



# GCEA

## 2023 ANNUAL REPORT



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**GCEA OFFICE HOURS**

Monday - Thursday  
8 a.m. - 4:30 p.m.

# PRESIDENT'S MESSAGE

BY MICHELLE LEHMANN BOARD PRESIDENT

What a year! The electric industry is constantly changing, as is GCEA. This has been a good year, and it has been my honor to serve as the board president. Industry changes happen. Our response to change can be reluctant and fearful, or we can respond as leaders. New technologies are being invented every day that will make our lives different but also better in many ways. We must do our jobs to determine which changes are right for each of us. What works at one electric cooperative may not work at GCEA.

I believe that a company is made strong by its people, their skills, and their talents. GCEA is no exception to this. We are truly blessed to have an amazing set of employees who work very hard every day to take care of us, the members. A few very talented people retired this year, and we have some new hires who are stepping up to be assets to us all. Thank you to all the GCEA employees for your hard work.

Last year, the board developed a new strategic plan and we recently revisited and made revisions for the next five years. Safety, reliability and business resilience will always be our enduring priorities. Next, we focus on our members, our community,

our environment, our cooperative and our employees. GCEA CEO Mike McBride and the employees have developed teams that work together on each of these strategic priorities. I love what we are seeing from these efforts, and we are excited to see the results in years to come.

Last May we had a groundbreaking ceremony at the Taylor River Hydro project. This project has been a goal for many years. After a lot of hard work, we are excited to have it begin production of local, green power by July. I am grateful for all the current and past board members and employees who have spent considerable time making this project a reality. It will be very exciting when the first electricity from the hydro project is generated. The Oh Be Joyful solar project in Crested Butte is making progress and we are looking at options for another local solar project. Thank you to all the people who have worked on these projects.

We now have our second Ford F-150 electric truck in the GCEA fleet and we will continue to replace older gas-powered vehicles with EVs when they are a viable option to provide what we need.

Here's to another great year!

<p><b>GREG WIGGINS</b> DISTRICT 1</p>	<p><b>MORGAN WEINBERG</b> DISTRICT 2</p>	<p><b>DARCIE PERKINS</b> DISTRICT 3</p>	<p><b>MICHELLE LEHMANN</b> DISTRICT 4</p>
			
			
<p><b>TOM CARL</b> DISTRICT 5</p>	<p><b>POLLY OBEROSLER</b> DISTRICT 6</p>	<p><b>MARK DAILY</b> DISTRICT 7</p>	

# CEO'S MESSAGE

BY MIKE MCBRIDE CHIEF EXECUTIVE OFFICER

At GCEA's first annual meeting held January 9, 1939, there were 31 members in attendance. Board Secretary/Treasurer Janet Allen reported that the organization had grown to a total membership of 116 — each of whom had contributed \$5 to build the infrastructure needed to get electricity to their home or ranch. These members would not receive electric service until nearly three years later, on December 6, 1941 — the day before the attack on Pearl Harbor. Material rationing and other challenges soon followed.

Fast forward 85 years. We now have 8,982 members and our own set of challenges and opportunities. One of the challenges we share with GCEA's founders — although for different reasons — is getting the materials and equipment we need to maintain and expand our distribution system. It has taken one year to get small transformers, and the lead time for some distribution system components is up to two years. The lead time for utility trucks is now five years. These supply chain issues have driven up the cost of many of the materials and devices we need to keep the power on at a rate much greater than overall inflation.

It has taken considerable time and

effort, but we will soon be able to cost-effectively produce 5% of our total power supply with local renewable energy from the Taylor River hydro project and the Oh Be Joyful solar project. The remainder of our power supply from Tri-State Generation and Transmission continues to become more renewable and less carbon intensive without additional cost from the transition. We are currently working toward the development of another local solar project in 2025 and exploring other opportunities.

We work hard to maintain electric service reliability at an average of 99.97%. To do this, we maintain approximately 1,100 miles of distribution lines. Over time it becomes necessary to rebuild sections of line and I am happy to report that GCEA was recently selected by the Department of Energy to receive a \$5 million grant to rebuild and upgrade a 30-mile section of a three-phase power backbone between Gunnison and Powderhorn. This is phase one of a project to improve reliability and community resiliency for members south of Gunnison and in Lake City. We are extremely excited about this achievement — only 19 grants were awarded from more than 650 applicants.



MIKE MCBRIDE

GCEA ended 2023 in a strong financial position, but we saw less growth in kilowatt-hour sales than we did in 2022 (0.4% compared to 3.8%). Weather and other factors contribute to fluctuations from year to year, kWh sales for the first four months of 2024 are lower than projected. But, our local distribution grid has the capacity to accommodate substantial growth and we will continue to promote beneficial electrification.

I join Board President Lehmann in recognizing our exceptional team — each of whom is needed to help maximize the opportunities before us. Everyone has risen to the challenge again and again. I cannot say enough about the excellent work and dedication of the entire GCEA team.

Thank you for being a part of GCEA and for allowing us to serve you. We will continue to make good things happen for you, our members, this year and into the future. We hope to see you at our annual meeting on June 18 and at other events throughout the year.





# 2023 Highlights: Celebrating Another Great Year

GCEA had a very productive and exciting 2023. The board of directors, executive staff, and employees were busy providing safe, reliable, and affordable electricity to the membership. Building on momentum from 2023, there is great promise for even more productive years to come.

- Progress continues to move along renewable energy projects at the Taylor River hydro plant and Crested Butte's "Oh Be Joyful" solar array. And we have secured ground for a third community solar garden in the Gunnison area. Completing these projects will boost our local renewable generation to power hundreds of homes - a goal that GCEA's Board has been working to meet for decades.
- GCEA's member relations team has been working hard to meet members where they are in the community at co-op sponsored events like Coffee with Your Co-op, Annual Meeting, and Brats & Kilowatts, as well as supporting established events such as Cattlemen's Days, Lake City Alpine 50 Bike Race, Adaptive Sports Center's Bridges of the Butte, Gunnison Car Show, Night of Lights, and more.
- GCEA supports students' education by offering 108 scholarships.
- 2023 introduced online voting for the first time in GCEA Board of Directors election history and provided a convenient solution for more members to vote for their district representatives.
- Spring 2023 brought a fresh look and feel to our bill design and provided a visually appealing, straightforward approach to reporting billing details.
- GCEA continues providing money back to members who electrify their home appliances, bikes and vehicles, and outdoor power equipment with the rebate program. GCEA gave out 423 rebates in 2023 for a total of 1,380 items including LEDs, and 314 members participated in the program.
- The PowerWise Pledge™ fund continues to support our rebate program by providing money back to members who electrify their home appliances, bikes and vehicles, and outdoor power equipment.
- Improvements to GCEA's system continue to bolster reliable electric service to each of our members.

## GCEA Selected by U.S. Department of Energy to Receive \$5M in Grant Funding

GCEA was selected by the United States Department of Energy Office of Clean Energy Demonstrations to begin award negotiations for up to \$5 million in Bipartisan Infrastructure Law funding. As part of the Energy Improvements in Rural or Remote Areas program, GCEA was selected as one of 19 community-led clean energy projects across 12 states and 13 tribal nations and communities to receive more than \$78 million to develop and deploy sustainable clean energy solutions. Funding will expand access to reliable and affordable energy in rural and remote communities across the country.

With this funding, GCEA plans to replace 30 miles of aged, overhead electric distribution lines between GCEA's Skito Substation and Powderhorn. This will

mitigate the rising costs of maintaining outdated and unreliable infrastructure and increase grid reliability for rural Gunnison County residents who experience frequent power outages. It also constitutes the first phase of a larger project to improve resiliency for Hinsdale County residents.

During the last two years, the service area experienced 76 outages due to extreme weather conditions and the threat of wildfires — including a 28-hour outage during subzero overnight temperatures. Upgrading electric distribution infrastructure will enhance local grid resiliency, reduce operational and maintenance costs, prevent fires due to overloading, and facilitate the integration of more renewable energy. These benefits will also promote greater prosperity



for the local community by supporting the growth of businesses, farms, ranching, and housing while mitigating climate threats that prevent residents from living and working full-time in the region.

For more information, visit [gcea.coop](http://gcea.coop).

GCEA  
85TH ANNUAL  
MEETING



A STEP BACK IN TIME

Come take a step back in time with us at the Gunnison headquarters for a dinner, displays, door prizes, and more!

TUESDAY, JUNE 18, 2024

GCEA HEADQUARTERS

37250 W. US Highway 50  
Gunnison, CO 81230

MEETING DETAILS

5 PM - IN PERSON VOTING & DINNER  
6 PM - BUSINESS MEETING

For more information, visit [gcea.coop](http://gcea.coop)

**GCEA Financial & Statistical Information**

**Balance Sheet**

	as of 12/31/2023	as of 12/31/2022
<b>Assets:</b>		
Utility Plant - Net	\$ 28,885,606	\$ 28,919,181
Long Term Investments	12,766,335	11,743,746
Cash & Short Term Investments	4,793,871	4,698,530
Receivables	1,651,923	1,600,728
Materials & Supplies	1,957,951	1,547,999
Other Current & Deferred Assets	2,669,567	2,653,688
<b>Total</b>	<b>\$ 52,725,253</b>	<b>\$ 51,163,872</b>
<b>Equity and Liabilities:</b>		
Margins & Equities	\$ 30,398,398	\$ 30,308,232
Long-Term Debt	14,195,317	13,502,407
Other Non-Current Liab.	4,753	8,825
Current Mat. Long-Term Debt	793,240	732,234
Payables	1,398,184	1,494,969
Consumer Deposits	669,071	671,296
Other Current & Deferred Liab.	5,266,289	4,445,909
<b>Total</b>	<b>\$ 52,725,253</b>	<b>\$ 51,163,872</b>

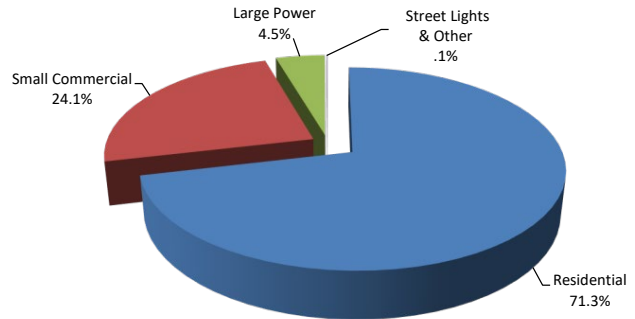
**GCEA System Statistics**

	2023	2022	2021
Meters Served	11,628	11,496	11,353
Miles of Line	1,104	1,099	1,098
Total kWh Purchased	138,679,962	137,302,734	132,771,146
Average Residential Monthly Use - kWh's	696	697	670
Average Residential Monthly Bill	\$ 127.28	\$ 122.01	\$ 115.55
GCEA System Coincident Peak	30,105	27,737	29,519
Month of High Peak	February	January	December
Full-Time Employees	44	42	42
Wholesale Power Costs/kWh	\$ 0.07295	\$ 0.07357	\$ 0.07500
Retail Power Costs/kWh	\$ 0.13268	\$ 0.12918	\$ 0.12918
Availability of Service Charge	\$ 35.00	\$ 32.00	\$ 29.00

**Statement of Operations**

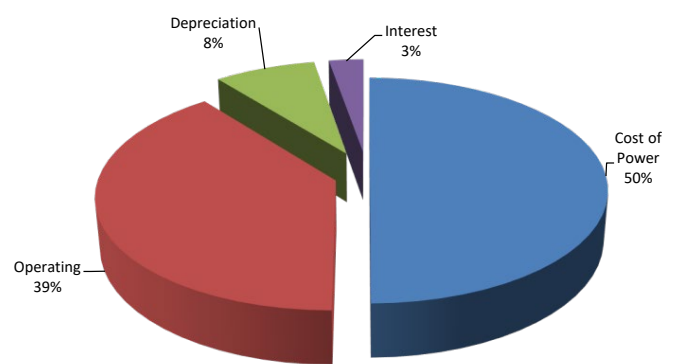
	For Year 2023	For Year 2022
<b>Revenue:</b>		
<b>Operating Revenue</b>	<b>\$ 20,651,284</b>	<b>\$ 20,563,641</b>
<b>Expenses:</b>		
Cost of Power	\$ 10,116,320	\$ 10,101,164
Operations & Maintenance	3,844,889	3,797,453
Consumer Accts. & Consumer Info.	1,661,167	1,679,973
Administrative & General	2,459,070	2,314,121
Depreciation	1,618,924	1,577,558
Interest	552,166	457,174
<b>Total Cost of Electric Service</b>	<b>\$ 20,252,536</b>	<b>\$ 19,927,443</b>
<b>Operating Margins</b>	<b>\$ 398,748</b>	<b>\$ 636,198</b>
Interest Income	\$ 146,184	\$ 56,939
Income (Loss) from Equity Invest.	\$ (5,609)	\$ (5,299)
Non-Operating Margins Other	\$ 42,726	\$ 18,288
G&T & Other Capital Credits	\$ 203,754	\$ 132,612
Extraordinary Item	\$ -	\$ -
<b>Non-Operating Margins</b>	<b>\$ 387,055</b>	<b>\$ 202,540</b>
<b>Total Margins</b>	<b>\$ 785,804</b>	<b>\$ 838,738</b>

**2023 GCEA Operating Revenues\***

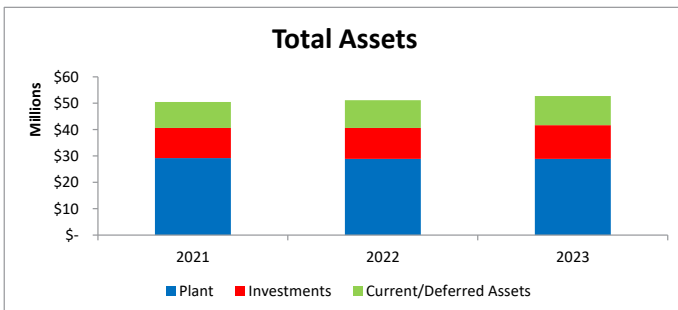


\*Excludes Revenue Deferral

**2023 GCEA Operating Expenses**



**Total Assets**



**Total Liabilities & Equities**

