

Puget Energy

2024 EEI Financial Conference

Nov 10-12, 2024



Cautionary statement

Information Current as of November 5, 2024 (except as expressly noted)

Except as expressly noted, the information in this presentation is current as of November 5, 2024 – the date on which PUGET ENERGY, INC. (“PE”) and Puget Sound Energy, Inc. (“PSE” and, together with PE, “Puget”) filed their Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 – and should not be relied upon as being current as of any subsequent date. Puget undertakes no duty to update the presentation, except as may be required by law.

Forward-Looking Statements

Statements in this presentation that relate to future plans, objectives, expectations, performance, events and the like may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements regarding future load, hydro conditions and operating and maintenance costs; statements concerning implementation of PE’s 5-year Plan and related future capital expenditures; statements regarding the outcome of any legal or regulatory proceeding; as well as other statements containing words such as “anticipates,” “believes,” “intends,” “estimates,” “promises,” “expects,” “should,” and similar expressions. Investors are cautioned that any such forward-looking statements are subject to risks and uncertainties, including – but not limited to – the costs of compliance with regulatory and environmental laws, changes in capital market conditions, reduction in demand, low wholesale prices, operational risks, hydro and wind conditions, disruption in fuel supply, and unscheduled power outages, which may result in unanticipated operating, maintenance, and repair costs. As a result, actual results may differ materially from those projected in the forward-looking statements. All forward-looking statements included in this presentation are based on information available to Puget on the date hereof and such statements speak only as of the date hereof. Puget assumes no obligation to update any such forward-looking statement. Reference is also made to the risks and uncertainties listed in Puget’s most recent Annual Report on Form 10-K and Puget’s reports on Forms 8-K and 10-Q filed with the United States Securities and Exchange Commission (the “SEC”).

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Puget team members

PSE



Mary Kipp
President &
Chief Executive Officer



Jamie Martin
Senior Vice President &
Chief Financial Officer



Cara Peterman
Chief Risk Officer &
Corporate Treasurer



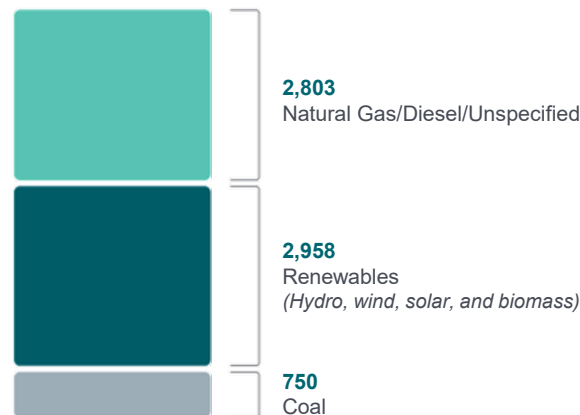
Tsung-Hsing Shen
Debt Capital Markets
Manager

Company overview

About PSE

- ◆ Washington state's oldest and largest utility
- ◆ Regulated IOU serving 1.23M electric customers and 877K gas customers in 10 counties located primarily in Western Washington
- ◆ Undergoing the most significant transformation in our 150+ year history as we strive to meet some of the most ambitious clean energy laws in the nation

Nameplate Capacity (MW)



6.6 GW

Generating capacity
(owned & contracted)

26,600

Miles of electric
transmission and
distribution lines

26,306

Miles of natural
gas pipeline and
service lines

3,340

Full-time equivalent
employees

Our mission



Safe

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



Clean

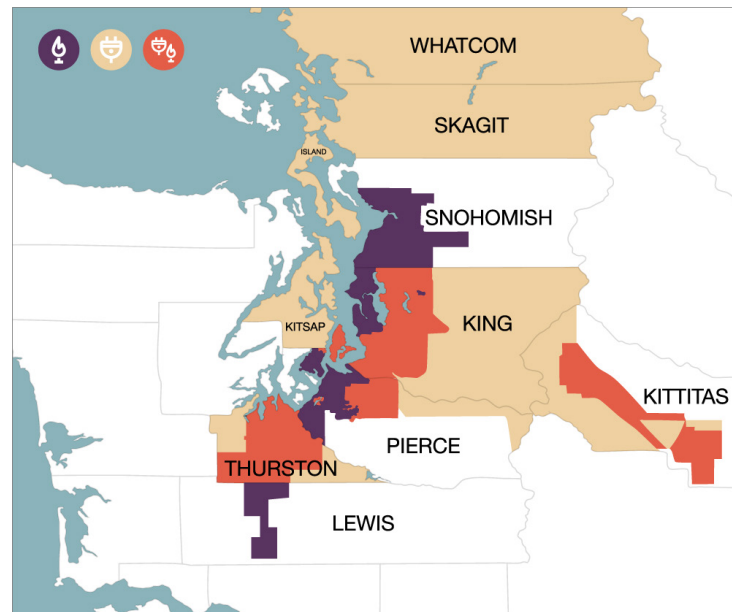
We are focused on being our customers' clean energy partner of choice, reflected in our future investments in CETA, gas decarbonization and Beyond Net Zero Carbon



Reliable

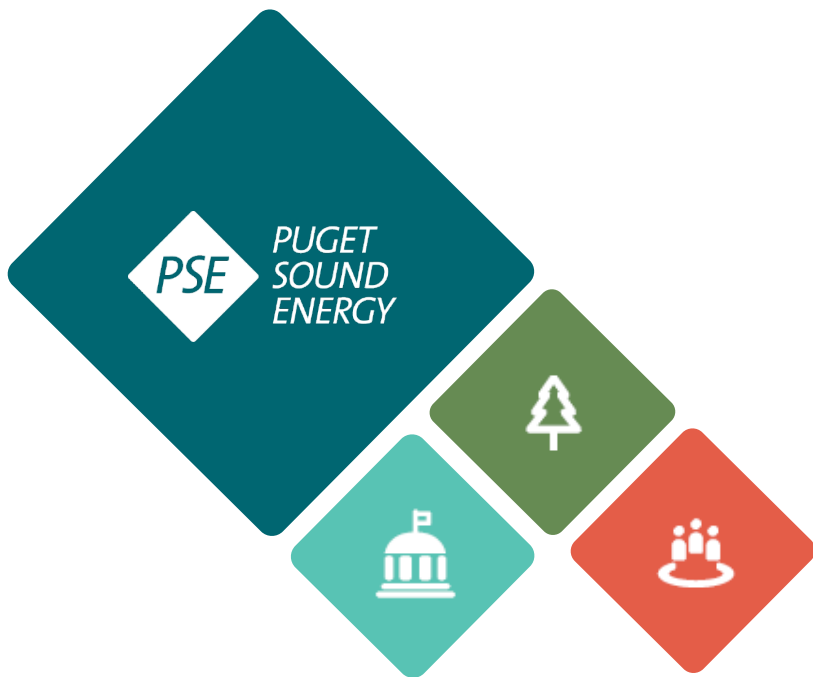
We are committed to reliable service for our customers' energy needs, and we work to anticipate how those needs will evolve over time

Service territory



- ◇ 6,000 square mile service area in Puget Sound region of Western Washington
- ◇ 1.23 million electric customers
- ◇ 877k gas customers

Sustainability



Environmental

Aspiring to be a Beyond Net Zero Carbon energy company by 2045 in line with Washington State's Clean Energy Transformation Act

Social

Incorporating energy equity and engaging our communities in planning, designing and implementing of clean energy programs and resources

Governance

Ensuring accountability, transparency and security with a robust corporate governance structure and Board of Directors oversight

Business updates

Business highlights

- ◆ 2024 Multi Year Rate Plan
- ◆ Clean Energy Progress
- ◆ Wildfire Risk Reduction

PSE



\$3.7B

Capital additions
requested in the MYRP

48%

Electricity in 2023
coming from non-
emitting resources

3,800

MW of clean energy
resources contracted
since 2019

100%

EPS enabled in
high-risk fire areas

2024 PSE General Rate Case

PSE

Themes:

- ◆ Improved cash flow
- ◆ Clean energy transition
- ◆ System reliability
- ◆ Wildfire risk reduction
- ◆ Social equity

2024 PSE Rate Case Procedural Schedule DOCKET UE-240004, UG-240005		
Item	Date	Status
PSE Initial Filing	Thursday, February 15, 2024	✓
First Settlement Conference	Friday, June 14, 2024	✓
Staff, Public Counsel, and Intervenor Response Testimony and Exhibits Due	Tuesday, August 6, 2024	✓
Second Settlement Conference	Monday, August 19, 2024	✓
PSE Rebuttal Testimony and Exhibits; Staff, Public Counsel, and Intervenor Cross-Answering Testimony and Exhibits	Wednesday, September 18, 2024	✓
Public Comment Hearing	Wednesday, October 9, 2024	✓
Discovery deadline – last day to issue data requests	Tuesday, October 15, 2024	✓
Evidentiary Hearing	November 4-5, 2024	✓
Final Order Due Date	Thursday, January 16, 2025	

GRC Key Asks



- ◆ The GRC seeks a 10% combined rate increase in 2025 and 7.2% in 2026

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		2025			2026		
Original filing February 2024:	Electric	Gas	Combined	Electric	Gas	Combined	
1 Base rate change	\$85.3	\$192.0	\$277.3	\$259.9	\$25.4	\$285.3	
2 Revenue from trackers ¹	106.9	4.0	110.9	25.3		25.3	
3 Total revenue change	\$192.2	\$196.0	\$388.3	\$285.2	\$25.4	\$310.5	
4 Overall rate increase	6.7%	19.0%	10.0%	9.3%	2.1%	7.2%	
5 Increase on typical residential bill per month	\$7.84	\$13.96		\$11.20	\$1.51		

- ◆ ROE and equity ratio requested (compared to currently authorized 9.4% ROE and 49.0% equity ratio)
 - ◇ 2025: 9.95% ROE and 50.0% equity ratio
 - ◇ 2026: 10.5% ROE and 51.0% equity ratio
- ◆ Seeking multiple trackers to improve financial health
 - ◇ Wildfire prevention, insurance and related costs
 - ◇ Construction Work-in-Progress (CWIP) in rate base for Beaver Creek project
- ◆ Requested accelerated depreciation on gas distribution assets

⁽¹⁾ 2026 amounts are informational only. Without Revenue from Trackers, the 2026 overall rate Increase in electric is 8.5%.

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

Clean Energy Transformation Act (SB 5116)

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

Clean Buildings Act (HB 1257)

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

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

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

Clean Fuel Standard (HB 1091)

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

WA State Building Codes*

New building energy codes went into effect in 2024 effectively making it very expensive to install gas in new construction

Decarbonization bill (HB 1589)*

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

Focus on achieving CETA 2030 mandates



PSE



Coal-free electricity

- PSE will eliminate coal-fired resources from PSE's allocation of electricity to Washington retail electric customers by 2025, **740 MW total capacity removed**



Carbon-neutral electric supply

- PSE is committed to achieving a **net zero carbon emissions** electric supply for our customers by 2030, consistent with Washington State's CETA



100% clean electricity supply

- PSE is committed to achieving a **100% non-emitting electric supply** by 2045, consistent with Washington State's CETA

Clean energy progress

- ◆ **Procured 3,800+ MW** of renewable energy resources since the passage of the Clean Energy Transformation Act in 2019
- ◆ **Delivered 48% of electricity** from non-emitting resources in 2023
- ◆ Issued a request for proposals in July 2024 to supply up to **2.3 million annual megawatt hours of non-emitting resources**
- ◆ **Embedded energy equity** into planning, design and implementation of clean energy programs and resources
- ◆ **Continuing aggressive pursuit of renewable energy resources**, from large generation projects to energy produced locally in our neighborhoods and communities

PSE



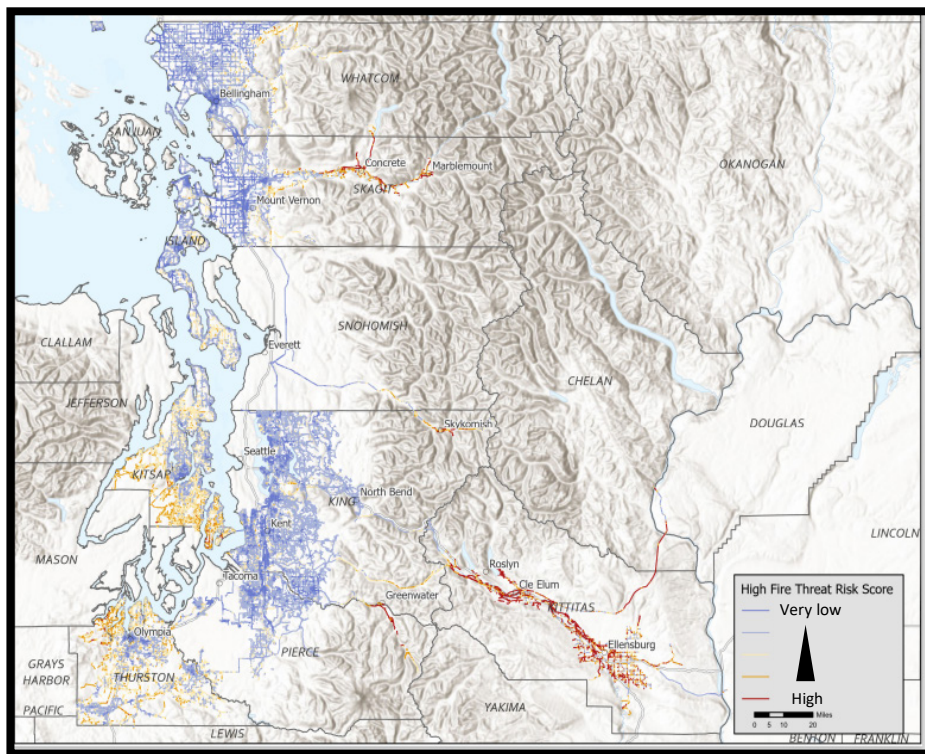
Secured significant clean energy resources since 2019

Signed	In service	Resource
2019	2020	137 MW Skookumchuck Wind
2020	2021	150 MW Lund Hill Solar
2020	2020	40 MW Energy Keeper Hydro
2021	2021	17 MW SPI Biomass
2022	2022	200 MW Golden Hills Wind
2021	2023	350 MW Clearwater Wind
2023	2025	248 MW Beaver Creek Wind 90 MW Vantage Wind
2024	2027	142 MW Appaloosa Solar 200 MW Greenwater BESS
2024	2028	315 MW Haymaker Wind 200 MW BESS in Washington State



Installation of the final wind turbine at PSE's Beaver Creek wind farm in Stillwater County, Montana in Sep. 2024.

Wildfire risk overview



PSE specific considerations

- ◆ ~30,000 customers located in high fire threat areas (~2.5% of customers)
- ◆ 7% of overall PSE overhead system in high fire threat areas
 - ◇ 745 miles of overhead distribution in high fire threat area (7.5% of PSE overhead distribution system)
 - ◇ 166 miles of overhead transmission in high fire threat area (6% of PSE overhead transmission system)
- ◆ 139 miles of underground distribution in high fire threat areas (~1% of PSE underground distribution system)

2024 Wildfire mitigation program highlights

Situational awareness



- ✓ Implemented Technosylva “FireRisk”, a real-time fire risk analysis platform
- ✓ Installed **6 A.I. smoke detection** cameras and **22 new weather stations**
- ✓ Hired in-house meteorologist and developed internal weather analysis tools
- ✓ Initiated Gridscope pilot project (**243 devices**) on two high fire threat circuits

Operational mitigations



- ✓ Enabled enhanced powerline settings (EPS) on **100%** of transmission and distribution lines in high fire threat areas
- ✓ Enhanced critical fire weather procedure to incorporate new analysis
- ✓ Designed and trained new **PSPS** procedures and protocols
- ✓ Updated Emergency Restoration Plan to include equitable restoration during a PSPS

Community Engagement



- ✓ Collaborated with emergency management and community partners on over **470 briefings**
- ✓ Contacted **100% of life support designation customers** in high fire threat areas
- ✓ Established emergency response protocols with county emergency operation centers and the WA State Energy Resilience & Emergency Management office
- ✓ Launched customer communication tools with enhanced accessibility features

Grid Hardening



- ✓ Completed **100% of pre-season inspections and proactive repairs** on high fire threat infrastructure
- ✓ Completed targeted vegetation management work on high fire threat circuits
- ✓ Replaced **772 poles** on high fire threat transmission and distribution infrastructure
- ✓ Installed of **8 miles of covered conductor** and **2 miles of underground conversions** on high fire threat circuits
- ✓ Expanded **SCADA on 47 devices**, along with **4 distribution automation schemes** in high fire threat areas

Financial updates

Financial highlights

- ◆ \$1.1 billion capital raised in 2024 primarily to support new resource acquisition activities; Owners injected \$293M new equity into PSE in June
- ◆ Regulatory wins that benefit PSE's financial position: LNG and PCA rate recovery approvals
- ◆ Credit ratings affirmed by all three rating agencies in 2024
- ◆ Awarded several IIJA related grants

PSE



\$293M

Owners Equity
Injection in June 2024

\$800M

Bonds Issuance
June 2024, including
\$400M 30-year green bond

\$396M

2023 Green Bond fully
allocated

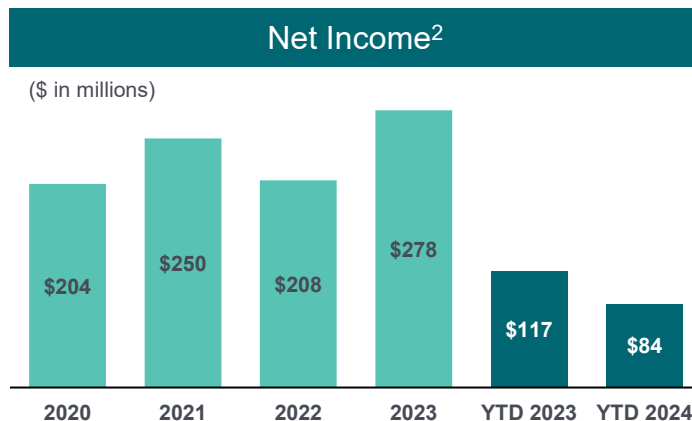
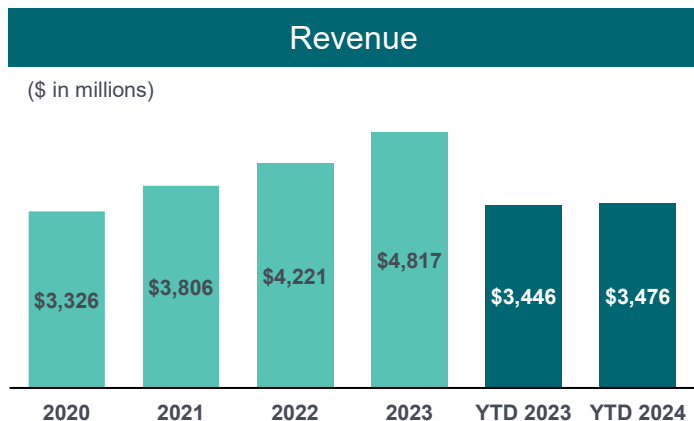
\$76M

Authorized PCA
collection amortized from
Oct. 2024 – Dec 2025

Revenue and net income year-to-date¹

PSE

- ◆ Revenue increased 1% from \$3.45B in 2023 to \$3.48B in 2024
- ◆ Net income² decreased by 52% from \$117M in 2023 to \$84M in 2024, primarily driven by higher power costs, utility O&M, and interest expense
- ◆ Electric and gas margin both increased by 1% from 2023
- ◆ Electric and gas loads were 0.4% higher and 3.0% lower than 2023, respectively



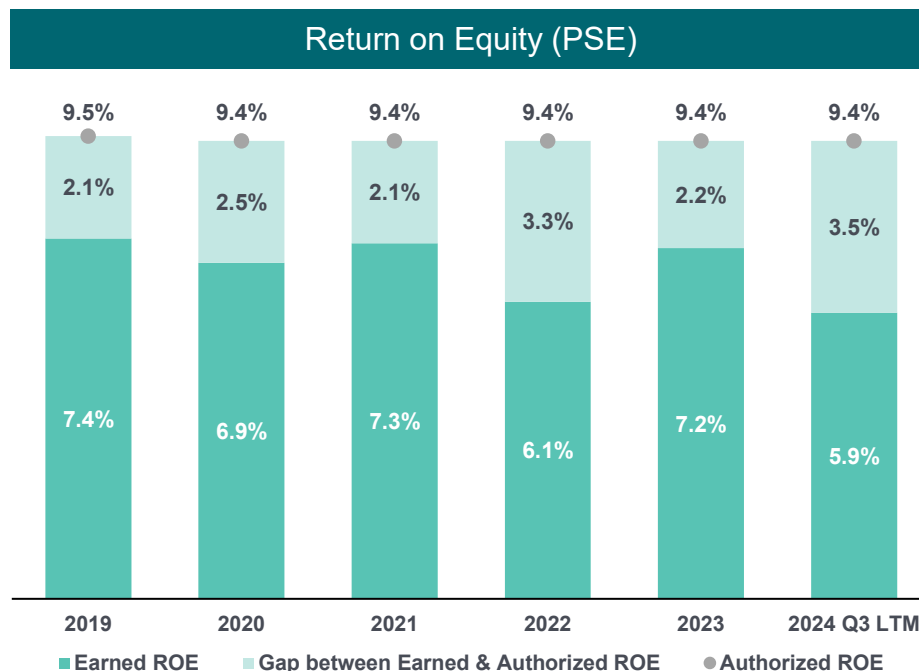
⁽¹⁾ YTD as of 9/30/2024

⁽²⁾ Excluding unrealized gain (loss) on derivative instruments

Return on Equity

2024 ROE performance challenged by:

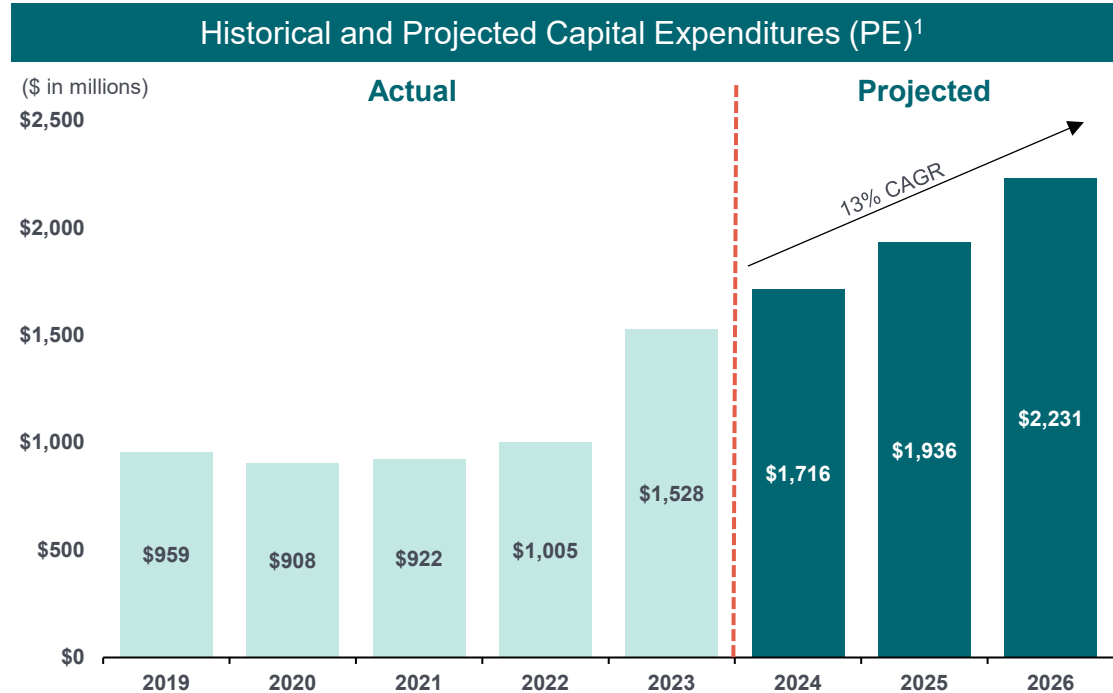
- ◆ Higher power costs from significant January freeze event
- ◆ Higher interest expense on clean energy and other infrastructure projects
- ◆ Deferred equity return on AMI
- ◆ Disallowed deferred LNG equity return
- ◆ Higher O&M spending, including wildfire
- ◆ Below the line expenses



Growing capex to support clean energy, system safety and reliability

2024-2026 capital expenditures are focused on:

- ◆ Clean generation resources
- ◆ Grid modernization
- ◆ Reliability
- ◆ Capacity
- ◆ Wildfire mitigation
- ◆ System safety

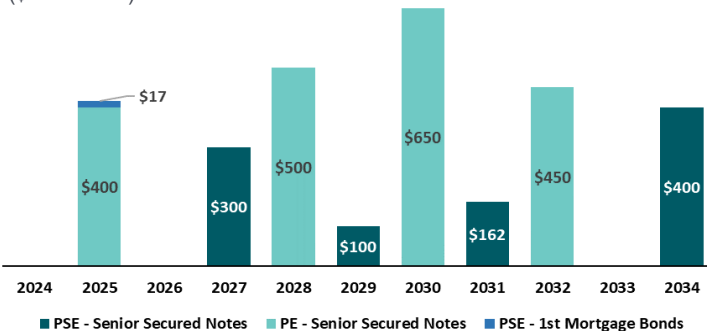


⁽¹⁾ Excluding equity AFUDC

Manageable debt profile, ample liquidity and stable credit ratings

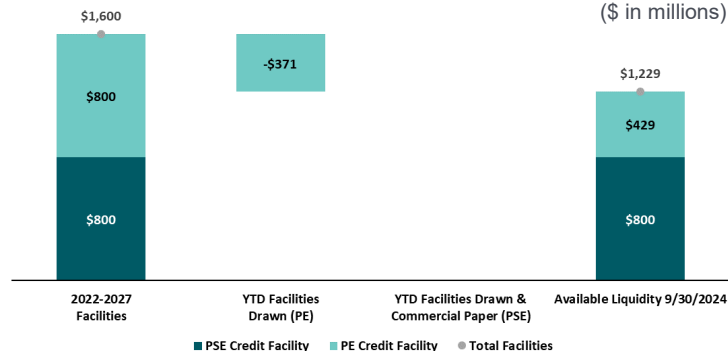
Debt Maturity Profile (9/30/2024)

(\$ in millions)



Liquidity Profile (9/30/2024)

(\$ in millions)



Credit Ratings¹

	Corporate	Sr. Secured	Outlook
S&P Global Ratings	BBB	A-	Stable
MOODY'S	Baa1	A2	Stable
FitchRatings	BBB+	A	Stable

⁽¹⁾ Fitch, S&P and Moody's affirmed Puget's ratings in April, May and September 2024, respectively

2024 PCA filing approved

- ◆ In September 2024, the WUTC approved PSE's Annual Power Cost Adjustment Filing, allowing:
 - ◇ The collection of a \$76 million net balance from October 2024 through December 2025 based on:
 - An actual customer credit of \$22.2 million for the 2023 annual PCA review filing
 - A provisional customer surcharge of \$98.2 million for the 2024 annual PCA review filing

PSE



Tacoma LNG facility recovery authorized

PSE

- ◆ In April 2024, WUTC issued an order finding PSE acted prudently in developing and constructing the Tacoma LNG Facility
 - ◇ Rates increased \$42.5 million for the recovery of the plant, or 2.86% for the average residential gas customer
 - ◇ Commission denied partial recovery of deferred equity return
 - ◇ WUTC directed PSE to increase the allocation of distribution pipeline investment to Puget LNG
- ◆ Successfully resolved all outstanding litigation



Infrastructure Investment & Jobs Act Grant Awards

PSE

- ◆ **Grid Resilience & Innovation Program (GRIP) grants awarded in 2024**

- ◇ **Skagit River Valley Transformation for Climate Resiliency Project**

- Directs over \$92 million in resiliency and reliability investments to a part of PSE's service territory that has low reliability and is increasingly vulnerable to climate impacts including severe storms, wildfires, and flooding; \$46M of federal cost sharing

- ◇ **North Plains Connector**

- PSE participated in the North Plains Connector grant consortium, along with other utilities in the Pacific Northwest region; \$700M of federal cost sharing

- ◇ **Increasing Energy Resilience via Technology Investment Acceleration (INERTIA)**

- The INERTIA grant seeks to mitigate all-hazards threats to the grid through the deployment of software and hardware technology solutions; PSE partnered with E Source and other Northwest utilities; \$77M of federal cost sharing



PSE 2023 Green Bond Allocation Report

◆ Beaver Creek Wind Farm (\$243.7M allocated)

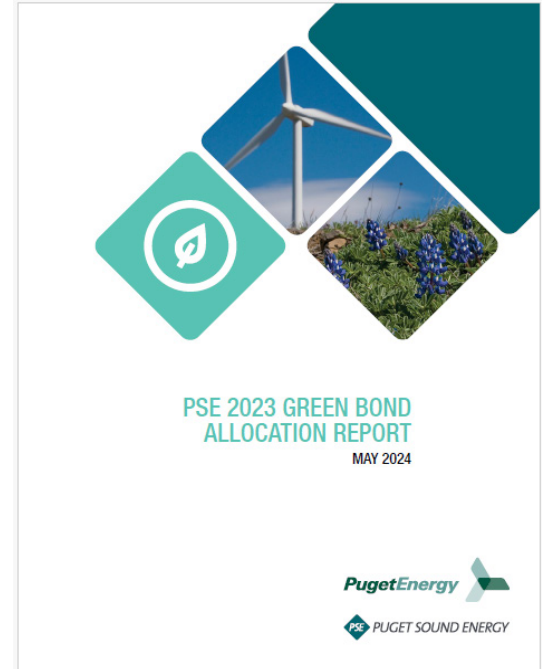
- ◇ Currently under construction and expected to be operational in 2025
- ◇ Annual generation will be equivalent to approximately 330,000 metric tons CO₂e of avoided emissions

◆ Renewable Energy PPAs (\$66.6M allocated)

- ◇ Contracts with Clearwater Wind Project and Golden Hills Wind Farm to purchase a total of 550 MW of wind energy
- ◇ Clearwater Wind Project and Golden Hills Wind Farm combined 2023 generation of approximately 1,892,000 MWh equivalent to approximately 820,000 metric tons CO₂e of avoided emissions

◆ Lower Baker River Hydro Refurbishment (\$86.2M allocated)







- ◇ Lower Baker Dam safety and modernization project will ensure continued delivery of clean power and efficient operations
- ◇ 2023 generation is equivalent of approximately 115,000 metric tons CO₂e of avoided emissions



Appendix








PSE leadership team

PSE







Name and role	Photo	Comments	Name and role	Photo	Comments
Mary Kipp President & CEO		<ul style="list-style-type: none"> • Joined PSE in 2019 • 20+ years of industry experience • Previously president and CEO at El Paso Electric 	Jamie Martin SVP and Chief Financial Officer		<ul style="list-style-type: none"> • Joined PSE in 2024 • 20+ years industry experience • Previously served as VP of Business Finance and Planning at PG&E
Dan Doyle Executive VP, Office of the CEO		<ul style="list-style-type: none"> • Joined PSE in 2023 • 40+ years industry experience • Previously served as PSE's CFO and SVP from Nov 2011-June 2021 	Lorna Luebbe SVP, Chief Sustainability Officer and General Counsel		<ul style="list-style-type: none"> • Joined PSE in 2002 • 20+ years industry experience • Previously PSE's assistant general counsel and director of Environmental Services
Matt Steuerwalt SVP, External Affairs		<ul style="list-style-type: none"> • Joined PSE in 2023 • 20+ years of experience in public policy and government relations 	Aaron August SVP, Chief Customer and Transformation Officer		<ul style="list-style-type: none"> • Joined PSE in 2023 • Previously served as VP of utility partnerships and innovation at PG&E

PSE leadership team, cont.

PSE

Name and role	Photo	Comments	Name and role	Photo	Comments
Ron Roberts SVP, Energy Resources		<ul style="list-style-type: none"> • Joined PSE in 2010 • 20+ years of industry experience • Previously PSE's director of generation and natural gas storage 	Michelle Vargo SVP of Energy Operations		<ul style="list-style-type: none"> • Joined PSE in 2023 • Previously served as Chief Operating Officer at Seattle City Light
Josh Jacobs VP, Clean Energy Strategy and Planning		<ul style="list-style-type: none"> • Joined PSE in 1998 • Previously served as PSE's director of Generation and Transmission development • Led PSE's customer transformation effort 	Jon Piliaris VP, Regulatory Affairs		<ul style="list-style-type: none"> • Joined PSE in 2008 • 30+ years of industry experience • Previously served as PSE's director of Regulatory Affairs
Craig Pospisil VP, Business Development and Mergers and Acquisitions		<ul style="list-style-type: none"> • Joined PSE in 2023 • 20+ years of industry experience • Previously served as VP of Wind Development at Terra-Gen 	Simon Upton Chief Information Officer		<ul style="list-style-type: none"> • Joined PSE in 2023 • Previously served as COO and CIO at Solomon Partners and Credit Suisse
Kim Collier VP and Chief Human Resources Officer		<ul style="list-style-type: none"> • Joined PSE in 2016 • 14+ years of industry experience • Previously served as Deputy Director of Seattle Public Utilities 			

PSE ownership

		Ownership %
	Ontario Municipal Employees Retirement System	23.9%
	British Columbia Investment Management	20.9%
	Macquarie Asset Management	15.8%
	Teachers Ontario Pension Plan	15.8%
	Alberta Investment Management Corporation	13.6%
	PGGM	10.0%
		<hr/> 100.0%



Important links

PSE Website

www.pse.com

PSE Sustainability

www.pse.com/en/about-us/Sustainability

PSE Wildfire Program

www.pse.com/en/pages/Wildfire-preparedness/wildfire-program

Puget Energy and PSE SEC Filings

<https://www.pugetenergy.com/pages/filings.html>

WUTC Docket Number 240005 (Gas)

<https://www.utc.wa.gov/casedocket/2024/240005>

WUTC Docket Number 240004 (Electric)

<https://www.utc.wa.gov/casedocket/2024/240004>