



ENERGY NORTHWEST

2025 Annual Report

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Energy Northwest Facts

Headquarters

Richland, Wash.

Employment Figures

Approximately 1,000 full-time employees

Projects and Services

- Four power generation projects
- Environmental and analytical services
- Operations and maintenance services
- Equipment calibration services
- Power system solutions
- Project development
- Demand-side management services

To learn more visit our website:

www.energy-northwest.com

and our blog:

www.northwestcleanenergy.com



A Message to our Stakeholders

Energy Northwest is committed to securing the Northwest's clean energy future by delivering reliable, predictable and carbon-free power. Our diverse portfolio —hydroelectric, wind, solar, battery storage and the region's only nuclear facility — positions us to meet the growing energy needs of our members and communities.

As a public power agency, we take responsibility beyond electricity generation. We measure success not only by performance but also by the positive impact we create across the region. This commitment drives our three strategic priorities:

Manage Energy Northwest as a JOA – We manage Energy Northwest as a joint operating agency, focusing on business excellence and value to our members by anticipating and meeting their needs. We prioritize efficiency and deliver lasting value to our 29 member utilities and the communities they serve.

Operate Columbia Generating Station for 80+ years – We operate Columbia Generating Station safely, reliably and cost-effectively for at least an 80-year lifetime, providing carbon-free power for the Northwest.

Support Clean Energy Transformation – We support regional clean energy transformation, including preparing the agency for an expansion of our nuclear portfolio and supporting the region's transition to a resilient and sustainable energy future.

We remain committed to leadership in Environmental, Social and Governance (ESG) stewardship:

Environment – We reduce environmental impact across operations, champion carbon-free resources and advance initiatives such as the Energy Forward Alliance.

Social – We value employee diversity, inclusion and belonging; invest in our workforce; and strengthen our communities through engagement and service.

Governance – We uphold transparency, accountability and ethical leadership, guided by diverse perspectives and robust stakeholder engagement.

Our mission is clear: to provide our public power members and regional customers with safe, reliable, cost-effective and responsible power generation and innovative energy and business solutions. Through careful planning, strategic partnerships, and innovation, we will power the Northwest forward — ensuring a cleaner, more reliable and resilient energy future.

Respectfully,
Bob Schuetz
Chief Executive Officer



Bob Schuetz

Management Report On Responsibility For Financial Reporting

Energy Northwest management is responsible for preparing the accompanying financial statements and for their integrity. They were prepared in accordance with Generally Accepted Accounting Principles (GAAP) (applied on a consistent basis and include amounts that are based on management's best estimates and judgments).

The financial statements have been audited by Baker Tilly US, LLP, Energy Northwest's independent auditors. Management has made available to Baker Tilly US, LLP all financial records and related data, and believes that all representations made to Baker Tilly US, LLP during its audit were valid and appropriate.

Management has established and maintains internal control procedures that provide reasonable assurance as to the integrity and reliability of the financial statements, the protection of assets from unauthorized use or disposition, and the prevention and detection of fraudulent financial reporting. These control procedures provide appropriate division of responsibility and are documented by written policies and procedures.

Energy Northwest maintains an ongoing internal auditing program that provides for independent assessment of the effectiveness of internal controls, and for recommendations of possible improvements thereto. In addition, Baker Tilly US, LLP has considered the internal control structure in order to determine their auditing procedures for the purpose of expressing an opinion on the financial statements. Management has considered recommendations made by the internal auditor and Baker Tilly US, LLP concerning the control procedures and has taken appropriate action to respond to the recommendations. Management believes that, as of June 30, 2025, internal control procedures are adequate.

Bob Schuetz

Chief Executive Officer

Cristina M. Reyff

Vice President, Chief Financial Officer/Chief Risk Officer

Audit, Legal And Finance Committee Chair's Letter

The executive board's Audit, Legal and Finance Committee (committee) was restructured during fiscal year 2025. The membership of the committee is outlined below during this transition:

July 1, 2024 – December 31, 2024: Chair Arie Callaghan, Marc Daudon, Bill Gordon, Janet Herrin, Jack Janda, Curt Knapp, Jim Malinowski, Jim Moss, Bill Pitesa, John Saven and Tim Sheldon.

January 23, 2025 – February 28, 2025: Chair Arie Callaghan, Marc Daudon, Bill Gordon, Janet Herrin, Jack Janda, Curt Knapp, Dave McKenzie, Jim Moss, Bill Pitesa, John Saven and Tim Sheldon.

March 1, 2025 – June 30, 2025: The committee was reduced to five members, Chair Arie Callaghan, Bill Gordon, Janet Herrin, Jack Janda and Dave McKenzie.

The committee held seven meetings during the fiscal year ended June 30, 2025.

The committee oversees Energy Northwest's financial reporting process on behalf of the executive board. In fulfilling its responsibilities, the committee discussed with the performance auditors and the independent auditors the overall scope and specific plans for their respective audits, and reviewed Energy Northwest's financial statements and the adequacy of Energy Northwest's internal controls.

The committee met regularly with Energy Northwest's performance auditors and convened periodic meetings with the independent auditors to discuss the results of their audit, their evaluations of Energy Northwest's internal controls, and the overall quality of Energy Northwest's financial reporting. The meetings were designed to facilitate any private communications with the committee desired by the performance auditors or independent auditors.

Arie Callahan

Chair,
Audit, Legal and Finance Committee

Independent Auditors' Report

To the Executive Board of
Energy Northwest

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities, each major fund and the remaining fund information of Energy Northwest, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Energy Northwest's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, each major fund and the remaining fund information of Energy Northwest as of June 30, 2025, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Energy Northwest and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Energy Northwest's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Energy Northwest's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Energy Northwest's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Additional Information

Management is responsible for the accompanying Energy Northwest Facts, A Message to our Stakeholders, Management Report on Responsibility for Financial Reporting, and Audit, Legal And Finance Committee Chair's Letter (the additional information), which is presented for purposes of additional analysis and is not a required part of the basic financial statements. Our opinions on the basic financial statements do not cover the additional information, and we do not express an opinion or any form of assurance thereon.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2025 on our consideration of Energy Northwest's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Energy Northwest's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Energy Northwest's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Madison, Wisconsin
September 24, 2025

Energy Northwest Management's Discussion and Analysis (Unaudited)

Energy Northwest is a municipal corporation and joint operating agency of the state of Washington. Each Energy Northwest business unit, including Energy Northwest New Nuclear LLC, is financed and accounted for separately from all other current or future business assets. The following discussion and analysis is organized by business unit. The management discussion and analysis of the financial performance and activity is provided as an introduction and to aid in comparing the basic financial statements for the fiscal year (FY) ended June 30, 2025, with the basic financial statements for the FY ended June 30, 2024.

Energy Northwest has adopted accounting policies and principles that are in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America. Energy Northwest's records are maintained as prescribed by the Governmental Accounting Standards Board (GASB). (See Note 1 to the Financial Statements.)

Because each business unit is financed and accounted for separately, the following section on financial performance is discussed by business unit to aid in analysis of assessing the financial position of each individual business unit. For comparative purposes only, the table on the following page represents a memorandum only total for Energy Northwest, as a whole, for FY 2025 and FY 2024.

The Financial Statements for Energy Northwest include the Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows for each of the business units, and Notes to Financial Statements.

The Statements of Net Position present the financial position of each business unit on an accrual basis. The Statements of Net Position report financial information about construction work in progress, the amount of

resources and obligations, restricted accounts, and due to/from balances for each business unit. (See Note 1 to the Financial Statements.)

The Statements of Revenues, Expenses, and Changes in Net Position provide financial information relating to all expenses, revenues and equity that reflect the results of each business unit and its related activities over the course of the fiscal year. The financial information provided aids in benchmarking activities, conducting comparisons to evaluate progress, and determining whether the business unit has successfully recovered its costs.

The Statements of Cash Flows reflect cash receipts and disbursements and net changes resulting from operating, financing, and investing activities. The Statements of Cash Flows provide insight into what generates cash, where the cash comes from, and purpose of cash activity.

The Notes to Financial Statements present disclosures that contribute to the understanding of the material presented in the financial statements. This includes, but is not limited to, Schedule of Outstanding Long-Term Debt and Debt Service Requirements (See Note 4 to the Financial Statements), accounting policies, significant balances and activities, material risks, commitments and obligations, and subsequent events, if applicable.

The basic Financial Statements of each business unit along with the Notes to the Financial Statements and Management Discussion and Analysis should be used to provide an overview of Energy Northwest's financial performance. The following discussion provides comparative financial information for the years ended June 30, 2025, and 2024. Questions concerning any of the information provided in this report should be addressed to Energy Northwest at PO Box 968, Richland, WA, 99352.

Combined Financial Information - June 30, 2025 and 2024 (Dollars in thousands)

	2024	2025	Change
Assets			
Current Assets	\$ 619,663	\$ 616,692	\$ (2,971)
Net Plant	1,746,978	1,917,834	170,856
Nuclear Fuel	406,306	517,545	111,239
Preliminary Survey and Investigation	5,578	21,421	15,843
Cost in excess of billings	3,892,172	3,869,244	(22,928)
Long-Term Receivables	3,494	3,036	(458)
Pension Asset restricted	45,190	32,296	(12,894)
Other non current restricted assets	306,354	262,391	(43,963)
TOTAL ASSETS	7,025,735	7,240,459	214,724
DEFERRED OUTFLOWS OF RESOURCES	943,303	957,324	14,021
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 7,969,038	\$ 8,197,783	\$ 228,745
Liabilities and Net Position			
Current Liabilities	\$ 292,220	\$ 265,271	\$ (26,949)
Restricted Liabilities			
Debt Service Funds	124,170	124,096	(74)
Long-Term Debt	5,479,404	5,668,757	189,353
Other Long-Term Liabilities	1,975,215	2,013,038	37,823
Net Position			
Invested in capital assets, net of related debt	745	13,977	13,232
Restricted for decommissioning	6,612	8,570	1,958
Restricted for debt service, net	3,959	11,012	7,053
Restricted for pension asset, net	2,123	1,264	(859)
Unrestricted, net	13,065	16,333	3,268
TOTAL LIABILITIES AND NET POSITION	7,897,513	8,122,318	224,805
DEFERRED INFLOWS OF RESOURCES	71,525	75,465	3,940
TOTAL LIABILITIES, NET POSITION AND DEFERRED INFLOWS	\$ 7,969,038	\$ 8,197,783	\$ 228,745
Operating Revenues and Expenses			
Operating Revenues	\$ 556,902	\$ 635,809	\$ 78,907
Operating Expenses	451,619	534,761	83,142
Net Operating Revenues	105,283	101,048	(4,235)
Other Income and Expenses	(98,033)	(95,581)	2,452
Capital Contribution	6,240	19,185	12,945
Beginning Net Position	13,014	26,504	13,490
ENDING NET POSITION	\$ 26,504	\$ 51,156	\$ 24,652

Columbia Generating Station

Columbia Generating Station (Columbia) is wholly owned by Energy Northwest and its participants and operated by Energy Northwest. The plant is a 1,174-megawatt electric (MWe, Design Electric Rating, net) boiling water nuclear power plant located on the Department of Energy’s (DOE) Hanford Site north of Richland, Washington.

Columbia produced 7,851 gigawatt-hours (GWh) of electricity in FY 2025, which included 150 GWh of cost down credit, as compared to 9,928 GWh in FY 2024. The 150 GWh of coast down credit in FY 2025 was approved by the Executive Board (coast down credit is a prudent utility practice to optimize fuel efficiency as part of General Electric’s fuel design). Bonneville Power Administration did not grant credit to Columbia in FY 2025 to overall generation as a result of management directed coast down decisions.

Columbia’s cost performance is measured by the cost of power indicator. The cost of power for FY 2025 was 7.89 cents per kilowatt-hour (kWh) as compared with 3.89 cents per kWh in FY 2024. The generating cost of power fluctuates year to year depending on various factors such as refueling outages and other planned activities. The FY 2025 cost of power increase of 102.8% was due to increased costs and decreased generation levels due to FY 2025 being a refueling outage year, as compared to FY 2024 being a non-refueling outage year.

Assets, Liabilities, and Net Position Analysis

The net increase to Utility Plant (plant) and Construction Work in Progress (CWIP) from FY 2024 to FY 2025 (excluding nuclear fuel) was \$167.5 million. The changes to plant and CWIP were comprised of additions to plant of \$224.8 million, \$1.8 million of subscription asset, and an increase to CWIP of \$35.1 million. The remaining change was the period effect of depreciation of \$93.3 million of plant assets, \$0.8 million of lease asset amortization, and \$0.1 million of subscription asset amortization.

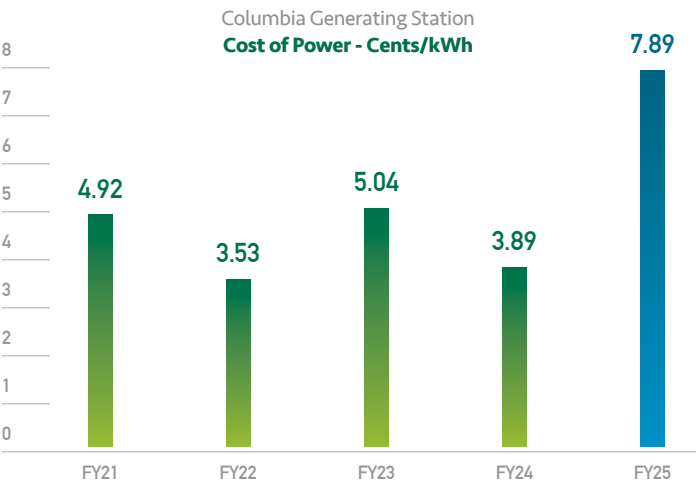
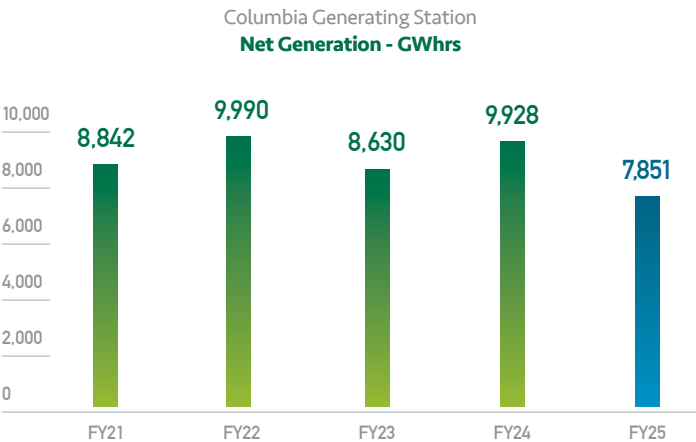
The FY 2025 CWIP balance of \$201.5 million consisted of ten major projects of at least \$2.5 million: Moisture Separator Reheater Tube Bundles, Plant Processing Computer Replacement Phase 1, High Pressure Turbine Replacement, Extended Power Uprate, Replace Medium Voltage Switchgear 1,2,3, Plant Fire Protection Upgrade, Replace 125 Volt DC Charger, Replace 250 Volt DC Charger, Radio Life Cycle, Feedwater Level Control. These projects over \$2.5 million result in 70.3% of the current CWIP balance. The remaining 29.7% of CWIP is comprised of 53 separate projects.

Nuclear fuel, net of accumulated amortization, increased \$111.2 million from FY 2024 to \$517.5 million in FY 2025. During FY 2025 Columbia there was an increase of \$51.0 million in capitalized fuel/reload activity. An increase to spent fuel of \$98.1 million reflects the original cost of fuel

assemblies removed from R-27 and placed in the Spent Fuel Pool to begin the cooling process per the Federal Energy Regulatory Commission (FERC) guidelines (See Note 11). Accumulated fuel burnup amortization increased \$40.9 million due to the net of the fuel burnup amortization for the fuel assemblies removed from R-27 and the FY 2025 fuel burnup amortization. (See Note 11).

Current assets decreased \$29.3 million in FY 2025 to \$474.6 million. The changes were decreases to current restricted assets of \$131.2 million due to the FY 2025 bond funding activities and bond restructuring associated with the regional cooperation debt program, decrease to materials and supplies of \$2.3 million, and an increase in prepayments of \$16 thousand. The current asset decreases were offset by an increase to cash and investments of \$93.4 million, and an increase in receivables of \$10.7 million.

Non-current lease receivable decreased \$0.4 million to \$2.6 million in FY 2025.



Non-current restricted assets decreased \$58.3 million to \$276.2 million in FY 2025. The changes were a decrease to long-term debt service funds of \$46.4 million due to the FY 2025 bond funding activities and bond restructuring associated with the regional cooperation debt program. Also, a decrease to pension asset in accordance with GASB No. 68 of \$11.9 million (See Note 6).

Other Assets increased \$19.3 million from \$2.01 billion in FY 2024 to \$2.03 billion in FY 2025. The increase was Costs in Excess of Billings related to the net effect of payment of current maturities and refunding activity associated with the regional cooperation debt program.

Deferred outflows increased \$13.7 million in FY 2025 from \$932.0 million to \$945.7 million. The changes were a decrease of \$0.2 million in deferred decommissioning outflow due to the yearly indexing requirements of GASB No. 83 (See Note 9). The decrease was offset by an increase of \$13.5 million in recognition of a deferred pension outflow in accordance with GASB No. 68 (See Note 6), and an increase of \$0.4 million to other postemployment benefits inflow in accordance with GASB No. 75 (See Note 12).

Current liabilities decreased \$55.4 million in FY 2025 to \$184.0 million. The change included a decrease in current maturities of long-term debt of \$131.1 million per the maturity schedule for bonds, and an increase from timing of \$2.4 million in due to other business units, which is a timing result of year-end obligations. Accounts payable increased \$26.4 million, and accrued expenses increased \$10.2 million, which includes the current lease liability recognized due to GASB 87 (See Note 13), and the current Subscription-Based Information Technology Arrangements liability. In addition, there was an increase from timing of \$36.7 million in due to participants.

Restricted liabilities decreased \$0.2 million in FY 2025 to \$78.0 million due to the FY 2025 bond restructuring and funding activities associated with the regional cooperation debt program.

Long-term debt (Bonds Payable) increased \$236.0 million in FY 2025 from \$3.58 billion to \$3.82 billion due to the FY 2025 bond restructuring and funding activities associated with the regional cooperation debt program.

Other long-term liabilities increased \$39.1 million in FY 2025 to \$1.97 billion. The major driver was an increase in the ARO due to the yearly indexing of the obligation required by GASB No. 83 (See Note 9). Decommissioning liability increased \$45.3 million. Columbia accounted for \$44.7 million of the increase and ISFSI accounted for \$0.6 million of the increase. Offsetting the increases was a decrease in the pension liability of \$5.7 million in accordance with GASB No. 68 (See Note 6), and a decrease in the other postemployment benefits liability of \$1.6 million in accordance with GASB No. 75 (See Note 12) and a decrease in long-term lease liability of

\$1.2 million in accordance with GASB 87 (See Note 13).

Costs associated with cask activity are no longer being recorded as a long-term liability as all costs have been deemed reimbursable under the agreement with DOE and reimbursements, per each approved submittal, will be offset against costs incurred (See Note 11).

Deferred inflows increased \$4.1 million from \$55.9 million in FY 2024 to \$60.0 million in FY 2025. A decrease of \$11.8 million was in deferred pension inflow in accordance with GASB No. 68 (See Note 6), an increase in other postemployment benefits inflow of \$0.9 million in accordance with GASB No. 75 (See Note 12). Offsetting the decreases was an increase in bond refunding inflows of \$15.7 million due to the FY 2025 bond restructuring and funding activities associated with the regional cooperation debt program. Also, a decrease in deferred lease inflows of \$0.7 million to \$3.0 million in FY 2025 in accordance with GASB 87 (See Note 13). Deferred credits for FY 2025 consisted of unclaimed bearer bonds and remained at the same level as FY 2024.

Revenue and Expenses Analysis

Columbia is a net-billed project. Energy Northwest recognizes revenues equal to expenses for each period on net-billed projects. No net revenue or loss is recognized, and no net position is accumulated.

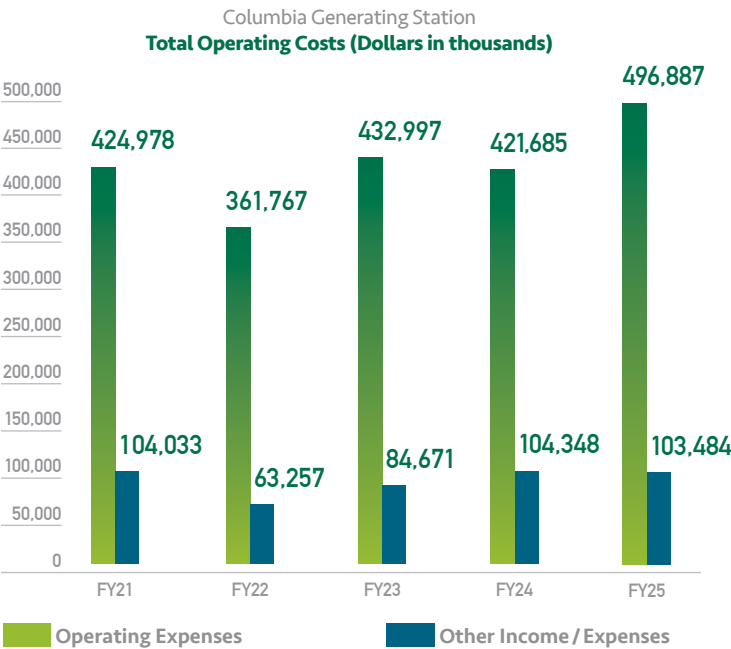
Operating expenses increased \$75.2 million from FY 2024 costs of \$421.7 million to \$496.9 million in FY 2025. The major increase in costs was due to FY 2025 being a refueling year (R-27) as compared to FY 2024 being a non-refueling year. The increase in FY 2025 was in the operations and maintenance area (\$158.3 million). Offsetting the increase was a decrease in Administration and general expenses of \$64.6 million in FY 2025. Increase in decommissioning of \$3.1 million due to annual indexing requirements of the obligation related to GASB No. 83. Decreases in nuclear fuel and generation taxes of \$15.1 million and \$0.7 million, respectively, due to decreased generation because of FY 2025 being a refueling year. Finally, there was a decrease of \$5.9 million for depreciation and amortization due to some plant assets becoming fully depreciated.

Other Income and Expenses decreased \$0.9 million from FY 2024 after being restated for comparison purposes due to the Gain on DOE Settlement being moved to operating revenue in FY 2025, to \$103.5 million net expenses in FY 2025. In FY 2025, there was a decrease of \$2.9 million in Build American Bonds revenue as compared to FY 2024. Bond interest expenses and amortization costs of \$117.9 million were incurred as part of the FY 2025 planned and approved regional cooperation debt program, however, these were lower in FY 2025 by \$0.4 million as compared to FY 2024. There was a net increase in expenses of \$0.6 million

related to leased buildings in FY 2025. In FY 2025 there was an increase in gain on sale of property of \$0.1 million as compared to FY 2024. The remaining change of \$3.9 million was due to increases in investment income for FY 2025 as compared to FY 2024.

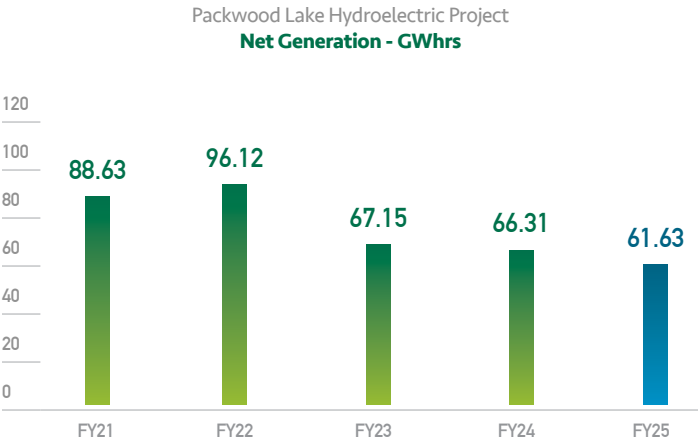
Columbia’s total operating revenue increased from \$526.0 million in FY 2024, which has been restated for comparison purposes due to the Gain on DOE Settlement being included starting in FY 2025, to \$600.4 million in FY 2025. The increase of \$74.4 million is comprised of \$73.8 million increase due to FY 2025 being a refueling outage year in the two-year refueling plan and the related effect of the net billing agreement on total revenue (See Note 5). A gain of \$15.6 million was recognized in FY 2025 on the spent fuel litigation settlement from the DOE, which was \$0.6 million more than FY 2024. The cask costs were never an intended cost for the facility and only resulted from a failure to perform by the Department of Energy (See Note 10). Fuel disposal is no longer being recognized as part of the DOE settlement for this reason and any future recoveries from the DOE will be recorded in similar fashion.

In FY 2025 Columbia received \$1 thousand of contributed capital towards the Advanced Remote Monitoring project as compared to \$5 thousand received in FY 2024. Energy Northwest entered into an agreement with the Utilities Service Alliance, who received a grant from the Department of Energy, to develop an Advanced Remote Monitoring system for nuclear plants.



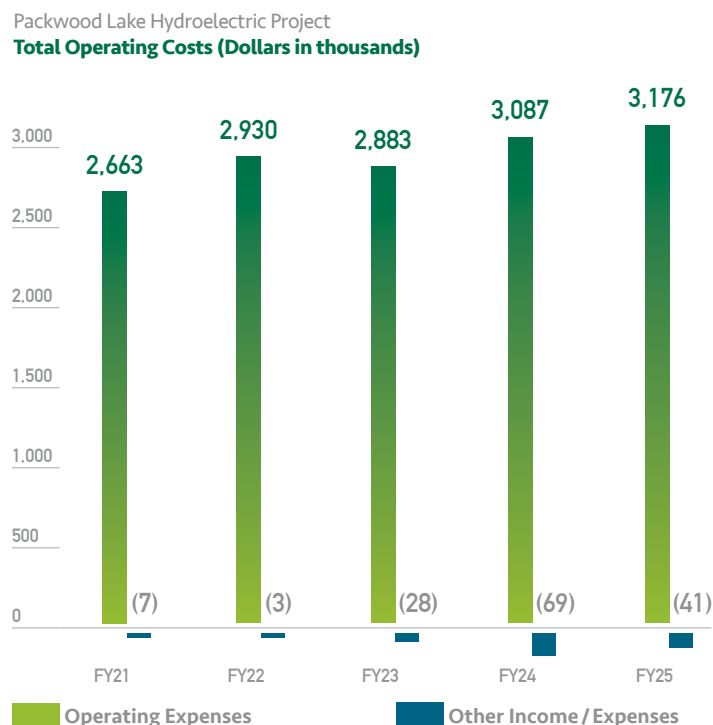
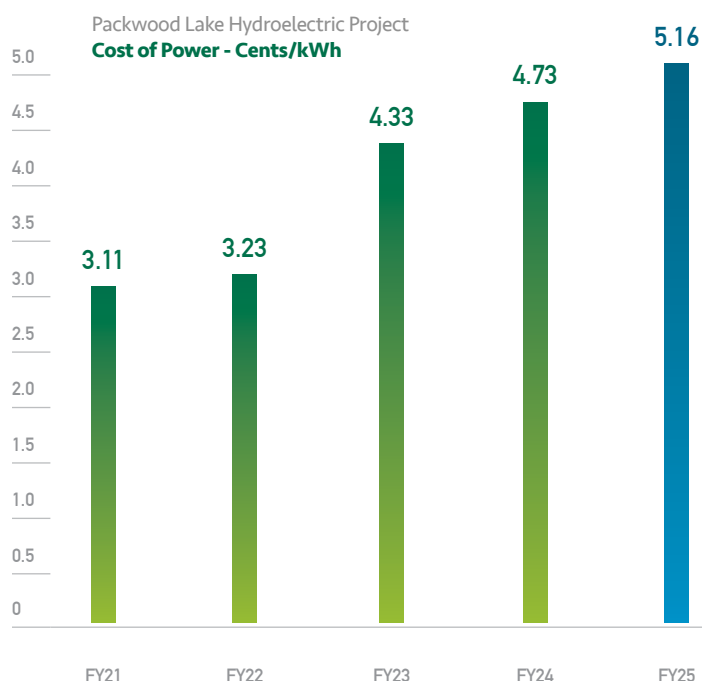
Packwood Lake Hydroelectric Project

The Packwood Lake Hydroelectric Project (Packwood) is wholly owned and operated by Energy Northwest. Packwood consists of a diversion structure at Packwood Lake and a powerhouse located near the town of Packwood, Washington. The water is carried from the lake to the powerhouse through a five-mile long buried tunnel and drops nearly 1,800 feet in elevation. Packwood produced 61.63 GWh of electricity in FY 2025 versus 66.31 GWh in FY 2024. The generation decrease of 7.1% was due to lower water levels at Packwood Lake in FY 2025. In FY 2025, Packwood’s generation was lower than the last five-year average net generation of 75.97 GWh. The generation for FY 2025 was below the life to date average per year of 92.48 GWh.



Packwood had been operating under a fifty-year license issued by FERC, which expired on February 28, 2010. Energy Northwest submitted the Final License Application (FLA) for renewal of the operating license to FERC on February 22, 2008. On March 4, 2010, FERC issued a one-year extension to operate under the original license, which indefinitely extended for continued operations until a formal decision was issued by FERC and a new operating license granted. On March 21, 2018, the National Oceanic and Atmospheric Administration/National Marine Fisheries Service (NOAA/NMFS) filed to the FERC the Biological Opinion (BiOp) of the Endangered Species Act for the relicensing of Packwood. On October 11, 2018, FERC issued the forty-year operating license effective October 1, 2018 (See Note 1 to the Financial Statements). The relicensing cost of \$3.7 million incurred in previous years was transferred to intangible plant in FY 2019 and is being amortized over the forty-year license issued October 2018.

Packwood’s cost performance is measured by the cost of power indicator. The cost of power for FY 2025 was \$5.16 cents per kWh as compared to \$4.73 cents per kWh in FY 2024. The cost of power fluctuates year-to-year depending



on various factors such as outage, maintenance, generation, and other operating costs. The increase (8.3%) in the FY 2025 cost of power was driven by a combination of higher operations and maintenance (O&M) costs and the decrease in generation noted above.

Assets, Liabilities, and Net Position Analysis

Total assets and deferred outflows increased \$0.5 million in FY 2025 to \$11.1 million. The net increase to Plant from FY 2024 to FY 2025 was \$0.2 million. The increase to plant was offset by the period effect of depreciation of \$0.4 million. Current assets increased \$0.3 million due to timing increase in cash activities of \$0.3 million at the end of the fiscal year. Restricted assets and deferred outflows remained static for FY 2025 as compared to FY 2024.

Total liabilities, net position and deferred inflows increased \$0.5 million in FY 2025 to \$11.1 million. There was an increase to current liabilities of \$0.4 million due to an increase in due to participants and other liabilities increased \$0.1 million related to advances from members and others.

Revenue and Expenses Analysis

The agreement with Packwood participants obligates them to pay annual costs and to receive excess revenues. (See Note 1 to the Financial Statements.) Accordingly, Energy Northwest recognizes revenues equal to expenses for each period. No net revenue or loss is recognized, and no net position is accumulated. Operating expenses increased \$0.1 million in FY 2025 as compared to FY 2024, mostly related to an increase in O&M costs.

Other Income and Expense comprised of interest expense and debt amortization of \$3 thousand and investment income of \$44 thousand which is a decrease in investment income of \$10 thousand from FY 2024 to FY 2025.

Packwood participants are obligated to pay annual costs of the project (including any applicable debt service), whether or not the project is operable. The Packwood participants also share project revenue to the extent that the amounts exceed costs. These funds can be returned to the participants or kept within the project. As of June 30, 2025, there is \$9.7 million recorded as other liabilities that are advances from members and others being kept within the project. Packwood participants are currently taking 100% of the project generation; there are no additional agreements for power sales.

Nuclear Project No. 1

Energy Northwest wholly owns Nuclear Project No. 1, a 1,250-MWe plant, which was placed in extended construction delay status in 1982, when it was 65% complete. On May 13, 1994, Energy Northwest's Board of Directors adopted a resolution terminating Nuclear Project No. 1. All funding requirements are net-billed obligations of Nuclear Project No. 1. Termination expenses and debt service costs comprise the activity of Nuclear Project No. 1 and are net-billed (See Notes 5 and 10).

Assets, Liabilities, and Net Position Analysis

Assets and deferred outflows decreased \$20.9 million from \$891.5 million in FY 2024 to \$870.6 million in FY 2025.

The change was due to a decrease of \$22.8 million in costs in excess of billings, offset by a \$1.3 million increase in current restricted assets from bond activity and a \$0.5 million increase in unrestricted cash.

Total liabilities, net position, and deferred inflows decreased \$20.9 million. Long-term debt decreased \$26.4 million from \$801.8 million in FY 2024 to \$775.4 million in FY 2025 and there was an increase related to debt discounts/premiums of \$6.3 million. The overall change in long-term debt was due to debt activity associated with the planned and approved regional cooperation debt program. Total restricted liabilities increased \$0.2 million from \$21.0 million in FY 2024 to \$21.2 million in FY 2025, which is an increase in total accrued interest payable on long-term debt (See Note 1). Current liabilities increased \$2.4 million due to an increase of \$1.5 million in current maturities of debt and an increase of \$0.9 million in accounts payable and accrued expenses. Total long-term liabilities decreased \$2.3 million, which consisted of a decrease of \$2.2 million to decommissioning liability total of \$1.7 million for the asset retirement obligation per GASB No. 83 (See Note 9), and by a \$22 thousand decrease in pension liability per GASB No. 68 (See Note 6), and a \$34 thousand decrease in long-term lease liability per GASB 87 (See Note 13). Deferred inflows decreased \$1.2 million from \$12.7 million in FY 2024 to \$11.5 million in FY 2025. The changes are due to a decrease of \$1.1 million in deferred inflows for unamortized gain on bond refunding and a \$33 thousand decrease in deferred pension inflows recognized in accordance with GASB 68 (See Note 6). There were no major changes in the balance for deferred credit.

Revenue and Expenses Analysis

Other Income and Expenses showed a net decrease to expenses of \$2.3 million from \$24.5 million in FY 2024 to \$22.2 million in FY 2025. The change includes a decrease to the decommissioning estimate of \$2.4 million. The decommissioning change in estimate was per GASB No. 83 (See Note 9). Also, there was an increase of \$0.1 million in bond related interest expense and amortization.

Nuclear Project No. 3

Nuclear Project No. 3, a 1,240-MWe plant, was placed in extended construction delay status in 1983, when it was 75% complete. On May 13, 1994, Energy Northwest's Board of Directors adopted a resolution terminating Nuclear Project No. 3. Energy Northwest is no longer responsible for any site restoration costs as they were transferred with the assets to the Satsop Redevelopment Project. The debt service-related activities remain the responsibility of Energy Northwest and are net-billed (See Notes 5 and 10).

Assets, Liabilities, and Net Position Analysis

Current assets increased \$0.1 million from \$27.5 million in FY 2024 to \$27.6 million in FY 2025, major driver was in cash. Cash and investments decreased \$0.5 million offset by an increase in current restricted assets of \$0.6 million from \$23.7 million in FY 2024 to \$24.3 million in FY 2025 from bond activity. Other assets decreased \$19.4 million from \$1.01 billion in FY 2024 to \$992.7 million in FY 2025. The decrease was in costs in excess of billings related to the net effect of payment of current maturities and refunding activity associated with the regional cooperation debt program.

Long-term debt decreased \$12.1 million from \$937.7 million in FY 2024 to \$925.6 million in FY 2025 and there was a decrease related to debt discounts/premiums on debt activity during the year of \$9.9 million. The overall change in long-term debt was due to debt activity associated with the planned and approved regional cooperation debt program. Total restricted were materially unchanged in FY 2025 (See Note 1). Deferred inflows increased \$2.1 million for unamortized gain on bond refunding. There were no significant changes in deferred credits.

Revenue and Expenses Analysis

Overall expenses and revenues decreased by \$0.2 million in FY 2025 due to decreased interest expense and bond amortization costs.

Business Development Fund

Energy Northwest was created to enable Washington public power utilities and municipalities to build and operate generation projects. The Business Development Fund (BDF) was created by Executive Board Resolution No. 1006 in April 1997, for the purpose of holding, administering, disbursing, and accounting for Energy Northwest costs and revenues generated from engaging in new business opportunities.

The BDF is managed as an enterprise fund. Five business sectors have been created within the fund: Business Support, Energy & Professional Services, Laboratory Support, Nuclear Development and Operation & Maintenance Services. A separate line of activity is used as general business unit support. Each line may have one or more programs that are managed as a unique business line activity.

Assets, Liabilities, and Net Position Analysis

Total assets and deferred outflows increased \$8.7 million from \$39.7 million in FY 2024 to \$48.4 million in FY 2025. There was a net increase to Plant from FY 2024 to FY 2025 of \$3.6 million. The increase to plant was offset by the period effect of depreciation of \$1.0 million. There was an increase to current assets of \$0.3 million, including a \$7.8 million decrease from cash and investment activities and a \$5.2 million increase in receivables and a \$2.9 million increase

in due from other business units. Preliminary survey and investigation increased \$4.7 million for the feasibility of building an advanced nuclear reactor on the land originally planned for Nuclear Project No. 1. There was increase in deferred pension outflow of \$0.8 million in accordance with GASB No. 68 and there was no change to the recognition of other postemployment benefit outflow in accordance with GASB No. 75 in FY 2025. The pension restricted asset decreased \$0.7 million in FY 2025 to \$0.9 million.

Total liabilities, net position and deferred inflows increased \$8.7 million. Current liabilities decreased \$0.3 million from FY 2024 due to timing of year-end outstanding items. Long-term liabilities decreased \$0.5 million due to a \$0.4 million decrease in net pension liability in accordance with GASB No. 68 and a \$0.1 million decrease in net other postemployment benefit liability in accordance with GASB No. 75. Deferred inflows decreased \$0.7 million in net pension liability. The increased change in net position of \$10.2 million is the net of \$2.2 million from operations in FY 2025 reflected in the activities described below, continuing margin achievement on business sector activity, \$3.3 million in contributed capital from the electric vehicle projects, and \$4.7 million in contributed capital from third party entities towards a feasibility study for an advanced nuclear reactor (See Note 1).

Revenue and Expenses Analysis

Operating revenues in FY 2025 increased \$5.91 million totaling \$18.58 million as compared to FY 2024 revenues of \$12.67 million. Various projects and timing of work were drivers for the overall revenue in the BDF and the five business sectors.

- The Business Support sector revenues remained relatively steady in FY 2025, with a slight increase from \$54 thousand in FY 2024 to \$55 thousand in FY 2025. The sector remains steady based on continued rental agreements.
- The Energy & Professional Services sector revenues remained steady at \$1.5 million for FY 2025. The revenues in this sector do not include activities for grant funded electrical vehicle charging stations. The revenues for grant funded electrical vehicle charging stations are included in other income/expense and contributed capital.
- The Laboratory Support sector increased \$0.7 million in FY 2025 from \$7.7 million in FY 2024 to \$8.4 million. The increase in revenue is a result of the Calibration and Environmental Laboratories receiving additional work from existing customers and new customers.
- The Nuclear Development sector in FY 2025 provided support to ENNN LLC's predevelopment work for the

potential building of a small modular reactor, which resulted in \$4.5 million in revenue. Also, in FY 2025 work was completed on the feasibility study for an advanced nuclear reactor and the related funding is reported in contributed capital (See Note 1).

- The Operations & Maintenance sector supports public power in the areas of operations and maintenance of generating facilities and electric utility automation. Revenues from the Operations & Maintenance business sector increased \$0.7 million in FY2025 to \$4.1 million.

Operating costs increased \$7.3 million from \$16.3 million in FY 2024 to \$23.6 million in FY 2025, which was a 44.8% increase in overall operating costs. The operating costs increase included a \$3.0 million increase in administration and general expenses from indirect expenses from \$1.5 million in FY 2024 to \$4.5 million in FY 2025 and there was a \$0.3 million increase in depreciation expense from \$1.1 million in FY2024 to \$1.4 million in FY 2025. There was an increase in operations and maintenance of \$4.0 million from \$13.6 million in FY 2024 to \$17.6 million in FY 2025.

Other Income and Expenses increased \$1.2 million in FY 2025 to a net income of \$7.2 million. There was a \$0.4 million increase in non-operating grant revenue due primarily to grants received for the electric vehicle charging station initiatives offset by a reduction in the support of Terra Power's ARDP initiative. There was a \$0.1 million decrease in investment income. Also, there was a \$0.9 million increase for Alternative Fuel Property Tax Credit under the Inflation Reduction Act for electrical vehicle charging stations, which were completed in FY 2025.

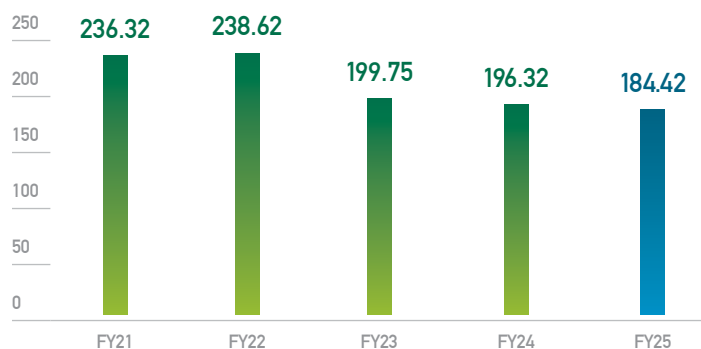
In FY 2025 there is \$1.8 million increase to capital contributions related to multiple grants and third party contributions related to the advanced nuclear reactor feasibility study. (See Note 1).

Nine Canyon Wind Project

The Nine Canyon Wind Project (Nine Canyon) is wholly owned and operated by Energy Northwest. Nine Canyon is located in the Horse Heaven Hills area southwest of Kennewick, Washington. Electricity generated by Nine Canyon is purchased by Pacific Northwest Public Utility Districts (purchasers). Each of the purchasers of Phase I, Phase II, and Phase III have signed a power purchase agreement which are part of the 2nd Amended and Restated Nine Canyon Wind Project Power Purchase Agreement which now has an end date of 2030. Nine Canyon is connected to the BPA transmission grid via a substation and transmission lines constructed by Benton County Public Utility District.

Phase I of Nine Canyon, which began commercial operation in September 2002, consists of 37 wind turbines, each with a

Nine Canyon Wind Project
Net Generation - GWhrs

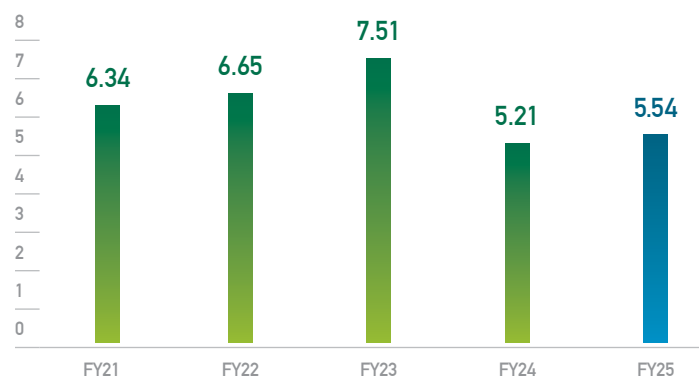


maximum generating capacity of approximately 1.3 MW, for an aggregate generating capacity of 48.1 MW. Phase II of Nine Canyon, which was declared operational in December 2003, includes 12 wind turbines, each with a maximum generating capacity of 1.3 MW, for an aggregate generating capacity of approximately 15.6 MW. Phase III of Nine Canyon, which was declared operational in May 2008, includes 14 wind turbines, each with a maximum generating capacity of 2.3 MW, for an aggregate generating capacity of 32.2 MW. The total Nine Canyon generating capability is 95.9 MW, enough energy for approximately 39,000 average homes.

Nine Canyon produced 184.42 GWh of electricity in FY 2025 versus 196.32 GWh in FY 2024. The decrease of 6.1% for generation was a direct result of a decreased average monthly capacity factor of 22.5% for FY 2025 versus 24.0% for FY 2024 (decrease of 1.5%); however, average wind speed remained relatively steady at 15.21 miles per hour for FY 2025 compared to 14.99 miles per hour in FY 2024. Gross Generation for FY 2025 and FY 2024 have been below the five-year average gross generation for the project.

Nine Canyon's cost performance is measured by the cost of power indicator. The cost of power for FY 2025 was \$5.54 cents per kWh as compared to \$5.21 cents per kWh in FY 2024. The cost of power fluctuates year to year depending on various factors such as wind conditions and unplanned maintenance and is distinctly different than revenue billed cost of power discussed in the revenue and expense analysis section. The cost of power does not include the Bonneville Power Administration's (BPA) Transmission costs, which are pass-through costs to the purchasers. The increase of 6.3% in cost of power for FY 2025 was attributable to increased operating costs, which will be discussed in the revenue and expenses analysis section, and by the reduction in generation discussed above.

Nine Canyon Wind Project
Cost of Power - Cents/kWh



Assets, Liabilities, and Net Position Analysis

Total assets and deferred outflows decreased \$0.6 million from \$51.3 million in FY 2024 to \$50.7 million in FY 2025. There was a decrease of \$3.2 million in net plant due to accumulated depreciation. There was an increase in current assets of \$1.1 million, which includes a \$0.1 million increase in current restricted assets, and a decrease of \$11 thousand in receivables offset by an increase of \$0.8 million in the timing of cash and investment activities and an increase of \$0.2 million in due from other business units. There was an increase to non-current restricted funds of \$2.3 million related to debt service funds. Unamortized debt expense decreased \$0.1 million, and a decrease to deferred outflows related to the asset retirement obligation of \$0.7 million due to the requirements of GASB No. 83 (See Note 9).

There was an overall decrease in liabilities, net position, and deferred inflows of \$0.6 million. Changes were a decrease to long-term debt (including unamortized bond discount/premium) of \$4.6 million to \$24.9 million for FY 2025, an increase to current maturities of debt of \$0.2 million, an increase of \$0.4 million to accounts payable and accrued expenses, and a decrease of \$0.1 million accrued debt service interest. Other long-term liability changes were a decrease of \$44 thousand for pension liability, and an increase of \$0.5 million to the decommissioning liability, as a result of indexing requirements in accordance with GASB No. 83 (See Note 9). There was a \$12 thousand decrease to the deferred pension inflow. Pension liability and deferrals are recognized in accordance with GASB No. 68 (See Note 6). The change in net position of \$3.0 million is the net of the total from net operations of \$2.6 million in FY 2025, and a \$0.4 million net of investment income and interest expense and debt amortization. Although a decrease in the year-to-year operations, FY 2025 positive results continue to reflect the results of the debt financing efforts and cost reduction/stabilization efforts.

In previous years Energy Northwest has accrued, as income (contribution) from the Department of Energy, Renewable Energy Production Incentive (REPI) payments that enable Nine Canyon to receive funds based on generation as it applies to the REPI legislation. REPI was created to promote increases in the generation and utilization of electricity from renewable energy sources and to further the advances of renewable energy technologies. This program, authorized under Section 1212 of the Energy Policy Act of 1992, provides financial incentive payments for electricity produced and sold by new qualifying renewable energy generation facilities. The payment stream from Nine Canyon participants and the REPI receipts was projected to cover the total costs over the purchase agreement. Continued shortfalls in REPI funding for the Nine Canyon project led to a revised rate plan to incorporate the impact of this shortfall over the life of the project (2030 proposed end date) in FY 2008. Results of operations, debt refunding, and generation affect the yearly rate plan. In FY 2017 Nine Canyon Participants of all three phases realized a 3% decrease in rates driven by debt refinancing efforts and cost reduction/stabilization efforts. The current rate plan remains in effect; going forward the increase or decrease in rates will be based on cash requirements of debt repayment and the cost of operations.

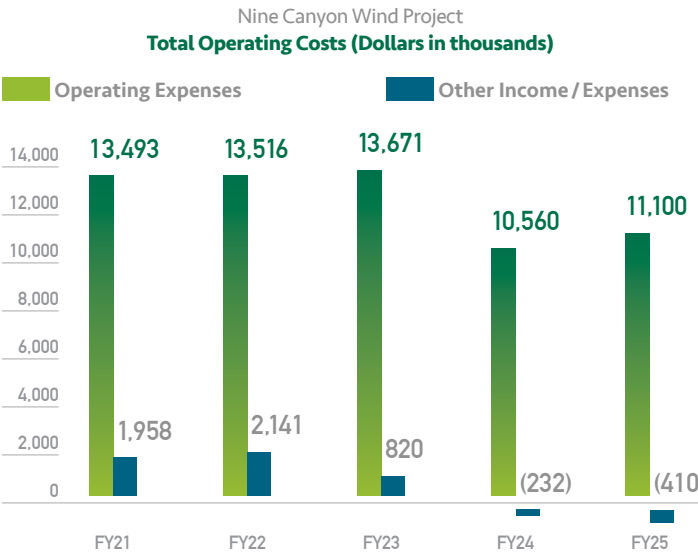
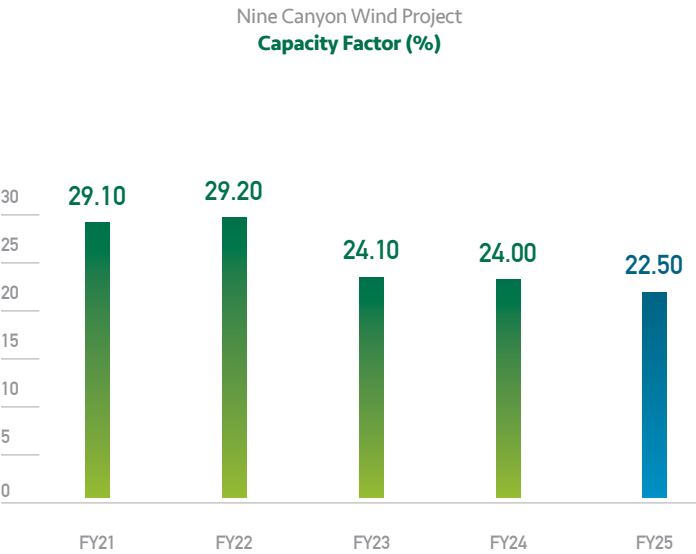
Revenues and Expenses Analysis

Operating revenues in FY 2025 totaled \$13.7 million as compared to FY 2024 revenues of \$15.2 million, a decrease of \$1.5 million (9.9%). The decrease in revenues is due to reduced billings to participants based on lower costs. The project received revenue from the billing of the purchasers at an average rate of \$72.33 per MWh for FY 2025 as compared to \$75.81 per MWh for FY 2024. The decrease in the billed rates

reflects a 20% reduction in billings for Phase I and Phase II as agreed upon by the participants in FY 2025. The stabilization of revenue continues to reflect the implementation of the current rate plan account for costs of operations over the remaining life of the project, taking into account the REPI shortfalls in the early years of the project.

Operating expenses increased \$0.5 million in FY 2025 to \$11.1 million. There was a decrease in depreciation and amortization of \$0.1 million, and an increase in administrative and general costs of \$0.4 million. There was an increase in decommissioning expenses of \$0.1 million due to annual indexing requirements of the obligation related to GASB No. 83 (See Note 9). Other income and expenses increased \$0.2 million from \$0.2 million in net income in FY 2024 to net income of \$0.4 million in FY 2025. Bond interest expense and changes in amortized bond expenses decreased \$0.1 million and investment income remained steady. Net income or change in net position of \$3.0 million for FY 2025 was due to the reduction in operating revenues, reducing operating expenses and net increase in investment income.

The original plan anticipated operating at a loss in the early years and gradually increasing the rate charged to the purchasers to avoid a large rate increase after the REPI expires. The REPI incentive expires 10 years from the initial operation startup date for each phase. Reserves that were established are used to facilitate this plan. The rate plan in FY 2008 was revised to account for the shortfall experienced in the REPI funding and to provide a new rate scenario out to the 2030 project end date. Energy Northwest did not receive REPI funding in FY 2024 and is not anticipating receiving any future REPI incentives. The rate plan was revised In FY 2017 to reflect positive cash requirement coverage and remains in effect. Future rate adjustments may be necessary to cover the estimated costs incurred for the eventual decommissioning of the Nine Canyon Project.



Internal Service Fund

The Internal Service Fund (ISF) (formerly the General Fund) was established in May 1957. The ISF provides services to the other funds. This fund accounts for the central procurement of certain common goods and services for the business units on a cost reimbursement basis. (See Note 1).

Assets, Liabilities, and Net Position Analysis

Total assets and deferred outflows increased \$5.2 million from \$45.4 million in FY 2024 to \$50.6 million in FY 2025. There was an increase in net plant in service of \$2.8 million, mostly related to purchases of data processing equipment and new SBITA assets recognized in accordance with GASB 96 (See Note 14). Remaining major changes were an increase to current cash and investments of \$3.6 million, a \$1.6 million decrease in due from other business units, a \$0.2 million increase in prepaid assets and a \$0.2 increase in non-current restricted assets.

The total net liabilities, net position and deferred inflows increased \$5.2 million. The increase is due to an increase in accounts payable and accrued expenses of \$5.4 million, and an increase in long term SBITA liability of \$1.4 million offset by a decrease in due to other units of \$1.6 million.

Revenues and Expenses Analysis

Overall results of operations held steady for FY 2025.

Energy Northwest New Nuclear, LLC

Energy Northwest New Nuclear, LLC (ENNN LLC) was established in July 2024. The establishing of ENNN LLC was authorized by Energy Northwest Executive Board Resolution No. 2164 authorizing the Energy Northwest Chief Executive Officer to take all further steps reasonably necessary to form Energy Northwest New Nuclear, LLC to begin the predevelopment activities for a potential carbon-free nuclear generating resource to be sited at the location of Nuclear Project 1. In October 2024, ENNN LLC signed a funding agreement with Amazon Energy LLC towards the development and construction of a small modular reactor project. During FY 2025 activities have included predevelopment activities in preparation for requesting a site construction permit from the Nuclear Regulatory Commission within the next two years. The plan is to have four 80 MW small module reactors combining for 320 MW operational by 2032.

Assets, Liabilities, and Net Position Analysis

Total assets and deferred outflows had a balance of \$31.6 million. That consisted of restricted cash of \$21.9 million, unrestricted cash of \$0.1 million, and \$11.1 million preliminary survey and investigation asset, which was offset by \$1.5 million that was due to other business unit.

Total net liabilities, net position and deferred inflows had a balance of \$31.6 million. That consisted of \$20.2 million in current liabilities and \$11.4 million in total fund equity.

Revenues and Expenses Analysis

ENNN1 had no operating revenue in FY 2025. Operating costs of \$17 thousand were incurred. Other income and expenses totaled \$267 thousand, entirely from investment income.

There was \$11.1 million in capital contributions and transfers related to the feasibility study at Site 1. In total, the net position at fiscal year end was \$11.4 million.

Current Debt Ratings
(Unaudited)

Energy Northwest (Long-Term)	Net-Billed Rating	Nine Canyon Rating
Fitch, Inc.	AA	A+
Moodys Investors Service, Inc. (Moody's)	Aa2	Aa3
Standard and Poor's Ratings Services (S & P)	AA-	NR

Statement of Net Position As of June 30, 2025 (Dollars in thousands)

	Major Funds								Total Business-Type Activities
	Columbia Generating Station	Packwood Lake Hydroelectric Project	Nuclear Project No. 1	Nuclear Project No. 3	Business Development Fund	Nine Canyon Wind Project	Energy Northwest New Nuclear	Internal Service Fund	
ASSETS									
CURRENT ASSETS									
Cash	\$ 127,971	\$ 399	\$ 4,069	\$ 579	\$ 3,063	\$ 4,233	\$ 101	\$ 19,075	\$ 159,490
Investments	34,311	853	-	2,501	3,531	11,007	-	10,564	62,767
Accounts and other receivables	31,012	207	-	-	8,023	72	-	107	39,421
Due from other business units	-	25	215	163	2,931	653	(1,529)	(2,458)	-
Materials and supplies	182,293	-	-	-	1	-	-	-	182,294
Prepayments and other	3,838	25	6	6	43	38	-	1,123	5,079
Current restricted assets	95,212	-	21,463	24,332	-	4,763	21,871	-	167,641
TOTAL CURRENT ASSETS	474,637	1,509	25,753	27,581	17,592	20,766	20,443	28,411	616,692
NON CURRENT ASSETS									
UTILITY PLANT (NOTE 2)									
In service	5,224,612	24,214	-	-	22,692	133,803	-	58,227	5,463,548
In service - leases and subscriptions	8,536	75	1,458	-	135	836	-	12,133	23,173
Not in service									
Construction work in progress	201,475	10	-	-	-	-	-	-	201,485
Accumulated depreciation	(3,566,460)	(15,092)	-	-	(7,232)	(127,898)	-	(43,970)	(3,760,652)
Accumulated amortization - leases and subscriptions	(3,595)	(24)	(183)	-	(22)	(126)	-	(5,770)	(9,720)
Net utility plant	1,864,568	9,183	1,275	-	15,573	6,615	-	20,620	1,917,834
Nuclear fuel, net of accumulated amortization	517,545	-	-	-	-	-	-	-	517,545
Preliminary survey and investigation	-	-	-	-	10,295	-	11,126	-	21,421
Cost in excess of billings	2,033,335	-	843,206	992,703	-	-	-	-	3,869,244
Long term lease receivables	2,602	-	-	-	434	-	-	-	3,036
TOTAL LONG TERM RECEIVABLES	2,602	-	-	-	434	-	-	-	3,036
Pension asset restricted	30,759	184	89	-	900	364	-	-	32,296
Other non current restricted assets	245,437	-	-	-	-	15,421	-	1,533	262,391
TOTAL NONCURRENT ASSETS	4,694,246	9,367	844,570	992,703	27,202	22,400	11,126	22,153	6,623,767
TOTAL ASSETS	5,168,883	10,876	870,323	1,020,284	44,794	43,166	31,569	50,564	7,240,459
DEFERRED OUTFLOWS OF RESOURCES									
Unamortized loss on bond refunding	961	-	-	-	-	244	-	-	1,205
Pension	57,204	243	254	-	3,501	522	-	-	61,724
OPEB	1,696	7	7	-	98	16	-	-	1,824
Decommissioning	885,832	-	-	-	41	6,698	-	-	892,571
TOTAL DEFERRED OUTFLOWS OF RESOURCES	945,693	250	261	-	3,640	7,480	-	-	957,324
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 6,114,576	\$ 11,126	\$ 870,584	\$ 1,020,284	\$ 48,434	\$ 50,646	\$ 31,569	\$ 50,564	\$ 8,197,783

The accompanying notes are an integral part of these combined financial statements

Statement of Net Position As of June 30, 2025 (Dollars in thousands)

	Major Funds								Total Business-Type Activities
	Columbia Generating Station	Packwood Lake Hydroelectric Project	Nuclear Project No. 1	Nuclear Project No. 3	Business Development Fund	Nine Canyon Wind Project	Energy Northwest New Nuclear	Internal Service Fund	
LIABILITIES AND NET POSITION									
CURRENT LIABILITIES									
Current maturities of long-term debt	\$ 19,585	\$ -	\$ 1,460	\$ 905	\$ -	\$ 4,160	\$ -	\$ -	\$ 26,110
Accounts payable and accrued expenses	86,187	122	1,391	36	3,986	830	20,191	65,325	178,068
Other	174	-	168	168	-	-	-	-	510
Due to participants	59,500	1,083	-	-	-	-	-	-	60,583
Due to other business units	18,687	-	-	-	-	-	-	(18,687)	-
TOTAL CURRENT LIABILITIES	184,133	1,205	3,019	1,109	3,986	4,990	20,191	46,638	265,271
LIABILITIES-PAYABLE FROM RESTRICTED ASSETS (NOTE 1)									
Debt service funds									
Accrued interest payable	78,002	-	21,234	24,257	-	603	-	-	124,096
TOTAL RESTRICTED LIABILITIES	78,002	-	21,234	24,257	-	603	-	-	124,096
LONG-TERM DEBT (NOTE 5)									
Revenue bonds payable	3,399,040	-	775,445	925,570	-	23,845	-	-	5,123,900
Unamortized (discount)/premium on bonds - net	422,690	-	56,144	64,963	-	1,060	-	-	544,857
TOTAL LONG-TERM DEBT	3,821,730	-	831,589	990,533	-	24,905	-	-	5,668,757
OTHER LONG-TERM LIABILITIES									
Pension liability	12,368	62	65	-	716	127	-	-	13,338
OPEB liability	21,633	107	98	-	727	196	-	-	22,761
Decommissioning liability	1,932,255	-	1,749	-	48	22,747	-	-	1,956,799
Long term leases and subscriptions liability	4,291	34	1,264	-	111	703	-	3,926	10,329
Advances from members and others	-	9,702	-	-	-	-	-	-	9,702
Other	109	-	-	-	-	-	-	-	109
TOTAL OTHER LONG-TERM LIABILITIES	1,970,656	9,905	3,176	-	1,602	23,773	-	3,926	2,013,038
TOTAL LIABILITIES	6,054,521	11,110	859,018	1,015,899	5,588	54,271	20,191	50,564	8,071,162
DEFERRED INFLOWS OF RESOURCES									
Unamortized gain on bond refunding	36,771	-	11,622	4,385	-	-	-	-	52,778
Pension	15,620	(3)	(78)	-	(1,482)	153	-	-	14,210
OPEB	4,605	19	22	-	299	42	-	-	4,987
Lease	3,059	-	-	-	431	-	-	-	3,490
TOTAL DEFERRED INFLOWS OF RESOURCES	60,055	16	11,566	4,385	(752)	195	-	-	75,465
NET POSITION									
Net investment in capital assets	-	-	-	-	25,760	(22,911)	11,128	-	13,977
Restricted for decommissioning	-	-	-	-	-	8,570	-	-	8,570
Restricted for debt service	-	-	-	-	-	11,012	-	-	11,012
Restricted for pension asset	-	-	-	-	900	364	-	-	1,264
Unrestricted	-	-	-	-	16,938	(855)	250	-	16,333
NET POSITION	-	-	-	-	43,598	(3,820)	11,378	-	51,156
TOTAL LIABILITIES, NET POSITION, AND DEFERRED INFLOWS	\$ 6,114,576	\$ 11,126	\$ 870,584	\$ 1,020,284	\$ 48,434	\$ 50,646	\$ 31,569	\$ 50,564	\$ 8,197,783

The accompanying notes are an integral part of these combined financial statements

Statements of Revenues, Expenses, and Changes in Net Position As of June 30, 2025 (Dollars in thousands)

	Major Funds								
	Columbia Generating Station	Packwood Lake Hydroelectric Project	Nuclear Project No. 1	Nuclear Project No. 3	Business Development Fund	Nine Canyon Wind Project	Energy Northwest New Nuclear	Internal Service Fund	Total Business-Type Activities
OPERATING REVENUES									
Operating revenues	\$ 584,738	\$ 3,135	\$ -	\$ -	\$ 18,560	\$ 13,724	\$ -	\$ -	\$ 620,157
Gain on DOE settlement	15,632	-	-	-	-	-	-	-	15,632
Lease revenues	-	-	-	-	20	-	-	-	20
Total operating revenues	600,370	3,135	-	-	18,580	13,724	-	-	635,809
OPERATING EXPENSES									
Nuclear fuel, net	45,413	-	-	-	-	-	-	-	45,413
Decommissioning	45,435	-	-	-	2	1,233	-	-	46,670
Depreciation and amortization	100,088	383	-	-	1,420	3,277	-	-	105,168
Operations and maintenance	288,192	2,599	-	-	17,641	6,379	-	-	314,811
Administrative & general	14,038	181	-	-	4,535	172	-	-	18,926
Generation tax	3,721	13	-	-	-	39	-	-	3,773
Total operating expenses	496,887	3,176	-	-	23,598	11,100	-	-	534,761
OPERATING INCOME (LOSS)	103,483	(41)	-	-	(5,018)	2,624	-	-	101,048
OTHER INCOME & EXPENSE									
Other	(1,052)	-	20,655	28,005	858	(11)	(17)	-	48,438
Grant revenue non operating	-	-	-	-	5,936	-	-	-	5,936
Investment income/(loss)	14,483	44	1,509	669	412	1,345	267	-	18,729
Investment income/(loss) - lease	117	-	-	-	12	-	-	-	129
Interest expense and debt amortization	(117,894)	(3)	(21,328)	(28,271)	(16)	(924)	-	-	(168,436)
Plant preservation and termination costs	-	-	(661)	(403)	-	-	-	-	(1,064)
Depreciation and amortization	-	-	(69)	-	-	-	-	-	(69)
Decommissioning	-	-	(106)	-	-	-	-	-	(106)
TOTAL OTHER INCOME & EXPENSE	(103,484)	41	-	-	7,202	410	250	-	(95,581)
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(1)	-	-	-	2,184	3,034	250	-	5,467
CAPITAL CONTRIBUTIONS AND TRANSFERS									
Capital Contributions	1	-	-	-	8,171	-	11,013	-	19,185
Transfers	-	-	-	-	(115)	-	115	-	-
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	1	-	-	-	8,056	-	11,128	-	19,185
NET INCOME (LOSS) AFTER CONTRIBUTIONS AND TRANSFERS	-	-	-	-	10,240	3,034	11,378	-	24,652
TOTAL NET POSITION, BEGINNING OF YEAR	-	-	-	-	33,358	(6,854)	-	-	26,504
TOTAL NET POSITION, END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ 43,598	\$ (3,820)	\$ 11,378	\$ -	\$ 51,156

The accompanying notes are an integral part of these combined financial statements

Statements of Cash Flows As of June 30, 2025 (Dollars in thousands)

	Major Funds								
	Columbia Generating Station	Packwood Lake Hydroelectric Project	Nuclear Project No. 1	Nuclear Project No. 3	Business Development Fund	Nine Canyon Wind Project	Energy Northwest New Nuclear	Internal Service Fund	Total Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES									
Operating revenue receipts	\$ 608,952	\$ 3,749	\$ -	\$ -	\$ 14,419	\$ 13,756	\$ -	\$ -	\$ 640,876
Cash payments for operating expenses	(302,630)	(2,861)	-	-	(20,757)	(6,573)	-	-	(332,821)
DOE cash settlement	2,327	-	-	-	-	-	-	-	2,327
Cash payments for services net of cash received from other units	-	-	-	-	-	-	-	3,258	3,258
Net cash provided/(used) by operating activities	308,649	888	-	-	(6,338)	7,183	-	3,258	313,640
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Proceeds from bond refundings	311,660	-	1,374	890	-	-	-	-	313,924
Principal paid on revenue bond maturities	(150,645)	-	-	-	-	(3,960)	-	-	(154,605)
Payment for bond issuance and financing costs	(3,165)	(14)	(1,593)	(1,212)	(32)	(37)	-	-	(6,053)
Interest paid on bonds	(154,881)	-	(42,154)	(48,069)	-	(1,305)	-	-	(246,409)
Interest paid on leases	(351)	-	(35)	-	(16)	(20)	-	-	(422)
Payment for capital items	(256,823)	(548)	-	-	(4,706)	-	-	(4,499)	(266,576)
Payment for pre capital items	-	-	-	-	(4,718)	-	(7,314)	-	(12,032)
Reimbursement for capital items	-	-	-	-	-	-	-	3,657	3,657
Contribution for capital items	-	-	-	-	2,500	-	28,921	-	31,421
Cash received from sale of assets	-	15	-	-	-	15	-	-	30
Capital grant received	4	-	-	-	2,576	-	-	-	2,580
Operating revenue receipts - lease	-	-	-	-	27	-	-	-	27
Non operating revenue receipts - lease	946	-	-	-	-	-	-	-	946
Nuclear fuel acquisitions	(152,081)	-	-	-	-	-	-	-	(152,081)
Payments received from BPA for terminated nuclear projects	-	-	42,743	47,816	-	-	-	-	90,559
Net cash provided/(used) by capital and related financing activities	(405,336)	(547)	335	(575)	(4,369)	(5,307)	21,607	(842)	(395,034)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES									
Proceeds from notes payable	108,500	-	-	-	-	-	-	-	108,500
Payment for notes payable	(108,500)	-	-	-	-	-	-	-	(108,500)
Interest paid on notes	(1,895)	-	-	-	-	-	-	-	(1,895)
Contribution for operating reserves - transfer	-	-	-	-	(115)	-	115	-	-
Grant received non operating	-	-	-	-	2,579	-	-	-	2,579
Net cash provided/(used) by non-capital finance activities	(1,895)	-	-	-	2,464	-	115	-	684
CASH FLOWS FROM INVESTING ACTIVITIES									
Purchases of investment securities	(422,419)	(1,951)	(4,699)	(8,749)	(3,500)	(51,406)	-	(30,025)	(522,749)
Sales of investment securities	439,199	1,931	4,784	6,362	6,451	43,785	-	30,503	533,015
Interest on investments	6,613	16	1,423	554	195	419	250	137	9,607
Net cash provided/(used) by investing activities	23,393	(4)	1,508	(1,833)	3,146	(7,202)	250	615	19,873
NET INCREASE (DECREASE) IN CASH	(75,189)	337	1,843	(2,408)	(5,097)	(5,326)	21,972	3,031	(60,837)
CASH AT JUNE 30, 2024	334,430	62	23,689	27,319	8,160	19,403	-	16,044	429,107
CASH AT JUNE 30, 2025 (NOTE H)	\$ 259,241	\$ 399	\$ 25,532	\$ 24,911	\$ 3,063	\$ 14,077	\$ 21,972	\$ 19,075	\$ 368,270

The accompanying notes are an integral part of these combined financial statements

Statements of Cash Flows (continued) As of June 30, 2025 (Dollars in thousands)

	Major Funds								
	Columbia Generating Station	Packwood Lake Hydroelectric Project	Nuclear Project No. 1	Nuclear Project No. 3	Business Development Fund	Nine Canyon Wind Project	Energy Northwest New Nuclear	Internal Service Fund	Total Business-Type Activities
Reconciliation of Direct Cash Flow to Statement of Net Position									
Current cash unrestricted	\$ 127,971	\$ 399	\$ 4,069	\$ 579	\$ 3,063	\$ 4,233	\$ 101	\$ 19,075	\$ 159,490
Current cash restricted	95,212	-	21,463	24,332	-	4,763	21,871	-	167,641
Current unrestricted non cash equivalents	34,311	853	-	2,501	5,060	11,007	-	10,564	64,296
Non current restricted cash debt service funds	36,058	-	-	-	-	5,081	-	-	41,139
Non current restricted non cash equivalents	208,204	-	-	-	-	10,302	-	1,476	219,982
Total Cash and non cash equivalents	\$ 501,756	\$ 1,252	\$ 25,532	\$ 27,412	\$ 8,123	\$ 35,386	\$ 21,972	\$ 31,115	\$ 652,548
less non cash equivalents	242,515	853	-	2,501	5,060	21,309	-	12,040	284,278
Total Statement of Net Position Cash	\$ 259,241	\$ 399	\$ 25,532	\$ 24,911	\$ 3,063	\$ 14,077	\$ 21,972	\$ 19,075	\$ 368,270

RECONCILIATION OF NET OPERATING REVENUES TO NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES

Net income/loss from operations	\$ 103,483	\$ (41)	\$ -	\$ -	\$ (5,018)	\$ 2,624	\$ -	\$ -	\$ 101,048
Adjustments to reconcile net operating revenues to cash provided by operating activities:									
Depreciation and amortization	140,006	364	-	-	1,414	3,245	-	-	145,029
Decommissioning	45,434	-	-	-	2	1,233	-	-	46,669
Non-operating grant revenues	-	-	-	-	(5,936)	-	-	-	(5,936)
Other	(14,715)	(75)	-	-	18,103	378	-	(724)	2,967
Change in operating assets and liabilities:									
Costs in excess of billings	31,068	677	-	-	-	-	-	-	31,745
Accounts receivable	(16,955)	(26)	-	-	(11,923)	(395)	-	(186)	(29,485)
Materials and supplies	2,253	-	-	-	2	-	-	-	2,255
Prepaid and other assets	(17)	(8)	-	-	24	-	-	(155)	(156)
Due from/to other business units	2,365	60	-	-	(2,045)	(193)	-	(71)	116
Change in net pension liability, OPEB liability, and deferrals	(20,471)	(68)	-	-	(1,281)	(157)	-	-	(21,977)
Leases	(415)	3	-	-	(29)	28	-	(2,428)	(2,841)
Accounts payable	36,613	2	-	-	349	420	-	6,822	44,206
Net cash provided/(used) by operating activities	\$ 308,649	\$ 888	\$ -	\$ -	\$ (6,338)	\$ 7,183	\$ -	\$ 3,258	\$ 313,640

Non-cash activities

Bond refunding	\$ 239,021	\$ -	\$ 283,787	\$ 184,405	\$ -	\$ -	\$ -	\$ -	\$ 707,213
Decommissioning liability adjustment	\$ 45,287	\$ -	\$ (2,190)	\$ -	\$ 1	\$ 533	\$ -	\$ -	\$ 43,631
Market adjustments on investments	\$ 7,986	\$ 27	\$ 86	\$ 115	\$ 230	\$ 927	\$ -	\$ (279)	\$ 9,092

The accompanying notes are an integral part of these combined financial statements

NOTE 1 - Summary of Operations and Significant Accounting Policies

Energy Northwest, a municipal corporation and joint operating agency of the state of Washington, was organized in 1957 to finance, acquire, construct and operate facilities for the generation and transmission of electric power.

Membership consists of 24 public utility districts and 5 municipalities. All members own and operate electric systems within the state of Washington.

Energy Northwest is exempt from federal income tax and has no taxing authority.

Energy Northwest maintains seven business units and a limited liability company that is considered a component unit for financial statement purposes. Columbia Generating Station, Packwood Lake Hydroelectric Project, Nuclear Project No. 1, Nuclear Project No. 3, Business Development Fund, Nine Canyon Wind Project, and Energy Northwest New Nuclear LLC are all major funds for governmental accounting purposes and with the Internal Service Fund all are business-type activities, which are accounted for separately.

All electrical energy produced by Energy Northwest's net-billed business units is ultimately delivered to electrical distribution facilities owned and operated by Bonneville Power Administration (BPA) as part of the Federal Columbia River Power System. BPA in turn distributes the electricity to electric utility systems throughout the Northwest, including participants in Energy Northwest's business units, for ultimate distribution to consumers. Participants in Energy Northwest's net-billed business units consist of public utilities and rural electric cooperatives located in the western United States who have entered into net-billing agreements with Energy Northwest and BPA for participation in one or more of Energy Northwest's business units. BPA is obligated by law to establish rates for electric power which will recover the cost of electric energy acquired from Energy Northwest and other sources, as well as BPA's other costs (See Note 5).

Energy Northwest operates the Columbia Generating Station (Columbia), a 1,174-MWe (Design Electric Rating, net) generating plant completed in 1984. Energy Northwest has obtained all permits and licenses required to operate Columbia. Columbia was issued a standard 40-year operating license by the Nuclear Regulatory Commission (NRC) in 1983. On January 19, 2010 Energy Northwest submitted an application to the NRC to renew the license for an additional 20 years, thus continuing operations to 2043. A renewal license was granted by the NRC on May 22, 2012 for continued operation of Columbia to December 31, 2043. Columbia is a net-billed project (see Note 5).

Energy Northwest also operates the Packwood Lake

Hydroelectric Project (Packwood), a 27.5-MWe generating plant completed in 1964. Packwood has been operating under a 50-year license issued by the Federal Energy Regulatory Commission (FERC), which expired on February 28, 2010. Energy Northwest submitted the Final License Application (FLA) for renewal of the operating license to FERC on February 22, 2008. On October 11, 2018, FERC issued forty-year operating license effective October 1, 2018, and will expire on September 30, 2058.

The electric power produced by Packwood is sold to 12 project participant utilities which pay the costs of Packwood. The Packwood participants are obligated to pay annual costs of Packwood including debt service, whether or not Packwood is operable. The participants also share Packwood revenue. Packwood is a net-billed project (see Note 5).

Nuclear Project No. 1, a 1,250-MWe plant, was placed in extended construction delay status in 1982, when it was 65 percent complete. Nuclear Project No. 3, a 1,240-MWe plant, was placed in extended construction delay status in 1983, when it was 75 percent complete. On May 13, 1994, Energy Northwest's Board of Directors adopted resolutions terminating Nuclear Projects Nos. 1 and 3. All funding requirements remain as net-billed obligations of Nuclear Projects Nos. 1 and 3. Energy Northwest is no longer responsible for site restoration costs for Nuclear Project No. 3. (See Note 10)

The Business Development Fund (BDF) was established in April 1997 to pursue and develop new energy related business opportunities. There are five main business lines associated with this business unit: Business Support, Energy & Professional Services, Laboratory Support, Nuclear Development and Operation & Maintenance Services. The BDF is not a net-billed project, all excess revenues received from operations are kept within the BDF to further its mission of developing new energy related business opportunities.

The Nine Canyon Wind Project (Nine Canyon) was established in January 2001 for the purpose of exploring and establishing a wind energy project. Phase I of the project was completed in fiscal year 2003 and Phase II was completed in fiscal year 2004. Phase I and II combined capacity is approximately 63.7 MWe. Phase III was completed in fiscal year 2008 adding an additional 14 wind turbines to Nine Canyon and adding an aggregate capacity of 32.2 MWe. The total number of turbines at Nine Canyon is 63 and the total capacity is 95.9 MWe.

The electric power produced by Nine Canyon is sold to 10

project participant utilities based on an agreed upon billing amount, whether or not Nine Canyon is operating, which is adjusted prior to each fiscal year. The original plan for Nine Canyon was for the participants to pay a lower billing rate in the first years of the project and the difference between the billings and costs was planned to be covered by the Department of Energy, Renewable Energy Production Incentive (REPI) payments. In FY 2008, a revised billing rate plan was established to address shortfalls in REPI payments, which would allow the shortfalls to be recovered over the life of the project, which is currently projected in FY 2030. The current billings to the participants covers the annual costs of Nine Canyon, including debt service and payments to a decommissioning trust fund (see Note 9.)

In July 2024, Energy Northwest's Executive Board of Directors authorized the establishment of Energy Northwest New Nuclear LLC (ENNN LLC), which is wholly owned by Energy Northwest and named the Energy Northwest Chief Executive Officer as the Manager of ENNN LLC. ENNN LLC was established to begin predevelopment activities for a potential carbon-free nuclear generating resource to be sited at the location of Energy Northwest's Nuclear Project No. 1. In October 2024, ENNN LLC signed a funding and development agreement with Amazon Energy LLC towards the development and construction of a small modular reactor project in which they agree to fund up to \$333.95 million (See Note 1 (C) Capital Contributions, Note 1 (G) Restricted Assets, Note 1 (X) Preliminary Survey and Investigation and Note 10). Currently it is planned for ENNN LLC to operate and sell the power from the small modular reactor when completed. While ENNN LLC is a legally separate entity it is considered a component unit and included in Energy Northwest's financial statements, because exclusion could be misleading or incomplete.

The Internal Service Fund was established in May 1957. It is currently used to account for the central procurement of certain common goods and services for the business units on a cost reimbursement basis and is not a net-billed project.

Energy Northwest's fiscal year (FY) begins on July 1 and ends on June 30.

The following is a summary of the significant accounting policies:

A) Basis of Accounting and Presentation: The accounting policies of Energy Northwest conform to Generally Accepted Accounting Principles (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles this includes all GASB implementation guides, GASB technical Bulletins,

and guidance from the American Institute of Certified Public Accountants (AICPA) that is cleared by GASB. The accounting and reporting policies of Energy Northwest are regulated by the Washington State Auditor's Office and are based on the Uniform System of Accounts prescribed for public utilities and licensees by FERC. Energy Northwest uses an accrual basis of accounting where revenues are recognized when earned and expenses are recognized when incurred. Revenues and expenses related to Energy Northwest's operations are considered to be operating revenues and expenses; while revenues and expenses related to capital, financing and investing activities are considered to be other income and expenses. Separate funds and books of accounts are maintained for each business unit. Payment of the obligations of one business unit with funds of another business unit is prohibited and would constitute violation of bond resolution covenants (See Note 4).

Energy Northwest maintains an Internal Service Fund for centralized control and accounting of certain capital assets such as data processing equipment, and for payment and accounting of internal services, payroll, benefits, administrative and general expenses, and certain contracted services on a cost reimbursement basis. Certain assets in the Internal Service Fund are also owned by this Fund and operated for the benefit of other projects. Depreciation relating to capital assets is charged to the appropriate business units based upon assets held by each project.

Liabilities of the Internal Service Fund represent accrued payroll, vacation pay, employee benefits, and common accounts payable which have been charged directly or indirectly to business units and will be funded by the business units when paid. Net amounts owed to, or from, Energy Northwest business units are recorded as Current Liabilities-Due to other business units, or as Current Assets-Due from other business units on the Internal Service Fund Statement of Net Position.

GASB Statement No. 101, Compensated Absences was implemented in FY 2025 but did not have a material impact as Energy Northwest's compensated absences accounting was in compliance with GASB 101.

Issued but not Adopted Guidance:

GASB Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement is effective for Energy Northwest in FY 2026. Energy Northwest is currently evaluating the impact of the statement.

GASB Statement No. 104, Disclosure of Certain Capital Assets. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This statement is effective for Energy Northwest in FY 2026. Energy Northwest is currently evaluating the impact of the statement.

B) Utility Plant and Depreciation: Utility plant is recorded at original cost which includes both direct costs of construction or acquisition and indirect costs.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	20 - 60 years
Generation Plant	40 years
Transportation Equipment	6 - 10 years
General Plant and Equipment	5 - 15 years

Group rates are used for assets and, accordingly, no gain or loss is recorded on the disposition of an asset unless it represents a major retirement. When operating plant assets are retired, their original cost together with removal costs, less salvage, is charged to accumulated depreciation.

The utility plant and net position of Nuclear Projects Nos. 1 and 3 have been reduced to their estimated net realizable values due to termination. A write-down of Nuclear Projects Nos. 1 and 3 was recorded in FY 1995 and included in Cost in Excess of Billings. Interest expense, termination expenses and asset disposition costs for Nuclear Projects Nos. 1 and 3 have been charged to other non-operating income and expense (See Note 10).

Projects are generally capitalized if they are over \$50 thousand for Columbia Generating Station and \$25 thousand for all other business units and meet the improvement or extension criteria set forth in Energy Northwest’s capitalization policy.

C) Capital Contributions: Energy Northwest (EN) is involved in various grants and other non-grant funded projects. Columbia received \$1 thousand in FY 2025 related to a federal award for Advanced Remote Monitoring. Business Development received multiple grants and other non-grant funds attributable to various activities in fiscal year 2025. These included \$2.8 million related to a vehicle electrification grant through Washington State Department of Transportation; \$636 thousand related to vehicle electrification through four grants from third party entities; \$22 thousand related to the development of a small modular reactor simulator to be located at

a local college; and \$4.72 million in contributions from a third-party entity towards a feasibility study for an advanced nuclear reactor. ENNN LLC received \$11 million in contributions from a third-party entity towards the development and construction for the small modular reactor project (See Note 1(G) Restricted Assets, Note 1 (X) Preliminary Survey and Investigation and Note 10).

D) Nuclear Fuel: Energy Northwest has various agreements for uranium concentrates, conversion, and enrichment to provide for short-term enriched uranium product and long-term enrichment services. All expenditures related to the initial purchase of nuclear fuel for Columbia are carried at cost.

E) Decommissioning Liability: Energy Northwest has adopted GASB Statement No. 83 “Certain Asset Retirement Obligations”. GASB No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Legal obligations exist for Energy Northwest to perform future asset retirement activities related to certain tangible assets. Accordingly, GASB No. 83 requires recognizing a liability for this obligation. (See Note 9)

F) Decommissioning and Site Restoration: Energy Northwest established decommissioning and site restoration funds for Columbia and monies are being deposited each year in accordance with an established funding plan (See Note 9).

G) Restricted Assets: In accordance with bond resolutions, related agreements and laws, separate restricted accounts have been established. These assets are restricted for specific uses including debt service, construction, capital additions, fuel purchases and workers’ compensation. Short term restricted assets are included in current assets and longer-term restricted assets are shown as non-current assets. When both restricted and unrestricted resources are available for use, it is Energy Northwest’s policy to use restricted resources first, then unrestricted resources as they are needed. ENNN LLC’s cash received in advance from the Amazon funding agreement is restricted for the development and construction of the small modular reactor project (See Note 1 (C) Capital Contributions, Note 1 (X) Preliminary Survey and Investigation and Note 10). Also, a restricted unearned revenue of \$17.9 million, which is recorded within accounts payable and accrued expenses, is recorded until revenues are recognized

as expenses are incurred for the development and construction of the small modular reactor project. ENNN LLC is required to repay any unspent Amazon funds if a decision is made to discontinue the activities towards the development and construction of the small modular reactor project (See Note 1 (C) Capital Contributions, Note 1 (X) Preliminary Investigation and Survey and Note 10). Additional payments from Amazon under the funding agreement require completing specific milestones (See Note 1 (C) Capital Contributions, Note 1 (X) Preliminary Survey and Investigation and Note 10).

H) Cash and Investments: For purposes of the Statement of Cash Flows, cash includes unrestricted and restricted cash balances, and each business unit maintains its cash and investments. Short-term highly liquid investments, which mature in a year or less, are not considered to be cash equivalents; and are stated at fair value with unrealized gains and losses reported in investment income (See Note 3). Energy Northwest resolutions and investment policies limit investment authority to obligations of the United States Treasury, Federal National Mortgage Association and Federal Home Loan Banks. Safe keeping agents, custodians, or trustees hold all investments for the benefit of the individual Energy Northwest business units.

I) Accounts Receivable: The percentage of sales method is used to estimate uncollectible accounts. The reserve is then reviewed for adequacy against an aging schedule of accounts receivable. Accounts deemed uncollectible are transferred to the provision for uncollectible accounts on a yearly basis. Accounts receivable specific to each business unit are recorded in the residing business unit. In FY 2025 the evaluation of current accounts receivable resulted in no allowance for uncollectible accounts being recorded. The total balance for uncollectible receivables is zero.

J) Other Receivables: Other receivables include amounts related to the Internal Service Fund from miscellaneous outstanding receivables from other business units which have not yet been collected. The amounts due to each business unit are reflected in Due To/From other business units. Other receivables specific to each business unit are recorded in the residing business unit. No allowances were deemed necessary at the end of the fiscal year. Payments made by members in advance of expenses incurred are included as advances from members in the Statement of Net Position.

K) Materials and Supplies: Materials and supplies are valued at cost using the weighted average cost method.

L) Prepayments: Prepayments include amounts that have been paid for in advance of services being provided and are expensed over the period of service, which can be for more than one year. Prepayments include software maintenance fees and insurance premiums.

M) Leases: For long-term leases that have a present value of future payments over a certain dollar value for each business unit, which do not transfer ownership of the underlying asset, and EN is the lessee, a lease liability, and a lease asset have been established in accordance with GASB Statement No. 87 (See Note 13). The lease liability was established at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset was established at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

For long term leases that have a present value of future receipts over a certain dollar value for each business unit, which EN is the lessor, a lease receivable and a deferred inflow of resources have been established in accordance with GASB Statement No. 87 (See Note 13). The lease receivable was established at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources was established at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods.

Energy Northwest has adopted a policy to recognize leases of which the present value of future payments exceeds \$100 thousand for Columbia, \$5 thousand for Business Development Fund, \$25 thousand for Internal Service Fund, \$50 thousand for Unit 1, \$5 thousand for Nine Canyon, and \$5 thousand for Packwood.

N) Long-Term Liabilities: Consist of obligations related to bonds payable and the associated premiums/discounts and gains/losses. Other noncurrent liabilities are pension liabilities recognized according to GASB Statement No. 68 (See Note 6), asset retirement obligations (ARO) (See Note 9), other postemployment benefits (OPEB) liabilities (See Note 12), lease liability (See Note 13), and other immaterial liabilities. The following table summarizes activities for all long-term liabilities excluding pension, OPEB, leases, and decommissioning liabilities.

Long-Term Liabilities (Dollars in thousands)

	Balance 7/1/2024	Increase	Decrease	Balance 6/30/2025
Columbia Generating Station				
Revenue bonds payable	\$ 3,143,000	\$ 513,160	\$ 257,120	\$ 3,399,040
Unamortized (discount)/premium on bonds - net	442,731	34,881	54,922	422,690
Current maturities of long-term debt	150,645	19,585	150,645	19,585
Other noncurrent liabilities	105	4	-	109
Total	\$ 3,736,481	\$ 567,630	\$ 462,687	\$ 3,841,424
Packwood Lake Hydroelectric Project				
Advances from members and others	\$ 9,557	\$ 145	\$ -	\$ 9,702
Nuclear Project No.1				
Revenue bonds payable	\$ 801,805	\$ 258,890	\$ 285,250	\$ 775,445
Unamortized (discount)/premium on bonds - net	49,849	24,897	18,602	56,144
Current maturities of long-term debt	-	1,460	-	1,460
Total	\$ 851,654	\$ 285,247	\$ 303,852	\$ 833,049
Nuclear Project No.3				
Revenue bonds payable	\$ 937,700	\$ 173,185	\$ 185,315	\$ 925,570
Unamortized (discount)/premium on bonds - net	74,848	11,220	21,105	64,963
Current maturities of long-term debt	-	905	-	905
Total	\$ 1,012,548	\$ 185,310	\$ 206,420	\$ 991,438
Nine Canyon Wind Project				
Revenue bonds payable	\$ 28,005	\$ -	\$ 4,160	\$ 23,845
Unamortized (discount)/premium on bonds - net	1,466	-	406	1,060
Current maturities of long-term debt	3,960	4,160	3,960	4,160
Total	\$ 33,431	\$ 4,160	\$ 8,526	\$ 29,065

O) Debt Premium, Discount and Expense: Original issue and reacquired bond premiums, discounts relating to the bonds are amortized over the terms of the respective bond issues using the bonds outstanding method which approximates the effective interest method. Gains and losses on debt refundings have been deferred and amortized as a component of interest expense over the shorter of the remaining life of the old or new debt. Expenses related to debt issuance are expensed as incurred.

Senior Lien Bonds (Bearer Bonds) were issued for Project 1, Columbia, Project 3, and Packwood. At the time of issuance there were no registration requirements on the bonds. While the amount of the bearer bonds outstanding is unknown, Energy Northwest recognizes there is a contingency related to this debt that may be redeemed in the future. An estimated amount of cash required for the unrepresented bonds was calculated and the Energy Northwest Custodial Account Tracking is done by US Bank. The bank holds an estimate of cash required to pay claims on these bonds. Once the bond has matured the cash is released to Energy Northwest.

Once identified by the bank the designated maturity requirements have been met, the cash is provided to Energy Northwest. These escheated funds are then returned to Bonneville Power Administration. Energy Northwest maintains a \$500 thousand liability on the balance sheet for the unclaimed bearer bonds and related cash to pay for claims as necessary and annually replenishes the funds through a contract with Bonneville Power Administration.

P) Revenue and Expenses: Energy Northwest accounts for expenses and revenues on an accrual basis, and recovers, through various agreements, actual cash requirements for operations and debt service for Columbia, Packwood, Nuclear Project No. 1 and Nuclear Project No. 3. For these business units, Energy Northwest recognizes revenues equal to expenses for each period. Revenues of Nuclear Project No.1 and Nuclear Project No.3 are recorded under other income and expense, as these two business units are terminated nuclear projects. No net revenue or loss is recognized, and no net position is accumulated. The difference between cumulative billings received

and cumulative expenses is recorded as either billings advances from members and others (other credits) or as costs in excess of billings (other charges), as appropriate. Such amounts will be settled during future operating periods (See Note 5).

The difference between cumulative revenues and cumulative expenses for Nine Canyon, Business Development and ENNN LLC is recognized as net income or loss and included in Net Position for each period.

Energy Northwest distinguishes operating revenues and expenses from other income and expense items. Operating revenues and expenses generally result from the Net Billing agreements stated above or from services provided by EN's principal operations. Operating expenses for Energy Northwest include the costs of operating the generation producing facility, related administrative fees, and depreciation on utility plant. All revenues and expenses not meeting this definition are reported as other income or expense.

Q) Compensated Absences: Employees earn leave in accordance with length of service. Energy Northwest accrues the cost of personal leave in the year when earned. The liability for unpaid leave benefits and related payroll taxes was \$30.8 million at the end of this fiscal year and is recorded as a current liability under accounts payable and accrued expenses. Any unpaid leave is settled by either payment to employees or to employees controlled voluntary employee beneficiary association account at termination and there are not any funds transferred to other post-employment benefits under GASB 75.

R) Use of Estimates: The preparation of Energy Northwest financial statements in conformity with GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Certain incurred expenses and revenues are allocated to the business units based on specific allocation methods that management considers to be reasonable.

S) Deferred Inflows and Outflows: Deferred outflows of resources are defined as the consumption of net assets by Energy Northwest that are applicable to a future reporting period and are reported in the statement of financial position in a separate section following assets. Deferred inflows of resources are defined as acquisitions of net assets by Energy Northwest that is applicable

to a future reporting period and are reported in the statement of financial position in a separate section following liabilities.

These amounts consist of losses and gains on bond refundings, subsequent contributions, difference between projected and actual investment income, decommissioning costs (See Note 9), OPEB cost (See Note 12), lease cost (See note 13) and other pension related costs (See Note 6) as labeled on the Statement of Net Position.

T) Short-Term Debt: A revolving loan agreement, Electric Revenue Bond Anticipation Note 2024A/B, was amended on December 11, 2024, to fund capital expenditures, operations and maintenance expenses and debt service for Columbia. The 2024A/B Note agreement is not to exceed \$120 million with a final maturity December 16, 2026. There was no outstanding balance related to the note as of June 30, 2025.

No assets were directly pledged as collateral for the above-mentioned loan agreement. The loan agreement was supported by the Net Billing Agreements with the Bonneville Power Administration and the Project Participants. The 2024A/B Note is secured by revenues of the Columbia Generating Station; no assets secure the Notes. The covenants include covenants to (1) comply with laws and relevant resolutions, (2) maintain the facilities comprising and obtain insurance on Columbia, (3) collect sufficient rates and charges to repay the Notes and all other obligations of Columbia, and (4) not to rescind or amend the project related documents or authorizing documents in any material way. Events of default include failure to repay the Notes or any Columbia bonds when due, any materially incorrect representation, covenant defaults, invalidity, insolvency, and a judgment in excess of \$15 million that is not satisfied or appealed. Remedies upon an event of default include (1) the Notes will bear interest at a default rate, (2) acceleration, but only if the Parity Bonds have been accelerated and such acceleration does not violate state law or the Columbia bond resolution, and revenues will be turned over to the trustee for the Columbia bonds.

Short-term Liabilities (Dollars in thousands)

	Balance Outstanding 7/1/2024	Increases	Decreases	Balance Outstanding 6/30/2025
Columbia Generating Station				
Revolving Loan	\$ -	\$ 108,500	\$ 108,500	\$ -

U) Pensions: For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Washington State Public Employees Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms, investments are reported at fair value.

V) OPEB: For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB related to the implicit benefit of receiving medical through PERS have been recorded. Energy Northwest does not directly contribute to any post-employment benefit related to medical insurance.

W) Subscription-Based Information Technology

Arrangements (SBITA): For long-term SBITAs that have a present value of future payments over a certain dollar value for each business unit, a SBITA liability, and a SBITA asset have been established in accordance with GASB Statement No. 96 (See Note 14). To be included the present value of future payments need to be for Columbia SBITAs of \$100 thousand or greater, for Business Development Fund SBITAs of \$5 thousand or greater, for Internal Service Fund SBITAs of \$25 thousand or greater, for Unit 1 SBITAs of \$50 thousand or greater, for Nine Canyon SBITAs of \$5 thousand or greater, and for Packwood SBITAs of \$5 thousand or greater. The SBITA liability was established at the present value of payments expected to be made during the SBITA term. The SBITA asset was established at the amount of the initial measurement of the SBITA liability.

X) Preliminary Survey and Investigation: The balance represents initial project engineering and feasibility study costs related to the construction of an advanced nuclear reactor. The balance will be capitalized upon commencement of the project. During FY 2024, Energy Northwest entered into a joint development agreement with X-energy establishing the schedule, framework and responsibilities necessary for development of an Xe-100 project on the location of Unit 1. The agreement details a

project consisting of up to a dozen 80 megawatt Xe-100 modules, with a potential total output of 960 MW, with commercial operation for the first module by December 31, 2032. However, this agreement does not bind Energy Northwest to any future financial or contractual obligations, but provides Energy Northwest with the exclusive option to develop the second Xe-100 plant. Also, during FY 2024, Energy Northwest BDF signed an agreement with Puget Sound Energy, to provide up to \$10 million toward Energy Northwest's feasibility study for the Xe-100 project. This agreement does not commit Puget Sound Energy to any future financial commitment nor signify an ownership interest in a developed project (See Note 10). In addition, in March 2024, Washington state legislators included a \$25 million provision in the states 2023-2025 supplemental capital budget to support the feasibility study. The budget was signed by the Governor of Washington in March 2024. As of the June 30, 2025, Energy Northwest was finalizing the contract terms with the State of Washington Department of Commerce (See Note 10). The small modular reactor project is planned to be developed by ENNN LLC and the costs incurred in the Energy Northwest BDF will be transferred to an intangible asset when the project is completed. In October 2024, ENNN LLC signed a funding and development agreement with Amazon Energy LLC (Amazon) towards the development and construction for the first phase of four small modular reactors. Amazon agrees to fund up to \$333.95 million towards the project and is granted a right to purchase electricity, capacity, ancillary services, and Environmental Attributes upon completion of the project (See Note 1 (C) Capital Contributions, Note 1(G) Restricted Assets, and Note 10). The Energy Northwest BDF is providing services to ENNN LLC in support of the small modular reactor and has recognized \$4.6 million in revenue in FY 2025.

NOTE 2 - Utility Plant

Utility plant activity for the year ended June 30, 2025 was as follows (Dollars in thousands):

	Balance 7/1/2024	Capital Acquisition	Sale or Other Dispositions	Balance 6/30/2025
Columbia Generating Station				
Generation	\$ 4,951,404	\$ 224,769	\$ -	\$ 5,176,173
Intangible Right-To-Use Lease Asset	6,067	1,842	-	7,909
Intangible Right-To-Use Subscription Asset	627	-	-	627
Intangible Plant	48,439	-	-	48,439
Construction Work in Progress	166,348	259,896	(224,769)	201,475
Accumulated Depreciation	(3,473,178)	(93,282)	-	(3,566,460)
Accumulated Depreciation Leases	(2,377)	(777)	-	(3,154)
Accumulated Depreciation Subscription Leases	(258)	(183)	-	(441)
Utility Plant net*	\$ 1,697,072	\$ 392,265	\$ (224,769)	\$ 1,864,568
Packwood Lake Hydroelectric Project				
Generation	\$ 19,911	\$ 566	\$ -	\$ 20,477
Intangible Right-To-Use Lease Asset	75	-	-	75
Intangible Plant	3,737	-	-	3,737
Construction Work in Progress	-	576	(566)	10
Accumulated Depreciation	(14,747)	(345)	-	(15,092)
Accumulated Depreciation Leases	(6)	(18)	-	(24)
Utility Plant net	\$ 8,970	\$ 779	\$ (566)	\$ 9,183
Business Development				
Generation	\$ 18,057	\$ 4,635	\$ -	\$ 22,692
Intangible Right-To-Use Lease Asset	135	-	-	135
Accumulated Depreciation	(6,192)	(1,040)	-	(7,232)
Accumulated Depreciation Leases	(17)	(5)	-	(22)
Utility Plant net	\$ 11,983	\$ 3,590	\$ -	\$ 15,573
Nine Canyon Wind Project				
Generation	\$ 133,836	\$ -	\$ (33)	\$ 133,803
Intangible Right-To-Use Lease Asset	836	-	-	836
Accumulated Depreciation	(124,720)	(3,200)	22	(127,898)
Accumulated Depreciation Leases	(95)	(31)	-	(126)
Utility Plant net	\$ 9,857	\$ (3,231)	\$ (11)	\$ 6,615
Internal Service Fund				
Generation	\$ 58,948	\$ 4,363	\$ (5,084)	\$ 58,227
Intangible Right-To-Use Lease Asset	126	-	-	126
Intangible Right-To-Use Subscription Asset	7,490	4,791	(274)	12,007
Accumulated Depreciation	(45,108)	(3,946)	5,084	(43,970)
Accumulated Depreciation Leases	(39)	(42)	-	(81)
Accumulated Depreciation Subscription Leases	(3,643)	(2,320)	274	(5,689)
Utility Plant net	\$ 17,774	\$ 2,846	\$ -	\$ 20,620
Nuclear Project No.1				
Intangible Right-To-Use Lease Asset	\$ 1,458	\$ -	\$ -	\$ 1,458
Accumulated Depreciation Capital Leases	(136)	(47)	-	(183)
Lease Plant net	\$ 1,322	\$ (47)	\$ -	\$ 1,275

* Does not include nuclear fuel, net of amortization

NOTE 3 - Investments

Interest rate risk: In accordance with its investment policy, Energy Northwest manages its exposure to declines in fair values by limiting investments to those with maturities as designated in specific bond resolutions to coincide with expected use of the funds.

Credit risk: Energy Northwest's investment policy restricts investments to debt securities and obligations of the U.S. Treasury, U.S. government agencies Federal National Mortgage Association and the Federal Home Loan Banks, certificates of deposit and other evidences of deposit at financial institutions qualified by the Washington Public Deposit Protection Commission (PDPC), and general obligation debt of state and local governments and public authorities recognized with one of the three highest credit ratings (AAA, AA+, AA, or equivalent). This investment policy is more restrictive than the state law.

Concentration of credit risk: Energy Northwest's investment policy has restrictions on concentration of credit risk. No limits of concentration are set on U.S. Treasury related to securities or cash holdings. Excluding the exceptions noted, no more than 50% of the entity's total Investment portfolio will be invested in a single security type or with a single financial Institution.

Custodial credit risk, deposits: For a deposit, this is the risk that in the event of bank failure, Energy Northwest's deposits may not be returned to it. Energy Northwest's demand deposit interest bearing accounts and certificates of deposits are covered up to \$250,000 by Federal Depository Insurance (FDIC) while time and savings deposit non-interest-bearing accounts are covered up to an additional \$250,000 by FDIC. All interest and non-interest-bearing deposits are covered by collateral held in a multiple financial institution collateral pool administered by the Washington state Treasurer's Local Government Investment Pool (PDPC). Under state law, public depositories under the PDPC may be assessed on a prorated basis if the pool's collateral is insufficient to cover a loss. All deposits are insured by collateral held in the multiple financial institution collateral pool. State law requires deposits may only be made with institutions that are approved by the PDPC.

Custodial credit risk, investments: For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, Energy Northwest will not be able to recover the value of its investments or collateral securities in possession of an outside party. Energy Northwest's investment policy addresses this risk. All securities owned by Energy Northwest are held by a third-party custodian, acting as an agent for Energy Northwest under the terms of a custody agreement.

Fair Value: Energy Northwest investments have been adjusted to reflect available fair value as of June 30, 2025, obtained from available financial industry valuation sources. Investments are valued using Bloomberg Investor Service

by using the information available on the last business day of each month. Energy Northwest categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All Energy Northwest fair market measurements are quoted at Level 2.

Investments (Dollars in thousands)

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value (1) (2)
Columbia	\$ 242,386	\$ 143	\$ (14)	\$ 242,515
Packwood	853	-	-	853
Nuclear Project No. 3	2,502	-	-	2,502
Business Development Fund	3,533	-	(2)	3,531
Internal Service Fund	12,177	1	(137)	12,041
Nine Canyon Wind	21,305	6	(2)	21,309

(1) All investments are in U.S. Government backed securities including U.S. Government Agencies and Treasury Bills.

(2) The majority of investments have maturities of less than 1 year. Approximately \$9.8 million have a maturity beyond 1 year with the longest maturity being July 15th, 2026.

Investment Concentration FY 2025

Investment Type	Rating	June 30, 2025
Federal Home Loan Bank	AA+	25%
Federal National Mortgage Assn.	AA+	1%
U.S. Treasury	AA+	74%
		100%

NOTE 4 - Long-Term Debt

Each Energy Northwest business unit is financed separately. The resolutions of Energy Northwest authorizing issuance of revenue bonds for each business unit provide that such bonds are payable from the revenues of that business unit. All bonds issued under resolutions Nos. 769, 775 and 640 for Nuclear Projects Nos. 1, 3 and Columbia, respectively, have the same priority of payment within the business unit (the "prior lien bonds"). No prior lien bonds remain outstanding related to Columbia authorized under resolution No. 640. No prior lien bonds remain outstanding related to Project 1 authorized under resolution No. 769. No prior lien bonds remain outstanding related to Project 3 authorized under resolution No. 775. All bonds issued under resolutions Nos. 835, 838 and 1042 (the "electric revenue bonds") for Nuclear Projects Nos. 1, 3 and Columbia, respectively, are subordinate to the prior lien bonds and have the same subordinated priority of payment within the business unit. Nine Canyon's bonds were authorized by the following resolutions: Resolution No. 1214 (2001 Bonds), Resolution No. 1299 (2003 Bonds), Resolution

No. 1376 (2005 Bonds), Resolution No.1482 (2006 Bonds), Resolution No. 1722 (2012 Bonds), Resolution No. 1789 (2014 Bonds), and Resolution No. 1824 (2015 Bonds). No 2001, 2003, 2005, 2006, 2012, or 2014 Nine Canyon bonds remained outstanding as of June 30, 2025, under Resolution Nos. 1214, 1299, 1376, 1482, 1722, and 1789 respectively.

During the year ended June 30, 2025, Energy Northwest issued, for Project 1, Columbia, and Project 3 2025-A and 2025-B fixed-rate bonds. The Project 1 bonds were issued with a coupon interest rate of 5.00 percent. Columbia bonds were issued with a coupon interest rate ranging from 4.22 percent to 5.00 percent. Project 3 bonds were issued with a coupon Interest rate of 5.00 percent.

The Series 2025-A bonds issued for Project 1, Columbia, and Project 3 are tax-exempt fixed-rate bonds. Series 2025-B bonds issued for Columbia are taxable fixed-rate bonds. The 2025-A and 2025-B bonds were issued in majority to refund prior Project 1, Columbia, and Project 3 bonds and associated unamortized premium (represented as a portion of interest expense) along with the issuance of \$200.519 million to fund fiscal year 2026 capital related expenses and repay balance drawn on the short-term line of credit associated with the \$108.5 million fuel procurements at Columbia. The 2025-A refunding bonds resulted in an economic gain of \$1.749 million for Project 1, \$22.893 million for Columbia and \$0.736 million for Project 3.

Energy Northwest also defeased certain revenue bonds by placing the net proceeds from the refunding bonds in irrevocable trusts to provide for all required future debt service payments on the refunded bonds until the dates of redemption. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the financial statement. In FY 2025 total defeasements included \$283.790 million for Project 1, \$237.535 million for Columbia, and \$184.410 million for Project 3.

The Weighted Average Coupon Interest Rates and Total Defeased Bonds for 2025-A and 2025-B are presented in the following tables:

Weighted Average Coupon Interest Rate for Refunded Bonds

	2025A	2025B
Project 1	4.89%	N/A
Columbia	5.00%	N/A
Project 3	5.00%	N/A
Total	4.96%	N/A

Weighted Average Coupon Interest Rate for New Bonds

	2025A	2025B
Project 1	5.00%	N/A
Columbia	5.00%	4.26%
Project 3	5.00%	N/A
Total	5.00%	4.26%

Total Defeased (Dollars in thousands)

	2025A	2025B	Total
Project 1	\$ 283,790	\$ -	\$ 283,790
Columbia	\$ 237,535	\$ -	\$ 237,535
Project 3	\$ 184,410	\$ -	\$ 184,410
Total	\$ 705,735	\$ -	\$ 705,735

2025 Refunding results

Outstanding principal on revenue and refunding bonds as of June 30, 2025, and future debt service requirements for these bonds are presented in the following tables:

2025-A (Tax-Exempt) Transaction	Project 1	Columbia	Project 3
Cash flow difference (Dollars in thousands)			
Old debt service cash flows	\$ 290,342	\$ 333,045	\$ 187,654
New debt service cash flows	372,897	302,299	236,076
Net cash flow savings (dissavings)	\$ (82,555)	\$ 30,746	\$ (48,422)
Economic gain / loss (Dollars in thousands)			
Present value of old debt service cash flows	\$ 284,169	\$ 259,279	\$ 184,253
Present value of new debt service cash flows	282,421	236,386	183,517
Economic gain (loss)	\$ 1,748	\$ 22,893	\$ 736

Source: Provided by JP Morgan (lead underwriting bank)

Columbia Generating Revenue and Refunding Bonds

(Dollars in thousands)

Series	Coupon Rate (%)	Serial or Term Maturities	Original Issue Amount	Amount Outstanding
2012E	3.40-3.60	7/1/2025-7/1/2027	748,515	49,230
2014B	4.05	7/1/2030	90,520	1,090
2015A	4.00	7/1/2035-7/1/2038	330,460	66,715
2016A	5.00	7/1/2028-7/1/2032	89,055	59,545
2016B	3.20	7/1/2028	4,085	1,985
2017A	5.00	7/1/2029-7/1/2035	188,130	159,415
2017B	3.39	7/1/2029	3,795	3,285
2018A	5.00	7/1/2028-7/1/2034	320,510	87,745
2018C	5.00	7/1/2030-7/1/2034	229,025	203,975
2019A	5.00	7/1/2035-7/1/2038	251,575	214,415
2019B	3.46	7/1/2035	18,330	15,445
2020A	4.00-5.00	7/1/2030-7/1/2039	288,560	282,035
2020B	2.45	7/1/2032	14,830	13,220
2021A	4.00-5.00	7/1/2040-7/1/2042	524,090	304,715
2021B	0.90-2.35	7/1/2025-7/1/2034	100,750	100,750
2022A	5.00	7/1/2032-7/1/2037	396,180	396,180
2022B	3.32	7/1/2025	1,655	1,655
2023A	4.00-5.00	7/1/2029-7/1/2039	416,180	416,180
2024A	5.00	7/1/2030-7/1/2040	517,755	517,755
2024B	5.00	7/1/2032	10,130	10,130
2025A	5.00	7/1/29-7/1/2043	404,135	404,135
2025B	4.22-4.32	7/1/2026-7/1/2030	109,025	109,025

Revenue bonds payable	\$ 3,418,625
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Nuclear Project No. 1 Refunding Revenue Bonds

(Dollars in thousands)

Series	Coupon Rate (%)	Serial or Term Maturities	Amount	Outstanding
2017A	5.00	7/1/2026-7/1/2028	237,685	148,070
2017B	2.94	7/1/2025	2,160	525
2020A	5.00	7/1/2027-7/1/2028	52,760	52,760
2021A	4.00-5.00	7/1/26-7/1/2042	69,835	69,835
2021B	0.90	7/1/2025	375	375
2022A	5.00	7/1/2026-7/1/2035	99,215	99,215
2022B	3.32	7/1/2025	560	560
2023A	5.00	7/1/2034	16,435	16,435
2024B	5.00	7/1/2026-7/1/2027	189,770	130,240
2025A	5.00	7/1/2027-7/1/2040	258,890	258,890
Revenue bonds payable			\$	776,905

Nuclear Project No. 3 Refunding Revenue Bonds

(Dollars in thousands)

Series	Coupon Rate (%)	Serial or Term Maturities	Original Issue Amount	Amount Outstanding
2016A	5.00	7/1/2026-7/1/2027	198,535	190,110
2016B	3.05	7/1/2027	5,420	4,070
2017A	5.00	7/1/2028	154,435	100,000
2017B	2.94	7/1/2025	1,645	905
2018C	4.00-5.00	7/1/2026-7/1/2028	399,155	226,220
2021A	4.00	7/1/2042	16,675	16,675
2022A	5.00	7/1/2035	18,560	18,560
2023A	5.00	7/1/2033	74,200	74,200
2024A	5.00	7/1/2031-7/1/2037	55,650	55,650
2024B	5.00	7/1/2028	66,900	66,900
2025A	5.00	7/1/2026-7/1/2039	173,185	173,185
Revenue bonds payable			\$	926,475

Nine Canyon Wind Project Revenue and Refunding Bonds

(Dollars in thousands)

Series	Coupon Rate (%)	Serial or Term Maturities	Original Issue Amount	Amount Outstanding
2015	4.00-5.00	7/1/2025-7/1/2030	54,895	28,005
Revenue bonds payable			\$	28,005

Debt Service Requirements As of June 30, 2025

(Dollars in thousands)

Columbia Generating Station

FISCAL YEAR*	PRINCIPAL	INTEREST	TOTAL
6/30/2025 Balance:**	\$ 19,585	\$ 75,240	\$ 94,825
2026	51,015	165,615	216,630
2027	14,960	160,835	175,795
2028	58,075	160,296	218,371
2029	108,445	157,428	265,873
2030	221,820	152,277	374,097
2031-2035	1,258,415	598,696	1,857,111
2036-2040	1,289,875	278,300	1,568,175
2041-2045	396,435	32,437	428,872
	\$ 3,418,625	\$ 1,781,124	\$ 5,199,749

* Fiscal year for this report indicates the cash funding requirement year.

** Principal and Interest due July 1, 2025.

Nuclear Project No. 1

FISCAL YEAR*	PRINCIPAL	INTEREST	TOTAL
6/30/2025 Balance:**	\$ 1,460	\$ 19,796	\$ 21,256
2026	193,105	40,048	233,153
2027	168,355	28,954	197,309
2028	152,205	20,537	172,742
2029	-	12,927	12,927
2030	-	12,927	12,927
2031-2035	195,080	52,061	247,141
2036-2040	50,450	15,862	66,312
2041-2045	16,250	1,300	17,550
	\$ 776,905	\$ 204,412	\$ 981,317

* Fiscal year for this report indicates the cash funding requirement year.

** Principal and Interest due July 1, 2025.

Nuclear Project No. 3

FISCAL YEAR*	PRINCIPAL	INTEREST	TOTAL
6/30/2025 Balance:**	\$ 905	\$ 23,295	\$ 24,200
2026	174,055	46,965	221,020
2027	173,690	37,319	211,009
2028	303,095	28,724	331,819
2029	-	13,569	13,569
2030	-	13,570	13,570
2031-2035	162,760	46,429	209,189
2036-2040	95,295	19,329	114,624
2041-2045	16,675	1,334	18,009
	\$ 926,475	\$ 230,534	\$ 1,157,009

* Fiscal year for this report indicates the cash funding requirement year.

** Principal and Interest due July 1, 2025.

Nine Canyon Wind Project

FISCAL YEAR*	PRINCIPAL	INTEREST	TOTAL
6/30/2025 Balance:**	\$ 4,160	\$ 603	\$ 4,763
2026	4,370	997	5,367
2027	4,585	779	5,364
2028	4,770	596	5,366
2029	4,960	405	5,365
2030	5,160	206	5,366
	\$ 28,005	\$ 3,586	\$ 31,591

* Fiscal year for this report indicates the cash funding requirement year.

** Principal and Interest due July 1, 2025.

NOTE 5 - Net Billing**Security - Nuclear Projects Nos. 1 and 3 and Columbia**

The participants have purchased all the capability of Nuclear Projects Nos. 1 and 3 and Columbia. BPA has in turn acquired the entire capability from the participants under contracts referred to as net-billing agreements. Under the net-billing agreements for each of the business units, participants are obligated to pay Energy Northwest a pro-rata share of the total annual costs of the respective projects, including debt service on bonds relating to each business unit. BPA is then obligated to reduce amounts from participants under BPA power sales agreements by the same amount. The net-billing agreements provide that participants and BPA are obligated to make such payments whether or not the projects are completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the projects' output.

On May 13, 1994, Energy Northwest's Board of Directors adopted resolutions terminating Nuclear Projects Nos. 1 and 3. The Nuclear Projects Nos. 1 and 3 project agreements and the net-billing agreements, except for certain sections which relate only to billing processes and accrued liabilities and obligations under the net-billing agreements, ended upon termination of the projects. Energy Northwest previously entered into an agreement with BPA to provide for continuation of the present budget approval, billing, and payment processes. With respect to Nuclear Project No. 3, the ownership agreement among Energy Northwest and private companies was terminated in FY 1999 (See Note 10).

Security - Packwood Lake Hydroelectric Project

Power produced by Packwood is provided to the 12 member utilities. The member utilities pay the annual costs, including any debt service, of Packwood and are obligated to pay these annual costs whether Packwood is operational. The Packwood participants also share project revenue to the extent that the amounts exceed project costs.

NOTE 6 - Pension Plans

The following table represents the aggregate pension amounts for all plans as of and for the fiscal year ended June 30, 2025 (in thousands):

Pension Liabilities	\$ 13,338
Pension Assets	\$ (32,296)
Deferred Outflows of Resources	\$ 61,724
Deferred Inflows of Resources	\$ 14,210
Pension Expense/(Revenue)	\$ (3,289)

State Sponsored Pension Plans - Substantially all of Energy Northwest's full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiemployer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
PO Box 48380
Olympia, WA 98540-8380

Or the DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees Retirement System (PERS)

PERS members include elected officials; state employees; employees of local governments; and higher education employees not participating in higher education retirement programs.

PERS is composed of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3 and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although employees can be a member of only Plan 2 or Plan 3, the defined benefits of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of Plan 2/3 may legally be used to pay the defined benefits of any Plan 2 or Plan 3 members or beneficiaries.

PERS Plan 1 - provides retirement, disability, and death benefits. Retirement benefits are determined as 2% of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least 5 years of service. PERS Plan 1 retirement benefits are actuarially reduced if a survivor benefit is chosen. Members retiring from active status prior to the age of 65 may also receive actuarially reduced benefits. Other benefits include an optional cost-of-living adjustment (COLA). PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions -The PERS Plan 1 member contribution rate is established by State statute at 6%. The employer contribution rate is developed by the Office of the State Actuary, adopted by the Pension Funding Council and is subject to change by the legislature.

The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) were as follows for the fiscal year ended June 30, 2025:

PERS Plan 1 Actual Contribution Rates	Employer	Employee
July 2024 through August 2024:		
PERS Plan 1 UAAL	6.36 %	6.00 %
PERS Plan 1 UAAL	2.47 %	-
Administrative Fee	0.20 %	-
Total	9.03 %	6.00 %
September 2024 through June 2025:		
PERS Plan 1 UAAL	6.36 %	6.00 %
PERS Plan 1 UAAL	2.55 %	-
Administrative Fee	0.20 %	-
Total	9.11 %	6.00 %

Energy Northwest's actual contributions to the plan were \$4.8 million for the fiscal year ended June 30, 2025.

PERS Plan 2/3 - provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member's AFC times the member's years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 retirement benefits are actuarially reduced if a

survivor benefit is chosen. Other PERS Plan 2/3 benefits include a COLA based on the CPI, capped at 3% annually. Annuities purchased with Plan 3 defined contributions that are invested within the Washington State Investment Board (WSIB) Total Allocation Portfolio (TAP) are considered defined benefits. Plan 3 WSIB Tap annuities are actuarially reduced if a survivor benefit is chosen and TAP annuities include a COLA of 3% annually. PERS 2 members are vested after completing 5 years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service; or after 5 years of service if 12 months of that service are earned after age 44.

PERS Plan 3 - defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. Members are eligible to withdraw their defined contributions upon separation. Members have multiple withdrawal options, including purchase of an annuity. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions - The PERS Plan 2/3 employer and employee contribution rates are developed by the Office of the State Actuary, adopted by the Pension Funding Council and are subject to change by the Legislature. The PERS 2/3 employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Accrued Liability (UAAL).

As established by Chapter 41.34 RCW, Plan 3 defined contribution rates are set at a minimum of 5% and a maximum of 15%. PERS Plan 3 members choose their contribution rate from six options when joining membership and can change rates only when changing employers. Employers do not contribute to the defined contribution benefits.

The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) were as follows fiscal year ended June 30, 2025:

PERS Plan 2/3 Actual Contribution Rates	Employer 2/3	Employee 2	Employee 3
July through August			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	2.47	-	-
Administrative Fee	0.20	-	-
Total	9.03%	6.36%	Varies
September through June			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	2.55	-	-
Administrative Fee	0.20	-	-
Total	9.11%	6.36%	Varies

Energy Northwest's actual contributions to the plan were \$12.1 million for the fiscal year ended June 30, 2025.

Actuarial Assumptions

The total pension liability/(asset) (TPL/A) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2024 with a valuation date of June 30, 2023. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) 2013-2018 Demographic Experience Study and the 2023 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2023 actuarial valuation report. The TPL/A was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2024. Plan liabilities/(assets) were rolled forward from June 30, 2023, to June 30, 2024, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status (e.g. active, retiree, or survivor), as the base table. OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

OSA adjusted their methods between the 2023 and 2022 valuations for calculating UAAL contribution rates in PERS 1 to reflect the delay between the measurement date of calculated Plan 1 rates and when the rates are collected. OSA made an adjustment to their model to reflect past inflation experience when modeling future COLAs for current annuitants in all plans except PERS 1.

Discount Rate

The discount rate used to measure the total pension liability/(asset) for all DRS plans was 7.0%.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position

was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.0% was used to determine the total liability/(asset).

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.0% was determined using a building-block-method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

The table below summarizes the best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of the June 30, 2023 valuation. The inflation component used to create the table is 2.5% and represents the WSIB's most recent long-term estimate of broad economic inflation:

Asset Class	Target Allocation	Percent Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	19%	2.10%
Tangible Assets	8%	4.50%
Real Estate	18%	4.80%
Global Equity	30%	5.60%
Private Equity	25%	8.60%
Total	100%	

Sensitivity of Net Pension Liability/(Asset)

The table below presents Energy Northwest's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7%, as well as what Energy Northwest's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1-percentage point higher (8%) than the current rate (in thousands).

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
PERS 1	\$ 19,620	\$ 13,338	\$ 7,829
PERS 2/3	58,221	(32,296)	(106,637)

The pension liability/(asset) has been allocated to the business units based on the percentages listed in Note 1.

The total pension liability/(asset) for each unit as of June 30, 2025, is as follow (in thousands):

	Energy Northwest's proportionate share of the PERS Plan 1 net pension liability/(asset):	Energy Northwest's proportionate share of the PERS Plan 2/3 net pension liability/(asset):	Total
Columbia	\$ 12,368	\$ (30,759)	\$ (18,391)
Packwood	62	(184)	(122)
Business Development	716	(900)	(184)
Nine Canyon	127	(364)	(237)
Nuclear Project No. 1	65	(89)	(24)
Total	\$ 13,338	\$ (32,296)	\$ (18,958)

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, Energy Northwest reported a total pension liability (asset) for its proportionate share of the net pension liabilities as follows (measured as of June 30, 2024, in thousands):

PERS 1	\$ 13,338
PERS 2/3	(32,296)
Total	\$ (18,958)

Energy Northwest's proportionate share of the collective net pension liability (assets), deferred outflows, liabilities, and deferred inflows was as follows:

	Proportionate Share 6/30/23	Proportionate Share 6/30/24	Change in Proportion
PERS 1	0.85%	0.75%	-0.10%
PERS 2/3	1.10%	0.98%	-0.12%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the Schedules of Employer and Nonemployer Allocations.

Pension Expense

For the fiscal year ended June 30, 2025, Energy Northwest's recognized pension expense/(revenue) as follows (in thousands):

PERS 1	\$ (2,803)
PERS 2/3	(867)
Expenses	381
Total	\$ (3,289)

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2025, Energy Northwest reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
PERS 1:		
Differences between expected and actual economic experience	\$ -	\$ -
Changes in actuarial assumptions	-	-
Net difference between projected and actual investment earnings on pension plan investments	-	1,067
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions paid to PERS subsequent to the measurement date	4,839	-
Total PERS 1	\$ 4,839	\$ 1,067
PERS 2/3:		
Differences between expected and actual economic experience	\$ 18,351	\$ 74
Changes in actuarial assumptions	17,834	2,047
Net difference between projected and actual investment earnings on pension plan investments	-	9,255
Changes in proportion and differences between contributions and proportionate share of contributions	8,587	1767
Contributions paid to PERS subsequent to the measurement date	12,113	-
Total PERS 2/3	56,885	13,143
Total All Plans	\$ 61,724	\$ 14,210

Deferred outflows of resources related to pensions resulting from Energy Northwest's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or an addition to the net pension asset in the following year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended June 30	PERS 1	PERS 2/3
2026	(1,766)	(6,340)
2027	907	15,258
2028	(96)	7,730
2029	(112)	7,511
2030	-	4,213
Thereafter	-	3,257
Total	\$ (1,067)	\$ 31,629

NOTE 7 - Deferred Compensation Plans

Energy Northwest provides a 401(k) deferred compensation plan (401(k) plan), and a 457 deferred compensation plan. Both plans are defined contribution plans that were established to provide a means for investing savings by employees for retirement purposes. All permanent, full-time employees are eligible to enroll in the plans. Participants are immediately vested in their contributions and direct the investment of their contribution. Each participant may elect to contribute pre-tax annual compensation, subject to current Internal Revenue Service limitations.

For the 401(k) plan, Energy Northwest may elect to make an employer matching contribution for each of its employees who is a participant during the plan year. The amount of such an employer match shall be 50 percent of the maximum salary deferral percentage. During FY 2025 Energy Northwest contributed \$5.3 million in employer matching funds while employees contributed \$15.4 million.

NOTE 8 - Nuclear Licensing and Insurance

Nuclear Licensing

Energy Northwest is a licensee of the Nuclear Regulatory Commission ("NRC") and is subject to routine licensing and user fees. Additionally, Energy Northwest may be subject to license modification, suspension, revocation, or civil penalties in the event regulatory or license requirements are violated.

Nuclear Insurance

Nuclear insurance includes liability coverage, property damage, decontamination and premature decommissioning coverage and accidental outage and/or extra expense coverage. The liability coverage is governed by the Price-Anderson Act (Act), while the property damage, decontamination and premature decommissioning coverage are defined by the Code of Federal Regulations. Energy Northwest continues to maintain all regulatory required limits as defined by the NRC, Code of Federal Regulations, and the Act. The NRC requires Energy Northwest to certify nuclear insurance limits on an annual basis. Energy Northwest intends to maintain insurance

against nuclear risks to the extent such insurance is available on reasonable terms and in an amount and form consistent with customary practice. Energy Northwest is self-insured to the extent that losses (i) are within the policy deductibles, (ii) are not covered per policy exclusions, terms and limitations, (iii) exceed the amount of insurance maintained, or (iv) are not covered due to lack of insurance availability. Such losses could have an effect on Energy Northwest's results of operations and cash flows. All dollar figures noted below are as of June 30, 2025.

American Nuclear Insurance (ANI) Coverage: The Act provides financial protection for the public in the event of a significant nuclear generation plant incident. The Act sets the statutory limit of public liability for a single nuclear incident at \$16.3 billion. Energy Northwest addresses this requirement through a combination of private insurance and an industry-wide retrospective payment program called Secondary Financial Protection (SFP). Energy Northwest has \$500 million of liability insurance as the first layer of protection. If any US nuclear generation plant has a significant event which exceeds the plant's first layer of protection, every operating licensed reactor in the US is subject to an assessment up to \$165.927 million. Assessments are limited to \$24.714 million per reactor, per year, per incident, excluding tax. The SFP combines the contribution from 95 operating reactors to create the secondary layer of protection at \$15.763 billion with maximum coverage \$16.263 billion. The SFP is adjusted at least every 5 years to account for inflation and any changes in the number of operating plants. The SFP and liability coverage are not subject to any deductibles.

Nuclear Electrical Insurance Limited (NEIL) Coverage: The Code of Federal Regulations requires nuclear generation plant license-holders to maintain at least \$1.06 billion nuclear decontamination and property damage insurance and requires the proceeds thereof to be used to place a plant in a safe and stable condition, to decontaminate it pursuant to a plan submitted to and approved by the NRC before the proceeds can be used for plant repair or restoration or to provide for premature decommissioning. Energy Northwest has aggregate coverage in the amount of \$2.75 billion which is subject to a \$5 million deductible per accident.

The Agency anticipates exposure to a variety of risks of loss as a normal part of conducting business (for example: torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation). These anticipated risks of losses are covered through a combination of self-insurance, commercial property and liability insurance, nuclear property and liability insurance, professional services liability insurance, Directors & Officers (including employment practices liability) insurance, and fiduciary insurance. Claims for loss to the Agency are infrequent

and have not exceeded the liability policy limits in the past three years.

NOTE 9 - Decommissioning and Site Restoration - Asset Retirement Obligation (ARO)

Energy Northwest implemented GASB Statement No. 83 - "Certain Asset Retirement Obligations" and applied the statement in fiscal year 2019. For the purposes of this statement, an ARO is a legally enforceable liability associated with the retirement of a tangible capital asset (that is, the tangible capital asset is permanently removed from service). The retirement of a tangible capital asset encompasses its sale, abandonment, recycling, or disposal in some manner; however, it does not encompass temporary idling of a tangible capital asset.

AROs result from the normal operations of a tangible capital assets, whether acquired or constructed, and include legally enforceable liabilities with all the following activities:

- Retirement of a tangible capital asset
- Disposal of a replaced part that is a component of a tangible capital asset
- Environmental remediation associated with the retirement of a tangible capital asset that results from the normal operation of that capital asset

The measurement of Energy Northwest's AROs are based on the best estimate of the current value of outlays expected to be incurred. Current value is the amount that would be paid if all equipment, facilities, and services included in the estimate were acquired at the end of the accounting period. The current estimate is the basis for the ARO and corresponding liability. The recognition of the ARO at current value also results in a corresponding deferred outflow of resources.

Energy Northwest has identified the following AROs subject to GASB No. 83:

- Columbia Generating Station (includes related Columbia Site Restoration)
- Independent Spent Fuel Storage Installation (ISFSI)
- Nine Canyon Wind Farm
- Nuclear Project No. 1 site restoration
- Business Development Fund Horn Rapid Battery Energy Storage System (BESS)
- Excluded from GASB No. 83 reporting is the Packwood Hydroelectric Project. The timing and extent of any liabilities associated with operations is not determinable at this time. Packwood remains operable with no foreseeable change in operations; assumptions is the current facility is not subject to the requirements of obtaining a current estimate of a liability with offset to deferred outflows. As such, Packwood's obligation has not been calculated because the time frame and

extent of the obligation under this statement was considered indeterminate. As a result, no estimate of the ARO obligation was completed; an ARO will be recorded if future events warrant a change.

Decommissioning and site restoration requirements for Columbia, ISFSI are governed by the NRC regulations. Columbia, ISFSI and Nuclear Project No. 1 are also governed by site certification agreements between Energy Northwest and the state of Washington and regulations adopted by the Washington Energy Facility Site Evaluation Council (EFSEC) and a lease agreement with the Department of Energy ("DOE"). (See Notes 1 & 10). Nine Canyon decommissioning requirements are governed by participant agreements which are part of the 2nd Amended and Restated Nine Canyon Wind Project Power Agreement and associated land leases for location of the wind turbines. The BESS decommissioning requirements are governed by a participant agreement with the City of Richland.

Decommissioning Activity

Columbia Generation Station (including site restoration)

Columbia is a 1,174-megawatt electric (MWe Design Electric rating, net) boiling water reactor located on the DOE Hanford Site north of Richland, Washington.

Columbia was issued a construction permit in March of 1973 and NRC licensing was completed in December of 1983. Columbia began commercial generation in December of 1984. An updated estimate for the ARO was completed in April of 2024 to account for the liability associated with the dismantling and decommissioning of the Columbia asset along with restoration of the leased DOE land. Both the asset decommissioning and site restoration are governed by agreements and regulations signed as part of construction and completion of Columbia.

The FY 2024 Columbia study was a joint effort between BPA and Energy Northwest to provide an updated estimate for future accounting and funding requirements to comply with GASB No. 83. The study was completed by the same national firm, who completed an original ARO estimate for Columbia in 2019. The national firm is involved with approximately 90% of cost studies completed in the United States nuclear industry. Updated design changes to the plan specifications and drawings were used as basis for the updated costing estimates. Current estimates for labor and materials were obtained and used as basis for coming up with the estimates of work to be performed. Phasing of the costs were scheduled and flowed according to two scenarios currently accepted by the NRC, DECON and SAFSTOR.

- DECON - method in which structures, systems, and components that contain radioactive contamination

are removed from a site and safely disposed at a commercially operated low-level waste disposal facility or decontaminated to a level that permits the site to be released for unrestricted use shortly after it ceases operation.

- SAFSTOR - method in which a nuclear facility is placed and maintained in a condition that allows the facility to be safely stored and subsequently decontaminated (deferred decontamination) to levels that permit release for unrestricted use.

Both DECON and SAFSTOR are acceptable methods of accounting for decommissioning estimates with differences in method and timing of when the expenditures will occur after termination of the plant (currently planned for December 2043). A joint decision between BPA and Energy Northwest was made to adopt the DECON method for accounting purposes.

The FY 2024 Columbia study estimate using DECON as the scenario has an estimated decommissioning activity completion date of June 2099. In FY 2025, \$44.4 million of amortization expense was recognized, and the index adjustment for FY 2025 was \$44.7 million resulting in the overall increase in deferred outflow of \$0.3 million. The index adjustment increased the estimated liability as of June 30, 2025, from \$1.86 billion to \$1.91 billion.

Each year the ARO is evaluated to determine if there are any material changes in timing or costs. If there are material changes, the estimate will be adjusted accordingly. If there are no material changes impacting the estimate, then a standard index will be used each year to determine current changes to the estimated derived from the original study. The amount for both the liability and deferred outflow will be increased or decreased accordingly and change the out year straight line amount for decommissioning. A decision was made to do the updated ARO estimate in FY 2024 based on increased labor and materials costs following the Covid-19 pandemic. Also, a decision was made to do an updated estimate approximately every five years going forward.

At the time of termination of Columbia and commencing of decommissioning activities, the liability will be decreased as cash expenditures occur through the estimated completion date of FY 2099. Upon settlement of the liability, there is potential for variances from the original estimates. If there are differences from the estimate and actual payment a gain or loss on the ARO will be recorded for the difference. However, regarding the net-billed projects, BPA is obligated to provide for the entire cost of decommissioning and site restoration; therefore, any gain or loss recognized upon settlement of the ARO results in an adjustment to either the billings in excess of costs (liability)

or costs in excess of billings (asset), as appropriate, as no net revenue or loss is recognized, and no net position is accumulated for the net-billed projects.

Independent Spent Fuel Storage Installation

Energy Northwest's Independent Spent Fuel Storage Installation (ISFSI) at the Columbia Generating Station is a temporary dry cask storage facility intended to store spent nuclear reactor fuel in NRC-approved dry storage casks until the DOE completes its plan for a national repository. The ISFSI consists of two concrete pads storing a total of 36 casks and one additional pad with the capacity of 18 casks. The last ISFSI campaign, which began in March 2022, was completed in May 2022 for an additional nine casks. In order to accommodate spent fuel to be generated through the end of the plant's operating license period of December 20, 2043, Energy Northwest expanded the ISFSI facility to store an additional 72 casks. The final phase of the ISFSI pad expansion project was completed in FY 2025 and was also commissioned in FY 2025, the four additional pads have capacities of 18 casks each. Energy Northwest previously financed a portion of the cost for the construction of the existing ISFSI pads.

No additional issues are anticipated with the ISFSI expansion project. However, the NRC is in the process of developing additional security rulemaking that may potentially impose additional requirements beyond currently planned security controls. The extent of those additional requirements or when they will be imposed on Columbia are not known at this time but are not anticipated to become effective within the next two or three years.

Energy Northwest established a decommissioning and site restoration plan for the ISFSI in 1997. Annual payments to a fund established pursuant to this plan began in 2003 and were held by Energy Northwest. These payments were currently scheduled to occur annually through 2044. Adoption of asset retirement accounting for the ISFSI project took place in FY 2005. The Columbia cost study completed in April 2024 included the ISFSI and revised both the timing and estimate. The FY 2024 ISFSI study estimate using DECON as the scenario has an estimated decommissioning activity completion date of June 2099. In FY 2025, \$1.0 million of amortization expense was recognized and the index adjustment for FY 2025 was \$0.6 million resulting in the overall decrease in deferred outflow of \$0.4 million. The increase from the index adjustment increased the estimated liability as of June 30, 2025, from \$25.1 million to \$25.7 million.

Each year the ARO evaluation for the ISFSI is included as part of the Columbia review, as such, accounting and any eventual net-billed project impacts will follow the same process described above for the Columbia ARO and net-billed obligations.

The above estimates and timing do not consider any of the impacts of the current DOE litigation or potential changes in DOE handling of accumulated spent fuel being stored at the ISFSI. Note 10 - Commitments and Contingencies under other litigations and commitments describes the current status of the ISFSI settlement.

On March 21, 2021, Energy Northwest agreed to transfer existing ownership of the ISFSI trust fund to Bonneville, allowing Bonneville to appropriately manage the ISFSI fund, and in addition, access investment options unavailable to Energy Northwest under current law. Similar to the Columbia trust fund agreement with Bonneville, Energy Northwest retains all rights duties and obligations related to the decommissioning and remediation of the ISFSI facility.

Nine Canyon Wind Project

The Nine Canyon Wind Farm Project (Nine Canyon) is wholly owned and operated by Energy Northwest on leased ground located in the Horse Heaven Hills area southwest of Kennewick, Washington in Benton County. Electricity generated by Nine Canyon is purchased undersigned agreements with an end date of 2030. Under the current agreement, Nine Canyon has the obligation to remove the generation facilities upon expiration of the lease agreement if requested by the lessors. The Nine Canyon Wind Project recorded the related original ARO in FY 2003 for Phase I and II. Phase III began commercial operation in FY 2008 and the original ARO was adjusted to reflect the change in scenario for the retirement obligation, with current lease agreements reflecting a 2030 expiration date. Previous scenarios for the ARO have been factored into the participant agreements, drives the rate plan, and drives the cash requirements for debt repayment and cost of operations. Possible adjustments may be necessary to future rates depending on operating costs and any changes to the ARO.

A cost estimate was completed in FY 2018 for Nine Canyon and revised both the timing and estimate of decommissioning activities. The Nine Canyon decommissioning is projected to be completed following the 2030 expiration date of the power purchase and lease agreements and was estimated at \$18.0 million (in 2019 dollars). In FY 2025, \$1.2 million of amortization expense was recognized and the index adjustment for FY 2025 was \$533 thousand resulting in the overall decrease in deferred outflow of \$700 thousand. The index adjustment increased the estimated liability as of June 30, 2025, from \$22.2 million to \$22.7 million.

Each year the ARO will be evaluated to determine if there are any material changes in timing or costs. If there are material changes, the estimate will be adjusted

accordingly. If there are no material changes impacting the estimate, then a standard index will be used each year to determine current changes to the estimated derived from the original study. The amount for both the liability and deferred outflow will be increased or decreased accordingly and change the out year straight line amount for decommissioning. There were no material changes in timing or costs for the Nine Canyon ARO.

At the time of termination of Nine Canyon and commencing of decommissioning activities, the liability will be decreased as cash expenditures occur through the estimated completion date of FY 2031. Upon settlement of the liability, there is potential for variances from the original estimates. If there are differences from the estimate and actual payment a gain or loss on the ARO will be recorded for the difference.

Nuclear Project No. 1

Project 1 is a partially completed nuclear electric generating project located on DOE's Hanford reservation, approximately one and one-half miles east of Columbia. Project 1 was terminated in May 1994. Energy Northwest has planned for the demolition and restoration of Nuclear Project No. 1 and is now maintaining the site to support re-use activities. The Nuclear Project No. 1 Post Termination agreement requires BPA to fund this site remediation plan. The current plan estimates final decommissioning (site remediation) to be complete in June 2026. The estimate from FY 2024 was updated to reflect an increase in planned expenses; the remaining estimate was \$3.9 million as of June 30, 2024. The June 30, 2025, estimate was revised upward by \$0.1 million; FY 2025 costs incurred of \$2.3 million resulted in the remaining estimate of \$1.7 million. Total site remediation activity costs to date are \$23.2 million. Due to the re-valuation of the ARO estimate each year there are no prior year accounting impacts to the Nuclear Project No. 1 ARO as a result of adopting GASB No. 83. The asset retirement calculation has been adjusted yearly for actual costs incurred and yearly revised estimates. BPA has placed funds in an external interest-bearing trust account in order to have sufficient funds for ongoing remediation costs. The amount in the trust fund is approximately \$14.8 million as of June 30, 2025. Any funds remaining after final remediation efforts are complete will be returned to BPA.

Horn Rapids Battery Storage System

The Horn Rapids Battery Energy Storage System (BESS) is a collaborative effort between Energy Northwest and the City of Richland and is part of an overall project effort commonly known as the Horn Rapids Solar, Storage, and Training Project (HRSST). HRSST Is a four MWdc Photovoltaic solar project (Energy Northwest does not own

the solar portion) paired with a 1 MW/4 MWh basic lithium-ion battery storage system. Energy Northwest will operate and maintain the BESS portion of the project for the City of Richland. The City of Richland has signed a purchase power agreement for 100% of the power and reimbursement of construction and operating costs of the BESS. The BESS is located on leased property in Richland Washington. The BESS was essentially complete and operational June 30, 2021.

Total BESS costs totaled \$6.3 million as of June 30, 2023. Energy Northwest was the recipient of a Washington State Department of Commerce (Commerce) grant in 2017. Commerce awarded up to \$3.0 million under the Clean Energy Funds' Grid Modernization Grant Program to offset the construction of the BESS. Grant proceeds received as of June 30, 2023, were \$3.0 million. Decommissioning costs are part of the agreement for reporting operating costs under the City of Richland participant agreement, therefore financial assurance is for total costs to be reimbursed by the City of Richland under the existing participant agreement. The decommissioning plan was finalized as part of the project deliverables prior to operation. Projected decommissioning costs are \$40 thousand in 2021 dollars and expected to be incurred after 25 years of operation. In FY 2025, \$1.9 thousand of amortization expense was recognized and the index adjustment for FY 2025 was \$1.1 thousand resulting in an overall reduction to the deferred outflow of \$0.8 thousand. The index adjustment increased the estimated liability as of June 30, 2025, from \$46.6 thousand to \$47.7 thousand.

ARO Financial Assurance

The NRC has issued rules to provide guidance to licensees of operating nuclear plants on providing financial assurance for decommissioning plants at the end of each plant's operating life. In September 1998, the NRC approved and published its "Final Rule on Financial Assurance Requirements for Decommissioning Power Reactors." As provided in this rule, each power reactor licensee is required to report to the NRC the status of its decommissioning funding for each reactor or share of a reactor it owns. This reporting requirement began March 31, 1999, and reports are required every two years thereafter. Energy Northwest submitted its most recent report to the NRC for Columbia decommissioning in March 2025. A separate requirement for providing financial assurance for ISFSI decommissioning states that a report must be provided at least every three years. Energy Northwest submitted its most recent report to the NRC for ISFSI decommissioning in December 2024.

Energy Northwest's assurance funding estimate (10 CFR 50.75 - Reporting and Recordkeeping for Decommissioning) of Columbia's plant decommissioning costs in FY 2024

dollars is \$698.9 million and assurance funding estimate (10 CFR 72.30 - Reporting and Recordkeeping for Decommissioning) of Columbia's ISFSI decommissioning costs in FY 2024 dollars is \$25.2 million. These estimates are updated biannually for the Columbia decommissioning and every three years for the ISFSI decommissioning with the last update for both Columbia and ISFSI occurring in fiscal year 2025. The estimates are based on the NRC minimum amount (NRC 2025 studies for both Columbia and ISFSI) required to demonstrate reasonable financial assurance for a boiling water reactor with the power level of Columbia.

Site restoration requirements for Columbia and Nuclear Project No. 1 are governed by the site certification agreements between Energy Northwest and the state of Washington and by regulations adopted by the EFSEC. Energy Northwest submitted a site restoration plan that was approved by the EFSEC on June 12, 1995. Energy Northwest's funding estimate of Columbia's site restoration costs in FY 2024 dollars is \$144.2 million and is updated biannually along with the Columbia decommissioning estimate. Both decommissioning and site restoration estimates are used as the basis for establishing a funding plan that includes escalation and interest earnings until decommissioning activities occur. Payments to the decommissioning and site restoration funds have been made since January 1985.

The market value of cash and investment securities in the Columbia decommissioning, ISFSI decommissioning and site restoration funds as of June 30, 2025, totaled approximately \$564.7 million, \$4.6 million, and \$83.4 million, respectively. The market value of cash and investment securities in the site restoration fund for Nuclear Project No. 1 is \$14.8 million. Since September 1996, the Columbia and Nuclear Project No. 1 amounts have been held in an irrevocable trust that recognizes asset retirement obligations according to the fair value of the dismantlement and restoration costs of certain Energy Northwest assets. The ISFSI amounts were transferred from Energy Northwest to Bonneville as discussed above and are held in the same manner as the trust funds mentioned for both Columbia and Nuclear Project No. 1. The trustee is a domestic U.S. bank that certifies the funds for use when needed to retire the asset. The trusts are funded by BPA ratepayers and managed by BPA in accordance with NRC requirements and site certification agreements; the balances in these external trust funds are not reflected on Energy Northwest's balance sheet.

Nine Canyon billing rates to power purchase participants are set to cover cash requirements of debt repayment and cost of operations. Any increases or decreases to rates will be based on cost of operations in the future. Starting in FY 2023 the power purchase participants approved applying a portion of the billed rates to be used to establish and fund a decommissioning trust. The market value of cash and

investment securities in the Nine Canyon Decommissioning Trust as of June 30, 2025, totaled approximately \$8.6 million.

Financial assurance and estimates for Nuclear Project No. 1 are discussed in the previous section - Decommissioning - Nuclear Project No. 1.

Financial assurance and estimates for the BESS are discussed in the previous section - Decommissioning - Horn Rapids Battery Storage System.

NOTE 10 - Commitments and Contingencies

Nuclear Project No. 1 Termination

Since the Nuclear Project No.1 termination, Energy Northwest has been planning for the demolition of unusable Nuclear Project No. 1 structures and restoration of the site, recognizing the fact that there is no market for the sale of the project in its entirety, and no viable alternative use has been identified. The final level of demolition and restoration will be in accordance with agreements discussed below under "Nuclear Project No. 1 Site Restoration."

Nuclear Project No. 3 Termination

In June 1994, the Nuclear Project No. 3 Owners Committee voted unanimously to terminate the project. In 1995, a group from Grays Harbor County, Washington, formed the Satsop Redevelopment Project (SRP). The SRP introduced legislation with the state of Washington under Senate Bill No. 6427, which passed and was signed by the governor of the state of Washington on March 7, 1996. The legislation enables local governments and Energy Northwest to negotiate an arrangement allowing such local governments to assume an interest in the site on which Nuclear Project No. 3 exists for economic development by transferring ownership of all or a portion of the site to local government entities. This legislation also provides for the local government entities to assume regulatory responsibilities for site restoration requirements and control of water rights. In February 1999, Energy Northwest entered into a transfer agreement with the SRP to transfer the real and personal property at the site of Nuclear Project No. 3. The SRP also agreed to assume regulatory responsibility for site restoration. Therefore, Energy Northwest is no longer responsible to the state of Washington and EFSEC for any site restoration costs.

Nuclear Project No. 1 Site Restoration

Site restoration requirements for Nuclear Project No. 1 are governed by site certification agreements between Energy Northwest and the state of Washington regulations adopted by EFSEC, and a lease agreement with DOE. Energy Northwest submitted a site restoration plan for Nuclear Project No. 1 to EFSEC on March 8, 1995, which

complied with EFSEC requirements to remove the assets and restore the sites by demolition, burial, entombment, or other techniques such that the sites pose minimal hazard to the public. EFSEC approved Energy Northwest's site restoration plan on June 12, 1995. In February 2016, a Memorandum of Understanding for final restoration of Site 1 was signed between Energy Northwest and Bonneville Power Administration. Site restoration activities have been ongoing, and most restoration activities have been completed. Completion of restoration will require final closure of the Site 1 landfill. In FY 2024, EFSEC changed the Site 1 landfill requirements from an inert landfill to a special purpose landfill. A revised landfill closure plan was submitted to EFSEC in October 2024 and approved by EFSEC in December 2024. Closure of the Site 1 landfill is in progress and is expected to be completed by the end of FY 2026.

Business Development Fund Interest in Northwest Open Access Network (NoaNet)

Through FY 2023, Energy Northwest, along with 9 other Washington State public entities, was a member of NoaNet, a Washington nonprofit mutual corporation. NoaNet was formed in February 2000 to provide broadband communications over public benefit fibers leased from Bonneville Power Administration throughout the Pacific Northwest. The network began commercial operation in January 2001. In FY 2024, Energy Northwest notified the other members of NoaNet that it was reducing its participation from a member to an affiliate.

While a member of NoaNet, as allowed by RCW 54.16, Energy Northwest guaranteed certain portions of NoaNet debt based on its proportionate membership share. In November 2020, NoaNet obtained bond funding for \$25 million with \$15.3 million outstanding in December 2024; EN guaranteed 10% of this debt, which was based on Energy Northwest's membership share of 8.04% and a step-up provision of 25% of the membership share. In Calendar Year 2024, NoaNet met all the debt obligations through operations. NoaNet reserves the right to assess the members to cover deficits from operations. There have been no assessments since 2011. Energy Northwest is not liable for future assessments due to reducing its participation.

NoaNet reported an increase in net position of \$4.1 million for Calendar Year 2024. In accordance with GAAP, Energy Northwest did not record their proportionate share of these gains/losses.

Financial statements for NoaNet may be obtained by writing to: Northwest Open Access Network, Chief Financial Officer, 11707 E Sprague Ave., Suite 201, Spokane Valley, WA 99206.

Energy Northwest New Nuclear Project

In FY 2025, ENNN LLC signed an agreement with Amazon in which they agreed to pay up to \$334 million towards a small modular reactor project for four tranches. As of June 30, 2025, Amazon had made payments totaling \$28.9 million (See Note 1).

Business Development Fund New Nuclear Feasibility Study

In FY 2024, the Energy Northwest Executive Board of Directors approved the commitment of up to \$5.3 million of the BDF cash reserves to provide bridging funding to ensure that continued progress was made on the new nuclear feasibility study. Also, in FY 2024, the Energy Northwest BDF signed an agreement with Puget Sound Energy in which they agreed to pay up to \$10 million towards the feasibility study. As of June 30, 2025 Puget Sound Energy has made payments totaling the full \$10 million. (See Note 1). In addition, in March 2024, Washington state legislators included a \$24 million provision in the states 2023-2025 supplemental capital budget to support the feasibility study. The budget was signed by the Governor of Washington in March 2024. As of the June 30, 2025, Energy Northwest was finalizing the contract terms with the State of Washington Department of Commerce (see Note 1).

Other Litigation and Commitments

Energy Northwest is a party to various claims and legal actions arising in the normal course of business. The following is a discussion of certain litigation and claims to which Energy Northwest is a party:

Energy Northwest v. United States of America (DOE). On August 28, 2014, Energy Northwest and the United States entered into a Settlement Agreement ("Settlement Agreement") under Energy Northwest v. United States, No. 11-447C (Fed. Cl. filed July 7, 2011). The Settlement Agreement provided that Energy Northwest could be reimbursed by the government for its allowable expenses, as defined in the Settlement Agreement, related to the US Department of Energy's (DOE's) continued failure to accept used nuclear fuel under the Standard Contract for Disposal of Spent Nuclear Fuel that Energy Northwest signed with DOE in 1983. The Settlement Agreement also settled the litigation filed by Energy Northwest in the U.S. Court of Federal Claims in July 2011 for damages incurred between September 1, 2006, and June 30, 2012, in the amount of \$23.6 million. Energy Northwest received \$48.7 million in 2011 under the first action that resulted in a Stipulation for Entry of Final Judgement in Favor of Plaintiff Energy Northwest which covered damages prior to September 1, 2006.

Under the Settlement Agreement, Energy Northwest

is required to submit a claim for reimbursement to DOE annually for each fiscal year before January 31 of the following calendar year. After submission, DOE has a set time to review and request additional information from Energy Northwest. At the end of the review period, Energy Northwest can accept DOE's determination and be paid the amount determined by DOE or Energy Northwest can reject the determination and proceed to binding arbitration.

The Settlement Agreement has been extended three times and currently covers costs incurred before December 31, 2025. Under the Settlement Agreement, Energy Northwest has submitted annual claims for Fiscal Years 2013 through June 2024 and has been reimbursed approximately \$97 million for storage-related costs.

On July 11, 2025, two Plaintiffs, on behalf of themselves and similarly situated Individuals, brought a class action lawsuit in the U.S. District Court for the District of Maryland, Dorrell et al. v. Constellation Energy et al. The complaint alleges an industry-wide antitrust conspiracy among U.S. nuclear utilities from May 2003 to the present to suppress both unionized and non-unionized employee compensation, in violation of Section 1 of the Sherman Act. All US nuclear utilities and two consulting firms are named Defendants. The complaint alleges that the Defendants participated in a conspiracy to fix and suppress wages and benefits for employees in the nuclear power generation industry. This was allegedly achieved through the exchange of sensitive compensation data via a digital repository and compensation comparison reports, as well as through annual meetings where compensation rates were discussed and aligned. The Plaintiffs claim that this conspiracy resulted in artificially low compensation for workers. Energy Northwest is accused of directly participating in these practices. Plaintiffs seek class-wide damages, treble damages (3X actual damages) under federal antitrust laws, injunctive relief, and attorneys' fees. Federal anti-trust statutes provide for joint and several liability amongst the defendants (every defendant found liable in the conspiracy can be held responsible for the entire amount of damages regardless of their individual role or share of conduct), meaning that even if Energy Northwest employed less than 1% of the industry's workforce over the period in question, it could be responsible for 100% of the damages if other defendants settle, are insolvent, or escape liability. Energy Northwest has retained outside counsel to assist in this litigation. Under the court-adopted Scheduling Order, Motions to Dismiss are due by October 15, 2025.

The Internal Service Fund has a variety of workers' compensation claims that could result in a loss ranging from \$1.0 million to \$2.0 million.

Although some suits, claims and commitments are significant in amount, final disposition is not determinable.

In the opinion of management, the outcome of such litigation, claims or commitments will not have a material adverse effect on the financial positions of the business units or Energy Northwest as a whole. The future annual cost of the business units, however, may either be increased or decreased as a result of the outcome of these matters.

NOTE 11 - Nuclear Fuels

Energy Northwest has a large volume of inventory to support future reactor operations that was purchased well below current published market valuation. The in-stock inventory is sufficient to meet current projected reactor requirement for Columbia Generating Station up to the 2033 refueling. Energy Northwest has two contracts for supply of additional uranium, conversion, and enrichment services. A contract with Orano USA with deliveries that occurred in December 2024 and January 2025. The other contract is with Louisiana Enrichment Services, LLC for delivery of enrichment in July 2025. These additional deliveries will provide sufficient Inventory to satisfy the 2035 and 2037 refueling at current projected reactor requirement for Columbia Generating Station.

Energy Northwest has a contract with Global Nuclear Fuel - Americas LLC valued at \$192.0 million for fuel fabrication services through FY 2027, Energy Northwest made the decision in May 2024 to exercise the two optional reloads to extend the contract through 2031. The delivery of new fuel assemblies coincides with each refueling outage year, with the refueling complete in June 2023 (R-26).

Energy Northwest has a contract with DOE that requires DOE to accept title and dispose of spent nuclear fuel. Although the courts have ruled that DOE had the obligation to accept title to spent nuclear fuel by January 31, 1998, currently, there is no known date established when DOE will fulfill this legal obligation and begin accepting spent nuclear fuel. On November 19, 2013, the D.C. Circuit Court ordered the DOE to submit to Congress a proposal to reduce the current waste disposal fee to zero, unless and until there is a viable disposal program. On January 3, 2014, the DOE filed a petition for rehearing which was denied by the D.C. Circuit Court on March 18, 2014. Also, on January 3, 2014, the DOE submitted a proposal to Congress to reduce the current waste disposal fee to zero. On May 9, 2014, the DOE notified Energy Northwest that the waste disposal fee will remain in effect through May 15, 2014, after which time the fee will be set to zero. Until such time as a new fee structure is in effect, Energy Northwest will not accrue any further costs related to waste disposal fees. When the fuel is placed in the reactor the fuel cost is amortized to operating based on quantity of heat produced for generation of electric energy. The amount moved to spent fuel for cooling decreased \$98.1 million.

The current period operating expense for Columbia was \$45.4 million, which consists of \$40.9 million for amortization of fuel used in the reactor and \$4.5 million of O&M expenses for the ISFSI and milestone O&M expenses for spent fuel multi-purpose canisters. There was no DOE spent fuel disposal charges.

Energy Northwest has an Independent Spent Fuel Storage Installation (ISFSI), which is a temporary dry cask storage facility to be used until DOE completes its plan for a national repository. ISFSI will store the spent fuel in commercially available dry storage casks on a concrete pad at the Columbia site. Spent fuel is transferred from the spent fuel pool to the ISFSI periodically to allow for future refueling. The next ISFSI loading campaign is scheduled for March of 2026 for a total of 8 casks.

NOTE 12 - Other Post-Employment Benefits

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB 75 for the year ended June 30, 2025 (in thousands):

OPEB Liabilities	\$ 22,761
Deferred Outflows of Resources	1,824
Deferred Inflows of Resources	4,987
OPEB Expense	695

Energy Northwest provides to its retirees employer subsidies for postemployment medical insurance benefits (OPEB) provided through the Public Employees Benefits Board (PEBB). The actual medical costs are paid through annual fees and premiums to the PEBB.

General Information about the OPEB Plan

Plan Description

The PEBB was created within the Washington State Health Care Authority to administer medical, dental and life insurance plans for public employees and retirees and their dependents as a single employer plan. Agency employees who end public employment are eligible to continue PEBB insurance coverage as a retiree if they retire under the public employees' retirement system and are vested in that system.

Benefits Provided

The Washington State Health Care Authority (HCA) administers PEBB plan benefits. For medical insurance coverage, the HCA has two claims pools: one covering employees and non-Medicare eligible retirees, and the other covering retirees enrolled in Medicare Parts A and B. Each participating employer pays a portion of the premiums for active employees. For retirees, participating employers provide two different subsidies: an explicit subsidy and an

implicit subsidy.

The explicit subsidies are monthly amounts paid per post-65 retiree and spouse. As of the valuation date of June 30, 2024, the explicit subsidy for post-65 retirees and spouses is the lesser of \$183 or 50% of the monthly premiums. The retirees and spouses currently pay the premium minus \$183 when the premium is over \$366 per month and pay half the premium when the premium is lower than \$366.

The implicit medical subsidy is the difference between the total cost of medical benefits and the premiums. For pre-65 retirees and spouses, the retiree pays the full premium amount, but that amount is based on a pool that includes active employees. Active employees will tend to be younger and healthier than retirees on average, and therefore can be expected to have lower average health costs. For post-65 retirees and spouses, the retiree does not pay the full premium due to the subsidy discussed above.

Employees Covered by Benefit Terms

At June 30, 2024 (measurement date), the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	540
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	1,097

Funding Policy

The plan is funded on a pay-as-you-go basis and there are no assets accumulating in a qualifying trust.

Contributions

The OPEB relationship between PEBB employers and their employees and retirees is not formalized in a contract or plan document. Rather, the benefits are provided in accordance with a substantive plan. A substantive plan is one in which the plan terms are understood by the employers and plan members. This understanding is based on communications between the employers and plan members and the historical pattern of practice with regard to the sharing of benefit costs.

Total OPEB Liability

Energy Northwest's total OPEB liability was measured as of June 30, 2024, and was determined by an actuarial valuation dated June 30, 2024.

The total OPEB liability was determined using the following actuarial assumptions and other inputs:

Methodology:	
Actuarial Cost Method	Entry Age Normal (Level Percent of Salary)
Assumptions:	
Discount Rate - Based on S&P Municipal Bond 20 Year High Grade Index	4.21%
Beginning of Measurement Year	4.13%
End of Measurement Year	4.21%
Projected Salary Changes	3.50%
	Plus Merit-Based Increases
Medical Care Trend	7.0% decreasing to 6.5%, then .10% per year down to 4.5% and level thereafter
Actuarial Assumptions - Based on experience study conducted in 2020 using Public Employees' Retirement System (PERS) experience from 2013-2018	
Mortality Assumptions - PubG.H-2010 mortality tables adjusted for future mortality improvements using the MP-2017 fully generational improvement scale.	
Inflation Rate	2.50%
Post Retirement Participation Percentage - 100% of active employees currently electing coverage. Upon exhaustion of HRA VEBA funds, 50% are assumed to self-pay premiums until reaching Medicare eligibility. 3% of covered retirees are assumed to let their coverage lapse each year, until Medicare eligibility.	
Percentage with Spouse Coverage	70.00%

Changes in the Total OPEB Liability

(in thousands)

Balance - July 1	\$	24,453
Service Cost		754
Interest		992
Differences Between Expected and Actual Experience		(2,069)
Changes of Assumptions or Other Inputs		245
Benefit Payments		(1,614)
Total	\$	22,761

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate and Discount Rate

The following presents the total OPEB liability of Energy Northwest calculated using a discount rate and healthcare cost trend rates that are 1-percentage point lower or 1-percentage-point higher than the current discount rate and health care cost trend rates (in thousands):

	1% Decrease	Current Rate	1% Increase
Discount Rate	\$ 25,405	\$ 22,761	\$ 20,528
Healthcare Cost Trend Rate	20,291	22,761	25,793

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Energy Northwest recognized OPEB expense for the years ended December 31 as follows (in thousands):

Service Cost	\$	754
Interest Cost		992
Recognition of Assumption Changes		(703)
Recognition of Experience Gains and Losses		(348)
Total	\$	695

At June 30, 2025, Energy Northwest reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 1,981
Changes of Assumptions or Other Inputs	210	3,006
Contributions Subsequent to the Measurement Date	1,614	-
Total	\$ 1,824	\$ 4,987

Deferred outflows of resources resulting from payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the following year. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	
2026	\$ (1,051)
2027	(1,051)
2028	(1,051)
2029	(1,051)
2030	(312)
Thereafter	(261)
Total	\$ (4,777)

NOTE 13 - Leases

Lessee:

Energy Northwest (EN) under the following business units Nine Canyon Wind Project, Business Development, Internal Service Fund, Packwood Lake Hydroelectric Project, Columbia Generating Station, and Nuclear Project No. 1, have several leasing arrangements, summarized below:

The Nine Canyon Wind Project entered into a lease agreement to lease land space for three-hundred eighteen months beginning July 2021. The lease terminates December 2047. Under the terms of the lease, EN pays an annual

base fee of \$42,400. The base fee will follow the fixed rent schedule outlined in the lease agreement. EN also pays a pro rata share of operating expenses which are not included in the measurement of the lease liability as they are variable in nature. EN paid \$138 during the fiscal year towards those variable costs. On June 30, 2025, EN recognized a right to use asset of \$710 thousand and a lease liability of \$727 thousand. During the fiscal year, EN recorded \$32 thousand in amortization expense and \$19 thousand in interest expense for the right to use the land space. EN used an incremental borrowing rate of 2.57% based on the true interest cost for the most recent bond debt issuance for the same time periods.

The Business Development fund entered into a sublease agreement to lease land space for two hundred forty months beginning July 2021. The lease terminates August 2045. Under the terms of the lease, EN pays an annual base fee of \$7,500, with a 3.0% increase for the immediately preceding Term or extension period. On June 30, 2025, EN recognized a right to use asset of \$113 thousand and a lease liability of \$116 thousand. During the fiscal year, EN recorded \$6 thousand in amortization expense and \$3 thousand in interest expense for the right to use the land space. EN used an incremental borrowing rate of 2.57% based on the true interest cost for the most recent bond debt issuance for the same time periods.

The Internal Service Fund entered into a lease agreement to lease office space for thirty-six months beginning August 2023. The lease terminates July 2027. Under the terms of the lease, EN paid a monthly base fee of \$4 thousand. On June 30, 2025, EN recognized a right to use asset of \$46 thousand and a lease liability of \$47 thousand. During the fiscal year, EN recorded \$42 thousand in amortization expense and \$2 thousand in interest expense for the right to use the office space. EN used an incremental borrowing rate of 3.35% based on the true interest cost for the most recent bond debt issuance for the same time periods.

The Packwood Hydroelectric Project entered into a lease agreement to lease equipment for forty-nine months beginning April 2024. The lease terminates March 2028. Under the terms of the lease, EN pays a monthly base fee of \$2 thousand. On June 30, 2025, EN recognized a right to use asset of \$51 thousand and a lease liability of \$53 thousand. During the fiscal year, EN recorded \$19 thousand in amortization expense and \$2 thousand in interest expense for the right to use the equipment. EN used an incremental borrowing rate of 3.35% based on the true interest cost for the most recent bond debt issuance for the same time periods.

The Nuclear Project No.1 entered into a lease agreement to lease land space for three-hundred sixty-six months beginning July 2021. The lease terminates June 2052. Under

the terms of the lease, EN pays an annual base fee of \$68 thousand, with an increase every 5 years during the Initial Term of the lease. On June 30, 2025, EN recognized a right to use asset of \$1.3 million and a lease liability of \$1.3 million. During the fiscal year, EN recorded \$47 thousand in amortization expense and \$34 thousand in interest expense for the right to use the land space. EN used an incremental borrowing rate of 2.57% based on the true interest cost for the most recent bond debt issuance for the same time periods.

Columbia Generating Station entered into a lease agreement to lease land space for three-hundred seventy-two months beginning July 2021. The lease terminates December 2041. Under the terms of the lease, EN pays an annual base fee of \$65 thousand. EN also pays a pro rata share of operating expenses which are not included in the measurement of the lease liability as they are variable in nature. EN paid \$0.2 thousand during the fiscal year towards those variable costs. On June 30, 2025, EN recognized a right to use asset of \$860 thousand and a lease liability of \$884 thousand. During the fiscal year, EN recorded \$52 thousand in amortization expense and \$23 thousand in interest expense for the right to use the land space. EN used an incremental discount rate of 2.57% based on the true interest cost for the most recent bond debt issuance for the same time periods.

Columbia Generating Station entered into a lease agreement to lease equipment for eighty-six months beginning July 2021. The lease terminates September 2028. Under the terms of the lease, EN pays a monthly base fee of \$20 thousand. On June 30, 2025, EN recognized a right to use asset of \$681 thousand and a lease liability of \$693 thousand. During the fiscal year, EN recorded \$215 thousand in amortization expense and \$20 thousand in interest expense for the right to use the equipment. EN used an incremental borrowing rate of 2.57% based on the true interest cost for the most recent bond debt issuance for the same time periods.

Columbia Generating Station entered into a lease agreement to lease equipment for one-hundred eleven months beginning November 2021. The lease terminates February 2031. Under the terms of the lease, EN pays a monthly base fee of \$21 thousand, which is a fixed price for the duration of the performance period. EN also pays a pro rata share of operating expenses which are not included in the measurement of the lease liability as they are variable in nature. EN paid \$4 thousand during the fiscal year towards those variable costs. On June 30, 2025, EN recognized a right to use asset of \$1.2 million and a lease liability of \$1.3 million. During the fiscal year, EN recorded \$213 thousand in amortization expense and \$36 thousand in interest expense for the right to use the equipment. EN

used an incremental borrowing rate of 2.57% based on the true interest cost for the most recent bond debt issuance for the same time periods.

Columbia Generating Station entered into a lease agreement to lease equipment for fifty months beginning July 2021. The Lease was renewed for one-hundred and nine months beginning August 2025. The lease terminates September 2034. Under the terms of the lease, EN pays a monthly base fee of \$20 thousand. EN does not have the option to terminate the lease at any time. On June 30, 2025, EN recognized a right to use asset of \$1.9 million and a lease liability of \$1.9 million. During the fiscal year, EN recorded \$212 thousand in amortization expense and \$57 thousand in interest expense for the right to use the equipment. EN used an incremental borrowing rate of 3.62% based on the true interest cost for the most recent bond debt issuance for the same time periods.

Columbia Generating Station entered into a lease agreement to lease equipment for sixty months beginning October 2021. The lease terminates September 2026. Under the terms of the lease, EN pays an annual base fee of \$70 thousand. EN does have the option to terminate the lease at any time provided, which EN will not exercise. EN does anticipate that Columbia Generating Station will purchase the equipment at the end of the lease Term. On June 30, 2025, EN recognized a right to use asset of \$107 thousand and a lease liability of \$173 thousand. During the fiscal year, EN recorded \$86 thousand in amortization expense and \$5 thousand in interest expense for the right to use the equipment. EN used an incremental borrowing rate of 2.57% based on the true interest cost for the most recent bond debt issuance for the same time periods. In the following tables, dollars are in thousands.

Nine Canyon Wind Project

Fiscal Year Ended June 30	Principal	Interest
2026	\$ 23	\$ 18
2027	24	18
2028	25	17
2029	25	16
2030	26	16
2031-2035	141	68
2036-2040	160	48
2041-2045	182	25
2046-2047	121	3
Total	\$ 727	\$ 229

Business Development Fund

Fiscal Year Ended June 30	Principal	Interest
2026	\$ 4	\$ 3
2027	5	3
2028	5	3
2029	5	3
2030	5	2
2031-2035	27	10
2036-2040	31	6
2041-2045	34	2
Total	\$ 116	\$ 32

Internal Service Fund

Fiscal Year Ended June 30	Principal	Interest
2026	\$ 43	\$ 1
2027	4	-
Total	\$ 47	\$ 1

Packwood Hydroelectric Project

Fiscal Year Ended June 30	Principal	Interest
2026	\$ 19	\$ 1
2027	19	-
2028	15	-
Total	\$ 53	\$ 1

Nuclear Project No.1

Fiscal Year Ended June 30	Principal	Interest
2026	\$ 34	\$ 33
2027	35	32
2028	36	31
2029	36	30
2030	37	29
2031-2035	202	130
2036-2040	230	102
2041-2045	261	70
2046-2050	297	33
2051-2052	130	2
Total	\$ 1,298	\$ 491

Columbia Generating Station

Fiscal Year Ended June 30	Principal	Interest
2026	\$ 730	\$ 137
2027	792	115
2028	703	95
2029	481	78
2030	495	63
2030-2034	1,384	143
2035-2039	286	32
2040-2041	125	2
Total	\$ 4,995	\$ 664

Amortization Expenses (Dollars in thousands)

	Lessee activities	Balance at July 1, 2024		Additions		Deletions	Balance at June 30, 2025
Nine Canyon Wind Project							
Right to use assets	Land	\$	836	\$	-	\$	836
Accumulated Amortization			(95)		(31)		(126)
Nine Canyon Wind Project Totals		\$	741	\$	(31)	\$	710
Business Development Fund							
Right to use assets	Land	\$	135	\$	-	\$	135
Accumulated Amortization			(17)		(5)		(22)
Business Development Fund Totals		\$	118	\$	(5)	\$	113
Internal Service Fund							
Right to use assets	Office Space	\$	126	\$	-	\$	126
Accumulated Amortization			(39)		(42)		(81)
Internal Service Fund Totals		\$	87	\$	(42)	\$	45
Packwood Lake Hydroelectric Project							
Right to use assets	Equipment	\$	75	\$	-	\$	75
Accumulated Amortization			(6)		(18)		(24)
Packwood Project Totals		\$	69	\$	(18)	\$	51
Nuclear Project No.1							
Right to use assets	Land	\$	1,458	\$	-	\$	1,458
Accumulated Amortization			(136)		(47)		(183)
Nuclear Project No.1 Totals		\$	1,322	\$	(47)	\$	1,275
Columbia Generating Station							
Right to use assets	Land	\$	1,068	\$	-	\$	1,068
	Equipment		4,999		1,842		6,841
Accumulated Amortization			(2,377)		(777)		(3,154)
Columbia Generating Station Totals		\$	3,690	\$	1,065	\$	4,755

Lessor:

Energy Northwest owns a multipurpose building in the City of Richland, Benton County, Washington known as the Applied Process Engineering Laboratory (APEL) which provides leased space of laboratory, validation testing, development facilities and associated offices for research and development. There are four lease agreements associated with the APEL building.

The first agreement was entered into in February of 2021 with a 3-year lease term. The current term expires on July 31, 2025. Contract rent will be evaluated on the anniversary date based on the Consumers Price Index. At termination, the lessee must remove any alterations and restore the premises to its original condition unless the lessor agrees to leaving the improvements in place. During the fiscal year, Energy Northwest recognized (in thousands) \$55 in lease revenue and \$1 in interest income related to this agreement. On June 30, 2025, Energy Northwest recorded \$5 in lease receivables and \$5 in deferred inflows of resources for this arrangement. Energy Northwest uses an interest rate of 3.65%, based on

the 2022 bond interest rate.

The second agreement leases 1/3 rack space referred to as Co-location space in the APEL building. This lease agreement was modified and the lease standard was implemented on May 1, 2023, with a lease term extending to April 30, 2026. At termination the lessee agrees to return the premises to the same condition as existed prior to the commencement of the use. During the fiscal year, Energy Northwest recognized (in thousands) \$2 in lease revenue and \$0 in interest income related to this agreement. On June 30, 2025, Energy Northwest recorded \$1 in lease receivables and \$1 in deferred inflows of resources for this arrangement. Energy Northwest uses an interest rate of 3.65%, based on the 2022 bond interest rate.

The third agreement leases office and laboratory space. This lease agreement was modified and the lease standard was implemented in July of 2023, with a lease term extending to November of 2025. Contract rent will be evaluated on the anniversary date based on the Consumers Price Index. At termination, any improvements or alterations become property of the lessor unless the lessor requires the lessee

to remove any alterations and restore the premises to its original condition. During the fiscal year, Energy Northwest recognized (in thousands) \$124 in lease revenue and \$4 in interest income related to this agreement. On June 30, 2025, Energy Northwest recorded \$51 in lease receivables and \$42 in deferred inflows of resources for this arrangement. Energy Northwest uses an interest rate of 3.35%, based on the 2023 bond interest rate.

The fourth agreement was entered into in April of 2024. Contract rent will be evaluated on the anniversary date based on the Consumers Price Index. At termination, the lessee has the right to remove any alterations and shall restore the premises to its original condition. During the fiscal year, Energy Northwest recognized (in thousands) \$202 in lease revenue and \$5 in interest income related to this agreement. On June 30, 2025, Energy Northwest recorded \$68 in lease receivables and \$67 in deferred inflows of resources for this arrangement. Energy Northwest uses an interest rate of 3.35%, based on the 2023 bond interest rate.

Energy Northwest owns a Multi-Purpose Facility (MPF) in the City of Richland, Benton County, Washington which provides leased office space. There are two lease agreements associated with the MPF building.

The first agreement was entered into in July of 2019 with a 4-year lease term and contained 1 four-year option period and 2 two-year options periods which Energy Northwest believes is reasonably certain to renew. Contract rent will increase annually based on the Consumers Price Index with a 3% cap. During the fiscal year, Energy Northwest recognized (in thousands) \$285 in lease revenue and \$64 in interest income related to this agreement. On June 30, 2025, Energy Northwest recorded \$1,840 in lease receivables and \$1,747 in deferred inflows of resources for this arrangement. Energy Northwest uses an interest rate of 3.35%, based on the 2023 bond interest rate.

The second agreement was entered into in July of 2019 with a 4-year lease term and contained 1 four-year option period and 2 two-year option periods which Energy Northwest believes is reasonably certain to renew. Additional space was leased in July of 2023. Contract rent will increase annually based on the Consumers Price Index with a 3% cap. During the fiscal year, Energy Northwest recognized (in thousands) \$196 in lease revenue and \$43 in interest income related to this agreement. On June 30, 2025, Energy Northwest recorded \$1,233 in lease receivables and \$1,198 in deferred inflows of resources for this arrangement. Energy Northwest uses an interest rate of 3.35%, based on the 2023 bond interest rate.

Energy Northwest maintains a lease for the plot of land from the Department of Energy-Richland Operations located in Benton County, Washington. This agreement leases a portion of the property consisting of a room/cabinet space of approximately 92 square feet and space on the structure

and such easements as are necessary for antennas. This agreement was entered into in June of 2019 with a 5-year lease term and contained 5 five-year option periods which Energy Northwest believes is reasonably certain to renew. Contract rent will increase 2.5% at the end of the initial lease term and 9% at each 5-year option renewal. During the fiscal year, Energy Northwest recognized (in thousands) \$18 in lease revenue and \$12 in interest income related to this agreement. On June 30, 2025, Energy Northwest recorded \$448 in lease receivables and \$429 in deferred inflows of resources for this arrangement. Energy Northwest uses an interest rate of 2.57%, based on the 2020 bond interest rate.

NOTE 14 - Subscription-Based Information Technology Arrangements

Energy Northwest under the following business units Nine Canyon Wind Project, Business Development, Internal Service Fund, Packwood Lake Hydroelectric Project, Columbia Generating Station, and Nuclear Project No. 1, have several subscription-based information technology arrangements (SBITAs), summarized below:

The Internal Service Fund entered into nine separate SBITA contracts beginning July 2022. The SBITA contracts are all related to software subscriptions that have terms ranging from twenty-four months to eighty-five months. Initial payments totaling (in thousands) \$2,236 were made in July 2022. An incremental borrowing rate of 3.65% was applied to all the contracts, based on the true interest cost for the most recent bond debt issuance for the same time periods. Five of the SBITA contracts expired in FY 2025, of which three were renewed as long term SBITA contracts and are described below, leaving four of the original separate SBITA contracts.

The Internal Service Fund entered a sixty-month SBITA contract beginning July 2023. The SBITA contract is related to a software subscription. An initial payment (in thousands) of \$21 was made in July 2023. An incremental borrowing rate of 3.35% was applied, based on the true interest cost for the bond debt issuance for the same time period.

The Internal Service Fund entered a fifty month SBITA contract beginning September 2023. The SBITA contract is related to a software subscription. An initial payment (in thousands) of \$207 was made in September 2023. An incremental borrowing rate of 3.35% was applied, based on the true interest cost for the bond debt issuance for the same time period.

The Internal Service Fund entered an eighty-five month SBITA contract beginning October 2023. The SBITA contract is related to a software subscription. An initial payment (in thousands) of \$538 was made in October 2023. An incremental borrowing rate of 3.65% was applied, based on the true interest cost for the bond debt issuance for the same time period.

The Internal Service Fund renewed two separate SBITA contracts beginning July 2024. The SBITA contracts are all related to software subscriptions that have terms ranging from thirty-six months to forty-eight months. An incremental borrowing rate of 3.62% was applied, based on the true interest cost for the most recent bond debt issuance for the same time period.

The Internal Services Fund renewed a SBITA contract beginning October 2024. The SBITA contract is related to software subscription that has a term of thirty-six months. An incremental borrowing rate of 3.62% was applied, based on the true interest cost for the most recent bond debt issuance for the same time period.

Columbia Generating Station entered three separate SBITA contracts beginning July 2022. The SBITA contracts are all related to software subscriptions that have terms ranging from thirty-seven months to sixty-two months. Initial payments (in thousands) totaling \$198 were made in July 2022. An incremental borrowing rate of 3.65% was applied to all the contracts, based on the true interest cost for the most recent bond debt issuance for the same time periods.

Columbia Generating Station entered a thirty-six month SBITA contract beginning January 2024. The SBITA contract is related to a software subscription. An initial payment (in thousands) of \$72 was made in January 2024. An incremental borrowing rate of 3.35% was applied, based on the true interest cost for the most recent bond debt issuance for the same time period. In the following tables, dollars are in thousands.

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025
Internal Service Fund				
Right to use subscription assets	\$ 7,490	\$ 4,791	\$ (274)	\$ 12,007
Accumulated amortization	(3,643)	(2,320)	274	(5,689)
Internal Service Fund Totals	\$ 3,847	\$ 2,471	\$ -	\$ 6,318

Columbia Generating Station				
Right to use subscription assets	\$ 627	\$ -	\$ -	\$ 627
Accumulated amortization	(258)	(183)	-	(441)
Columbia Generating Station Totals	\$ 369	\$ (183)	\$ -	\$ 186

Internal Service Fund			
Fiscal Year Ended June 30	Principal	Interest	
2026	\$ 1,840	\$	149
2027	1,907		81
2028	1,021		42
2029	501		23
2030	493		5
2031-2035	-		-
Total	\$ 5,762	\$	300

Columbia Generating Station			
Fiscal Year Ended June 30	Principal	Interest	
2026	\$ 97	\$	2
2027	25		-
2028	-		-
2029	-		-
2030	-		-
2031-2035	-		-
Total	\$ 122	\$	2

Schedules of Required Supplementary Information (Unaudited)

Schedule of Energy Northwest's Proportionate Share of the Net Pension Liability (Dollars in thousands)

PERS 1										
Measurement Date Ended June 30	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.75%	0.85%	0.92%	0.99%	0.89%	1.02%	1.08%	1.13%	1.08%	1.24%
Proportionate share of the net pension liability (asset)	\$ 13,338	\$ 19,502	\$ 25,530	\$ 12,128	\$ 31,376	\$ 39,358	\$ 48,192	\$ 53,781	\$ 58,147	\$ 65,005
Covered-employee payroll	\$ 151,619	\$ 152,417	\$ 150,964	\$ 146,520	\$ 134,853	\$ 143,601	\$ 143,282	\$ 142,483	\$ 128,944	\$ 154,431
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	8.80%	12.80%	16.91%	8.28%	23.27%	27.41%	33.63%	37.75%	45.09%	42.09%
Plan fiduciary net position as a percentage of the total pension liability	84.05%	80.16%	76.56%	88.74%	68.64%	67.12%	63.22%	61.24%	57.03%	59.10%

PERS 2/3										
Measurement Date Ended June 30	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.98%	1.10%	1.20%	1.28%	1.16%	1.32%	1.38%	1.45%	1.38%	1.60%
Proportionate share of the net pension liability (asset)	\$ (32,296)	\$ (45,190)	\$ (44,440)	\$ (127,200)	\$ 14,795	\$ 12,831	\$ 23,584	\$ 50,411	\$ 69,510	\$ 57,017
Covered-employee payroll	\$ 151,619	\$ 152,417	\$ 150,964	\$ 146,520	\$ 134,852	\$ 143,502	\$ 143,015	\$ 142,140	\$ 128,634	\$ 154,080
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-21.30%	-29.65%	-29.44%	-86.81%	10.97%	8.94%	16.49%	35.47%	54.04%	37.00%
Plan fiduciary net position as a percentage of the total pension liability	105.17%	107.02%	106.73%	120.29%	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%

Schedule of Energy Northwest's Contributions (Dollars in thousands)

PERS 1										
Fiscal year Ended June 30	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 4,839	\$ 4,494	\$ 5,822	\$ 5,619	\$ 7,397	\$ 6,441	\$ 7,339	\$ 7,213	\$ 6,818	\$ 6,141
Contributions in Relation to the Contractually Required Contribution Subtotal	(4,839)	(4,494)	(5,822)	(5,619)	(7,397)	(6,441)	(7,339)	(7,213)	(6,818)	(6,141)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 190,494	\$ 151,619	\$ 152,417	\$ 150,964	\$ 152,720	\$ 134,853	\$ 143,601	\$ 143,282	\$ 142,483	\$ 128,944
Contributions as a Percentage of Covered Employee Payroll	2.54%	2.96%	3.82%	3.72%	4.84%	4.78%	5.11%	5.03%	4.79%	4.76%

PERS 2/3										
Fiscal year Ended June 30	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 12,113	\$ 9,643	\$ 9,694	\$ 9,627	\$ 12,095	\$ 10,657	\$ 10,789	\$ 10,658	\$ 8,862	\$ 8,200
Contributions in Relation to the Contractually Required Contribution	(12,113)	(9,643)	(9,694)	(9,627)	(12,095)	(10,657)	(10,789)	(10,658)	(8,862)	(8,200)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 190,494	\$ 151,619	\$ 152,417	\$ 150,964	\$ 152,720	\$ 134,852	\$ 143,502	\$ 143,015	\$ 142,140	\$ 128,634
Contributions as a Percentage of Covered Employee Payroll	6.36%	6.36%	6.36%	6.38%	7.92%	7.90%	7.52%	7.45%	6.23%	6.37%

Notes to Schedules Key valuation assumptions:

- DRS allocates certain portion of contributions from PERS Plan 2/3 to PERS Plan 1 in order to fund its unfunded actuarially accrued liability (UAAL).
- There were no changes in actuarial assumptions between the valuation date of June 30, 2015 and the measurement date of June 30, 2016.
- There were no changes in actuarial assumptions between the valuation date of June 30, 2016 and the measurement date of June 30, 2017.
- There were no changes in actuarial assumptions between the valuation date of June 30, 2017 and the measurement date of June 30, 2018.
- There were changes in actuarial assumptions between the valuation date of June 30, 2018 and the measurement date of June 30, 2019.
 - Lowered the valuation interest rate from 7.70% to 7.50% for all plans.
 - Lowered the assumed general salary growth from 3.75% to 3.50% for all plans.
 - Lowered assumed inflation from 3.00% to 2.75% for all plans.
 - Lowered assumed investment rate of return from 7.50% to 7.40% for all plans.
- There were no changes in actuarial assumptions between the valuation date of June 30, 2019 and the measurement date of June 30, 2020.
- There were no changes in actuarial assumptions between the valuation date of June 30, 2020 and the measurement date of June 30, 2021.
- There were no changes in actuarial assumptions between the valuation date of June 30, 2020 and the measurement date of June 30, 2022.
- There were changes in actuarial assumptions between the valuation date of June 30, 2021 and the measurement date of June 30, 2023.
 - Lowered the valuation interest rate from 7.5% to 7.00% for all plans.
 - Lowered the assumed general salary growth from 3.50% to 3.25% for all plans.
- There were no changes in actuarial assumptions between the valuation date of June 30, 2022 and the measurement date of June 30, 2024.
- There were changes in actuarial assumptions between the valuation date of June 30, 2023 and the measurement date of June 30, 2025.
 - Adjusted the valuation for calculating the UAAL contribution rates in PERS 1 to reflect the delay between the measurement date of calculated Plan 1 rates and when the rates are collected.

Schedules of Required Supplementary Information (Unaudited)

Schedule of the Energy Northwest's Changes in the Total OPEB Liability and Related Ratios (Dollars in thousands)

Measurement Date Ended June 30	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability - Beginning	\$ 24,453	\$ 24,751	\$ 29,571	\$ 29,254	\$ 28,850	\$ -	\$ -	\$ -	\$ -
Service Cost	754	745	1,028	1,006	1,006	-	-	-	-
Interest	992	972	662	654	646	-	-	-	-
Differences Between Expected and Actual Experience	(2,069)	-	(363)	-	-	-	-	-	-
Changes of Assumptions or Other Inputs	245	(356)	(4,814)	-	-	-	-	-	-
Benefit Payments	(1,614)	(1,659)	(1,333)	(1,343)	(1,248)	-	-	-	-
Total OPEB Liability - Ending	\$ 22,761	\$ 24,453	\$ 24,751	\$ 29,571	\$ 29,254	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 141,376	\$ 124,982	\$ 115,381	\$ 102,720	\$ 113,576	\$ -	\$ -	\$ -	\$ -
Total OPEB Liability as a % of Covered-Employee Payroll	16.10%	19.57%	21.45%	28.79%	25.76%	0.00%	0.00%	0.00%	0.00%

Notes to Schedules

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. Until a full 10-year trend is compiled, only information for those years available is presented.

Key valuation assumptions:

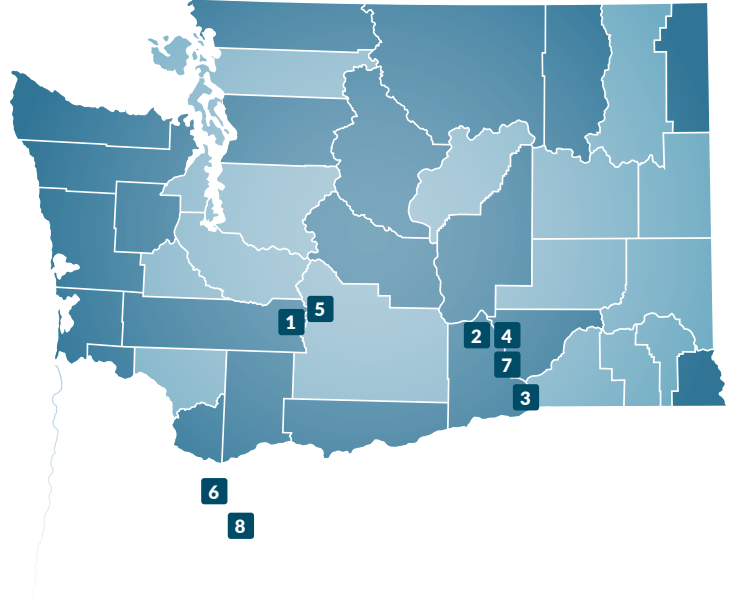
- There were changes in actuarial assumptions as of the valuation and measurement date of June 30, 2022.
 - Increased the valuation discount rate from 2.25% to 4.00%.
 - Health Care Trend assumption was changed to 7.00% decreasing to 6.50%, then decreasing by 0.10% per year down to 4.50%, and level thereafter.
 - Inflation rate was increased from 2.00% to 2.50%.
- There were no changes in actuarial assumptions as of the valuation and measurement date of June 30, 2023.
- There were changes in actuarial assumptions as of the valuation and measurement date of June 30, 2024.
 - Increased the valuation discount rate from 4.13% to 4.21%.



ENERGY NORTHWEST

Energy Northwest is a joint operating agency formed by the Washington state legislature in 1957, representing the convergence of small and big public power. Our consortium of 29 public utility districts and municipalities across Washington takes advantage of economies of scale and shared services to boost efficiency and effectiveness, all to the greater cost benefit of more than 1.5 million public power customers.

The agency owns and operates a diverse portfolio of electricity generating resources, including the Northwest's only nuclear energy facility, Columbia Generating Station. All of our generating resources produce carbon-free, at-cost energy for the Northwest.



Energy Northwest Facts

Headquarters

Richland, Wash.

Employment Figures

Approximately 1,000 full-time employees

Projects and Services

- Four power generation projects
- Environmental and analytical services
- Operations and maintenance services
- Equipment calibration services
- Power system solutions
- Project development
- Demand-side management services

1 Packwood Lake Hydroelectric Project

2 Columbia Generating Station

3 Nine Canyon Wind Project

4 White Bluffs Solar Station

5 Tieton Hydroelectric Project

6 Portland Hydroelectric Project

7 Horn Rapids Solar, Storage & Training Project

8 Stone Creek Hydroelectric Project

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www.NorthwestCleanEnergy.com

