

Serving our customers



Energy Risk Management / Power Supply Update

April 26, 2023

Power Supply

Section 1

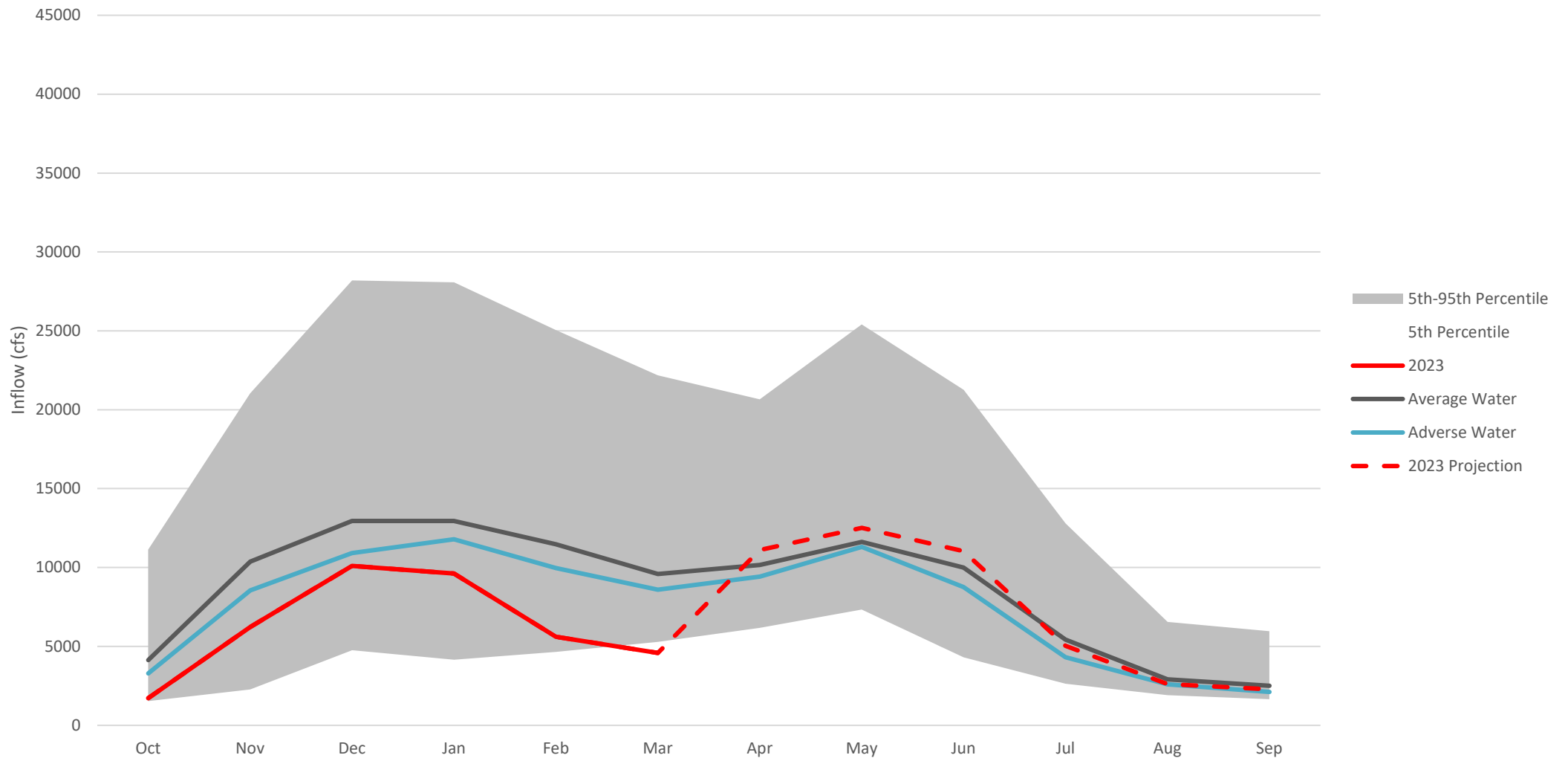
Graph 1: Tacoma Power Hydroelectric Resource Overview

(Map of Tacoma Power’s Hydroelectric Projects and the Federal System)

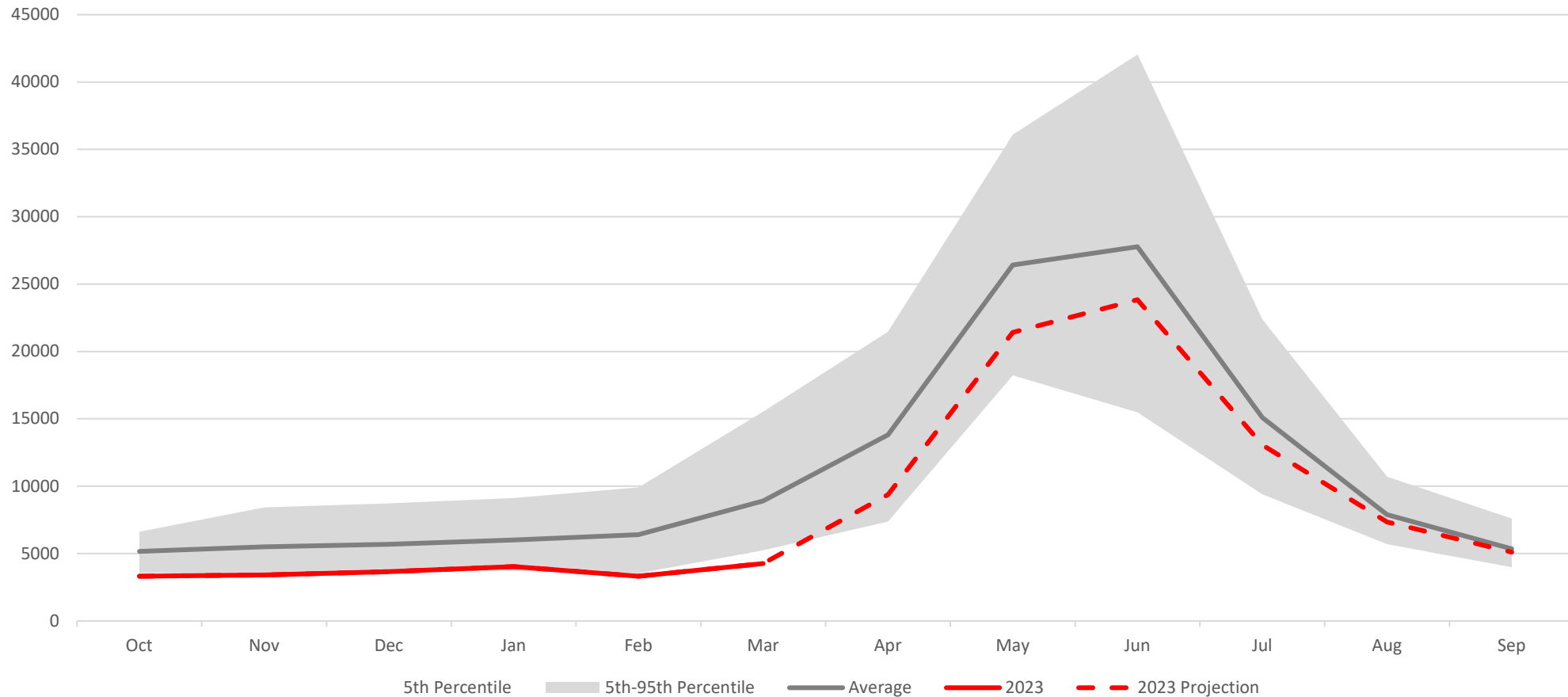


Graph 2: Tacoma System Inflows – Water Year 2023, Very Low Spring Inflows, Above Average Runoff

(Tacoma System Hydro Inflows, Water Year 1929 – 2023 YTD)

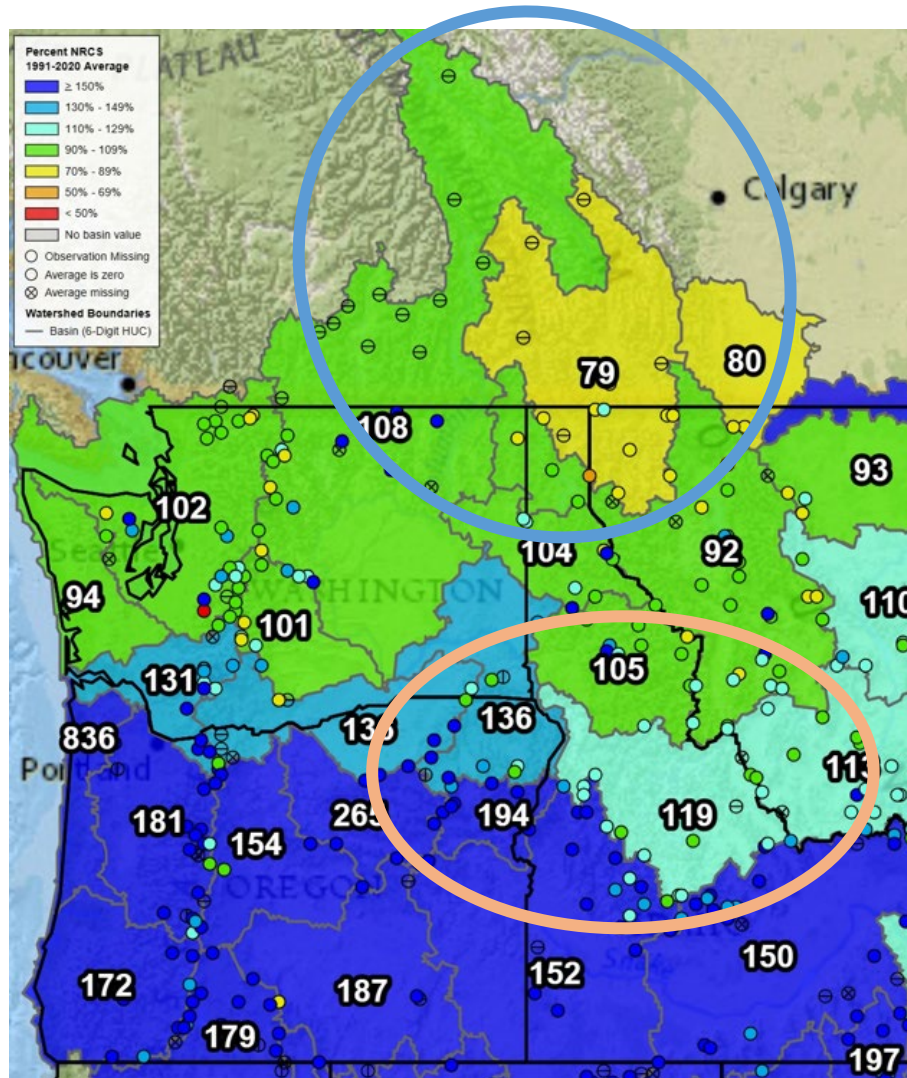


Graph 3: Federal System Inflows – Very Low Inflows
(Federal System Hydro Inflows, Water Year 1961 – 2023 YTD)



Graph 4: Regional Snowpack

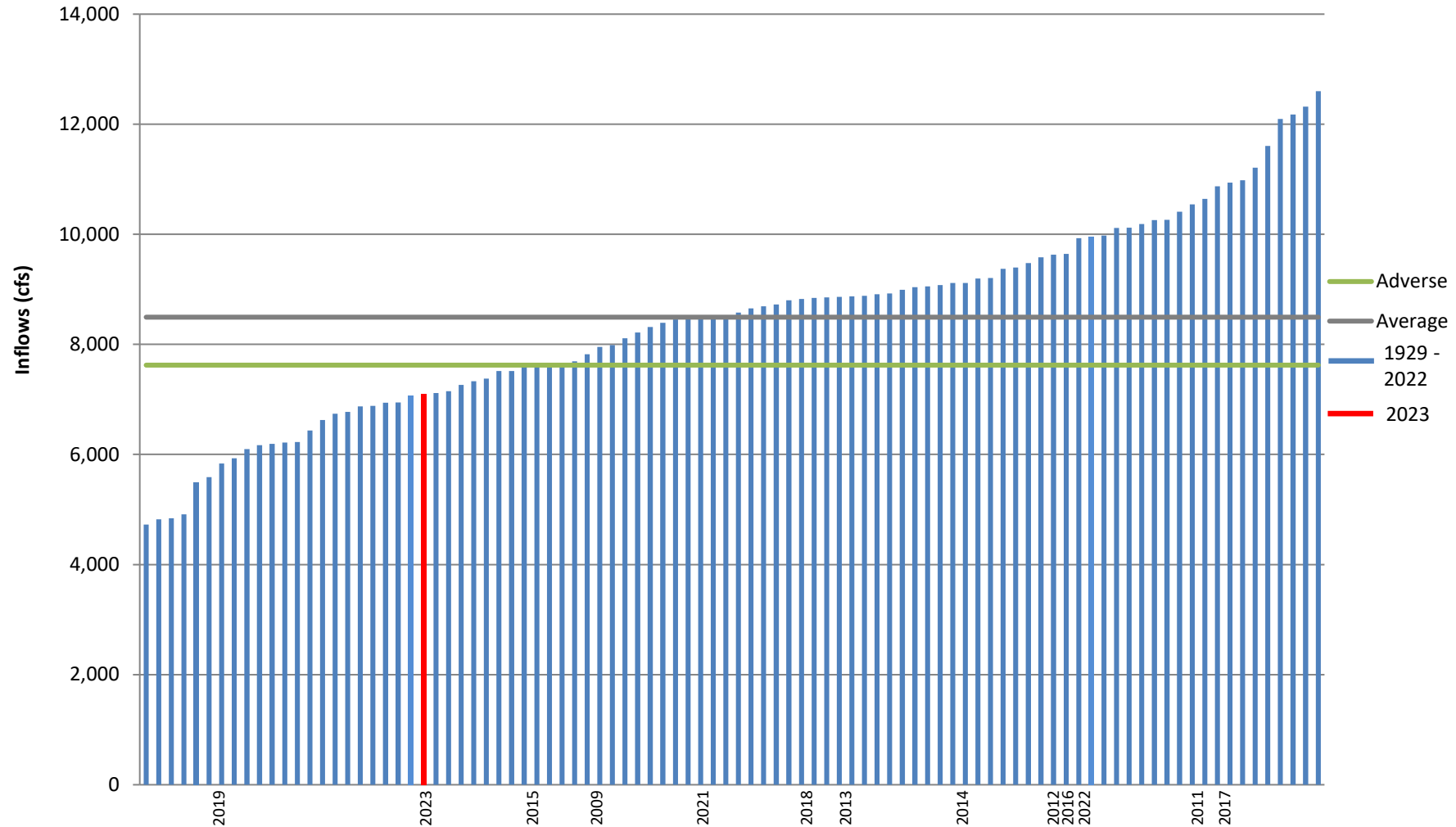
(Snowpack is Above Normal for Tacoma's Projects and Slightly Below Normal for the Federal System)



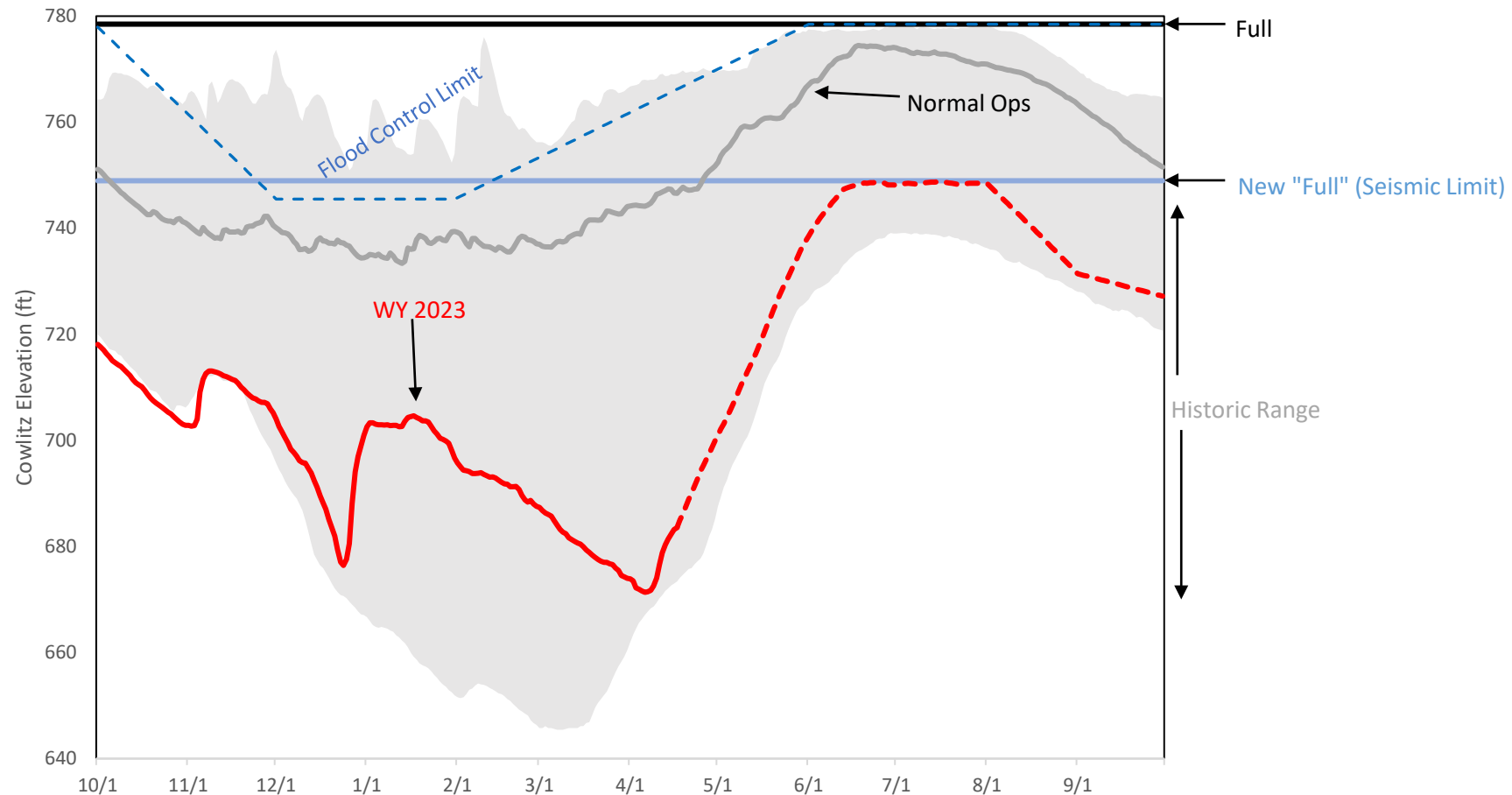
Bulk of Federal System Inflows driven by Upper Columbia Snowpack (below normal)

Smaller percentage of Federal System inflows driven by Snake Basins (above normal)

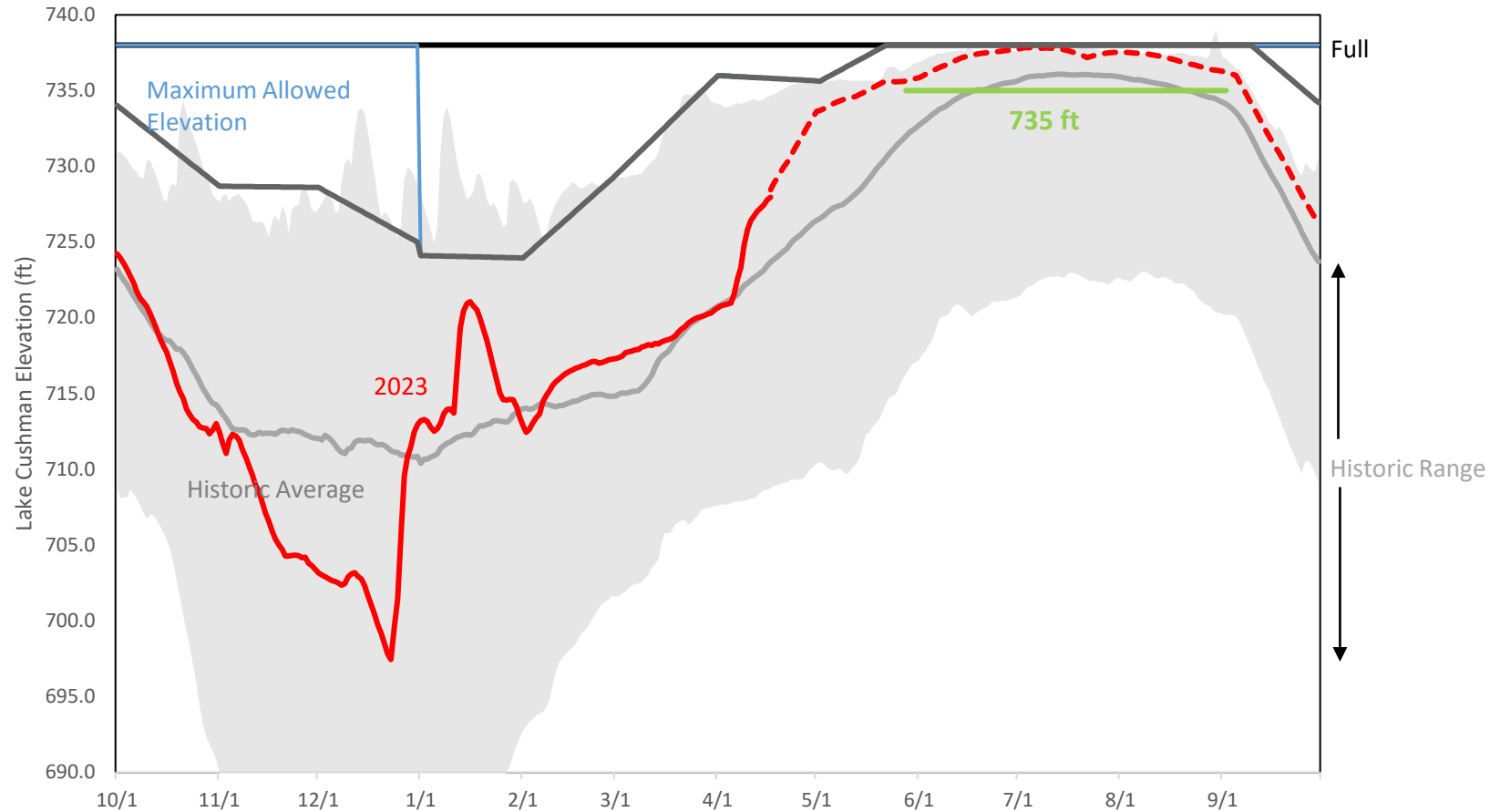
Graph 5: Expected WY 2023 Tacoma System Inflows – Currently Below Adverse
(Tacoma System Inflows Annual Avg., Water Year 1929 – 2023 YTD)



Graph 6: Cowlitz Project's Elevation is Well Below Average, Likely to Refill
(Cowlitz Elevation, Current vs. Historic)



Graph 7: Cushman Project Elevation – Running Conservatively for Refill
(Cushman Elevation, Current vs. Historic)



Wholesale Net Revenues

Section 2

Energy Risk Management Overview

Energy Risk Management Program Objective

The objective of the program is to **manage the variability** from our power supply portfolio

Program Components

Identify & Quantify Risks

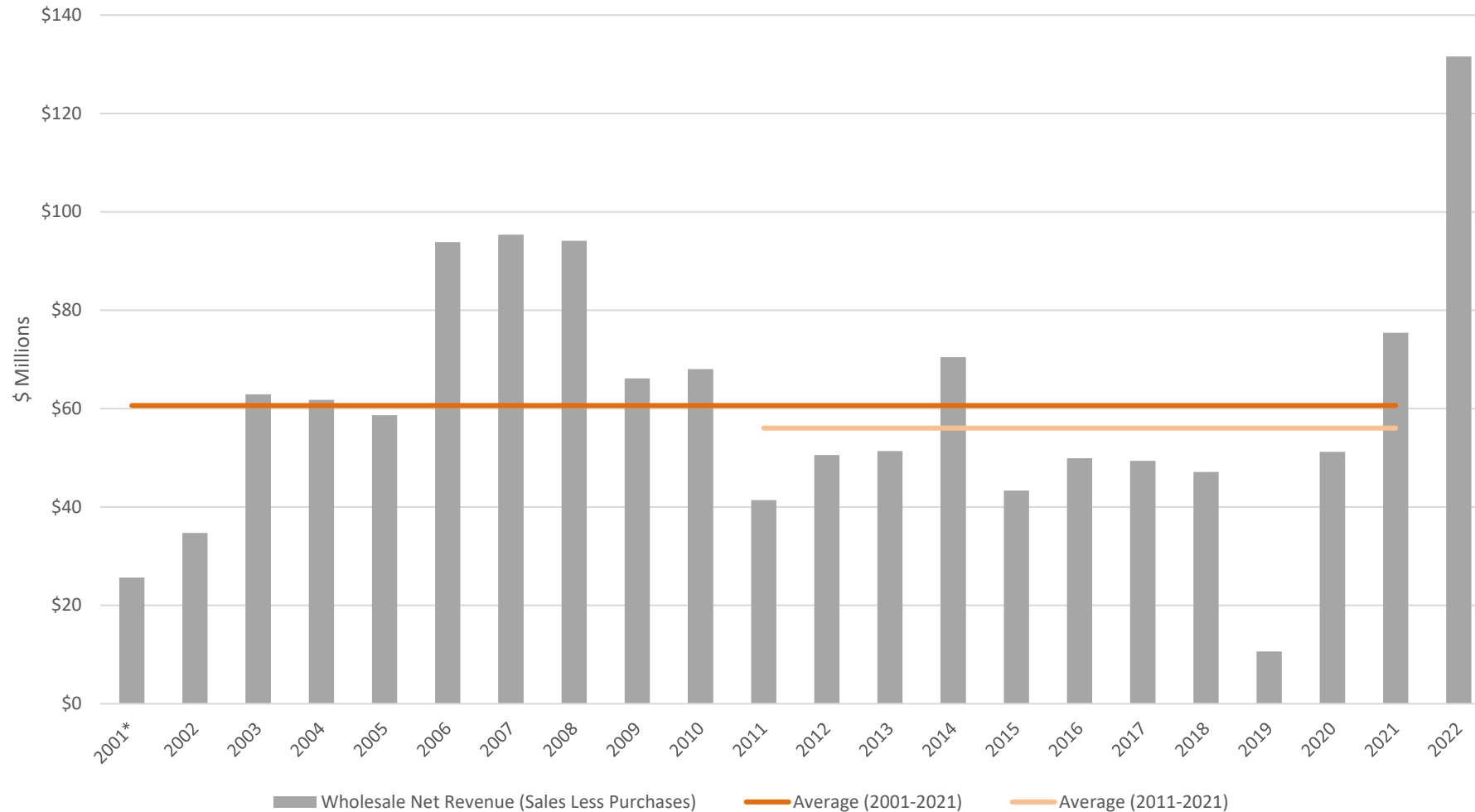
Risk Tolerance & Policies

Hedging Program & Metrics

Trade Controls & Processes

Monitor & Report Risks

Graph 8: Wholesale Revenues are Historically Volatile

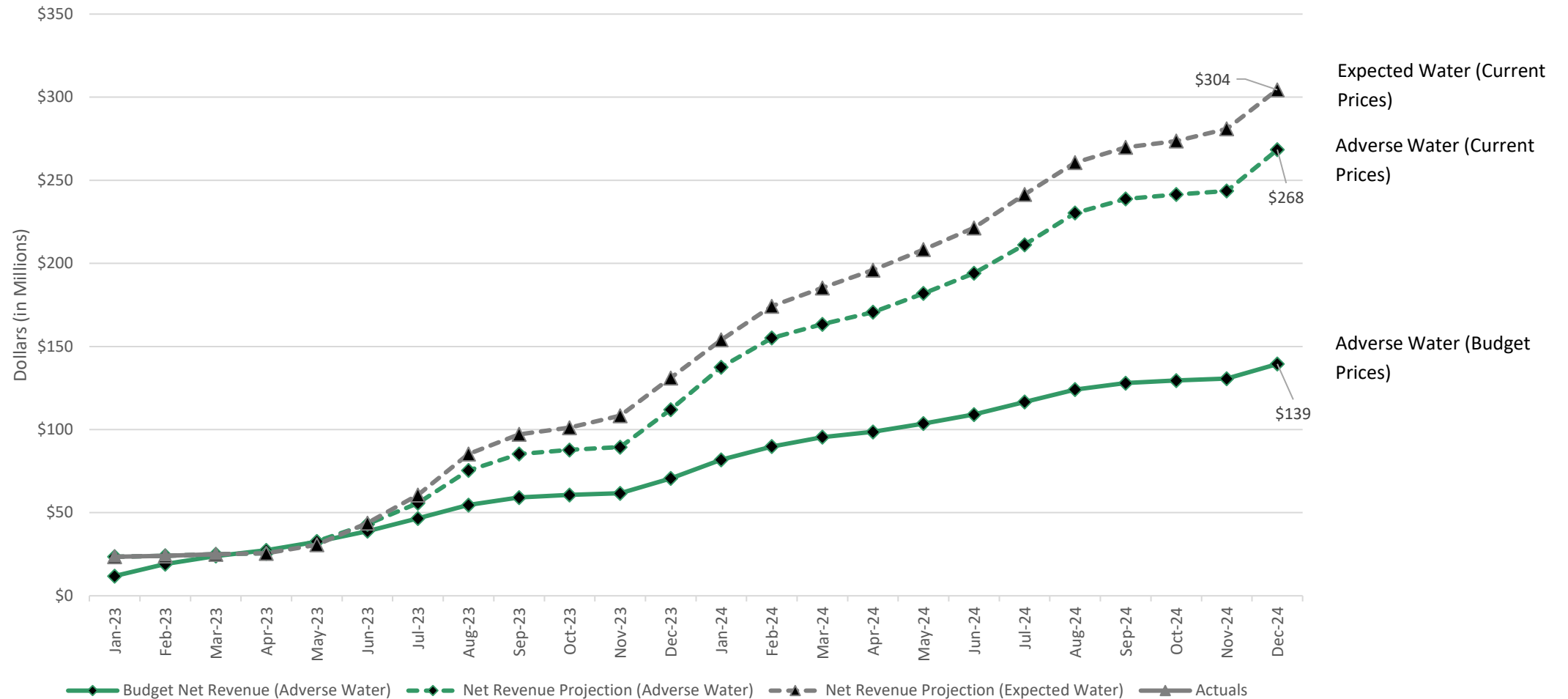


* Does not include purchases (data not available)

Wholesale Net Revenues – 2023/2024

Graph 9: Actual Wholesale Revenues On Pace with Budget, Early Projections Exceed Budget

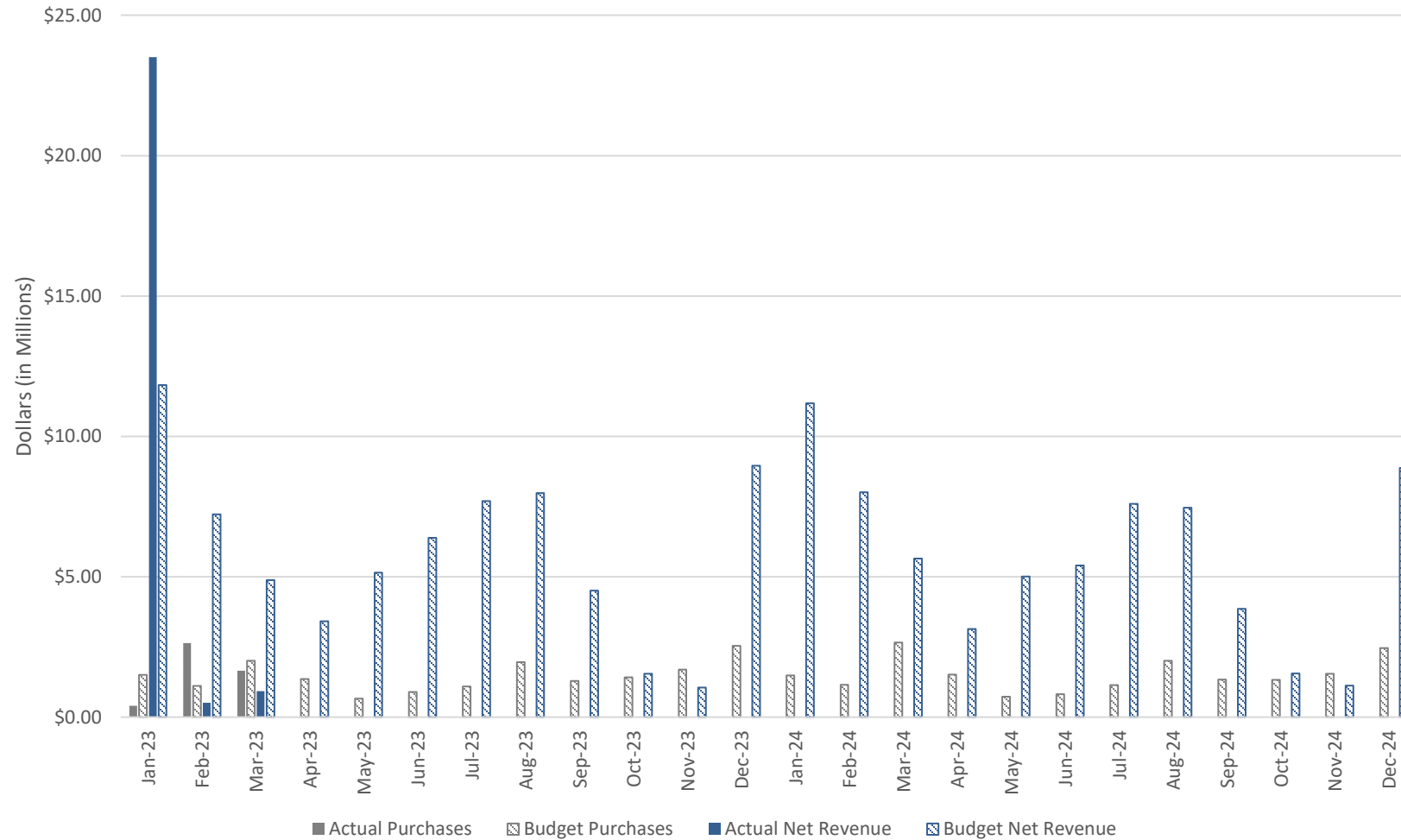
(Cumulative Actual vs. Budget Wholesale Net Revenues, 2023 – 2024)



Wholesale Net Revenues – 2023/2024

Graph 10: January Net Revenues Well Above Budget, February and March Below Budget

(Monthly Actual vs. Budget Wholesale Purchases and Net Revenues)



Graph 11: Modeled Monthly Net Position Lookback

(Risk Model Simulation of Expected Surplus compared to Actual Net Position)

