



**Your community.
Your co-op.
Your choice.**

2022 ANNUAL REPORT



MEMBERSHIP IS THE HEART OF THE CO-OP

A NOTE FROM YOUR BOARD CHAIR



OUR VISION

Holy Cross Energy is leading the responsible transition to a clean energy future.

OUR MISSION

Holy Cross Energy provides safe, reliable, affordable and sustainable energy and services that improve the quality of life for our members and their communities.



**MEMBERSHIP
IS THE HEART OF
THE CO-OP**

Dear members and friends,

2022 marked a milestone year for your electric cooperative, achieving 50% clean and renewable energy by year-end. The tremendous progress we've made in our clean energy portfolio has been thanks to you, our members and communities, undertaking ambitious new clean energy projects and taking part in the democratic process that governs our cooperative. As our new motto states, *membership is the heart of the co-op*.

Our vision is to lead the responsible transition to a clean energy future. Our board scrutinized every word of this vision, and every word holds important meaning.

As they say, if it were easy, everyone would do it. I commend our members and communities for pushing us to consider what's possible as a rural electric cooperative. It's not easy at times, but challenges do not diminish our commitment to you for the responsible leadership you have come to expect. We don't shy away from the questions and diverse reactions to innovative ideas, like our new rate design plans. Rather, we welcome those voices from our members and beyond. That's the price of responsible co-op leadership.

In late 2018 we unveiled our updated strategic plan and promised you, our members, to update you annually on progress towards those goals. As with most years, I think you'll be delighted to read through the following report to see what has been accomplished in 2022.

Every day I'm impressed, humbled, and proud of the work of the employees of Holy Cross Energy. Together, we are 162 of your fellow community members who are deeply committed to providing incredible service while preserving the place we all call home.



Dave Munk
HCE Board Chair
Hometown: Carbondale
Current Term: 2022-2026

'Leading' - Our 100x30 goal was the first in our industry. Our members represent the people and businesses experiencing considerable disruption due to climate change. Our fragile mountain environments are at risk, along with the local economies and workforce who support the recreation we love. Our staff is of the highest possible caliber, and well-suited to address this global challenge, navigating the opportunities and uncertainties of our rapidly changing world.

'Responsible' - We aren't losing sight of what our members care most about: reliability and affordability. Our system reliability statistics are phenomenal, considering the topography of the region. Simultaneously, HCE's rates are among the lowest for all Colorado Cooperatives, even while we are increasing investments in wildfire mitigation, cyber security and facing upward costs for labor and materials.

'Clean Energy Future' - We are now operating in a changing energy landscape in which the cost of renewable energy is cheaper than its fossil fuel counterparts. We have acquired as much economical new clean energy as we can, while maintaining both reliability and affordability. Through this approach, we've saved our membership over \$29 million thanks to strategic negotiations with our partners and a community who is invested in innovative solutions to tough problems.

HOLY CROSS ENERGY

MAP OF DISTRICTS



David Campbell, Director
Hometown: Vail
Current Term: 2020-2023



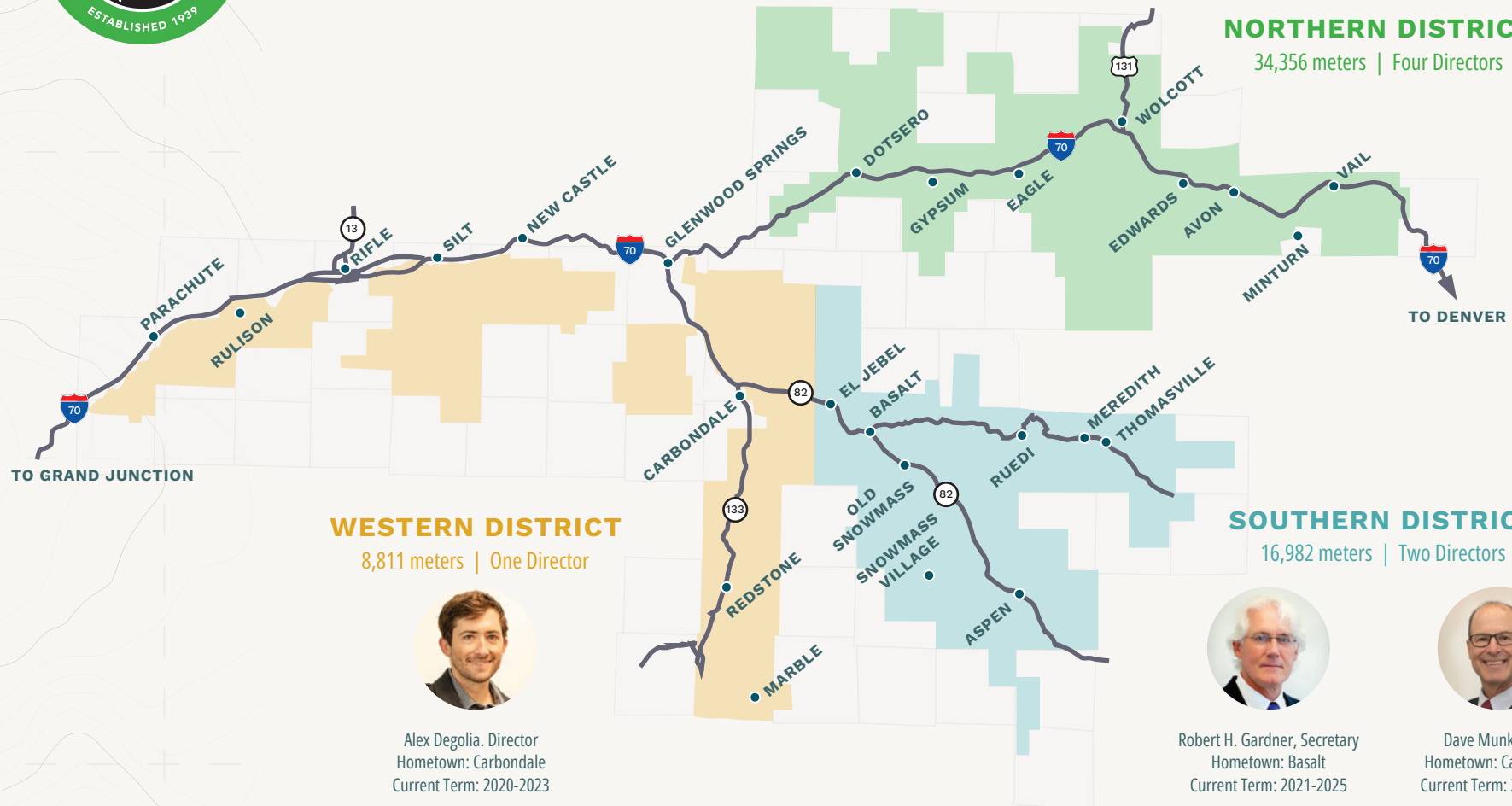
Keith Klesner, Director
Hometown: Eagle
Current Term: 2021-2024



Kristen Bertuglia, Vice Chair
Hometown: Edwards
Current Term: 2021-2025



Adam Quinton, Treasurer
Hometown: Edwards
Current Term: 2022-2026



Alex Degolia, Director
Hometown: Carbondale
Current Term: 2020-2023



Robert H. Gardner, Secretary
Hometown: Basalt
Current Term: 2021-2025



Dave Munk, Chair
Hometown: Carbondale
Current Term: 2022-2026

YOUR CO-OP 2022 BY THE NUMBERS



53%

Renewable energy
(including 3.8% from PuRE participation)



162

Employees



41,960

Residential members



9%

of our total renewable energy
originated from local sources



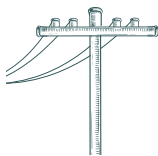
7

Electric fleet vehicles, out of
91 total fleet vehicles & trailers



3,578

Commercial members



2,970

Total miles of overhead &
underground power lines



36,968

Inbound calls handled in 2022 by our
Member Services Representatives



270

After-hours outages responded
to in 2022 by HCE operations crews

MEMBER PROGRAMS

2022 PARTICIPATION

PURE

2,412

Members



PuRE allows members to offset the portion of their electricity coming from fossil fuels with 100% renewable energy now. In 2022, 3.8% of our renewable energy came from PuRE participation.

\$5.35

Average monthly premium our residential PuRE members paid in 2022 to go 100% renewable

PEAK TIME PAYBACK

2,550

Members



Peak Time Payback (PTP) rewards members for reducing their electricity usage during peak hours. We pay you, in bill credits, for using less electricity.

60

PTP events in 2022 resulted in

\$94,853

in payments back to members

POWER+

85

Members



Power+ offers a new resilience option helping members use Tesla's Powerwall 2 battery energy storage system by providing upfront installation costs to be paid over time through on-bill financing.

1.8 MW

Total Power+ battery capacity enrolled at the end of 2022

CHARGE AT HOME. CHARGE AT WORK.

455

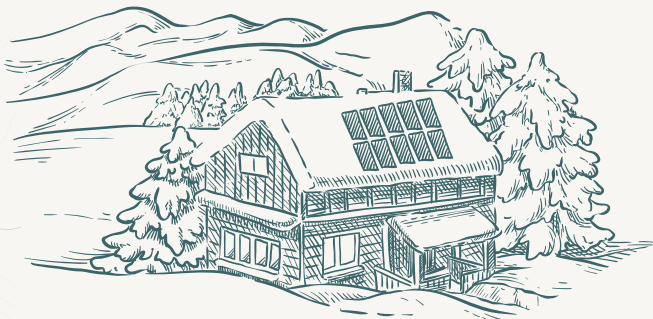
Members



Charge at Home and Charge at Work support our members' transition to electric vehicles by offering rebates, rate design and on-bill financing support for EV charging infrastructure.

201

New home & workplace EV chargers provided to members in 2022



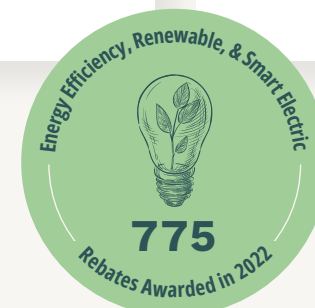
SOLAR NET METERING

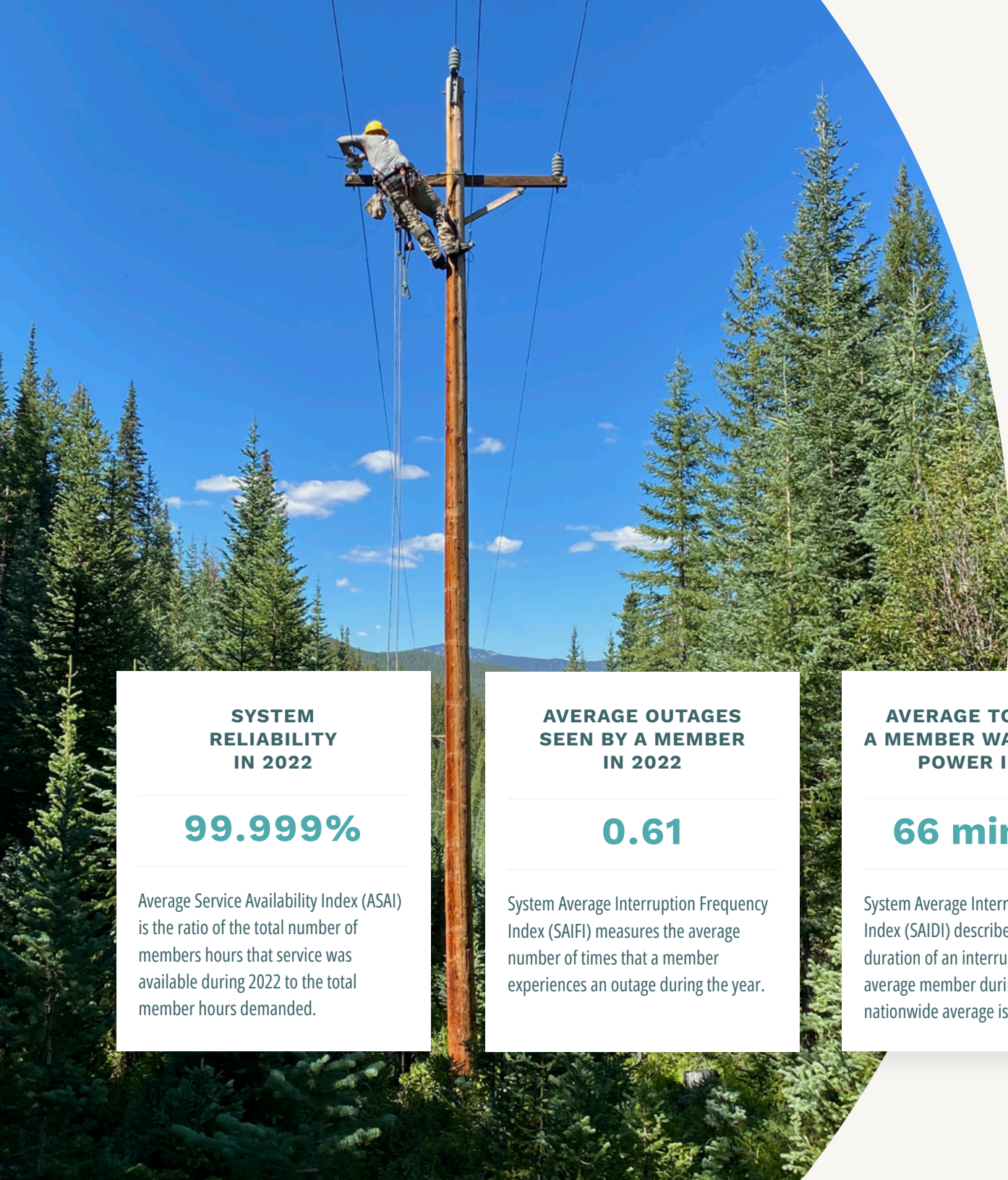
2,402

Members

3.6 MW

New photovoltaic solar added in 2022





SAFETY & RESILIENCY

Safety - We are committed to the safety and welfare of all HCE staff, members and our local communities through education, awareness, training and prevention.

Resiliency - The largest threat to our system continues to be wildfire. We're working with industry-leading partners to mitigate the risk to our poles and wires:

- *Overstory* is a satellite vegetation management system that scans our service territory for vulnerable segments of line that need extra attention. This technology has saved our vegetation management crews countless man-hours by identifying those areas of the system that pose a higher risk to wildfire threat.

- *Pano AI* is another tool we are piloting that detects, assesses and pinpoints fires faster, enabling more swift and efficient containment. The early minutes of a fire are critical, and initial response time determines the threat to lives and property. Cameras mounted on our high sites continuously scan the landscape for signs of fire. We have been working closely with our first responder community to share this resource.

SYSTEM RELIABILITY IN 2022

99.999%

Average Service Availability Index (ASAI) is the ratio of the total number of members hours that service was available during 2022 to the total member hours demanded.

AVERAGE OUTAGES SEEN BY A MEMBER IN 2022

0.61

System Average Interruption Frequency Index (SAIFI) measures the average number of times that a member experiences an outage during the year.

AVERAGE TOTAL TIME A MEMBER WAS WITHOUT POWER IN 2022

66 minutes

System Average Interruption Duration Index (SAIDI) describes the total duration of an interruption for the average member during the year. The nationwide average is 90 minutes.

ENGAGING WITH MEMBERS & COMMUNITY GIVING

How We Give Back - We have been committed to serving our community for over 80 years, providing support to the organizations who contribute to the greater well-being of our region. Through our Community Giving program, Community Enhancement Funds shared with each of our franchise partners, and the return of Member Equity contributions, we help our members thrive.

Round-Up Foundation - Our non-profit organization provides funding assistance to the residents of Eagle, Garfield and Pitkin Counties. Funded through 4,983 of our generous members rounding up their bill to the nearest dollar, matching funds from HCE, and employee contributions, Round-Up income totaled \$94,642. Catholic Charities, Salvation Army, Lift-Up, The River Center, Garfield School District #16, and the Roaring Fork Family Resource Center were just a few of the organizations we supported in 2022.

Outreach & Events - We are active and involved in the communities we serve. We invite you to meet with us throughout the year at our Annual Meeting, one of our Brats & Kilowatts events, or one of our many partner events. Over 1,900 members attended an HCE event in 2022.



**MEMBERSHIP
IS THE HEART OF
THE CO-OP**

OUR CONTRIBUTIONS TO THE COMMUNITY IN 2022

\$206,194

Community Enhancement Funds

\$400,000

Community Giving Program

\$94,642

Round-Up Foundation Donations

\$4,700,000

Member Equity Returned

\$169,400,000

Total Member Equity
Returned Since 1963



PROJECTED ANNUAL
CARBON OFFSET
NUMBERS

6,853

Metric Tons of CO₂

1,481

Passenger Vehicles

7,551,050

Pounds of Coal

COLORADO MOUNTAIN COLLEGE SOLAR + BATTERY STORAGE COMPLEX

In September 2022, we “cut the ribbon” on our new solar array and battery storage project at Colorado Mountain College (CMC)’s Spring Valley campus in Glenwood Springs.

This utility-scale solar + storage project was a collaboration between HCE, CMC, Ameresco, Sunsense Solar and other community partners. It will assist in our efforts to provide our members with 100% carbon-free electricity by 2030. CMC has a similar goal of carbon neutrality by 2050.

The system will provide power for three CMC campuses, including Edwards, Aspen and Spring Valley.

Many of the 13,500 solar panels are on a single-axis tracker to take advantage of the varying terrain and space constraints of the site. The battery system is comprised of 68 battery stacks housed in four containers, which also contain an HVAC system for temperature and humidity control and a fire suppression system for safety.

We will use the batteries to discharge during system peaks, reducing our wholesale energy costs and saving money for our entire membership.



68

Battery Stacks Containing

**5 MW /
15 MWh**

of Battery Energy Storage

13,500

Solar Panels Producing

4.5 MW

of Solar Power

FEATURED PROJECT

ADAM PALMER SOLAR ARRAY BARNRAISING EVENT

Over the course of two days at the end of April 2022, community partners including Eagle County, Holy Cross Energy, Walking Mountains Science Center, and the Adam Palmer Sustainability Fund came together to construct the new Adam Palmer Community Solar Garden, adding 210 kW of capacity to our Income-Qualified Sustainable Solar program.

The solar garden honors the legacy of Adam Palmer, the late Sustainable Communities Director for Eagle County, Town of Eagle council member, and HCE Board Member.

The solar garden, constructed using PowerField Energy's unique racking system, is located at our Cooley Mesa Operations Center. The system is portable and has the ability to be moved in the future.

SUSTAINABLE SOLAR ACCESSIBLE & AFFORDABLE RENEWABLE ENERGY

Sustainable Solar helps reduce electric bills by providing our income-qualified members access to locally generated renewable energy.

Thanks to the addition of the Adam Palmer Solar Array, we were able to increase participation in Sustainable Solar from 40 to 100 members.



**ADAM PALMER
SOLAR ARRAY**

210 kW

Solar Capacity

100

Income-Qualified
Members can now
participate in
Sustainable Solar.

OUR FINANCIAL HEALTH



We have a strong commitment to maintaining the financial integrity and strength of our rural electric cooperative, in a way that balances competitive rates with safe and reliable service.

SYSTEM STATS

Total kWh Purchased	1,313,229,011 kWh
System Peak (Jan.)	258,196 kW
Total PTP Peak Reduction	10,600 kW
Power+ Capacity Added	1,445 kW
Average Residential Energy Use	1,190 kWh
PTP Credits Issued	\$94,853
Average Residential Bill	\$139

MEMBER EQUITY

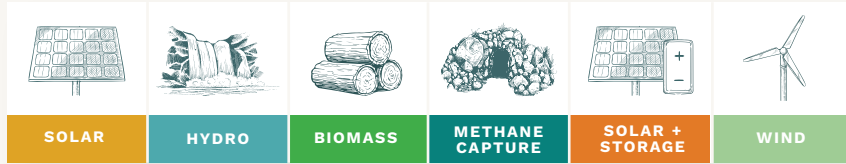
Returned Since 1963	\$169.4 Million
Returned Capital Credits in 2022	\$4.7 Million

STATEMENT OF OPERATIONS

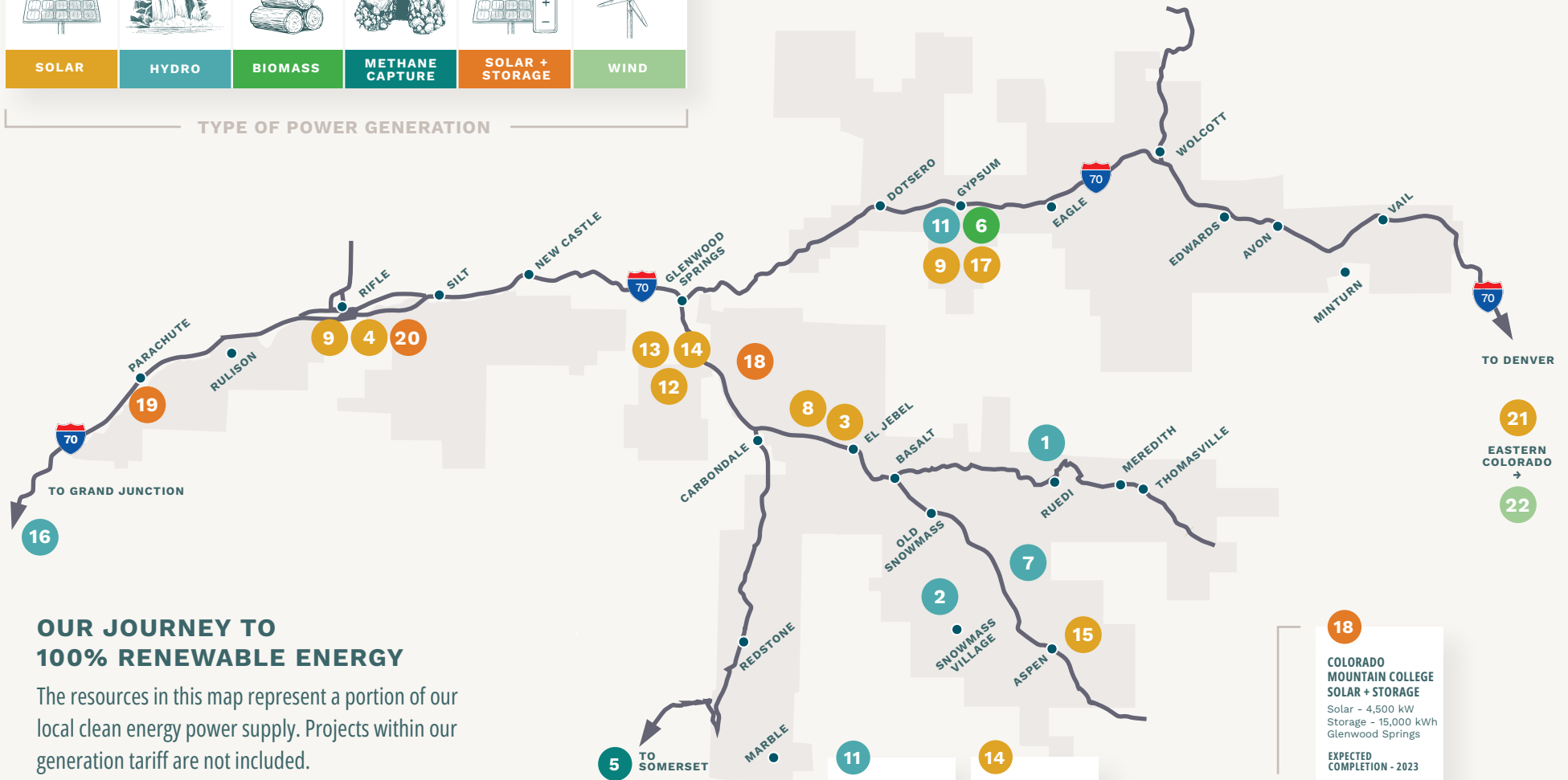
Operating Revenue —	\$
Residential Sales	83,033,065
Commercial Sales	59,535,644
Public Lighting	118,690
Other Electric Revenue	5,776,210
Total Operating Revenue	\$148,463,609

Operating Expenses —	\$
Power Supply	76,424,569
Transmission	2,874,007
Distribution	16,253,736
Member Service	6,454,178
Administrative	13,151,780
Depreciation & Interest	23,727,007
Total Operating Expenses	\$138,885,277

Margins —	\$
Net Operating Margins	9,578,332
Other Margins	1,694,218
Total Margins	\$11,272,550



TYPE OF POWER GENERATION



OUR JOURNEY TO 100% RENEWABLE ENERGY

The resources in this map represent a portion of our local clean energy power supply. Projects within our generation tariff are not included.

<div>1</div> <div>RUEDI CREEK HYDRO</div> <div>25 kW Basalt (Ruedi)</div>	<div>3</div> <div>MID VALLEY SOLAR ARRAY</div> <div>78 kW Carbondale</div>	<div>6</div> <div>GYPSUM BIOMASS / WOOD</div> <div>12,000 kW Gypsum</div>	<div>9</div> <div>GARFIELD COUNTY AIRPORT SOLAR II</div> <div>826 kW Rifle</div>	<div>12</div> <div>HCE POWERFIELD SOLAR ARRAY</div> <div>208 kW HCE GWS Campus</div>	<div>15</div> <div>PITKIN COUNTY SOLAR ARRAY</div> <div>5,000 kW Aspen</div>	<div>17</div> <div>ADAM PALMER SOLAR ARRAY</div> <div>210 kW HCE Cooley Mesa (Gypsum) Campus</div>	<div>20</div> <div>EAGLE SPRINGS SOLAR + STORAGE</div> <div>Solar - 10,000 kW Storage - 20,000 kWh Rifle</div> <div>EXPECTED COMPLETION - 2024</div>	<div>22</div> <div>BRONCO PLAINS II WIND PROJECT</div> <div>200,000 kW Kit Carson County</div> <div>EXPECTED COMPLETION - 2024</div>	
2003-04	2010-11	2012	2013	2015	2016	2019-20	2021	2022	2023 → ONWARD

IN DEVELOPMENT



OUR STRATEGIC PLAN

Our strategic plan identifies six goals that guide the activities that support HCE's vision and mission for the benefit of our members.

1

PROVIDE CLEAN ELECTRICITY TO OUR MEMBERS

In 2022, our clean energy portfolio rose above 50% for the first time! Including PuRE participants, we are at 53% clean and renewable energy.

Our partnership with Colorado Mountain College and their Solar + Storage Complex came to fruition as they installed 4.5 MW of solar power and 5 MW/ 15 MWh of battery energy storage at their Spring Valley campus.

We began leasing power from Alamosa Solar, a 30 MW solar array located in the San Luis Valley.

We supported the deployment of nearly 3.6 MW of new distributed solar PV systems on our members' homes and workplaces.

Our staff continued to make progress on our Net Zero GHG Emissions by 2035 work plan.

We brought the Adam Palmer Community Solar Garden online as part of our Sustainable Solar program, providing 100 income-qualified members access to clean energy.

2

OPERATE A SAFE, MODERN, RELIABLE, RESILIENT & SECURE ELECTRIC DISTRIBUTION SYSTEM

We worked towards completion of our "middle mile" network infrastructure project, installing fiber in the Roaring Fork Valley, with plans to move to the Eagle River Valley in 2023.

We continued to identify areas of potential wildfire risk by leveraging data to identify high-risk structures.

Our system reliability scores were again above average (see system reliability statistics).

3

PROMOTE, ENABLE, AND ACCELERATE ELECTRIFICATION, ENERGY EFFICIENCY & MEMBER DISTRIBUTED ENERGY RESOURCES

Peak Time Payback avoided 10.614 MWh of consumption during peak demand periods in 2022, leading to \$94,853 in payments to participants and \$82,000 in additional net benefits returned to the HCE membership.

Power+ has provided us with 1.8 MW of capacity able to be discharged by HCE, lowering costs for all members.

We provided 201 home and workplace EV chargers to members at no cost.



4

ENABLE LONG RUN FINANCIAL SUSTAINABILITY BY OBTAINING SUFFICIENT REVENUE, CONTAINING COST INCREASES, & MAINTAINING A STRONG BALANCE SHEET

In 2022, HCE saved \$8.4 million dollars through our diverse power supply portfolio, thoughtful contract negotiations and increased renewable energy resources.

The Board of Directors continued considering new and innovative utility business models to be used during our transition to a clean energy future.



5

PROVIDE OUTSTANDING AND EQUITABLE SERVICE AND VALUE TO ALL HCE MEMBERS AND THEIR COMMUNITIES

In 2022, our Community Relations team had over 20,000 engagement interactions with members.

Our Member Satisfaction score was 9.2 (out of 10), along with an American Customer Satisfaction Index (ACSI) score of 88 (out of 100).

We hosted a series of community meetings with our under-represented members and began translating much of our communication into Spanish.



6

BE AN EXCEPTIONAL EMPLOYER OF CHOICE IN OUR REGION

Our internal Diversity, Equity, and Inclusion (DEI) Committee in partnership with the Gatling Agency conducted a comprehensive DEI assessment and created a roadmap for our DEI efforts.

We increased our workplace flexibility which included offering telecommuting and remote work opportunities, flexible schedule options, compressed work weeks, customized workspaces and additional paid time off options.

We created a new training and development program and curriculum offering new learning and continuing education opportunities for all employees.





2022

Employee Wellness
Challenge Photos

