



SMUD Strategic Development Committee – CAISO Update

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President & Chief Executive Officer

June 9, 2026

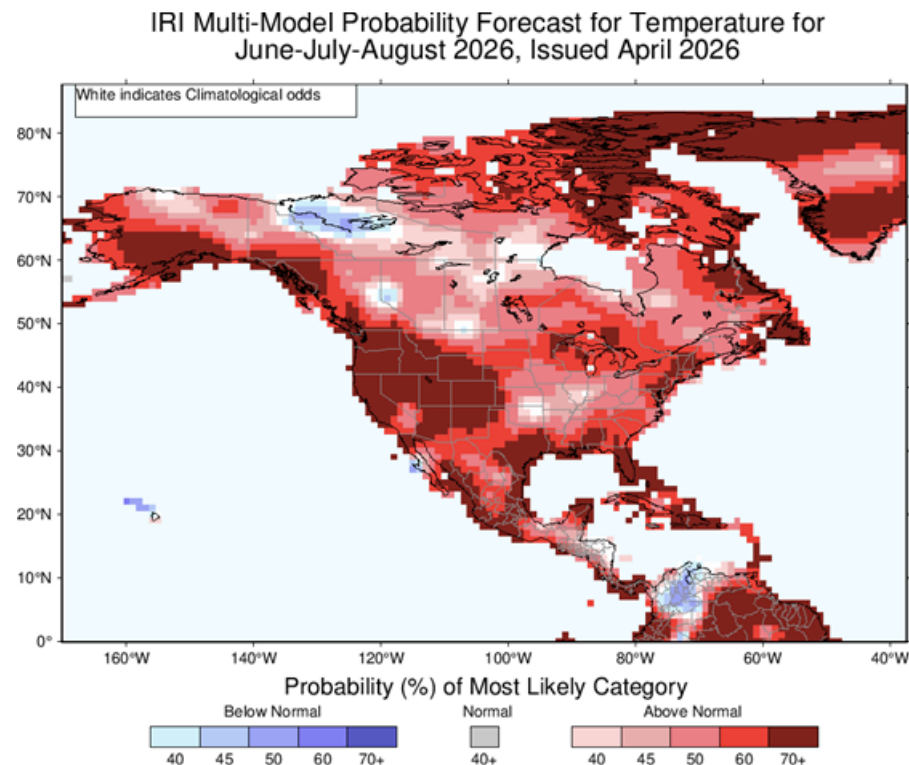
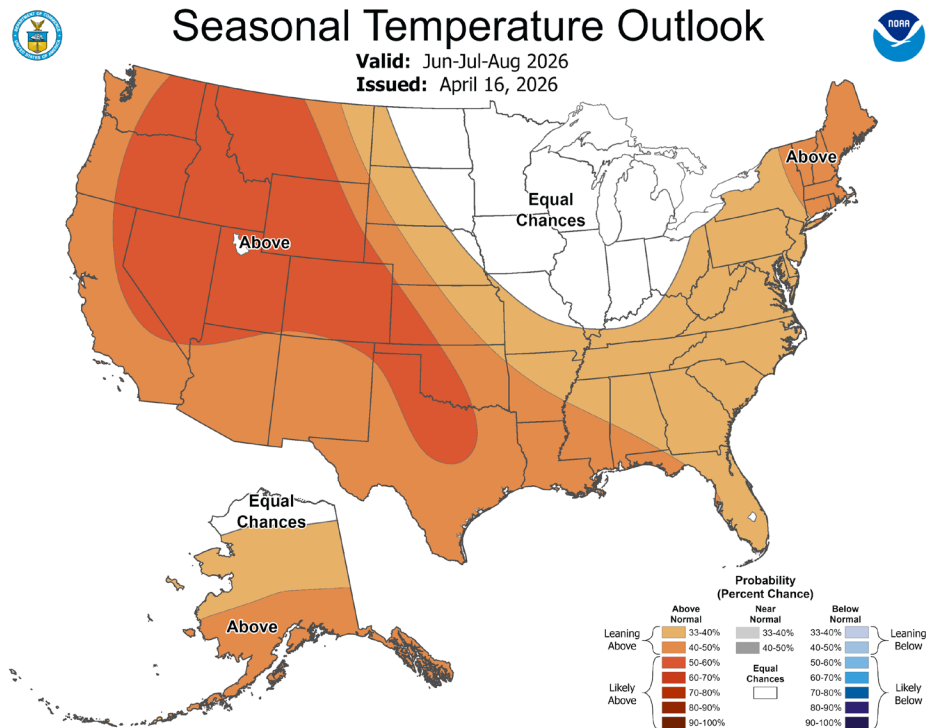
Agenda

- I. Summer outlook
- II. Regional Market Development
- III. Transmission Planning

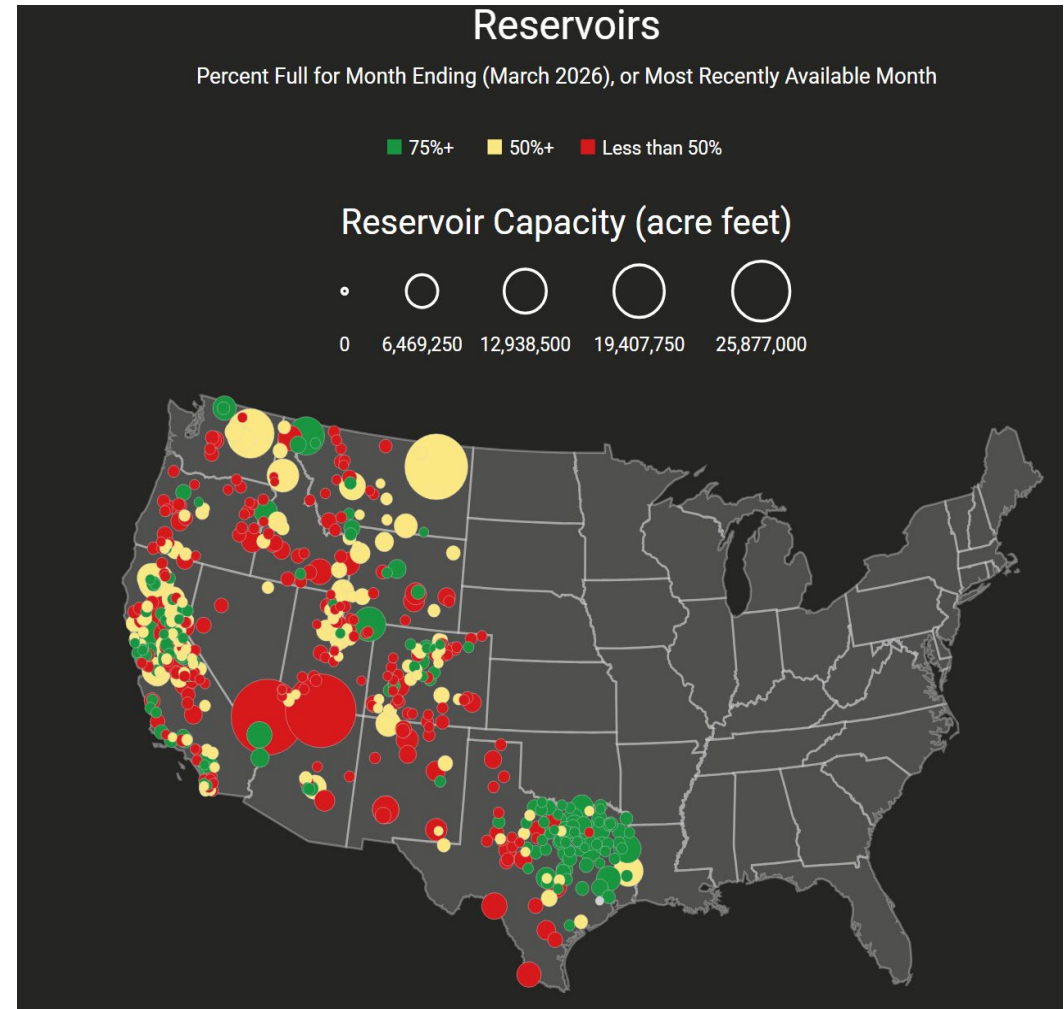
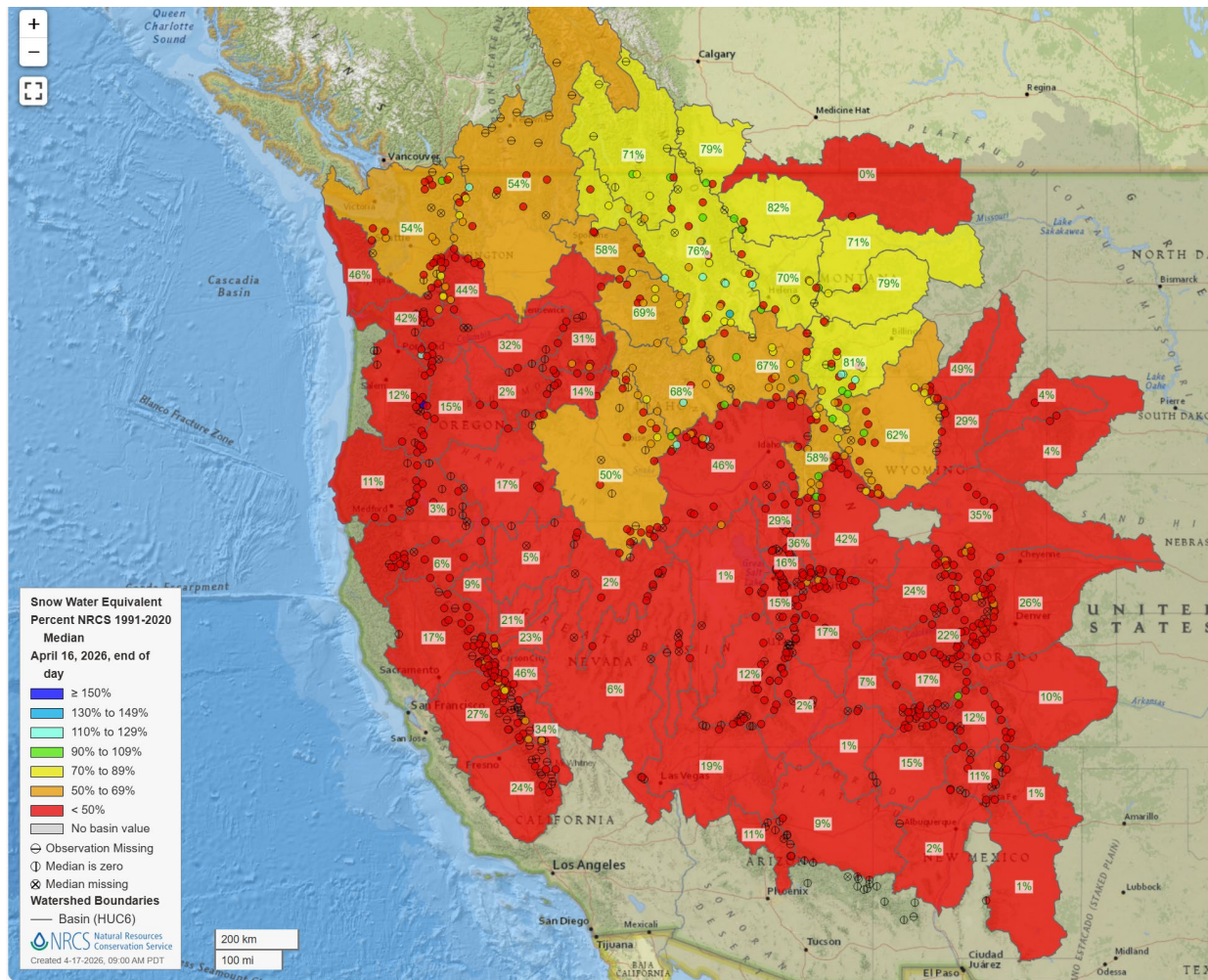
LOAD AND RESOURCES

Temperature Outlook: June – August 2026

- Increased chances of above normal temperatures compared to recent summers along coastal California and the Pacific Northwest
- Longer-range forecast suggests a hot start to summer
- Strong warm anomalies favored across the northern and central western U.S., including the Great Basin, Rockies, and Pacific Northwest

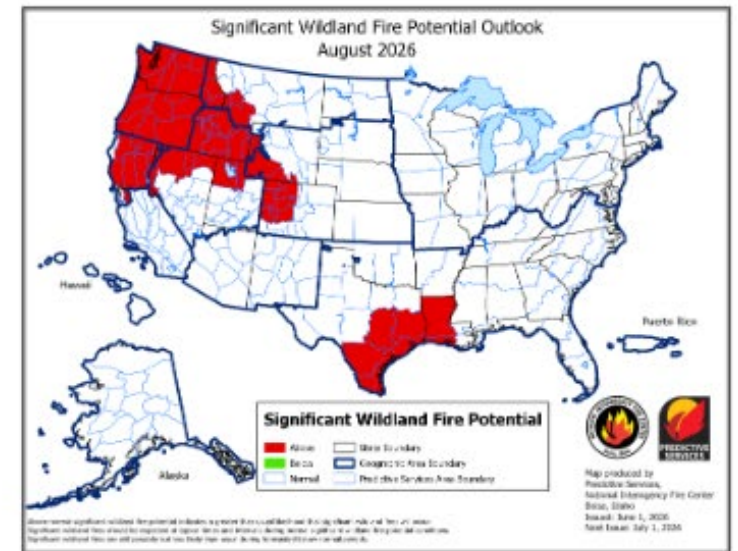
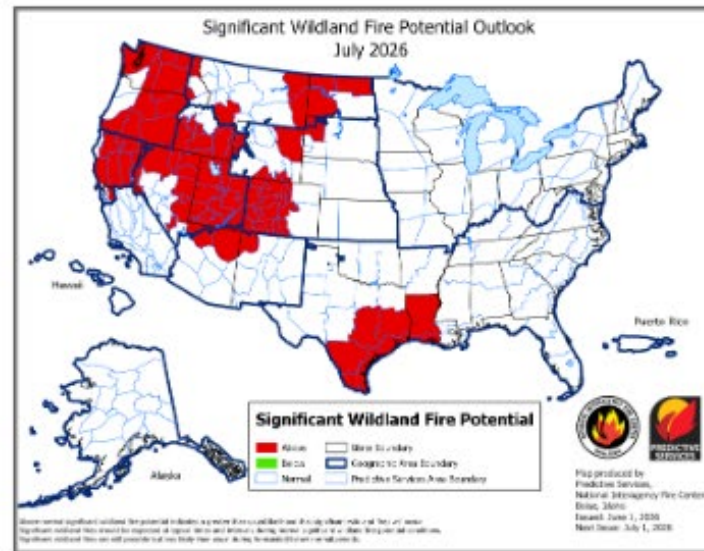
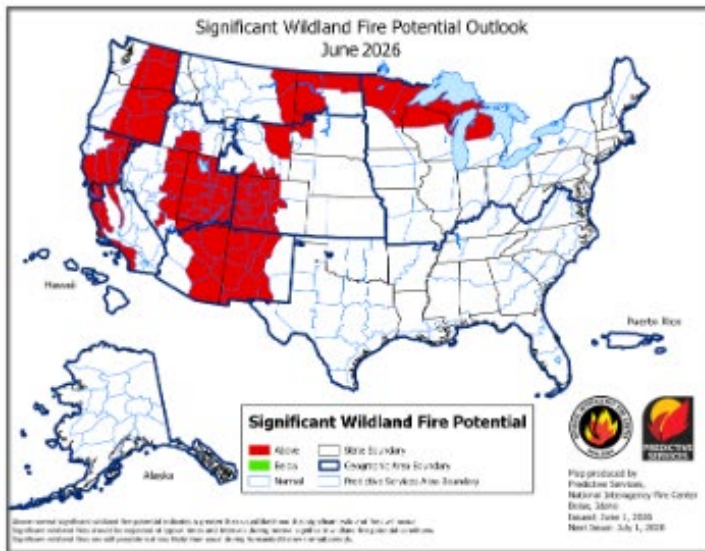


Below normal snow pack in the mountains west-wide and most reservoirs below capacity



Western Weather Outlook – Fire Risk June, July & August

- Lack of snowfall across the west and a very hot March led to early snowmelt and risk for earlier drying out in the mountains
- Near-normal fire risk across S. CA interior to start summer, above in N. CA increasing through summer; significant risk throughout summer in Great Basin/Pacific Northwest
 - Monsoonal storms could lead to increased fire starts from lightning but may bring fire threat down through the summer in Arizona/New Mexico

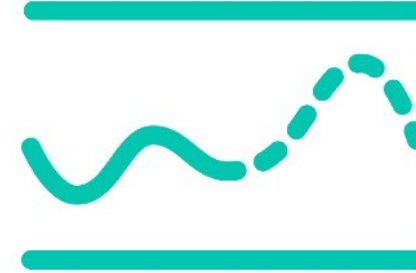


2026 Summer Outlook: Resource Additions and Load Forecast.



Resource Additions

- Capacity added from September 1, 2025 through April 1, 2026: **2,127 MW**
- Capacity expected from April 1st through June 30th, 2026: **6,194 MW** (includes 3,167 MW of SunZia Wind project)



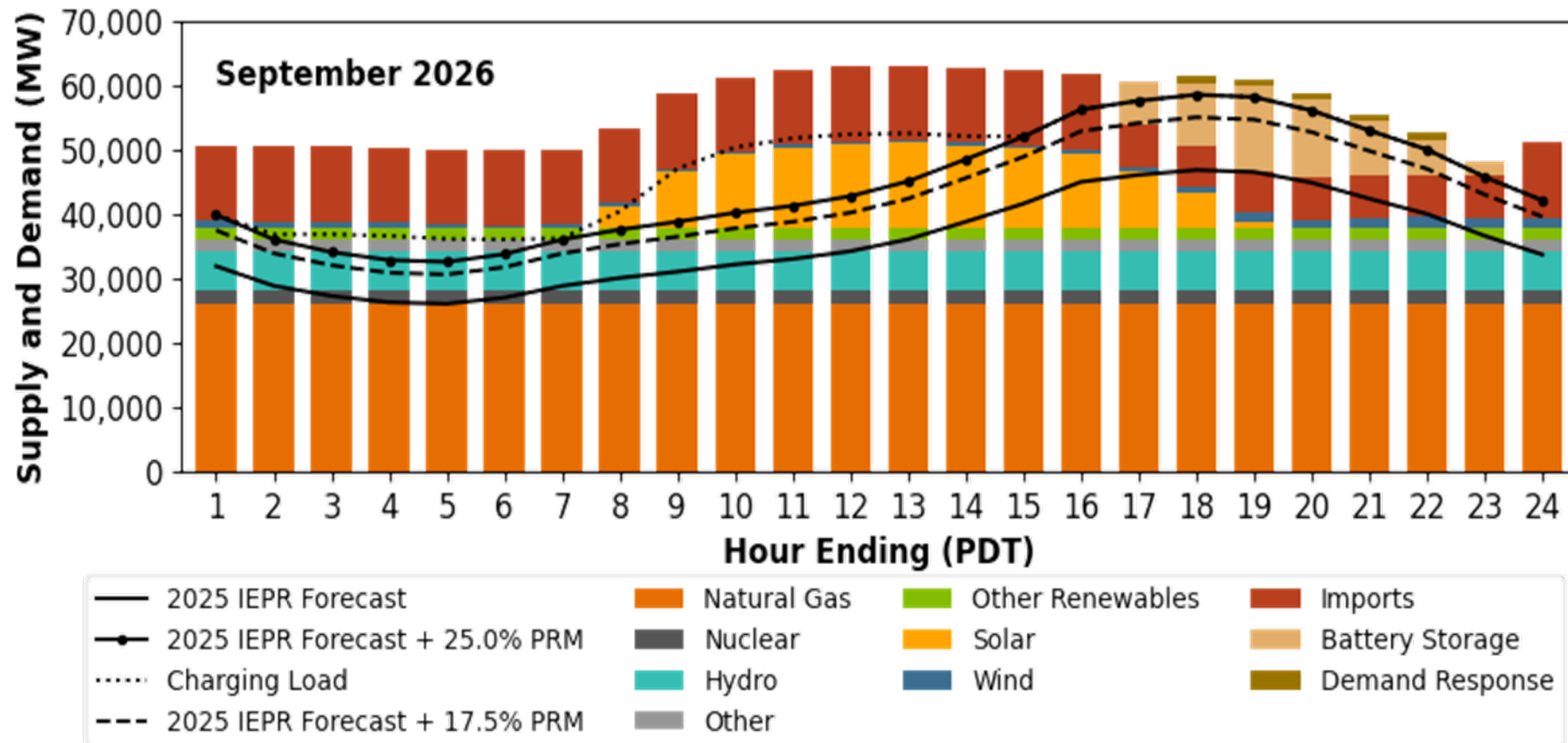
Load Forecast

- September peak load forecast: **46,844 MW**, hour ending (HE) 18 (2025 California Energy Commission Integrated Energy Policy Report)

Probabilistic Assessment Results

Portfolio meets planning performance targets, yielding a surplus of **2,547 MW**

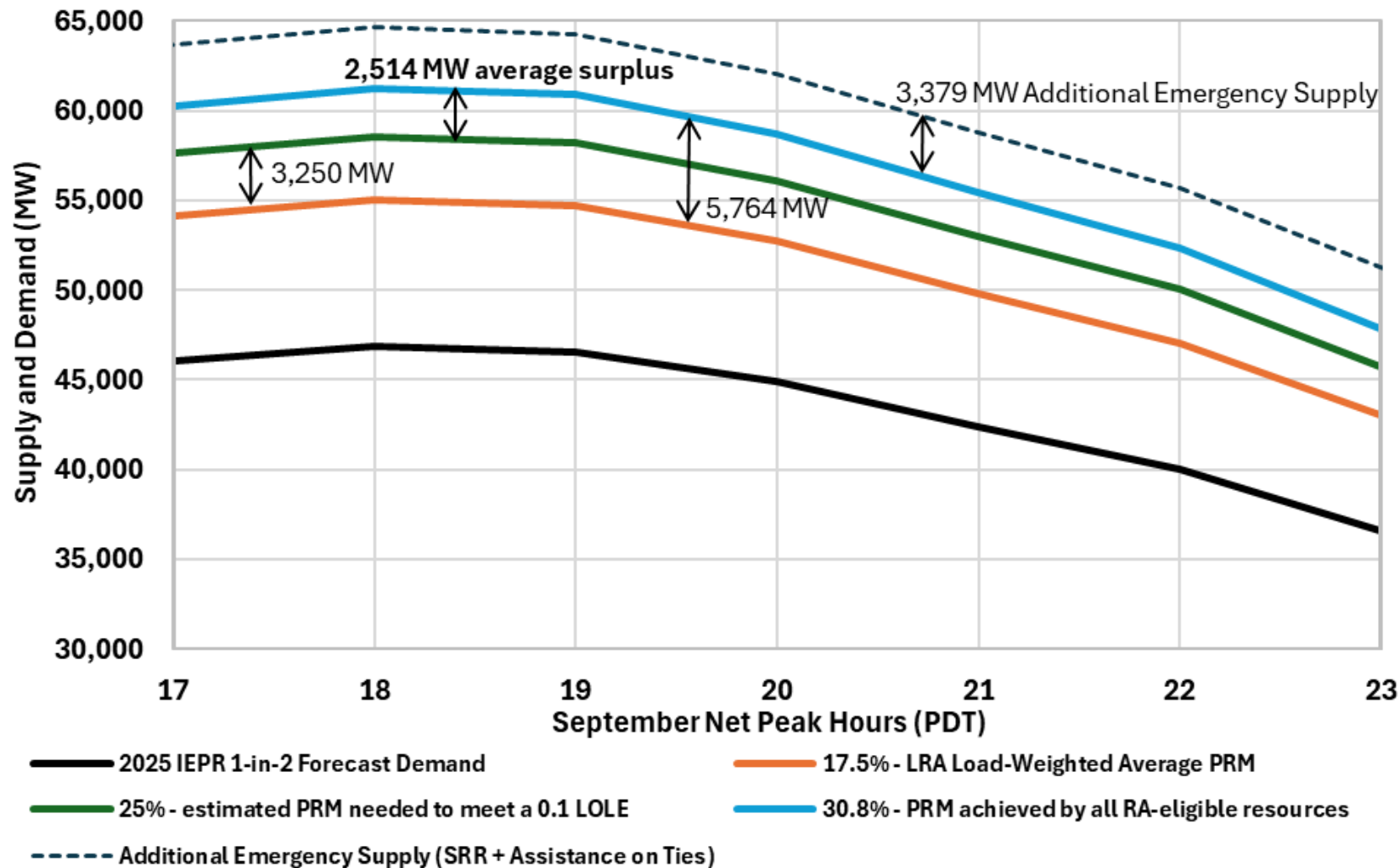
The ISO's multi-hour stack analysis also indicates a reasonable margin above the planning reserve margin required to achieve a 1-in-10 year loss of load expectation



A planning reserve margin of **25 percent** is required to meet a 0.1 LOLE, calculated by first subtracting the surplus capacity of 2,547 MW (as determined in the probabilistic study) from all available resources.

The **load-weighted average planning reserve margin** across all load serving entities for the 2026 resource adequacy year, which reflects Local Regulatory Authority established requirements, is **17.5 percent**.

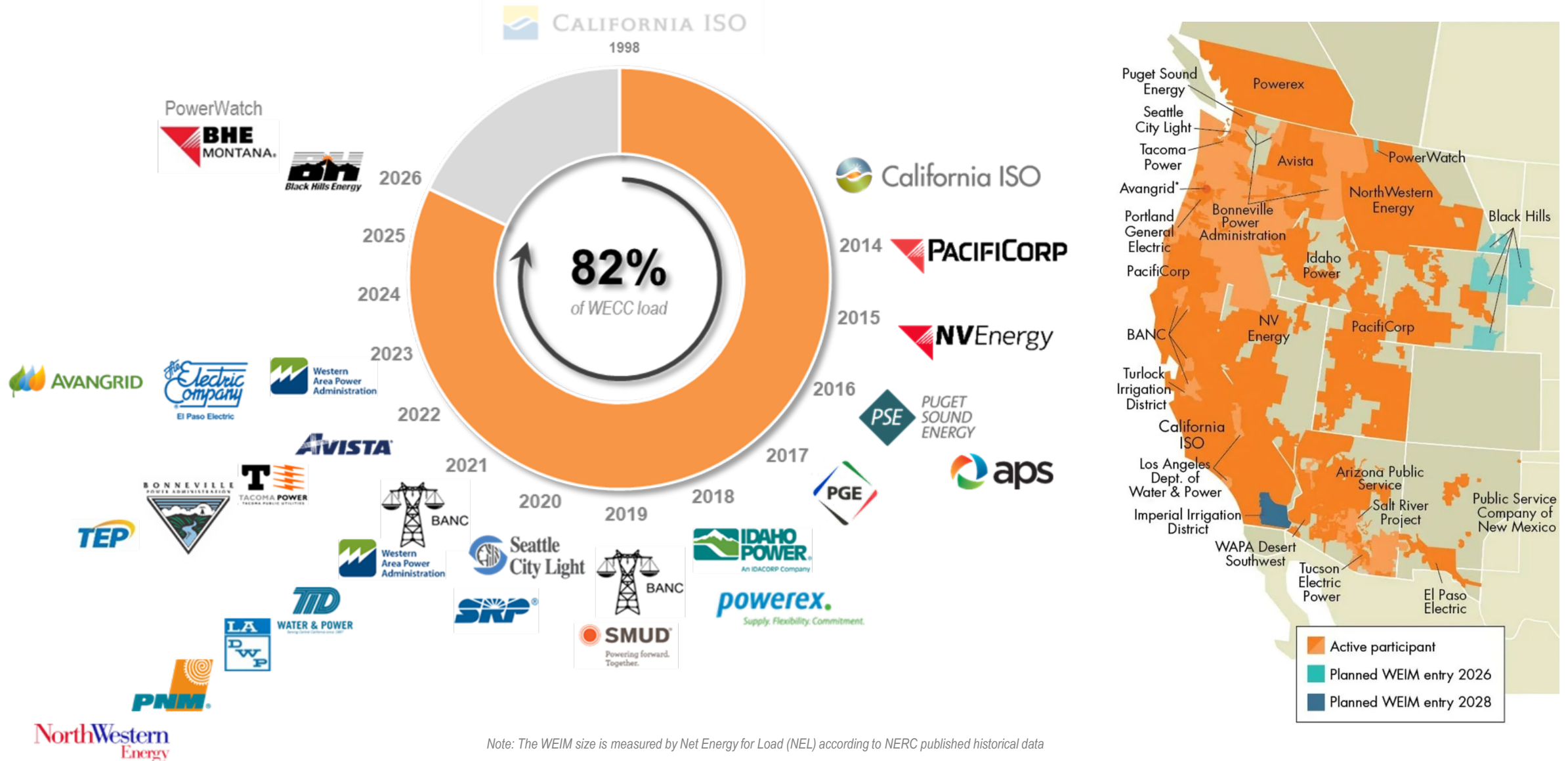
The 0.1 loss of load expectation translated to a planning reserve margin of 25% applied to the 1-in-2 2025 IEPR demand forecast for 2026



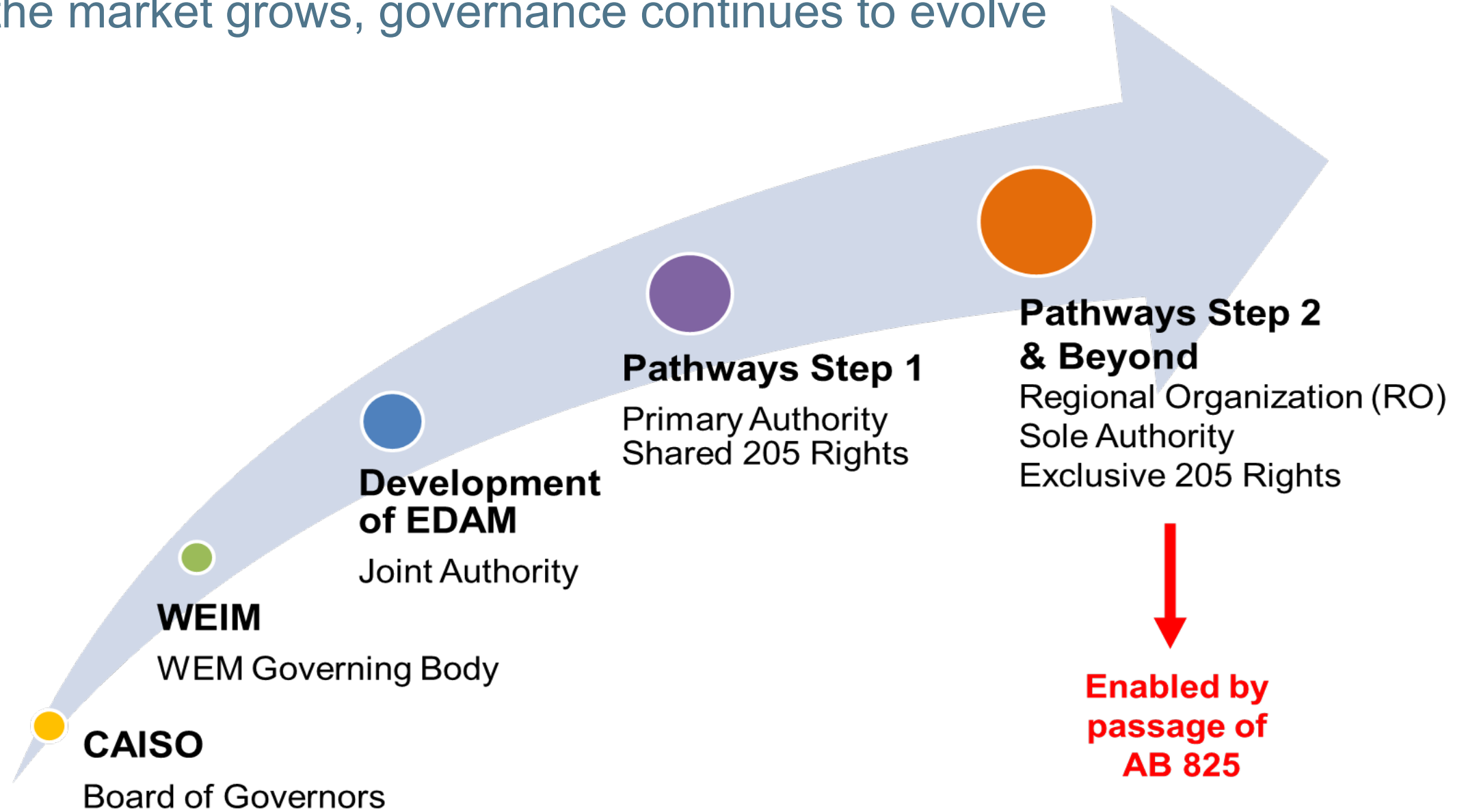
Assessment shows sufficient energy to meet a wide range of summer system conditions; however, abnormally dry conditions, extreme heat and wildfire conditions may still pose reliability risks.

REGIONAL MARKET DEVELOPMENT UPDATE

WEIM coverage – 1 ISO + 23 EIM Entities = 24 EIM Participants

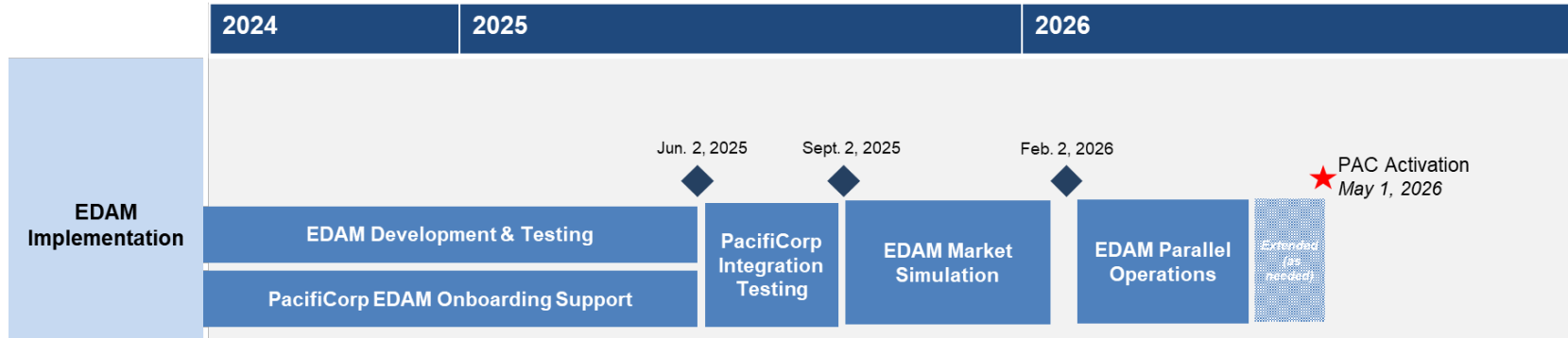


As the market grows, governance continues to evolve



Partnering for EDAM Success

Extended Day-Ahead Market (EDAM) officially activated starting trading day May 1, 2026.



PacifiCorp successfully joined EDAM on 5/1/26 on time, after a multi year effort.

- The market has stabilized and has consistently published day-ahead results on time.
- PAC has consistently passed day-ahead resource sufficiency evaluation (DA-RSE) tests.
- Successfully published first Settlement statement on 5/14 as scheduled.

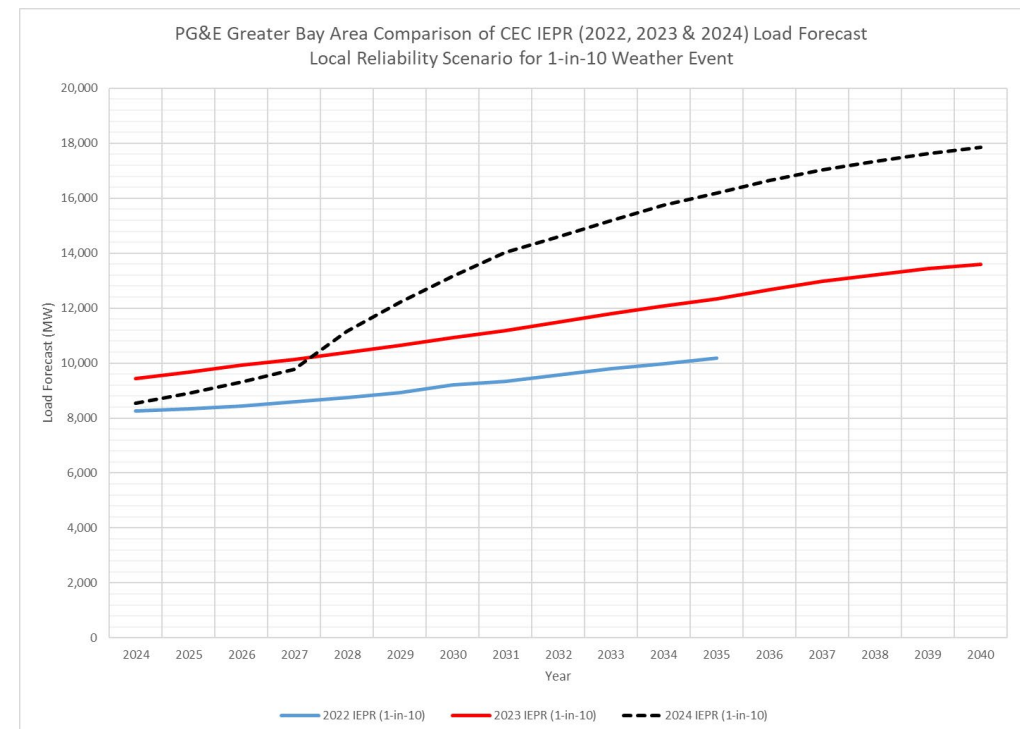
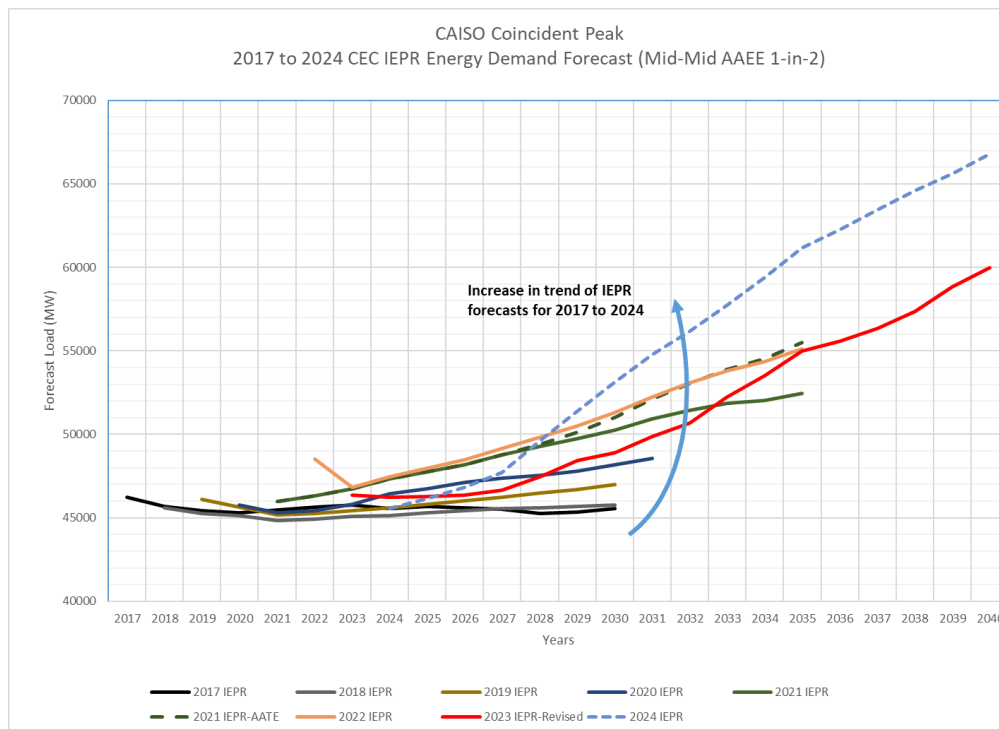
Looking Foward

- Fall 2026 on-boarding: Portland General Electric
- Fall 2027 on-boarding: **Balancing Area Northern California**, Los Angeles Department of Water & Power, Public Service Company of New Mexico, and Turlock Irrigation District
- Fall 2028 on-boarding: Imperial Irrigation District

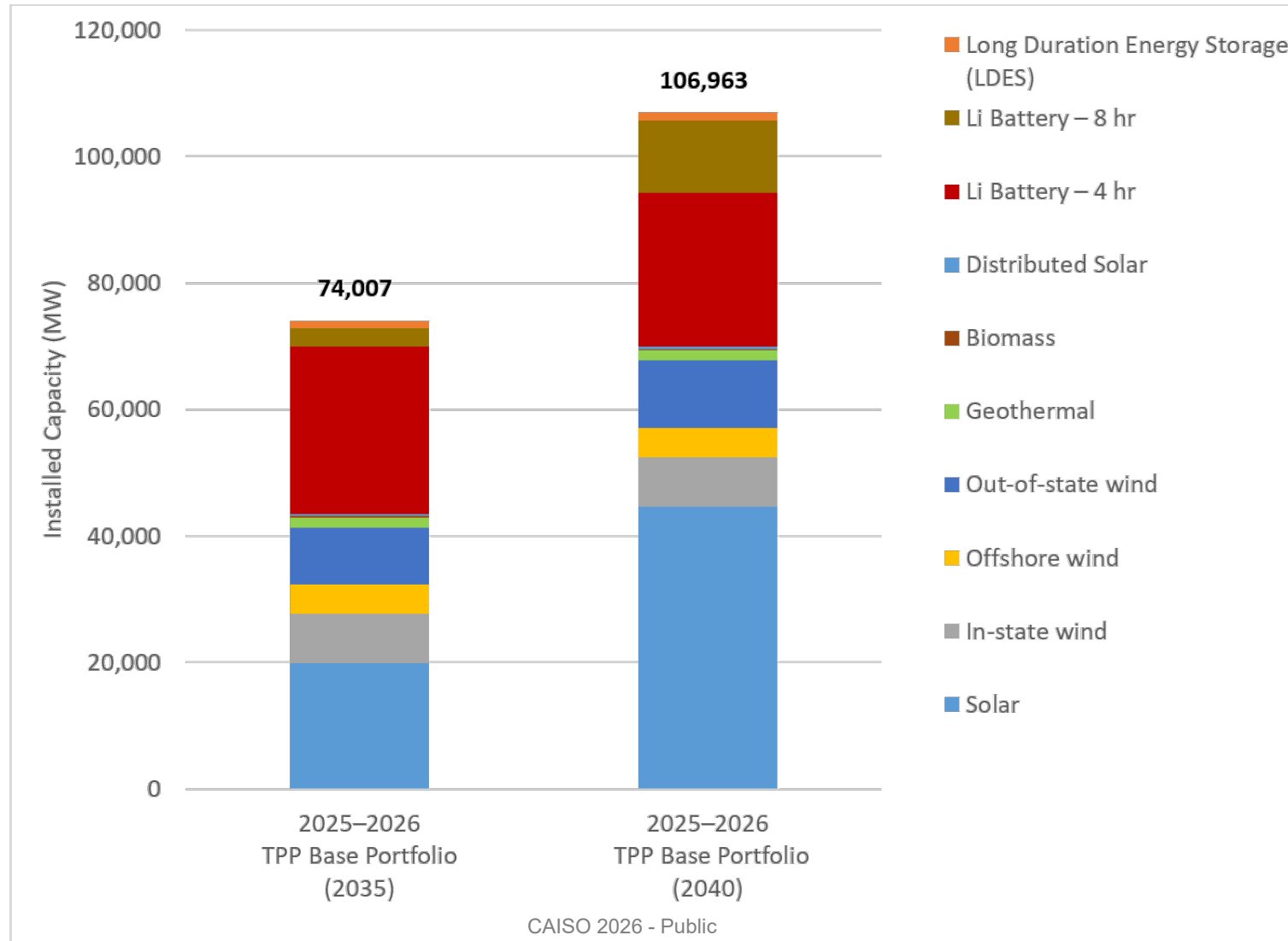
TRANSMISSION PLAN SUPPORTING LOAD GROWTH AND RESOURCE DEVELOPMENT

The CEC load forecast for the ISO system continues to increase in the 2025-2026 planning cycle

- The increase in load growth is seen across the entire ISO system, especially in 10 to 15-year planning horizon, and particularly in the Greater Bay area
- The Greater Bay area is affected by concentration of datacenter loads in addition to other load growth



The CPUC resource portfolios have also grown in response to increasing load requirements



Major Capital Projects with Significant Grid Impact



2025-2026 Transmission Plan

- ① Trout Canyon – Lugo 500 kV Line
- Ⓝ Identified Need: Path 15/26 Corridor Upgrade

2024-2025 Transmission Plan

- ② Manning – Metcalf 500 kV Line
- ③ NRS – San Jose B 230 kV Line

2023-2024 Transmission Plan

- ④ Humboldt 500 kV Substation & 500 kV Line to Collinsville
- ⑤ Humboldt – Fern Road 500 kV Line

2022-2023 Transmission Plan

- ⑥ Imperial Valley – North of SONGS 500 kV Line and Substation
- ⑦ North of SONGS – Serrano 500 kV Line
- ⑧ North Gila – Imperial Valley 500 kV Line

2021-2022 Transmission Plan

- ⑨ Manning 500/230 kV Substation (Los Banos – Gates)
- ⑩ Collinsville 500/230 kV Substation (Vaca Dixon – Tesla)
- ⑪ Newark – NRS 230 kV HVDC
- ⑫ Metcalf – San Jose B HVDC

Significant Transmission Projects in the Western Interconnection

- In-Service
 In-Development
- 1 North Plains Connector
 - 2 Montana – Idaho Transmission Line
 - 3 Boardman – Hemmingway
 - 4 Blueprint North
 - 5 Blueprint South
 - 6 Gateway West
 - 7 Gateway South
 - 8 Gateway Central
 - 9 SWIP North
 - 10 Greenlink Nevada
 - 11 ON Line
 - 12 Cross-Tie
 - 13 TransWest Express DC
 - 14 Transwest Express AC
 - 15 Colorado Power Pathway
 - 16 DesertLink
 - 17 Ten West Project
 - 18 SunZia
 - 19 BOLO
 - 20 Imperial Valley – North Gila #2
 - 21 Southline Transmission
 - 22 Identified Need: Path 15/26 Corridor Upgrade

