

ANNOUNCEMENT FROM OREGON TRAIL ELECTRIC COOPERATIVE

Special Edition | April 2026



OREGON TRAIL ELECTRIC
COOPERATIVE



A Touchstone Energy® Cooperative

Dear OTEC member-owners,

In February and March, we shared news that OTEC has reached agreements to expand our service territory in a significant way: we're acquiring Idaho Power's Oregon service area, and we've reached a preliminary agreement to do the same in Wallowa County, currently served by PacifiCorp. Together, these represent the most meaningful growth in OTEC's 38-year history.

Growth of this scale makes OTEC stronger for every member we already serve. More members means more resources – for infrastructure, reliability, and the ability to keep rates competitive. That's how cooperatives work: when the co-op grows, you benefit.

Nothing about your service changes. Same team. Same rates. Same cooperative values you've counted on for nearly 40 years.

These agreements still require regulatory approval – a process that typically takes 10 to 15 months. During that time, we'll keep you informed every step of the way. Our commitment, as always, is to act in the best financial interest of you – our member-owners.

None of this would be possible without the people who make OTEC run. Their expertise and dedication built the cooperative, now expanding to welcome new communities across Eastern Oregon. And as we grow, so does our team – we expect to hire additional employees across our expanding service territory, bringing more jobs to Eastern Oregon communities.

More people. More resources. The same reliability you've always counted on – only stronger.

Throughout this mailer, you'll find more details about what these changes mean – for today's members and the new neighbors we'll soon be serving.

Our Board President put it best: "Ultimately, we believe this decision reflects our commitment to Eastern Oregon communities, strengthens our cooperative's presence and deepens our roots in the region."

That's exactly right. Eastern Oregon is home. This cooperative was built here – penny by penny, neighbor by neighbor – and it will keep growing the same way.

More to come. We'll keep you informed.

Best,



Les Penning,
OTEC CEO

TIMELINE



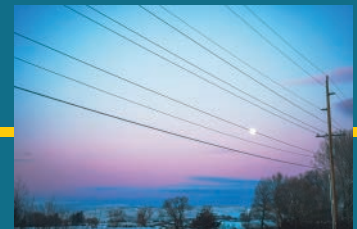
February and March 2026:

OTEC announces expansion plans.



April and Beyond:

Transactions will be filed with the Oregon Public Utilities Commission (PUC) and other applicable regulatory agencies for approval.



Before Transition Day:

Once these deals are approved and finalized, we will communicate about any changes in advance. There will be no sudden change to incoming or existing members.

IDAHO POWER AND OREGON TRAIL ELECTRIC COOPERATIVE ANNOUNCE AGREEMENT TO TRANSFER OWNERSHIP OF IDAHO POWER'S OREGON SERVICE AREA

Boise, ID and Baker City, OR — February 19, 2026 — Today, Idaho Power and Oregon Trail Electric Cooperative (OTEC) announced they have entered into an agreement to transition ownership of Idaho Power's Oregon service area. The proposed sale, with a base purchase price of \$154 million, is subject to state and federal approvals.

"This decision reflects Idaho Power's and OTEC's shared commitment to meeting the needs of eastern Oregon communities," said Lisa Grow, President and CEO of Idaho Power. "Oregon represents a small share of our business — projected to be less than 3% of total sales by 2030 — and reducing our service area to one state will allow Idaho Power to focus funding, infrastructure investments, and our workforce on Idaho's growing population and energy demand. We're confident OTEC will provide a strong local focus and dedicated service for eastern Oregonians, while Idaho Power concentrates on supporting Idaho communities."

If the sale is approved, Idaho Power's 20,000 residential, irrigation, commercial, and industrial customers in Oregon will transfer to OTEC's service, adding to the cooperative's current service territory across Baker, Union, Grant, and Harney counties.

"The integration of this service territory is a natural fit for our existing operations," said Les Penning, CEO of OTEC. "OTEC and Idaho Power have a positive, long-standing relationship through transmission interconnection and delivery of power. This relationship will continue and is equally important moving forward as we transition these communities to the cooperative. We look forward to serving our new member-owners while remaining focused on our mission of delivering safe, reliable, and competitively priced power."

After the transfer to OTEC, Idaho Power would no longer directly serve Oregon retail electric customers but would continue to own and operate generation and transmission resources in Oregon, including the Boardman to Hemingway (B2H) transmission line, that provide power to Idaho, Oregon, and across the region. B2H has always been and will continue to be a critical resource for serving Oregon customers.

Idaho Power and OTEC will work together closely to prepare for a smooth transition as regulators consider the proposal.

For more information about Idaho Power, OTEC, and the proposed sale, please visit idahopower.com/Oregon or otec.coop/IdahoPower.

OREGON TRAIL ELECTRIC COOPERATIVE ANNOUNCES AGREEMENT TO PURCHASE PACIFICORP'S WALLOWA COUNTY SERVICE AREA

Baker City, OR — March 19, 2026 — Today, Oregon Trail Electric Cooperative (OTEC) and PacifiCorp announced they have entered into a non-binding agreement to transition ownership of PacifiCorp's Wallowa County, Oregon service area.

If the sale is approved, PacifiCorp's 5,500 residential, irrigation, commercial, and industrial customers in Wallowa County will transfer to OTEC's service.

"OTEC has been providing service adjacent to our neighbors in Wallowa County for almost 40 years, and we look forward to extending those services to Wallowa County and welcoming these communities into the cooperative," said Les Penning, CEO of OTEC. "The geographic alignment of this transaction will allow OTEC to further bolster resources in the region supporting both our existing and future Oregon Trail Cooperative member-owners."

PacifiCorp and OTEC will work together closely as they move first towards a definitive agreement, then through the approval process from state regulators. Finalization of the transaction is expected to take 12 to 15 months.

For more information about PacifiCorp, OTEC, and the proposed sale, please visit PacificPower.net/OregonNews or otec.coop/PacificPower.

THE WHY

From Idaho Power: Oregon represents a very small portion of Idaho Power's business (less than 3% by 2030), and reducing the complexity of operating in two states will help them focus on Idaho's growing population and energy demand.

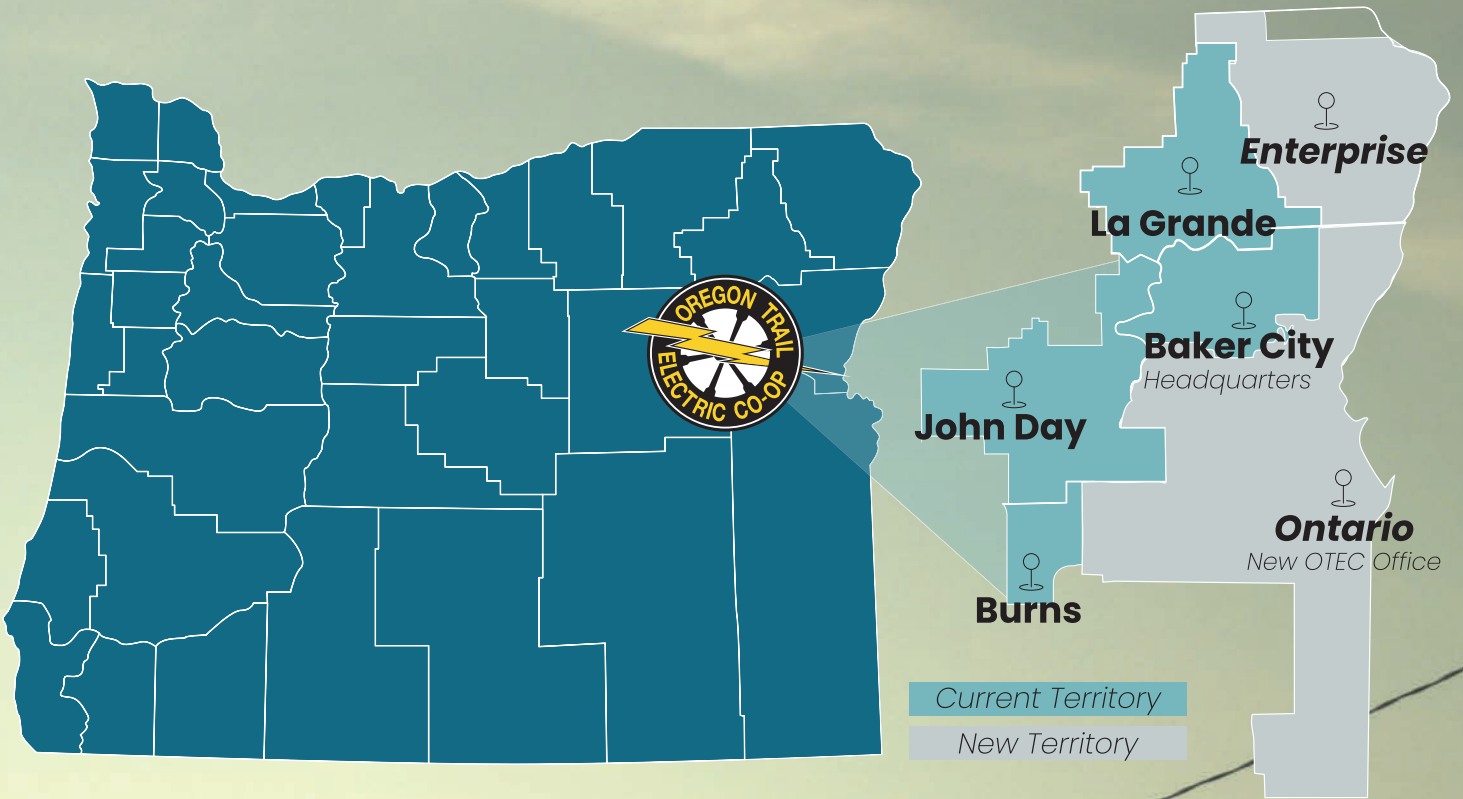
From Pacific Power: The Wallowa transaction represents a targeted and necessary step toward strengthening PacifiCorp's financial stability and ensuring the continued delivery of safe, reliable power to nearly 2 million customers across PacifiCorp's service area.



From OTEC: Because OTEC's existing service territory is already adjacent to these service areas, we're in a strong position to welcome these new members and support them efficiently. These acquisitions give us a unique opportunity to strengthen and expand the service we provide to our members.

Learn More: Visit our website at either otec.coop/IdahoPower or otec.coop/PacificPower for more information, or email communications@otec.coop





OUR EXPANDED TERRITORY





FAQ

Who is Oregon Trail Electric Cooperative?

Oregon Trail Electric Cooperative (OTEC) is one of Oregon's largest distribution cooperatives. Headquartered in Baker City, Oregon, with district offices in La Grande, John Day, and Burns, OTEC currently serves approximately 32,000 meters and nearly 60,000 residents in Baker, Grant, Harney and Union counties with a network of overhead and underground lines approximately 3,000 miles long. OTEC's distribution system represents an investment of more than \$196 million.

OTEC was founded by three Baker City residents in 1987 with just 700 pennies. To demonstrate community support for the cooperative, the trio collected a penny from each of 700 citizens, then secured a \$33 million loan from the National Rural Utilities Cooperative Finance Corporation (CFC). A year later, the citizens of Baker, Grant, Harney and Union counties began operation of OTEC - one of the largest electric cooperatives in Oregon. OTEC is a living tribute to three amazing community leaders with a dream and 700 pennies.

How is OTEC financing the purchase of these service territories?

If the proposed transactions are approved, OTEC will finance the loans with Cooperative Finance Corporation (CFC). They are the same lender that made OTEC possible in 1988, when three Baker City residents used a \$33 million CFC loan to purchase the territory from CP National Corporation, the investor-owned utility that served Eastern Oregon at the time. Nearly 40 years later, OTEC turns to the same partner to grow again.

What new territory is being added?

If approved, the sale would include the distribution infrastructure that delivers power to roughly 20,000 Idaho Power meters in Malheur County and parts of Harney and Baker counties. This encompasses all of Idaho Power's Oregon retail customers. Idaho Power would continue to own and operate transmission and generation resources that provide power to Oregon and across the region. The Pacific Power transaction would include its 5,500 residential, irrigation, commercial, and industrial customers in Wallowa County if it is approved.

How will this affect my current rates and policies?

There will be no changes to current members' service or rates as a result of either acquisition. One of our co-op's core values is economic stewardship and, as we navigate the transition, our intent is to act in the best financial interest of our member-owners.

Why are these agreements being pursued?

Oregon represents a very small portion of Idaho Power's business (less than 3% by 2030) and reducing their service area to one state will help them focus on Idaho's growing population and energy demand.

The Wallowa transaction represents a targeted and necessary step toward strengthening PacifiCorp's financial stability and ensuring the continued delivery of safe, reliable power to nearly 2 million customers across its service area.

Because OTEC's existing service territory is already connected to each region, we're in a strong position to welcome these customers as new members and support them efficiently. This acquisition gives us a unique opportunity to strengthen and expand the service we provide to our members. Increasing our membership gives OTEC additional economies of scale. Utilities have a lot of fixed costs, and growing our membership means those costs are spread across more individuals, which supports price stability over time.

Will this affect my capital credits account or the timing of capital credits retirement?

For current OTEC member-owners, the Board will review the co-op's financial position annually and will choose to retire capital credits as revenues allow, based on the same calculations and policies that have been used historically. Our intent throughout this process is to maintain our commitment to economic stewardship, which includes continuing our standard capital credits system. OTEC will continue to follow the same process for identifying the amount and retirement schedule as it always has.

Will this affect my reliability and response times?

OTEC, Idaho Power and Pacific Power deliver top-tier reliability. With additional resources in the expanded territory, we'll continue to deliver on our co-op core value of reliability that current members know and trust OTEC for. Current members will continue to be served by the same dedicated lineworkers, engineering, operations and member service teams.

We will bring the same service standards to our new members. We'll also be opening a new office and service center as well as hiring employees in Ontario to provide response, maintenance, reliability and community support. And, in Wallowa, we will maintain the current service center.

Will any jobs be added?

Yes. OTEC will utilize our current workforce to support areas of the territory and hire additional employees in Malheur County for local support. Service levels in Wallowa will be maintained.

Will any adjustments be needed to integrate either system into OTEC's operations?

Both systems are extremely compatible and meet similar reliability standards with OTEC's existing system, and no immediate infrastructure or equipment changes are needed.

Is the most recent rate increase due to this acquisition?

No. OTEC's rate changes are based on prior years' reported power purchases and operation costs, combined with projected operating costs. These acquisitions have not been approved or transacted and were not used to calculate the increase announced in February 2026.



OTEC fast facts:

- **32,000 meters**
- **24,000 members**
- **60,000 people served**
- **6,700 square miles**
- **11 members per line mile**
- **Founded in 1988**
- **Member-owned, governed by a 9-person elected Board**

WHY A SPECIAL EDITION MAILER?

We chose this special edition format to give enough space for the comprehensive details. Educating and informing our member-owners isn't just a goal, it's one of our driving cooperative principles.

Questions? Contact Us!

As we navigate these transactions, we will share updates as they are available. If you have questions about these projects, call us at **541-523-3616**, email communications@otec.coop, or read the latest updates at otec.coop/IdahoPower and otec.coop/PacificPower

