



PRESERVING OUR PAST
2023 ANNUAL REPORT
FORGING OUR 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.

A NOTE FROM YOUR BOARD CHAIR

Dear members and friends,

As we share our annual state-of-the-cooperative with you, I hope you will join me in celebrating the remarkable achievements from this past year, as well as saluting the talented staff who work hard every day to keep the lights on while they also make these achievements a reality for all of us. As your Board Chair, it is my honor and privilege to present to you our annual report, highlighting the many ways your cooperative has worked for you over the last year.

In late 2023, we added two new resources to HCE's power supply portfolio, the Bronco Plains II Energy Center and Hunter Solar. These two projects increase our renewable energy supply by more than 20%, getting us closer than ever to our 100x30 goal of providing the HCE membership with 100% clean energy by 2030.

In conjunction with our upcoming local clean energy projects, we anticipate achieving power supply savings of \$40 million for our membership with these new system resources. In addition to the gains in our clean energy portfolio, we've also formalized our strategy in response to the increasing threat of wildfire in our service territory to keep our system safe.

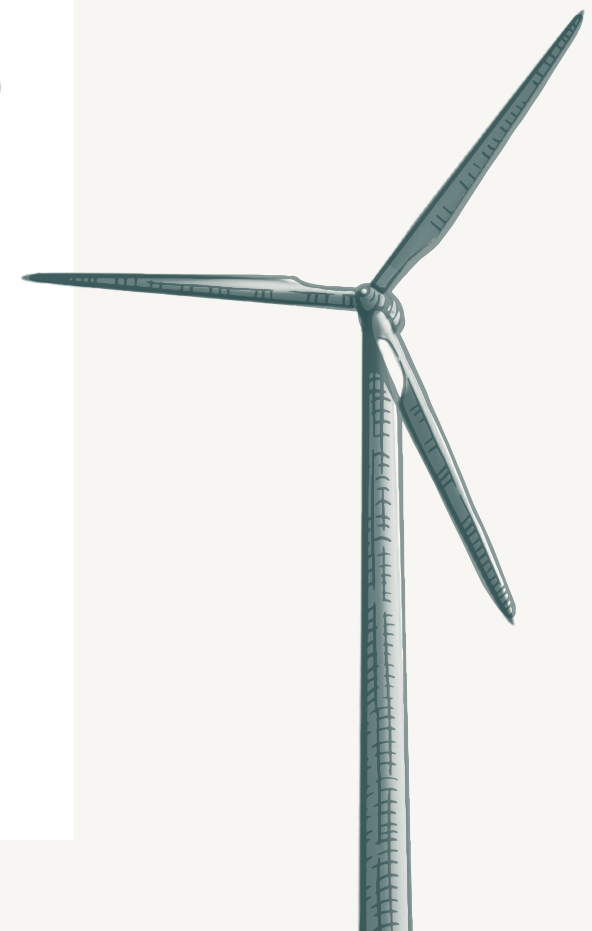
Our incredible lineworkers and system operations staff go to great lengths to minimize disruptions to our grid, and our system reliability statistics on the following pages are a testament to their hard work and dedication. On behalf of the Holy Cross Energy Board of Directors, we thank you for being engaged in whatever capacity serves you: providing feedback, attending events, voting in our election, or enrolling in one of our many energy programs. Thank you for allowing us to serve you.

Sincerely,
Dave Munk, Board Chair



OUR VISION

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



MAP OF DISTRICTS



Keith Klesner
Hometown: Eagle
Term: 2021-2024



Kristen Bertuglia
Hometown: Edwards
Term: 2021-2025

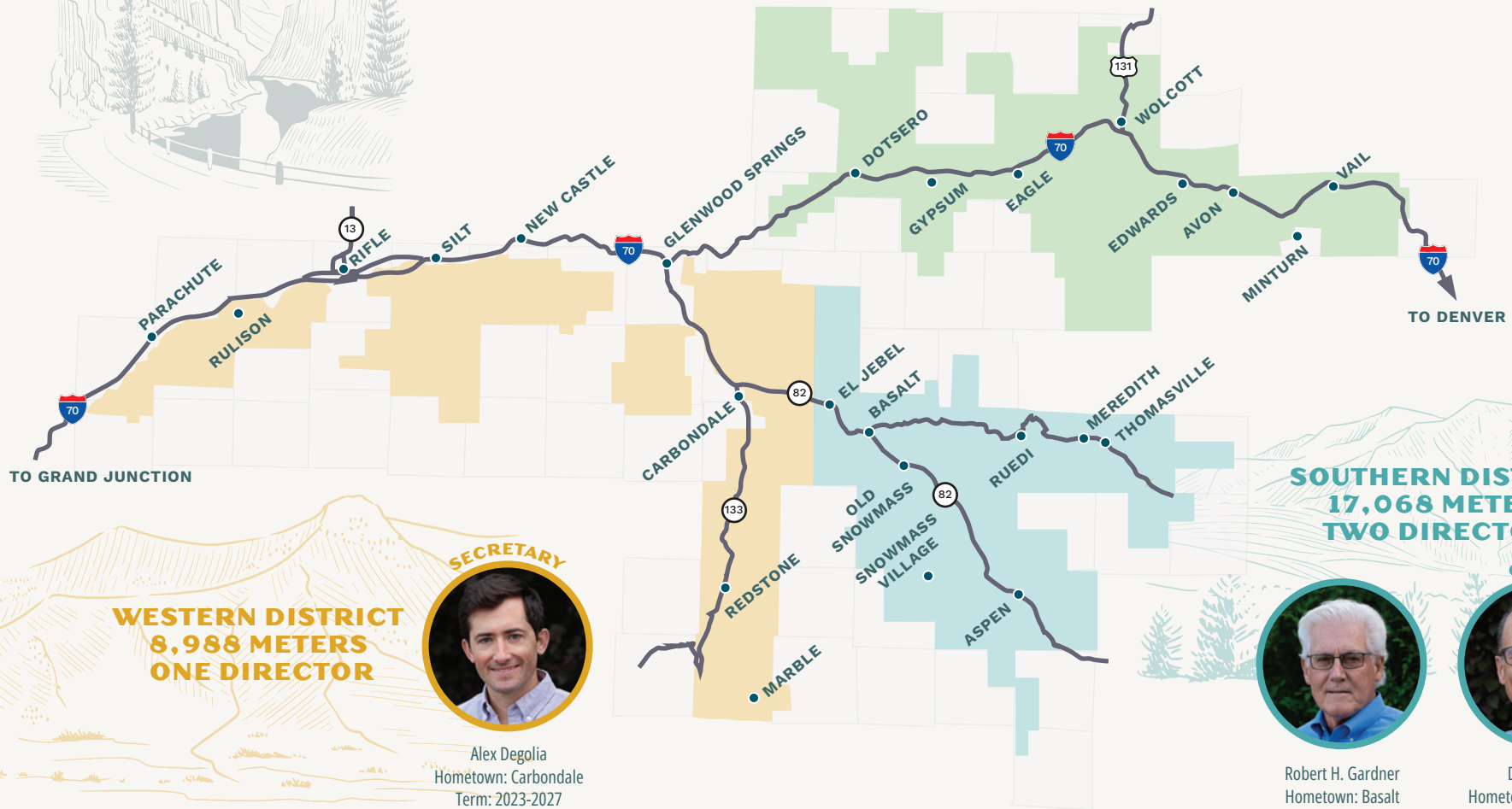


Adam Quinton
Hometown: Edwards
Term: 2022-2026

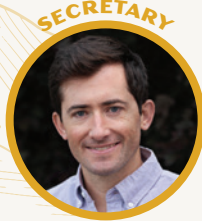


Linn Brooks
Hometown: Avon
Term: 2023-2027

NORTHERN DISTRICT
34,880 METERS
FOUR DIRECTORS



WESTERN DISTRICT
8,988 METERS
ONE DIRECTOR



Alex Degolia
Hometown: Carbondale
Term: 2023-2027

SOUTHERN DISTRICT
17,068 METERS
TWO DIRECTORS



Robert H. Gardner
Hometown: Basalt
Term: 2021-2025



Dave Munk
Hometown: Carbondale
Term: 2022-2026

CHAIR

OUR STRATEGIC PLAN

Our strategic plan identifies six goals that guide the activities that support our vision and mission for the benefit of our members. We are happy to report some significant milestones we achieved in 2023 as a result of these goals.

1	2	3	4	5	6
PROVIDE CLEAN ELECTRICITY TO OUR MEMBERS In 2023, we maintained an annual total clean energy portfolio of 50%. In December 2023, we welcomed Bronco Plains II Wind into our power supply portfolio, providing a meaningful 100-150 MW boost in renewable content going into the new year. Hunter Solar also reached commercial operations in late 2023, adding 30 MW of clean energy to our power supply mix. The future of the HCE power supply mix has begun to take shape!	OPERATE A SAFE, MODERN, RELIABLE, RESILIENT & SECURE ELECTRIC DISTRIBUTION SYSTEM In 2023, we formalized our strategy in response to the increasing wildfire risk in our service area and published the results in our Wildfire Mitigation Plan. Phase II of our "middle mile" network infrastructure project was completed, installing fiber in the Eagle River Valley. Phase III will connect Phase I and Phase II over Cottonwood Pass. We also hosted the Department of Homeland Security and upgraded the physical security of our facilities.	PROMOTE, ENABLE, AND ACCELERATE ELECTRIFICATION, ENERGY EFFICIENCY & MEMBER DISTRIBUTED ENERGY RESOURCES We exceeded our 4 MW of added DER capacity goal with 4.236 MW in 2023. We provided 176 home chargers to members, 305 rebates for e-bikes and e-lawn products, and 136 rebates for residential beneficial electrification projects. Members participating in <i>Peak Time Payback</i> avoided 12 MW of consumption during peak demand, leading to \$109,549 in payments to participants. <i>Power+</i> has provided us with 3.045 MW of dischargeable capacity, lowering costs for all members.	ENABLE LONG RUN FINANCIAL SUSTAINABILITY BY OBTAINING SUFFICIENT REVENUE, CONTAINING COST INCREASES, & MAINTAINING A STRONG BALANCE SHEET In 2023, the Board of Directors announced a multi-year rate restructuring plan to more closely align our rates with our cost of service. After a 60-day public comment period, the Board elected to rescind the proposed rate changes in favor of working with the State and stakeholders to collaborate about the future of net metering in Colorado.	PROVIDE OUTSTANDING AND EQUITABLE SERVICE AND VALUE TO ALL HCE MEMBERS AND THEIR COMMUNITIES Our member satisfaction score was 85/100 and our member loyalty index was 81/100. Our member services representatives implemented a new call center to handle member requests more quickly. Over 23,000 members chose to participate in one of our many programs, visit our table at a community event, or attend one of our own events.	BE AN EXCEPTIONAL EMPLOYER OF CHOICE IN OUR REGION Our internal Diversity, Equity and Inclusion committee implemented recommendations from our 2022 DEI assessment, hosting a multicultural employee potluck and monthly meetings with representatives from various departments. We also expanded our scholarship program to promote local workforce development opportunities for our area's graduating high school seniors. HCE continues to offer workplace flexibility, including telecommuting and remote work opportunities.

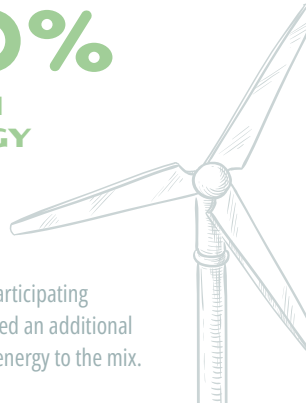
YOUR CO-OP: 2023 BY THE NUMBERS



50%

CLEAN ENERGY

Members participating
in PuRE added an additional
3.4% clean energy to the mix.



166

EMPLOYEES



42,420

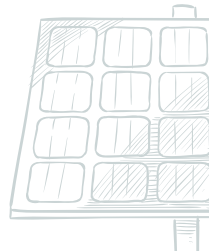
RESIDENTIAL MEMBERS



8%

LOCAL CLEAN ENERGY

Our percentage of
clean energy that
originated from
local sources



7%

ELECTRIC VEHICLES

In our fleet of
trucks, cars,
& shuttles



3,620

COMMERCIAL MEMBERS



2,979

TOTAL MILES OF POWER LINES

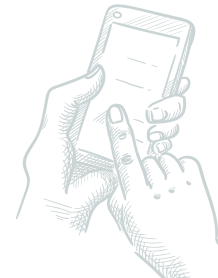
Overhead &
Underground



29,872

INBOUND CALLS

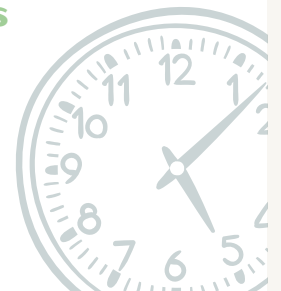
Handled by our
Member Services
Representatives



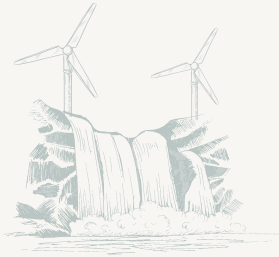
288

AFTER-HOURS OUTAGES

Responded to by
HCE operations
crews



MEMBER PROGRAMS - 2023 PARTICIPATION

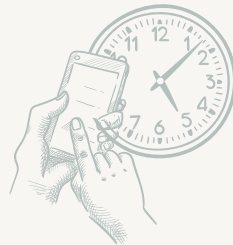


PURE

Allows members to offset the portion of their electricity coming from fossil fuels with 100% clean energy now.

2,436
MEMBERS

The average premium our residential *PuRE* members paid in 2023 was only \$5.35/month.

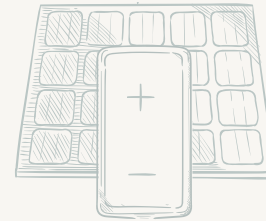


PEAK TIME PAYBACK

Rewards members for reducing their use during peak hours. We pay you, in bill credits, to use less electricity.

3,022
MEMBERS

In 2023, 58 *Peak Time Payback* alerts resulted in \$109,549 in payments back to members.

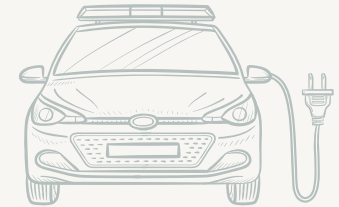


POWER+

Offers members an easy, affordable path to at-home battery resilience via 0% interest, on-bill repayments.

164
MEMBERS

At the end of 2023, we had 3.045 MW of total battery capacity enrolled in *Power+*.

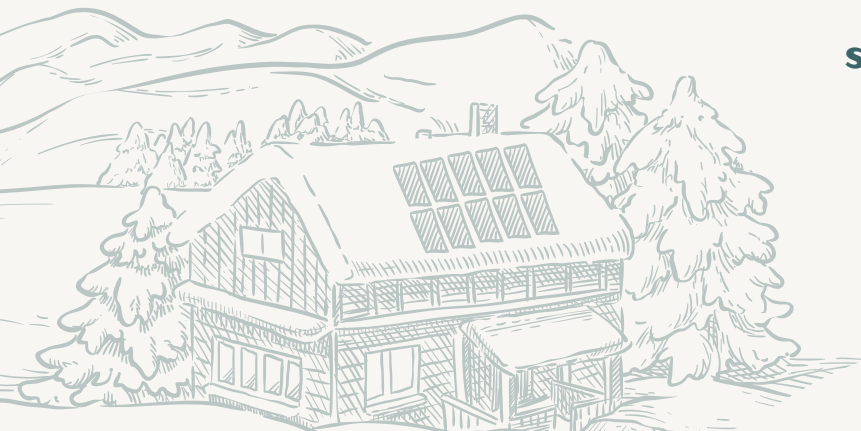


CHARGE AT HOME

Supports members' transition to electric vehicles through EV charger rebates and on-bill repayments for installation costs.

800
MEMBERS

In 2023, we provided 176 new electric vehicle chargers and charger rebates to members.



SOLAR NET METERING

Members generating on-site photovoltaic solar energy for their homes and businesses.

2,688
MEMBERS

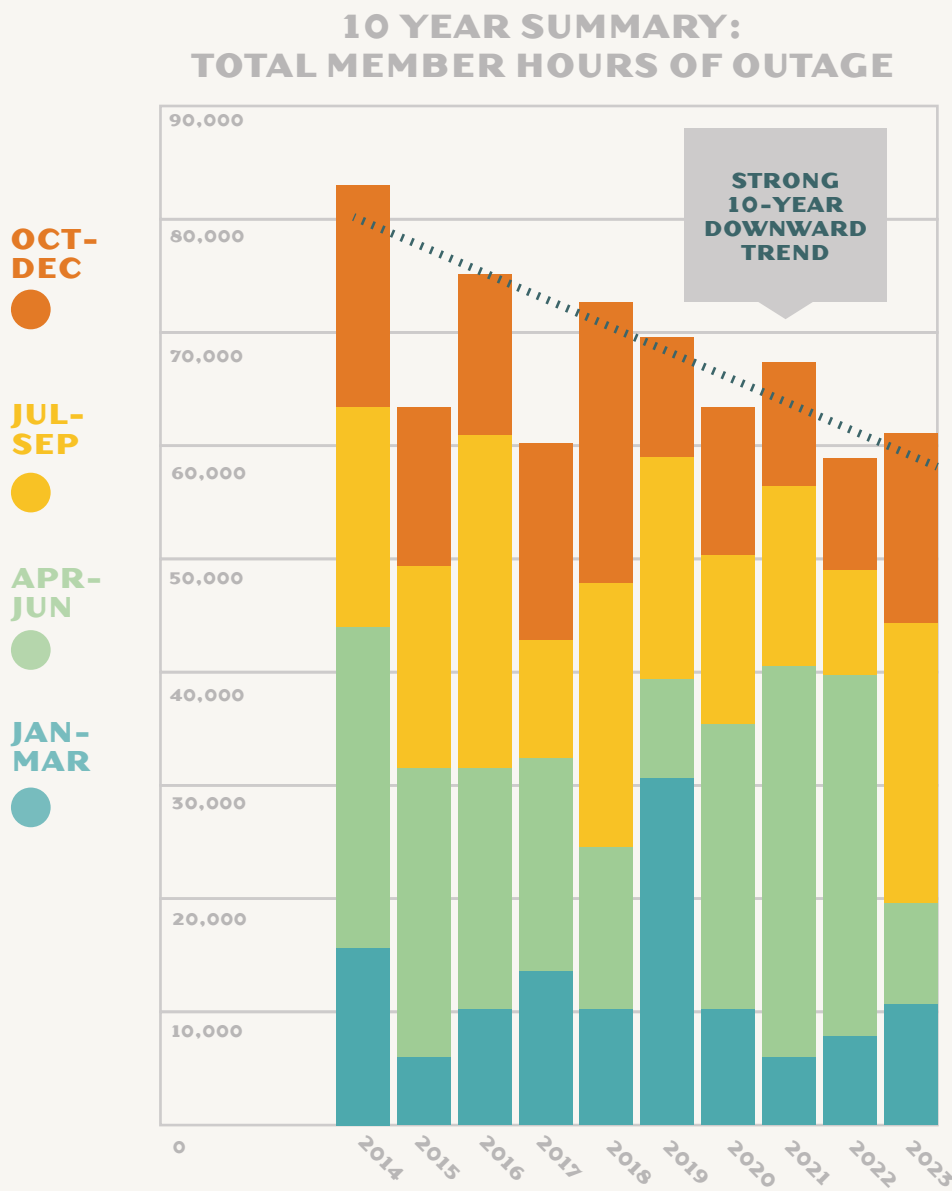
REBATES

Incentives awarded to members to invest in energy efficiency, renewable energy, and smart electrification projects.

818
MEMBERS



RELIABILITY



SYSTEM
RELIABILITY
IN 2023

99.988%

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

AVERAGE OUTAGES
SEEN BY A MEMBER
IN 2023

0.864

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

AVERAGE TOTAL MINUTES
A MEMBER WAS WITHOUT
POWER IN 2023

61

System Average Interruption Duration Index (SAIDI) describes the average total amount of a time a member was without power for the entire year. The nationwide SAIDI average is 90 minutes.

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	1,320,593,614 kWh
System Peak (January)	260,879 kW
Total <i>Peak Time Payback</i> Peak Reduction	12,056 kW
<i>Power+</i> Capacity Added	1,255 kW
Average Residential Energy Use	1,157 kWh
<i>Peak Time Payback</i> Credits Issued	\$109,549
Average Residential Bill	\$137

MEMBER EQUITY

Returned Since 1963	\$173.9 Million
Returned Capital Credits in 2023	\$4.5 Million

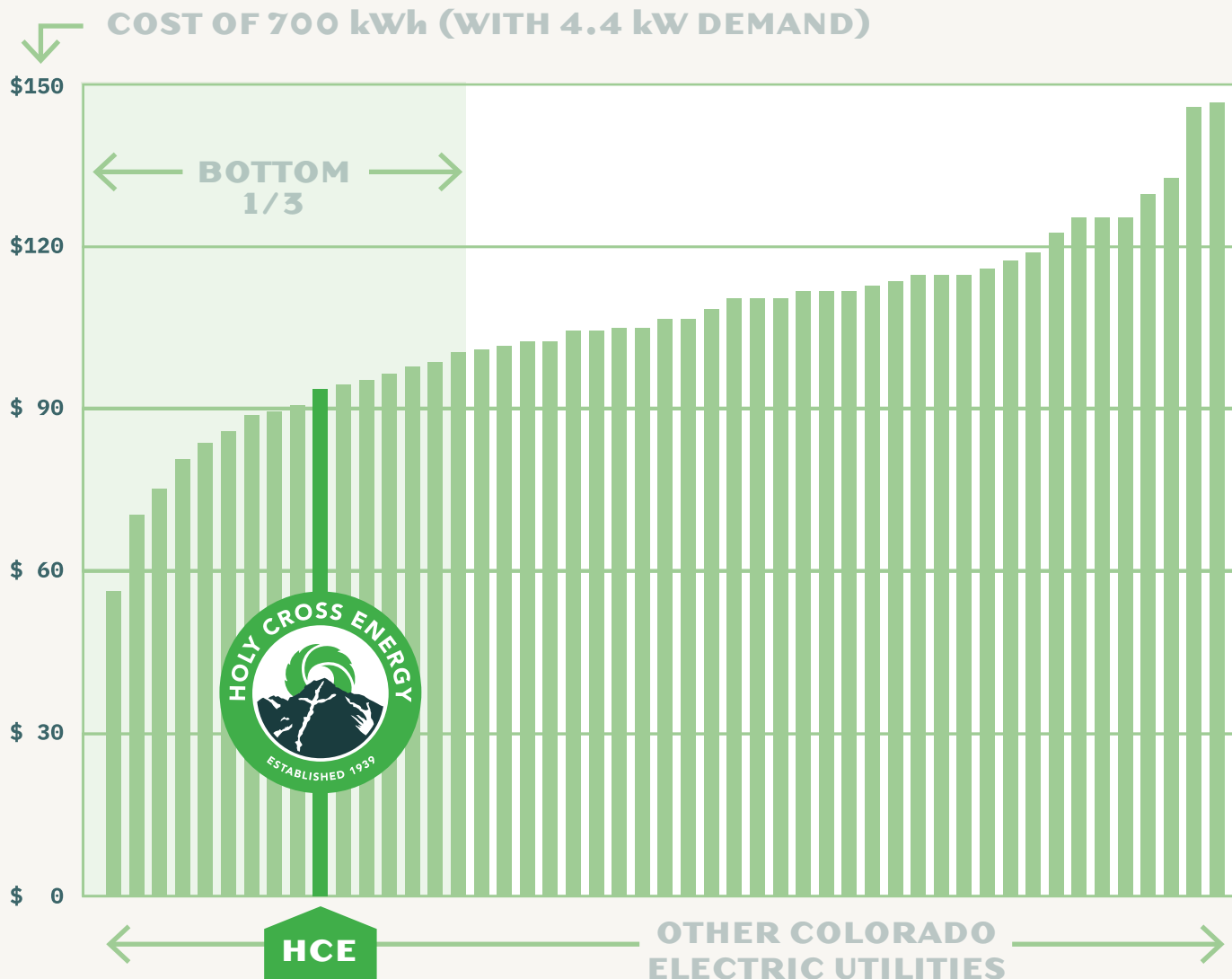
STATEMENT OF OPERATIONS

OPERATING REVENUE —	\$
Residential Sales	84,018,583
Commercial Sales	60,207,778
Public Lighting	118,891
Other Electric Revenue	12,239,274
TOTAL OPERATING REVENUE	\$156,584,526

OPERATING EXPENSES —	\$
Power Supply	78,930,945
Transmission	3,625,816
Distribution	17,495,567
Member Service	6,595,671
Administrative	16,480,832
Depreciation & Interest	23,833,945
TOTAL OPERATING EXPENSES	\$146,962,776

MARGINS —	\$
Net Operating Margins	9,621,749
Other Margins	2,241,790
TOTAL MARGINS	\$11,863,539

COLORADO ASSOCIATION OF MUNICIPAL UTILITIES RESIDENTIAL RATE SURVEY (2023)



A primary goal within our Strategic Plan is to maintain electric rates in the lowest third of all Colorado utilities (Objective 4.1).

In 2023, we proudly remained in the lowest third of all Colorado utilities for residential, commercial and industrial cost of service. Additionally, we are projecting our 2024 rates to remain in the lowest third.

Our stable long-term rate trajectory is a result of our relatively low-cost power supply portfolio, our power supply contracting flexibility, and our long history of sound fiscal management and preventative maintenance.

ENGAGING WITH MEMBERS & COMMUNITY GIVING

We have been committed to serving our community for 85 years, through local event participation and supporting the organizations who contribute to the greater well-being of our region.

3,123

Community members who we met at local events.

4,976

Members who donated to the *HCE Round-Up Foundation*.

\$94,642

Total funds raised for the *HCE Round-Up Foundation*.

\$399,215

Community giving funds donated to local and regional non-profit organizations.

\$721,769

Community enhancement funds shared with local municipalities through franchise partnerships.

\$4,500,000

Member Equity funds returned to members in 2023.

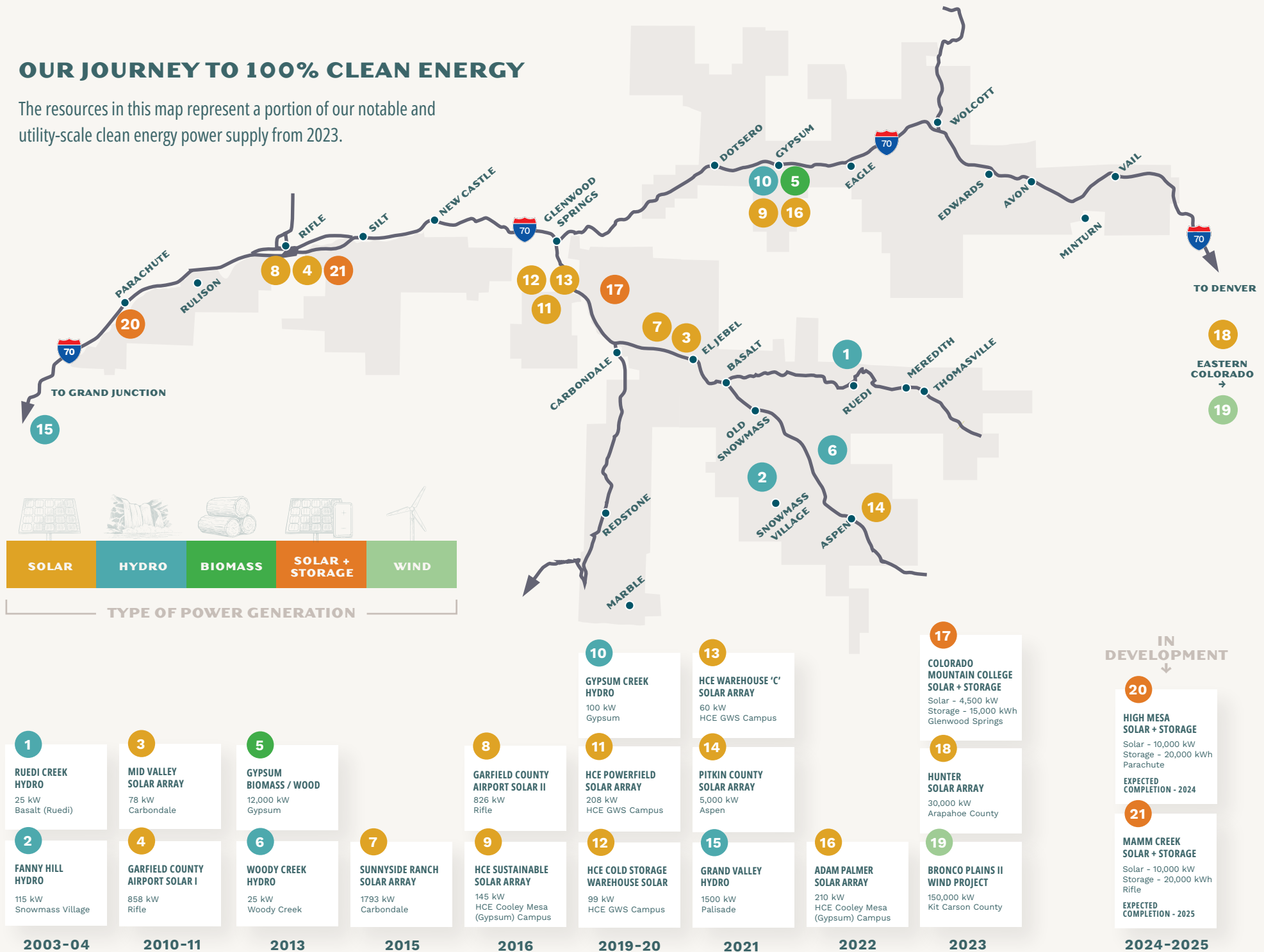
\$169,400,000

Total Member Equity returned to members since 1963.



OUR JOURNEY TO 100% CLEAN ENERGY

The resources in this map represent a portion of our notable and utility-scale clean energy power supply from 2023.



FEATURED PROJECT

BRONCO PLAINS II ENERGY CENTER KIT CARSON COUNTY, COLORADO

Located in Kit Carson County on Colorado's eastern plains, Bronco Plains II Energy Center is a 200 MW wind facility estimated to generate power for up to 40,000 households annually. These 72 wind turbines started producing power for us in late 2023.

During winter months, we will purchase 150 MW of the facility's output, along with 100 MW in summer months. The remainder of the power produced will be purchased by Guzman Energy. NextEra Energy Resources built, operates, and owns the project.

"Bronco Plains II Energy Center is a great example of what can be achieved in support of community-driven energy transition," said Robin Lunt, Chief Commercial Officer of Guzman Energy. "Holy Cross Energy is proving that energy providers can come together to stabilize the cost of power through the deployment of cleaner power sources."

72
WIND TURBINES

40,000
HOUSEHOLDS POWERED
ANNUALLY

150,000 kW
POWER PURCHASED FOR
HCE MEMBERS DURING OUR
PEAK WINTER MONTHS



FEATURED PROJECT

HIGH MESA SOLAR+STORAGE PARACHUTE, COLORADO

Located in western Garfield County outside of Parachute, this 10 MW solar array and 20 MWh battery storage facility is expected to generate power for up to 2,800 households annually. Owned and operated by the AES Corporation, construction at the 90-acre project site progressed significantly in 2023, and is scheduled to be completed mid-year 2024. The battery storage capacity will enable us to store and shift electricity produced by the solar panels during the day for use in the evening hours when the demand for electricity is the highest.

2,800
HOUSEHOLDS POWERED
ANNUALLY

10,000
kW SOLAR

20,000
kWh BATTERY STORAGE



OPERATIONS WORK IN MARBLE

True to our roots as a rural electric cooperative, our operations crews spent many hours last summer in some of the most remote areas of our service territory.

A special shout-out to the residents of Marble and the upper Crystal River Valley, who patiently waited through some planned outages so our crews could safely replace several aging poles.

Not only did this work provide added energy resilience for this remote area, but it also allowed third-party broadband providers to share our facilities to bring a new high-speed fiber internet into the community.

Thanks to our crews for their hard work and extended hours on these projects. Luckily, they got to enjoy these breathtaking views!

FEATURED FUN

PRESERVING OUR PAST: AN ODE TO THE OVERHEAD POWERLINE

What's our favorite ski
run in our service territory?
The Powerline Glades of course!

Constructed in 1967 and located
off the Big Burn lift at Snowmass,
this ski run is named for the HCE
overhead powerlines running
along an opening in the trees,
making our poles perfectly spaced
apart for intermediate skiers to
bob and weave amongst them in
ungroomed terrain.

ORIGINAL
ENGINEERING
STAKING MAP

The run is
described as the
"perfect powder warm-up
to wake the legs and feel
some fresh snow
in your face."

The low-angle
pine glades make skiing
amongst the poles an homage to
those who came before us who worked
tirelessly to provide power to the high
alpine terrain of our local ski resorts.



PHOTO CRED:
ANN DRIGGERS



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