

HOOSIERENERGY

Summer Reliability Forum

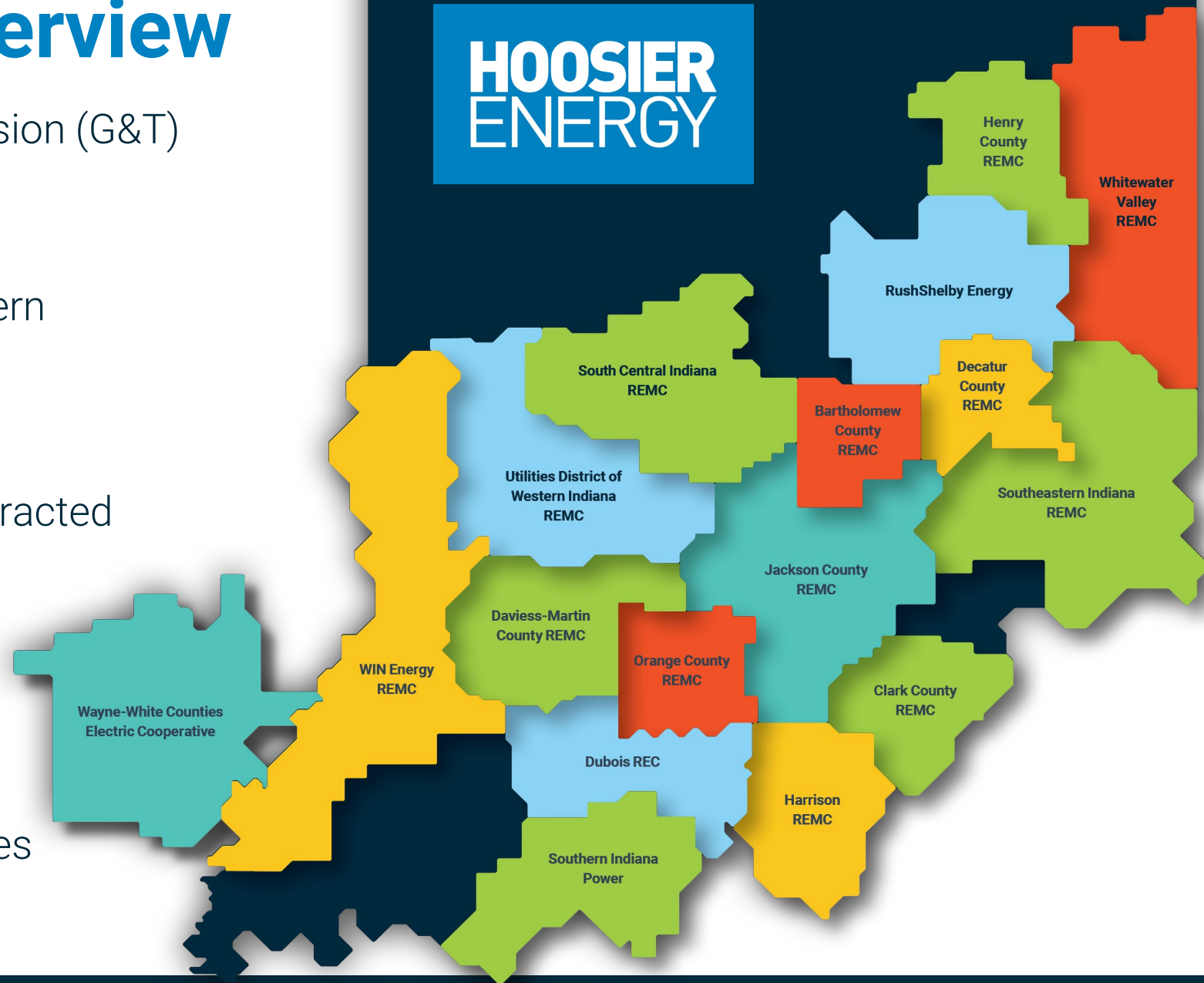
Indiana Utility Regulatory Commission

Donna Walker - President & CEO
May 19, 2026



Hoosier Energy Overview

- Non-profit generation and transmission (G&T) cooperative founded in 1949
- Owned by and serve 17 non-profit distribution co-ops in central/southern Indiana and southeastern Illinois
- All-time system peak - 1,828 MW
- Diverse portfolio of owned and contracted generation resources
- 1,724 miles of transmission line
- 25 transmission stations and 312 delivery points
- Interconnections with 7 major utilities
- 285 employees



The Cooperative Difference


1. **Member-Owned** - Indiana REMCs are nonprofit, customer-owned utilities; members elect the board from among the membership and receive any margins earned back as capital credits
2. **Rural Service Footprint** - Cooperatives generally serve low-density, high-cost rural areas with fewer customers per mile of line than investor-owned utilities or municipals
3. **Local Governance** - Decisions are made by locally elected boards, aligning priorities with community needs and economic development
 - Local boards each select a Director to serve on Hoosier Energy's Board
 - Democratically elected boards of directors set cooperative rates (not rate-regulated by the Indiana Utility Regulatory Commission)

Major Changes in the Past Five Years

Balancing Affordability & Reliability



Transmission Investments



Energy Transition



Load Growth



MISO Market Reforms



Extreme Weather



Resource Uncertainty



Inflation



Fuel Costs



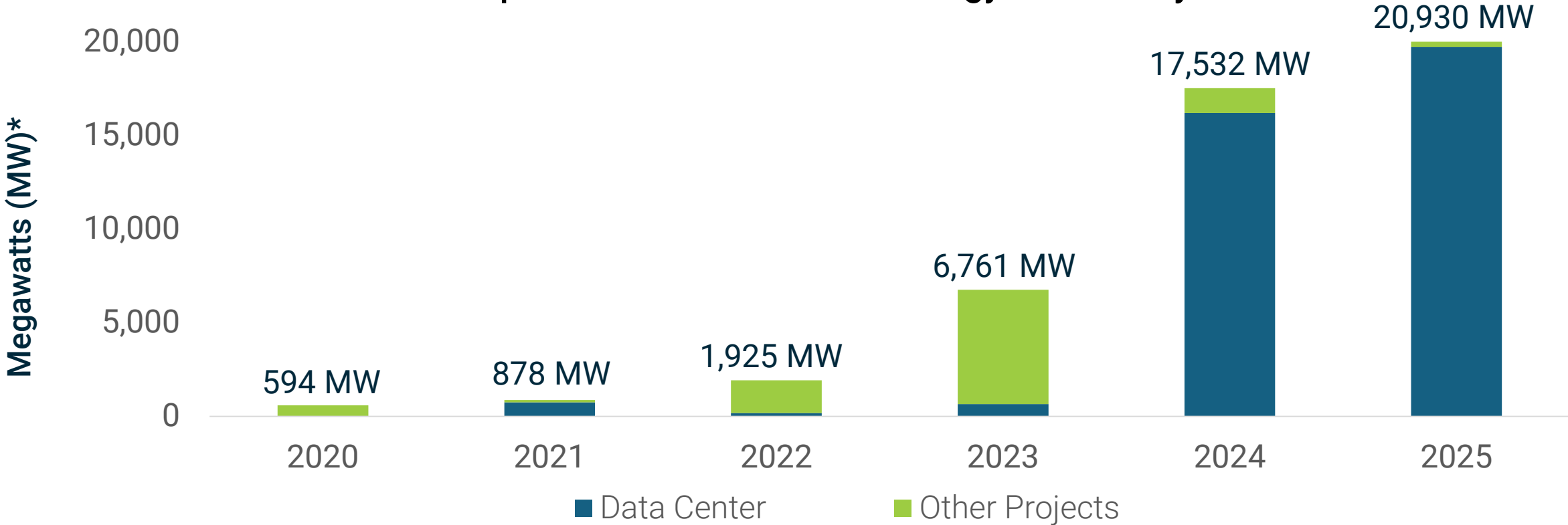
Supply Chain Disruptions



Cyber Intrusion

Data Centers, AI Driving Unprecedented Industry Growth Projections

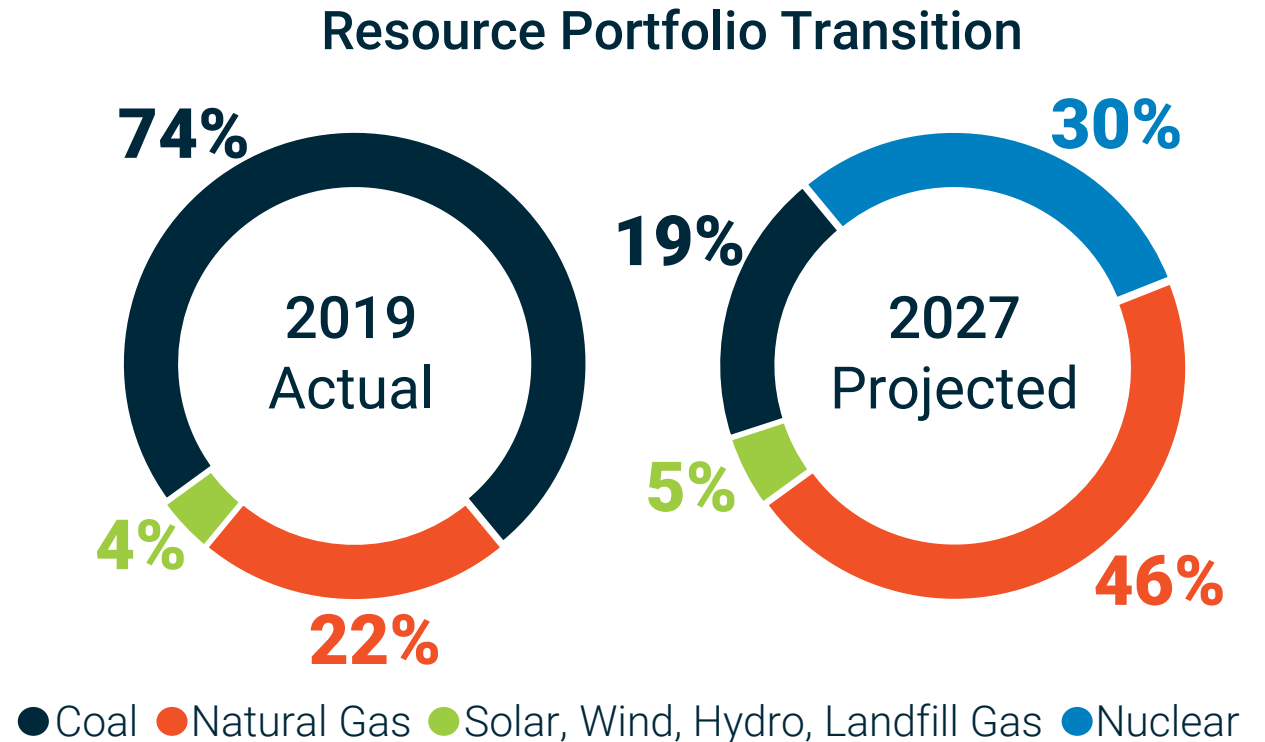
Interest Expressed Across Hoosier Energy Member Systems



*Demand MW illustrates all projects received in calendar year with at least one site in Hoosier Energy territory submitted for consideration

Long-Range Resource Plan Approved Jan. 2020

- Comprehensive scorecard – developed collaboratively with Board and member CEOs – to guide decisions on current and potential future resources
 - Plan designed to provide Hoosier members with reliable, affordable, and sustainable energy while saving them an estimated \$700 million over the next two decades
- Long-Range Resource Plan priorities:
 - ✓ Reliability & Resource Adequacy
 - ✓ Affordability, Rate Stability & Predictability
 - ✓ Resource Diversity
 - ✓ Sustainability



Five-Year Capital Work Plan & Large Load/Data Center Service Policy

Capital Work Plan

- \$427 million over next five years, largely focused on:
 1. Efforts to modernize Hoosier's transmission system
 2. Address aging infrastructure
 3. Strategic projects that return value to member systems

Large Load/Data Center Service Policy

- Large loads (50MW+) must cover all relevant costs to serve their load (studies, equipment, infrastructure, capacity, energy, administration) plus a margin
- Prospective projects assume full responsibility for all risks and costs, while resulting benefits are allocated across all member systems

Resource Adequacy Position

Summer 2026 Capacity Position

- Capacity resources for the upcoming summer season exceed forecasted load and reserve requirements
- Includes owned and contracted resources in both MISO & PJM



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Spring Outages & Fuel/Unit Availability

Spring Maintenance Outages, Unit Availability & Natural Gas Supply

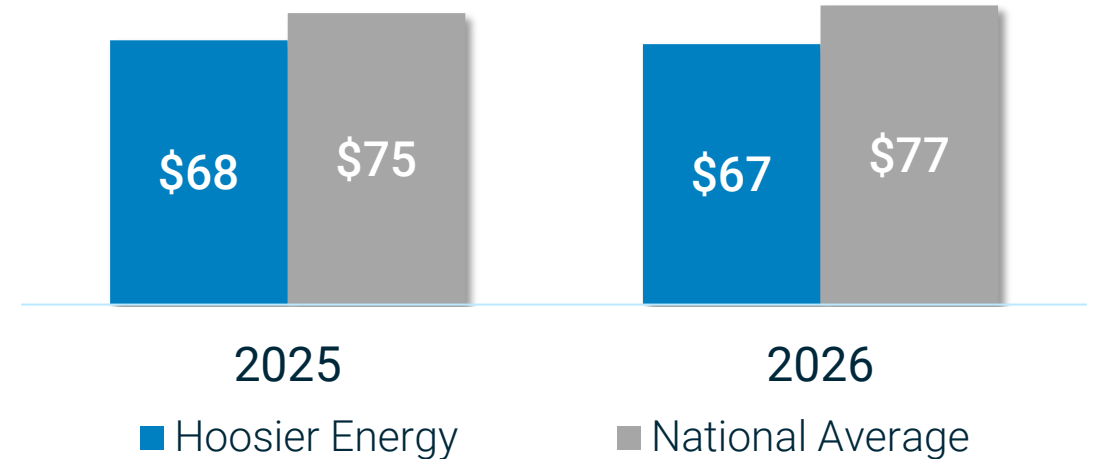
- All spring outages scheduled to be completed by early June, with full availability expected for summer season
- Hoosier has a firm fuel supply contract in place at St. Joe Energy Center (natural gas facility); non-firm fuel supply contracts at remaining natural gas plants
- “Firm” isn’t always a guarantee
- 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

4 Wholesale Cost Trends

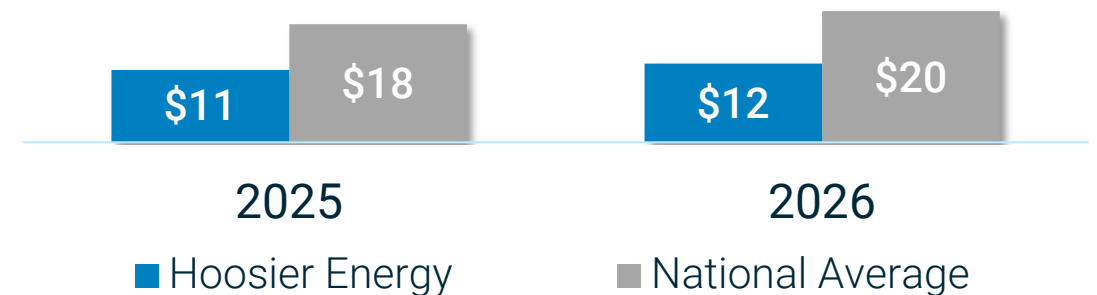
Cost Stability & Affordability

- Hoosier Energy represents approx. 73% of our members coops' total costs
- Continuous focus on balancing affordability and reliability
- Stable from 2012-2021; upward cost pressures and volatility from 2022-2024; actual and projected stability from 2025-2027, demonstrating strength of existing supply portfolio
- Transmission cost increases are the most significant driver of upward pressure on future wholesale rates

Wholesale Generation Costs (\$/MW)



Wholesale Transmission Costs (\$/MW)



Energy Efficiency Programs & Bill Assistance

- Member systems offer several energy efficiency programs, both for residential and commercial/industrial consumers
- Hoosier Energy collaborates with member systems on these efforts, providing scaled assistance and support functions
- Regarding bill assistance, our member systems manage their programs individually and provide a variety of options to their member-consumers

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5 Lessons from Winter Storm Fern

Operational Uncertainty

- Most significant challenge continues to be gas/electric day misalignment, specifically during weekends and holidays
 - Once MISO lets us know if they want our units to run the next day, Hoosier has 30 minutes to buy gas on Mon. - Fri. (On Fri., we have to buy gas for Sat/Sun/Mon)
 - If MISO delays posting results (as it did during Fern), Hoosier must make decisions to buy gas before MISO tells us if they want our units to run
 - If an Operational Flow Order exists on a natural gas pipeline, Hoosier must buy the same amount of gas every hour for 2 full gas days, regardless of how long MISO asks us to run the unit
- Creates significant affordability risk for co-op consumers at the end of the line, particularly during a high-price environment

Inconsistent Public Appeals

- MISO issued call for public appeals early morning of Jan. 24; Hoosier system control confirmed request with MISO and followed compliance protocol by making public appeals via notices to media outlets
- Traditional process is for MISO to issue a news release and official communication via its website and app
 - Confirms to media and public that MISO is directing the appeals
 - Did not occur during Fern
- Some utilities issued public appeals as well; some did not
- Created significant confusion amongst media and general public

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