

FROM THE
HOLY CROSS ENERGY
BOARD OF DIRECTORS



Dear Mr. Matheson and NRECA Board,

As the Board of Holy Cross Energy, a proud long-time member of the National Rural Electric Cooperative Association, we are writing to express our concern over NRECA's opposition to the final EPA Clean Power Rules, including the stated basis for this opposition from NRECA leadership.

Our own experience at Holy Cross Energy shows that electric utilities—including small-to-medium-sized rural cooperatives like our own—can responsibly transition away from polluting and expensive fossil fuel-generating resources in favor of clean and generally more affordable renewable energy, all while reducing air pollution and climate impacts associated with the electricity we deliver to our members every day.

While we recognize that co-ops and utilities across the nation have unique circumstances in their power supply requirements, generation, and purchase agreements, we believe our experience offers a striking contrast to NRECA's claims of the 'impossibility' of achieving clean energy goals.

A few highlights of our transition to clean electricity over the past decade and where we are today:

- Holy Cross has a goal of 100% clean energy by 2030. We are already delivering approximately 75% clean energy to our members, and we expect to surpass 90% by next year.
- Increasing our clean energy power supply content has saved our members \$30mm over the last five years.
- With the recent commissioning of a large wind farm and the addition of multiple utility-scale solar-plus-storage facilities, we expect to save our members over \$40 million over the next decade in avoided power costs, when compared to our base case of continued use of fossil fuel generation.
- Our utility-scale and member battery storage, along with our demand response programs, are helping us reduce peak demand charges, providing direct benefits to all of our members.
- Thanks to lower power costs and prudent financial management, our rates have risen just 4% in five years compared to c20% inflation and c30% average electric utility bill increases.
- These cost savings have kept our rates low while allowing us to invest in key areas like cybersecurity, wildfire mitigation and grid resilience.
- While some suggest that higher shares of renewable energy inevitably have an adverse impact on service reliability, in contrast our system reliability has improved by 20% over the last five years.

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In light of our experience, we ask that NRECA reconsider its position and embrace a similar leadership position in the clean energy transition. We believe cooperatives can and should be at the center of the leadership now required for this new challenge. The strength and determination of co-op members, along with the application of the Cooperative Principles, have been at the heart of overcoming past challenges, including electrifying rural America and providing reliable, affordable power for generations.

Holy Cross Energy is proud to be leading the clean energy transition which is so vital to improving air quality and public health while mitigating the accelerating impacts of global heating. We urge you to celebrate the innovation and vision of those of us who are leading this transition and work alongside us and others in the co-op nation and across the country to find solutions that bring down barriers to progress, just as cooperatives have done for more than 80 years.

Finally, we note the urgent need to decarbonize the electricity sector, given escalating climate harm. These are already affecting NRECA systems across the country, including our own members. Because of climate change, HCE members face elevated risks of wildfire and more frequent periods of drought that threaten our rivers, agriculture, and essential water supply. The shortening of the snow seasons and reduced river flows is already affecting our recreation-driven local economy. More generally, climate disasters have cost the US \$93 billion in 2023 alone and are expected to cost \$38 trillion per year by 2049, according to the Energy Policy Institute. Local impacts include extended outages, increased operating costs, and even loss of life. Indeed, in recent years it is extreme weather events, amplified as we know by climate change, that have caused 80% of major outages across the country.

As we are demonstrating, progress against these threats can be made in a way that provides exceptional benefits to our members in the form of reduced costs, expanded services, and stable rates. We are working hard to be part of the climate solution and believe NRECA can also be a partner in this worthy goal. America needs our leadership, and America's Cooperatives can deliver.

Yours Sincerely,
Holy Cross Energy Board of Directors

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