

INVESTED IN PROGRESS

GROUNDED IN RESILIENCE

INVESTOR PRESENTATION

NOVEMBER 2026

AVISTA®

Disclaimer

Except as expressly noted, the information in this presentation is current as of Nov. 4, 2026, and should not be relied upon as being current as of any subsequent date. Avista undertakes no duty to update this presentation, except as may be required by law.

All forward-looking statements in this presentation are based on underlying assumptions (many of which are based, in turn, upon further assumptions). These statements are subject to a variety of risks, uncertainties and other factors. Most of these factors are beyond our control and may have a significant effect on our operations, results of operations, financial condition or cash flows, which could cause actual results to differ materially from those anticipated in our statements.

Such risks, uncertainties and other factors include, among others, those included in the appendix herein and in our most recent Annual Report on Form 10-K, or Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission. Those reports are also available on our website at https://investor.avistacorp.com.

This presentation also includes non-GAAP financial measures, including utility earnings and utility earnings per diluted share. We present these non-GAAP measures in order to facilitate meaningful evaluation of our operating performance across periods, and we utilize these non-GAAP measures to assess current and forecast performance, as well as for communications with shareholders, analysts and investors. Non-GAAP measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP.

Responsible Growth with a Focus on Results

Committing to financial strength

- Regulatory outcomes demonstrate Commission support and alignment with strategic priorities
- Strengthened investment grade credit metrics
- Long-term utility earnings growth from midpoint of 2025 earnings guidance of 4-6%
- Over the long-term, expected ROE of 9.0%

Ensuring robust energy supply and delivery

- Wildfire mitigation improves resiliency and reliability
- 2025 RFP presents pathway for new generation resources
- North Plains Connector part of preferred resource strategy
- $3.6 billion capital spend 2027—2031
- 2027 IRP points to growing peak day resource needs

Partnering in the shared clean energy economy

- Continued investment in and operationalization of innovations enabling our aspirational goals of 100% clean electricity and 100% carbon neutral gas operations by 2045
- Electrification opportunities and distributed energy resources
- Prioritizing tribal partnerships

Inspiring engaged and thriving employees

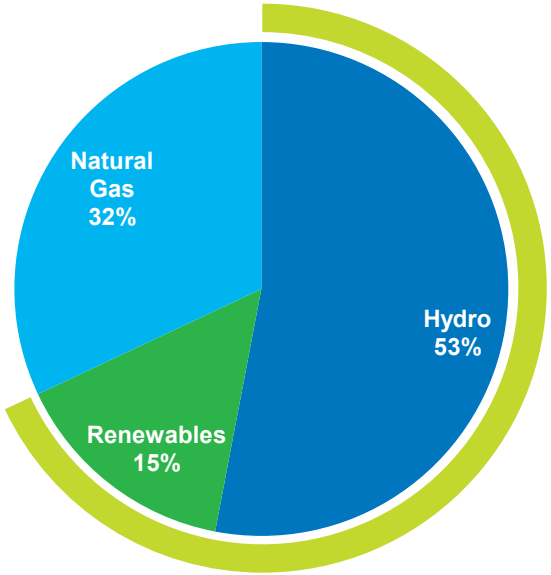
- Fostering innovation to support strategic opportunities
- Ensuring safe, effective, and efficient operations
- Continued focus on business value from operational improvements

Avista at a Glance

Primarily a regulated electric and gas utility

Already one of the lowest carbon-emitting electric utilities in the U.S.*

Incorporated in the territory of Washington in 1889



Generation portfolio is 68% renewable

as of 1/1/2026

FINANCIALS AT A GLANCE

$2.0 billion
2025 OPERATING REVENUE

$193 million
2025 NET INCOME

$2.38
2025 DILUTED EARNINGS PER SHARE

$1.97
2026 ANNUALIZED DIVIDEND PER SHARE

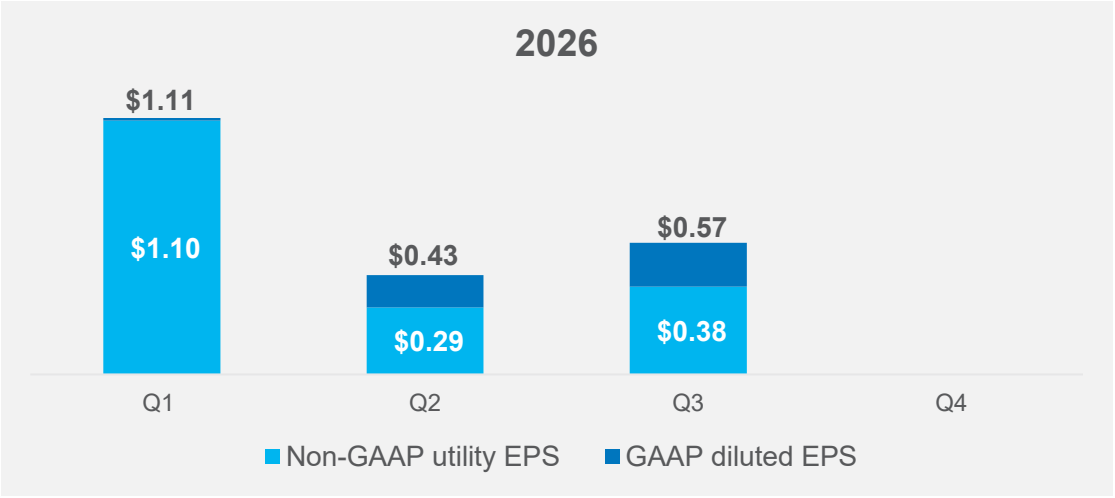
$2.7 billion
AVISTA CORPORATION SHAREHOLDERS' EQUITY AS OF 12/31/2025

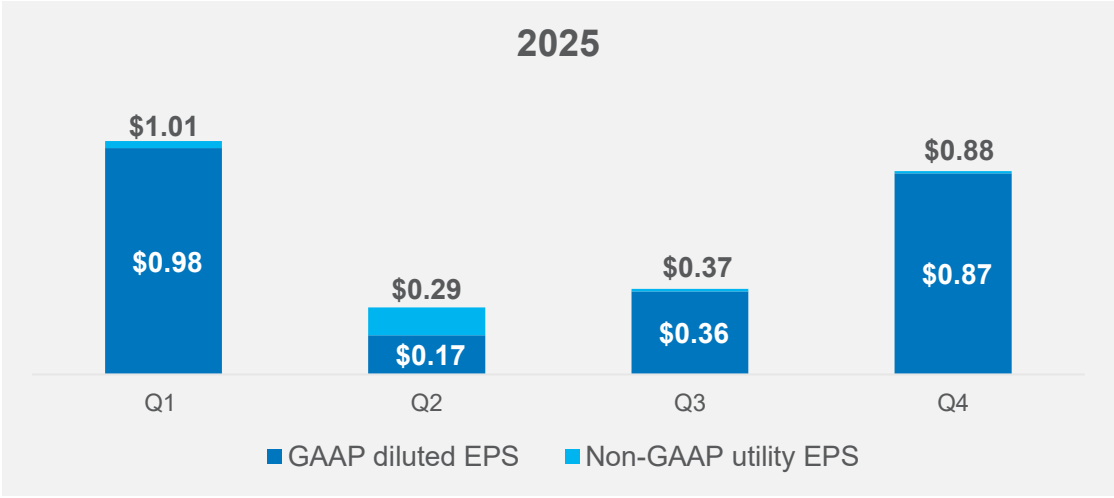
1% CUSTOMER GROWTH IN 2025

* Source: *Benchmarking Air Emissions of the 100 Largest Electric Power Producers in the United States*, ERM, December 2025

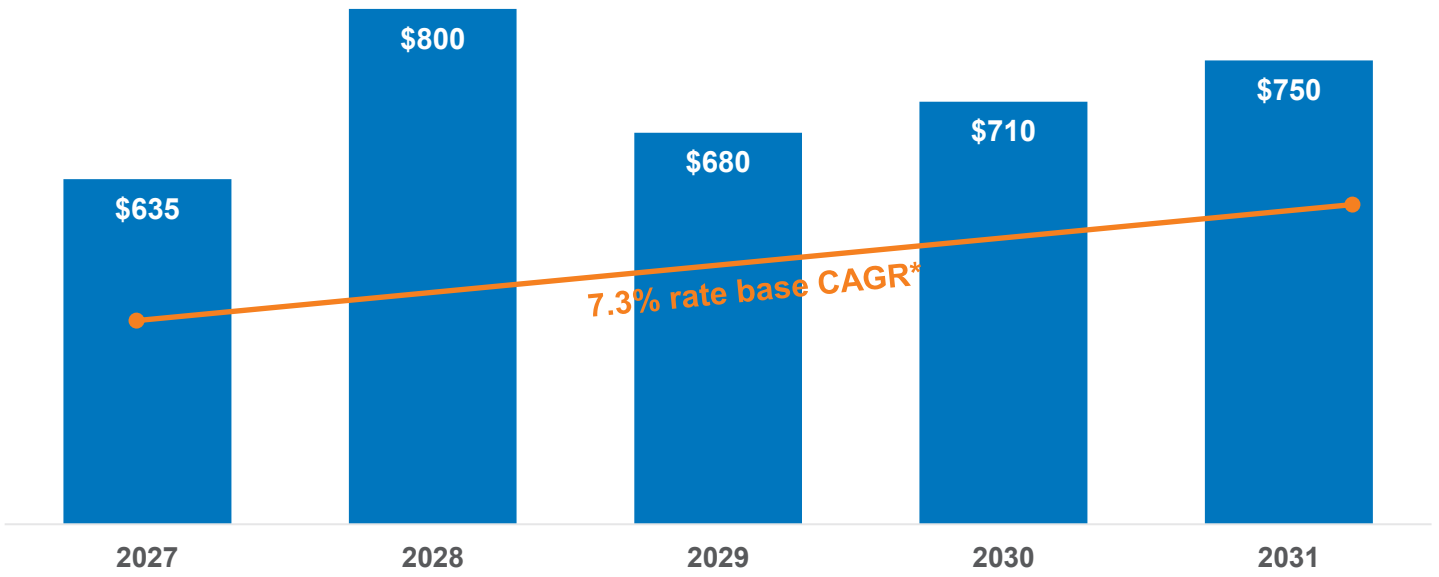
Execution Reinforces 2026 Outlook

	Q3 2026	Q3 2025	YTD 2026	YTD 2025
GAAP net income (in millions)	$49	$29	$176	$122
GAAP consolidated diluted earnings per share	$0.57	$0.36	$2.11	$1.51
Non-GAAP utility earnings per share	$0.38	$0.37	$1.76	$1.67





Investing in the Utility of the Future

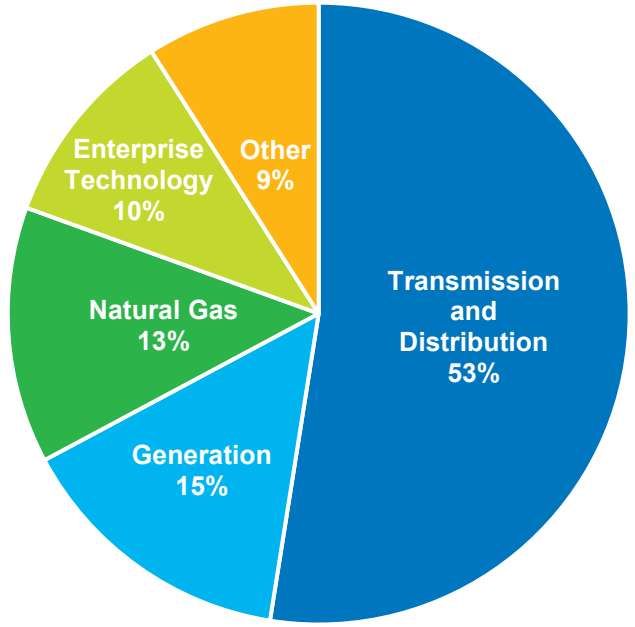


Avista Utilities Expected Capital Spend 2027-2031

$ in millions

These estimates include expenditures for the projects selected through our 2025 request for proposal. We continue to evaluate incremental capital investment opportunities that support serving our customers safely and reliably, including projects to address growing peak day resource needs.

The North Plains Connector project is not included and likely lies outside the 5-year planning horizon.

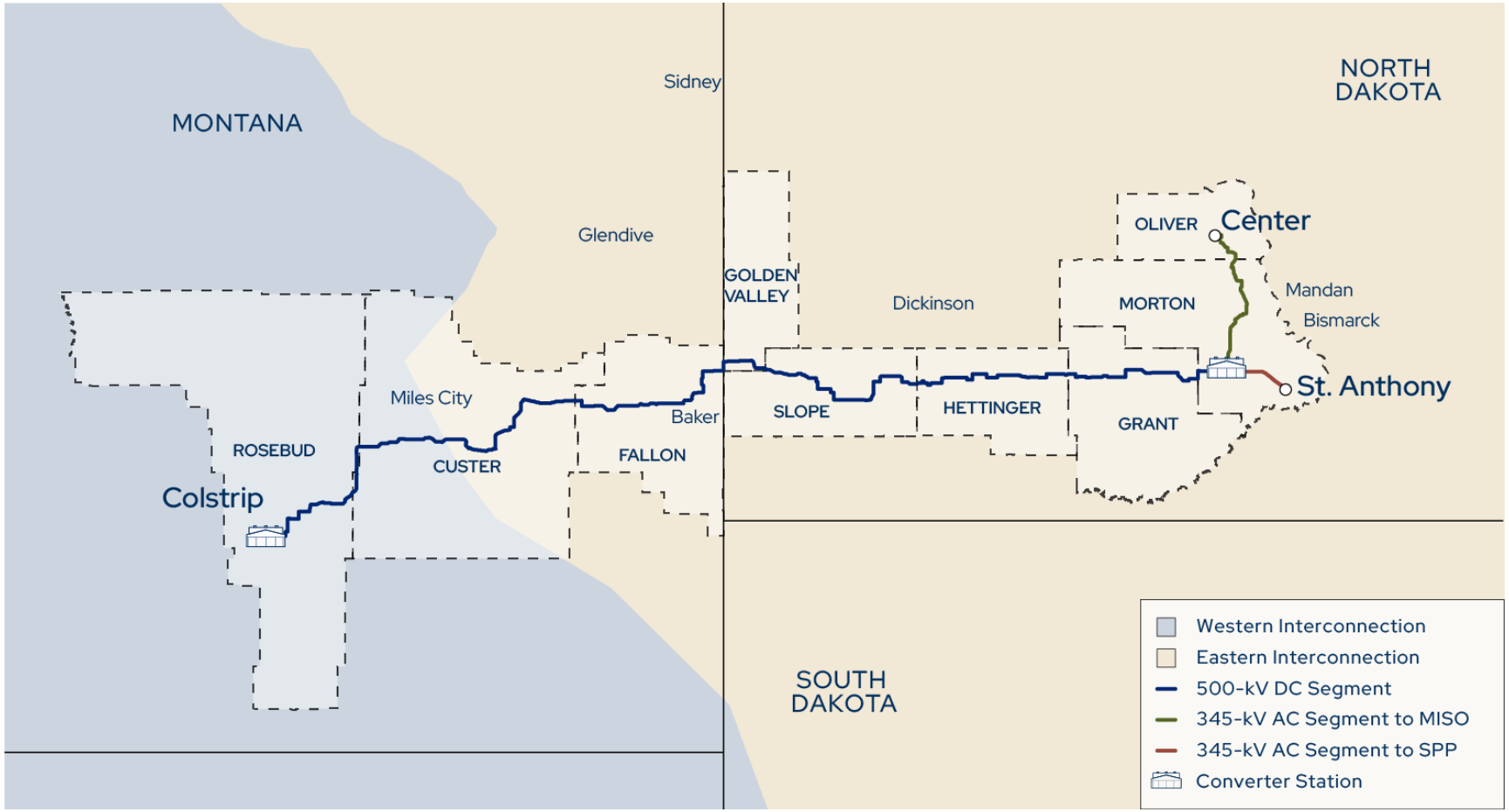


Allocation of Avista Utilities Expected Base Capital Spend 2027-2031

** Projected rate base CAGR is calculated from forecast 2027 AMA rate base.*

Signed MOU for North Plains Connector

Proposed Route



The North Plains Connector Transmission Line:

- 3,000 megawatts
- 420 miles
- High-voltage direct-current
- Connecting east and west
- Estimated project cost $6 billion

Current phase: Permitting

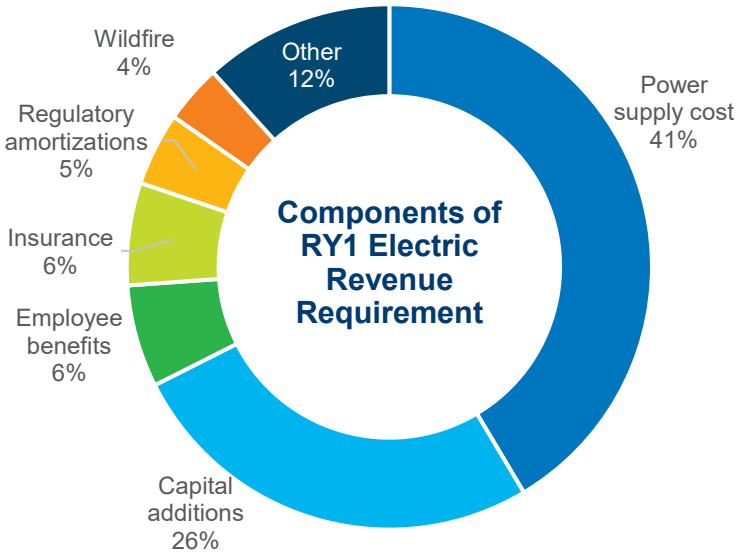
Avista Involvement:

- Signed MOU seeking 10% ownership
- Definitive agreements next 6-9 months
- Financial commitments likely to occur at conclusion of project in 2032

2026 Washington General Rate Case In Progress

Rate Year	Rates Effective	Overall Rate of Return	ROE / Equity Ratio	Electric Revenue $	Electric Revenue %	Natural Gas Revenue $	Natural Gas Revenue %
1	2027	7.50%	10.2% / 48.5%	$110 million	13.3%	$10 million	3.5%
2	2028	7.50%	10.2% / 48.5%	$37 million	4.0%	$8 million	2.5%
3	2029	7.67%	10.5% / 48.5%	$32 million	3.3%	$6 million	2.0%
4	2030	7.67%	10.5% / 48.5%	$28 million	2.8%	$4 million	1.1%

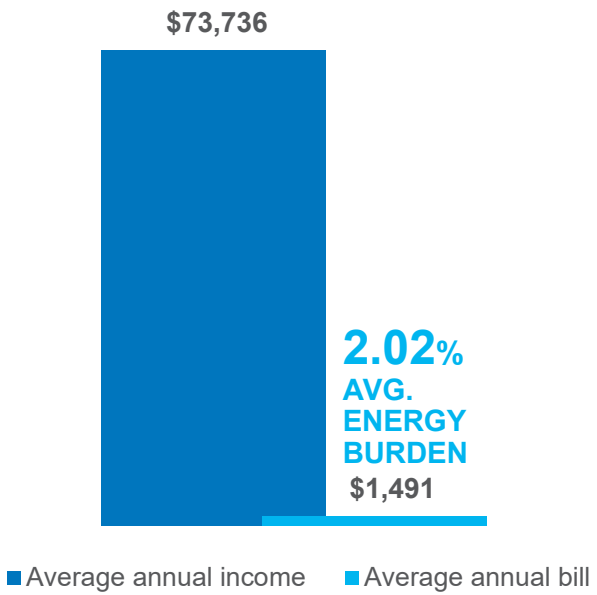
- Proposed changes to the calculation of baseline power supply cost designed to address changing market dynamics
- Baseline power supply cost for years 3 and 4 will be established in later filings
- New deferral mechanism proposed for employee benefits costs
- Law allows utilities filing rate plans of 3 or 4 years to file a new rate plan for years 3 and 4



DECISION EXPECTED MID-DECEMBER

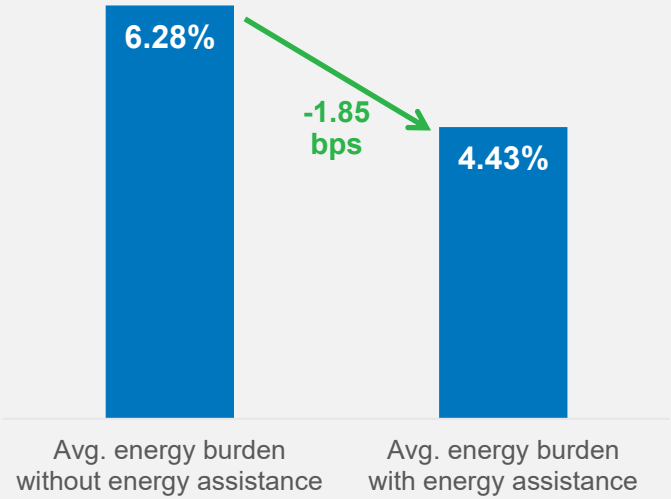
In Washington, Affordability Programs Have Impact

Average 2025 Energy Burden
(Washington Customers)



Energy burden is the share of annual household income used to pay home energy bills

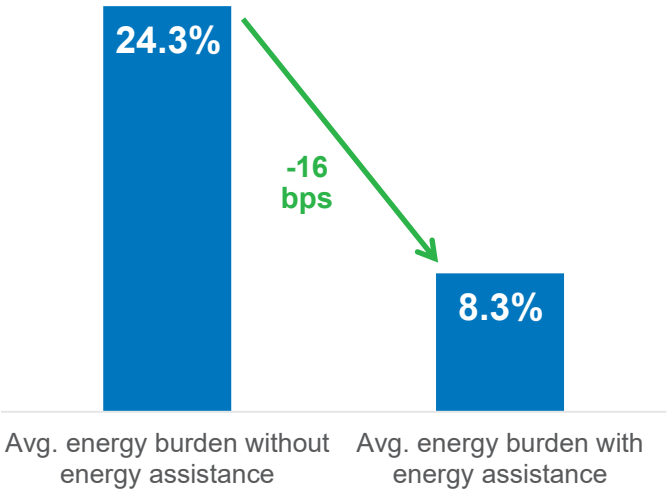
On Average, Energy Assistance Reduces Energy Burden for Participants by 29%



An estimated 141,000 households in our Washington service territory qualify for bill assistance (40% of Washington customers)

22,560 (16%) of these experience high energy burden (>6%)

Benefit Amounts Are Tiered by Level of Need



For customers between 6% and 50% of the Federal Poverty Level, energy assistance reduces energy burden 66% on average

Source: Avista's 2026 Clean Energy Compliance Report.

Mitigating our Wildfire Risk

Wildfire Resiliency Plan

- Incorporates grid hardening, vegetation management, situational awareness, and emergency response and operations
- WUI 2 and 3 zones to be addressed first
- In 2026, expect $45 million in capital and $20 million in O&M

Proactive Operations

- Leading-edge **fire weather dashboard** enables prediction of wildfire risk at a feeder-level granularity
- **Fire Safety Mode** utilizes a risk-informed approach to operating our system, employs higher sensitivities
- **Public safety power shutoffs** (PSPS) when conditions warrant

Regulatory Support

- Deferral treatment for **wildfire resiliency** costs beyond amounts authorized in rates
- Deferral treatment for **insurance** costs beyond amounts authorized in rates

Legislative Action

- Partnering with neighboring utilities and EEI to seek **Federal support** for wildfire risk
- **Legislation passed** in Washington and Idaho
  - WA HB 1522 Approval of Wildfire Mitigation Plans
  - WA HB 1990 Securitization
  - ID SB 1124 Standard of Care

Affirming 2026 Non-GAAP Utility Earnings Guidance

We are affirming our **non-GAAP utility earnings guidance** for 2026 of **$2.52 to $2.72 per diluted share**.

Guidance Assumptions

- Normal weather for the remainder of the year
- A negative impact from the ERM of $(0.09) per diluted share, within the 90% customer / 10% company sharing band
- Effective tax rate of 12%
- Capital expenditures of $615 million for the year

Our guidance does not include the effect of unusual or non-recurring items until the effects are probable. Various factors could cause actual results to differ materially from our expectations. Please refer to the cautionary statements included in this presentation, to our 10-K for 2025, and to our 10-Q for the quarter ended Sept. 30, 2026, for a full discussion of these factors.

We are unable to provide GAAP earnings guidance or present a quantitative reconciliation of forward-looking non-GAAP utility earnings and utility growth guidance without unreasonable effort because certain reconciling items are not estimable. For instance, investment gains and losses, which have historically made up the majority of our non-regulated other business earnings and can be significant to our overall results, are difficult to predict due to various factors outside of management's control. These items are uncertain, depend on various factors, and may have a material impact on our future GAAP results.

As of Nov. 4, 2026



COMPANY CONTACT

Stacey Walters
Investor Relations Manager
(509) 495-2046
stacey.walters@avistacorp.com

Appendix

About Avista

Corporate responsibility

Solid, Stable Utility Foundation

Avista Utilities' service territory covers 34,000 square miles with a population of 1.5 million



430,000 ELECTRIC CUSTOMERS

385,000 NATURAL GAS CUSTOMERS

8 HYDRO FACILITIES

6 THERMAL PLANTS

2,800 MILES OF TRANSMISSION LINE

20,000 MILES OF DISTRIBUTION LINE

8,300 MILES GAS DISTRIBUTION MAIN

As of 12/31/2025

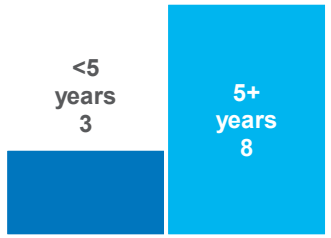
Some icon images from Flaticon.com

A Skilled and Diverse Board

Director	Age	Tenure	Committee Membership
 **Julie A. Bentz** *Independent*	61	4 years	• Environmental • Finance
 **Donald C. Burke** *Independent*	65	14 years	• Board Vice Chair • Audit (Chair) • Executive • Governance
 **Kevin B. Jacobsen** *Independent*	59	3 years	• Audit • Environmental
 **Rebecca A. Klein** *Independent*	60	16 years	• Compensation • Environmental (Chair)
 **Sena Kwawu** *Independent*	57	5 years	• Environmental • Finance (Chair)
 **Scott H. Maw** *Independent*	58	9 years	• Compensation (Chair) • Governance
 **Scott L. Morris*** *Independent*	68	19 years	• Board Chair • Executive (Chair) • Finance
 **Jeffry L. Philipps** *Independent*	70	6 years	• Audit • Compensation
 **Heather L. Rosentrater** *Non-Independent*	48	1 year	• Executive
 **Heidi B. Stanley** *Independent*	69	20 years	• Audit • Executive • Governance
 **Janet D. Widmann** *Independent*	59	12 years	• Finance • Governance (Chair)

* Mr. Morris retired as an executive officer of Avista Corp. on October 1, 2019, and now meets NYSE independence requirements. The Company continues to maintain an independent Vice Chair.

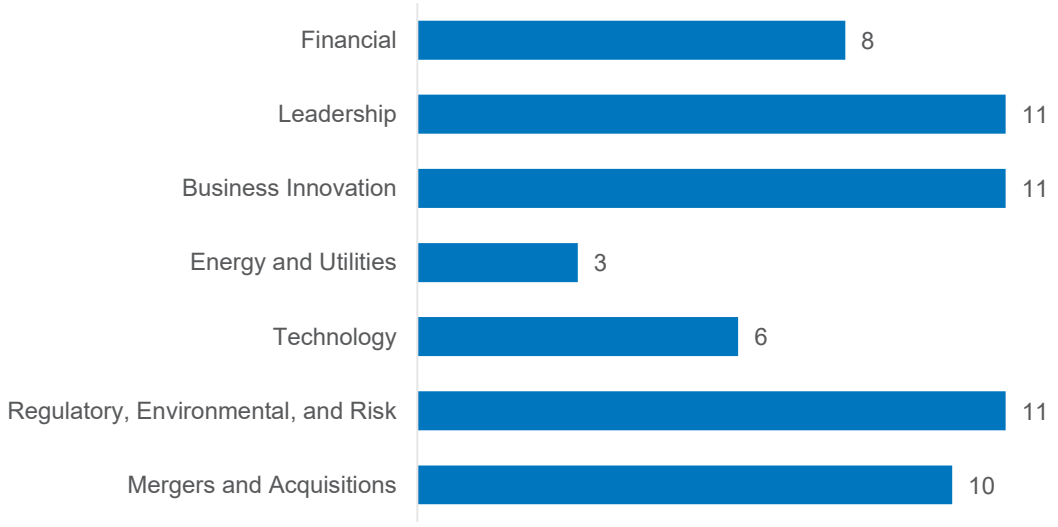
Balanced Board Tenure



Board Diversity



Summary of Board Competencies



Regulatory Landscape

Rates, regulation, and resource planning

Snapshot of Rates by Jurisdiction

Washington



- **New rates effective 1/1/2026.**
- Base electric revenue increase of $68.9M ($43M net) (+11.4%).
- Base gas revenue increase of $4.0M (+2.8%).
- Overall rate of return 7.32% and ROE 9.8%.
- Four-year MYRP filed with the WUTC Jan. 2026; decision expected Dec. 2026.

Idaho



- **New rates effective 9/1/2026.**
- Base electric revenue increase of $14.7M (+4.5%).
- Base gas revenue decrease of $0.2M (-0.4%).
- Overall rate of return 7.28% (9.6% ROE and 50% equity ratio).
- Next GRC in Idaho expected to be filed early 2027.

Oregon



- **New rates effective 9/1/2025.**
- Base revenue increase of $4.2M (+2% net of tax customer credits).
- Overall rate of return of 7.219% (9.5% ROE).
- Next GRC filing expected fall 2027.

Alaska



- **General rate case filed May 2026.**
- Proposed ROE of 13.2% and 58.33% equity ratio.
- Base rate increase of $10M (+25.1%), with proposed interim rate increase of 12.5% effective late June 2026.
- Expect a decision by Aug. 2027.

Avista Utilities Rate Base

Jurisdiction and Service	Estimated Rate Base as of Sept. 30, 2026 (1) ($ in millions)	Authorized Overall Rate of Return	Authorized Return on Equity	Authorized Common Equity Ratio
Washington electric	$2,451	7.32%	9.8%	48.5%
Washington natural gas	601	7.32%	9.8%	48.5%
Idaho electric	1,189	7.28%	9.6%	50%
Idaho natural gas	238	7.28%	9.6%	50%
Oregon natural gas	409	7.219%	9.5%	50%
Total	**$4,888**			

(1) Based on average-of-monthly averages for the prior 13-month period.

Avista Utilities Regulatory Mechanisms

Jurisdiction and Service	Supply Costs	Decoupling / FCA (1)	Wildfire Resiliency	Insurance (2)	Decarbonization Plans (2)
Washington electric	ERM (3)	Yes	Yes	Yes	Clean Energy Implementation Plan (CEIP)
Washington natural gas	PGA (4)	Yes	N/A	Yes	Climate Commitment Act (CCA)
Idaho electric	PCA (5)	Yes	Yes	Yes	N/A
Idaho natural gas	PGA (4)	Yes	N/A	Yes	N/A
Oregon natural gas	PGA (4)	Yes	N/A	N/A	Climate Protection Plan (CPP) *(new rules expected)*

(1) Decoupling (also known as the Fixed Cost Adjustment (FCA) in Idaho) is a mechanism designed to sever the link between a utility's revenues and consumers' energy usage. The difference between revenues based on the number of customers and "normal" sales and revenues based on actual usage is deferred and either surcharged or rebated to customers beginning in the following year. Only residential and certain commercial customer classes are included in our decoupling mechanisms.

(2) The respective regulatory authorities will determine the appropriateness and prudency of any deferred expenses when the Company seeks recovery.

(3) The Energy Recovery Mechanism (ERM) is an accounting method used to track certain differences between actual power supply costs, net of wholesale sales and sales of fuel, and the amount included in base retail rates for our Washington customers.

(4) Purchased Gas Adjustments (PGAs) are designed to pass through changes in natural gas costs to customers with no change in net income.

(5) Under the Power Cost Adjustment (PCA) mechanism, we defer 90 percent of the difference between certain actual net power supply expenses and the amount included in base retail rates for our Idaho customers.

Climate Legislation

Washington passes the **Clean Energy Transformation Act (CETA)**

2019

- Eliminates coal from use to serve Washington customers by the end of 2025
- All retail sales of electricity to Washington customers must be carbon-neutral by 1/1/2030
- Requires development and filing of Clean Energy Implementation Plans (CEIP)

Oregon passes the **Climate Protection Plan (CPP)**

2020

- Outlines greenhouse gas emissions reductions of 50% by 2035 and 90% by 2050 from a 1990 baseline
- After challenge, judicial review declared the CPP invalid
- New regulations were issued, substantially the same as original
- **New challenge to CPP filed in Oregon courts April 2026**

Washington passes the **Climate Commitment Act (CCA)**

2021

- Establishes a cap and trade program to reduce greenhouse gas emissions
- Act has been challenged in the courts; legislature contemplating amendments

Washington State **building codes** altered

2022

- Requires most new construction to install all-electric space heating
- Lawsuits pending

Washington State **ballot initiatives** to ensure energy choice and to repeal the CCA

2024

- Washington voters passed I-2066 to ensure energy choice and prohibit laws discouraging the use of natural gas (including alterations to the building codes); initiative ruled invalid in March 2025; appeal pending
- I-2117 to repeal the CCA and prohibit carbon tax credit trading failed

2025 Electric IRP and RFP

Electric Demand

- Annual load growth forecast to average +0.91% through 2035, +1.4% 2036 through 2045
- Capacity planning for peak hours is our most significant need, with winter and summer peaks forecast to grow more than +1.1% annually

Impact of Extreme Weather

- In January 2024 during an extreme cold snap, regional demand peaked at levels not seen since the 1990s (large industrials left the region in the 1990s)
- Severe weather events are occurring more frequently

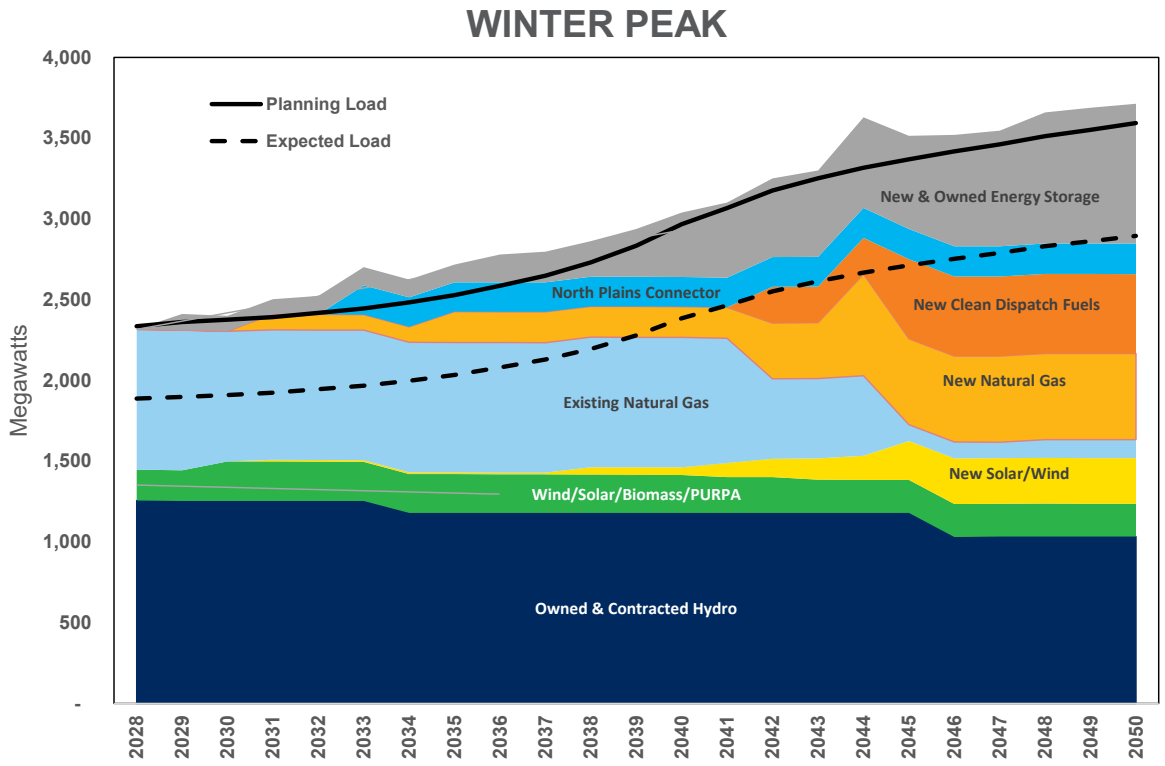
Acceleration of Electrification

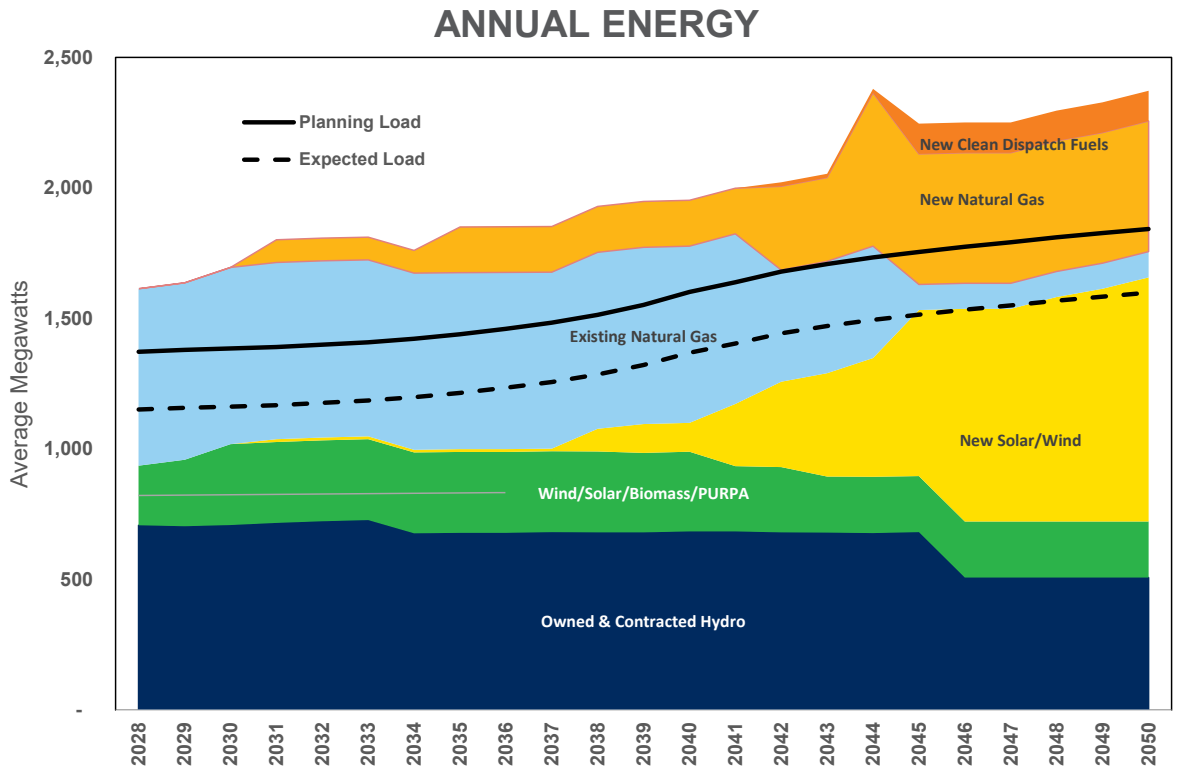
- The last 10 years of the IRP show significantly higher load growth with 1.7% annual peak load growth
- Building and transportation electrification driving higher forecast

Accelerating Generation Needs

- Four resources selected from 2025 RFP, including self-build upgrades of existing gas turbines for 14 MW with no increase to emissions, a build-transfer agreement for 100MW battery energy storage system, a PPA for 200 MW of wind generation, and 40 MW demand response

2027 IRP Predicts Peak Day Resource Needs





Draft Preferred Resource Strategy indicates additional resources are needed beyond 2025 RFP:

- Natural gas CT (632 MW)
- Natural gas / biodiesel CT (400 MW)
- BESS 4-hour (1,005 MW)
- BESS 8-hour (89 MW)
- Wind (2,000 MW + PPA renewals)
- Solar (727 MW)
- Biomass (69 MW)
- H2 Co-Fire (96 MW)

Maintaining our Momentum Mitigating Wildfire Risk

Distribution grid hardening

Strategic underground conversions, covered conductor, overhead grid hardening, and other solutions that more fully mitigate risk of utility caused wildfires.

200 AVERAGE LINE MILES HARDENED PER YEAR SINCE 2020

2,750 LINE MILES IN HIGH RISK AREAS

Transmission hardening

Strengthening our system through use of steel poles and fire-resistant pole wraps.

1,880 AVERAGE POLE WRAPS PER YEAR

85 AVERAGE STEEL POLES REPLACED PER YEAR

Situational awareness

Using tools and technology to reduce wildfire risk, leveraging real-time data and predictive tools to monitor conditions.

ENHANCING FIRE WEATHER DASHBOARD

INSTALLING AI-ENABLED MONITORING CAMERAS

INSTALLING LOCAL WEATHER STATIONS

Vegetation management

Proactively identifying and mitigating vegetation risks near powerlines using both field inspections and advanced remote sensing tools.

100% SURVEYED AND MITIGATED ANNUALLY IN HIGH FIRE RISK AREAS

RISK TREES

Surveying 100% of risk trees is part of Avista's annual operations.

Operations & emergency response

Enhancing readiness and coordination to respond effectively to wildfire threats and protect communities.

4 DAYS IN 2025

FIRE SAFETY MODE ACTIVATED

0 **PSPS**

IN 2025

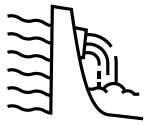
Weather monitoring, implementing Fire Safety Mode, and PSPS are part of Avista's regular operations.

Alaska Electric Light & Power Company

Alaska Electric Light & Power

AEL&P is the oldest regulated utility in Alaska, located in the City and Borough of Juneau, Alaska

$47 million
2025 OPERATING REVENUE


5 HYDRO FACILIITES WITH 102.7 MW CAPACITY


HEATING DEGREE DAYS 97% OF AVERAGE IN 2025


18,000 CUSTOMERS

60.7%
EQUITY RATIO

11.45%
AUTHORIZED ROE

Strategic Investments

Growth outside core utility, developing platforms for future growth

Creating New Growth Platforms

Energy Impact Partners

- Private equity fund
- Invests in emerging technologies, services, and business models throughout the energy supply chain with a collaborative, strategic investment approach, such as EROC
- Opportunity to learn from invested companies to leverage technologies to innovate within Avista's own operations

South University District Development

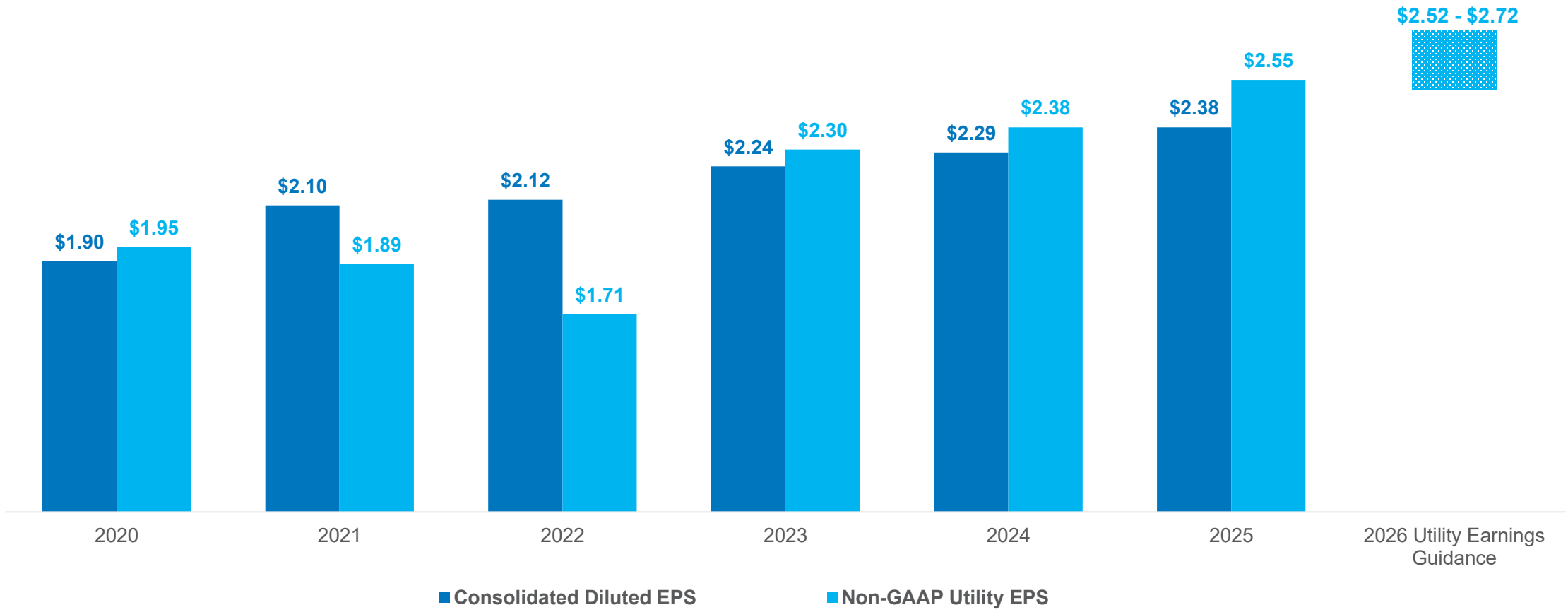
- Joint venture real estate development
- Zero-energy, zero-carbon cross-laminated timber building and an energy innovation center coordinating utility grid operations with tenant and building operations
- Grid simulation lab

Energy Capital Ventures

- Venture fund
- Diversified investment risk in emerging energy sector companies
- Focused on decarbonization of the energy value chain
- Collaboration with industry-leading utilities on innovations of interest to LDCs

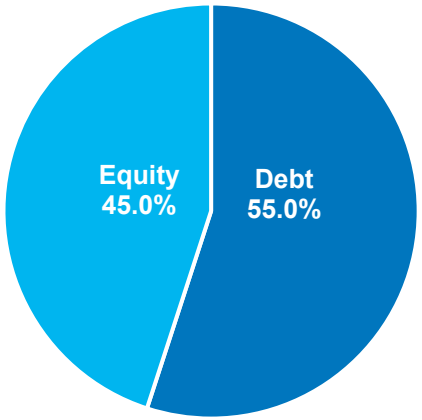
Financial Performance Metrics

Earnings per Diluted Share



Prudent Balance Sheet and Liquidity

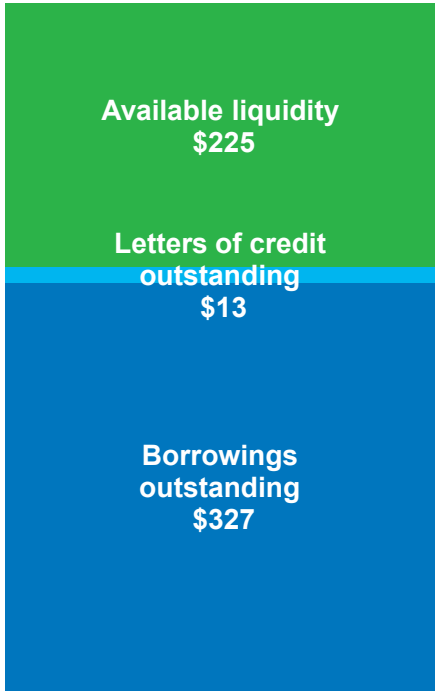
Consolidated capital structure
September 30, 2026



$ 230M
LONG TERM DEBT ISSUED 2026

- $90M 3-year issued 5/2026
- $70M 30-year issued 5/2026
- $70M 30-year issued 8/2026

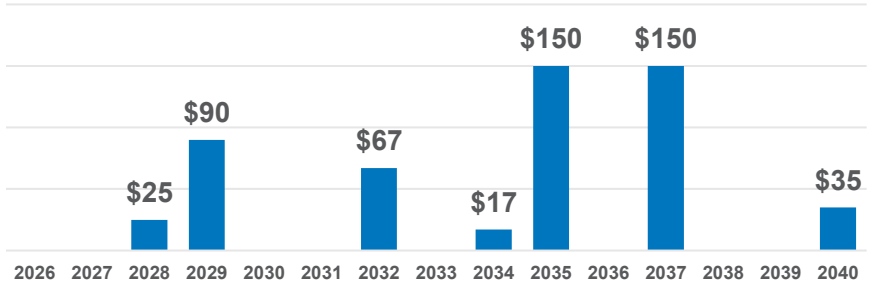
Liquidity
September 30, 2026
($ in millions)



Common stock issued and expected
($ in millions)

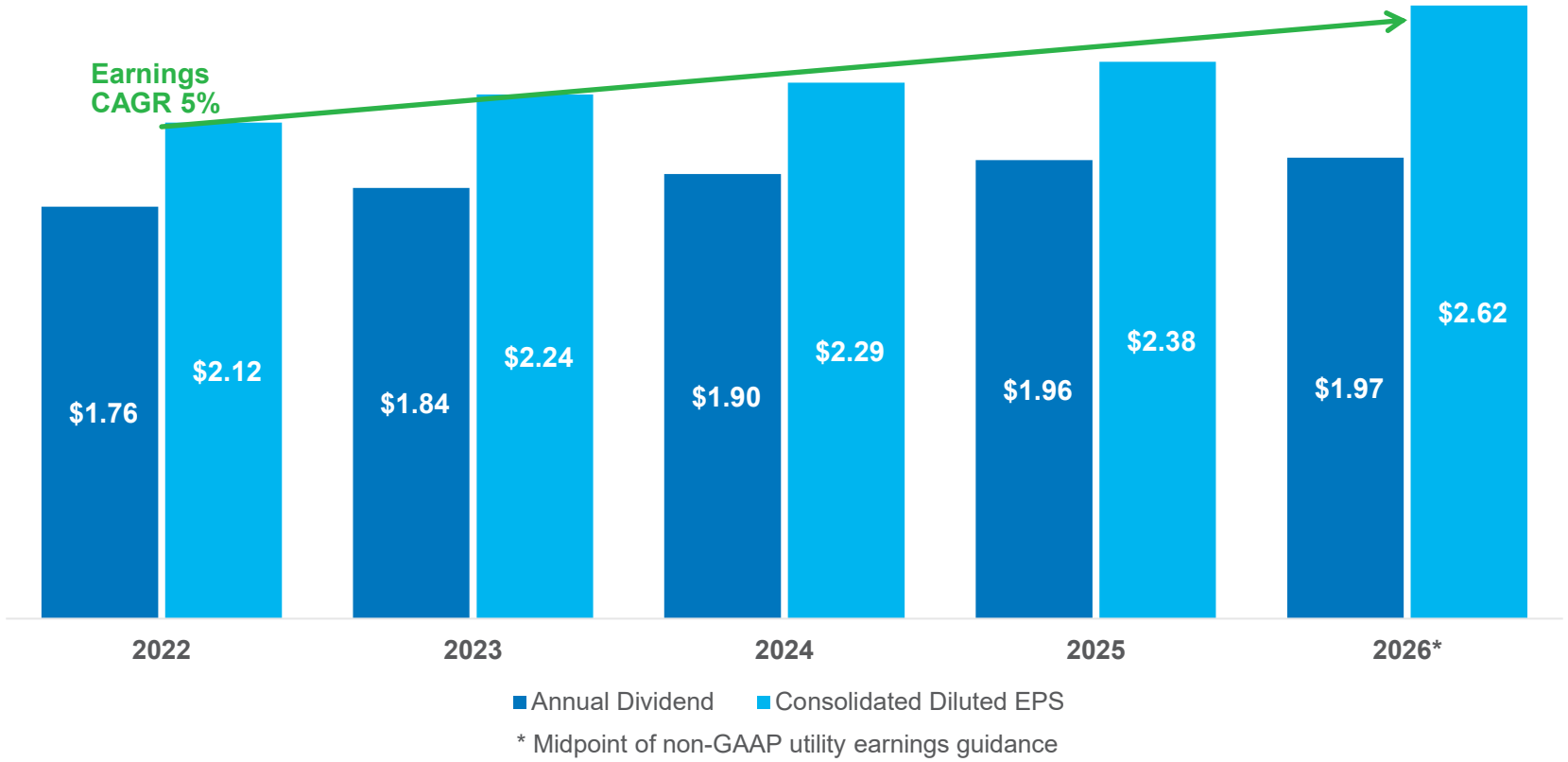


Upcoming debt maturities
($ in millions)



Maturities beyond 2040 not shown.

Competitive Dividend



60-70%
TARGET PAYOUT

We expect dividend growth to be less than earnings growth until we reach our target payout range.

Reconciliation of Non-GAAP Measures

Non-GAAP utility earnings and utility earnings per diluted share exclude non-regulated other business activity, primarily consisting of investment gains and losses.

The presentation of utility earnings is intended to enhance the understanding of the Company's utility-specific operating performance.

	Third Quarter		Year-to-Date	
	2026	2025	2026	2025
GAAP net income as reported	**$ 49**	**$ 29**	**$ 176**	**$ 122**
Non-GAAP adjustments:				
Non-regulated other business (income) loss	(16)	1	(29)	13
Non-GAAP utility earnings	**$ 33**	**$ 30**	**$ 147**	**$ 135**
GAAP earnings per diluted share as reported	**$ 0.57**	**$ 0.36**	**$ 2.11**	**$ 1.51**
Non-GAAP adjustments:				
Non-regulated other business (income) loss	(0.19)	0.01	(0.35)	0.16
Non-GAAP utility earnings	**$ 0.38**	**$ 0.37**	**$ 1.76**	**$ 1.67**

Risks, Uncertainties and Other Factors That Could Affect Future Results

Forward-looking statements are subject to a variety of risks, uncertainties and other factors, most of which are beyond our control and many of which could have significant impact on our operations, results of operations, financial condition or cash flows and could cause actual results to differ materially from those anticipated in such statements. The following are among the important factors that could cause actual results to differ materially from the forward-looking statements:

Utility Regulatory Risk
state and federal regulatory decisions or related judicial decisions that affect our ability to recover costs and earn a reasonable return, including, but not limited to, disallowance or delay in the recovery of capital investments, operating costs, commodity costs, the ordering of refunds to customers and discretion over allowed return on investment; the loss of regulatory accounting treatment, which could require the write-off of regulatory assets and the loss of regulatory deferral and recovery mechanisms;

Operational Risk
weather conditions, which affect both energy demand and electric generating capability, including the impact of precipitation and temperature on hydroelectric resources, the impact of wind patterns on wind-generated power, weather-sensitive customer demand, and similar impacts on supply and demand in the wholesale energy markets; wildfires ignited, or allegedly ignited, by our equipment or facilities could cause significant loss of life and property or result in liability for resulting fire suppression costs and/or damages, thereby causing serious operational, reputational and financial harm; severe weather or natural disasters, including, but not limited to, avalanches, wind storms, wildfires, earthquakes, floods, extreme temperature events, snow and ice storms that could disrupt energy generation, transmission and distribution, as well as the availability and costs of fuel, materials, equipment, supplies and support services; political unrest and/or conflicts between foreign nation-states, which could disrupt the global, national and local economy, result in increases in operating and capital costs, impact energy commodity prices or our ability to access energy resources, create disruption in supply chains, disrupt, weaken or create volatility in capital markets, and increase cyber and physical security risks. In addition, any of these factors could negatively impact our liquidity and limit our access to capital, among other implications; explosions, fires, accidents, mechanical breakdowns or other incidents that could impair assets and may disrupt operations of our generation facilities, transmission, and electric and natural gas distribution systems or other operations and may require us to purchase replacement power or incur costs to repair our facilities; interruptions in the delivery of natural gas by our suppliers, including physical problems with pipelines themselves, can disrupt our service of natural gas to our customers and/or impair our ability to operate gas-fired electric generating facilities; explosions, fires, accidents or other incidents arising from or allegedly arising from our operations that could cause injuries to the public or property damage; dam failure at a company-owned hydroelectric facility; blackouts or disruptions of interconnected transmission systems (the regional power grid); terrorist attacks, cyberattacks or other malicious acts that could disrupt or cause damage to our utility assets or to the national or regional economy in general, including effects of terrorism, cyberattacks, ransomware, or vandalism that damage or disrupt information technology systems; pandemics, which could disrupt our business, as well as the global, national and local economy, resulting in a decline in customer demand, deterioration in the creditworthiness of our customers, increases in operating and capital costs, workforce shortages, losses or disruptions in our workforce due to vaccine mandates, delays in capital projects, disruption in supply chains, and disruption, weakness and volatility in capital markets. In addition, any of these factors could negatively impact our liquidity and limit our access to capital, among other implications; work-force issues, including changes in collective bargaining unit agreements, strikes, work stoppages, the loss of key executives, availability of workers in a variety of skill areas, and our ability to recruit and retain employees; changes in the availability and price of purchased power, fuel and natural gas, as well as transmission capacity; increasing costs of insurance, more restrictive coverage terms and our ability to obtain insurance; delays or changes in construction costs, and/or our ability to obtain required permits and materials for present or prospective facilities; increasing health care costs and cost of health insurance provided to our employees and retirees; increasing operating costs, including effects of inflationary pressures; third party construction of buildings, billboard signs, towers or other structures within our rights of way, or placement of fuel containers within close proximity to our transformers or other equipment, including overbuilding atop natural gas distribution lines; the loss of key suppliers for materials or services or other disruptions to the supply chain; adverse impacts to our Alaska electric utility (AEL&P) that could result from an extended outage of its hydroelectric generating resources or their inability to deliver energy, due to their lack of interconnectivity to other electrical grids and the availability or cost of replacement power (diesel); changing river or reservoir regulation or operations at hydroelectric facilities not owned by us, which could impact our hydroelectric facilities downstream;

Risks, Uncertainties and Other Factors That Could Affect Future Results

Climate Change Risk
increasing frequency and intensity of severe weather or natural disasters resulting from climate change that could disrupt energy generation, transmission and distribution, as well as the availability and costs of fuel, materials, equipment, supplies and support services; change in the use, availability or abundancy of water resources and/or rights needed for operation of our hydroelectric facilities, including impacts resulting from climate change; changes in the long-term climate and weather could materially affect, among other things, customer demand, the volume and timing of streamflows required for hydroelectric generation, costs of generation, transmission and distribution. Increased or new risks may arise from severe weather or natural disasters, including wildfires as well as their increased occurrence and intensity related to changes in climate;

Cybersecurity Risk
cyberattacks on the operating systems used in the operation of our electric generation, transmission and distribution facilities and our natural gas distribution facilities, and cyberattacks on such systems of other energy companies with which we are interconnected, which could damage or destroy facilities or systems or disrupt operations for extended periods of time and result in the incurrence of liabilities and costs; cyberattacks on the administrative systems used in the administration of our business, including customer billing and customer service, accounting, communications, compliance and other administrative functions, and cyberattacks on such systems of our vendors and other companies with which we do business, resulting in the disruption of business operations, the release of private information and the incurrence of liabilities and costs;

Technology Risk
changes in technologies, possibly making some of the current technology we utilize obsolete or introducing new cybersecurity risks and other new risks inherent in the use, by either us or our counterparties, of new technologies in the developmental stage including, without limitation, generative artificial intelligence; changes in the use, perception, or regulation of generative artificial intelligence technologies, which could limit our ability to utilize such technology, create risk of enhanced regulatory scrutiny, generate uncertainty around intellectual property ownership, licensing or use, or which could otherwise result in risk of damage to our business, reputation or financial results; changes in costs that impede our ability to implement new information technology systems or to operate and maintain current production technology; insufficient technology skills, which could lead to the inability to develop, modify or maintain our information systems;

Strategic Risk
growth or decline of our customer base due to new uses for our services or decline in existing services, including, but not limited to, the effect of the trend toward distributed generation at customer sites; the potential effects of negative publicity regarding our business practices, whether true or not, which could hurt our reputation and result in litigation or a decline in our common stock price; changes in our strategic business plans, which could be affected by any or all of the foregoing, including the entry into new businesses and/or the exit from existing businesses and the extent of our business development efforts where potential future business is uncertain; wholesale and retail competition including alternative energy sources, growth in customer-owned power resource technologies that displace utility-supplied energy or may be sold back to the utility, and alternative energy suppliers and delivery arrangements; non-regulated activities may increase earnings volatility and result in investment losses; the risk of municipalization or other forms of service territory reduction;

External Mandates Risk
changes in environmental laws, regulations, decisions and policies, including, but not limited to, regulatory responses to concerns regarding climate change, efforts to restore anadromous fish in areas currently blocked by dams, more stringent requirements related to air quality, water quality and waste management, present and potential environmental remediation costs and our compliance with these matters; the potential effects of initiatives, legislation or administrative rulemaking at the federal, state or local levels, including possible effects on our generating resources, prohibitions or restrictions on new or existing services, or restrictions on greenhouse gas emissions to mitigate concerns over climate changes, including future limitations on the usage and distribution of natural gas; restrictions or changes in government grant programs and/or availability of other public funding used for capital projects; political pressures or regulatory practices that could constrain or place additional cost burdens on our distribution systems through accelerated adoption of distributed generation or electric-powered transportation or on our energy supply sources, such as campaigns to halt fossil fuel-fired power generation and opposition to other thermal generation, wind turbines or hydroelectric facilities; failure to identify changes in legislation, taxation and regulatory issues that could be detrimental or beneficial to our overall business; policy and/or legislative changes in various regulated areas, including, but not limited to, environmental regulation, healthcare regulations and import/export regulations; increasing costs due to potential tariffs applied to energy commodities and/or equipment and materials;

Risks, Uncertainties and Other Factors That Could Affect Future Results

Financial Risk
our ability to obtain financing through the issuance of debt and/or equity securities and access to our funds held with financial institutions, which could be affected by various factors including our credit ratings, interest rates, other capital market conditions and global economic conditions; changes in interest rates that affect borrowing costs, variable interest rate borrowing and the extent to which we recover interest costs through retail rates collected from customers; volatility in energy commodity markets that affects our ability to effectively hedge energy commodity risks, including cash flow impacts and requirements for collateral; volatility in the carbon emissions allowances market that could result in increased compliance costs; changes in actuarial assumptions, interest rates and the actual return on plan assets for our pension and other postretirement benefit plans, which could affect future funding obligations, pension and other postretirement benefit expense and the related liabilities; the outcome of legal proceedings and other contingencies; economic conditions in our service areas, including the economy's effects on customer demand for utility services; economic conditions nationally may affect the valuation of our unregulated portfolio companies; declining electricity demand related to customer energy efficiency, conservation measures and/or increased distributed generation and declining natural gas demand related to customer energy efficiency, conservation measures and/or increased electrification; industry and geographic concentrations which could increase our exposure to credit risks due to counterparties, suppliers and customers being similarly affected by changing conditions; deterioration in the creditworthiness of our customers; activist shareholders may result in additional costs and resources required in response to activist actions;

Energy Commodity Risk
volatility and illiquidity in wholesale energy markets, including exchanges, the availability of willing buyers and sellers, changes in wholesale energy prices that could affect operating income, cash requirements to purchase electricity and natural gas, value received for wholesale sales, collateral required of us by individual counterparties and/or exchanges in wholesale energy transactions and credit risk from such transactions, and the market value of derivative assets and liabilities; default or nonperformance on the part of parties from whom we purchase and/or sell capacity or energy; potential environmental regulations or lawsuits affecting our ability to utilize or resulting in the obsolescence of our power supply resources; explosions, fires, accidents, pipeline ruptures or other incidents that could limit energy supply to our facilities or our surrounding territory, which could result in a shortage of commodities in the market that could increase the cost of replacement commodities from other sources;

Compliance Risk
changes in laws, regulations, decisions and policies at the federal, state or local levels, which could impact both our electric and gas operations and costs of operations; the ability to comply with the terms of the licenses and permits for our hydroelectric or thermal generating facilities at cost-effective levels;

Resource Adequacy Risk
the ability to source and deliver adequate energy to meet customer demand in periods of high demand or unplanned events; and the potential effects of regional wholesale market strains, including during extreme weather events.