

Annual Report 2024



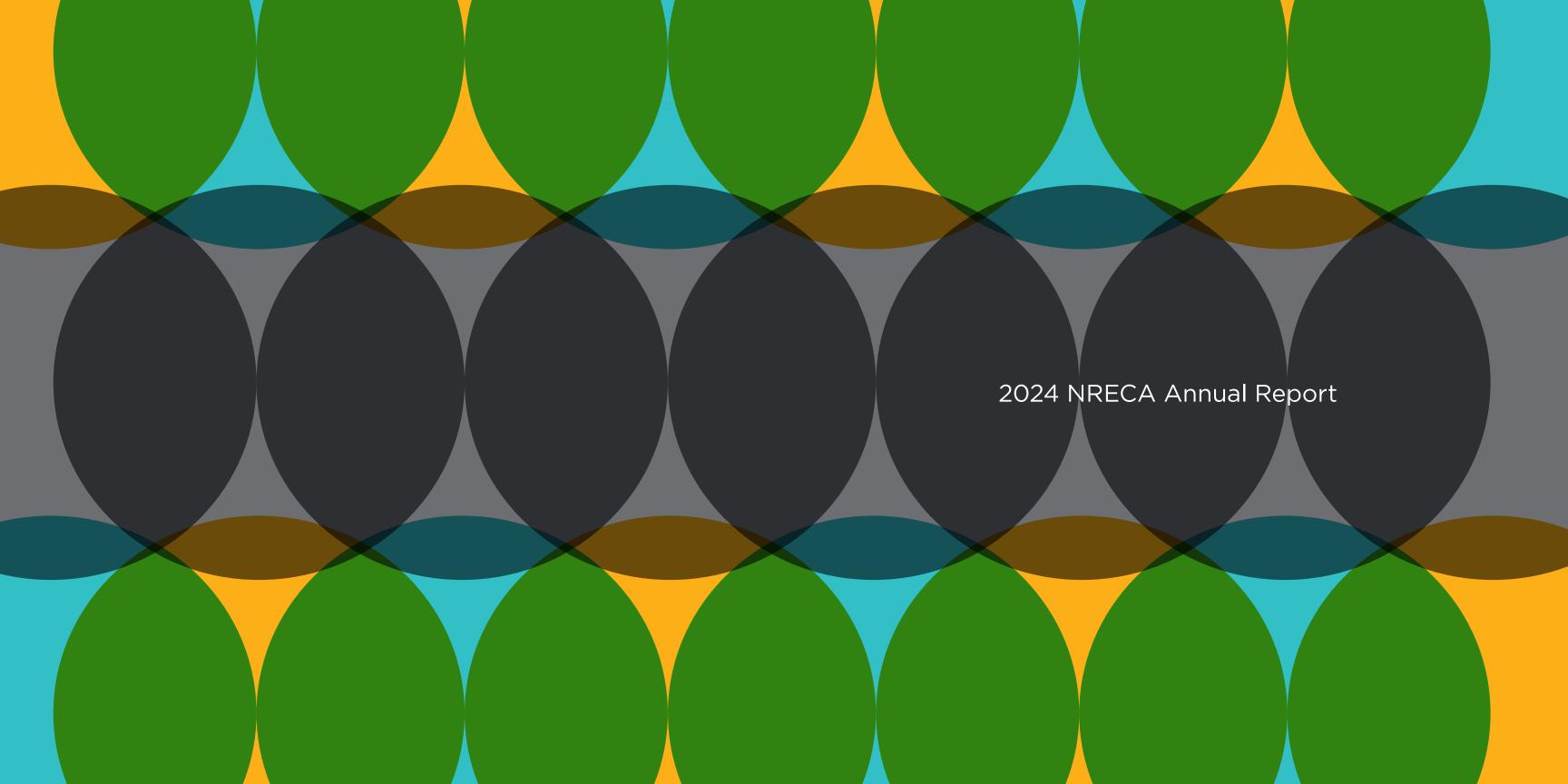


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STRONGER TOGETHER

There's power in working together. NRECA and electric cooperatives have proved that throughout our history, and we proved it again in 2024.

Together, we shaped a program that led to the largest investment in co-ops since the New Deal. After years of sustained advocacy, we finally gained direct access to energy tax incentives—and a level playing field. And we strongly and consistently made the case on reliability—pushing back on unlawful regulations that hamper the ability of co-ops to provide reliable, affordable electricity to their members.

There's no doubt we face big challenges. But the success of the past year gives us a roadmap for the future. And our reputation remains a powerful tool. For the second year in a row, research shows that NRECA is the most effective association in Washington. Our singular focus on the interests of the communities we serve sets us apart and sets us up for continued success.

Our success is your success, and we couldn't continue the work we do without your support. Thank you for everything you do to serve your communities and the broader co-op family. I'm proud of the work we accomplished together in 2024 and I look forward to working alongside you to build a brighter future.

Ji Mark

-Jim Matheson, NRECA CEO



A WINNING TEAM

When I think about all that NRECA accomplished this year, my thoughts go immediately to the dedicated employees at our national association. Seeing them in action is a bit like watching a chess tournament.

Over here, subject-matter experts tackle energy regulation issues with passion and precision. And over there, a different team works to resolve problems with BEAD funding. Fighting bad EPA regulations. Helping cooperatives invest in new energy technologies. Supporting coop communication efforts. Ensuring that co-ops can protect their own technology and the grid. Building a culture of safety. Providing continuing education and benefits for co-op employees. Try to watch all the moving pieces, and you might get dizzy.

NRECA is not a single-issue association. It is a complex organization of moving parts that shares a simple and familiar mission—promoting safe, reliable, affordable electricity and stronger local communities. Accomplishing our mission doesn't just happen. Our employees make it happen every hour of every day of every year—one chess move at a time.

At every chessboard, at every level, we have masters of the game moving our pieces. We should all be proud of them.

Long Underson

-Tony Anderson, NRECA President



NRECA OFFICERS

Tony AndersonPresident | Michigan

Mike Partin
Vice President | Tennessee

Ingrid KesslerSecretary-Treasurer | Oregon



2024 NRECA BOARD OF DIRECTORS

(As of Dec. 31, 2024)

Tony Anderson | Michigan Judith Anibas | Wisconsin Danny Berthelot | Louisiana Jasen Bronec | Washington Tom Brown | Delaware J. Tyler Carlson | Arizona Bryan Case | Idaho Chris Christensen | Montana Mel Coleman | Arkansas Ed Crawford | Ohio Marion Denger | lowa Kevin Doddridge | Mississippi **Don Douglas** | Vermont Crystal Enkvist | Alaska Norris Fowler | South Carolina Warren Goetsch | Illinois Scott Hallowell | Maine Chris Hamon | Missouri David Hembree | Alabama **Dennis Herman |** Colorado Gene Herritt | Pennsylvania Mark Hofer | South Dakota David Iha | Hawaii Lynn Jacobson | North Dakota

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Champions for Reliable Energy and Innovation

Reliability and Affordability

In its advocacy to Congress and federal agencies, NRECA continued to stress the importance of keeping the lights on in rural America with smart energy policies that protect the electric grid from increasing threats to reliability.

EPA Power Plant Rule: NRECA worked with co-ops across the nation to pursue legal action against the Environmental Protection Agency to overturn the Biden administration's power plant rule, which threatens the reliability and affordability of the electricity that co-ops provide to their consumer-members.

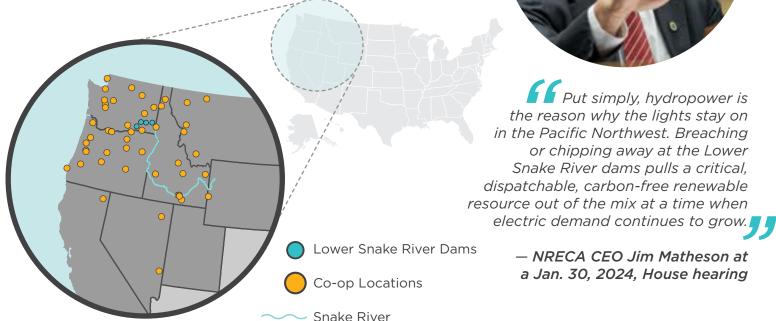
CEO Jim Matheson called the rule "unlawful, unrealistic and unachievable" and warned it could lead to the premature closure of coal-fired power plants and halt construction of new natural gas-fired plants, undermining grid reliability just as demand for electricity is skyrocketing.

Voices for Cooperative Power was activated to show Congress and the administration just how widespread opposition to the rule is among co-op members. More than 16,000 advocates took action, sending letters to Congress and posting on social media.

NRECA's policymaker branding campaign elevated the visibility of co-ops with lawmakers in D.C.—including ads at Ronald Reagan **Washington National** Airport, a frequent stop for members of Congress.



Lower Snake River Dams: NRECA aggressively fought efforts by the Biden administration to breach the Lower Snake River dams, which provide clean, carbon-free hydropower to over 50 electric co-ops in eight Western states. The dams are crucial to reliable, affordable power in the West.





- NRECA CEO Jim Matheson at a Jan. 30, 2024, House hearing

Wildfires: NRECA has been working closely with policymakers to streamline bureaucratic red tape and help electric co-ops reduce the risk of devastating wildfires. As part of this effort. NRECA supported the Fix Our Forests Act. The bill, which passed the House, would eliminate many of the bureaucratic hurdles that have blocked co-ops from performing crucial vegetation management required to reduce the risk of catastrophic wildfires. NRECA will continue to move the issue forward in the new Congress.

> Matt Drake (left) and Trevor Larson of Carbon Power & Light Inc. work on replacing a burnt line in Saratoga, Wyoming.



Funding Awards

With NRECA's help, electric co-ops secured billions of dollars from new federal programs to strengthen the grid, modernize critical infrastructure and buy or build new energy systems. Co-ops began receiving the first awards from the \$9.7 billion New ERA program designed specifically to support co-ops as they deploy new energy innovation programs. Treasury Department officials also finalized the rules for direct-pay tax credits for co-ops—leveling the playing field and giving co-ops equal access to tax credits that the rest of the energy sector has enjoyed for years. These transformational funding opportunities were the result of strong lobbying in Washington by NRECA and its members.

Strengthen the grid Modernize infrastructure Build new energy systems

Voices for Cooperative Power

NRECA's grassroots network has become a powerhouse at coordinating advocacy efforts that combine the strength of NRECA, statewide associations and individual co-ops.

VCP helped pass energy bills in several states, including Kentucky, where leaders of Kentucky Electric Cooperatives asked NRECA to activate the VCP network just days before a crucial vote on an energy bill at the statehouse.

Working with VCP, the Kentucky statewide association contacted its member co-ops, who then helped spread the word to their members through social media. Within days, co-op consumer-members had sent about 800 letters to members of the Kentucky House of Representatives, which passed the legislation in April.

Co-ops' Clout on Capitol Hill

For the second year in a row, NRECA was rated by policymakers as the most reputable and effective trade association in Washington, D.C., according to Penta, which studies the influence and reputation of more than 150 prominent companies and associations operating in the nation's capital. NRECA's outstanding reputation comes despite the fact that the average association spends far more than NRECA does on advocacy efforts.

Importantly, NRECA's reputation is uniquely bipartisan, with Democrats and Republicans both viewing the association favorably. Policymakers praised NRECA's executive engagement and ability to mobilize its grassroots network—strengths that ranked above the average for all energy associations.

The great value of the VCP database is that we can track which representatives have received letters from their constituents, how many letters they've received and whether it's enough. We can be more nuanced and thoughtful in our approach, rather than just sending out a broad blast.

 –Joe Arnold, vice president of strategic communications at Kentucky Electric Cooperatives









The Value of the Cooperative Model

NRECA completed a landmark new research project designed to help co-ops better communicate the strength and value of the cooperative business model. Utilizing data from co-op members, NRECA's Value of the Cooperative Business Model project centered on the creation of a white paper outlining the modern economic value of the co-op business model. NRECA also conducted detailed public opinion research to develop a messaging "playbook" that gives co-ops the tools to convey the value of the model to the public, policymakers and media.

It's really important to take a step back during this time of monumental change to look at the bigger picture and say, 'We've had this business model in place for a long time, to meet the members' needs, but how do we best communicate and explain the unique value that co-ops bring to this industry.'

—Lisa Johnson, CEO and general manager of Seminole Electric Cooperative and member of Value of the Cooperative Model advisory group

New Initiatives to Protect the Grid

Project Guardian

NRECA Research launched a \$4 million cybersecurity program called Project Guardian to support the cyber posture of electric co-ops under a five-year agreement with the Department of Energy. The funding, created by the bipartisan infrastructure law, will help enhance and expedite cybersecurity collaboration among co-ops and, in cooperation with the DOE, help protect the electric grid from increasingly sophisticated cybersecurity threats.

Additional Federal Funding

NRECA also was chosen for \$5 million in federal infrastructure funding for two projects to strengthen cybersecurity for co-ops. The projects will help increase access to grid security training and improve peer-to-peer information sharing among rural utilities while engaging more than 400 co-ops throughout the nation. One of the projects involves NRECA Research's Threat Analysis Center, a secure platform that provides information-sharing and community collaboration to help reduce the risk of cyberattacks.

Co-op Cyber Goals

NRECA unveiled a second set of 10 cybersecurity goals for electric co-ops at the 2024 Co-op Cyber Tech conference in June. They build on the Level One goals launched at the beginning of 2023 as part of NRECA's new Co-op Cyber Goals Program. More than 100 co-ops have completed the 10 Level One goals.



View the full set of Level One and Level Two goals.













Crucial Connections

NRECA Broadband

NRECA Broadband provided a strong, unified advocacy voice on public policy issues impacting co-ops in broadband—influencing federal policy, mitigating regulatory burdens and ensuring funding. The opt-in program offered specialized education, including the annual Broadband Leadership Summit that brings participants to Washington, D.C., to hear from key agency officials and members of Congress, as well as broadband-focused content at numerous other conferences throughout 2024. Finally, NRECA Broadband continued to provide exclusive resources, expert guidance and collaboration opportunities.





Rep. Buddy
Carter briefs
2024 NRECA
Broadband
Leadership
Summit attendees
during their visit
to Capitol Hill.

BEAD Program

NRECA has actively engaged in the \$42.5 billion Broadband Equity, Access and Deployment (BEAD) federal grant program, created under the bipartisan infrastructure law. The association pushed for the prioritization of fiber-based technologies and other types of reliable broadband service and asked federal regulators to only fund alternative technologies as a stopgap measure.

NRECA also urged the National Telecommunications and Information Administration to require states to implement a process prior to final BEAD awards to ensure that funds are not used to overbuild fiber networks constructed during the period between eligible locations being chosen and final awards determined.

Data Collection and Mapping

NRECA advocated for improvements to the Federal Communication Commission's broadband data collection and maps, both with Congress and the FCC. The association asked the FCC not to rely on advertised speeds, which are often a false reflection of what customers receive.

Pole Attachments

NRECA strongly opposed for-profit telecommunications providers' attempts to change regulations around co-op pole access and make-ready timelines. These proposals could jeopardize the public safety and reliability of co-op pole distribution networks and are an unfair attempt to force not-for-profit co-ops to subsidize the broadband deployment of for-profit entities. As the BEAD program moves forward, NRECA anticipates continued attempts at both the state and federal levels to add new regulations or timelines for access to co-op poles.











Power of Learning

NRECA convened over 17,100 members at more than 30 meetings, conferences and education programs in 2024, including the popular PowerXchange and TechAdvantage in San Antonio, Texas, in March.



The Safety Leadership Summit, originally held every 18 months, became an annual event beginning with the May 2024 conference in Kansas City, Missouri. Offering the meeting each year fulfills requests from NRECA members for more opportunities to stay on top of the industry's latest safety developments and network with peers.

There was record-high attendance at the 2024 summit, with 895 registrants from 378 co-ops across 45 states. NRECA collaborated with Federated Rural Electric Insurance Exchange for the first time to provide expanded educational sessions and networking opportunities. Federated's contribution also allowed NRECA to offer a lower rate for attendees, enabling co-ops to take a team approach to safety by sending multiple staff members to the event.

With a focus on providing practical tools and resources co-ops can share with their teams, programming topics included safety culture, peer recognition programs, safety training and Phase Two of the Commitment to Zero Contacts initiative.

Executive Leadership Program

The NRECA Executive Leadership Program (ELP) debuted in October 2024 with more than 40 coop CEOs and C-suite executives in attendance on the campus of Northwestern University at the Kellogg School of Management in Evanston, Illinois. Spots for the October 2025 weeklong program filled up quickly.

Updated Programs

NRECA introduced updates to its most in-demand program—the Management Internship Program—to expand access and reduce participants' time away from home and from their co-ops. These changes include new facilitators, more co-horts and new locations.

The association also unveiled a reimagined Directors Conference for January 2025 in Florida, which attracted strong interest. The conference has been revamped to include expanded networking opportunities, a more flexible schedule and additional insights from experts.

New Programs

Several new education programs for cooperative staff were announced in 2024, including The Art and Strategy of Compelling Storytelling for communicators and the Ideas to Impact program, which is designed to help employees bring a strategic idea from concept to implementation. Both programs will debut in 2025.

As senior leaders, we often think we have all the tools we need—but the truth is, we don't know what we don't know. Immersing myself in the ELP experience has provided invaluable insights, not only for my personal growth but also for actionable strategies I can implement with my team.

Luke Johnson
 CEO and general manager,
 Meeker Cooperative Light and
 Power Association,
 Litchfield, Minnesota









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Unlocking Leadership Excellence

NRECA Consulting began offering a new service in 2024: executive coaching. The service provides co-op leaders with confidential, one-on-one support and guidance from certified executive coaches with decades of experience in the electric co-op business. Designed for senior leaders, first-time CEOs or CEOs who are new to their current co-op, coaching begins with a leadership assessment and builds from there, typically lasting three to six months.



Executive Leadership Retirements

Nearly half of the CEOs, general managers, assistant general managers and chief operating officers in the co-op network are eligible to retire in the next few years—elevating the need to develop leaders within the current workforce.

Source: NRECA data

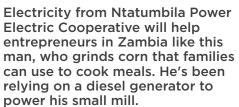
Across the Globe

Since its creation in 1962, NRECA International has helped establish more than 250 electric utilities and co-ops in 48 countries, empowering more than 220 million people. In 2024, NRECA International, with funding from the U.S. Agency for International Development, focused on bringing electric co-ops to more locations in sub-Saharan Africa.

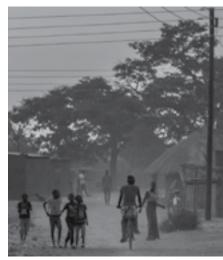
Three new co-ops have been created in Zambia through the Zambia Electric Cooperative Development Program. One co-op will operate on a minigrid system and two co-ops will connect to the national grid network. Local residents are already planning to expand their small businesses as they receive electricity for the first time.

NRECA International also made progress on an initiative to promote the development of five new co-ops in rural areas of Malawi. One of the main goals is to show how electric co-ops can help support self-reliance and improve productivity in rural communities.







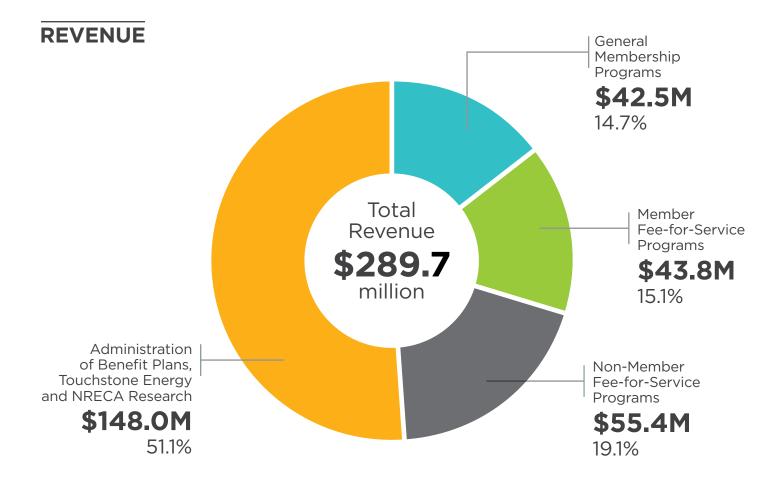




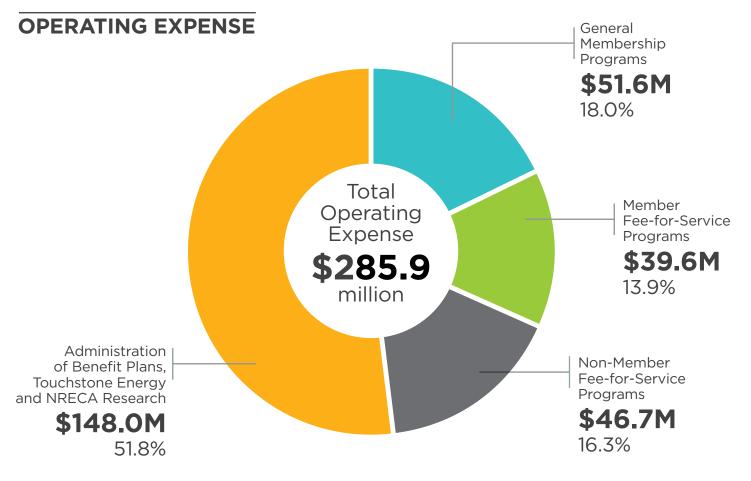
2024 FINANCIAL HIGHLIGHTS

SUMMARY OF OPERATIONS

NRECA ended 2024 with total revenue of \$289.7 million and total operating expense of \$285.9 million for a net operating margin from unrestricted net assets of \$3.8 million. In addition, the association earned a margin of \$0.5 million on its restricted net assets related to NRECA Broadband and Political Advocacy, Communication and Education (PACE), for a total net margin of \$4.3 million.



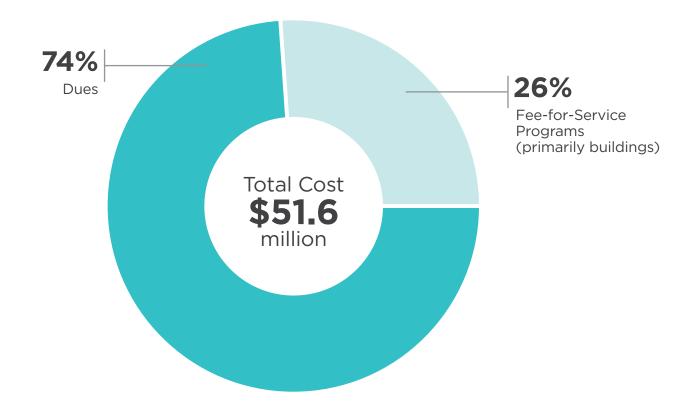
- General membership programs consist of Government Relations, Communications, Business and Technology Strategies and other programs. NRECA funded the \$9.1 million deficit from margins earned on feefor-service programs.
- Non-member fee-for-service programs include rental income from buildings owned by NRECA, Homestead, NRECA International and others. These programs ended the year with a net margin of \$8.7 million.
- Member fee-for-service programs include Education, Training & Events, Associate Membership, RE Magazine, Wood Quality Control and others. These programs ended the year with a net margin of \$4.2 million.
- Cost-reimbursable programs include administration expenses paid by NRECA related to three multiple employer plans, administration of Touchstone Energy® Cooperative Inc., and NRECA Research. Revenue totaling \$148.0 million was recognized to the extent of total program expense incurred.



GENERAL MEMBERSHIP PROGRAMS

Dues paid to the association cover 74% of the cost to run these programs, and the remaining approximately 26% is subsidized by fee-for-service programs, primarily rental income from the buildings.

FUNDING SOURCES



Contact







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