HOOSIERENERGY

Winter Reliability Forum

Indiana Utility Regulatory Commission

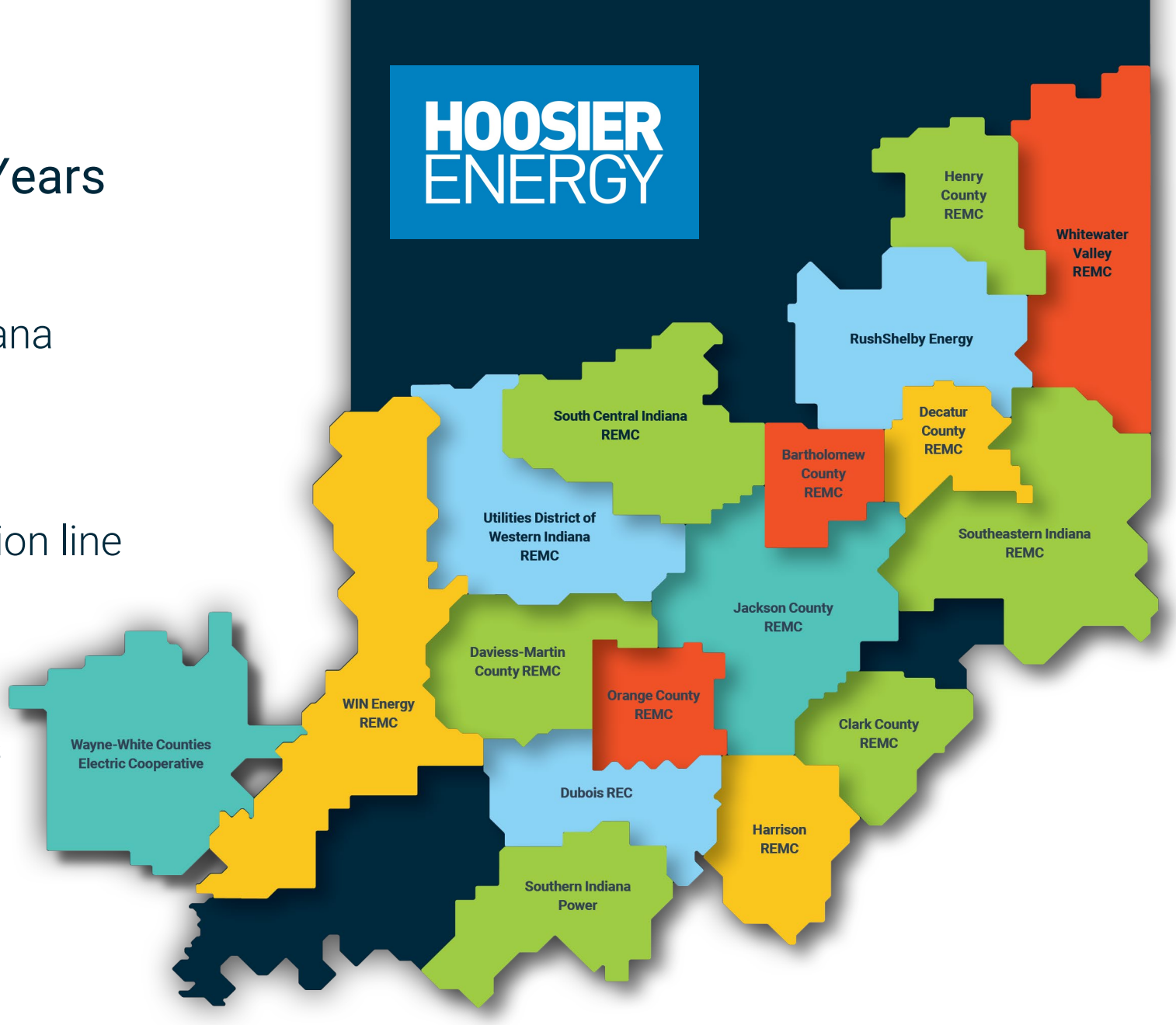
Donna Walker - President & CEO

December 2, 2025

Member Systems

Member Commitment Over 100 Years

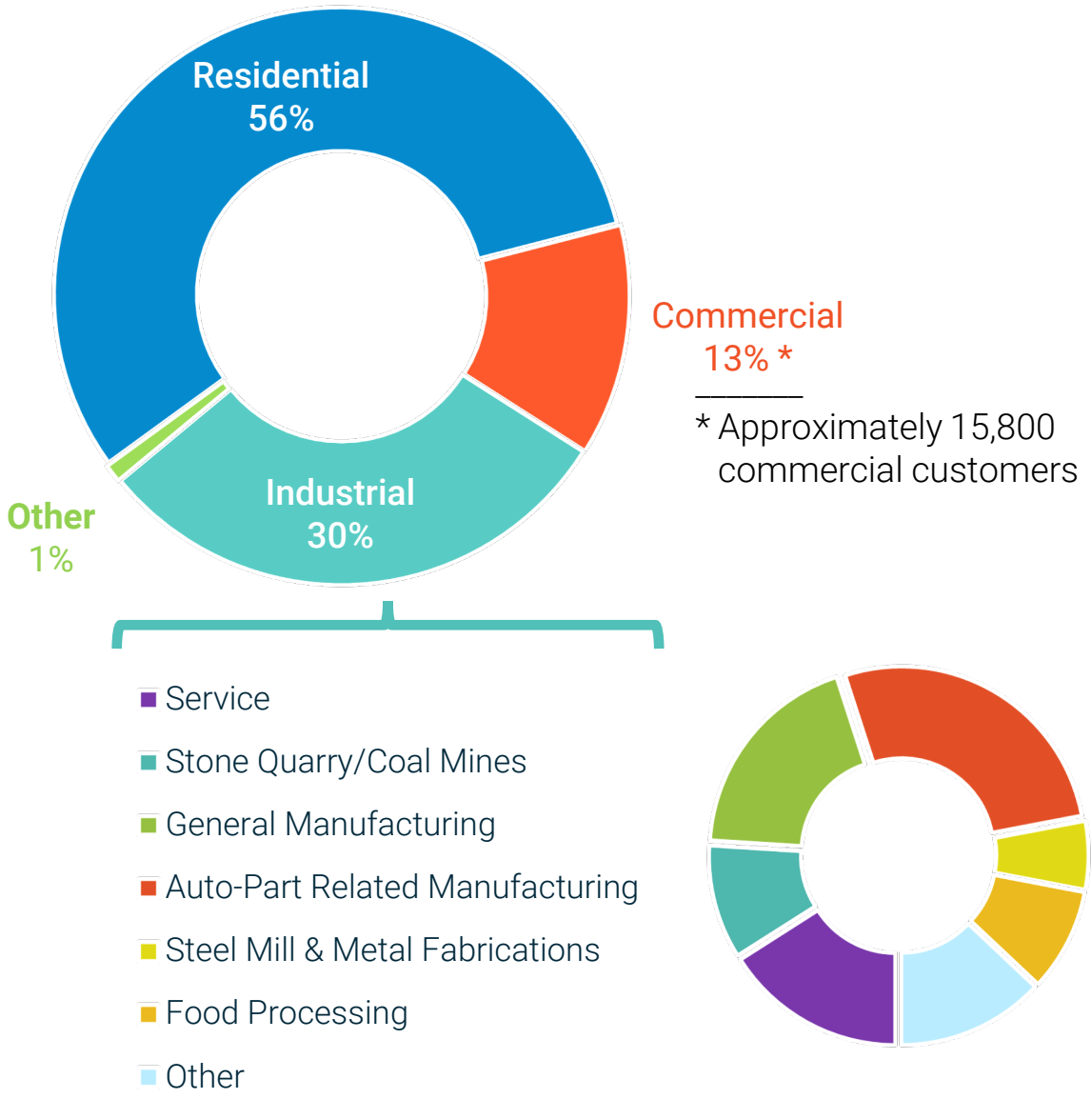
- Non-profit founded in 1949
- 17 member systems in southern Indiana and southeastern Illinois
- Member of MISO and PJM
- Approximately 1,730 miles transmission line
- 25 transmission stations and 312 delivery points
- Interconnections with 7 major utilities
- All-time system peak - 1,828 MW
- 288 employees
- Patronage capital returned - $218M+



Member Systems

Sales Profile

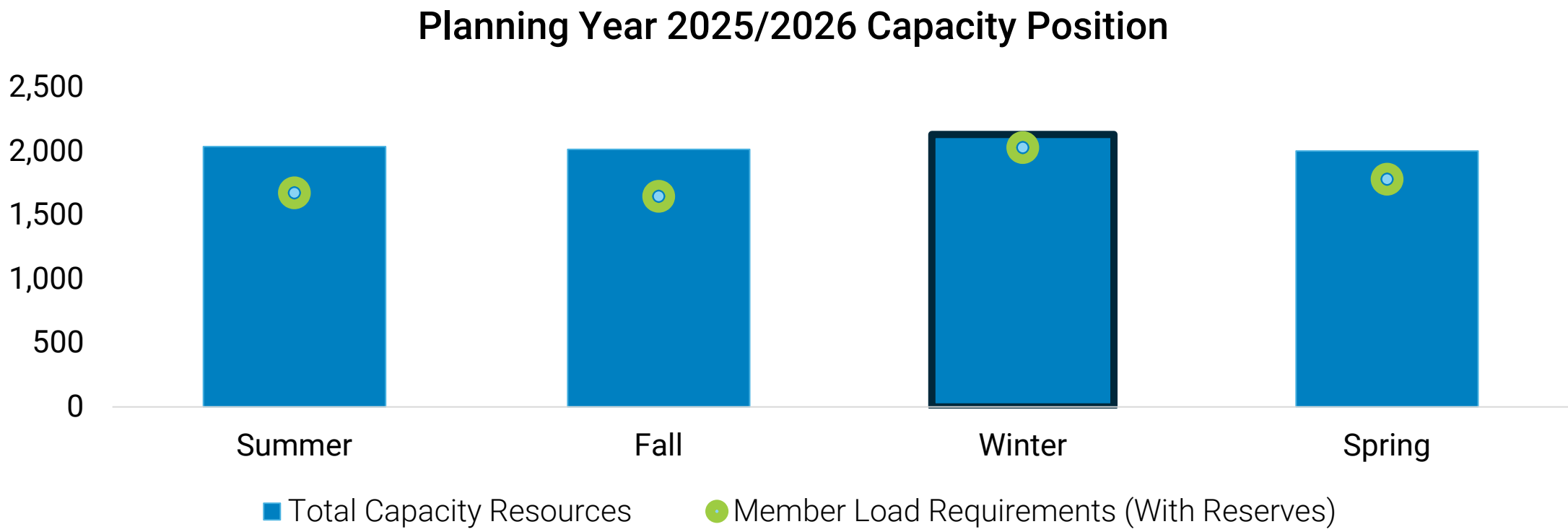
- Diverse retail customer mix provides stable and predictable revenue stream
- No single customer constituted more than 3% of the members' 2024 aggregate billings
- No single member constituted more than 10% of Hoosier's total sales (member and non-member) in 2024



* Approximately 15,800 commercial customers

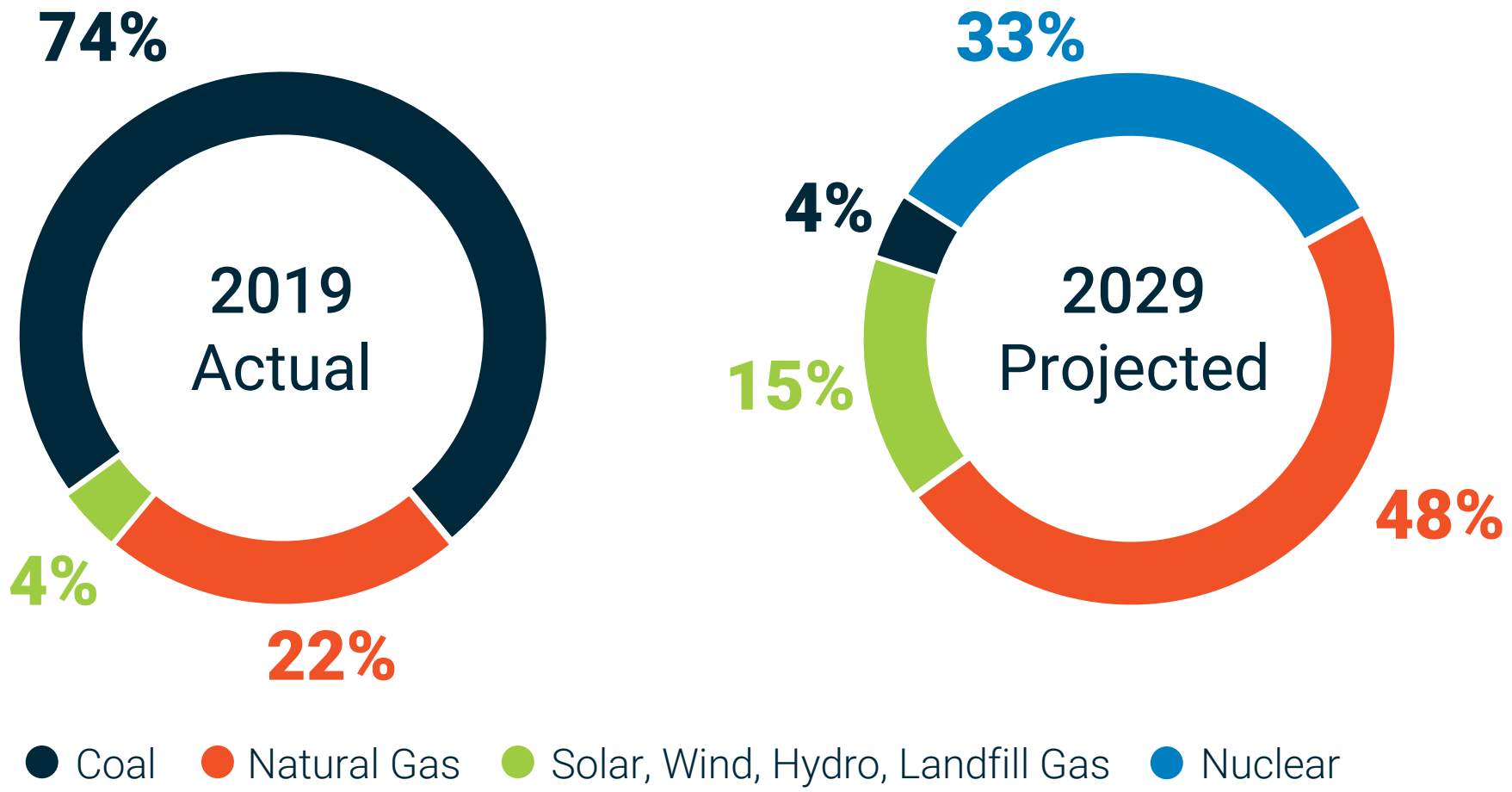
Capacity Position

- Capacity resources include owned and contracted resources in both MISO & PJM
  - Calculated based on MISO/PJM seasonal capacity accreditations currently in place
- Member load requirements, including reserves, are modeled seasonally



Resource Portfolio Transition*

Energy By Fuel Type



*As of Sept. 2025

HOOSIERENERGY

Reliability Forum Q&A

Wholesale Cost Trends

- Wholesale costs have been relatively stable following unprecedented volatility in 2022 and are expected to continue at current levels through this winter
- Higher overall costs driven by market trends
  - Primary near-term cost driver is MISO transmission projects and cost allocation
  - Regional reliability and resource adequacy uncertainty can drive upward market prices and procurement risk
- Inflationary impacts have put upward pressure on cost of all materials and services
- Hoosier maintains sustained focus on balancing immediate member affordability with investments to secure long-term resilience

Winterization Preparedness Actions

- Hoosier Energy maintains and updates an annual generation and transmission winter preparedness plan
  - Plan outlines and defines communication, winterization, and operations protocols among Hoosier's system control, generating facilities, and transmission operations
- Hoosier conducts coordination meetings with generation facilities, internal fuels team, and industry partner experts
  - Review of current natural gas market and previous lessons learned
  - Review of communication protocols
- Physical preparations for generating facilities occur annually in the fall through automatically generated Preventive Maintenance (PM) notifications
  - Examples include heat tracing verification, auxiliary boiler testing, commodity inventory analysis, de-icing system testing, etc.

Winterization Preparedness Actions

- If/when Hoosier anticipates extreme winter weather conditions to impact our footprint, Hoosier coordinates directly with generating facilities to recalibrate assumptions and implement specific operations contingencies
- Real-time planning activities conducted based on unit output and related contingency plans
- Upon notification of a pending weather event, frequency of communication increases among fuels, plants and power markets teams
  - Communications include procedural refreshers, assessments of market and operational conditions (energy, gas, pipeline) and other plans
  - Event management plans include supplier engagement/communications, MISO/PJM offer strategies, including risk mitigation, and plant availability and coordination decision points
- Lastly, a real-time, on-call communication plan is confirmed to ensure appropriate contacts and approval authorities are engaged

Fuel Availability & Reliability Planning

- Hoosier Energy secures natural gas supplies in a manner that ensures fuel supply reliability at competitive prices
  - Enables generating capacity to be competitively offered into day-ahead and real-time MISO/PJM markets
- Fuel strategy executed via short- and long-term supply agreements
  - Allows Hoosier to effectively evaluate potential suppliers that could further enhance reliability or reduce associated costs (significant pipeline diversity across Hoosier's natural gas fleet)
  - Includes transportation, imbalance charges, etc.
- Integrating both short- and long-term supply agreements provides procurement flexibility, allowing Hoosier Energy to respond to changing market conditions while maintaining reliable fuel supplies
- Hoosier continues to develop and broaden relationships with potential natural gas suppliers

Maintenance Outages & Reliability Planning

- Worthington Unit 1 (natural gas) currently estimated to return to service by Dec. 1
- All other fall maintenance activities completed as of Nov. 14, 2025
- Supply chain challenges continue to impact costs and schedules
- Outage planning and MISO seasonal accreditation risks
  - Added complexities for planned and unplanned/forced outages with respect to 31-day outage window

MISO Market Reforms & Resource Adequacy Seasonal Construct

- Market compensation mechanisms would be helpful to address reliability risks and to compensate generators for their contribution to system reliability, both in real-time and across the long-term planning horizon

- Evolution of MISO's resource adequacy construct reflects increased resource adequacy risks across the footprint

MISO Market Reforms & Resource Adequacy Seasonal Construct

- Seasonal variations create differing reserve margin needs, with fluctuating margins across seasons continuing to pose risk; winter/spring requirements remain steady or slightly lower
- Current lack of seasonal-only resources causes Load Serving Entitles to over-procure to meet specific seasonal requirements

Season	Planning Reserve Margin % - PY 24/25	Planning Reserve Margin % - PY 25/26	Indicative Planning Reserve Margin % - PY 26/27
Summer	9.0%	7.9%	7.9%
Fall	14.2%	14.9%	11.6%
Winter	27.4%	18.4%	18.9%
Spring	26.7%	25.3%	23.4%

Firm Fuel Supply

- Hoosier has a firm fuel supply contract in place at St. Joe Energy Center (natural gas facility); non-firm fuel supply contracts at remaining natural gas plants
- “Firm” isn’t always a guarantee
  - Firm fuel supply is often weather dependent and reliant on operational characteristics of the gas system, i.e. natural gas diverted for home heating priority during extreme weather events
  - Operational or capacity restrictions on pipelines may prevent fulfillment of gas demand or produce incompatible flow requirements for electric generators
- While Hoosier doesn’t have onsite physical storage, given the strategic location of local gas pipelines to generating assets, we continue to leverage partnerships with entities that have firm capacity and/or storage options to mitigate risk
- Hoosier does not have any dual-fuel infrastructure at existing plants

Natural Gas Market Interactions & Operating Flexibility

- Pipeline requirements, including restrictions, lead to inflexibility depending on operating parameters and system conditions
- Natural gas generators often must adjust real-time offers to limit dispatch ranges because of gas flow restrictions
  - Continued misalignment between electric and natural gas market rules creates uncertainty around whether and when generation units will be dispatched based on fuel availability during high-demand periods
- These examples can create over-procurement scenarios, which carry higher costs for members and consumers
  - When pipeline operating restrictions are in place, generators are often put in a position of procuring large volumes of gas at high prices without the market certainty to cover those costs

HOOSIERENERGY

HoosierEnergy.com