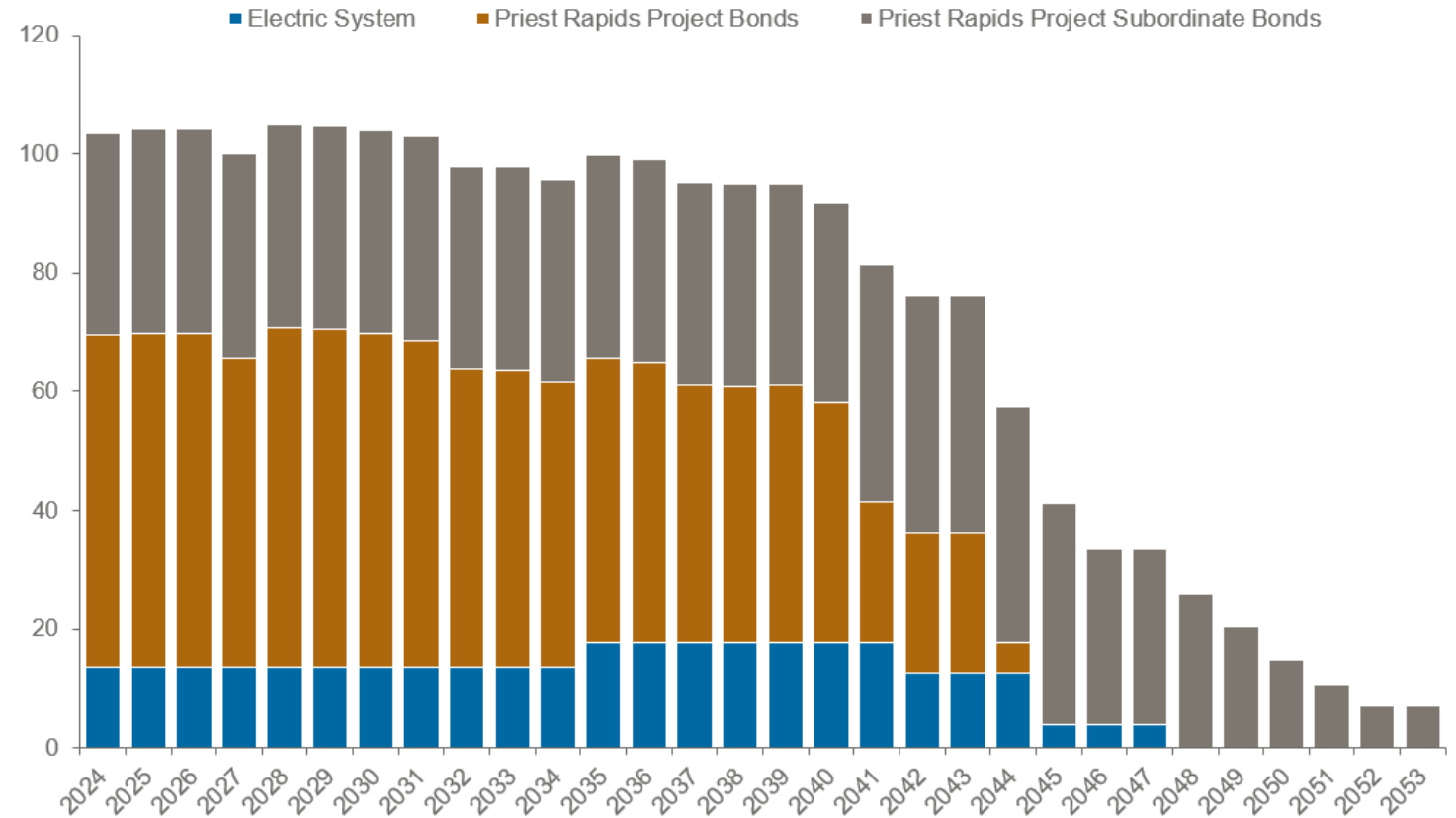
Debt Portfolio Statistics

Weighted Average Coupon Rate of Fixed Debt	4.0%
Weighted Average Life of Debt Portfolio	8.42 Years
Effective Cost of Debt of Debt Portfolio (Net of Interest Rebates)	3.6%

*Preliminary 2023 Data

Total Annual Debt Service with Projected Sinking Fund Deposits

\$Millions



Priest Rapids Project Subordinate Bonds were purchased by the District's Electric System as an investment
 Electric System debt service excludes Series 2023-U \$49.265 million maturity in 2026 which is expected to be refinanced
 CREBs debt service assumes annual sinking fund payment schedules the District has covenanted to deposit in an amount sufficient to pay bonds at maturity

Thank You!



- Additional investor information available on District “Bond Holders and Potential Investors” page:
 - <http://www.grantpud.org/your-pud/who-we-are/bond-holders-and-potential-investors-page>
 - Provides easy access to Official Statements for all outstanding bonds
 - Annual reports
 - Rating agency reports
 - Notice of Sale Documents (when applicable)
 - Investor presentations (when applicable)
- This presentation can be accessed at the above website
- Munite Information Hub
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