

**HOLY CROSS ENERGY
2025 ANNUAL REPORT**

THE POWER OF LOCAL CONNECTION



LOCAL LEADERSHIP, LOCAL COMMITMENT.

Dear Members,

At Holy Cross Energy, leadership begins at home. As a member-owned, not-for-profit cooperative, our Board lives and works in the communities we serve. That local presence ensures decisions are made with a deep understanding of your needs and a clear sense of responsibility to future generations.

Our Annual Report provides an update on our Strategic Plan and our mission to deliver safe, reliable, affordable, and sustainable energy to our members. In 2025, Holy Cross Energy demonstrated what local decision-making can achieve. We reached a milestone that few utilities anywhere in the country can claim: roughly 90% of the energy we deliver now comes from renewable sources while keeping rates among the lowest in Colorado, maintaining strong system reliability, and investing directly in the communities we serve.

That progress reflects something we believe in deeply: that the best energy decisions are made close to home. Long-term planning shaped by member priorities. Partnerships that strengthen local resilience. Programs that give members a direct role in shaping our energy future.

Thank you for your trust and continued engagement. Together, we are building an energy system that reflects the values and needs of the communities we are proud to call home.

On behalf of the Holy Cross Energy Board of Directors, it is an honor to serve you.

Adam Quinton
2025-2026 Board Chair



Board Chair
**ADAM
QUINTON**
Northern District



Vice Chair
**ALEX
DEGOLIA**
Western District



Treasurer
**KEITH
KLESNER**
Northern District



Secretary
**DAVE
MUNK**
Southern District



Director
**LINN
BROOKS**
Northern District



Director
**ROBERT
GARDNER**
Southern District



Director
**KIMBERLY
SCHLAEPFER**
Northern District



OUR VISION

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

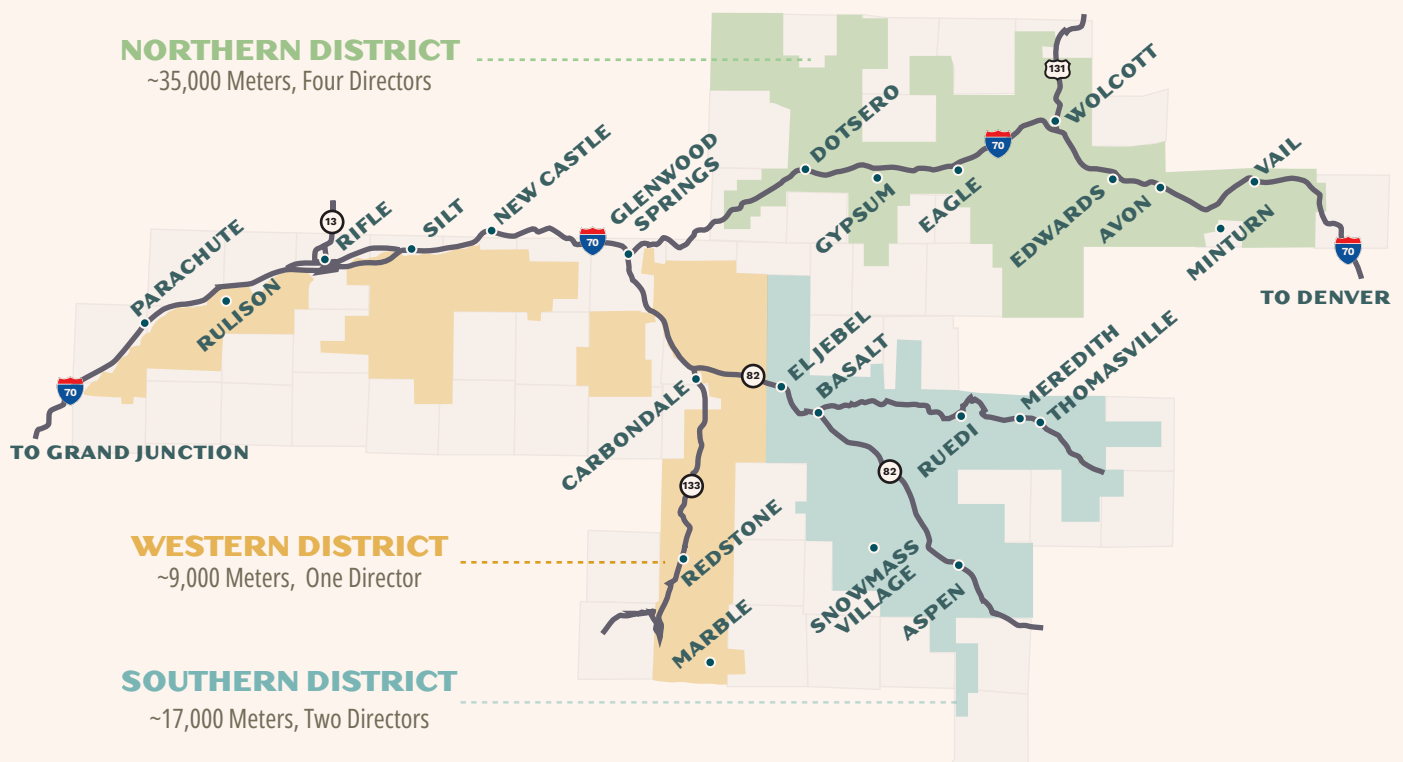
OUR MISSION

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

OUR STRATEGIC PLAN GOALS

- GOAL 1** Provide clean electricity to our members.
- GOAL 2** Operate a safe, modern, reliable, resilient and secure electric distribution system.
- GOAL 3** Promote, enable, and accelerate electrification, energy efficiency and member distributed energy resources.
- GOAL 4** Enable long run financial sustainability by obtaining sufficient revenue, containing cost increases, and maintaining a strong balance sheet.
- GOAL 5** Provide outstanding and equitable service and value to all Holy Cross Energy members and their communities.
- GOAL 6** Be an exceptional employer of choice in our region.

WHERE WE SERVE



AFFORDABILITY

✓ GOAL 4

Enable long run financial sustainability by obtaining sufficient revenue, containing cost increases, and maintaining a strong balance sheet.

✓ GOAL 5

Provide outstanding and equitable service and value to all HCE members and their communities.

LOCAL VALUE, REAL SAVINGS.

In 2025, Holy Cross Energy continued to deliver some of the most affordable electricity in Colorado. Our rates remain in the lowest third of all Colorado electric utilities, even as we invest in important long term strategic goals focused on system reliability and clean energy.

Being locally owned means we reinvest directly into our system and communities, not into shareholder profits, helping keep bills stable today and into the future.

2025 AFFORDABILITY HIGHLIGHTS

- ✓ Rates remain in the lowest third of all Colorado electric utilities
- ✓ Our 11-cents per kilowatt-hour rate for our Small Residential rate class falls far below national average of 18-cents (end of 2025)
- ✓ Our long-term renewable energy purchasing contracts stabilize costs
- ✓ Local energy projects reduce our system and market risk
- ✓ \$139.95 average residential bill
- ✓ Over \$4.6 million in Member Equity returned to members in 2025
- ✓ Nearly \$183 million in Member Equity returned to members since 1963

FEATURED PROJECT



LOCAL BATTERY ENERGY STORAGE REDUCES COSTS

Our partnership with three utility-scale solar and battery storage facilities in Garfield County brings more clean energy onto our local grid while reducing the need to purchase expensive peak-time power from wholesale providers. That helps keep costs down for all members. Pictured here: High Mesa Solar+Storage in Parachute.



Like the pika that thrives in our high country by making the most of every resource, we work to stretch every dollar so our members get the most value for their money.

RELIABILITY

LOCAL CHALLENGES, STRONG RELIABILITY.

Holy Cross Energy operates in one of the most geographically and environmentally diverse regions in Colorado. In 2025, system reliability remained strong overall, though total outage minutes increased compared to prior years. This unusual increase was driven primarily by local wildlife interactions with electrical equipment, a challenge unique to our mountain and rural service territory.

While we already have strong wildlife protection measures in place across our system, we are continually upgrading electrical equipment with additional guards, insulation, and barriers designed to help keep birds, squirrels, and other animals away from energized infrastructure.

Non-wildlife-related outages remained consistent with historical trends, underscoring the strength of our core system operations.

By addressing local causes with local solutions, we're continuing to strengthen service for our members.

FEATURED PROJECT



COLORADO RIVER ROAD POLE REPLACEMENT

Over two days in February and July 2025, dozens of our operations crew members replaced aging poles and power lines along Colorado River Road north of Dotsero. With the area's rugged terrain limiting ground access, crews used helicopter support to transport poles into place. This critical upgrade helps improve reliability in one of the most rural and isolated parts of our service territory.

2025 RELIABILITY HIGHLIGHTS

- ✓ Top quartile of electric utilities nationwide in outage numbers
- ✓ On average, members experienced only 1.12 outages in 2025
- ✓ On average, members experienced 71 total minutes of outage time
- ✓ Expanded wildlife protection and equipment and system hardening
- ✓ Advanced vegetation management using drones and other technologies
- ✓ Increased automation for faster outage detection and restoration
- ✓ 2025 System Peak: 277 megawatts



Bighorn sheep navigate the most rugged terrain without missing a step, just like how we deliver dependable power to our members no matter the conditions.

✓ GOAL 2

Operate a safe, modern, reliable, resilient and secure electric distribution system.

SAFETY

LOCAL SAFETY, STRONGER PROTECTION.

Safety continues to be a foundational pillar of Holy Cross Energy. In 2025, we placed expanded emphasis on enhancing wildfire mitigation and improving safety for crews, members, and the local natural environment we share.

Internally, we continued to foster our strong safety culture built on accountability, continuous learning, and Leadership at All Levels. This commitment has resulted in a Total Recordable Case Incident Rate of just 1.8, continuing a decade-long downward trend.

2025 SAFETY HIGHLIGHTS

- ✓ Expanded wildfire mitigation efforts across the local system
- ✓ Ongoing safety training and field engagement
- ✓ Consistently low incident rates
- ✓ Expanded our education program for community-based electrical safety, focused on local construction crews and first responders

FEATURED PROJECT



VEGETATION MANAGEMENT FOR WILDFIRE SAFETY

Throughout the year, our in-house vegetation management crews work across our entire service territory to trim and remove vegetation within utility rights-of-way near our power lines. In both rural areas and towns, this ongoing work helps reduce wildfire risk, improve reliability, and maintain safe access to critical electric infrastructure for our members.



The black bear's instinct to protect what matters most mirrors our commitment to keeping our members, employees, and communities safe, every single day.

✓ GOAL 2

Operate a safe, modern, reliable, resilient and secure electric distribution system.

LOCAL ENERGY, GLOBAL IMPACT.

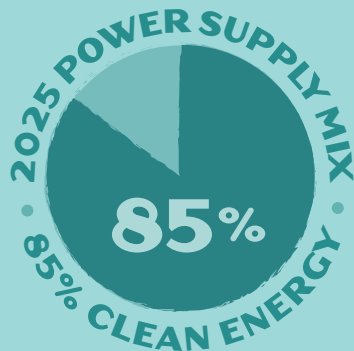
In 2025, we reached a major milestone by purchasing an average of 85% clean, carbon-free electricity throughout the year, with a single-month record of 97% in May.

This progress reflects a deliberate strategy that combines large-scale resources with locally based clean energy projects - all at low, stable prices.

Our *Power Supply Roadmap* (read more on our website) outlines how utility-scale wind, solar, and storage will work alongside distributed energy resources such as community solar and member-owned batteries. Together, these investments move us steadily toward 100% carbon-free electricity by 2030.

2025 SUSTAINABILITY MILESTONES

- ✓ 85% clean energy annually in 2025
- ✓ 97% clean energy in May 2025
- ✓ Local solar and storage projects in Parachute, Rifle, and Glenwood Springs are increasing our clean energy numbers and helping keep costs low for all members



- ✓ **GOAL 1**
Provide clean electricity to our members.

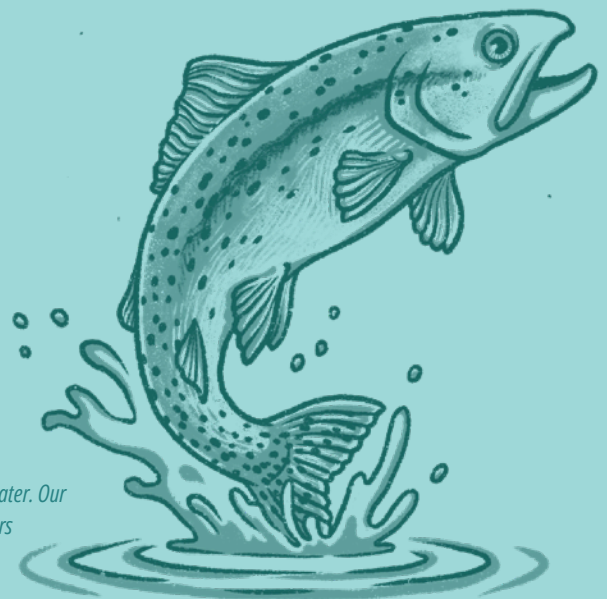
FEATURED PROJECT



BRONCO PLAINS WIND II

Our long-term renewable energy contracts, like the wind energy we purchase from Bronco Plains II in eastern Colorado, helps stabilize costs and keep rates in the lowest third of all Colorado electric utilities. This low-cost, stable resource alone accounted for 31% of the power supply we purchased for members in 2025.

The rainbow trout can only thrive in clean, cold, healthy water. Our commitment to sustainability helps protect the rivers and landscapes our community calls home.



LOCAL PARTICIPATION, POWERFUL RESULTS.

Our energy programs provide true benefits for all our members. In 2025, *Power+*, *Power+ Flex*, and *Peak Time Payback* demonstrated how thousands of small, local actions can create system-wide benefits.

Through *Power+* and *Power+FLEX*, members with home battery storage systems earn rebates and bill credits for allowing us to dispatch those batteries during peak periods.

Peak Time Payback rewards members for voluntarily reducing energy use during high-cost peak hours.

Together, these programs provided 7.5 megawatts of demand reduction in 2025, helping to lower costs for all members, improve reliability, and support clean energy integration.

2025 ENERGY PROGRAM HIGHLIGHTS

- ✓ 368 residential battery systems participating in *Power+* and *Power+FLEX*, with a total capacity over 6.4 megawatts
- ✓ 3,966 members participated in *Peak Time Payback*, earning over \$78,000 in bill credits in 2025
- ✓ 1,802 members received rebates for their energy efficiency and electrification upgrades
- ✓ 249 members received free or reduced cost home energy audits through our Energy Smart Colorado partners - an important first step in making home energy and electrification upgrades!

✓ GOAL 3

Promote, enable, and accelerate electrification, energy efficiency and member distributed energy resources.

FEATURED PROJECT



ON-BILL REPAYMENTS FOR HEAT PUMPS

In 2025, 46 residential members signed up for our *On-Bill Repayment* program, making it easier to install high-efficiency heat pumps with little to no upfront cost. By leveraging 0% loans through the USDA and offering repayment directly on their electric bills, the program helps members improve home comfort and energy efficiency while supporting the co-op's long-term goals of reducing peak energy demand and building a cleaner, more flexible electric grid.



The elk's seasonal migration is one of nature's great acts of resource management: moving smarter, not harder. Just as our energy programs help members make smart choices about their energy use.

COMMUNITY

LOCAL INVESTMENT, STRONGER COMMUNITIES.

As a cooperative, we proudly reinvest in the communities we serve. Through community giving, local partnerships, and our *Community Energy Systems* program, we're proud to support local economic resilience, equity, and opportunity.

We're also proud to go above and beyond to support our most vulnerable members. Member contributions through the *Round-Up Foundation* provide direct funding to local community members in need and the nonprofits that serve them, while programs like *Sustainable Solar* and income-qualified energy assistance expand access to affordable energy for all members.

2025 COMMUNITY HIGHLIGHTS

- ✓ 5,035 members enrolled to *Round-Up* their bills for local community members in need
- ✓ We awarded over \$209,000 in grants to local energy projects with significant community benefit
- ✓ In late 2025, thanks to a grant from the Colorado Energy Office, we enrolled 107 income-qualified members in *Evergreen Solar*, a new program providing lifetime access to local clean energy credits
- ✓ We provided nearly \$400,000 in donations to local non-profit organizations through our *Community Giving Fund*

✓ GOAL 5

Provide outstanding and equitable service and value to all HCE members and their communities.

FEATURED PROJECT



ALL-ELECTRIC AVON PUBLIC WORKS GARAGE

Our *Community Energy Systems* program awards in-kind support for projects that offer significant community benefits and advance our vision of a responsible transition to a clean energy future.

We proudly supported the Town of Avon's new all-electric public works garage, which opened in October 2025 with 24 kilowatts of rooftop solar, 30 kilowatts of battery energy storage, and an electric heating system.



Cliff swallows build their homes together, colony by colony, under the same eaves, a fitting symbol of the member-owned cooperative spirit that has always defined Holy Cross Energy.

TALENT

LOCAL PEOPLE, EXCEPTIONAL WORKPLACE.

Holy Cross Energy's success is powered by our people. In 2025, we continued our commitment to being an exceptional local employer of choice, grounded in the belief that engaged, supported employees deliver better service to our members.

The cooperative promotes *Leadership at All Levels*, empowering employees across operations, engineering, member services, billing, accounting, and community relations.

Local hiring, workforce development partnerships, and a focus on safety and well-being help ensure we reflect our communities and serve them with pride.

When you call us during business hours, you'll always be able to talk to a real, live, local person!

2025 EXCEPTIONAL WORKPLACE HIGHLIGHTS

- ✓ Continued our strong culture of safety and engagement
- ✓ Continued our ongoing training and professional development opportunities
- ✓ Continued our commitment to diversity, equity, and inclusion
- ✓ Awarded 12 scholarships to local graduating seniors, promoting local workforce development in fields crucial to the success of our cooperative

FEATURED PROJECT



EMPLOYEES GIVING BACK

Our employees are encouraged to give back to the communities we serve through paid volunteer time and organized group service days throughout the year. We regularly partner with local organizations including Roaring Fork Outdoor Volunteers, Eagle Valley Community Market, Roundup River Ranch, and more, supporting community projects while strengthening the cooperative connections that power our region.

✓ GOAL 6

Be an exceptional employer of choice in our region.



Beavers are nature's most industrious engineers, transforming landscapes through skill and teamwork. That's exactly the kind of dedicated, resourceful workforce that powers our mission.

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

STATEMENT OF OPERATIONS

OPERATING REVENUE —	\$
Residential Sales	84,726,208
Commercial Sales	60,968,089
Public Lighting	119,662
Other Electric Revenue	16,422,529
Total Operating Revenue	\$162,236,488
OPERATING EXPENSES —	\$
Power Supply	73,538,746
Transmission	5,439,666
Distribution	21,056,812
Member Service	7,197,570
Administrative	19,102,778
Depreciation & Interest	25,349,564
Total Operating Expenses	\$151,685,136
MARGINS —	\$
Net Operating Margins	10,551,351
Other Margins	2,393,174
Total Margins	\$12,944,525



SAFETY



RELIABILITY



AFFORDABILITY



THE POWER OF LOCAL CONNECTION

HOLYCROSS.COM • 970.945.5491



SUSTAINABILITY



COMMUNITY



EFFICIENCY