SUSTAINABILITY REPORT

REPORTING YEAR 2024

PugetEnergy

PSE PUGET SOUND ENERGY

CONTENTS

MESSAGE FROM THE PRESIDENT AND CEO

I am pleased to present Puget Sound Energy Inc.'s (PSE's) Sustainability Report for the 2024 reporting year.

For over 150 years, PSE has served as the local energy provider to communities located across Western Washington. We are proud to have helped fuel the growth of one of the most innovative regions in the world. Now, we are undergoing one of the most significant transformations in our history as we strive to meet the objectives of Washington state's clean energy laws, while continuing to provide customers with the safe and reliable energy they expect.

As we move forward, our sustainability principles will remain central to how we run our business and serve our customers.

PSE SUSTAINABILITY PRINCIPLES

- Advancing Washington state's clean energy transformation
- Identifying and implementing innovative solutions for all customers
- Building a smarter and more resilient power grid
- Supporting our employees and communities

During 2024 and early 2025, we continued to make considerable progress towards these principles, with recent highlights including:

- Growing our non-emitting energy supply to add 845 megawatts by 2028, with 338 megawatts anticipated to be operational by the end of 2025;
- Incorporating climate change impacts into our resource and distribution planning;
- Expanding customer programs to help our customers save energy and money, including additional demand response options, a new multi-occupant solar program enabling property owners to share solar benefits with their tenants through utility bill credits and a bill discount rate;
- Achieving an all-time record for juvenile fish migration at our Baker Dam facility and
- Strengthening our systems for climate resiliency, including wildfire mitigation and microgrid installations.

While we're proud of our accomplishments, we continue to identify gaps where we can improve and innovate. To meet Washington state's ambitious clean energy laws, we need to look well beyond current commercially available solutions. That's why PSE is actively exploring, investing in and piloting, when feasible, promising emerging technologies — from small modular nuclear reactors and nuclear fusion to enhanced geothermal, long-duration energy storage and hydrogen applications. These technologies represent not just potential emission-reduction solutions, but strategic opportunities to strengthen our energy portfolio and better serve our communities.

At the same time, we need to be aware of costs and recognize our responsibility to keep bills reasonable for all customers. Based on our history of service, what we have achieved so far and the direction provided by our sustainability goals and other commitments, I am confident in our path forward and future success.

Sincerely,

Mary Kipp
President and CEO

ABOUT THIS REPORT

As an electric and gas utility, PSE has a unique opportunity to contribute to a net zero carbon energy future. This report provides an overview of how we drive our long-term strategy towards our goals and aspirations. It is intended to cover our progress and performance from Jan. 1, 2024 to Dec. 31, 2024 with select updates from calendar year 2025.

PSE is the primary operating entity of Puget Energy, and the content of sustainability-related documents, including this report, apply equally to Puget Energy and PSE. For more information on our corporate structure, please visit the Company Profile and Business Operations section and our annual 10-K filing with the U.S. Securities and Exchange Commission (SEC).

Our Sustainability Report references disclosures from the Global Reporting Initiative (GRI) Standards and aligns with the Sustainability Accounting Standards Board (SASB) Framework. For more information, please visit our GRI Index and SASB Index.[1] We also prepare a standalone Task Force on Climate-Related Financial Disclosures (TCFD) analysis to enhance PSE's understanding of climate-related risks and opportunities and inform and prioritize future investments. We continue to independently report sustainability disclosures in line with the Edison Electric Institute (EEI) and American Gas Association (AGA) Environmental, Social, Governance and Sustainability Metrics templates. Additionally, we publish relevant sustainability metrics in our Data Appendix and our annual greenhouse gas (GHG) inventory.

This report highlights information relevant to the United Nations Sustainable Development Goals (UN SDGs). The World Business Council for Sustainable Development provides a SDG Roadmap for Electric Utilities, which identifies nine of the 17 SDGs as priorities for the electric utility industry.[2] The table to the right provides an outline of information relevant to the SDGs in this report.[3]

1 The SASB Index aligns with the SASB Infrastructure Sector, Electric Utilities and Power Generators and Gas Utilities and Distributors Standards.

2 The same SDGs generally apply to PSE's service as a natural gas utility.

3 We also included SDG 14, "Life Below Water" to highlight our relevant conservation measures.

This report includes forward-looking statements, which are statements of expectations, beliefs, plans, objectives and assumptions of future events or performance. Forward-looking statements reflect current expectations and involve risks and uncertainties that could cause actual results or outcomes to differ materially from those expressed. There can be no assurance that Puget Energy's — PSE's parent corporation — and PSE's aspirations, expectations, beliefs or projections will be achieved or accomplished.

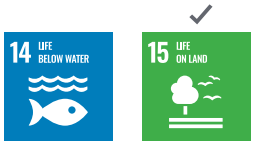
Metrics calculated using the GHG Reporting Protocol's Corporate Standard within this report are subject to change if changes in methodology occur, either as a result of a different interpretation or application of the protocol or formal changes made to its guidance.

SDGS AND RELEVANT REPORT SECTIONS

✓ Identified as priority SDGs for the electric utility sector by the World Business Council for Sustainable Development[2]

- Our communities
- Our commitment to inclusion
- Our employees

- Leadership
- PSE's role in Washington's clean energy transformation
- Resource planning
- Core business operations
- Environmental compliance
- Our customers
- Our communities
- Our ethics: Doing the right thing



- Greenhouse gas management
- Environmental compliance
- Biodiversity and habitat protection

COMPANY PROFILE AND BUSINESS OPERATIONS

PSE is the oldest and largest investor-owned electric and natural gas utility based in Washington state, with its predecessor company, Seattle Gas Light Company, dating back to 1873. PSE is a subsidiary of Puget Energy, Inc., owned through a holding company structure by Puget Holdings, LLC (Puget Holdings). Puget Holdings is owned by a consortium of long-term infrastructure investors.

Headquartered in Bellevue, Washington, PSE serves approximately 1.2 million electric and nearly 900,000 natural gas customers. Our 6,000-square-mile service area covers 10 counties throughout the western and southern parts of the state. Our success is driven by our skilled workforce of 3,257 full-time equivalent employees.[1] For additional operational specifics, please visit our SASB Index and the Data Appendix.

For more information on PSE's operations and history, please visit our website.

1 As of Dec. 31, 2024.

CORE BUSINESS OPERATIONS

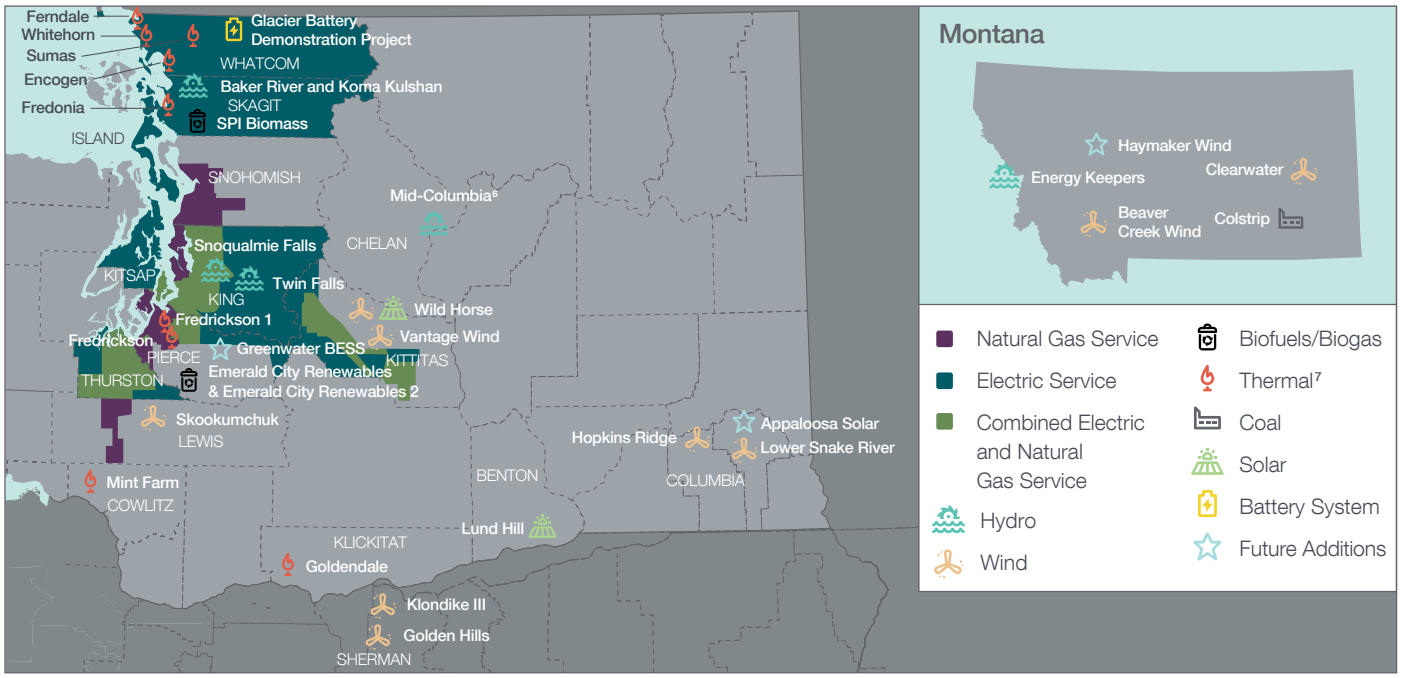
PSE's core business operations include electricity generation, electric power transmission and distribution, natural gas distribution and natural gas storage.[2] Our operations and rates are primarily regulated by the Washington Utilities and Transportation Commission (WUTC).

DIVERSIFIED ELECTRICITY GENERATION PORTFOLIO

To ensure system reliability, we maintain a diverse portfolio of generation resources to serve our customers. As of Dec. 31, 2024, our electric power resources (company-owned, controlled or under long-term contracts) had a total nameplate capacity of approximately 6,485 megawatts (MW). In 2024, these resources generated almost 26 million megawatt hours (MWh), with about 21 million MWh[3] delivered to customers. The locations of PSE's generation facilities are shown in the map below.

PSE's coal resources include partial ownership of the Colstrip Steam Electric Station (Colstrip power plant) in Colstrip, Montana[4] and a power purchase agreement (PPA) with TransAlta's Centralia, Washington coal plant. As described in the PSE's Clean Energy Generation Portfolio section, after Dec. 31, 2025 PSE will no longer serve customers with coal-generated electricity.

OWNED AND CONTRACTED GENERATION MAP[5]



2 PSE's parent company, Puget Energy, also has a wholly-owned, non-regulated subsidiary, Puget LNG, which has the sole purpose of owning, developing and financing the non-regulated activity of a liquefied natural gas facility at the Port of Tacoma, Washington.

3 The MWh delivered to customers may include 3 million MWh of non-firm energy purchased. The difference between generation and customer deliveries reflects company use and transmission losses and energy sold to wholesale markets and/or other utilities.

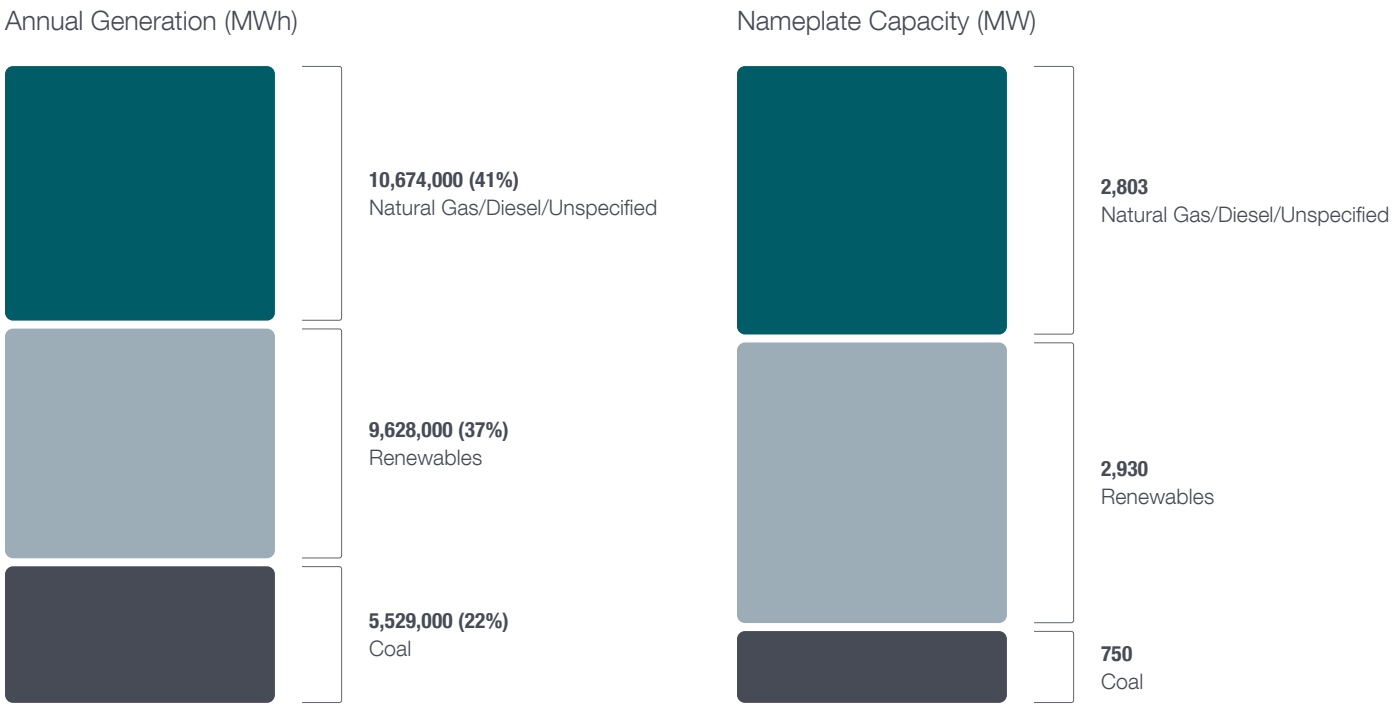
4 PSE co-owns Colstrip power plant, along with Avista Corporation, Portland General Electric, PacifiCorp, NorthWestern Energy and the operator, Talen Energy.

5 Map shows primary generating resources owned by PSE or under long-term contract.

6 Mid-Columbia includes long-term contracts with the hydro resources Priest Rapids, Rock Island I & II, Rocky Reach, Wanapum and Wells.

7 Four of PSE's natural gas plants are dual fuel with diesel backup. PSE also owns a diesel-fired generator that provides emergency and peaking power to Crystal Mountain Ski Resort and surrounding communities in Pierce County (not shown).

2024 PSE OWNED AND CONTRACTED ELECTRIC GENERATING RESOURCES[8]



8 Source: PSE 2024 10-K. Rounded to nearest 1,000 MWh. Renewables category consists of hydropower, wind, solar and biomass.

NATURAL GAS SUPPLY AND STORAGE

PSE purchases fossil natural gas from Canada and the Rocky Mountain states for power generation and customer end-use. PSE also purchases renewable natural gas (RNG) from various sources. Natural gas acquired for customer use is distributed through more than 26,800 miles of PSE-owned gas pipelines and service lines.

We manage a strategically diversified gas supply portfolio intended to mitigate impacts on customers from volatility in gas prices, procuring gas under a mix of short-, medium- and long-term contracts. Additionally, we co-own and operate the Pacific Northwest's largest natural gas storage depot, the Jackson Prairie Underground Natural Gas Storage Facility in Lewis County, allowing us to buy and store gas when prices are low to help provide a more reliable and more affordable supply of gas when it is needed most. Jackson Prairie's natural gas reserves can meet up to 40% of our customers' peak demand for an extended period on our coldest winter days. We also store natural gas in Questar's Clay Basin underground facility in northeast Utah to provide operational flexibility and price protection.

PSE and our sister company, Puget LNG, co-own a liquefied natural gas (LNG) facility at the Port of Tacoma, which can produce approximately 250,000 gallons of LNG per day with a storage capacity of approximately eight million gallons. This resource serves as a peak shaving facility for PSE's natural gas customers by helping meet demand on our coldest days. Through Puget LNG, this facility also provides lower-carbon fuel for maritime vessels and trucks. For more information on LNG fuel, please visit the Liquefied Natural Gas and Compressed Natural Gas section.

PSE operates another peak shaving LNG storage facility in Gig Harbor, Washington that serves PSE's natural gas customers in the Gig Harbor area when temperatures drop and demand peaks. We also hold a contract for LNG storage services at Northwest Pipeline, LLC's Plymouth LNG facility, providing approximately 2.8 million gallons of storage capacity for PSE-owned natural gas. This facility serves as an alternate supply source for both our natural gas customers and generation fleet during peak demand periods. For more information on PSE's natural gas storage and LNG initiatives, please visit the Natural Gas Storage webpage.

PSE'S ROLE IN WASHINGTON'S CLEAN ENERGY TRANSFORMATION

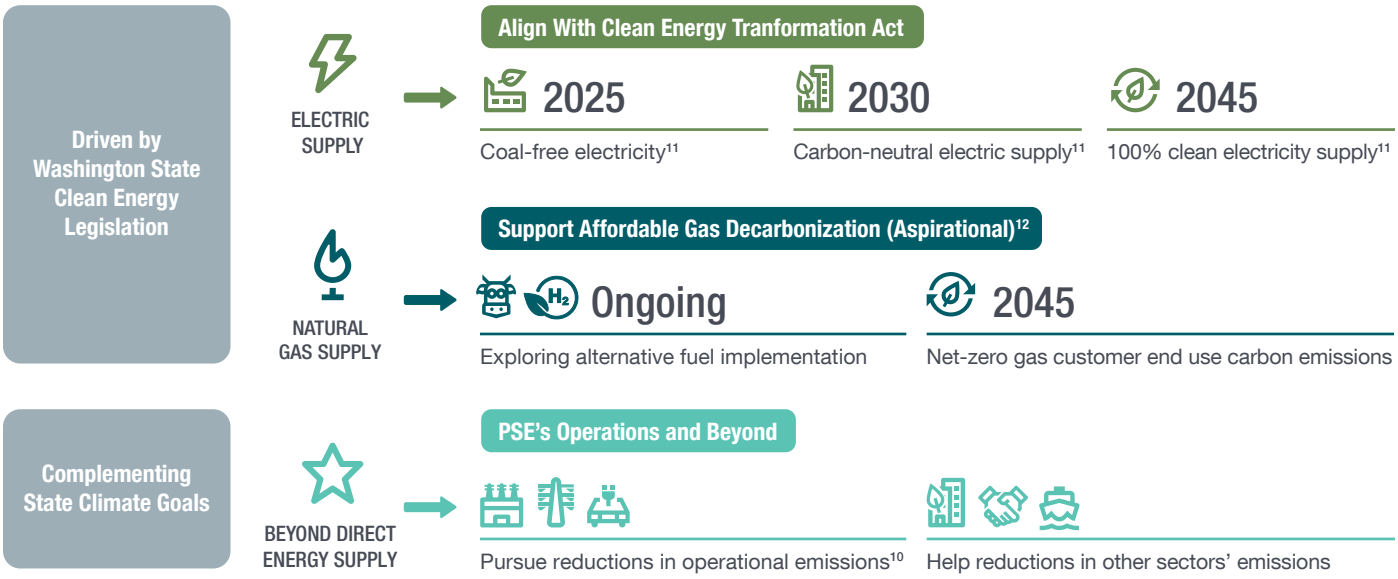
PSE has long been a leader in working towards a cleaner energy future, investing billions in energy efficiency and wind, solar and other renewable resources for homes and businesses. In 2021, we outlined new, even more ambitious emission reduction strategies in our white paper, *Pathway to Beyond Net Zero Carbon by 2045*, and much has changed since then. The energy landscape has transformed significantly, and the need for cleaner sources has increased dramatically, particularly with Washington state's implementation of comprehensive climate legislation that now provides the regulatory framework guiding our business planning and emissions reduction efforts along with greater than expected increases in power demand forecasts. As a result we have updated our emission reduction ambitions in our *2025 Climate Action Update*.

The transition to a net zero carbon energy future requires a focused and coordinated effort in every aspect of our business and collaboration with and support from elected officials, regulators, customers and communities. To decarbonize our energy portfolio while also expanding to meet greater demands, we will also need evolving technologies, such as hydrogen production, carbon capture, small modular nuclear reactors, next generation geothermal systems and long duration batteries to meet dispatchable energy needs. We continue to look for opportunities to pilot new lower- and zero-carbon technologies and alternative fuels.

For more information on our cleaner energy plans and on-going efforts, please visit our *2021 Pathway to Beyond Net Zero Carbon by 2045* and our *2025 Climate Action Update*.

PSE is committed to carbon neutral emissions electric supply for our Washington customers by 2030 and a 100% carbon-free[9] electric supply by 2045, consistent with Washington state's Clean Energy Transformation Act (CETA). We also aim to reduce our operational emissions[10] and support broader decarbonization efforts, such as transportation electrification and providing lower-carbon, cleaner fuels to fleet and marine vessels. The following illustrates how we align our cleaner energy strategy with Washington state's climate goals.

PSE'S CLEAN ENERGY STRATEGY



9 For this report, carbon-free and carbon neutral refer to non-emitting electric generation and renewable energy resources as defined in RCW 19.405.020.

10 PSE's operational emissions include methane leaks, our vehicle fleet, SF_6 and energy used by our facilities, among other operational activities.

11 PSE is committed to stop serving coal-generated electricity to our Washington customers by the end of 2025, have a net zero carbon emissions electric supply for our Washington customers by 2030 and have a 100% non-emitting electric supply by 2045, consistent with Washington state's CETA.

12 The CCA creates market incentives for natural gas decarbonization through carbon pricing. PSE aspires to net-zero gas customer emissions by 2045, subject to customer preferences, regulatory requirements, commercial availability of alternative technologies and cost-effectiveness.

FUNDING OUR CLEANER ENERGY COMMITMENT

In May 2023, we published our Sustainable Financing Framework, which defines investment areas aligned with PSE's cleaner energy strategy and other sustainability objectives. Sustainalytics issued a Second Party Opinion that our Sustainable Financing Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Social Bond Principles 2021, Green Loan Principles 2023 and Social Loan Principles 2023.

Establishing this Framework was an important step toward investing in a cleaner energy future that is safe, reliable and more equitable. Between 2023 and 2024, PSE issued nearly $800 million in green bonds through our Sustainable Financing Framework. These funds supported a range of carbon-reduction initiatives, including the Baker Dam re-grouting project and the procurement of long-term contracts for energy resources that comply with Washington's Clean Energy Transformation Act. These efforts help enhance and extend the life of clean energy generation.[13] Collectively, we project these investments will avoid more than one million metric tons of carbon dioxide equivalent (CO_2e) emissions annually.[14] As of Feb. 28, 2025, the bond proceeds had been fully allocated to the following projects:

Project	Capacity (MW)	Year	Amount Allocated ($ million)	2023–2024 Avoided Emissions[15] (metric tons CO_2e)
Beaver Creek	248	2023	$243.7	330,000[16]
		2024	$241.1	330,000[16]
Wind farm power purchase agreements	Golden Hills: 200 Clearwater: 350	2023	$66.6	820,000[17]
		2024	$68.9	869,000[17]
Lower Baker dam safety and modernization project	105	2023	$86.2	115,000[18]
		2024	$86.5	143,000[18]

For additional information on the allocation of these funds, please visit our 2024 Green Bond Allocation Report located on PSE's Sustainability webpage.

13 Throughout this report, the term "clean energy generation" means electricity generated by renewable or non-emitting resources as defined at RCW 19.405.020(33) and 19.405.020(27), respectively.

14 Avoided emissions were calculated assuming the electricity would need to be replaced with "unspecified" market purchases using Equation 4 at WAC 173-444-040(4). See PSE *2024 Green Bond Allocation Report*, available here. Sustainalytics reviewed the allocation and reporting of the instruments issued under our Framework in 2023 and 2024 and provided limited assurance that the use of proceeds was in accordance with the Framework. These reviews can be found on our Sustainability webpage.

15 Avoided emissions calculated assuming the electricity would need to be replaced with "unspecified" market purchases using Equation 4 at WAC 173-444-040(4).

16 Estimated future emissions avoided annually based on assumed 35% capacity factor.

17 Based on 2023 and 2024 combined generation of 1,892,000 MWh and 1,990,000 MWh, respectively.

18 Based on maintenance of current generation capacity and the actual generation by year.

RESOURCE PLANNING

For decades, PSE has employed comprehensive resource planning processes to ensure safe and reliable energy delivery to our customers. This planning historically focused on forecasting and preparing for future needs through an integrated resource planning process, which looks ahead 20 years to independently evaluate electric and gas supply requirements and necessary delivery infrastructure. Through this process, PSE developed separate electric and gas Integrated Resource Plans (IRPs).

A FUNDAMENTAL SHIFT IN RESOURCE PLANNING

Traditionally, our IRP was focused on the WUTC mandate to identify least-cost resources to meet demand; however, in 2019, Washington passed CETA, which commits the state to an electricity supply free of GHG emissions by 2045. It also requires an equitable distribution of benefits from the clean energy transition[19] for all utility customers and expands energy assistance programs for low-income customers.

CETA requires us to prepare additional electric planning documents which we incorporate into our resource planning process, including:

1. a 10-year Clean Energy Action Plan (CEAP) that identifies specific actions we anticipate taking over the next decade toward meeting the goals of CETA, provided in Chapter 2 of our 2021 Electric IRP, and
2. a four-year Clean Energy Implementation Plan (CEIP), a near-term roadmap that includes specific actions we will take to meet CETA's milestones and outlines our expected new resource investments and procurements.

PSE integrated CETA goals into our electric resource planning process, as reflected in our most recent Electric IRP published in 2021 and our 2023 Electric Progress Report,[20] which is an update to the 2021 Electric IRP.[21]

Building on CETA's foundation, Washington passed the Climate Commitment Act (CCA) in 2021, which puts a price on carbon emissions for energy generated in Washington state or imported to serve Washington's energy demand. The CCA gives Washington electric and gas utilities a certain amount of no-cost carbon allowances to ease the cost burden on customers with a priority focus on low-income customers. PSE incorporated the requirements of this carbon pricing regime into our 2023 Gas IRP.

Most recently, in 2024, the Washington State Legislature passed the Washington Decarbonization Act for Large Combined Utilities (the Large Combination Utilities Decarbonization Act (UDA))[22] allowing PSE to consolidate planning processes for gas and electric operations into a single Integrated System Plan (ISP). This new approach will include elements of the past planning processes such as forecasted energy demand, resource supply scenarios, clean energy targets and equity goals. It will also address major delivery infrastructure necessary to meet demand goals and targets.

This new ISP process represents the next evolution in our planning approach. The ISP will streamline our planning by consolidating the electric and gas IRP, CETA and CCA processes into a more holistic process with more transparency for our customers on decarbonization pathway potential and associated costs. Rulemaking and planning are under way and will continue prior to the submission of PSE's first ISP by April 1, 2027.

19 Use of the term "clean energy transition" within the context of PSE's objectives that are driven by CETA compliance relates to electric supply to serve retail electric load as defined at RCW 19.405.020(35).

20 The 2023 Electric Progress Report is our first resource plan to incorporate climate change temperature predictions in its analysis.

21 Under WAC 480-100-625, PSE was required to file an electric IRP by Jan. 1, 2021 and every four years thereafter, and a progress report (IRP update) two years after each IRP. The Washington State Decarbonization Act for Large Combined Utilities transitions this requirement to an Integrated (gas and electric) System Plan filing, with PSE's first ISP due April 1, 2027.

22 Washington Decarbonization Act for Large Combination Utilities, Engrossed Substitute House Bill 1589, § 3(1) (2024).

PUBLIC ENGAGEMENT IN RESOURCE PLANNING

Through our clean energy planning process, we aim to find affordable, clean energy solutions[23] that benefit all customers while reducing burdens on highly impacted communities and vulnerable populations.[24] The 2023 Biennial CEIP Update (Biennial Update), filed with the WUTC in November 2023 and approved with conditions in March 2024, includes updated goals and outlines our specific actions, including our efforts supporting equity and public engagement.

We collaborated with customers, community-based organizations and advisory groups to develop our CEIP. These parties provided input on clean energy values, customer benefits and barriers. PSE continued our Equity Advisory Group (EAG) to help identify potentially affected interested parties and seek perspectives from and broaden engagement with the communities we serve.

EAG members provide their expertise and share their lived experiences related to environmental justice, tribal interests, highly impacted communities, vulnerable populations, social services, affordable housing and other community needs. The group developed an equity lens focused on accessibility, affordability and accountability to frame their input on clean energy planning. In collaboration with the EAG, Conservation Resource Advisory Group and Low Income Advisory Committee (LIAC), PSE also developed a process for identifying customers in the deepest need. This new process is intended to help PSE focus efforts on customers who are experiencing severe energy burden along with other compounding vulnerability factors.

PSE also engages the Resource Planning Advisory Group (RPAG), a formal technical advisory group of 14 representatives from government agencies, environmental and social advocacy organizations, customer advocates and educational institutions. RPAG meets monthly or bi-monthly in public sessions to provide technical input on analytical issues, with public comment opportunities at each meeting. Additionally, PSE hosts periodic public resource planning meetings designed for broader audiences to gather input from customers and the general public on our resource planning efforts.

Going forward, the ISP process will incorporate similar comprehensive public engagement approaches for both electric and gas planning, ensuring continued collaboration with customers and communities in our consolidated cleaner energy planning efforts. For more information on public engagement in the CEIP process and the EAG membership and activities, please visit the Clean Energy Planning page on our website.

CUSTOMER BENEFIT INDICATORS

As part of the implementation of our CEIP, we track customer benefit indicators (CBIs) to help ensure all customers benefit from the transition to clean energy. We consider CBIs across a variety of areas, such as affordability, energy resiliency, environment and public health. PSE is continuing to collect and refine CBI data, as discussed in the Biennial Update.

As we implement the CEIP and develop our 2027 ISP, we intend to evaluate the baseline data collected for each CBI, understand trends or stories that underlie the data and assess disparities or burdens faced by customers. Once the baseline data set is more developed, we will work on setting interim goals for at least some of our CBIs for the 2027 ISP.

For more information on how we support access to energy, please visit the Energy Affordability section of our SASB Index. For more detail on PSE's approach to energy equity, please visit the Energy Equity page on our website.

23 Use of the term "clean energy solutions" within the context of PSE's objectives that are driven by CETA compliance relates to electric supply to serve retail electric load as defined at RCW 19.405.020(35).

24 Definitions for "highly impacted communities" and "vulnerable populations" may be found here.

PSE'S CLEAN ENERGY GENERATION PORTFOLIO

As part of our CEIP,[25] we identified interim targets that align with our plans to acquire additional renewable and non-emitting resources, which will help us meet the overarching goal of CETA — 100% clean electricity delivery by 2045. Our interim goals and targets are designed to help ensure we are on track to meet the CETA goal.

2022–2025 SPECIFIC INTERIM GOALS AND TARGETS[26]

Source
63%
of our retail electric supply from CETA-eligible energy by 2025[27]

Achieve
86 MW
demand response target

Achieve
934,337 MWh
energy efficiency target

Provide
80 MW
of distributed energy resources — solar

Provide
25 MW
of distributed energy resources — storage

25 Going forward, the CEIP process will be integrated into the ISP process.

26 As approved in the 2023 Biennial Update, Order 12.

27 CETA-eligible energy refers to retail electric load from renewable energy, like solar and wind, and non-emitting energy. Power purchases from a qualifying facility pursuant to the Public Utility Reform Policies Act of 1978 or voluntary renewable program reduce retail load rather than contribute to meeting CETA goals (RCW 19.405.020(36)). The listed percentage is based on the 2021 CEIP forecast.

We have focused on the phase-out of coal-fired electricity from our portfolio, beginning with the shutdown of Units 1 and 2 of the Colstrip power plant in Montana in January 2020. We continued by eliminating half of the coal-fired generation from our PPA at TransAlta's Centralia, Washington coal plant with the shutdown of its Unit 1 at the end of 2020. PSE will dispose of its ownership and thereby cease importing electricity from Units 3 and 4 of the Colstrip power plant by the end of 2025. The remainder of our coal-fired electricity PPA with TransAlta's Centralia, Washington coal plant will be eliminated when the plant shuts down Unit 2, its final unit, at the end of 2025.

CLEAN ENERGY DEVELOPMENT: A CONSTANTLY MOVING TARGET

As discussed in the Resource Planning section, PSE prepares plans that identify the generation resources needed to meet projected customer load. This planning process integrates a regional load forecast and our clean energy[28] targets (expressed as percentages of load) to forecast the MWh of energy generation required by PSE. The planning process takes into account the need for non-emitting energy to meet interim and specific targets under CETA. As detailed in the 2023 Biennial CEIP Update, PSE's actual load growth has significantly exceeded the growth forecasted in the 2021 Electric IRP. Accordingly, the amount of clean energy generation required to meet interim annual targets expressed as a percent of load has increased significantly. If actual power needs continue to increase at a higher rate than forecasted, we will likely struggle to meet CETA interim targets as a percent of total load. With this increasing electric load, our currently forecasted amount of new, non-emitting energy generation required to meet this load will be insufficient to meet CETA interim targets for the 2021-2025 timeframe.

The graph below illustrates the actual total load versus the total loads forecasted in the 2021 CEIP and 2023 Biennial CEIP Update. This comparison illustrates the following:

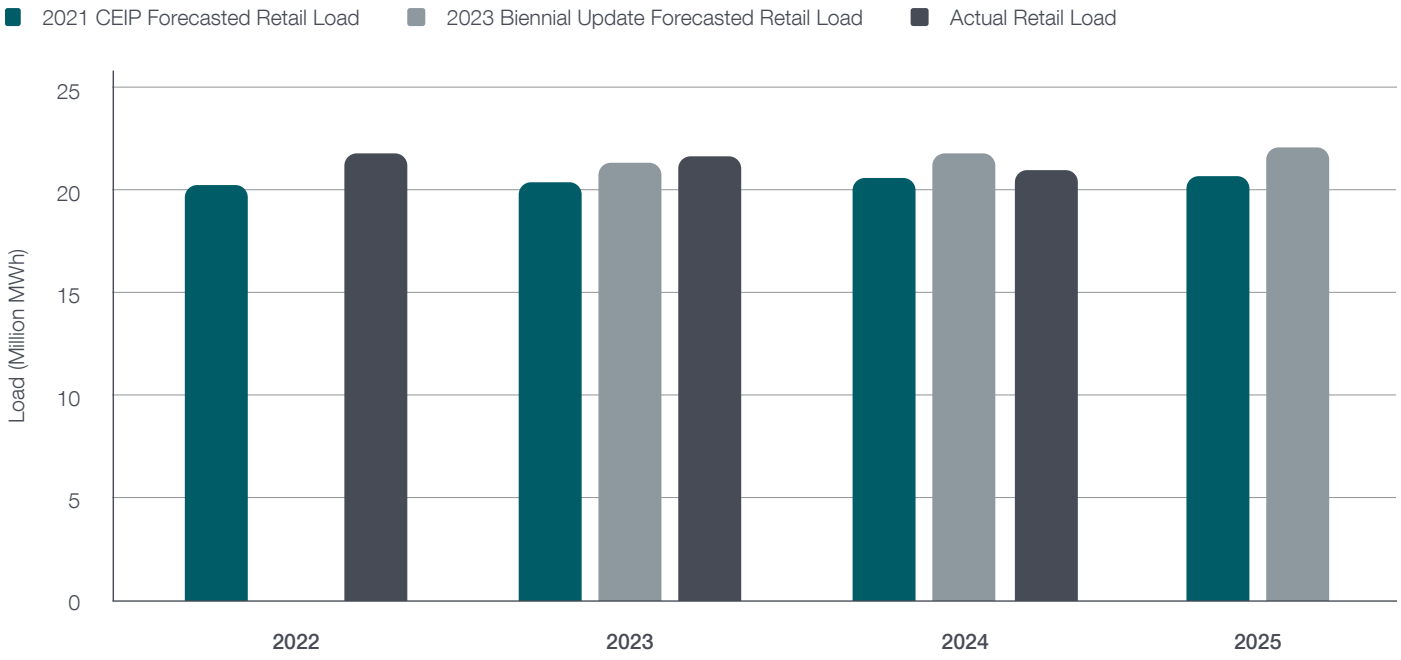
- The 2023 load forecast is greater in each year (2023 to 2025) than the 2021 load forecast
- The actual load observed in 2023 exceeded both the 2021 and 2023 load forecasts[29,30]
- Our 2024 actual load tracked more closely with the forecasts

28 Throughout this section, the use of the term "clean energy" within the context of PSE's objectives that are driven by CETA compliance relates to electric supply to serve retail electric load as defined at RCW 19.405.020(35).

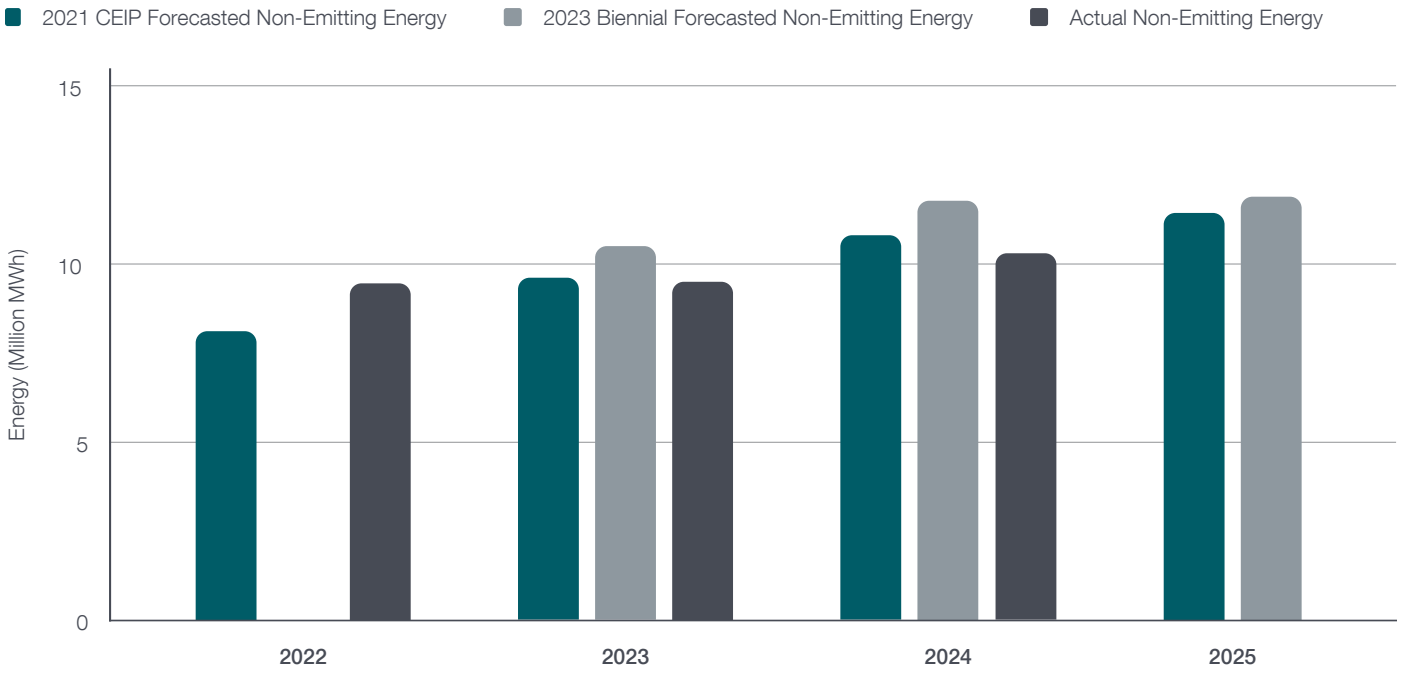
29 The 2023 Biennial Update was completed before the end of 2023 and underestimated the total load for that year.

30 The increasing load forecast (and higher actual load for 2023) is attributed to multiple factors such as adjusted post-pandemic energy demand and increased electric vehicle adoption.

FORECASTED AND ACTUAL TOTAL LOAD



FORECASTED AND ACTUAL NON-EMITTING ENERGY



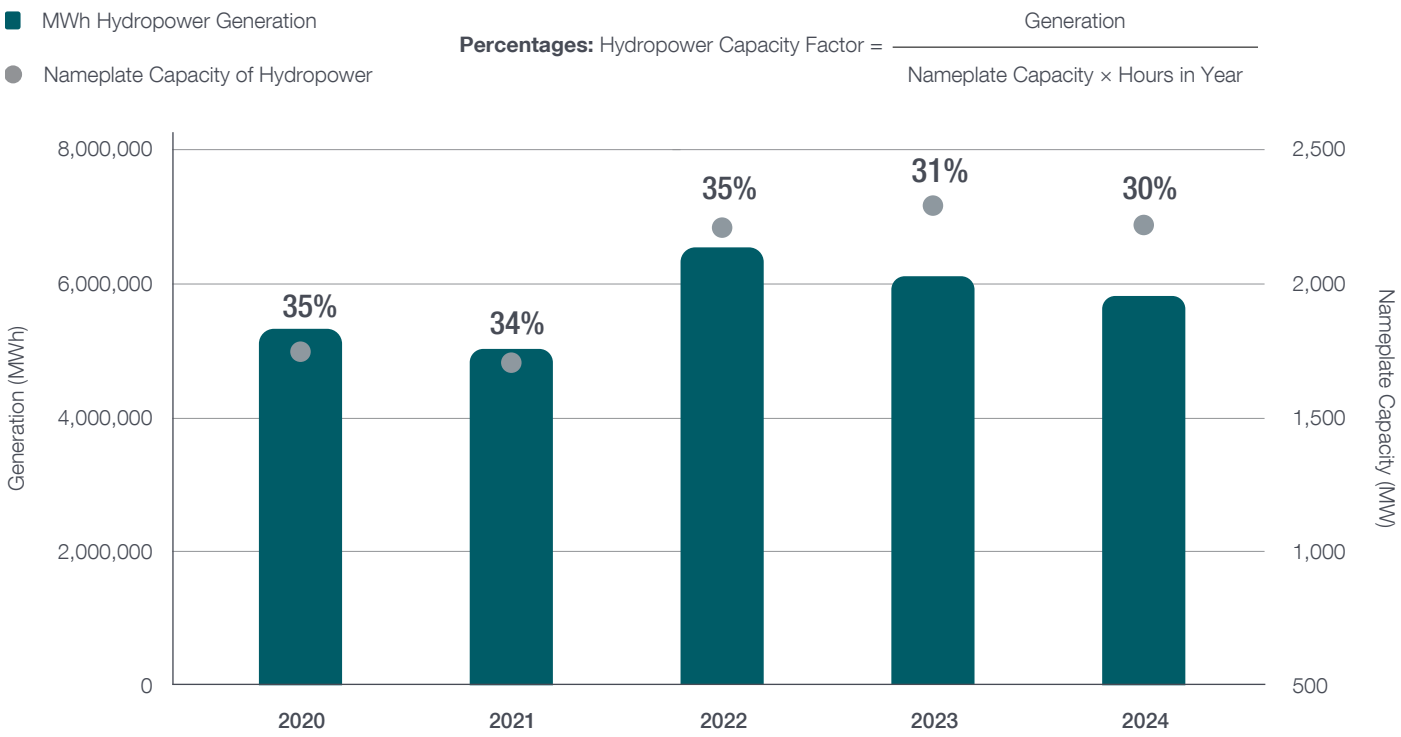
The figure above compares the forecasted non-emitting[31] energy against the actual non-emitting energy to highlight the increase in non-emitting energy needed to meet the previously set interim targets. In 2022, we delivered more non-emitting energy MWh than forecasted in the 2021 CEIP, but the non-emitting energy percentage was smaller due to the overall increase in load. While our non-emitting energy delivery showed improvement from 2023 to 2024 and again exceeded the 2021 CEIP forecasted amounts in those years, by 2024 it was below the updated 2023 Biennial forecasted load. This shortfall in non-emitting energy delivery by percentage of load presents an ongoing challenge in meeting our CETA targets. The gap between forecasted and actual non-emitting energy delivery percentages, combined with the dynamic nature of load growth and the intermittency and variability of renewable energy resources, underscores the complexity of acquiring and maintaining sufficient clean energy resources to meet our CETA goals.

31 Non-emitting in this context includes renewable generation.

Since the 2021 CEIP, PSE has procured or signed long- and short-term deals totaling nearly five million MWh per year, and PSE continues to pursue new procurement opportunities to secure additional resources. However, acquisition of these resources faces several obstacles including permitting, availability of transmission and construction. PSE's 2021 All Source Request for Proposal (RFP) sought bids for clean energy projects that would come online by 2026. Due to permitting, transmission and construction (including procurement) constraints, however, many of these projects delayed commercial operation until late 2027 and beyond.

As a result, PSE-owned and contracted resources are not sufficient to reach our interim target to source 63% of our forecasted retail electric supply requirement from CETA-eligible energy by 2025. This shortfall is due to the permitting, transmission and construction issues as well as our overall load increasing more significantly than expected in 2021. Therefore, PSE continues to diligently pursue additional acquisition of clean electricity resources while also exploring its own development and repowering options. Moreover, development and commercialization of new technologies is crucial to PSE being able to acquire the diverse non-emitting, dispatchable resources that are needed, as renewable resources like wind and hydropower are intermittent and depend heavily on weather conditions (e.g., a low snowpack year impacts hydropower availability) unlike conventional fossil fuel resources. This weather dependency is illustrated in the graph below, which shows that despite PSE increasing its contracted hydropower capacity through additional PPAs, the capacity factor declined by five percent from 2020 to 2024, reflecting lower generation (MWh) than expected. This demonstrates that higher nameplate capacity does not always result in higher generation output.

HYDROPOWER: GENERATION AND NAMEPLATE CAPACITY (2020–2024)



Short-term market purchases could serve an interim role until these renewable development projects come online, but these purchases are highly variable in availability and cost. PSE is part of the Western Interconnection that spans across 14 states and includes portions of Canada and Mexico; many of these states also have ambitious clean energy goals similar to Washington state. Regional demand for existing clean energy resources has tightened the market and driven up prices, especially considering the intermittent nature of these renewable resources. Moreover, short-term market purchases of existing clean energy generation resources optimize their use but do not increase the amount of clean energy resources currently serving the grid, so these purchases do not help make long-term progress towards PSE's clean energy goals. That is why PSE is prioritizing long-term acquisitions that add new clean energy resources to the region to meet resource needs in this evolving and dynamic energy landscape.

To meet customer demand with clean energy resources, PSE is taking a multi-faceted approach towards our clean energy goals. Forecasting provides guidance on what the potential future load may be for clean energy planning purposes. As seen with the 2021 CEIP forecast and 2023 Biennial CEIP Update forecast however, forecasting, like any prediction, has its challenges and actual energy demand can be starkly different depending on evolving factors like increased industrial demand (data centers and artificial intelligence), residential electrification rates, electric vehicle (EV) adoption and variable and changing weather patterns. Considering such factors in future load demand makes planning our clean energy roadmap[32] increasingly challenging. As a result, our planning methodology and clean energy targets must continue to evolve and adapt to the changing landscape towards a cleaner energy future. For more information about our cleaner energy strategy and challenges, please visit the Resource Planning section and our *2025 Climate Action Update*.

32 Use of the term "clean energy roadmap" within the context of PSE's objectives that are driven by CETA compliance relates to electric supply to serve retail electric load as defined at RCW 19.405.020(35).

PSE SIGNS ON TO LARGEST SHARE OF NORTH PLAINS CONNECTOR TRANSMISSION PROJECT

In 2024, PSE signed a memorandum of understanding to participate in the development of the North Plains Connector, a 420-mile, 3,000 MW transmission line led by Grid United. The project will be the first to connect three major U.S. energy markets, enhancing grid reliability, enabling renewable energy integration and improving energy access across the western U.S. PSE plans to own 750 MW of transmission, the largest share amongst participating utilities.

Backed by a $700 million federal grant and now in the permitting phase, the project is expected to be operational by 2032. Key benefits include increased grid resilience, access to diverse energy sources and support for PSE's cleaner energy transition goals.

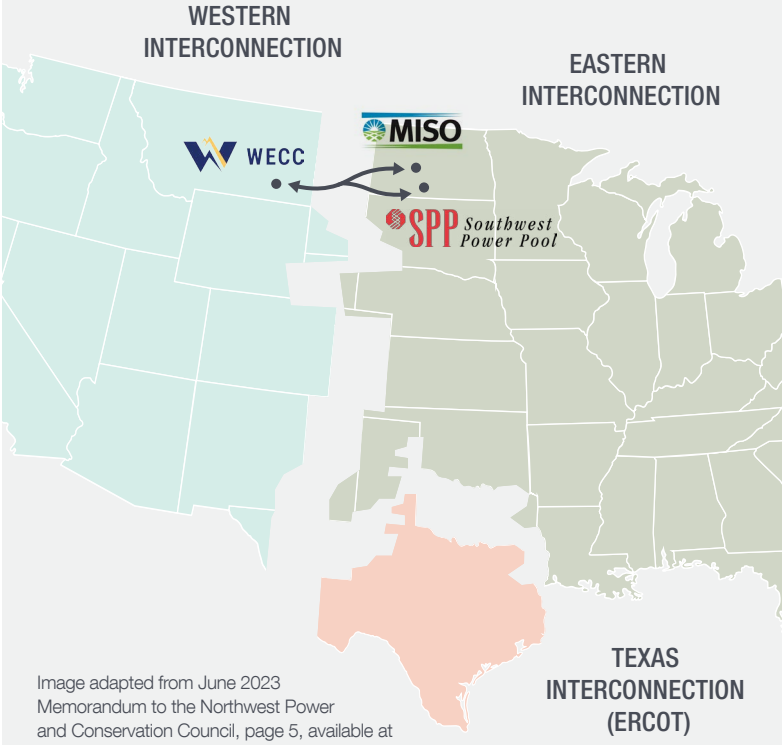


Image adapted from June 2023 Memorandum to the Northwest Power and Conservation Council, page 5, available at https://www.nwcouncil.org/fs/18334/2023_06_4.pdf

GROWING OUR RENEWABLE ENERGY FLEET

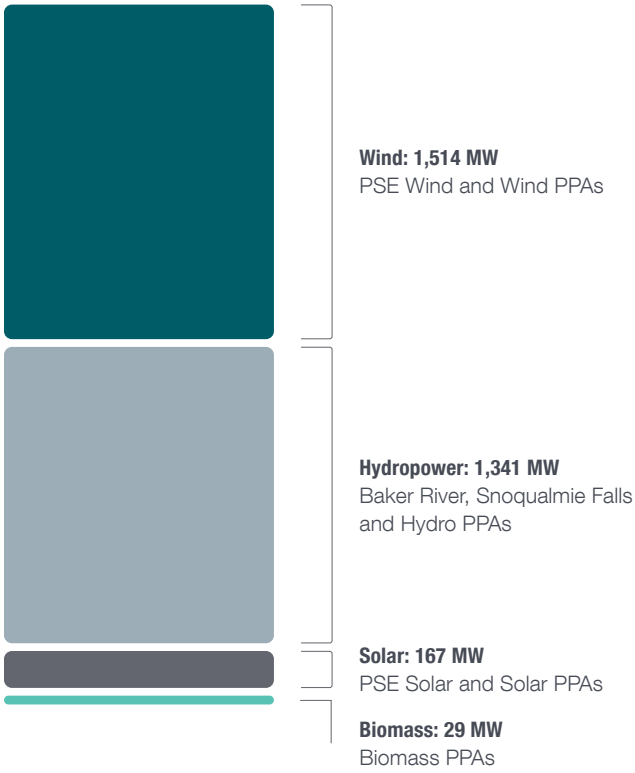
PSE has a long history of investing in renewable energy through wind, solar and biomass generation capacity. Since 2019 (when CETA was first enacted), PSE has signed 31 agreements for a total of 3,880 MW of CETA-compliant nameplate generating capacity. Beginning in early 2021, we secured an additional 700 MW of solar and wind nameplate generating capacity through a combination of PSE-owned assets and PPAs.

PSE plans to continue expanding our non-emitting energy supply. In the 2022-2025 compliance period, we expect to deliver significantly more MWh of clean energy to our electric customers than originally projected in the 2021 CEIP. Since 2021, our additional cleaner energy expansion includes:

- 248 MW of PSE-owned wind capacity (Beaver Creek Wind Facility) that became operational in 2025.
- 142 MW of PSE-owned solar project (Appaloosa Solar Project) that began construction in late 2025, with commercial operations anticipated in late 2026.
- 455 MW is projected to come online by 2028 from signed PPAs from Vantage Wind Energy Center (90 MW), Brookfield Renewable (50 MW) and Haymaker Wind Farm (315 MW).
- A recently signed, long-term PPA will provide PSE with 25% of the output from two Columbia River dams starting in 2031.[33]

For more information on our programs that increase customer access to cleaner energy resources, please visit the Our Customers section.

PSE OWNED AND CONTRACTED RENEWABLE ENERGY RESOURCES[34,35]

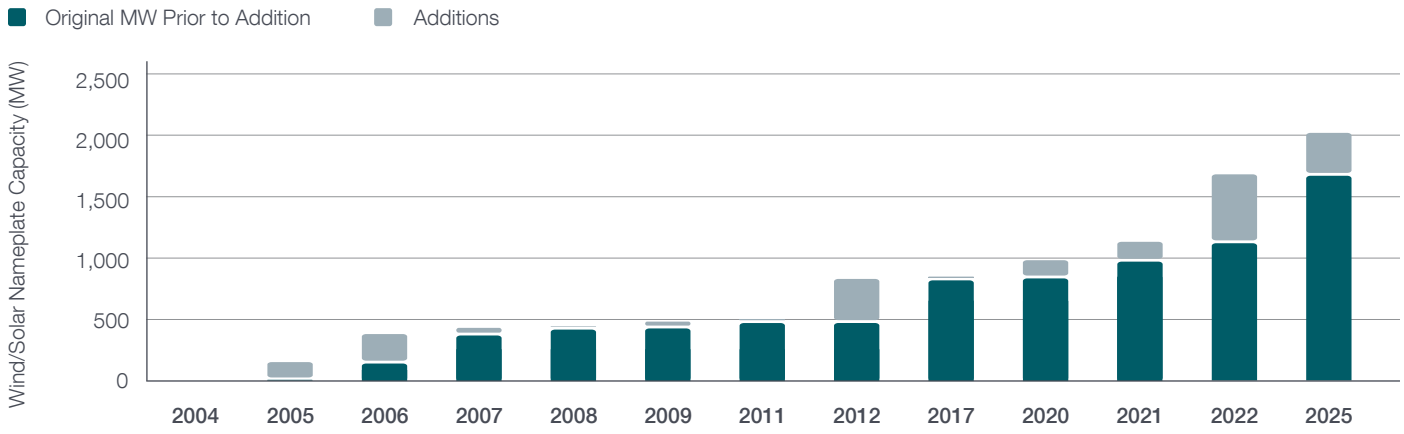


33 PSE, *Chelan PUD and Puget Sound Energy Announce Long-Term Clean Energy Contract* (Feb. 7, 2023), available at https://www.pse.com/en/press-release/details/Chelan-PUD-and-Puget-Sound-Energy-Announce-Long-Term-Clean-Energy-Contract (last accessed May 5, 2025).

34 Reflects owned and contracted resources identified in the 2023 Electric Progress Report and the 2024 10-K.

35 For Snoqualmie Falls, the FERC license authorizes the full 54.4 MW; however, the project's water right issued by the Washington State Department of Ecology limits flow to 2,500 cubic feet and therefore output to 47.7 MW. Also, 35 MW capacity of the Columbia River PUD contracts are delivered to Canada pursuant to the provisions of a treaty between Canada and the United States and Canadian Entitlement Allocation agreements as of Dec. 31, 2024.

PSE PORTFOLIO WIND AND SOLAR GENERATION PROGRESS UP TO 2025[36]



36 Portfolio includes CETA-eligible, owned wind/solar resources and/or long-term firm contract.

EXPANDING CLEANER ENERGY SUPPLY WITH HYDROELECTRIC POWER

PSE entered a 17-year agreement with Brookfield Renewable to secure 50 MW capacity of firm[37] carbon-free[38] power, beginning in 2026. The PPA directly supports PSE's efforts to meet Washington's CETA requirements. The deal will supply enough energy to power over 30,000 homes and is expected to contribute approximately 5% of the clean energy resources needed for PSE's 2030 clean energy targets.

This partnership provides PSE with a reliable, emissions-free resource that contributes to grid stability and supports long-term emission reduction goals. By leveraging Brookfield's extensive renewable infrastructure in the Pacific Northwest, the agreement ensures dependable energy delivery while helping reduce GHG emissions. It also positions PSE to meet growing regional demand driven by electrification, digitalization and economic growth, all while maintaining a balanced and diversified energy mix.

37 Firm power means that the power is available at all times. See U.S. Energy Information Administration for additional details, https://www.eia.gov/tools/glossary/index.php?id=Firm%20power# (last visited June 23, 2025).

38 A minimum of 80% of the firm energy delivered over four-year CETA compliance periods is carbon-free.

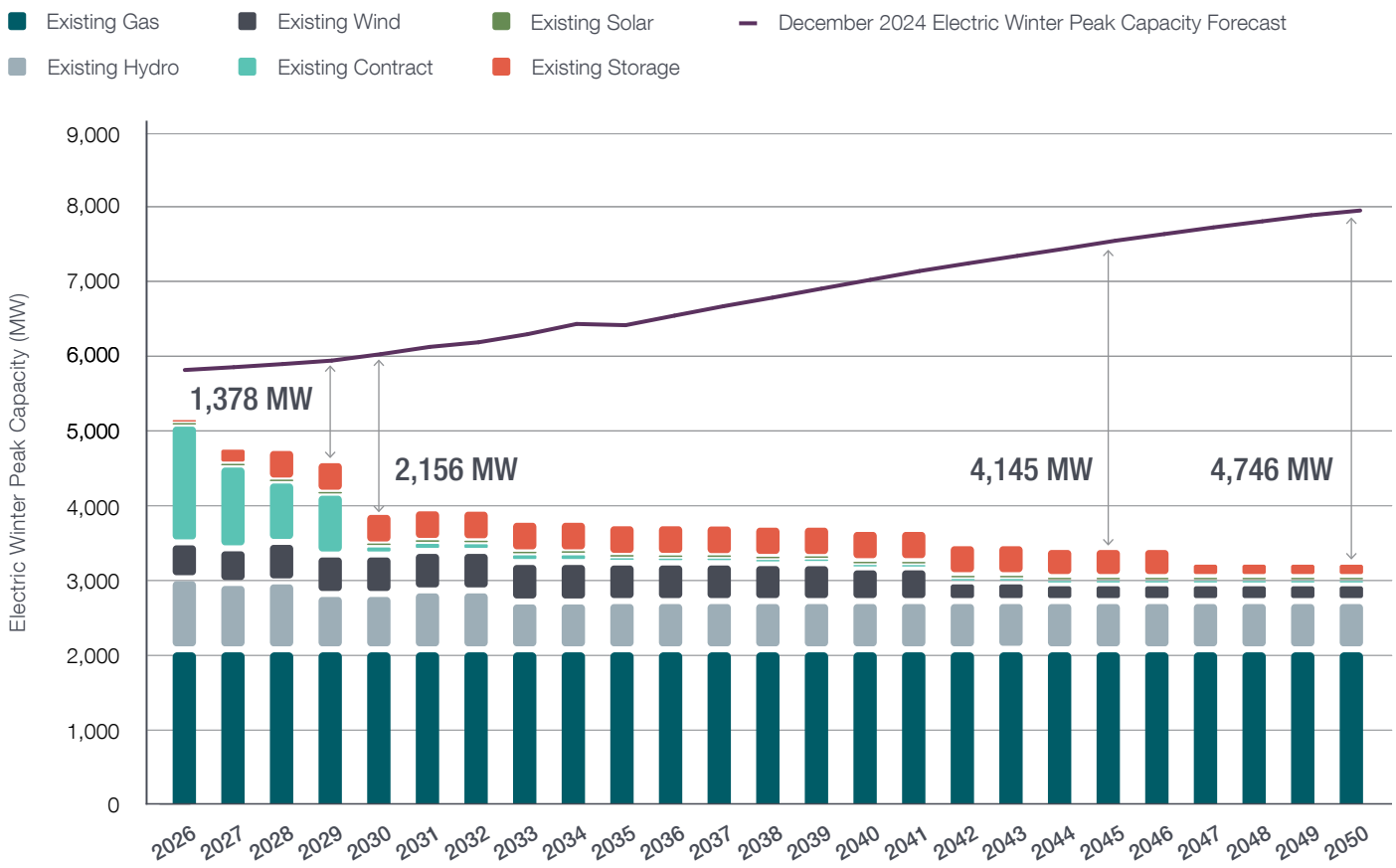
ADDRESSING OUR GROWING CAPACITY NEEDS

In the coming decades, PSE expects our need for capacity to grow significantly given the sharp rise in the demand forecast for electricity, occurring at the same time regional fossil fuel resources are being either retired, phased out of our portfolio to comply with CETA by 2045 or potentially converted in the future to run on an alternative, CETA-compliant fuel, as assumed in the figure below. The figure shows the anticipated deficit between existing resources and our winter peak capacity needs (represented by the purple line), illustrating the growing gap that must be filled to maintain system reliability for our customers during the highest demand periods in winter months. PSE is actively pursuing renewable and non-emitting resources to fill this growing need while meeting our clean energy goals and requirements.

In the near term, this includes acquiring intermediate and longer-term wind, solar, and hydroelectric generation and storage, as well as growing and developing new customer-side programs, such as demand response and vehicle to grid technologies.

While these resources will help fill the near-term need, availability of renewable or non-emitting resources at the scale needed to fully replace the dispatchable generation provided by traditional fossil fuels remains nascent. Commercialization of such non-emitting, commercially available technologies, such as advanced nuclear or geothermal, may not occur for another decade or longer. Until such new generation options emerge, PSE anticipates new natural gas generation will be required to bridge periods when intermittent wind and solar generation are not available, when hydroelectric generation is seasonally below normal and when storage alone cannot fill the remaining need.

ELECTRIC WINTER PEAK CAPACITY NEEDS FOR 2026–2050[39]



39 Updated resource need presented to Resource Planning Advisory Group on Dec. 19, 2024, available at https://www.cleanenergyplan.pse.com/rpag-meeting-dec-19-2024 (last accessed July 9, 2025). The "Existing Gas" bar assumes current natural gas generating resources transition to alternative cleaner fuel by 2045. The decreasing trend in "existing" resources is due to expiration of current PPAs.

NATURAL GAS SYSTEM TRANSITIONS AND IMPROVEMENTS

As we work toward a net zero carbon energy future, PSE is taking a comprehensive approach to evaluate how to reduce emissions from our natural gas system while maintaining safe and reliable service. We are pursuing focused system transitions through targeted electrification and alternative fuels, and we continue to make progress in reducing emissions through systematic infrastructure improvements and initiatives to reduce methane leaks.

TARGETED ELECTRIFICATION

For PSE, "targeted electrification" describes the process of using financial and technical data to support certain PSE gas customers in converting from gas appliances with electric alternatives in key geographic areas. Low-income customers, as well as customers in gas-constrained geographic areas, are encouraged through incentives to electrify their energy usage. Such targeted electrification prioritizes switching to electric appliances to reduce gas demand. This approach works to both relieve gas delivery constraints (i.e., where gas demand exceeds system capacity) and also protect low-income customers from the anticipated rising cost of natural gas.

To inform the development of our targeted electrification strategy, PSE completed a targeted electrification pilot project in 2024. This pilot was aimed at encouraging customers to adopt phased electrification through a combination of programs, incentives and promotional activities, while informing PSE's targeted electrification strategy on how to balance carbon emissions reduction and equity with cost effectiveness and customer impact. The results of this pilot is available on PSE's Clean Energy Plan website and will help inform PSE's 2027 ISP.

METHANE EMISSION REDUCTION EFFORTS

Methane is the primary component of natural gas. It is a potent greenhouse gas with a global warming potential approximately 28 times greater than carbon dioxide (CO_2).[40] Methane has a relatively short half-life in the atmosphere of approximately 10–12 years,[41] which means reductions today have near-term benefit for society. Reducing methane emissions from our system operations is an important part of our fight against climate change. As a long-time member of the U.S. Environmental Protection Agency's (EPA) voluntary Methane Challenge Program,[42] we report our progress on our comprehensive efforts to reduce methane emissions. We aim to eliminate distribution system methane leaks to the extent practical (e.g., through expedited repair following leak identification) and to reduce or offset all other methane emissions from our gas infrastructure operations and maintenance.

40 Global warming potential AR5 standard 100-year lifecycle relative to CO_2.

41 Source of methane's lifespan is from EPA's "Methane and Nitrous Oxide Emissions from Natural Sources" document.

42 EPA sunset the Methane Challenge Partnership at the end of 2024.

Our past and current efforts to reduce methane emissions include the following:

- **Piping replacement:** We completed the elimination of all cast iron piping in 2007 and all unprotected steel piping in 2014 from our distribution system.
- **Non-hazardous leak backlog elimination:** We completed the elimination of non-hazardous leak[43] backlog in 2023. All leaks are now repaired as they are identified (i.e., a "find and fix" approach).
- **Methane emissions reporting:** We began reporting methane emissions from leaks by source category to the WUTC in 2021. These emission reports provide a basis for identification of emission reduction priorities. Currently, the largest emissions contribution is from third-party damages to the natural gas system.
- **Targeted operating procedures:** To minimize releases associated with third-party excavation damage, we adopted targeted operating procedures consistent with emission reduction opportunities identified above. PSE identifies the highest risk activities based on a review of utility locate requests and provides additional observation and education resources to minimize damage at those locations. Our efforts have resulted in a 50% reduction in third-party damages since 2015, and we expanded our contractor outreach group to focus additional resources on this work.
- **Leak detection surveys:** We aim to complete leak detection surveys covering 100% of business district piping annually and surveys covering 100% of piping outside business districts at least every three years. We also plan to invest in advanced vehicle-mounted sensing technology, which enables us to complete leak surveys faster and more frequently. PSE purchased equipment in 2023 with plans to implement the new technology in 2025.
- **Continuous improvement:** We continuously monitor, evaluate and implement new technologies and practices to minimize methane releases during system maintenance on our distribution system. When release prevention is not feasible, PSE works to flare natural gas during maintenance to reduce GHG emissions intensity by converting it to CO_2 instead of releasing methane.

PSE also recognizes lifecycle emission impacts associated with natural gas production, processing and transportation and advocates for a reduction in upstream methane emissions. PSE is a participating member of AGA and EEI's Natural Gas Sustainability Initiative (NGSI) protocol, launched in February 2021, to calculate methane emissions intensity for operations across the natural gas supply chain.

43 Non-hazardous (Grade C) leaks do not pose a current safety risk to persons or property. Federal law requires only monitoring of Grade C leaks.

REDUCING EMISSIONS FROM RETIRED PIPELINES USING COMPRESSION EQUIPMENT

In 2024, PSE piloted new equipment to transfer natural gas from smaller, intermediate pressure pipelines being retired into nearby active pipelines to avoid venting gas into the atmosphere. PSE has also contracted with vendors to conduct similar transfers on larger high pressure lines and/or higher volumes of gas.

Using recompression, PSE avoided methane emissions equivalent to 112 metric tons of CO_2e from 54 projects in 2024. PSE has a goal of recompressing more projects going forward to reduce natural gas emissions to the atmosphere from normal operations.

ALTERNATIVE LOWER-CARBON AND CARBON-FREE FUELS

PSE is actively advancing the development and integration of RNG, biofuels and hydrogen technologies. These alternative fuels are essential for helping lower emissions in the hard-to-electrify gas applications, while some options may also support electricity generation needs. Throughout this transition, we remain focused on maintaining the reliability and affordability our customers expect.

Below, we describe our evaluation of these alternative fuels and their potential applications. For more information on PSE's plan for alternative fuels, please visit the Lower-Carbon Fuels page on our website.

EXPANDING OUR RNG PROGRAM

PSE continues to advance its commitment to emissions reductions with the expansion of its RNG program, offering customers a lower emissions energy alternative derived from organic waste. In January 2025, PSE launched a new RNG program tailored to large volume usage customers with ambitious sustainability goals. This enhanced offering allows businesses to match RNG purchases directly to their actual gas consumption (at 25% increments from 25–100%), simplifies billing with a single-line surcharge and provides price stability for long-term planning. The update builds on the success of PSE's original block-based RNG program and reflects growing demand for scalable, transparent emissions reduction options.

RENEWABLE NATURAL GAS

PSE began integrating RNG into our system over 30 years ago, and in 2009 we became the first utility in the region to partner with a pipeline-quality landfill RNG project. For more information on our efforts to support voluntary customer choice RNG programs please visit the Our Customers section.

Since 2022, PSE tripled our RNG supply from the Roosevelt Landfill and secured new RNG agreements with landfills, wastewater treatment plants and food processors. These additions will enable RNG to comprise 3% to 4% of our total gas delivered to customers in 2025.

HYDROGEN

While electrolytic hydrogen is rapidly emerging as a lower-carbon energy of choice, PSE is continuing to track other developing hydrogen technologies and production methods. PSE has partnered with Modern Hydrogen to evaluate the use and feasibility of generating hydrogen from natural gas through the methane pyrolysis process at a commercial scale. This process benefits from existing natural gas supply and dispatchability and has solid carbon as the only byproduct, resulting in zero carbon emissions. The solid carbon can be incorporated into solid surfaces or resold into carbon-black markets as a useful product, creating a downstream decarbonization effect.

PSE is committed to helping scale electrolytic hydrogen production in Washington. We were selected as a major industry partner for the Pacific Northwest Hydrogen Hub (PNWH2) eligible to receive up to $1 billion in grant funding from the U.S. Department of Energy (DOE) Hydrogen Hub program.[44] We also conducted hydrogen blending pilots in 2021 and 2022 to evaluate blending hydrogen with natural gas using existing infrastructure, and we are exploring opportunities to develop hydrogen supply products and services for transit fleet operators pursuing their own cleaner energy transitions.

We will continue to pursue opportunities to incorporate hydrogen into lower-carbon energy. This includes leveraging our partnerships through the Pacific Northwest Hydrogen Association to support the decarbonization of both our electric and gas portfolios.

44 Hydrogen Hub funding from the Inflation Reduction Act (IRA) is currently frozen while it undergoes review, but PSE is hopeful that we will be able to continue with the H2Hub initiative.

BIOFUELS

PSE continues to support the use of lower-carbon fuels in backup generation. In 2022 and 2023, PSE conducted test runs on renewable diesel (R99)[45] at our Crystal Mountain emergency generator and Frederickson Generating Station. Renewable diesel is a hydrocarbon fuel designed to be chemically identical to petroleum diesel, typically developed from vegetable oil or animal fat residues.

The first test run was conducted on our Crystal Mountain emergency generator in 2022. The test run confirmed that renewable diesel could be a replacement fuel source for diesel with minimal effects on the engine's internal components. A larger scale test run was conducted on Frederickson Generating Station's simple cycle combustion turbine in 2023. Results indicate a reduction in nitrogen oxide (NO_x) emissions during R99 combustion compared to ultra-low sulfur diesel combustion, which the facility currently uses. Also, R99 has less sulfur than ultra-low sulfur diesel fuel, so combustion of R99 results in lower sulfur dioxide (SO_2) emissions.

As of June 2025, Crystal Mountain emergency generator is primarily operating on R99 renewable diesel as we continue to test the viability of this fuel as a replacement fuel for diesel combustion.[46]

45 R99 is a blend of 99% renewable diesel and 1% petroleum diesel.

46 Some PSE combustion turbines have the capability of burning distillate (diesel) as a secondary fuel, but this is currently only utilized in emergency situations if the natural gas supply becomes unavailable.

LIQUEFIED NATURAL GAS AND COMPRESSED NATURAL GAS

PSE has been a supplier of lower-carbon and cleaner fuel for transportation for over 30 years. PSE supplies natural gas to public and private compressed natural gas (CNG) fueling stations around the Puget Sound region and to our own CNG truck fleet, which would otherwise run on diesel fuels with higher emissions of CO_2 and other pollutants.

Our Tacoma LNG facility provides a cleaner fuel alternative for maritime vessels and trucks. LNG reduces GHG emissions on a lifecycle basis, and using LNG also significantly reduces criteria pollutants NO_X, SO_2 and particulate matter (PM) compared to existing fuels, such as bunker oil and diesel fuel. Tacoma LNG plays a key role in helping create a greener shipping fleet for our partner, TOTE Maritime, and others as we "go beyond" to help the land and maritime transportation industries decarbonize.

Based on recent federal and Washington state laws, including CCA and the Clean Fuel Standard[47] (CFS), we expect demand for lower-carbon alternative fuels for transportation to grow in the coming years, especially in hard-to-electrify sectors such as long-haul trucking and marine vessels.

PSE supplies LNG to marine vessels operating between Tacoma, Washington and the state of Alaska, and compared to marine diesel, this reduces emissions by up to:[48]

↓ 28%

lower CO_2

↓ 83%

lower NO_X

↓ 79%

lower SO_2

↓ 66%

lower particulates

47 See Clean Fuel Standard - Washington State Department of Ecology.

48 Puget Sound Clean Air Agency, *Proposed Tacoma Liquefied Natural Gas Project – Final Environmental Impact Statement* (March 29, 2019), available at https://pscleanair.gov/DocumentCenter/View/3616/Tacoma-LNG-FSEIS-032919?bidId (last accessed April. 12, 2025).

LAUNCH OF THE TRANSPORTATION ELECTRIFICATION GRANT PROGRAM

In 2025, PSE launched the Transportation Emission Reduction (TER) Grant program, a powerful new initiative that helps communities, businesses and organizations transition to cleaner transportation by offering direct funding, matching support and grant writing assistance for electric mobility projects. From fleet electrification to workforce development, TER grants make it easier to launch impactful, community-centered solutions that reduce emissions. Funded through Washington's Clean Fuel Standard program, the grant program removes financial and technical barriers, accelerating the shift to a more sustainable and equitable transportation future.

ELECTRIFYING TRANSPORTATION

Accelerating widespread transportation electrification is vital for Washington state to achieve its carbon reduction and clean air goals. Partnering with others to build the necessary electrification infrastructure (e.g., EV charging stations) helps advance the state's clean energy transformation. To create a system capable of supporting an electrified transportation future, we must work to remove equity barriers and increase access to EV charging options so more customers can benefit.

PSE's Up & Go Electric program provides access to incentives for customer-owned infrastructure and the option for PSE to install, own and maintain charging stations for the customer. We match every public station charge with 100% renewable energy. Through our pilot programs, we installed charging stations in residential homes, multifamily properties, workplaces and public areas. All of PSE's Up & Go Electric programs include enhanced Empower Mobility incentives for projects benefiting historically underrepresented communities.

We have expanded the Up & Go Electric for Multifamily and Workplace pilots into full programs that cover up to 100% of the cost to install multifamily and workplace charging stations. PSE also added assistance in fleet electrification for businesses, transit authorities, government agencies, community-based service providers and other commercial organizations. The Fleet Program includes fleet advisory services, turnkey infrastructure incentives and charger rebates. Since March 2024, program offerings have included residential rebates. An expansion of our public charging solutions is planned to launch later in 2025.

For more information, please visit our Transportation Electrification Plan, available on the Transportation Electrification page on our website.

ENSURING RELIABILITY IN THE CLEAN ENERGY TRANSITION

As PSE advances toward a cleaner energy future, ensuring reliability remains a core priority. To maintain reliable service into the future, we are implementing critical strategies, from leveraging natural gas as a bridge fuel to investing in energy storage, demand-side management and climate resiliency. Our efforts to build a flexible, resilient grid will enable us to support customers today while preparing for the next generation of cleaner energy technologies.

NATURAL GAS AS A TRANSITION FUEL

Natural gas plays a vital dual role in PSE's energy system by providing reliable electric generation and meeting essential gas supply needs for our customers. While we work toward complying with the clean energy transition reflected in Washington statutes, natural gas remains critical for maintaining reliable service across both systems.

PSE must maintain reliable and economic electric supply through commercially available solutions as we work to reduce emissions. Currently, natural gas helps provide two crucial functions in our electric system while also contributing to emissions reductions:

1. **Firm Power for Baseload[49] Needs with Natural Gas Combined Cycle:** As a bridge to address the elimination of over 700 MW of coal-based generation capacity from PSE's resource portfolio by the end of 2025, we secured a short-term contract for lower-emitting combined-cycle natural gas generation in order to maintain essential dispatchable generation capacity. This substitution of coal generation with gas generation is expected to reduce carbon emissions by approximately 50% per MWh.[50] In addition to lower emissions compared to coal generation, combined cycle facilities achieve higher efficiency using a two-stage process — first generating electricity from natural gas turbines, then capturing the waste heat to produce additional power through steam turbines. This design allows them to provide reliable baseload (firm) power while maintaining flexibility to adjust output based on system needs. As we work toward meeting CETA requirements, combined cycle generation helps ensure system reliability while significantly reducing our carbon footprint compared to coal-based generation.

2. **Grid Stability and On-demand Response with Natural Gas Simple Cycle:** Simple-cycle natural gas plants (also known as peakers) serve as critical reliability resources in our evolving grid system. Unlike baseload power plants, these facilities can start up quickly and adjust their output rapidly to meet sudden (hourly) changes in electricity demand, or fill gaps when renewable resources like wind and solar suddenly go offline or are otherwise not available. This flexibility becomes increasingly important as we integrate more variable renewable energy into our system. While these units operate less frequently than baseload plants, their ability to provide on-demand power helps prevent outages during extreme weather events, unexpected equipment failures or periods of peak demand. As we work toward meeting CETA requirements, these agile resources help ensure reliable service by serving as backup power when intermittent renewables are not available while CETA-compliant dispatchable resources, such as nuclear, geothermal and newer long-duration energy storage technologies, continue to develop.

49 Baseload means the ability to run constantly and efficiently to meet the bulk of average power demand. See U.S. Energy Information Administration for additional details, https://www.eia.gov/tools/glossary/index.php?id=Base%20load# (last visited April 11, 2025).

50 See U.S. Energy Information Administration, *Electric power sector CO_2 emissions drop as generation mix shifts from coal to natural gas* (June 9, 2021), available at https://www.eia.gov/todayinenergy/detail.php?id=48296 (last accessed on April 12, 2025). Note that this estimate only assesses direct emissions from the energy generation facility.

In addition to power generation, direct use of natural gas continues to be an energy source for space heating, water heating and other essential needs for a substantial portion of our customers. The reliability and capacity of our gas system is particularly crucial during peak winter heating demand, when transitioning to alternatives would require significant infrastructure investments and may not provide comparable service levels without substantial grid upgrades and significant increase in peaking electric capacity resources. Furthermore, our robust gas infrastructure not only provides critical energy security during extreme weather events but also offers significant energy storage capacity and delivery flexibility that help ensure reliable service year-round.

While we advance toward meeting Washington state's clean energy goals, natural gas continues to play a critical role in both our electric and gas systems. In electricity generation, natural gas generation (potentially with carbon capture) provides a necessary bridge to maintaining system reliability until new dispatchable technologies are commercially available at scale. Similarly, in our gas system, natural gas remains essential until viable alternatives can match its reliability, capacity and flexibility in meeting our customers' energy needs in a region with winter peaking energy demands. For more information on our efforts in evaluating emerging technologies, please visit the Exploring Emerging Technologies section.

ENERGY STORAGE, DISTRIBUTED ENERGY RESOURCES AND GRID FLEXIBILITY

The development of energy storage capacity in the electric grid is a cornerstone of enhancing grid resiliency. Energy storage systems, such as battery storage (used directly or through a microgrid — a localized energy grid that can operate independently), can store excess electricity when supply exceeds demand and then release it when demand spikes or generation drops. Virtual power plants (VPPs) can enhance this capability by aggregating and coordinating multiple distributed energy resources to function as unified grid assets. Proper energy storage capacity can therefore prevent electricity blackouts, reduce reliance on peaker plants[51] and maintain grid frequency and voltage stability with the increased integration of renewable, intermittent energy sources.

PSE historically focused on developing battery storage projects to provide backup power during short duration outages adjacent to substations or in microgrids. In 2023, we installed a battery-plus-solar system to serve as a microgrid on Samish Island. The microgrid is comprised of a 50-kilowatt (kW)/332-kilowatt-hour (kWh) battery and an 8-kW ground-mount solar array. Throughout the next decade, we are evaluating this microgrid's ability to self-sufficiently provide back-up power during outages and feed the excess solar electricity back into the grid and test the system's peak shaving[52] effectiveness.

These energy storage initiatives represent a significant evolution in how we manage our electric grid. As the energy landscape shifts from primarily utility-scale resources to include a growing network of distributed energy resources (DERs), PSE is positioning itself as a key coordinator within this complex energy ecosystem. By orchestrating both traditional utility-scale resources and customer-owned DERs, PSE is striving to build a more flexible, sophisticated and responsive energy system that meets rising demand while maintaining reliability for all customers. For more information on our efforts in evaluating emerging technologies, please visit the Exploring Emerging Technologies section.

51 Peaker plants are power plants that predominately operate during times of high electricity demand.

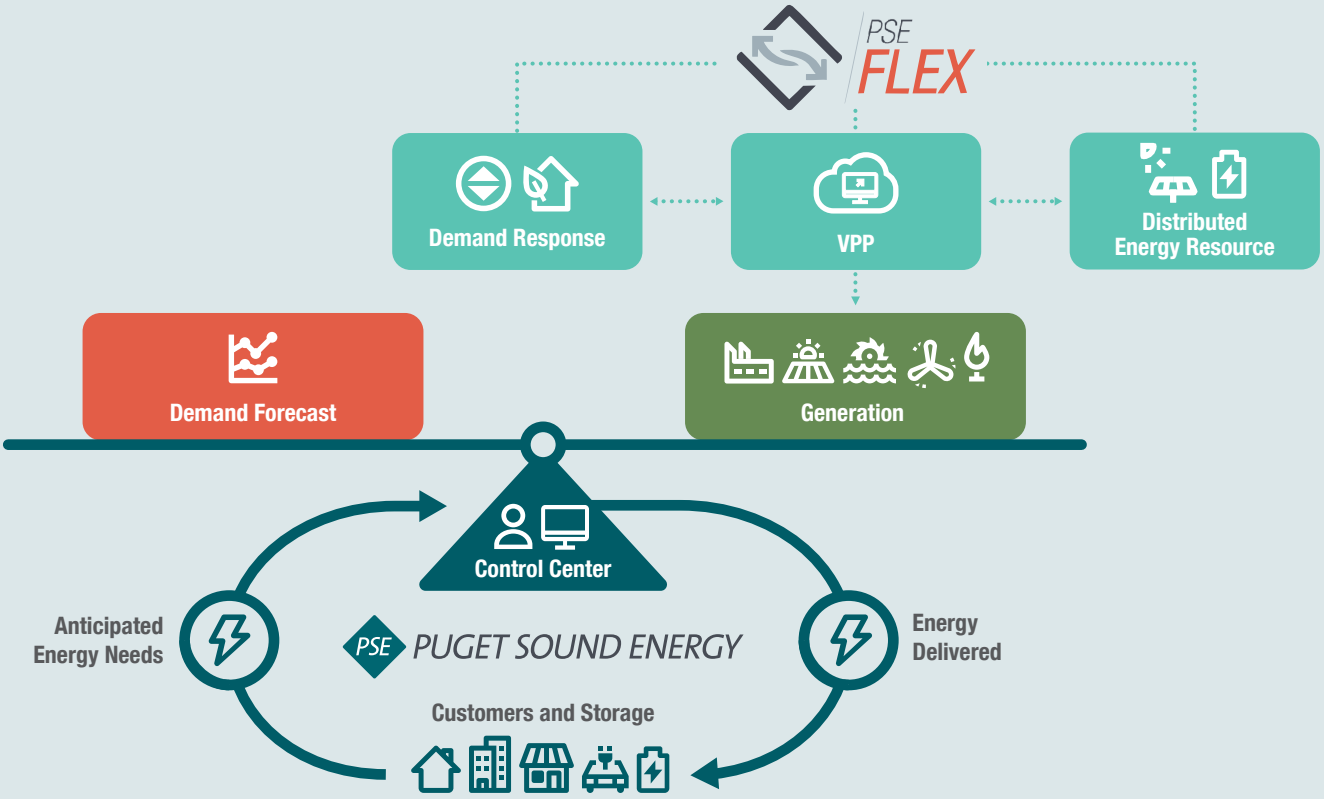
52 Peak shaving refers to lessening strain on the grid during periods of high demand.

MEETING ENERGY DEMAND THROUGH VIRTUAL POWER PLANTS

Creating a more efficient grid and reducing peak energy demands (peak shaving) is crucial to meeting our clean energy objectives under Washington state law. In August 2023, we expanded our VPP platform pilot from serving customers in Bainbridge and Duvall to provide VPP access to our entire service area. In 2025, the VPP team achieved a significant milestone by connecting the first site, Samish Island Microgrid, to the VPP. This connection paves the way for PSE to integrate into and dispatch alongside or independent of VPP resources. We can scale distributed battery deployments as system and local peak assets to work toward our CEIP and CETA goals. By the end of 2027, we aim to connect 33 MW of batteries to the VPP. By treating distributed batteries as dispatchable assets, the VPP enhances both local and system-wide peak capacity, reinforcing the grid's ability to respond to dynamic conditions.

Our VPP platform allows us to manage and operate DERs like batteries and solar as well as tools to reduce energy demand such as direct customer thermostat control through demand response programs. As of the end of 2024, the VPP serves more than 75,000 customers and includes programs for Behavioral Demand Response, thermostats, water heaters, EVs, EV chargers and residential and commercial batteries. DERs will grow to include assets and control capability at thousands of households and businesses that offer the dormant potential of their thermostats, EVs, heat pumps, appliances, batteries, solar panels and wind turbines.

We expect to enable, control and forecast hundreds of MW of energy generation and load reduction by 2030 through our VPP system and plan to add more programs to the VPP platform in the future. Customers can sign up to participate on our PSE Flex webpage.



DEMAND-SIDE MANAGEMENT

While PSE continues to explore and implement various non-emitting energy technologies, engaging customers in energy management provides another vital tool for grid reliability. Through our PSE Flex program, enrolled customers receive notifications during high-demand periods — called "Flex events" — to reduce or shift their energy use. These demand response (DR) programs leverage smart technologies, such as connected thermostats and managed EV charging, to automate energy savings with minimal customer effort. This helps us continue providing energy while meeting increased load requirements during prolonged periods of extreme heat or cold. Demand response not only enhances grid resilience but also reduces the need for costly infrastructure upgrades.

We are also currently piloting targeted DR programs in communities where these programs are more cost-effective than building new infrastructure. These pilots allow customers to save on energy by reducing their energy use during times of peak demand periods. These initiatives work in tandem with our weatherization, energy efficiency and cleaner energy programs to help reduce load requirements and play a significant role in meeting future energy demand. For more information on our grid modernization plans, please visit our Grid Modernization Strategy.

We have several other peak load reduction efforts underway, including time-of-use (TOU) rates. PSE's TOU pilot program, launched in October 2023, encourages residential customers to shift their electricity usage away from peak demand periods by offering lower rates during off-peak hours.[53] This helps reduce strain on the grid, conserve energy and potentially lower customer bills. The pilot, now fully subscribed, is helping PSE design a broader TOU rate structure for future implementation.

PSE is also exploring advanced demand-side management technologies like vehicle-to-everything (V2X), which would allow EVs to not only receive power from the grid but also send power back to homes, buildings or the electric grid when needed.[54] This bi-directional charging capability could provide additional grid flexibility and reliability benefits while helping customers maximize the value of their EV investment.

As these technologies mature, they represent another promising tool in our growing portfolio of demand-side management solutions. For more information about our current customer energy management programs, including demand response and energy efficiency initiatives, please visit the Renewable Energy and Customer Energy Management Programs section.

53 Time-of-Use pilot program (2025), available at https://www.pse.com/en/account-and-billing/time-of-use.

54 See https://www.pse.com/en/pages/electric-cars/v2x?utm_source=direct&utm_medium=shorturl&utm_campaign=ev-v2x&short_url=v2x.

PSE'S DEMAND RESPONSE IN ACTION

During a significant heat wave on July 8, 2024, PSE's demand response efforts culminated in about 50 MW peak load reduction, with our Flex programs playing pivotal roles through coordinated load management across electric vehicles, smart thermostats and voluntary customer conservation efforts. This not only alleviated stress on the grid during extreme conditions but also highlighted the potential of flexible demand as a virtual storage resource.

Building on this success, PSE expanded its Flex Batteries program by partnering with Uplight to include Tesla home battery systems. This DR program transforms individual home battery storage systems into a coordinated network of DERs. With over 60 Tesla customers enrolled since November 2024, this program demonstrates how compatible battery storage can be leveraged as both a physical asset and a virtual resource when aggregated across our service territory.

Together, these efforts underscore how expanding energy storage capacity — both physical and virtual storage — fortifies the electric grid against disruptions, supports renewable integration and enables a more adaptive, resilient energy system.

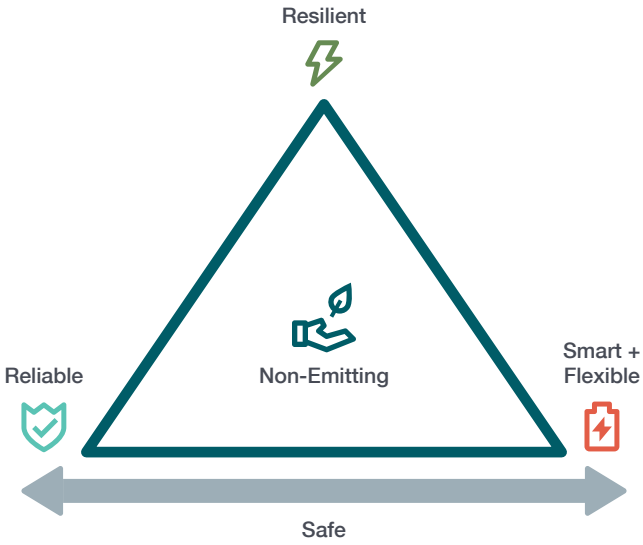
CLIMATE RESILIENCY

Climate change not only increases temperatures but also exacerbates and increases the frequency of extreme weather events such as wind and ice storms, longer duration extreme weather events, flooding and drought (which can contribute to increased wildfires) — all of which threaten our ability to provide a reliable energy supply.

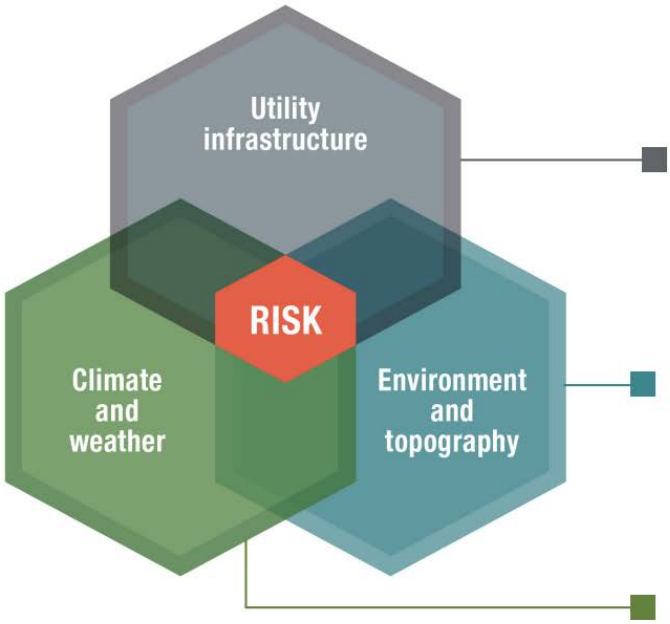
We are transforming and modernizing our grid by updating and improving our infrastructure to create a more reliable and resilient grid and reduce the physical risks posed by climate change. Creating a modernized grid requires investing in new equipment, software and communication platforms, testing and deploying new technology and empowering customers with tools to make their own energy choices. For PSE, this means taking a holistic approach to updating and improving our infrastructure to create a grid that is safe, reliable, resilient, smart and flexible in the face of climate change.

With wildfires emerging as a significant threat to the utility industry overall and an increasing concern in Washington state, PSE is taking a comprehensive approach to mitigate its wildfire risk. On PSE's dedicated Wildfire Prevention webpage, PSE shares its Wildfire Mitigation and Response Plan. The plan establishes safety as the first priority and outlines PSE's wildfire safe operational procedures and mitigation-related system investments. The plan summarizes PSE's preventative measures, such as enhanced situational awareness and its public notification strategies. The Wildfire Mitigation and Response Plan is reviewed and approved by the WUTC every three years.

FIVE ATTRIBUTES FOR A CLIMATE-RESILIENT GRID



PSE'S WILDFIRE RISK ASSESSMENT MODEL



Utility infrastructure:
Location and type of infrastructure and how our electric system might interact with the environment under specific conditions

Environment and topography:
Features of the built and natural environment, such as mountain ranges, type of vegetation, and wildland-urban interface

Climate and weather:
Historic climate and wildfire data and average weather conditions

Below we have provided an overview of PSE's year-round wildfire prevention and preparation measures.

PSE'S YEAR-ROUND WILDFIRE PREVENTION AND PREPARATION MEASURES

Vegetation management

PSE's Vegetation Management program regularly inspects power lines throughout our service area and trims or removes hazardous trees and other vegetation.

Strengthening the grid

System hardening projects: *Hardening projects replace and upgrade equipment to improve the safety and reliability of the electric system.*

Strategic undergrounding: *PSE may move some power lines underground to reduce wildfire risk and improve resiliency.*

Wildfire safe operations

Enhanced power line settings (EPS): *EPS make the electric system more sensitive to potential hazards and automatically turn power off when they are present to reduce the risk of wildfire. When elevated fire weather is forecasted, PSE may use these safety settings on targeted power lines.*

Public Safety Power Shutoff (PSPS): *During high-risk weather conditions, PSE may proactively turn off power to prevent wildfires and keep customers and communities safe. PSE aims to provide 48-hour advance notice when possible and will inspect all lines before restoring power, which may take several hours to several days.*

For more information on our emergency preparedness efforts, please visit the Corporate Risk Management section.

EXPLORING EMERGING TECHNOLOGIES

Evaluating and investing in emerging power generation, efficiency and storage technologies is essential to PSE's goal of providing a lower-carbon, cleaner electricity supply to our customers. While we have made substantial strides in advancing our sustainability goals through our currently available resources and infrastructure, we recognize that future progress is contingent on our identification and investment in newer, more efficient technologies that develop as the broader energy industry advances.

Rapidly increasing regional electric demand and recent regulatory changes in Washington state, which include CETA, CCA, CFS and the Large Combination UDA, have significantly increased the need for advanced technologies that enable clean, reliable energy generation and storage. Rising regional power demand along with these ambitious laws require innovation beyond our current commercially available solutions for energy delivery, and we are seeking a variety of tools, partnerships and solutions to enable clean energy transformations.

PSE continuously monitors and evaluates emerging technologies to assess their potential for enhancing grid reliability, reducing emissions and supporting more sustainable customer choices. As we pursue these advancements, we face some significant challenges, including physical constraints with the Pacific Northwest energy grid infrastructure, permitting delays and supply chain and transmission issues. Despite these hurdles, PSE continues to explore, invest in and pilot, when feasible, promising technologies that will shape the future of energy in the Pacific Northwest.

FUTURE ELECTRIC GENERATION RESOURCES

PSE continues to pursue advanced lower-carbon electricity generation to meet anticipated growth in electricity demand and provide the same reliable, dispatchable baseload generation currently provided by fossil fuel-based generation. These efforts include:

- **Enhanced Geothermal Systems:** In partnership with Pacific Northwest National Laboratory, PSE is exploring enhanced geothermal systems through a DOE grant application, aiming to better understand the viability of this firm, renewable resource within the Pacific Northwest region. If awarded, the results of this initiative would support future portfolio modeling and potential resource acquisition to incorporate geothermal assets into PSE's energy generation.
- **Small Modular Reactors (SMRs):** PSE continues to monitor advanced nuclear fission technology solutions, and we have invested $10 million in Energy Northwest's feasibility study for construction of a next-generation SMR at the Hanford Site. This project could provide reliable, non-emitting baseload power in the future.
- **Nuclear Fusion:** As part of our long-term planning, PSE is following advancements and engaging with developers of nuclear fusion technology, including some located in Washington state. While still in development, fusion could offer a game changing non-emitting reliable baseload energy source.

By engaging at the forefront of emerging cleaner energy technologies with an eye towards grid integration, PSE is preparing for a future where these solutions could play a crucial role in our energy portfolio. We will continue to evaluate these and other emerging technologies as they mature.

ADVANCING THE FUTURE OF NUCLEAR GENERATION

PSE has committed $10 million to support Energy Northwest's feasibility study for deploying next-generation nuclear energy adjacent to the Columbia Generating Station at the Hanford Site in Washington, with X-energy's Xe-100 SMR technology emerging as a leading contender. This investment marks a significant step in exploring advanced nuclear as a reliable, carbon-free energy source to help meet Washington's ambitious climate goals. This agreement allows PSE to evaluate the potential of SMRs as part of our long-term cleaner energy strategy.

The Xe-100 SMR offers scalable, high-efficiency power with the flexibility to support both electricity generation and industrial applications. If developed, the project consisting of 12 Xe-100 SMRs could deliver up to 960 MW of clean dispatchable energy, enhancing grid reliability and supporting regional decarbonization. PSE's involvement underscores its commitment to securing dependable, low-emission energy solutions for its 1.2 million electric customers, while contributing to the broader transition toward a more sustainable and resilient energy future.

POTENTIAL FOR LONG DURATION ENERGY STORAGE

As we transition to renewable energy resources like wind and solar, the need for extended energy storage is becoming increasingly critical. While today's battery systems typically provide 4 hours or less of storage capacity, long-duration storage technologies aim to deliver power for ten or more hours.[55] This significant increase in duration is crucial for maintaining reliable service during extended periods of low renewable generation or extreme weather events.

The importance of long-duration storage lies in its ability to provide seasonal energy shifting — storing excess renewable energy generated during peak production periods for use during times of scarcity.[56] For example, excess solar generation in summer could be stored for use during winter months when solar production is lower but energy demand is higher. Various promising technologies are under development; however, cost-effective long-duration storage solutions are not yet commercially available at the scale needed for utility operations.

55 We are using U.S. DOE's definition of long duration storage that is capable of delivering electricity for 10 or more hours in duration. Please see the definition noted on their website - https://www.energy.gov/oced/long-duration-energy-storage (last accessed June 16, 2025).

56 Pacific Northwest National Laboratory, "Long-Duration Energy Storage: The Time is Now" (May 25, 2023) available at https://www.pnnl.gov/news-media/long-duration-energy-storage-time-now (last visited June 16, 2025).

POTENTIAL TO REDUCE NATURAL GAS COMBUSTION EMISSIONS

Reducing emissions from natural gas use presents unique challenges, especially in sectors where electrification may not be feasible or economic. PSE is taking proactive steps to address these challenges by investigating innovative technologies that can help lower natural gas-related emissions while preserving this sector's essential role in our energy system. Some of these initiatives include:

- **Point-of-Use Carbon Removal:** PSE has entered a strategic partnership with Modern Hydrogen to accelerate the adoption of cutting-edge carbon removal technologies and support Washington's clean energy goals. The collaboration focuses on deploying distributed methane pyrolysis, a breakthrough solution that removes carbon from natural gas at the point of use — particularly valuable for hard-to-decarbonize sectors like industrial manufacturing and heavy-duty transportation. This partnership not only helps reduce GHG emissions without increasing demand on the electric grid but also strengthens the Pacific Northwest's leadership in the clean hydrogen economy. By enabling scalable, localized hydrogen production, the initiative supports regional energy resilience, economic growth and a more sustainable future for commercial and industrial energy users.
- **Carbon Capture for Generation Facilities:** PSE is exploring carbon capture solutions that can be retrofitted to natural gas facilities, potentially offering faster implementation and use of existing infrastructure. As part of this effort, PSE participated in a preliminary evaluation of the potential for carbon capture at our Goldendale combined-cycle gas generation facility. Through exploring partnerships and conducting facility-specific evaluations, we continue to advance our understanding of this technology within the context of CETA requirements.

Reducing gas sector emissions is a complex challenge that requires both near-term actions and long-term planning. Through strategic partnerships and evaluation of various upcoming technologies, PSE will continue to actively evaluate new technologies that can help reduce the carbon impact of natural gas while maintaining its reliability and versatility.

PARTNERSHIPS AND CLIMATE POLICY ADVOCACY

PSE recognizes the importance of collaboration and partnerships with external entities such as research institutions, private companies and government agencies that will aid the broader Pacific Northwest region in its clean energy transition. These partnerships and investments in lower-carbon technologies are critical to scaling newer, more advanced solutions. Some of our recent partnerships and collaborative initiatives include:

- **PNWH2:** We participate in this U.S. Department of Energy-backed initiative that could receive up to $1 billion in funding to scale green hydrogen production and infrastructure. We also joined a commercial team for a hydrogen-fueled combustion turbine, which was proposed as part of the larger PNWH2.
- **Pacific Northwest National Labs:** We are pursuing partnerships on DOE grants to explore geothermal potential.
- **Modern Hydrogen:** We are working with Modern Hydrogen to offer customer distributed methane pyrolysis technology, which removes carbon and produces hydrogen from natural gas at the point of use.
- **Energy Northwest:** We invested $10 million in Energy Northwest's feasibility study for an SMR at the Hanford site.
- **Grid United:** We entered a memorandum of agreement with Grid United to own 750 MW of the North Plains Connector, a 3,000 MW high-voltage direct-current transmission line that will link multiple regional power markets.
- **Carbon Capture Partnerships:** We are exploring partnerships and feasibility of carbon capture and sequestration at our Goldendale facility.

Our progress is further amplified by advocating for robust climate policies. PSE has been a strong proponent of Washington state's climate legislation, including CETA, CCA, CFS and the Large Combination UDA. PSE has also actively supported legislative efforts to modernize and streamline the regulatory processes that govern the development of clean energy infrastructure. These policy reforms are designed to reduce delays and simplify the approval pathways for renewable energy projects and transmission lines, helping to overcome longstanding regulatory challenges.

PSE participates in the CCA's cap-and-invest framework, under which Washington state electric and gas utilities receive a certain amount of no-cost carbon allowances that declines annually. Additional allowances must be purchased under a declining cap, and natural gas utilities are required to consign an increasing amount of allowances to auction. Our company uses revenue from consigned allowances to assist low-income customers, provide bill credits and fund decarbonization projects. While current carbon prices have not yet significantly influenced customer behavior, PSE recognizes the potential for these market mechanisms to increase price signals over time, making lower-carbon alternatives more attractive and thereby driving future emissions reductions.

Overall, PSE's policy stance reflects a pragmatic, proactive approach in aligning with the goals of the CCA and CETA, advocating for mechanisms that protect customers from volatility and investing in technologies and programs that align with the state's long-term climate objectives. Through external partnerships and policy engagements, PSE is working to build a more resilient, lower-carbon energy system while striving to keep energy affordable for its customers.

ADVOCATING FOR CLIMATE-ORIENTED PUBLIC POLICIES

Our advocacy for lower-carbon policies includes supporting the passage of Washington's CCA and the CFS in 2021. Through carbon pricing, the CCA aims to cap and reduce GHG emissions from Washington's largest emitting sources and industries to help the state achieve its commitment to reduce GHG emissions 95% by 2050. The CFS, which works in parallel with the CCA, requires fuel suppliers to gradually reduce the carbon intensity of transportation fuels to 20% below 2017 levels by 2038.

In 2023, PSE supported the successful passage of additional legislation to accelerate the siting of renewable resources and transmission infrastructure including House Bill 1216 and Senate Bill 5165.

In 2024, PSE supported the Washington Decarbonization Act for Large Combination Utilities, also known as House Bill 1589, which includes merging electric and gas integrated resource planning into one process that seeks the most efficient and cost-effective emission reductions, which is critical to meeting Washington state's climate goals and PSE's own cleaner energy goals.

ENVIRONMENTAL

WORKING TO REDUCE AND MITIGATE OUR ENVIRONMENTAL IMPACTS AND UPHOLD RESPONSIBLE STEWARDSHIP

GREENHOUSE GAS MANAGEMENT

Understanding our footprint from natural gas distribution and electricity operations enables us to better implement targeted efforts to reduce and mitigate our GHG emissions, transparently monitor progress against our goals and make more informed strategic decisions.

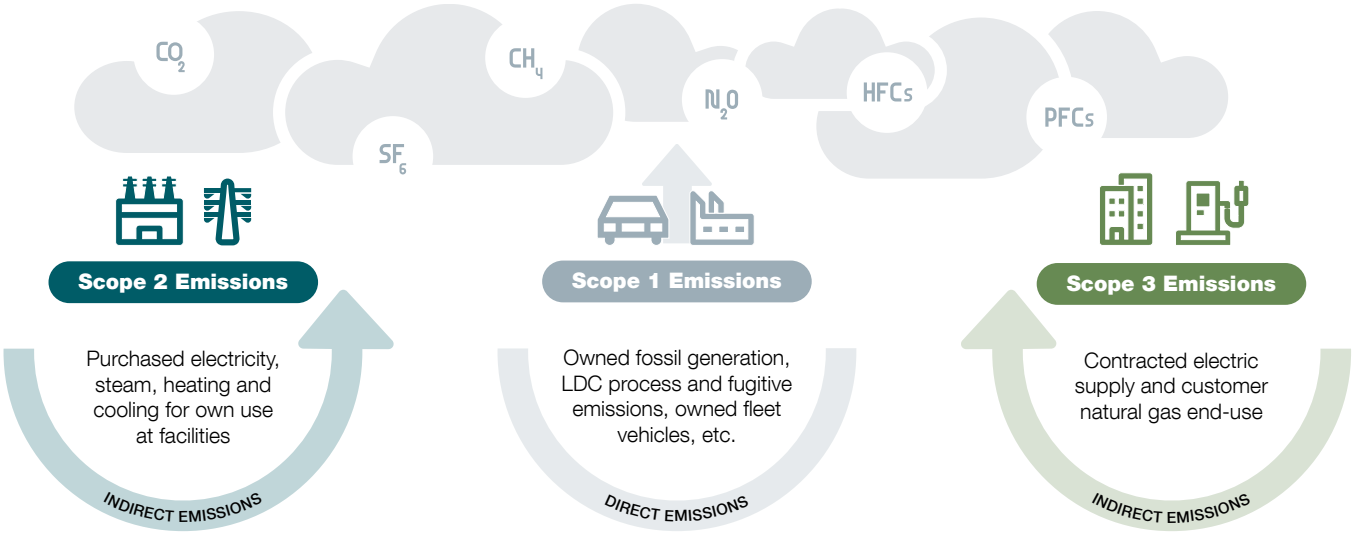
GHG POLICY STATEMENT

Our GHG policy statement sets forth our commitment to protect the environment for future generations and our concerns about the urgent impacts of climate change. It also captures our commitment to GHG emission reductions and our support in achieving the objectives of CETA and CCA.

TRACKING OUR PROGRESS

PSE has been measuring and disclosing our GHG emissions since 2002. As illustrated in the figure below, our Scope 1 and 2 emissions are primarily comprised of CO_2 produced during electricity generation and electricity used by PSE (e.g., facility use and line losses), while our Scope 3 emissions are dominated by our natural gas sales to customers and electricity purchased from other generators to serve our customer load. For more information on our GHG accounting, please visit our GHG inventory.[1]

PSE GHG EMISSIONS BY SCOPE[2]



1 PSE continues to work toward identification and quantification of minor contributions to its overall GHG emissions, such as refrigerants.

2 Definitions follow the Greenhouse Gas Protocol.

Our GHG emissions for 2020 through 2024 are illustrated below.[3] Our emissions can vary due to increasing regional demand[4] based on factors such as extreme weather or increasing industrial or EV loads as well as the intermittent nature of renewable resources, such as the impact of snowpack on hydroelectric power capacity and seasonal wind patterns. However, we expect to further reduce our GHG emissions in coming years as we transition off coal (by the end of 2025) and add increasing amounts of non-emitting energy resources.

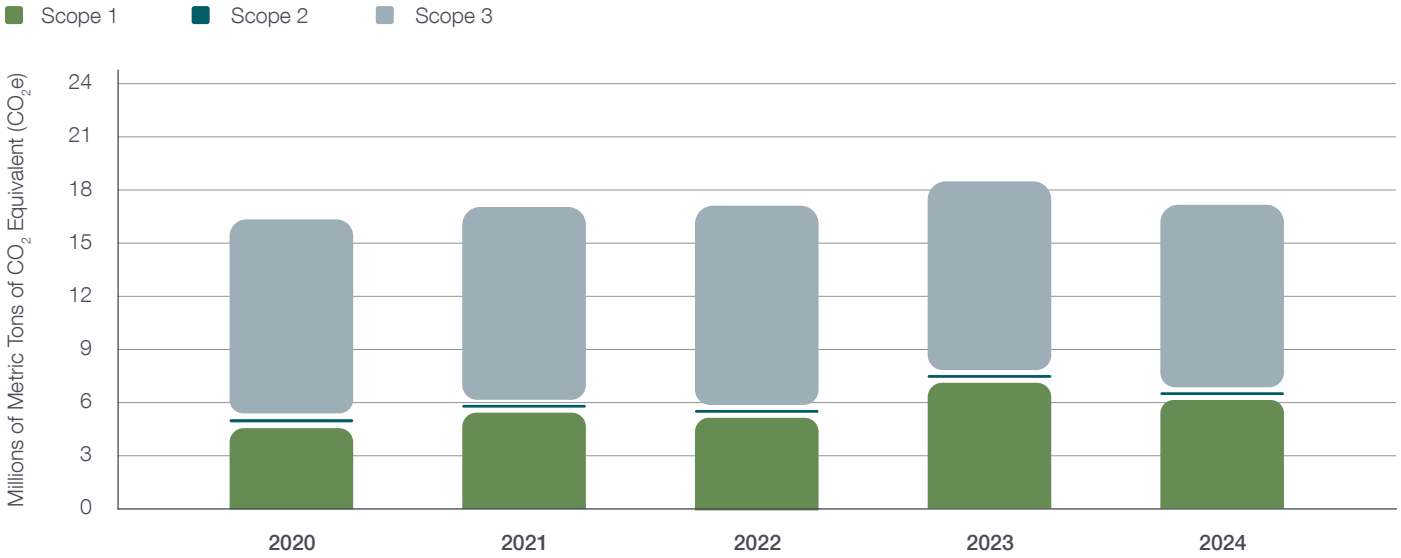
3 GHG emissions from 2020 have not been third-party verified. 2021 to 2024 GHG emissions from our Washington-based thermal power plants were third-party verified based on Washington's GHG regulatory requirements.

4 PSE is a balancing authority in the Pacific Northwest with an obligation to maintain regional grid reliability in addition to serving our customer load reliably.

LOWER SNAKE RIVER WIND FACILITY SURPASSES 10,000,000 MWH

Since its installation in 2012, the total power generated by PSE's Lower Snake River wind facility has passed the 10,000,000 MWh milestone. Every year, the facility generates on average enough electricity to serve about 70,000 households. This renewable energy avoids about 300,000 metric tons of CO_2 emissions per year, compared with unspecified market purchases.

PSE GHG EMISSIONS[5]



5 Calculated by applying the global warming potential AR5 standard under a 100-year timeframe.

ENVIRONMENTAL COMPLIANCE

PSE is subject to comprehensive federal, state and local environmental regulations. We work diligently to mitigate our operations' impact on the natural environment, strive to meet or exceed regulatory requirements and aim for zero violations of applicable regulations. We manage environmental compliance risk through our Corporate Environmental Policy and Environmental Management System (EMS).

CORPORATE ENVIRONMENTAL POLICY

PSE encourages environmentally responsible behavior and holds employees accountable for environmental performance. All PSE employees must abide by our Corporate Environmental Policy, which outlines how each employee contributes towards PSE's compliance with environmental laws, regulations and company policies. This policy is endorsed by senior decision-makers, and we proactively work to strengthen our operations to stay ahead of evolving environmental requirements.

PSE periodically reviews and enhances our EMS to reflect regulatory, facility and personnel changes. We provide initial and ongoing training on certain topics to increase awareness of regulatory requirements and proper procedures for maintaining environmental compliance. Training programs for individual departments are based on specific operations, business activities and the applicable EMS program areas.

ENVIRONMENTAL AUDITS

Through our internal environmental audit program, we regularly evaluate environmental regulatory compliance at most PSE facilities (excluding office-only locations and locations with little to no environmental requirements) and verify that our Corporate Environmental Policy and EMS are being properly implemented. Facility audits are conducted on a rotating basis, with each facility generally audited every three to five years, depending on environmental requirements. These audits are conducted by a combination of our environmental program staff, facility staff and third-party contractors. We also periodically review the regulatory compliance performance of PSE waste management service providers to verify that our waste is handled appropriately. Audit elements are tailored for each facility based on the regulatory requirements of each facility's activities. Audit results are used to develop corrective actions, allocate additional resources where appropriate and identify and share best practices.

CULTURAL RESOURCES

We work with Tribal Nations, government agencies, other interested parties and the general public as needed to collect, develop and share cultural resource information about our facilities. This program provides a foundation for outreach, education and feedback, so we can make sound decisions regarding cultural resources managed by PSE (e.g., our historically significant hydroelectric facilities) or resources potentially affected by PSE actions. We also endeavor to work with relevant government agencies and Tribal Nations to verify that appropriate engagement and cultural resource surveys are conducted as needed to prevent impacts on tribal resources. For more information on how we work with Tribal Nations, please visit the Tribal Engagement section.

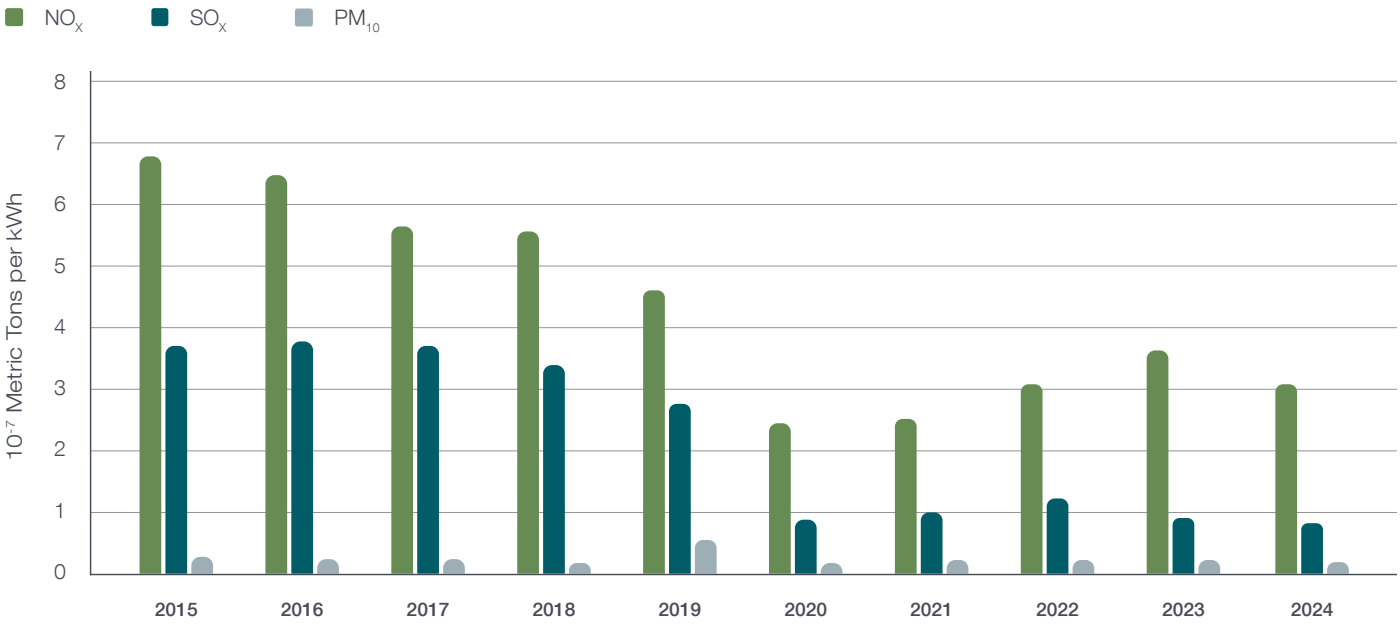
AIR

We recognize air pollution can negatively impact the environment and public health and has disproportionately impacted named communities on a historic, cumulative basis. Our thermal electric generation fleet consists primarily of natural gas-fired plants — some of which have distillate (diesel) as backup fuel — that have significantly lower criteria pollutant emissions than coal-fired or distillate-only-fired plants. We also invest in control technology for all our plants to reduce the impact of non-GHG emissions. PSE works closely with local air agencies and PSE plant and operations groups to manage compliance, monitor emissions and improve operational efficiencies.

The emissions intensity (i.e., metric tons/kWh) of NO_X, sulfur oxides (SO_X) and particulate matter (PM_{10}) from our air-permitted generation sources have generally decreased over time, as shown in the graph below.[6] Our overall emissions intensity dropped substantially between 2019 and 2021, concurrent with the reduction in coal-generated electricity in early 2020. We anticipate further reductions as PSE eliminates the remaining coal power from our portfolio after 2025 and continues to increase our renewable generation resources.

6 Total air emissions for NO_X, SO_X, PM_{10}, mercury and lead are reported in our SASB Index. Volatile organic compounds (VOCs) and $PM_{2.5}$ emissions are reported in our Data Appendix.

AIR EMISSIONS INTENSITY



WASTE MANAGEMENT

We work to contribute to a circular economy by first reducing the overall amount of waste generated and seizing opportunities to reuse and recycle materials. Used oil, mostly sent offsite for recycling, is the largest quantity of waste generated at our operating facilities. Our waste reduction efforts also focus on conventional materials like paper and plastic as well as non-conventional materials such as scrap metals, spray paint and batteries.

HAZARDOUS WASTE MANAGEMENT

Our hazardous waste management program focuses on maintaining regulatory compliance, improving employee awareness and safely managing hazardous waste handling, storage and disposal. The Environmental Services (ES) department oversees our hazardous waste management policies and procedures, employee training, compliance tracking and vendor management. As part of this oversight, we track our hazardous waste generation, and volumes can fluctuate significantly year-over-year due to maintenance activities that occur on a periodic basis.

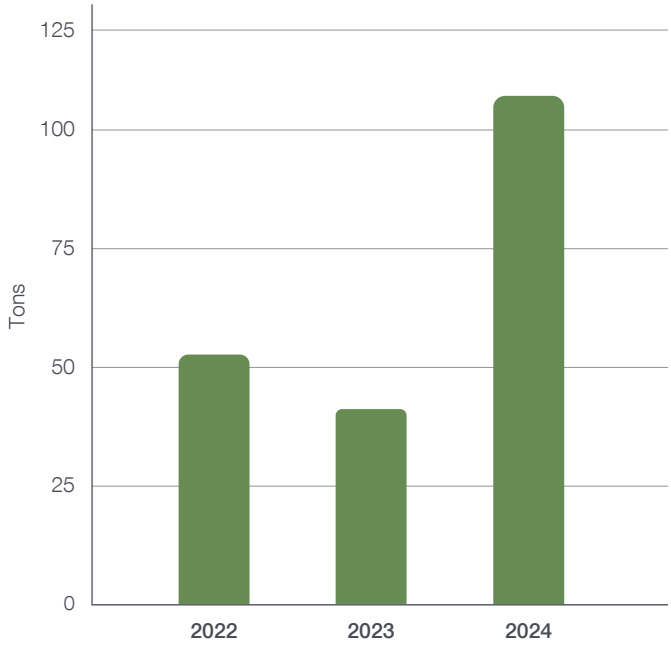
We maintain our South King County Waste Management Facility (SKC-WMF) as a permitted Moderate-Risk Waste Facility. At this site, we consolidate our waste containing polychlorinated biphenyl (PCB) at one part per million or greater for proper management and disposal, pursuant to applicable regulations. SKC-WMF is also permitted by Washington State Department of Ecology as an indefinite storage facility for the storage-for-reuse of equipment suspected of containing PCBs. This equipment is kept in storage for possible reuse in emergency situations due to the scarcity of available replacement equipment.[7]

We also use SKC-WMF to consolidate hazardous waste from our small quantity generator facilities and send it out for disposal. This process acts as a check and balance to ensure proper waste categorization and disposal.

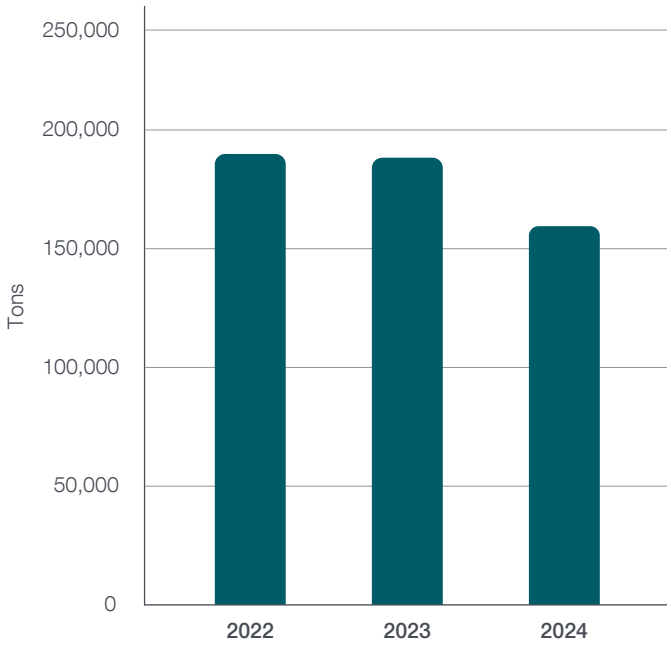
7 The equipment stored for emergency reuse cannot be tested without jeopardizing the integrity of the device; therefore, the Toxic Substances Control Act regulations require that PSE assume the equipment is PCB-containing.

WASTE GENERATED[8]

TSCA/Hazardous Waste[9]



Non-Hazardous Waste



8 Excludes remediation.

9 TSCA is an abbreviation for Toxic Substance Control Act. PCBs are identified as TSCA waste.

WATER SUPPLY AND DISCHARGE

Water is a critical resource for hydroelectric and thermal generation facilities that use water for cooling and steam generation. We have facility-specific best management practices in place to promote responsible water use. In the future, we expect our water withdrawal, consumption and discharge to decrease proportionally as we increase the percentage of wind and solar assets in our energy generation mix and phase out coal assets by the end of 2025. For quantitative information on our water use, please visit the SASB Index and Data Appendix.

WATER SUPPLY

All PSE owned and/or operated thermal generating facilities are in "Low" baseline water stress risk areas as identified in Aqueduct, the World Resources Institute's (WRI) Water Risk Atlas Tool. This "Low" identification includes our Goldendale Generating Station and Colstrip power plant, which are located in relatively arid regions of Washington and Montana, respectively, and water conservation measures have been implemented at both facilities. Our wind and solar assets have minimal consumptive water use, while the water used to generate energy at our hydropower facilities returns to the rivers.

We are committed to protecting watersheds and wildlife in aquatic ecosystems where our operations are located. For more information, please visit the Biodiversity and Habitat Protection section.

INDUSTRIAL AND STORMWATER DISCHARGE

Our water discharge program provides oversight and management for industrial wastewater and stormwater discharges from our facilities. Our ES department assists in the acquisition, compliance, renewal and updating of facility wastewater and stormwater discharge permits. PSE major projects and construction project staff and land use planners work with applicable regulators and local jurisdictions to align our management practices with construction stormwater permitting requirements. In 2024, PSE had zero violations for wastewater and stormwater discharges.

REMEDIATION

PSE is subject to federal and state laws that require certain environmental investigative and remedial efforts to address environmental contamination. PSE's environmental remediation program primarily focuses on the cleanup of legacy contamination from PSE and its predecessors' 100-plus years of historical energy-related operations. For example, PSE inherited many of our remediation sites from predecessor-owned manufactured gas plants (MGP), which ceased operations decades ago and have since been replaced by cleaner energy sources, including natural gas distribution. We value our reputation as a responsible corporate citizen, supported by our track record of addressing legacy environmental impacts from historic operations.

SPILL PREVENTION AND RESPONSE

PSE has oil-filled devices, such as transformers, in service throughout our territory. Oil spills can occur from these oil-filled devices for a variety of reasons including corrosion, third-party damage (e.g., vehicle accidents or construction activities) and storm-related events such as lightning strikes, high winds or snow. To minimize impacts from spills, PSE began a robust 24-hour Spill Response Program in 1992. Our Spill Response Program focuses on training and quick spill containment and minimization efforts to reduce spill impacts. Through this program, PSE has responded to over 5,000 spills with minimal follow-up remediation required after our immediate and thorough spill cleanup and mitigation efforts.

BIODIVERSITY AND HABITAT PROTECTION

As we build and maintain our infrastructure to provide reliable service for our customers, we also seek to preserve biodiversity and limit impacts to the natural environment. We seek to first avoid, and then to minimize and mitigate the impact of our operations. We monitor certain assets, including our hydroelectric and wind facilities, for potential effects on biodiversity. PSE's biologists and other subject matter experts provide technical support to PSE planning and operation staff to avoid or reduce negative impacts to protected and sensitive species in compliance with federal, state and local environmental regulations.

FISH PROTECTION

As a long-standing hydroelectric generator in the Pacific Northwest, we work closely with Tribal Nations, government agencies, environmental groups and other interested parties to mitigate the impact of our operations on fish populations and provide safe and efficient fish passage. We operate two hydroelectric facilities (Snoqualmie Falls Project and Baker Project) and implement various measures to mitigate our impacts on these critical ecosystems. For example, our Snoqualmie Falls Project — a diversion dam which is located just upstream of a waterfall that naturally precludes the upstream migration of salmon — uses modern flow-control equipment designed to prevent rapid changes in downstream river levels that could potentially strand fish.

On the Baker River, we installed enhanced trap-and-haul facilities to move fish up and downstream, enabling migration. Part of our success is due to our innovative $50 million Floating Surface Collector — one of the most sophisticated fish passage systems in the country — which attracts and safely holds juvenile salmon for downstream transport by "fish taxi." We also operate a state-of-the-art hatchery and support programs to protect certain spawning areas for species, such as the sockeye salmon.

For more information on our efforts to limit impacts on fish populations, please visit the Fish Protection page on our website.

ANOTHER BUMPER CROP OF SOCKEYE SALMON RELEASED AT PSE'S BAKER DAM

PSE's commitment to environmental stewardship is reaching new heights through the recently expanded Baker River Fish Hatchery. The expansion has enabled record-breaking sockeye production, with over 10 million sockeye fry released into the Baker system reservoirs in spring 2024 and 2025 — the highest fish propagation numbers in the hatchery's history.

As of May 2025, more than one million juvenile fish have successfully migrated downstream through PSE's innovative Floating Surface Collectors, surpassing the previous record set in 2023 and marking the highest migration count on record. The numbers will continue to climb as the juvenile migration season that started in March will end in August.

This success is a result of decades-long work between PSE and the Upper Skagit Indian Tribe. Forty years ago, the Baker sockeye run had dwindled to fewer than 100 fish returning. To help recover the run, PSE worked with multiple interested parties, including Tribes, government agencies and environmental groups, as part of the Baker River dam re-licensing process, to lay foundational efforts that promised significant gains in the river's fish stocks. Thanks to an improved fish hatchery and fish passage technologies, PSE and its Tribal partners supported sustained population growth and revitalized the salmon run.

RICHARDS CREEK RESTORATION SUCCESS

A vital component of PSE's Energize Eastside project has transformed into a testament to environmental stewardship. The Richards Creek stream restoration project, completed in conjunction with new substation construction, has successfully created a healthier, more diverse ecosystem that supports local wildlife while improving critical infrastructure.

The comprehensive restoration effort, which began with culvert replacement in 2021, has enhanced the natural environment through thoughtful design and implementation. The project team realigned the stream away from industrial areas, creating a natural, meandering waterway that better manages water flow and sediment.

"We reused some large trees removed for Energize Eastside and placed them in the realigned stream to slow the flow of water and create fish and wildlife habitat," explains Stan Haralson, Energize Eastside Vegetation Management Manager. ***"We've planted thousands of native shrubs and trees near our new Richards Creek substation, making diverse homes for birds, fish and small animals."***

The results demonstrate the project's success: cutthroat trout now actively use the restored creek areas, flooding has been reduced and various wildlife — from songbirds to deer — regularly visit the site. This transformation showcases how infrastructure improvements and environmental stewardship can work hand-in-hand to benefit both our customers and local ecosystems.

WILDLIFE AND HABITAT PROTECTION

We are committed to sustaining the valuable, diverse ecosystems present throughout our operating areas to the best extent possible. Through our conservation efforts, we have undertaken mitigation on 26,277 acres of land[10] to conserve habitats for native species. To reduce our impact on wetlands and waterways, we design our projects to, first and foremost, avoid work in and around water bodies and water body buffers where possible. Where avoidance is not practicable, we strive to select construction methods that minimize the duration and extent of disturbance and partner with specialized consultants, interested parties and resource agencies to identify and implement mitigation opportunities. For more information on our wildlife protection initiatives, please visit the Wildlife and Habitat Protection page on our website.

AVIAN PROTECTION

PSE strives to reduce our electrical delivery system's potential to harm birds, maintain service reliability for our customers and comply with state and federal regulations protecting birds. Since 2005, PSE has maintained an Avian Protection Plan (APP), which provides guidance and procedures for minimizing risk to avian species company-wide. All of PSE's wind farms have bird and bat conservation strategy plans — including eagle conservation plans — which detail facility-specific best management practices to protect these animals and their habitats from wind turbine operations.

In 2024, we completed 24 projects, modifying 94 avian-safe units (i.e., poles and line spans) in response to bird-related incidents on our electrical system. We relocated several nests to safer locations and identified high-priority sites for proactive efforts. We also revised our APP, implemented best management practices and updated our avian-safe distribution construction standards. Through these initiatives, we help minimize our impacts on avian species during vegetation management and construction activities.

For more information on our bird protection efforts, please visit the Bird Protection page on our website.

10 This includes 7,500 acres of conservation easement to safeguard shrub-steppe habitat, approximately 18,000 acres of preserved undeveloped open space at Wild Horse Wind and Solar facility and nearly 777 acres of wildlife habitat in the Cascade Range in northwest Washington associated with the Baker River Hydroelectric Project.

VEGETATION MANAGEMENT

PSE is responsible for trimming or removing incompatible trees near our power lines to comply with local, regional, state and federal laws to keep the public safe and maintain service reliability. PSE works hard to maintain reliable electrical service for our customers by striving to reduce power outages, the majority of which are caused by incidents with trees. These outages occur when unhealthy trees fall into the electrical lines, windblown branches cross lines as they fall to the ground and tree limbs grow into power lines. Vegetation management is also a significant element of wildfire mitigation, as discussed in the Climate Resiliency section.

When tree removal is necessary, we mitigate for impacts and partner with local, state and federal agencies to identify the best mitigation strategies, including potentially offsite mitigation which can have opportunities for higher ecological lift (e.g., providing shade for salmon habitat). We implement best practices[11] during vegetation management activities to avoid and minimize potential impacts to protected bird nests. We are committed to providing safe and reliable service to our customers while taking a responsible approach to limiting impacts on the natural environment.

Since 2001, PSE has been recognized by the National Arbor Day Foundation as a utility that demonstrates practices that protect and enhance America's urban forests. This award demonstrates our commitment to best practices in utility arboriculture and represents how trees and utilities can co-exist for the benefit of communities and citizens.

For more information on our tree maintenance program, please visit the Tree Trimming page on our website.

11 Our vegetation management program meets the five program standards from the TreeLine USA's program.

SOCIAL

ENGAGING OUR CUSTOMERS, OUR COMMUNITIES AND OUR EMPLOYEES

OUR CUSTOMERS

As we work to build a cleaner energy future, PSE understands that some communities have been disproportionately impacted by the climate crisis. While decarbonizing our operations and the broader economy is critical, it must be done with social and energy equity in mind. By focusing on the benefits and burdens to highly impacted communities and vulnerable populations, we are pursuing climate action to support an inclusive future for our customers.

SUPPORTING ACCESS TO SOLAR ENERGY FOR LOW-INCOME CUSTOMERS

In 2024, we contributed $50,000 to build a 31-kilowatt (kW) solar array atop a low-income, senior housing development in Bellingham, Washington. This contribution was made possible through our Solar Grants program and in partnership with the Opportunity Council, a nonprofit community action agency serving homeless and low-income families. It is part of more than $4.8 million in grants provided by our Green Power and Solar Choice programs to install solar at local nonprofits, public housing authorities and tribal entities serving named communities.

ENERGY AFFORDABILITY

As an electric and natural gas utility, PSE strives to keep energy affordable as we accelerate a cleaner energy transition. Families with high energy burdens may limit their energy use to save on costs, potentially resulting in unhealthy living conditions. Consistent with CETA, we focus on the equitable distribution of benefits and energy burden reduction for highly impacted communities and vulnerable populations.

Our Low-Income Advisory Committee (LIAC) advises us on how we can reduce customer energy burden. We offer a variety of assistance programs and resources to help low-income customers pay their energy bills. The PSE Home Energy Lifeline Program (HELP) provides income-qualified customers with bill-payment assistance beyond what is offered by the federal Low-Income Home Energy Assistance Program (LIHEAP). The Bill Discount Rate Program provides savings of 5% to 45% a month on utilities bills depending on household income and size. We also partner with federal and state funding sources through the Home Weatherization Assistance program to connect income-qualified customers with local agencies that can provide free whole-home upgrades to lower monthly energy bills. For more information on PSE's programs to improve energy affordability, please visit the Assistance Programs page on our website.

RENEWABLE ENERGY AND CUSTOMER ENERGY MANAGEMENT PROGRAMS

We believe keeping our customers informed and supported enables smart energy decisions. We offer a variety of programs to help increase consumer awareness and access to renewable energy and improve energy efficiency.

Our customer management teams strive for the equitable distribution of energy benefits and burdens — or distributional justice — across all community segments within PSE's service territory. Notable efforts over the years include partnerships on the Low-Income Weatherization program; designing and implementing direct-install programs to serve the unique needs of residential and business customer renters and increased incentives for income-qualifying customers via many residential programs. PSE strives to be a trusted energy partner in all the communities we serve, seeking customer collaboration with a focus on highly impacted and vulnerable communities.

HELPING OUR CUSTOMERS OVERCOME FINANCIAL BARRIERS

In October 2023, PSE began offering low-income customers the Bill Discount Rate (BDR) program. This program offers approved customers discounts, rather than a credit toward their bill, which may appeal to some of our customers who are hesitant to apply for other types of assistance.

Discounts range from 5% to 45% off customers' monthly energy bills, in addition to the money they can receive from PSE HELP, LIHEAP and other assistance programs. PSE prioritized accessibility when designing BDR by including an option for customers to self-declare their income and household size for both BDR and PSE HELP. Self-declaration will eliminate a huge barrier for customers who cannot easily gather their documentation or take time off from work for appointments with our Community Action Partnership agencies. As of June 2025, PSE approved over 70,000 BDR applications.

Mary, a Family Support Specialist with Readiness to Learn — one of our community partners — said that ***"It has been such a pleasure helping families access the PSE Bill Discount Fund! The experience has been easy and worthwhile. Parents are so incredibly grateful to have even a small amount of money knocked on their bill each month because inflation is hitting folks hard. This new program has made it so easy for people to apply for help and they are all appreciative. This program has made my job supporting families an absolute pleasure. Thank you from not only myself but all the families that I serve."***

CUSTOMER RENEWABLE ENERGY PROGRAMS

Renewable energy is essential to the cleaner energy transition. Through our customer renewable energy programs, we aim to help our customers access renewable energy, reduce their carbon footprints and encourage renewable electricity growth across the state to further progress toward our decarbonization goals. For a complete list of PSE's products and services, please visit our Products and Services webpage.

PSE CLEANER ENERGY PRODUCTS AND SERVICES[1]

PSE MATCH

GREEN POWER
Residential or Commercial

- Pacific Northwest REC purchases
- ~67.0k residential, corporate, municipal customers

SOLAR CHOICE[2]
Residential or Commercial

- Solar RECs in Washington and Idaho
- ~12.3k residential, small commercial customers

CARBON BALANCE[3]
Residential or Commercial

- Pacific Northwest third-party verified carbon offsets
- ~23.6k customers

PSE REPLACE

COMMUNITY SOLAR
Residential or Commercial

- Expands access to 100% local solar
- Six projects completed
- ~5.1k customers

RENEWABLE NATURAL GAS
Residential or Commercial

- Replaces a portion of gas usage with local RNG supply
- ~10.4k customers

GREEN DIRECT
Commercial

- Long-term partnership for dedicated resources
- 39 corporate/ government customers

PSE GENERATE

CUSTOMER CONNECTED SOLAR
Residential or Commercial

- 204 MW
- ~25k customers
- All customer types

DISTRIBUTED RENEWABLES
Commercial

- 30.4 MW
- Small renewable developers

SOLAR ENERGY CREDIT
Commercial

- 2.20 MW
- 13 customers

MULTI-OCCUPANT SOLAR[4]
Residential or Commercial

- Enables property owners to install solar systems and share the financial benefits directly with their tenants through utility bill credits

1 REC is short for renewable energy certificate, which certifies that one MWh of electricity was generated from a renewable source. Unless specified, the numbers listed in this graphic are representative of 2024.

2 PSE's Solar Choice program is no longer accepting new customers as of April 2024. Existing customers will continue to receive all the benefits of the program and can manage their participation.

3 PSE's Carbon Balance program is no longer accepting new customers as of March 2025. Existing customers will continue to receive all the benefits of the program and can manage their participation.

4 The Multi-Occupant Solar offering opened to participants in March 2025.

DEMAND RESPONSE PROGRAMS

PSE maintains the following voluntary electric demand response (DR) programs for customers with advanced metering infrastructure (AMI) meters to help ensure reliable energy delivery during high demand periods:

- Flex Smart: Under this program, PSE adjusts enrolled customers' smart thermostats by a few degrees during an extreme weather event to help reduce energy demand. Enrolled customers receive notifications of upcoming events and collect an award for participating in the program.
- Flex Rewards: This voluntary program incentivizes residential customers without a smart thermostat to take simple steps to conserve energy when demand is highest. Before peak demand events, PSE sends customers a notification to reduce their energy usage, and they are rewarded based on how much energy they save.
- Flex Events: Participants will receive email notifications of upcoming DR events with energy efficiency tips to help maximize their savings. Email notifications are the default option, but customers also have the option to receive phone and text notifications. Customers will receive a post-event email containing their results compared to similar homes.
- Flex Rewards–Business Demand Response: Business customers can partner with PSE to create a customized energy curtailment plan and receive incentive payments for reducing electrical usage during DR events.
- Flex EV: EV owners can earn rewards for adjusting their charging during peak energy demand periods by participating in this program. Similar to Flex Smart, PSE will remotely pause charging for a short time during times when there is high demand for electricity.
- Flex Batteries: When residential customers with eligible home battery systems participate, PSE sends commands to charge their battery prior to DR events, then discharge the stored energy during peak demand periods. This helps reduce strain on the electric grid while providing financial incentives to participants.
- Flex Water Heaters: This program allows customers to earn rewards by enabling PSE to adjust their water heater's energy use during periods of high electricity demand. As the second-largest electricity user in homes, water heaters provide significant opportunity for energy savings. Customers receive notifications when their water heater will participate in DR events, helping to balance community energy needs while maintaining hot water availability.

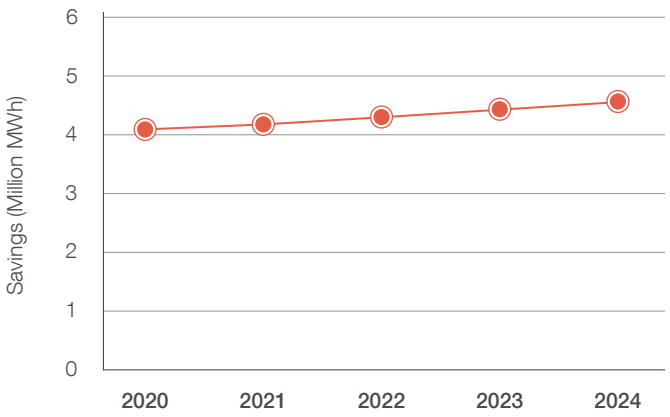
ENCOURAGING OUR CUSTOMERS TO REDUCE ENERGY USE DURING PEAK TIMES

During the 2023-2024 winter season, our DR program achieved great success with seven DR events dispatched, reaching a peak participation of nearly 300,000 customers taking preemptive action to reduce their energy usage during peak periods. Building on this momentum, the 2024–2025 winter season marked a significant milestone for our demand response portfolio. We dispatched 20 successful DR events across the season. Most notably, on Feb. 12, 2025, we exceeded our CEIP target by achieving 86.9 MW of peak program performance during a single event — surpassing our 2025 goal of 86 MW.

When discussing the program's success, Jeff Tripp, Manager of Strategic Program Initiatives, stated, ***"I can't express what an amazing accomplishment this is. The teams have all contributed in extraordinary ways to get us this far. Their insights, creativity and adaptability are building a DR portfolio that will lead us to 2030 and beyond."***

PSE continues to work on ways to increase enrollment in existing programs and launch new DR programs. With water heaters and residential batteries now successfully implemented, PSE plans to include new programs for smart thermostats for small and medium businesses.

CUMULATIVE ELECTRICITY EFFICIENCY SINCE 2007



PROMOTING ENERGY EFFICIENCY IN SINGLE FAMILY HOMES

Our Single Family New Construction program relaunched in 2024 as Next Level Homes. We are continuing the program's mission to promote energy efficiency in new single-family homes by collaborating with builders and Home Energy Rating System raters to implement energy-saving measures early in the construction process. The program aims to exceed Washington State Energy Code standards, offering financial incentives for homes that meet higher efficiency benchmarks.

The relaunch introduces two new participant incentive pathways and an updated process to enable homeowner energy savings. All qualified builders, whether they are working on a custom project, a production build or building their personal home, can submit an interest form. Then, program staff will evaluate their inquiry and inform them about the program's financial incentives, provide energy code education and even help match them with a home energy expert for their project.

Prior to the relaunch, fewer than 100 homes participated annually on average. As of January 2025, the program has over 1,000 homes in the pipeline.

ENERGY EFFICIENCY PROGRAMS

PSE helps customers better manage their energy usage and save money on their utility bills through our dozens of energy efficiency programs. Over the last five years, we have helped customers cut their electricity and natural gas consumption by approximately 1.2 billion kWh and 20 million therms, respectively. The graph on the left illustrates our cumulative electricity energy efficiency savings since 2007. If PSE had not implemented electricity efficiency measures, our annual load in 2024 would be about 5.1 million MWh (or about 18%) higher than our actual 2023 annual load and would require the addition of two times as much energy as we generated from our owned renewable fleet.

PSE offers business energy management services to small businesses, school districts, governments, hospitals and other commercial customers. This includes engineering consultation for new construction, major remodels or retrofits and rebates and incentives for energy-efficient appliances, lighting and HVAC systems. Through these programs, businesses can reduce their energy consumption and carbon footprint and save money.

Residential customers can save energy through our rebate programs that offset the cost of large or small home efficiency upgrades, including home weatherization, major appliance upgrades or heating and cooling system improvements. The Efficiency Boost program offers higher rebates on energy-efficient upgrades to income-qualified customers. We also offer educational tools, such as virtual home energy assessments and energy savings tips, to help customers better understand and reduce their energy use. Customers in multifamily housing benefit from rebates for residents, property managers and builders.

For more information on our energy efficiency programs, please visit the Efficiency & Green Options page on our website.

PROPERTY MANAGEMENT SERVICES

We also offer services for property managers to help make utility bill and energy management smarter, easier and more streamlined across properties. In partnership with the energy management software experts at EnergyCAP®, we provide PSE customers and property management professionals with a robust suite of data resources to help manage their energy portfolio. The software enables energy managers to centralize a large volume of data into one system for easy analysis and evaluation of energy-saving actions.

EnergyCAP facilitates our customers' compliance with the City of Seattle Energy Benchmarking Ordinance and the Washington State Clean Buildings Act (HB 1257). It also allows them to benchmark their buildings' energy profiles using EnergyCAP's Cost Avoidance analysis tools.

CUSTOMER OUTREACH AND ENGAGEMENT

Our outreach teams continuously work to improve the reach and effectiveness of our communications to increase customer awareness of the services we offer that reduce their carbon footprints and enhance public safety and energy affordability. For example, our Energy Advisor team provides personalized support to help customers reduce energy use and costs, offering guidance on efficiency upgrades, high bills and rebate programs. Acting as the frontline connection between PSE and its customers, our Energy Advisors play a key role in implementing energy efficiency solutions for customers and helping PSE achieve its energy efficiency goals.

Our outreach teams also work closely with local human service organizations in our service areas to raise awareness about available programs. PSE offers website content and written materials in multiple languages to expand access to non-English speaking communities and businesses. For more information on our engagement efforts, please visit the Community Engagement section and the Community Engagement page on our website.

HELPING NONPROFITS PROMOTE ENERGY SAVINGS

Our Powerful Partnerships program is committed to working with organizations that are taking steps to address their own sustainability goals while positively impacting their communities. In 2024, we distributed $150,000 across 12 nonprofit organizations to educate their clients, employees and donors on ways to save energy and money on their bills and decrease their carbon emissions. Two of the organizations serve small businesses, and our partnership helps bring them the benefits of energy efficiency programs. Safety and emergency preparedness are also focal points within the education program. The Powerful Partnerships program has worked with more than 90 organizations and has donated over $900,000 dollars as of December 2024.

PSE TEAMS SAFELY RESTORE SERVICE AFTER DAMAGING WINDSTORM

In February 2025, severe winds caused widespread outages across our service area, impacting nearly 250,000 customers. In response, we quickly mobilized storm bases in North King, Thurston and Kitsap counties and brought in 45 additional line crews to accelerate restoration. Kitsap County faced the most severe damage, but thanks to the tireless efforts of our field teams, control center staff and first responders, power was restored safely and efficiently under challenging conditions. Our Community Incident Outreach team also connected with over 175 customers in Port Orchard, offering support and updates. The dedication and teamwork shown throughout this event reflect our strong safety culture and unwavering commitment to our customers.

CUSTOMER EXPERIENCE

We are committed to providing our customers with quality service, support and resources for a seamless and intuitive customer experience. Our customer assistance programs strive to deliver clear and transparent communications to help meet customers' needs through multiple communication channels that include our call center, website and social media channels. We also help customers stay up to date on important outage information through our Outage Map, which shows current outage locations and the number of customers impacted.

To monitor our customers' experience and drive continuous improvement, we benchmark our performance against peers, conduct customer surveys and monitor our performance on the residential J.D. Power Electric and Gas utility studies. In 2024, we conducted a reputation survey, and the results indicated that 81% of customers viewed PSE favorably, and 84% believed PSE has a good or excellent reputation. We report our service quality index metrics annually to the WUTC, and it is a quantitative factor in annual employee incentives.

PSE EARNS NATIONAL RECOGNITION FOR CUSTOMER TRUST

In July 2025, PSE earned significant recognition for customer trust and service excellence, receiving two major accolades from Escalent, a leading analytics and advisory firm for energy, utility and brand experience. PSE made the list on Escalent's 2025 Most Trusted Brands for utilities. This list included the top 40 utilities out of 148 gas, electric and combination utilities across the country. This recognition reflects PSE's strong customer relationships and proven ability to meet evolving customer needs.

Additionally, PSE received the highest Brand Trust score (728 out of 1,000) of any West Regional combination utility in Escalent's study. This score, derived from direct syndicated customer surveys, demonstrates that PSE's investments in customer services have earned customer trust and partnership.

OUR COMMUNITIES

PSE strives for active engagement within our communities, fostering trusted relationships and building partnerships supported by transparent communication.

COMMUNITY ENGAGEMENT

Participation and feedback from local communities are integral to our work. Trusting partnerships involve curiosity, dialogue, listening, understanding and collaboration. We also understand the value of learning and gathering feedback from every community that we serve. Doing so enhances our ability to serve customers effectively and build trust across our service territory, including those with unique energy needs.

PSE has executive- and director-level oversight of community engagement. We also have dedicated Community Affairs team members who work with nonprofits and community-based organizations (CBOs) on local issues and partnerships. We convene a Low Income Advisory Committee and Conservation Resource Advisory Group to promote two-way dialogue with local community leaders. For more information on our efforts, please visit the Community Engagement page on our website.

Customers and other interested parties can provide feedback through avenues such as the following:

- General PSE customer feedback form;
- PSE contact information;
- Major projects contact information and
- PSE clean energy planning contact and engagement hub.

We conduct post-project surveys for every energy efficiency project as well.

We also engage with communities throughout our resource planning process to gather input from interested parties before we submit our planning resource documents. For more information, please visit the Resource Planning section.

PROJECT-SPECIFIC OUTREACH AND EDUCATION

Engaging with interested parties is important to us as we develop large-scale projects. We conduct active outreach to communities, local, state and federal governments and Tribal Nations during early stages of projects to provide information on project context, needs and impacts. For example, PSE on Bainbridge Island has a community sounding board for new and current projects. We also work to ensure those voices are heard through community meetings, public and virtual open houses, community advisory groups, web pages and community mailings.

WILD HORSE WIND AND SOLAR FACILITY AND RENEWABLE ENERGY CENTER

PSE has made its Wild Horse Wind and Solar Facility and Renewable Energy Center, located in central Washington, a valuable community resource and a shining example of our outreach and education efforts. Activities and opportunities include:

- Public tours that explore the solar array and wind turbines;
- School field trips to learn about renewable energy and sustainable solutions;
- Wildflower and wind power walks;
- Run Like the Wind Trail Running Festival with 5k, 10k and 10-mile events;
- Public hunting during legal hunting seasons;
- Non-hunting recreational activities such as hiking, birdwatching and horseback riding; and
- Partnership with Kittitas Chamber and Central Washington University to help staff the Center and provide students with hands-on learning opportunities.

In 2025, Wild Horse expanded its educational outreach by hosting its first Spanish-language tour, welcoming 28 Spanish-speaking customers from Skagit County. This groundbreaking initiative, developed in partnership with the Mount Vernon Police Department and School District, provided participants with Spanish-language content about the facility's history and renewable energy impact. This marks an important step in making renewable energy education more accessible to diverse communities.

SUPPORTING FOOD, SHELTER OR CHILDCARE PROGRAMS THROUGH THE PSE FOUNDATION

The PSE Foundation is proud to award $50,000 in community grants to support 89 incredible nonprofits across Washington in 2024, helping expand access to food, shelter and childcare for those who need it most. Selected from nearly 300 applicants, these organizations exemplify innovation, compassion and impact. This year's grants reflect our commitment to strengthening communities by empowering local partners to grow their capacity and deliver life-changing services. These flexible grants aim to strengthen local support systems and improve quality of life for individuals and families in need, reflecting the Foundation's ongoing mission to build stronger, more resilient communities.

CORPORATE GIVING AND COMMUNITY SERVICE

The PSE Foundation, a separate nonprofit entity established in 2006, is dedicated to empowering community resiliency and keeping communities safe and supported within our service and generation areas. In 2024, PSE Foundation granted nearly $1.3M in charitable grants to local nonprofit organizations throughout the communities we serve and have facilities. These contributions supported food security, emergency preparedness, shelter, literacy in all forms and other community programs that provide essential needs and services. Additionally, PSE Foundation provided grants to support our partners through nonprofit staff training and development and capacity building projects.

We encourage our employees to get involved in their communities by volunteering, donating and participating in service events. Employees and retirees can match their charitable donations and volunteer hours to qualifying local nonprofit organizations through the PSE Foundation matching program for up to $1,000 per year. Additionally, through our Powerful Partnerships program, we engage in a year-long collaboration with a select group of nonprofits.

>$9.6M

PSE Foundation grants since 2018

~$15.0M

Corporate donations, sponsorships and contributions since 2018

OUR EMPLOYEES

Our ability to meet our cleaner energy goals and aspirations depends in large part on our greatest asset — our people. It is only with the engagement and dedication of our entire workforce that we can create positive and enduring change. We are committed to acquiring and developing talent with diverse skills and experience who want to facilitate an equitable energy transition. We place employee needs and safety as our top priority and strive to be the employer of choice by promoting a dynamic workforce.

TALENT ACQUISITION AND PIPELINE DEVELOPMENT

At PSE, our inclusive workforce is our strength. We believe all qualified individuals should have an equal opportunity to apply for work. We understand that inclusion, a respectful work environment and diverse life experiences bring better solutions to the table, create a more enjoyable workplace and help us better serve our customers. PSE partners with industry organizations, external organizations and educational institutions to recruit top talent to enable our company to achieve each of our corporate goals. We also offer a variety of programs to identify and upskill new talent pools and provide internship opportunities, including outreach programs to reach all qualified candidates.

SUPPORTING STEM HIGHER EDUCATION AND WORKFORCE DEVELOPMENT

The PSE Foundation (PSEF) has launched its new Powerful Scholars program, investing $200,000 in scholarships to support 64 students across Washington's 34 community and technical colleges in its first year. Designed to break down financial barriers, the program offers $2,500 scholarships and mentorship opportunities to first-generation college students and current or former foster youth pursuing STEM degrees or skilled trade certifications.

"We are committed to supporting the next generation of leaders in the energy industry and addressing the growing need for skilled workers in STEM fields. The Powerful Scholars program is a critical investment in the future of our state's students, workforce and economy," said PSEF President and Chair Kim Collier.

CELEBRATING THE SUCCESSFUL COMPLETION OF OUR LARGEST GAS WORKER TRAINING CLASS

PSE's Georgetown base had a standout year of training, graduating its largest-ever class of 25 gas workers through two intensive United Association (UA) of Plumbers and Pipefitters Journey Worker schools in 2025. Fifteen employees completed the 11-week Customer Field Service Technician School, while ten achieved a perfect pass rate in the 12-week Fitter School — earning their PSE Fitter qualifications.

"Adding this group of journey workers to our Gas First Response team will be a huge boost," said Director of Gas Operations Kaaren Daugherty. With a new Operational Training Center on the horizon, the future of gas training looks brighter than ever.

These programs include:

- **Early Learning for Students Related to the Energy Industry:** PSE is committed to exposing students to opportunities in the energy sector at an early stage.
- **Gas Worker Trainee (GWT) Program:** PSE's GWT program offers entry-level opportunities annually that can result in a long-term career at PSE. Selected candidates are taught all facets of the gas industry required for the position. PSE regularly assesses the impact of our efforts to reach all qualified candidates for this program.
- **Pathway to Apprenticeship Program:** PSE's Pathway to Apprenticeship is a state-recognized workforce development program designed to develop a pipeline of qualified, journey-level workers for PSE's electric operations in partnership with International Brotherhood of Electrical Workers Union (IBEW) 77. Apprentices receive one-on-one mentoring from experienced PSE journey-level workers to review skills, desired work habits, safety and performance. This mandatory pathway model from pre-apprentice to apprentice to journey-level worker helps ensure we develop and retain engaged and safe electric utility professionals trained in PSE procedures.

PSE collaborates with external partners, such as Mitratech, to promote our career opportunities through their nationwide networks of locally-focused and inclusive talent acquisition sites. We continue to assess our recruitment practices and engagements to improve how we attract and recruit qualified candidates. Periodic employee surveys and exit interviews also inform efforts to promote inclusivity and merit-based decision-making.

EMPLOYEE ENGAGEMENT AND CULTURE

Our employees strive to provide reliable, high-quality customer service and advance energy equity in our communities. Our people priorities help us align our strategy and attract, develop and support employees so they are thriving personally and professionally.

OUR VALUES

We all have a voice

We believe in an open and honest dialogue supported by analysis, different perspectives and respectful challenge of ideas, issues and concerns.

We do what's right

We seek the best outcomes for our customers and community—knowing that our shareholders benefit from this commitment.

We have each other's back

We strive to be respectful and supportive of our colleagues and are committed to each employee's professional development.

EMPLOYEE VALUE PROPOSITION

Our Employee Value Proposition (EVP) represents our dedication to our employees. It highlights the unique strengths that help us retain and attract the talent we need, boost engagement and support employee development and success.

Our EVP is built around five key principles that define our workforce:

- **I CONTRIBUTE:** I'm proud that our work fulfills our communities' deepest needs — comfort, connection and quality of life — while equitably transforming the energy future.
- **I BELONG:** I am valued for being me and know that I am an important part of the company's overall success.
- **I THRIVE:** I enjoy a balanced, well-lived life with compensation and resources that support my financial, physical and emotional needs.
- **I TRUST:** I share myself freely and connect with my team and leaders — I know we have each other's back as we face challenges and celebrate success together.
- **I GROW:** I own my work and am encouraged to seek opportunities that will enrich my career while inspiring others.

These principles reflect our commitment to creating a workplace where employees feel valued, empowered and connected to our mission. By fostering an environment where our workforce can thrive, we strengthen our ability to deliver reliable energy services while advancing our cleaner energy goals and serving our customers as their cleaner energy partner of choice.

EMPLOYEE PERFORMANCE

All employees participate in a review process to evaluate their performance. Employees represented by a collective bargaining agreement have an annual performance review each year with their immediate supervisor, and non-represented employees have two performance reviews each year. PSE employees have ongoing career and development conversations with their immediate supervisor and are expected to update their career development plans.

Performance calibration is a fundamental part of awarding merit-based compensation increases each year. Calibration promotes fairness in the application of performance and competence ratings. We also review increases to base pay for fairness across the organization.

GREAT PLACE TO WORK® SURVEY

We periodically conduct surveys seeking real-time feedback from all of our employees on our engagement experience, understanding the direction of our business and evolution of our culture. Our most recent 2025 pulse survey demonstrates continued positive momentum, with results showing improvement across multiple key areas, particularly in employees' confidence that management has a clear vision for the organization's direction. Employees shared that our people-focused culture, workplace flexibility, and supportive management as key strengths that make PSE a great place to work. We will continue to leverage these surveys to identify priority actions, address employee feedback, and strengthen our commitment to making PSE a great place to work for all.

PERFORMANCE REVIEW CYCLE

PROFESSIONAL DEVELOPMENT AND SUCCESSION PLANNING

We provide employees with the tools, training and career growth opportunities they need to be successful at their jobs. PSE has multiple training programs and modules designed to educate employees on a wide range of topics including health and safety practices and certifications, corporate ethics and compliance, business management, unconscious bias, employee relations, environmental awareness, community engagement, regulatory compliance and emergency preparation and response. PSE also offers a tuition reimbursement program for all full- and part-time employees with at least one year of service to support their enrollment in employment-related college programs. We provide up to $5,250 per year for full-time employees and a pro-rated amount based on number of hours worked for part-time employees.

PSE uses a multi-faceted approach to professional development that includes programs, online courses, in-person and live virtual classes, as well as rotational experiences, mentoring and group leadership opportunities. Programs offered include:

- **New Employee Orientation (NEO):** Connects new employees to PSE's mission, goals and values as well as how their responsibilities support the mission and goals of the company.
- **NEO Jumpstart for New Leaders:** Supports employees entering leadership roles for the first time or those joining PSE as leaders to address common management functions.
- **Development Focus for All Employees:** Comprehensive suite of trainings and development programs to enable all employees to be successful in their jobs and achieve their goals. Non-represented employees, including those in leadership, complete individual development plans through this program.
- **Leadership Development Programs:** Supports manager development through coaching and mentoring, including 360° feedback and skills training in areas such as strategic decision-making, managing performance and business acumen. Offers an annual leadership conference for mid-level and frontline leaders which focuses on topics such as inclusion, leadership skills and employee development.

- **Executive Development:** Targets senior leaders and their successors, driven by development plans and career goals.

We also provide operational training activities to upskill our employees. Certain divisions within PSE implement talent development practices to build technical and problem-solving abilities within their specific functions. For example, the Engineering group offers the PSE Engineering Development Program, a multi-year career advancement program designed to provide entry-level and early-career engineers a roadmap for professional development. The mission of this program is to support the growth of engineers as they learn core business expertise, respond to future industry needs and position themselves for increasingly challenging roles over the life of their career.

We conduct succession planning annually for key and critical roles, and we review development plans for key talent throughout the year. At the team level, we prompt our leaders to have regular development conversations with employees to understand their career aspirations and goals and promote development programs to promote employee readiness as opportunities become available.

CASE STUDY ON NEW TRAINING CENTER

Puget Sound Energy has officially broken ground on its new 73,000-square-foot Operations Training Center (OTC) in Puyallup — a state-of-the-art facility that will transform how PSE trains its workforce and supports community safety. Opening in late 2025, the OTC will provide hands-on, real-world training for electric and gas utility workers, engineers, project managers and first responders through advanced classrooms, labs and a simulated neighborhood complete with a functional gas distribution system.

"This new training facility represents an evolution in how we prepare our workforce at PSE," said Gas First Response Manager Marc Raniero.

With cutting-edge technology and a focus on grid modernization and cleaner energy, the OTC is a bold investment in safety, innovation and the future of energy.

FAIR LABOR PRACTICES

PSE maintains policies that follow applicable minimum wage, overtime wage, child labor and other wage and hour laws and regulations. Our hiring policies comply with the principles of non-discrimination, freedom of association, child labor, indigenous rights, prevention of forced and compulsory labor and other labor laws.

We respect the right of our employees to seek union representation. As of Dec. 31, 2024, approximately 1,009 PSE employees, or about 31% of our workforce, were represented by the IBEW or the United Association of Plumbers and Pipefitters (UA). The UA contract was ratified effective December 2021 and will expire on Sep. 30, 2025. There are two IBEW contracts; one was ratified effective April 1, 2020 and will expire on March 31, 2026, and the other was ratified effective May 1, 2023 and will expire April 30, 2027.

EMPLOYEE BENEFITS AND WELLNESS

PSE is dedicated to its workforce and offers a comprehensive benefits package to help employees and their families stay healthy physically, emotionally and financially throughout all stages of life. We understand that supporting life-work harmony is essential to delivering company business objectives. Our benefits package provides the choice and flexibility necessary to attract and retain talented people, address employee needs and create a culture where employees thrive both personally and professionally. Other benefits include PSE-provided smart cards for use in public transit in the Puget Sound region. For a summary of our employee benefits, please visit the Why Work For Us page on our website.

The myWellness at PSE program is our branded company well-being program, which is designed to enhance the health and well-being of PSE employees and families through tools, education and activities that support resiliency and healthier lifestyles. We desire to foster an environment that is confidential and encourages members to improve their whole-person well-being — physical, mental, emotional, financial and occupational — through various programs and tools. We do this by providing the resources employees need, removing barriers to access, building trusting relationships and offering programs to support life's challenges.

OUR COMMITMENT TO INCLUSION

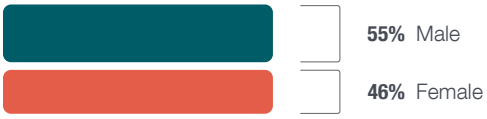
We believe inclusion, a respectful work environment and varied life experiences bring better solutions to the table, create a more enjoyable workplace and help us better support our customers and communities. We foster an inclusive environment where merit and innovation drive success.

PSE is an Equal Employment Opportunity employer. We are committed to ensuring that our practices of non-discrimination and equal employment opportunity are carried out in order to attract, hire, retain and promote a diverse workforce within PSE. We are fully committed to ensuring equal opportunity in employment.

We value individual differences and viewpoints of our workforce and focus on merit-based principles as an organizational strength to give us a competitive advantage in the marketplace. Ensuring the broadest range of experiences and backgrounds allows us to better serve our customers.

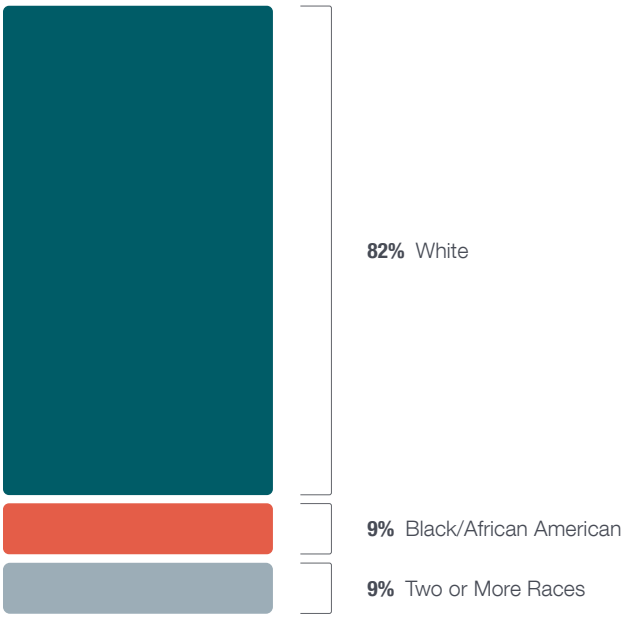
LEADERSHIP DIVERSITY[5]

Gender Diversity



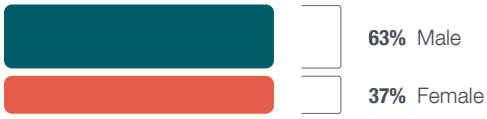
Age Group Distribution

Race/Ethnic Diversity

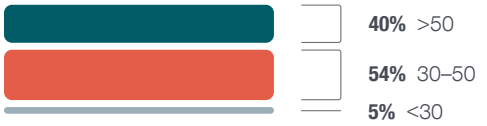


TOTAL WORKFORCE DIVERSITY[5]

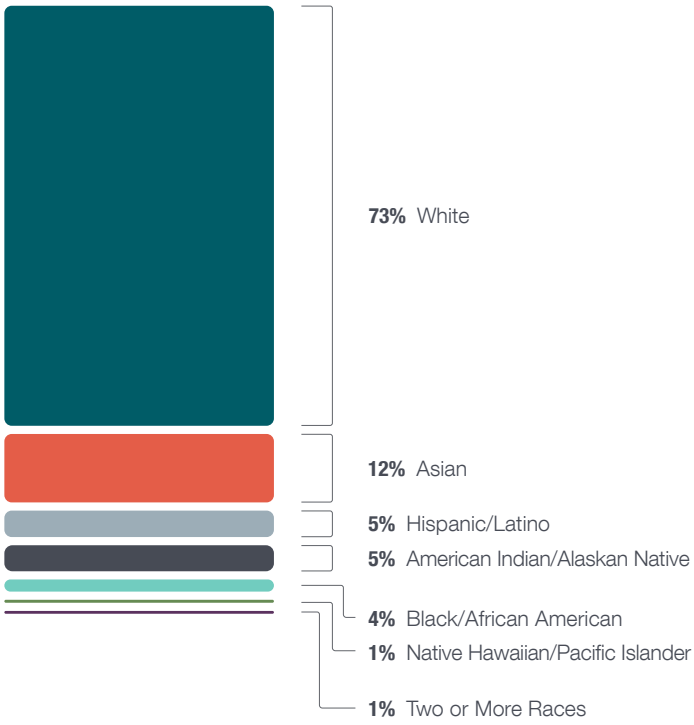
Gender Diversity



Age Group Distribution



Race/Ethnic Diversity



5 Percentages that do not add up to 100% are due to rounding or due to some employees who chose not to disclose how they identify to PSE.

EMPLOYEE RESOURCE GROUPS

PSE has many active employee resource groups (ERGs) formed by employees based on shared interests, experiences or goals. ERGs help build and strengthen our sense of community throughout the company. ERGs are voluntary employee groups which help to foster a supportive environment and promotes networking and mentorship. Participation is voluntary and open to all PSE employees.

AAPI ADVOCATES

Spreading awareness of Asian American and Pacific Islander (AAPI) cultures and history.

AFRICAN AMERICAN LEADERSHIP (AAL)-VOICES

Offers a community of allies engaging in action, support and learning experiences of African Americans.

GREEN TEAM

The Green Team's mission is to enhance PSE's dedication to environmental stewardship.

PRISM

PRISM is a group of LGBTQIA+ employees supporting PSE's commitment to diversity and inclusion through employee development, community involvement and celebration.

PSE EMPLOYEE ASSOCIATION (PSEEA)

PSE offers a wide variety of benefits and perks to all its employees.

PSE TOASTMASTERS

Self-paced speaking program to help members gain confidence/leadership skills.

TROOPERS, WARRIORS AND SUPPORTERS (TWS)

PSE employees who are active or former military personnel, their families and supporters.

WOMEN'S IMPACT NETWORK

Bringing together employees passionate about representing women across all facets of PSE's business.

SUPPLIER DIVERSITY AND SUSTAINABILITY

We are committed to ensuring that all businesses including minority-, women-, veteran-owned and small business enterprises have an equal opportunity to compete for contracts awarded by PSE. PSE is a strong supporter of any and all efforts to remove any bias from supplier sourcing.

We strive to conduct business honestly, fairly and ethically as outlined in our Code of Conduct and expect suppliers to do the same. PSE's Supplier Code of Conduct provides expectations of entities from which we obtain products or services to support our business. PSE expects its suppliers to maintain ethical business practices and comply with all applicable laws and regulations, including those pertaining to the safety, environment, employment and child labor laws.

PSE strives to be a good neighbor where we do business. We endeavor, when reasonably feasible, to hire local labor when working in smaller communities.

BUILDING AN INCLUSIVE AND RESILIENT SUPPLIER NETWORK

PSE implements a Supplier Environmental, Social and Governance (ESG) Program to build a diverse, resilient and environmentally responsible supply chain by fostering fair competition and access to business opportunities for all suppliers. PSE is proud to launch a new resource for advancing this program through the implementation of our new Supplier Registration Portal and Supplier Explorer tools.

This powerful platform allows potential vendors to register, share certification details and provide business users and our Procurement team with up-to-date business information — helping us identify and engage with a broader range of suppliers. This is an important step forward in making PSE a more inclusive and sustainable company by reinforcing our commitment to innovation and community representation as we contribute to Washington state's clean energy future.

SAFETY AND HEALTH

The health and safety of our employees, contractors and communities is a core value at the foundation of everything we do, and PSE's culture incorporates safety and health in every aspect of our work. When our work environment is safe, we can achieve our objective of being a great place to work with engaged employees who live our values, embrace an ownership culture and are motivated to drive results for our company and customers. Our leadership team sets the standard for prioritizing safety and well-being and our objective that "Nobody Gets Hurt Today."

ELECTRIC AND GAS OPERATIONS CELEBRATE SAFETY DAYS

In September 2024, PSE's Electric and Gas Operations teams came together with safety, security and external partners to host impactful Safety Days events at the Skagit Service Center and Lake Tapps. These events celebrated safe work practices, fostered teamwork and reinforced our shared commitment to safety both on and off the job. Employees gained valuable knowledge and hands-on experience through keynote addresses from Senior Vice President of Energy Operations Michelle Vargo, engaging sessions on work readiness techniques and expert-led training on battery safety.

Electric Safety Days featured over 30 vendors and interactive stations, including wildfire mitigation, solar and net metering, and the Washington State Police Bomb Squad. Gas Safety Days focused on driving safety, pressure control and corrosion prevention. These events not only strengthened our safety culture but also deepened connections across teams and departments.

EMPLOYEE SAFETY

An executive-level safety committee (ESC) oversees employee safety performance and programs and drives continuous improvement in our safety processes and programs. The ESC meets every six weeks and is chaired by the Corporate Safety Manager. The committee provides officer- and director-level review of all safety and health-related matters brought before them, and each committee member has the authority to order a review of any safety-related matter within the company. PSE's President and CEO maintains oversight of the ESC, and matters are reviewed with the President and CEO and the Board periodically through the year.

We outline our safety policies in our Yellow Book, a comprehensive document maintained by PSE's Corporate Safety department, which we continuously update as we enhance our safety and health practices. We actively inform employees of our policies and safety management practices through monthly employee safety committee meetings and collaborations with leadership. Labor and management also meet regularly to discuss, support and implement safety and health measures in our daily practices.

We comply with all federal Occupational Safety and Health Administration (OSHA) and Washington Administrative Code (WAC) rules and regulations. Our workplace safety program works to first identify workplace hazards and then address and mitigate them. We use a Hazard Reporting Program that allows all employees to electronically submit an identified hazard in their work environment. PSE also empowers all employees to stop work if they see any unsafe act or condition onsite. Our regional safety consultants respond to safety reports by identifying hazards and modifying work processes to minimize risks to workers. All serious hazards involving high energy sources are investigated.

Our safety and health program emphasizes employee education and training that not only covers equipment safety and work conditions but also day-to-day issues such as ergonomics and overall wellness. For more information on our wellness programs, please visit the Our Employees section.

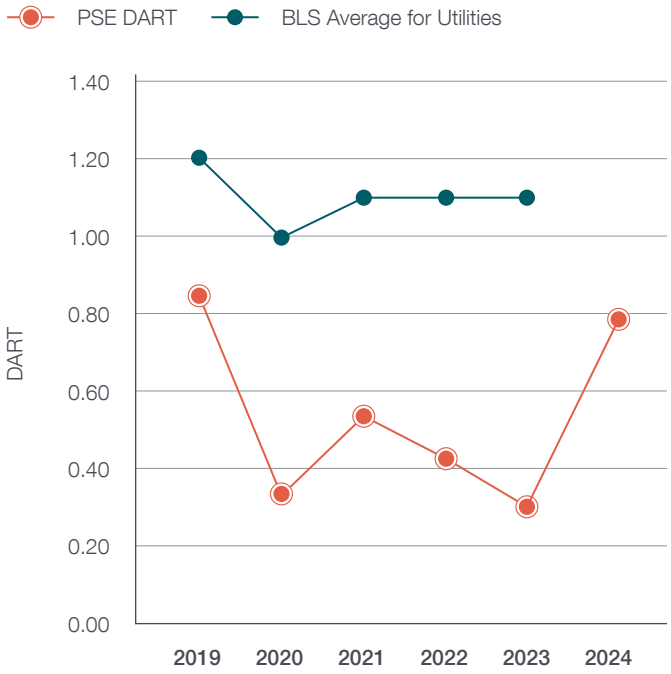
Our Safety Management System covers all PSE employees, who receive regular training on safety best practices and common job hazards. PSE employees participate through training events, workshops and videos. In addition to regular training, we hold Safety Days, where experts hold sessions to educate employees about various hazards.

PSE vehicles, equipment and construction practices meet all applicable regulations and codes for worker and public safety. Additionally, we leverage engineering controls and provide necessary personal protective equipment (PPE) to address hazards.

SAFETY PERFORMANCE METRICS

PSE continually tracks and analyzes safety key performance indicators (KPIs) to determine where additional investments are needed and drive progress toward our corporate safety goals. We value transparency, and our metrics are reported monthly to the executive-level steering committee and posted on our Corporate Safety Dashboard, which is visible to all employees. We benchmark our safety performance against other utilities and partner with our internal audit team to evaluate and enhance our safety and health programs. We track our Days Away Restricted or Transferred (DART) rate, which is consistently lower than the national U.S. Bureau of Labor Statistics (BLS) utility average. To recognize the importance of safety, we implement an annual employee incentive tied to performance on safety training, education and performance goals.

SAFETY METRICS[6]



6 The 2024 BLS average for utilities was not available by the time of publication of this Sustainability Report.

CONTRACTOR SAFETY

Due to PSE's large service territory and the breadth of work required in our offices, in the field and while working on our system, there may be over 300 contractors performing services for PSE at any given time. We incorporate our safety policy into master service agreements with contractors and integrate a project-specific safety plan into each construction contract. Labor standards and working conditions are governed as part of PSE's collective bargaining agreements with the IBEW Local 77 and UA Locals 32 and 26.

Like PSE's own employees, contractors are required to meet all safety requirements and comply with our Contractor Safety Policy. For instance, contractors are trained and required to use PPE as appropriate in the field and at PSE sites. In the event of an incident, contractors are required to submit a report to PSE and we evaluate these reports, along with other safety statistics, on a monthly basis. We also continuously evaluate major construction contractors and partners for safety practices, and we consider safety compliance as a factor when awarding capital bids to contractors.

PROMOTING CONTRACTOR SAFETY AS A TOP PRIORITY

In April 2024, more than 150 attendees from 20 contractor companies joined PSE's third Contractor Safety Forum, held in partnership with Potelco, Infrasource and Wilson Construction. The event brought together contractors, safety vendors and PSE departments to strengthen job-site safety culture through collaboration and shared learning. Highlights included a powerful panel discussion, "Words from the Field," insights on energy-based safety and a compelling presentation on mental health and suicide prevention in the construction industry. The day wrapped up with a hands-on leadership safety exercise and a vendor raffle, reinforcing the importance of safety, connection and continuous improvement across our extended workforce.

HOSTING RECORD-BREAKING ELECTRIC SAFETY TRAINING FOR EMERGENCY RESPONDERS

More than 125 emergency responders participated in our 2024 electric safety training at PSE's Bellingham office — the largest law enforcement turnout in our training history. Over two weeks, firefighters, sheriff's deputies and police officers engaged in hands-on sessions led by Electric and Gas First Response teams, strengthening safety awareness and interagency collaboration.

"To see this level of engagement with law enforcement, without question, increases public safety and may very well save lives," said Jason Sanders, Director of Safety.

These trainings not only enhance emergency response but also build lasting partnerships that help keep our communities safe.

PUBLIC SAFETY

Our commitment to safety extends beyond our employees and contractors into the communities we serve. Our first line of defense is our energy-delivery infrastructure, which we build, operate and maintain to protect system integrity in the event of failures, natural disasters, terrorism or other external incidents. Our employees are integral to our public safety commitment, and we train our workforce to report any public safety issues or interruptions to operations or services.

Our public safety messaging educates communities on potential hazards related to electric and natural gas transmission and distribution. We also offer resources to help our customers prepare for and remain safe during natural disasters and major weather events. Furthermore, we provide support to first responders to protect the public and themselves during electric and natural gas emergencies. For more information on how we keep our customers and communities safe, please visit the Safety & Outages page on our website.

GOVERNANCE

ENSURING ACCOUNTABILITY, TRANSPARENCY AND SECURITY

LEADERSHIP

Our robust corporate governance practices form a strong foundation that encourages a culture of ethics and integrity, drives strong financial and operational performance and delivers long-term shareholder value. PSE's Board of Directors is comprised of ten owner members, three independent members and our President and CEO as of June 2025. Our independent Chairperson is not employed by PSE and does not hold affiliations with any of our investors. PSE aims to have a diverse board and as of June 30, 2025, 36% of our board members were women.

The PSE Board of Directors and its committees provide oversight and guidance to execute our business strategy while adhering to the responsibilities outlined in our Corporate Governance Guidelines. The Board generally has at least four regularly scheduled meetings annually, and each committee holds regularly scheduled special meetings as necessary.

Our Audit, Governance and Compensation Committees have specific sustainability-related responsibilities. Annually, we review and assess our governance guidelines to ensure effective oversight and governance. Sustainability expertise on the Board derives from experience in asset management in the U.S. and internationally, as well as corporate responsibility experience in the U.S., including that of the Senior Vice President (SVP) of Public Affairs and Sustainability for Alaska Airlines and a former two-term Washington state Governor who also served as a three-term State Attorney General and former Department of Ecology Director.

LINKING COMPENSATION TO SUSTAINABILITY PERFORMANCE

PSE's compensation program helps align our compensation with the company's sustainability objectives and commitments by establishing a variable pay component directly linked to the achievement of sustainability-related KPIs (e.g., safety, human capital development and carbon emissions reduction).

We review the KPIs periodically to promote continued relevance to our sustainability objectives.

SUSTAINABILITY GOVERNANCE

Our Chief Sustainability Officer (CSO) leads PSE's enterprise-wide sustainability strategy and works together with our Senior Vice President (SVP) Chief Customer and Transformation Officer (CCTO), SVP External Affairs, VP Clean Energy Strategy and Planning and others to identify interim targets and strategies needed to strive toward our cleaner energy goals. Our SVP CCTO is responsible for our customer programs, solutions and new product development and their contributions to our overall cleaner energy transformation. Our VP Clean Energy Strategy and Planning brings together PSE's resource planning functions with teams implementing CETA. Our SVP of Energy Resources, Chief Financial Officer and SVP of Energy Operations also have significant roles in the development and implementation of our cleaner energy strategy, which is ultimately approved and driven from the top by our President and CEO.

BOARD OVERSIGHT OF SUSTAINABILITY

As outlined in PSE's Corporate Governance Guidelines, the Board oversees the business affairs and management of the company, including appointing and overseeing senior management. It reviews regulatory affairs and accounting, financial and legal compliance controls and processes and progress toward sustainability objectives.

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RELEVANT BOARD COMMITTEES

Audit Committee

Maintains process and controls to ensure that sustainability disclosures are accurate, comparable and consistent. Reviews any sustainability-related disclosures that are required to be included in the Company's annual Form 10-K.

Governance Committee

Oversees our corporate governance in all matters, including sustainability, as reflected in our Corporate Governance Guidelines.

Compensation Committee

Develops PSE's compensation philosophy that ensures a linkage between executive operational performance and executive compensation that is aligned with operating goals. Supports continued emphasis on low-cost, safe, reliable and equitable service to customers in a manner consistent with the Company's sustainability objectives and commitments.

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CHIEF EXECUTIVE OFFICER

Ultimately responsible for the implementation of PSE's sustainability strategy.

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MANAGEMENT OVERSIGHT: SUSTAINABILITY EXECUTIVE COMMITTEE

Reports routinely to the CEO and Board on sustainability matters, demonstrating oversight and accountability. Facilitates routine communication and collaboration across departments and functions. Promotes integration of sustainability objectives into business planning and project execution/tracking.

Members include:

- Chief Sustainability Officer (chair)
- SVP Chief Customer and Transformation Officer
- SVP Energy Resources
- SVP Energy Operations
- VP Clean Energy Strategy and Planning
- SVP External Affairs
- Chief Human Resources Officer
- Treasurer

OUR ETHICS: DOING THE RIGHT THING

We remain committed to conducting business with the highest levels of ethics and integrity and acting in the best interests of customers and communities. Our customers trust us to provide safe and reliable energy, and we take this trust seriously. For more information, please visit the Our Ethics page on our website.

CORPORATE ETHICS AND COMPLIANCE

Our Corporate Ethics and Compliance Programs embed a culture of uncompromising integrity and ethical behavior throughout PSE — from our Board of Directors to each employee. Our policies and programs set expectations for employee behavior and promote awareness of job-specific ethics and compliance risks.

Our Chief Ethics & Compliance Officer directly advises the Board and oversees our ethics and compliance programs. Our Compliance & Ethics Committee provides oversight to 1) monitor and assess the effectiveness of the Company's Compliance & Ethics Program; 2) oversee periodic review and amendment of our corporate policies and 3) review recommendations and provide strategic guidance on how to optimize the quality of ethics activities. This committee also oversees and provides recommendations for the operation of key operational areas and systems to support our Compliance Council and ensures consistency across programs under the compliance centralized/decentralized model.

Our Compliance Council is a cross-functional team of compliance program leaders from across the organization, including human resources, generation, gas and electric operations, pipeline safety, privacy and other areas. The Council communicates best practices across PSE business units and develops clear and transparent expectations to maintain a consistent culture of compliance and support the successful implementation of our compliance programs.

Our internal audit team is another resource to evaluate compliance performance. Our audit team reports to the Board Audit Committee Chair, reviews procedures and operations to identify improvement opportunities and determines appropriate action plans to address gaps. The Board Audit Committee reviews ethics concerns and policy updates every quarter.

We conduct periodic Ethics and Compliance Culture surveys. Designed by a cross-functional team of legal, human resources, organization development and IT security staff, the survey identified gaps and improvement opportunities to strengthen our compliance programs. We will continue to leverage this survey, benchmarking exercises and employee engagement to embed compliance in every part of the business.

CODE OF CONDUCT

Our Code of Conduct (Code) lays the foundation for the honest and ethical behavior we expect from all employees and the Board of Directors at Puget Energy and PSE. Each employee has a duty to uphold the Code and "Do what is right." We provide training to employees on the Code during new hire orientation and orientation for new leaders. In 2024, 100% of our employees completed their Code refresher training.

We promote a culture of accountability and open communication where all employees feel safe speaking up if they suspect a violation of the law, Code or company policies and procedures. Employees can report ethics and compliance concerns to their supervisor, the director or manager responsible for ethics or other responsible departments. To report concerns or ask questions, we manage an anonymous third-party Ethics Help Line and online portal available to all employees, vendors and customers that is accessible 24/7. PSE does not tolerate retaliation against any employee reporting in good faith on an actual or suspected violation of the Code or the law.

We thoroughly and promptly investigate all reports of potential Code violations. Following the investigations, we report remedial actions and resulting outcomes to leadership and the Audit Committee. Violations of the Code may result in disciplinary action, up to and including dismissal.

RESPONSIBLE SUPPLIER AND CONTRACTOR GUIDELINES

We promote responsible practices when working with suppliers and contractors to uphold our ethical business standards. Our Supplier Code of Conduct outlines our expectations for suppliers to conduct business with integrity. We expect all contractors and subcontractors to comply with applicable laws and regulations, such as those pertaining to the environment, equal opportunity in employment, health and safety and child labor laws. Contractors must operate within our guidelines and failure to comply with these standards may result in the discontinuation of our business relationship.

CORPORATE RISK MANAGEMENT

PSE operates critical infrastructure to deliver reliable energy to our customers, which comes with inherent risks. We work to effectively identify and address potential risks associated with our infrastructure through our established Enterprise Risk Management (ERM) process, allowing us to integrate risk management into our strategy, governance, reporting procedures and culture. To help ensure safe and reliable energy delivery, we have Business Continuity Plans and strategies prepared for disaster recovery.

ENTERPRISE RISK MANAGEMENT

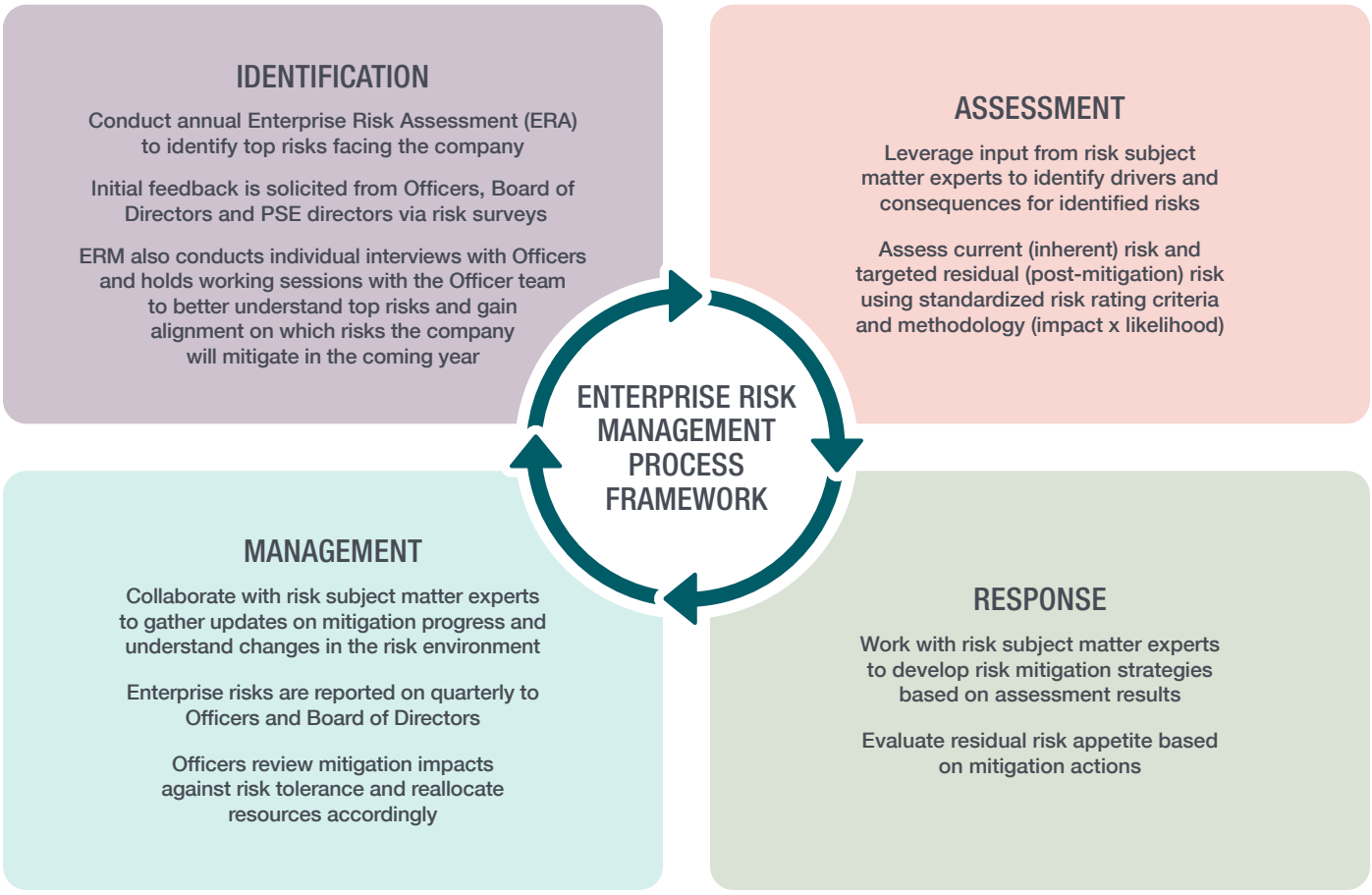
PSE's ERM team communicates risks throughout all levels of the organization, leveraging both top-down and bottom-up perspectives to help identify the top risks facing PSE. Our ERM framework allows us to gather, analyze and communicate risk information to decision-makers who help inform our strategy.

Risk management follows a four-step process of identification, assessment, response and management to achieve our objectives as depicted in the infographic.

CORPORATE RESILIENCY AND DISASTER RECOVERY

We are committed to delivering safe and reliable energy to our customers and rapidly responding to unexpected events that impact our ability to supply energy. Our Business Continuity Plans help ensure we can resume operations safely and efficiently following emergencies. We prepare key personnel and systems to respond to events, including storms, traffic accidents, seismic events, wildfires, damaged power lines and other incidents that may damage equipment or interrupt service.

In addition to our efforts to address business continuity and disaster recovery, we educate our customers on safety, disaster preparedness and what to do during a power outage. For more information, please visit the Safety & Outages page on our website.



CYBERSECURITY AND DATA PRIVACY

Utilities are a particular target for data breaches and attacks that seek to impact the power grid and potentially critical infrastructure. PSE strives to maintain a comprehensive cybersecurity program to achieve our overall cybersecurity and cyber-resiliency goals through strategically deploying our resources, standardizing security practices and policies and reinforcing and promoting security awareness across the enterprise. Part of PSE's goal is to apply a level of diligence across the enterprise to consistently identify, address and mitigate these risks proportionate with the rapidly changing cybersecurity landscape. To achieve this, we align our overall cybersecurity program to the same national standards, like those from the National Institute of Standards and Technology (NIST) cybersecurity framework, North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection (CIP) and Transportation Security Administration (TSA), followed by leading companies in the energy and defense industries.

In collaboration with our Chief Information Security Officer and our dedicated information security professionals, we maintain policies and procedures that support our overall assessment, management and mitigation of ongoing cyber risks. We strategically deploy resources and modernize our infrastructure to continuously monitor challenges. These procedures include processes for keeping our management, senior leadership and Board apprised of such risks, along with our mitigation strategies.

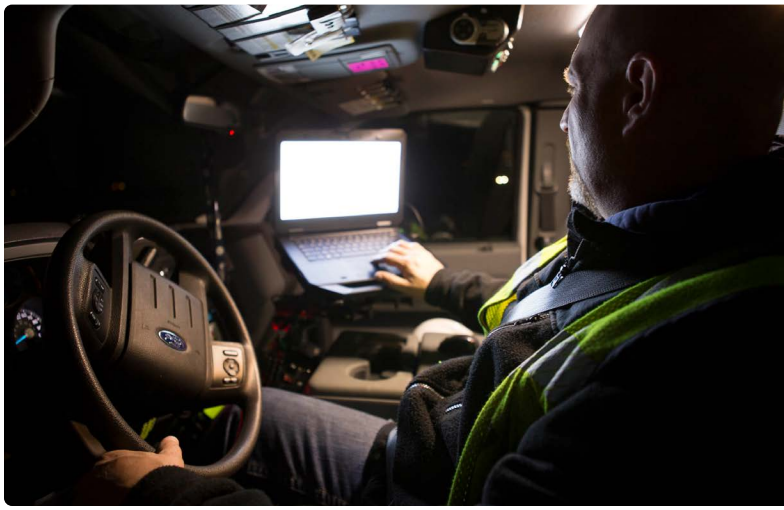
We perform biennial, external security assessments using the NIST cybersecurity framework to evaluate the safety and security of our infrastructure. We also conduct penetration testing and vulnerability scanning as part of our security assessments, including product implementations and upgrades. We continually scan our website for vulnerabilities, scan internal systems at least twice a month and apply patches for both at least every 30 days.

Finally, we regularly exercise our cybersecurity incident response plan (e.g., via GridEx) such that anyone asked to play a role in an incident is familiar with the process before a real situation occurs.

Both training and awareness are cornerstones of our cybersecurity program. To that end, we require our employees and vendors that have access to our systems to complete targeted security trainings at regular intervals throughout the year, so they are aware of the critical role they play in keeping our systems and information safe. Likewise, to keep pace with risk, industry trends and standards we participate in numerous state and industry-specific cybersecurity initiatives and coordinate across a growing list of external entities,[1] including serving on the membership executive committee for NERC's Electricity Information Sharing and Analysis Center (E-ISAC) and Downstream Natural Gas-ISAC (DNG-ISAC).

Mitigating our own cybersecurity risks includes safeguarding and protecting our customers' personal information. We take our responsibility to maintain the confidentiality and security of customer information seriously. Our Privacy Policy describes how we protect customer information and comply with all laws governing the privacy and security of such information. PSE uses utility customer information to deliver and improve utility services, and we do not sell or share information with third parties for their own marketing purposes without consent. For more background on the types of information PSE collects, please visit the Privacy page on our website.

1 EEI's Cyber Mutual Assistance, Security & Technologies and Culture of Security committees and Peer Review Program and AGA Security Committee.



TRIBAL ENGAGEMENT

There are 29 federally recognized tribes and seven non-federally recognized tribes that have a long history within our region. PSE acknowledges that, in addition to independent government status, tribes are key interested parties with specialized expertise in cultural and natural resources and land stewardship. Tribal members are also customers and thought leaders that deserve recognition and respect.

While recognizing that we have a long way to go, we work to develop and maintain long-lasting individual relationships with Tribal Nations. We are also working with some tribes to increase equitable access to our energy services and community programs. In these relationships, PSE seeks to work collaboratively with tribal government departments regarding project activities that could affect important tribal interests such as natural or cultural resources.

Through our proactive outreach and employee education, we aim for a culture that recognizes tribal knowledge, interests and needs and advances equity and policy development within our industry. By understanding our impacts on all communities and the environment, we are better equipped to make decisions within our service territory.

EXTENDING TRIBAL ACCESS TO CLEANER ENERGY

PSE seeks to partner with Tribal Nations as energy partners. In 2024, for the second time, the Confederated Tribes of the Colville Reservation has extended a power sales agreement to continue our partnership for the Tribe's 5.5% share of the Wells Hydroelectric Project. The power sales agreement for 40 MW of carbon-free capacity, which provides enough energy to power approximately 20,000 homes, started in September 2018 and will now extend through September 2029.

"PSE has been a great partner over the last six years, and we look forward to continuing that relationship through this extension. Through this partnership PSE provides value to the mitigation we receive for the impacts of Wells dam. That revenue helps support our tribal government and services we provide to our membership," Chairman of the Colville Business Council, Jarred-Michael Erickson, said.

POLITICAL ENGAGEMENT AND ADVOCACY

PSE engages with policymakers at the local, state and federal levels to advocate for public policy issues that impact our company, customers and employees. Additionally, PSE employees can volunteer to participate in the Puget Sound Energy Political Action Committee (PAC) for Good Government, which contributes to federal candidates and committees.

Our External Affairs team advances our government relations, public policy and strategic communications efforts with a key focus on equity. PSE's internal policies adhere to strict federal, state and local lobbying and political contribution laws and requirements, and we publicly report on all contributions to political campaigns and our political action committee. Our lobbyists regularly report political contributions, the public policy issues on which they have engaged with government officials and the lobbying expenses incurred by the company.

Through our engagement activities, we actively support policies that enable a decarbonized energy future and seek to deliver positive change in the communities we serve. For more information on our advocacy and support for climate regulation, please visit the Partnerships and Climate Policy Advocacy section.

SUPPORTING PUBLIC SAFETY THROUGH STATE GOVERNMENT REPRESENTATION

In 2024, our Damage Prevention and Public Safety Manager, Cheryl McGrath, was appointed to the Washington State Dig Law Committee. This committee was established by state law and brings together 13 representatives in the digging and utility industries.

The committee is a nonprofit organization created by the WUTC to promote safe excavation practices, reduce damage to underground and above-ground facilities and review complaints related to alleged dig law violations. As a representative of the pipeline industry, Cheryl will provide expert advice to the commission, State agencies, the legislature and local governments on best practices and training to prevent damage to underground utilities.

Cheryl's appointment will enhance our damage prevention efforts and strengthen our involvement in the State's broader initiative to reduce damage to underground facilities.

CONCLUSION

PSE is undergoing the most significant transformation in our history as we strive to meet our state's aggressive clean energy laws while continuing to provide our customers with the safe and reliable energy they expect. As reflected throughout this report, our sustainability goals and aspirations and our obligations to the customers and communities we serve guide that journey.

We look forward to continuing to improve and share our progress.

2024 DATA APPENDIX

Our 2024 Data appendix discloses relevant sustainability metrics for PSE. The data listed in the table below reference disclosures from the GRI Standards and the SASB Electric Utilities and Power Generators and Gas Utilities and Distributors Standards. For more information on how our disclosures align with these frameworks, please visit our GRI Index and SASB Index.

ENVIRONMENTAL

Environmental Disclosures	PSE Response			GRI/SASB Alignment
Energy	**2024**	**2023**	**2022**	
Total energy consumed	19,445,455 MWh	22,638,503 MWh	16,002,862 MWh	GRI 302-1: Energy consumption within the organization GRI 302-2: Energy consumption outside of the organization[1]
Non-renewable energy consumed	18,894,205 MWh	21,958,091 MWh	15,383,048 MWh	
Renewable energy consumed	551,249 MWh	680,412 MWh	619,813 MWh	
Energy intensity[2]	0.354 MWh consumed/ MWh total output	0.403 MWh consumed/ MWh total output	0.293 MWh consumed/ MWh total output	GRI 302-3: Energy intensity
Water	**2024**	**2023**	**2022**	
Total water withdrawn[3]	12,387 ML	13,277 ML	11,123 ML	GRI 303-3: Water withdrawal GRI 303-4: Water discharge GRI 303-5: Water consumption SASB IF-EU-140a.1: Water Management
Percentage in regions with High or Extremely High Baseline Water Stress	0%	0%	0%	
Total water consumed[3]	11,175 ML	11,903 ML	10,095 ML	
Percentage in regions with High or Extremely High Baseline Water Stress	0%	0%	0%	
Total water outflows and discharges[3]	1,212 ML	1,373 ML	1,028 ML	
Surface water outflows and discharges	735 ML	864 ML	761 ML	
Groundwater outflows and discharges	0 ML	0 ML	0 ML	
Seawater/brackish water outflows and discharges	0 ML	0 ML	0 ML	
Third-party water re-use outflows and discharges	0 ML	0 ML	0 ML	
Third-party water treatment outflows and discharges	477 ML	509 ML	268 ML	

1 PSE's total energy consumption metric includes energy consumed within and outside the organization as our calculations cover energy related to natural gas sales to end-users and electricity purchased from other generators to serve our customer load. PSE currently does not track energy related to the other Scope 3 categories.

2 The total energy output is the sum of the total electricity sales (not including transportation) and total retail natural gas volumes (not including transportation) as listed in our annual 10-K filing. The total retail natural gas volume is converted from Therms to MWh.

3 The total water withdrawn, consumed and discharged are for thermoelectric facilities only.

Environmental Disclosures	PSE Response			GRI/SASB Alignment
Scope 1 GHG Emissions[4]	**2024**	**2023**	**2022**	
Total Scope 1 GHG emissions	6,526,663 tCO_2e	7,435,662 tCO_2e	5,408,102 tCO_2e	GRI 305-1: Direct (Scope 1) GHG emissions SASB IF-EU-110a.1: Greenhouse Gas Emissions and Energy Resource Planning
Biogenic CO_2 emissions	134.73 tCO_2e	98.12 tCO_2e	0.00 tCO_2e	
Scope 2 GHG Emissions[4]	**2024**	**2023**	**2022**	
Total Scope 2 GHG emissions (market-based)	302,188 tCO_2e	382,681 tCO_2e	393,317 tCO_2e	GRI 305-2: Energy indirect (Scope 2) GHG emissions
Total Scope 2 GHG emissions (location-based)	277,787 tCO_2e	349,074 tCO_2e	344,236 tCO_2e	
Scope 3 GHG Emissions[4]	**2024**	**2023**	**2022**	
Total Scope 3 GHG emissions	10,526,663 tCO_2e	10,862,204 tCO_2e	11,583,065 tCO_2e	GRI 305-3: Other indirect (Scope 3) GHG emissions
Biogenic CO_2 emissions	179,093 tCO_2e	84,796 tCO_2e	41,777 tCO_2e	
Scope 3 categories:[5]				
Emissions from investments	0 tCO_2e	0 tCO_2e	0 tCO_2e	
Emissions from franchises	0 tCO_2e	0 tCO_2e	0 tCO_2e	
Emissions from downstream leased assets	0 tCO_2e	0 tCO_2e	0 tCO_2e	
Emissions from end-of-life treatment of sold products	0 tCO_2e	0 tCO_2e	0 tCO_2e	
Emissions from use of sold products	5,856,292 tCO_2e	6,193,555 tCO_2e	6,453,958 tCO_2e	
Emissions from processing of sold products	0 tCO_2e	0 tCO_2e	0 tCO_2e	
Emissions from downstream transportation and distribution	0 tCO_2e	0 tCO_2e	0 tCO_2e	
Emissions from upstream leased assets	0 tCO_2e	0 tCO_2e	0 tCO_2e	
Emissions from employee commuting	5,198 tCO_2e	0 tCO_2e	0 tCO_2e	
Emissions from business travel	0 tCO_2e	0 tCO_2e	0 tCO_2e	
Emissions from waste generated in operations	92,074 tCO_2e	109,537 tCO_2e	109,770 tCO_2e	
Emissions from upstream transportation and distribution	0 tCO_2e	0 tCO_2e	0 tCO_2e	
Emissions from fuel- and energy-related activities	4,573,100 tCO_2e	4,559,112 tCO_2e	5,019,336 tCO_2e	
Emissions from capital goods	0 tCO_2e	0 tCO_2e	0 tCO_2e	
Emissions from purchased goods and services	0 tCO_2e	0 tCO_2e	0 tCO_2e	

4 The GHGs calculated include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) and sulfur hexafluoride (SF_6). The remaining gases, hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and nitrogen trifluoride (NF_3), are not currently accounted for in the inventory due to a lack of robust data collection on usage at this time. Specific details on calculation methodologies are summarized in our GHG inventory report that can be reviewed on our GHG Policy Statement webpage. The emissions are representative of PSE's ownership only; PSE is Puget Energy's primary operating entity.

5 Aside from emissions from use of sold products and from fuel- and energy-related activities, the other Scope 3 categories were deemed immaterial compared to those two categories and were not calculated.

Environmental Disclosures	PSE Response			GRI/SASB Alignment
GHG Emissions Intensity[4]	**2024**	**2023**	**2022**	
GHG emissions intensity (Scope 1, 2 and 3)	0.0036 tCO_2e/ $ revenue	0.0039 tCO_2e/ $ revenue	0.0041 tCO_2e/ $ revenue	GRI 305-4: GHG emissions intensity
Air Emissions[6]	**2024**	**2023**	**2022**	
Air emissions from:				GRI 305-7: Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions SASB IF-EU-120a.1: Air Quality
Nitrogen oxides (NO_x)	3,285,312 kg	4,568,452 kg	2,725,196 kg	
Sulfur oxides (SO_x)	990,725 kg	1,190,317 kg	1,105,863 kg	
Volatile organic compounds (VOC)	111,976 kg	124,393 kg	96,915 kg	
Particulate matter (PM):				
$PM_{2.5}$	148,173 kg	217,754 kg	104,760 kg	
PM_{10}	214,277 kg	275,675 kg	183,131 kg	
Lead[7]	1.1 kg	0.2 kg	1.1 kg	
Mercury[7]	8.2 kg	9.7 kg	8.5 kg	
Waste[8]	**2024**	**2023**	**2022**	
Non-hazardous waste generated	146,319 tonne	172,917 tonne	173,316 tonne	GRI 306-3: Waste generated GRI 306-4: Waste diverted from disposal GRI 306-5: Waste directed to disposal
Re-use	0 tonne	0 tonne	0 tonne	
Recycling	916 tonne	600 tonne	839 tonne	
Composting	46 tonne	46 tonne	46 tonne	
Waste-to-energy	0 tonne	0 tonne	0 tonne	
Incineration	0.09 tonne	0.00 tonne	0.00 tonne	
Landfill	145,350 tonne	172,270 tonne	172,394 tonne	
Unknown	6.47 tonne	0.01 tonne	0.00 tonne	
Hazardous waste generated	96 tonne	37 tonne	47 tonne	
Re-use	0 tonne	0 tonne	0 tonne	
Recycling	0.00 tonne	0.11 tonne	0.21 tonne	
Composting	0 tonne	0 tonne	0 tonne	
Waste-to-energy	0.03 tonne	0.14 tonne	0.00 tonne	
Incineration	8.9 tonne	9.6 tonne	3.1 tonne	
Landfill	83 tonne	24 tonne	81 tonne	
Unknown	4.1 tonne	3.0 tonne	0.0 tonne	

6 Depending on the facility, NO_x emissions are determined either with Continuous Emissions Monitoring Systems (CEMS) or using fuel input following U.S. Environmental Protection Agency (EPA) methodology. The remaining air emissions are calculated using fuel input following U.S. EPA methodology.

7 Not all facilities are required to report for lead and/or mercury. Only reported emissions are included.

8 Waste generation values excludes remediation.

SOCIAL

Social Disclosures	PSE Response			GRI/SASB Alignment
Employee Training	**2024**	**2023**	**2022**	
Average hours of training per year per full-time employee (FTE)	21.8 hours per FTE	29.0 hours per FTE	24.7 hours per FTE	GRI 404-1: Average hours of training per year per employee
Employees	**2024**	**2023**	**2022**	
Number of employees	3,257	3,340	3,250	GRI 2-7: Employees
Diversity	**2024**	**2023**	**2022**	
Percentage of PSE's leadership by gender:[9]				GRI 405-1: Diversity of governance bodies and employees
Female	45.5%	36.4%	36.4%	
Male	54.6%	63.6%	63.6%	
Age group distribution of PSE's leadership:[9]				
Under 30 years old	0.0%	0.0%	0.0%	
Between 30 and 50 years old	36.4%	36.4%	9.1%	
Over 50 years old	63.6%	63.6%	90.9%	
Percentage of PSE's leadership classified by race:[9]				
White	81.8%	81.8%	81.8%	
Black/African American	9.1%	9.1%	9.1%	
Asian	0.0%	0.0%	9.1%	
Hispanic/Latino	0.0%	0.0%	0.0%	
American Indian/Alaskan Native	0.0%	0.0%	0.0%	
Native Hawaiian/Pacific Islander	0.0%	0.0%	0.0%	
Two or more races	9.1%	9.1%	0.0%	
Percentage of PSE's employees by gender:				
Female	37.1%	37.0%	36.9%	
Male	62.8%	62.9%	63.1%	
Age group distribution of PSE's employees:				
Under 30 years old	5.3%	6.8%	8.2%	
Between 30 and 50 years old	54.2%	53.2%	55.9%	
Over 50 years old	40.5%	40.0%	35.9%	

9 Leadership entails our C-suite-level executives and vice presidents.

Social Disclosures	PSE Response			GRI/SASB Alignment
Percentage of PSE's employees classified by race:				GRI 405-1: Diversity of governance bodies and employees
White	73.1%	73.7%	74.2%	
Black/African American	3.6%	3.5%	3.3%	
Asian	11.6%	11.5%	11.6%	
Hispanic/Latino	5.5%	5.2%	4.9%	
American Indian/Alaskan Native	0.7%	0.8%	0.6%	
Native Hawaiian/Pacific Islander	0.7%	0.7%	0.6%	
Two or more races	4.6%	4.5%	4.7%	
Health and Safety[10]	**2024**	**2023**	**2022**	
Total recordable incident rate	6.65	4.88	5.39	GRI 403-9: Work-related injuries SASB IF-EU-320a.1: Workforce Health and Safety
Fatality rate	0.00	0.00	0.00	
Near miss frequency rate	45.45	36.81	18.23	

10 Workplace health and safety metrics include all employees on PSE's payroll, excluding contractors.

GOVERNANCE

Governance Disclosures	PSE Response			GRI/SASB Alignment
Political Contributions	**2024**	**2023**	**2022**	
Total political contributions	Please refer to the Federal Election Commission's website on PSE's political action committee (PAC) and U.S. Senate Lobbying Disclosure database for PSE's lobbying disclosures.			GRI 415-1: Political contributions
Cybersecurity	**2024**	**2023**	**2022**	
Number of cybersecurity incidents	As of December 31, 2024, PSE was not aware of (i) any cybersecurity incidents, or (ii) any specific cybersecurity threats, that, in either case, materially affected or are reasonably likely to materially affect the business, strategy, results of operations, or financial condition of the company.			GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data

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