

SANGRE DE CRISTO ELECTRIC ASSOCIATION 2025 ANNUAL REPORT

United in Purpose, Building Tomorrow



Jon Beyer, CEO

UNITED IN PURPOSE, BUILDING TOMORROW

2025 was an exciting year at Sangre de Cristo Electric Association. I took the helm as CEO and, alongside my team, jumped right into working to make our system

future-ready. Importantly, the changing landscape of wholesale power pricing required a restructuring of the cooperative's rates. Doing so allowed us to begin to explore enhanced program offerings and support forward-thinking projects that will make your power safer and more reliable.

The best part of the year, by far, was getting to meet our members. I had the opportunity to learn a lot about what makes our co-op and community unique and to gain a deeper understanding of SDCEA member needs. I'm looking forward to carrying this community-driven momentum into 2026. Here are a few highlights from my first year as CEO.

MEMBER-FIRST MENTALITY

In 2025, SDCEA renewed our focus on transparency and communication with our members. We've held town halls, organized rate workshops, enhanced our rate education resources, hosted community events, participated in the Chaffee County Economic Development organization, held one-on-one member meetings, and published *Colorado Country Life* articles that detail our costs, challenges, and what goes into providing you with safe, reliable power. Our members were at the center of everything we did in 2025. I hope to get a chance to meet more in 2026.

COMMITMENT TO AFFORDABLE RATES

One of our top priorities as a member-owned cooperative is to provide affordable power. This challenge has never been greater. Widespread cost increases across the industry span everything from fuel, to wood poles, to steel in our transformers. We know rate increases impact you and your family, which is why we put years of research and consultation into creating a new rate restructure, set to go into effect July 1, 2026. While we can't promise rates won't ever change again, we can assure you that we put a tremendous amount of care into every rate adjustment. Every cent is analyzed by third-party consultants, staff, and directors before it appears on your bill.

NEW ENERGY PROGRAMS

Another way to keep energy affordable is to use power when the wholesale prices are the most favorable. Over the last year, we've developed three new programs to help you power your homes reliably, efficiently, and cost-effectively. These programs include a water heater controller pilot program, a managed electric vehicle charging pilot program, and a residential battery pilot program. These innovative programs are just beginning. We are continually developing new programs that bridge our rate structures with energy efficiency, smart energy use, and beneficial electrification opportunities for our members.

INNOVATIVE TECHNOLOGY AND SYSTEM INVESTMENT

Integrating advanced technology into our infrastructure is how we will be able to keep your power reliable into the future. One innovative investment that we are actively exploring is a utility-scale battery at the Buena Vista Substation. The battery could help discharge and shave overall system demand, reduce charges in wholesale power during peak demand times, and support system backup during outages or maintenance periods.

BUILDING A RESILIENT SYSTEM FOR A RELIABLE FUTURE

The winter starting in 2025 was one of the driest on record, which means wildfire mitigation has never been more critical. We continue to prioritize our vegetation management program, which is vital to keeping members safe and protecting our community, lands, and water. Additionally, the work to rebuild the 19-mile Tommy Young line, from Cotopaxi north to Verdemont Road in Custer County, continues. This work is part of a long-term project to provide improved reliability in the area.

While the highlight of 2025 was getting to know you, we also achieved significant milestones for supporting your livelihood through safe, reliable power. 2026 will be about further enhancing your member experience. Do you have questions? A memorable story from 2025? I want to hear from you. Join us at the annual meeting on June 24 in Westcliffe to share your voice with me and the rest of SDCEA's team.



2025 FINANCIALS

ASSETS	12/31/24	12/31/25
Total utility plant	\$87,575,942	\$91,200,677
Accumulated provision for depreciation	\$(29,913,147)	\$(31,566,827)
Net utility plant	\$57,662,795	\$59,633,850
Total other property and investments	\$12,821,360	\$12,845,602
Cash-general funds	\$2,473,701	\$986,612
Cash-special construction funds	\$1	\$1
Investments	\$250,000	\$250,000
Accounts receivable	\$3,042,153	\$4,053,891
Material and supplies	43,066,644	\$3,251,308
Prepayments	\$15,506	\$183,386
Other current and accrued assets	\$17,923	\$4,000
Deferred debits	\$1,439,543	\$1,329,786
TOTAL ASSETS AND OTHER DEBITS	\$80,789,626	\$82,538,436

EQUITY AND LIABILITIES		
Equities	\$7,029,527	\$8,205,658
Patronage capital	\$20,493,823	\$19,858,901
Long-term debt	\$44,847,910	\$47,395,196
Notes and accounts payable	\$3,054,691	\$1,680,138
Consumer deposits	\$589,453	\$607,228
Current maturities – long term debt	\$1,985,676	\$2,162,972
Other current and accrued liabilities	\$1,066,703	\$1,242,209
Regulatory liabilities	\$1,226,091	\$1,078,640
Deferred credits	\$495,752	\$307,494
TOTAL EQUITY AND LIABILITIES	\$80,789,626	\$82,538,436

OPERATING REVENUE & EXPENDITURES	2024	%	2025	%
OPERATING REVENUE				
Residential	\$17,784,397	73.1	\$18,583,994	73.6
Irrigation	\$154,600	0.6	\$173,875	0.7
Small commercial	\$5,442,415	22.4	\$5,544,636	22.0
Large commercial	\$653,512	2.7	\$608,302	2.4
Street lighting	\$107,681	0.4	\$110,137	0.4
Other electric revenue	\$193,256	0.8	\$212,651	0.8
SUBTOTAL	\$24,335,861	100	\$25,233,595	100
Revenue deferral out	\$0		\$0	
Revenue deferral in	\$450,000		\$0	
TOTAL OPERATING REVENUE	\$24,785,861		\$25,233,595	

EXPENDITURES				
Cost of power	\$11,002,991	47	\$11,556,721	46
Operations and maintenance	\$5,908,682	25	\$4,250,205	17
Administrative and general	\$2,539,179	11	\$5,022,978	20
Depreciation and amortization	\$2,527,666	11	\$2,613,205	10
Taxes, interest, and other deductions	\$1,543,493	6	\$1,865,427	7
TOTAL COST OF ELECTRIC SERVICE	\$23,522,011	100	\$25,308,536	100
Operating margins	\$1,263,850		\$(74,941)	
Non-operating margins	\$233,059		\$343,938	
G&T capital credits	\$673,459		\$306,260	
Other capital credits	\$437,311		\$319,958	
NET MARGINS OR PATRONAGE CAPITAL	\$2,607,679		\$895,215	

BOARD OF DIRECTORS

Sandra Attebery – Chair
Custer County representative
attebery@myelectric.coop

Charles A. Abel II – Vice Chair
Rural Chaffee/Lake County representative
abel@myelectric.coop

Blake Bennetts – Secretary & Treasurer
Town of Buena Vista representative
bennetts@myelectric.coop

Mark Boyle – Director
Rural Chaffee/Lake County representative
boyle@myelectric.coop

Rob Canterbury – Director
Fremont County representative
canterbury@myelectric.coop

Sandy Long – Director
At Large representative
long@myelectric.coop

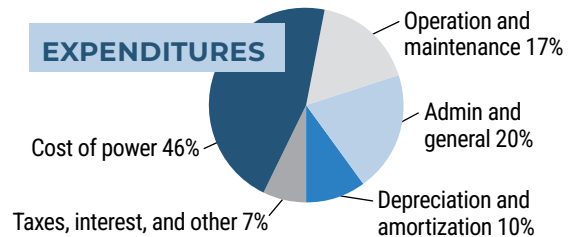
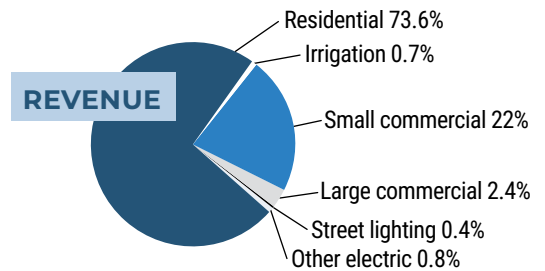
Michael Robinson – Director
At Large representative
robinson@myelectric.coop

SDCEA MANAGEMENT TEAM

Jon Beyer – Chief Executive Officer
cejon@myelectric.coop

Sarah Crites – Chief Financial Officer
cfo@myelectric.coop

Ryan Doke – Chief Operations Officer
coo@myelectric.coop



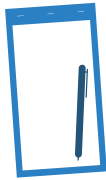
TOTAL OPERATING REVENUE PER CONSUMER IN 2024*

SDCEA: \$1,714.69

Co-ops of similar consumer size: \$2,697.07

Colorado Co-ops: \$2,568.02

*From the CFC 2024 Key Ratio Trend Analysis



SDCEA WAS ORGANIZED IN 1940

Wholesale Power Supplier:
Tri-State Generation & Transmission Association, Inc.

WE'RE RELIABLE



Our reliability of electricity delivery (ASAI index) shows **99.98%** **electric service is available of the time**, an indication of high reliability and minimal outages.



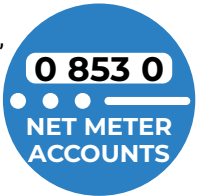
49% RENEWABLE ENERGY
in power supply

SDCEA has **45** full-time employees 

 Employees drove **281,574** miles in SDCEA vehicles.

311 **NEW SERVICES** added in 2025, compared to 347 in 2024.

Net Meter (solar, wind, or hydro generation) accounts increased to 853, up from 772 in 2024.

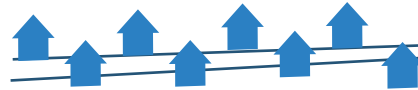


System Peak Demand in 2025: **33,320 kW** January 20 at 7:30 p.m.

Lowest system operational load in 2025: **6,920 kW** March 10 at 10:30 a.m.



8 CONSUMERS PER MILE



Approximately 8 consumers per mile are on the SDCEA system.

SDCEA billed **14,786** consumer accounts at the end of 2025.

5.6-MW

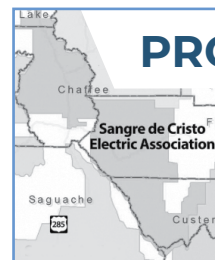
TOTAL NET-METERED (RENEWABLE ENERGY) GENERATION CAPACITY

Total SDCEA system net-metered (renewable energy) generation capacity 2025 at year-end: 5.6 MW; with Trout Creek Solar total system capacity = 7.6 MW



SDCEA has 1,874 miles (about half the width of the United States) of energized line. SDCEA increased underground lines by 14 miles in 2025.

PROPERTY TAX



5 COUNTY TOTAL
\$393,303

\$393,303 in 2025 total assessed property tax for 5 counties: Chaffee, Fremont, Custer, Lake, and Saguache.

INVOICE

MATERIALS \$2,161,814
SALES TAX \$140,737

SDCEA purchased \$2,161,814 in materials, and paid sales tax totaling \$140,737 on those materials.

 We have **16,574** poles in our service territory.

COMPARATIVE STATISTICS

	2015	2024	2025
kWh purchased	120,390,237	144,628,106	144,553,753
kWh sold	109,186,529	131,988,681	132,207,064
Number of consumers	11,732	14,455	14,721
Miles of energized line	1,725	1,861	1,875
Consumers/mile of line	6.80	7.77	7.85
Average monthly kWh used per residential consumer, excluding part time residence	658	701	687
Average monthly kWh used per residential consumer, including part time	591	598	589
Average monthly kWh used per account classified as part time	451	425	421

NOTICE: 86TH ANNUAL MEETING FREE AND OPEN TO MEMBERS

UNITED IN PURPOSE, BUILDING TOMORROW

Wednesday, June 24, 2026

SDCEA Warehouse, 56495 Hwy 69, Westcliffe, CO 81252

Registration and children's activities begin at 9 a.m. Meeting begins at 10 a.m.

Speakers, presentations, demonstrations, touch-a-truck and other activities for children, light lunch

DIRECTOR ELECTIONS

- Blake Bennetts – Representing the Town of Buena Vista
- Mark Boyle – Representing rural Chaffee/Lake counties
- Michael Robinson – At-Large representative

Only a single candidate was nominated for each director seat. In accordance with bylaws, election of directors will be by written ballot, except that election by voice vote will be allowed where only one candidate has been nominated from a district. That voice vote will be called for at the annual meeting.

DEPARTMENT OVERVIEW

Who's behind the switch? From managing the grid to advancing sustainable energy, these teams work behind the scenes at SDCEA to keep things running smoothly.

OPERATIONS AND ENGINEERING

The Operations and Engineering Department is SDCEA's largest department with a team of 31 employees, including 12 linemen.

This department ensures the delivery of reliable power to all members, even during outages and storms. Its mission is to "keep the lights on" 24 hours a day, seven days a week, through a combination of system design, maintenance, and repair.

Key Responsibilities:

- **Outage and storm response:** With a round-the-clock operation, the team is always ready to respond to emergencies, restoring power efficiently and safely.
- **Engineering:** Engineering and system design efforts focus on planning, building, and maintaining a reliable power network that meets load demands.
- **Rights of way, easements, and permitting:** Manages access and permissions to ensure the system can be built, maintained, and expanded as needed.
- **Staking:** Responsible for the layout of the system, including new services, system rebuilds, and underground and overhead cable replacements.
- **Metering:** Ensures accurate installation, monitoring, and maintenance of meters, measuring usage, and keeping track of readings and voltages on the system.
- **Inventory management:** Manages the inventory of supplies, system materials, and job site resources to ensure smooth operations. SDCEA handles more than \$4.5 million in inventory items each year.

CUSTOMER SERVICE

When you connect with our Customer Service Department, you will never be greeted by machines, bots, or artificial intelligence attendants. Instead, you reach a team of four dedicated individuals who genuinely care about supporting you.

This talented group also works as technical problem-solvers for our 12,500 members. They expertly manage the intricate details of our billing software and complex reporting systems to keep everything running smoothly.

Key Responsibilities:

- **Real people, real support:** All incoming calls are answered by live representatives. Emails are also individually addressed, ensuring personalized responses for every inquiry.
- **Account management:** Whether you are moving to town and need to put service in your name, changing your location, or leaving town, our team manages your account transitions.
- **Payment support:** Following up on late payments is an important responsibility of this group. They work closely with members to find solutions that help maintain their electric service.
- **Rate management:** This team programs and verifies all rate structures and rate amounts in SDCEA's software programs for all member accounts at the cooperative.
- **Billing and payments:** The department is responsible for correctly billing nearly 15,000 meters each month. They process all recurring, online, in-person, and mailed payments. They must meet strict monthly billing deadlines and ensure the accuracy of meter readings and billing details, all of which are very technical processes.

FINANCE AND ACCOUNTING

Every cent is meticulously accounted for in SDCEA's finance department of four people. This small team is responsible for maintaining the cooperative's financial integrity through accurate, timely reporting.

Key Responsibilities:

- **Financial reporting and general ledger:** Maintains accurate accounting records, prepares monthly and annual financial reports, completes month-end close, and develops board and management reporting. This team supports the annual third-party audit process.
- **Accounts payable:** SDCEA receives, processes, and pays 600 invoices monthly to over 300 unique vendors.
- **Asset management:** Responsible for the correct accounting, capitalization, and depreciation of budget items as well as new construction, system rebuild, and retirement projects.
- **Payroll and benefits administration:** SDCEA processes payroll and maintains payroll tax reporting in-house. This team also administers benefits for our 45 employees and maintains compliance with all state and federal payroll and benefit regulations.
- **Capital credit administration:** Administers member capital credit allocations and retirements, and addresses capital credit inquires.

INFORMATION TECHNOLOGY

The IT staff member maintains all SDCEA hardware and manages software operations. They oversee software across all departments including programs for billing, accounts payable, and metering. In addition, they offer daily tech support for 45 employee workstations and mobile devices. They train employees on evolving cybersecurity trends to protect co-op and consumer data.

PROGRAMS AND PROJECT DEVELOPMENT

Staff on this two-person team handle rebate management and oversee pilot programs. They process and inspect solar installations and work on long-term cooperative projects such as Trout Creek Solar and plans to install a utility-scale battery at the Buena Vista substation.

SAFETY AND COMPLIANCE

The employee in this department creates and enforces safety protocols to maintain a safe and secure work environment. They conduct trainings and compliance programs for all staff and they investigate incidents and implement preventive measures to reduce future risks.

COMMUNICATIONS AND CHARITABLE GIVING

The communications staff member manages donations and sponsorships to support local causes and organizations. They promote the cooperative's mission, values, and programs through numerous communication channels. This includes outage information, *Colorado Country Life* magazine articles, SDCEA's website content, social media, and media inquiries. They are responsible for organizing community outreach events and activities.

WORKING TOGETHER TO SERVE YOU

SDCEA staff members are proud to live and work in the communities they serve. Whether you see a lineman repairing a power pole, call our office and speak to a customer service representative, inquire about your electric bill, or participate in one of SDCEA's new pilot programs, you can be sure that we are all working together to make your member experience excellent.

We hope to connect with you at the annual meeting on June 24 in Westcliffe.