

CORDOVA
ELECTRIC
COOPERATIVE, INC



2024
ANNUAL REPORT



Report to the Membership

Dear Customers of Cordova Electric Cooperative (CEC):

This year marks the 47th anniversary of CEC. This year we realized the benefits of improvements to our grid over the last three years. Valve upgrades at the Power Creek Hydroelectric Project and the addition of higher efficiency, lower air emissions diesel generators helped us set a new renewable energy record of over 80% hydro-power for the year. Our diesel fuel use reached a record low of 352,000 gallons, down sharply from the 600,000 gallons we used in 2022. The reduced diesel fuel use lowered electric bills 14%, offsetting almost the entire 15.5% rate increase we had to implement in April. We also experienced record system reliability in 2024, with an average of only 23 minutes of average outage time per customer, or 99.996% on time. Our underground power lines assure high reliability of our power distribution system, and now the power generation system is so reliable that we have few outages – over a full year without a single loss due to power generation. These improvements are the primary focus of your Board of Directors and staff: high reliability, reasonable cost, and environmentally responsible energy delivery for Cordova.



Clay Koplin, CEO

CEC was successful in the award of federal grants and low interest loans to develop hydropower storage to further reduce our diesel use. We have adequate federal financing to add dam storage at our Humpback Creek hydroelectric project, and to develop Crater Lake Dam Storage project. We continue to seek state, federal, and partner grant funding to develop these sites to move Cordova toward 100% renewable generation. Some of this federal funding is to lend to you, our customers, for installation of heat pumps. CEC will be developing a loan fund program for heat pumps as the loan funds are released. The new winter incentive rates resulted in immediately lower bills for some customers and will provide additional savings for new winter energy use for heat pumps, winter seafood processing, winter LED food production, hot tubs, and other uses. These strategies move us in the direction that you as customers have asked us to in our customer surveys; hydropower as the most preferred energy source for the community, and programs to help reduce energy costs like heat pumps and management of electrical rates.

Our outlook for 2025 is optimistic, as we pursue additional funding for hydro projects and engage Cordova in a community benefits planning process to get your input on these projects, to identify all the potential benefits (recreation, education, community water supply, access to affordable winter energy) so that they are not overlooked in the design process. We are adding another high-efficiency diesel to replace a failed 40-year-old diesel, and work to grow energy sales so that we can spread our operating costs over more sales to keep our rates down.

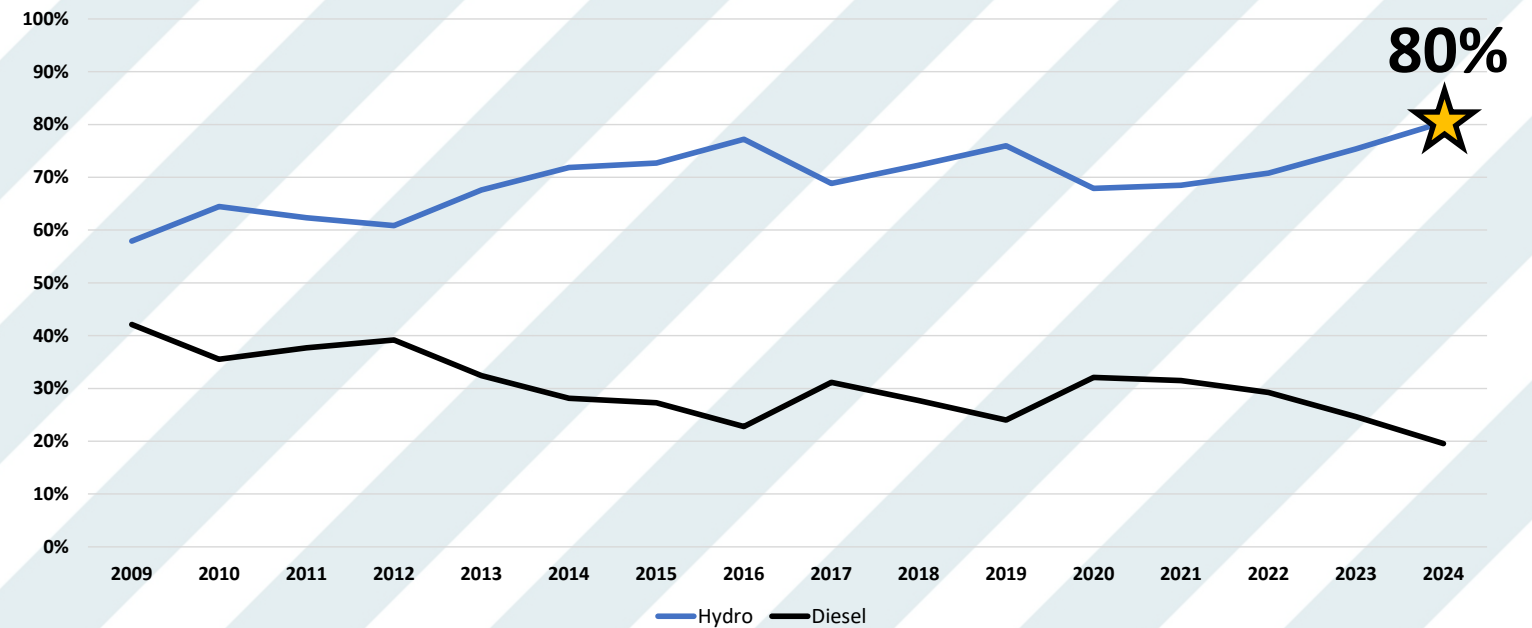
We look forward to seeing you at the annual meeting on March 17th at the Cordova Center, and our annual customer appreciation event later this year.

Respectfully, Clay Koplin, CEO



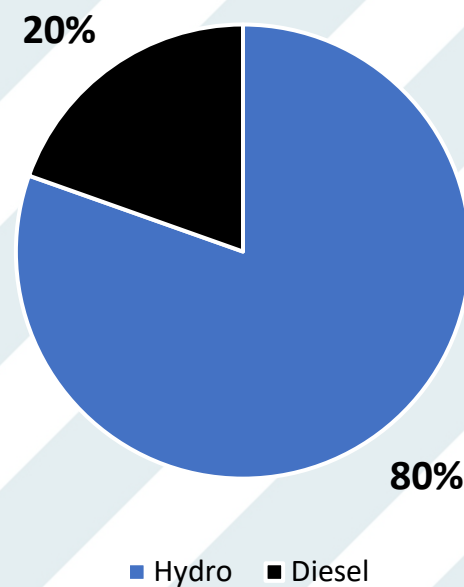
Generation Report

Power Generation Percentage

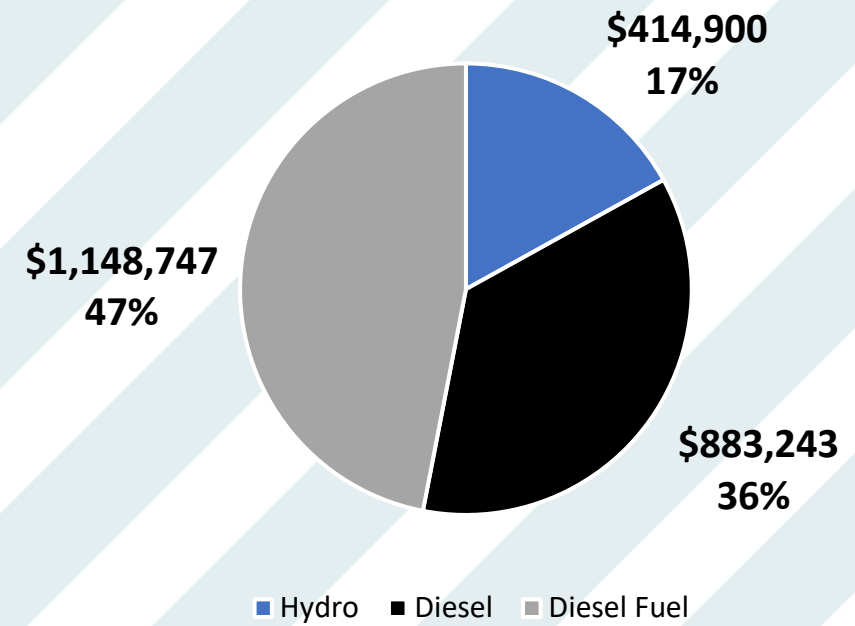


CEC broke a new record in 2024 by producing 80% of Cordova’s power with hydro. This accomplishment is the culmination of many different efforts to maximize our hydro resources. In contrast, the rest of Alaska is only about 20% renewable.

2024 Generation Source



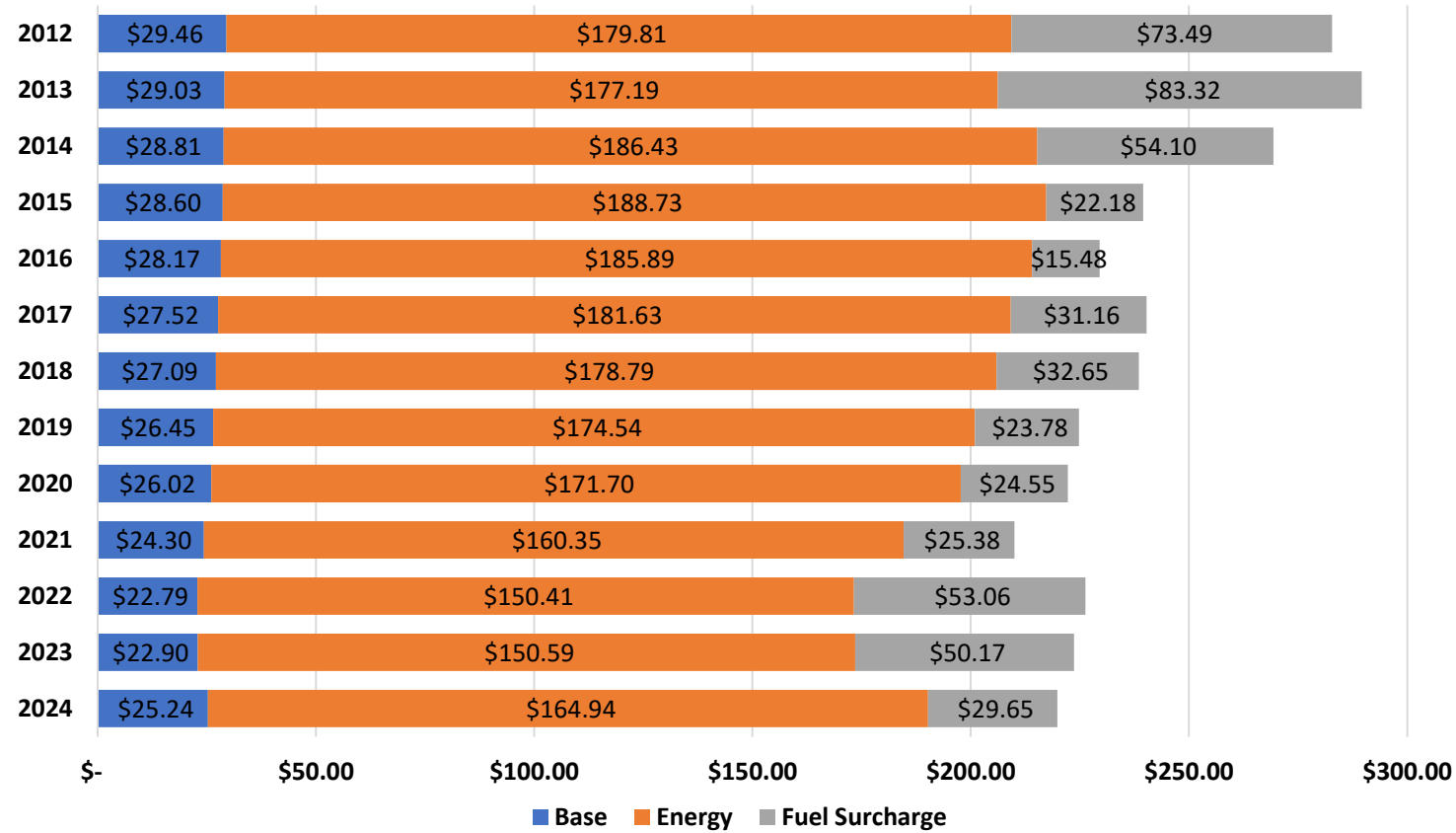
2024 Generation Expense



Even though we generated 80% of our power with hydro, it was only 17% of the overall expense of generation. While costs can vary from year to year, hydro has consistently proven to be a significantly cheaper source of power compared to diesel.

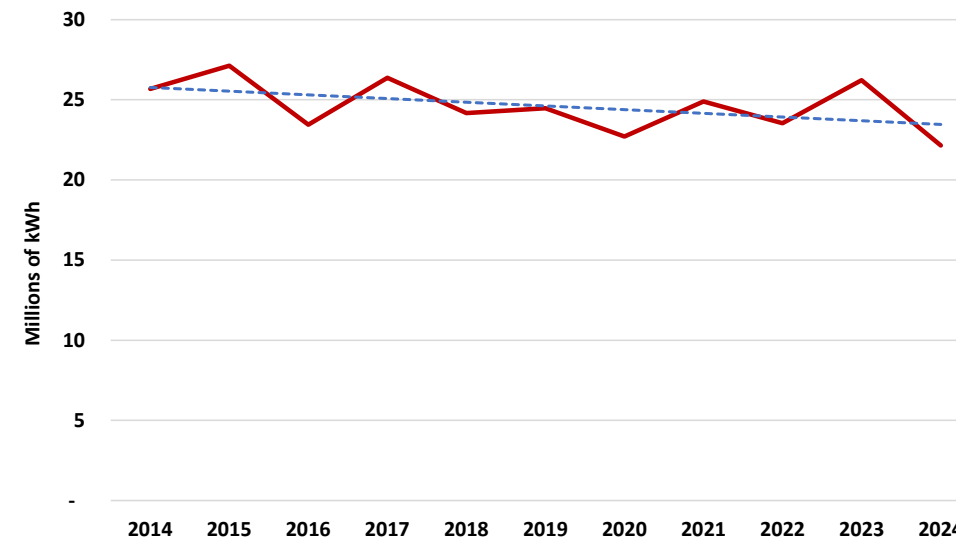
Average Residential Monthly Bill

(Based on 500 kWh with Years Prior to 2024 Adjusted to Inflation)



When adjusted to inflation, CEC's average monthly residential bills have actually trended down over time, meaning the average electric bill in 2012 felt higher than it does today.

Kilowatt Hour (kWh) Sales

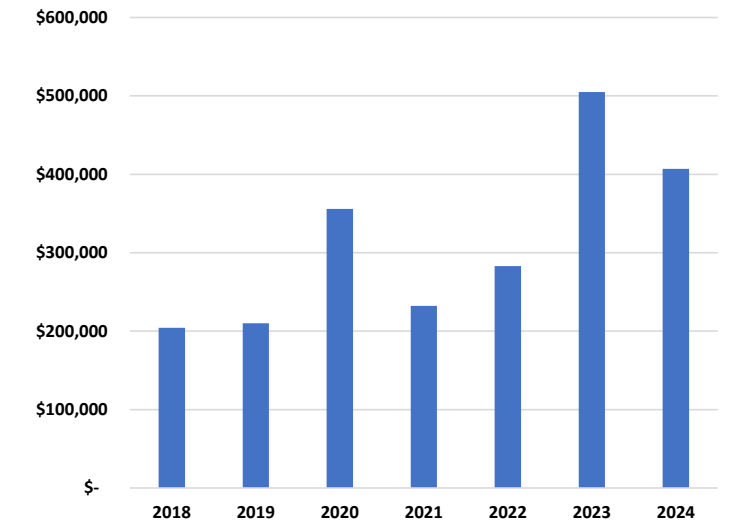


Annual kWh sales continue to display a slight downward trend over time. Less sales means that CEC has to recover more revenue per kWh. For an electric utility our size, kWh sales can dramatically change depending on seafood processing, other economic activity, or the gain or loss of one large customer.

Capital Credit Retirement

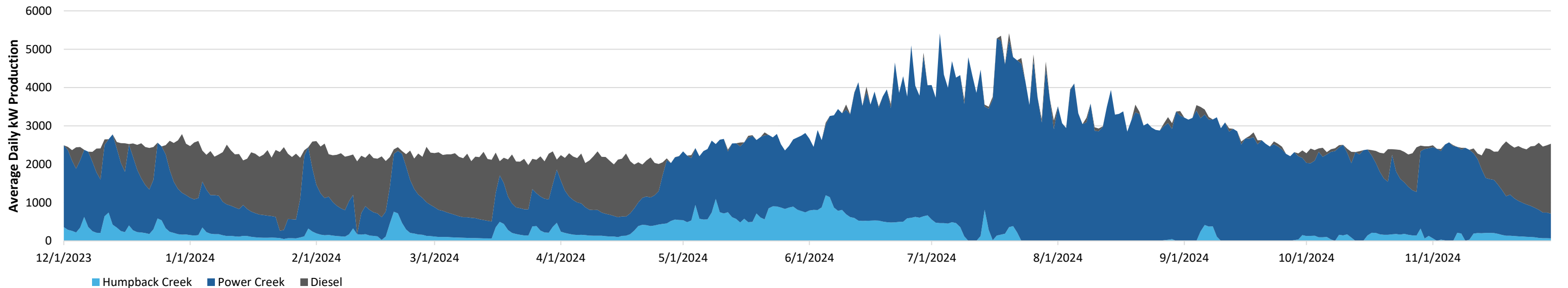
CEC once again retired capital credits in 2024. Current members automatically had the credit applied to their January electric bills.

Capital credits are the hallmark of cooperative membership and retirement of the credits demonstrate our strong financial performance. Profits, or margins, are allocated to each member on a yearly basis, and get returned back to members at a later date. CEC is proud to return capital credits to our fellow members of the cooperative.



Power Generation

12/1/2023 - 12/1/2024



CoBank Sharing Success

CEC doubles its impact in the community through the CoBank Sharing Success program. The funding for this program is split 50/50 between CEC and CoBank and this is the 11th year in a row that CEC has participated. The CEC board selected four entities to receive \$5,000 each:

- Mavis Island Project**
- Cordova 2x2 Cancer Walk**
- Prince William Sound Science Center**
- Cordova Covered Spaces Project**



Christmas Decorating Contest



For 38 years, CEC has held a Christmas Decorating Contest to help bring more brightness to the darkest time of year. We enjoyed Cordova's first boat parade this year and look forward to seeing everyone's decorations in 2025!



CEC Employees are Proud Community Members!
 Our employees are involved in the community in the following roles:

- Clay Koplin** - Copper River Ducks Unlimited Committee
- Brian Wagner** - 8 Ball Tournament League
- Leif Stavig** - Cordova Chamber of Commerce Board
- Garrett Collins** - Harbor Commission & CR/PWS Fish and Game Advisory Committee
- Ben Simpler** - Cordova Telecom Cooperative Board
- Annie Linville** - Hospital Services Board & Volleyball Coach



The CEC Nominating Committee nominated six members to run for the CEC Board of Directors. Two candidates will be elected to serve three-year terms. The following information was submitted by each candidate.

Steve Ranney (Incumbent)

Occupation(s): Manager, Orca Adventure Lodge

Community Involvement: I have been on the CEC Board for 2 terms as Secretary, past board member of the Cordova Chamber of Commerce, assistant leader w/ the Boy Scouts for close to 20 years, volunteer to teams, music, NOSB and others

Why are you interested in serving on the CEC Board? I believe I offer a balance to the Board. For me, budgets, projects and decisions must pass a litmus test. How will it affect rates? How does the decision affect the long-term health of the Cooperative?

While adding debt is a useful tool, I feel we need to also be careful not to overburden our future members with an excessively heavy debt load.

My priority at the board level is encouraging increasing sales. To me this is most critical to the cooperative's future, as sales have been in a decline and expenses, of course are on an upward trend.

I encourage members to take a good look at the Heat Pump incentive program CEC has recently implemented. I am happy to talk to anyone interested in heat pumps as well, and my own experiences with them.



Andrew Smallwood (Incumbent)

Occupation(s): Pilot (ret.) / Comm. Fish (Seiner)

Community Involvement: I served on the CEC board in the early 80's and at the same time on the Planning and Zoning Commission. I served for 3 years on the board of the Copper River Fisherman's Co-op. I served for 9 years on the board of Prince William Sound Science Center and am currently again on the board of Cordova Electric Co-op.

Why are you interested in serving on the CEC Board? When the gales of winter lay the trees flat, know that, anywhere else in the nation, the people would be plunged in darkness. Here the lights seldom even flicker. That's because previous boards elected to put our distribution system underground. That was expensive. It took courage.

The current board's challenge is to transition from diesel to hydro power. We are almost 80% of the way there. This is expensive and difficult but essential if we are to control costs in the future. The present Board and Management continually walks a tightrope between over borrowing on the one hand and under investing in the future on the other. I believe we have performed this balancing act with skill and grace so far. I very much want to continue as part of this great team.

I have been involved with CEC, at the board level, since its founding forty some years ago. In all that time we have had to struggle with wildly fluctuating diesel prices over which we have had no control. Our gift to the next generation of Cordovans should be to relieve them of that burden. I would be happy to continue to try and make that happen.



Board Candidates (continued)

Penny Oswalt Stimson

Occupation(s): Retired, former Finance Director for PWSSC.

Community Involvement: Cdv School Board – 7 years, CCMC Hospital Board – 5-7 years, CVFD – EMT I & II – 17 years, Mt Eyak Ski Patrol – 10+ years, Cdv Iceworm Festival – 30+ years 1976-2012, Loom – Officer Sr. Regent

Why are you interested in serving on the CEC Board? I was asked if I would be interested in serving on the board. Making sure our electric co-op is in sync with the community needs and wants is important to me. Making sure we operate efficiently and economically. Energy prices along with other economic factors can make or break this community, want to work to keep people here.



Jeremy Botz

Occupation(s): Fisheries Biologist

Community Involvement: I previously served on the CEC Board of Directors for two years and hope to continue to build on these experiences. I manage commercial salmon and herring fisheries that are vital to the local economy. I currently volunteer my time supporting youth in this community through the Ice Worm Swim Team. Living in this town for nearly 20 years has given me the chance to develop a deep appreciation for what it takes to make Cordova home.

Why are you interested in serving on the CEC Board? As a board member I would work to ensure that CEC stays on a path that helps Cordova thrive. Reliable and cost effective electricity production is essential for Cordova to remain sustainable as a community. My previous time on the board taught me that this is not an easy ask- the cost of projects that will allow us to reduce rates over the long-term are high. I am happy to volunteer my time to work towards finding creative solutions for making these projects come to fruition.



Pete Mickelson

Occupation(s): Retired Biologist

Community Involvement: Marked cross-country ski trails on Tripod Hill, Advisory Committee member for Recreation in Cordova, Volunteer for cutting out ski runs on Tripod Hill, Started Mt. Eyak Ski Patrol and did First Aid Training for patrollers, Mt. Eyak Ski Patroller for about 10 years, Helped start Copper River Delta Shorebird Festival, Volunteer for Copper River Delta Shorebird Festival, shorebird id, and guide, Founder (among 8) of Prince William Sound Science Center, On Board of Directors for PWSSC, Board Member of Copper River Watershed Project (6 years, VP), Board Member of Cordova Chamber of Commerce (3 years)

Why are you interested in serving on the CEC Board? My name is Pete Mickelson and have lived in about 17 location in the Cordova area since 1973. I am a strong believer in hybrid and electric cars and own a very complex Toyota Prius hybrid plug-in car. I see a future in more use of electricity for cars and trucks and more opportunities for recycling.

I would like to be on the CEC Board of Directors to work with this very progressive company aptly led by Clay Koplin. My main interest is in exploring more hydroelectric and hydro kinetic generation. In particular, I am impressed with the new Blade Runner Energy technology being tested in Nenana, the Tide Gen system at False Pass, and the Riv Gen system at Igiugig. There may be opportunities to use them in the Cordova area. I hope to see more preparation to use BESS battery storage for emergencies. I look forward to working with Clay and other Board members in efforts to reduce electricity costs to homes, harbor users, and businesses, and to better light the streets and roads in Cordova.



Heather Thorne

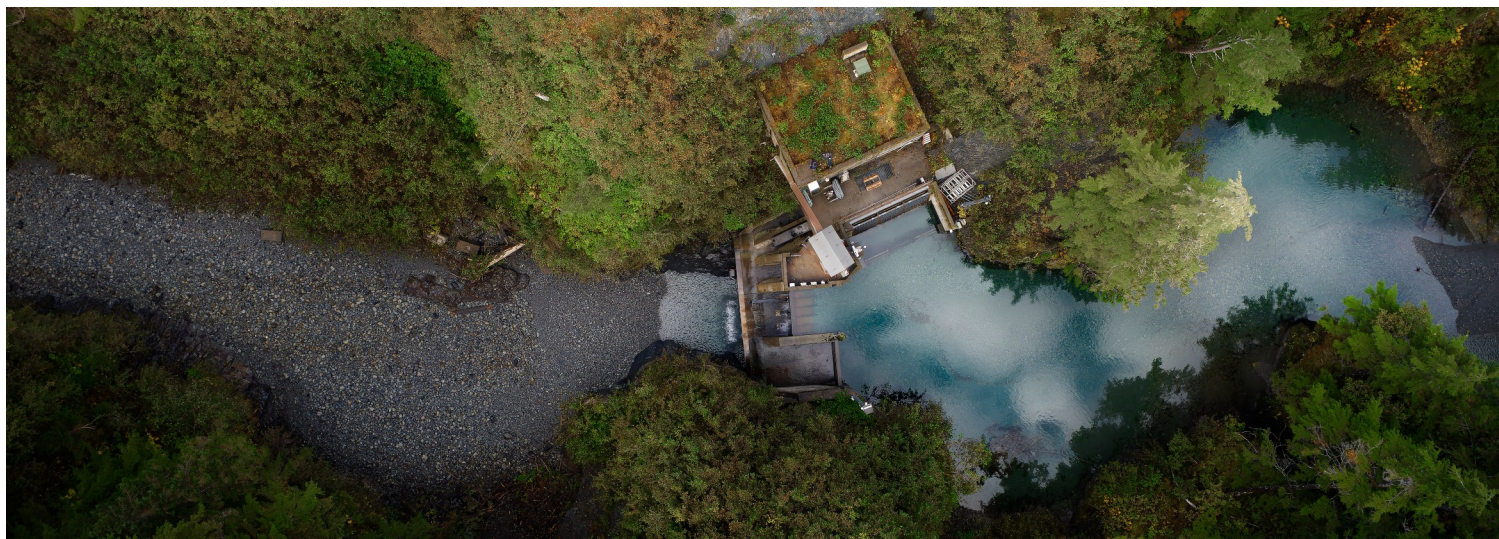
Occupation(s): NVE Director of Tribal Family Services

Community Involvement: I am involved in our community through various roles and volunteer efforts. I plan and host the annual community Easter Egg Hunt, fostering a sense of togetherness. As the Director of Tribal Family Services, I oversee numerous free programs and events for tribal and community members of all ages. I also coordinate the Sexual Assault Response Team, working with medical professionals, law enforcement to support victims. In addition, I am a foster home with the State of Alaska, coach summer softball/baseball teams, and volunteer as a basketball coach for Jr High.

Why are you interested in serving on the CEC Board? I am interested in serving on the CEC Board because I am passionate about ensuring that our community has access to reliable, affordable, and sustainable energy. As a resident of Cordova, I deeply understand the importance of a cooperative energy model that prioritizes the needs of its members. This opportunity allows me to contribute to the long-term success of CEC while championing fairness, transparency, and local control.

I am particularly committed to ensuring that the projects and decisions we make today have lasting benefits for future generations. Our community faces unique environmental and logistical challenges, and it is crucial that we implement solutions that not only meet our current needs but also promote sustainability and resilience for years to come. I believe in investing in technologies and strategies that will protect both natural resources and our cooperative's financial health.

With a background in federal grant writing and management, State Negotiations, and team approaches, I bring valuable skills to the table and am eager to work collaboratively with fellow board members to develop initiatives that foster long-term sustainability. Above all, I want to ensure that CEC remains a strong, adaptive organization that serves the best interests of Cordova's future generations.



Humpback Creek Hydro Intake

Annual Meeting Notice

Unaudited Financials



Cordova Electric Cooperative Annual Meeting

Monday, March 17, 2025 - Cordova Center - 6:00 pm

Cordova Electric Cooperative invites all members to participate in the 2025 Annual Meeting.

The Annual Meeting will be held on Monday, March 17th, 2025 at the Cordova Center. Registration will begin at 5:00 pm. The meeting will start promptly in the theater at 6:00 pm and will last approximately one hour with the drawings for prizes at the end. Following the meeting, there will be appetizers in the atrium.

At the meeting, members will select one of three grand prizes to enter for. All members will be entered to win 20+ additional prizes. We look forward to hosting an informational Annual Meeting.

Annual Meeting Agenda

1. Call to Order and Determine Quorum
2. Reading of Notice of Meeting
3. Approve 2024 Annual Meeting Minutes
4. Election of Board Directors / Bylaw Proposition Results
5. Reports of Officers
6. Unfinished Business
7. New Business
8. Adjournment

CORDOVA ELECTRIC COOPERATIVE
2024 ANNUAL MEETING
MARCH 18, 2024
DRAFT MINUTES

1. CALL TO ORDER

Chair **Joe Cook** called the 46th Annual Meeting of Cordova Electric Cooperative to order at 6:30 PM on March 18, 2024. Cook stated there were 1035 members of record, making 50 members present a quorum. 166 members were present so there was a quorum.

2. READING OF NOTICE OF MEETING

With no objection, **Cook** waived the reading of the meeting notice.

3. APPROVE 2023 ANNUAL MEETING MINUTES

With no additions or corrections, **Cook** stated the minutes were approved as presented.

4. ELECTION OF BOARD OF DIRECTORS / BYLAW PROPOSITION RESULTS

Cook introduced the current board members: **Stephen Phillips, Steve Ranney, Scott Pegau, Rob Campbell, Andrew Smallwood, and Jeremy Botz.**

Cook introduced the board nominees: **Phillips, Botz, Rod Jensen, Lynnette (Lohse) Wright, Ryan Asa, Jeremiah Beckett, and Natasha Casciano.**

Cook provided the nominees the opportunity to speak and none chose to. **Cook** asked if everyone had voted and declared the ballot closed.

5. REPORTS OF OFFICERS

Cook provided a report on 2023. **Cook** recognized CEC employees and board directors for service milestones: **Ranney** – 5 years, **Annie Linville** – 5 years, **Angela Jeppson** – 10 years, **Clay Koplin** – 25 years. **Crystal Enkvist**, Executive Director of the Alaska Power Association, provided an update.

Emma Merritt, Manager of Finance, gave the Treasurer's Report. **Clay Koplin**, Chief Executive Officer, gave a CEO Report.

6. UNFINISHED BUSINESS – none.

7. NEW BUSINESS – none.

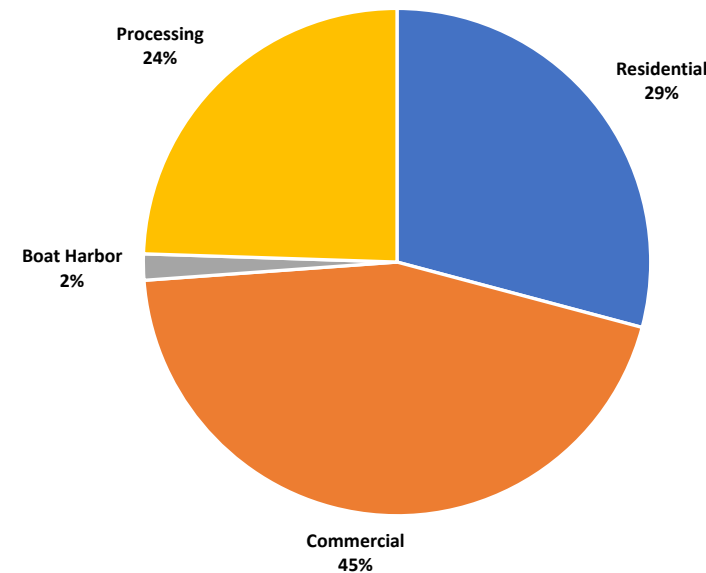
8. ADJOURNMENT

Cook announced that the Election Committee was still tallying the ballots and the election results would be posted on the website and CEC Facebook page as soon as they were completed. With no further business, **Cook** declared the meeting adjourned at 6:50 PM.

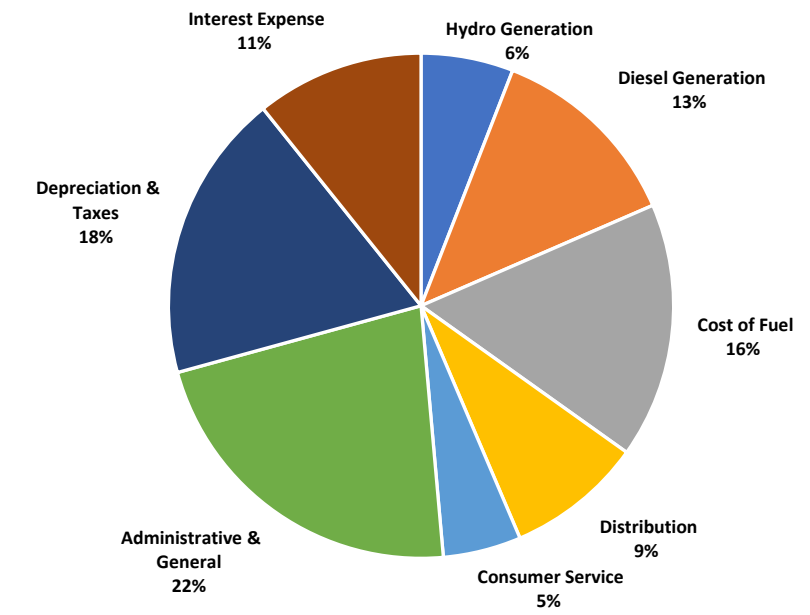
Statement of Operations

	2022	2023	2024
Energy Charges	5,875,986	6,301,635	6,394,735
Fuel Surcharges	2,304,907	1,838,545	1,148,747
Operating Revenue	8,180,893	8,140,180	7,543,482
Hydro Generation	564,784	631,029	414,900
Diesel Generation	981,084	1,029,085	883,243
Cost of Fuel	2,304,907	1,838,545	1,148,747
Distribution	911,624	827,900	613,215
Consumer Service	373,229	359,849	350,612
Administrative & General	1,369,240	1,451,051	1,555,005
Total Operating & Maint Expenses	6,504,868	6,137,459	4,965,722
Depreciation & Taxes	1,184,807	1,286,795	1,299,201
Interest Expense	555,482	686,766	754,627
Other	17,339	13,572	6,678
Total Cost of Electric Service	8,262,496	8,124,592	7,026,228
Operating Margins	(81,603)	15,588	517,254
Non-Operating Margins	75,284	354,918	(415,047)
Patronage Dividends	246,205	253,758	293,869
Patronage Capital or Margins	239,886	624,264	396,076

2024 Revenues



2024 Expenses



Balance Sheet

ASSETS	2022	2023	2024	EQUITY & LIABILITIES	2022	2023	2024
Plant				Equity			
Plant & CWIP	52,615,723	54,049,208	53,548,467	Patronage Capital	18,242,059	17,988,394	18,218,161
Depreciation	(22,900,680)	(23,195,104)	(22,496,983)	Current Year Margin	239,886	624,263	364,218
Net Plant	29,715,043	30,854,104	31,051,484	Other Equity	606,611	744,053	836,335
Current Assets				Total Equity	19,088,556	19,356,710	19,418,714
Investments	3,429,523	3,363,408	3,492,867	Liabilities			
Cash	1,089,366	2,450,583	1,004,129	Long Term Debt	17,305,182	18,253,429	16,949,798
Other Assets	2,760,770	2,001,511	2,034,216	Payables	111,658	164,567	114,063
Total Other Assets	7,279,659	7,815,502	6,531,212	Accrued & Other Liabilities	489,305	894,900	1,100,121
TOTAL ASSETS	36,994,702	38,669,606	37,582,696	Total Liabilities	17,906,146	19,312,896	18,163,982
				TOTAL EQUITY & LIABILITIES	36,994,702	38,669,606	37,582,696

Board of Directors



Joe Cook

Joe Cook - Chair

Stephen Phillips - Vice Chair

Steve Ranney - Secretary/Treasurer

Rob Campbell

Andrew Smallwood

Natasha Casciano

Lynnette (Lohse) Wright

Attorney

Andy Leman

Kempel, Huffman & Ellis, P.C.

Auditor

Julie Desimone

Moss Adams

Employees

Management

Clay Koplin - Chief Executive Officer

Russ Goss - Manager of Generation

Emma Merritt - Manager of Finance

Trever Kudrna - Technology Manager

Leif Stavig - Executive Assistant/HR

Distribution Department

Ben Simpler - Journeyman Lineman

Arnold Barbaza - Apprentice Lineman

Finance Department

Angela Jeppson - Customer Service Rep.

Ann Linville - Customer Service Rep.

Kaleb Rubner - Staking Tech/Warehouse

Generation Department

Brian Wagner - Generation Foreman

Garrett Collins - Maintenance Operator

Jason Borland - Apprentice Maint. Operator

Royce Landeen - Apprentice Maint. Operator



Cordova Electric Cooperative, Inc.

PO Box 20

700 New England Cannery Road

Cordova, AK 99574

907-424-5555

www.cordovaelectric.com

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