

ANNUAL REPORT



A Touchstone Energy® Cooperative



ON THE **BRIGHT**SIDE OF 2021





ON THE **BRIGHTSIDE** OF 2021

2021 HIGHLIGHTS

- **Members received \$6 million in credits on August bills**
- **Three community projects received \$1.75 million USDA funding**
- **Brighter Future Solar facility helping hold down peak power demands and reduce costs**
- **\$77,632 provided in crisis energy assistance to members in need**
- **\$200,000 awarded for community quality of life projects**
- **Record year for reliability**

Dear Member,

Making life better for members and the communities we serve is at the heart of our Brighter Future initiatives to provide affordable, reliable, and sustainable energy, now and in the future.

A major impact from this initiative is the Brighter Future Solar facility, planned in 2021, which came online earlier this year. We're pleased we can add to our renewable energy portfolio, plus no cooperative funds were used to build the array. This benefits members by helping reduce our most expensive peak period wholesale power cost. We purchase the full output from the facility owners through a twenty-five year power purchase agreement.

Another bright side of 2021 was giving members \$6 million in bill credits on August bills. This was a result of a refund we received from Duke Energy Carolinas (DEC) related to a coal ash settlement for their retail customers and as approved by the North Carolina Utilities Commission (NCUC).

We were also pleased your Members Foundation was able to reinstate community impact grants — 2020 was significantly impacted by COVID, and we saw a greater need for crisis energy bill assistance. You'll find more about your Foundation and how it's helping us to make life better later in this annual report.

Equally exciting in 2021 was the completion of a transmission upgrade critical to reliable service and capacity to serve our growing mountain districts. This upgrade included seventeen miles of double-circuit transmission line to ensure reliable power for many years to come.

As we continue striving for affordable, reliable, and sustainable energy, we are seeing unprecedented challenges in the way of cost pressures and supply shortages. As our entire nation faces these same issues resulting from global issues, strong consumer demand, and lingering impacts from the pandemic, please be assured your cooperative is monitoring and managing the impact. While our last rate increase was in 2013, these difficult challenges and the increased cost of electric generation fuels may create the need for an increase later in 2022.

The culmination of our efforts all points to our purpose - improving the lives of the members and communities we serve so that together we can continue to build a brighter future!

Jeff Joines, President
Doug Johnson, CEO

**CHECK OUT CAROLINA
COUNTRY COVER WRAP**
for more information on this year's
Annual Meeting!

Affordability

Our commitment to provide members with the lowest cost electricity possible remains strong as we explore and utilize new technologies such as solar energy, battery storage, smart devices and electric vehicle charging stations to balance supply and demand on the electric system. The Brighter Future Solar facility will produce more than 19 million kWh annually that will help control peak period wholesale power costs. Subsidiary performance and internal cost control efforts have also helped keep rates stable since 2013.



Sustainability



Looking to the decade ahead and beyond, we remain focused on providing you electricity that is reliable, affordable and environmentally responsible. To achieve this low-cost, low-carbon future, Blue Ridge Energy is working with the state's other electric cooperatives to reach significant carbon reduction goals, targeting a 50 percent drop in carbon emissions from our 2005 levels by 2030.

Reliability

Despite our rough mountainous terrain and extreme winter weather, Blue Ridge Energy ranks among the most reliable electric providers in the country. Our dedicated team of line technicians play an important part, as well as our right of way program and those working behind the scenes, such as our engineers and system operators.

99.99% Electric Reliability



OUR 'GREAT' PARTNERSHIP WITH SKYBEST COMMUNICATIONS

A brighter (and connected) future is made possible by a GREAT (Growing Rural Economies with Access to Technology) grant awarded to Blue Ridge Energy and SkyBest Communications to bring broadband to an area of Caldwell County where no internet service is currently available other than satellite or cellular. This partnership has already brought high-speed fiber internet with speeds up to 1 Gbps (1,000 Mbps) to residents within the Phase 1 service area. Internet service will become available soon for Phase II, followed by Phase III in early 2023 provided there are no weather or supply chain delays.

This project includes nearly 70 miles of fiber construction in the rocky, mountainous terrain of northern Caldwell County. The size of the project, coupled with the challenging terrain, requires that work be completed in three phases over two years. Once Blue Ridge Energy has completed construction, SkyBest Communications will provide high-speed internet to the community.



First Homeowners Connected

Left to Right: Jason Smith, Director of Communication Technology with Blue Ridge Energy; Bob Taylor, Field Service Technician with SkyBest Communications; and Blake Bouillion, Caldwell County resident and the first homeowner connected to high-speed internet as part of the GREAT grant project.

We are also partnering with SkyBest Communications on a similar project with grant funds provided to Watauga County government and will continue to seek grants for Blue Ridge Energy service areas lacking high-speed internet access. These efforts are part of our vision for a Brighter Future by providing members with the services they need to connect for education, jobs, health care and more.

Unsure if you are in a grant-funded area or interested in signing up? Call SkyBest Communications at 1-800-759-2226 or visit fiber.skybest.com.

Blue Ridge Energy Secures Over \$1.75 Million in USDA Funding for Three Community Projects in 2021

Three community projects are receiving over \$1.75 million in USDA funding secured through the Rural Economic Development Loan and Grant (REDLG) program. Assisting rural communities is an integral part of our mission at Blue Ridge Energy. The zero-interest loans will help to make a brighter future for members impacted by these projects:



Ashe County will receive \$1,300,000 for the site development of a new industrial park on Ray Taylor Road in West Jefferson.

Wilbar Volunteer Fire Department received \$240,000 to assist in the construction of a fire station addition. The department serves Blue Ridge Energy members in Wilkes County.

Beaver Dam Volunteer Fire Department (Watauga County) received \$225,000 for the purchase of a new fire truck.

For additional information on how these funds are acquired and specifics on some of these projects, read online at BlueRidgeEnergy.com/REDLGnews21.

\$6 MILLION PAID TO MEMBERS IN BILL CREDITS

In 2020, Duke Energy announced the largest coal ash clean up in national history with the utility removing 124 million tons of coal ash from 14 coal plants. Last year, a settlement was reached with the North Carolina Attorney General, North Carolina Utilities Commission (NCUC), and the Sierra Club that resolved how Duke must pay for the cleanup.

This is good news for the members of Blue Ridge Energy!

"We're very pleased to be able to give members the \$6 million in funds received from our wholesale power provider as result of this settlement and our contract terms," said Blue Ridge Energy Chief Executive Officer Doug Johnson.

While Blue Ridge Energy doesn't own any coal plants, environmental regulations related to the management of coal ash and its clean up impacts the price all North Carolina utilities pay for wholesale power.



UTILITY SCALE SOLAR PROJECT



The Future is Bright!

To further support our Brighter Future initiative, we began planning one of the largest solar facilities in the region last year to benefit members with carbon-free electricity while also producing long-term savings.

Covering 55 acres in southern Caldwell County, the Brighter Future solar array went online earlier this year and will produce enough power for 1,600 homes. The array will significantly contribute to reducing the most expensive wholesale power costs which occur during peak periods such as the hottest summer afternoons when consumers have their highest demand for electricity. These savings help us hold down costs for members.

No member funds were used for the facility. The cooperative is purchasing the full output of the facility through a fully bundled power purchase agreement.

CAPITAL CREDITS

One of many benefits of cooperative membership is the receipt of a capital credit. Capital credits, based on the amount of the member's individual electricity usage, were distributed in May. Those members with less than \$35 in credit, received their capital credit in the form of a refund on their bill. We mailed checks to those members who were due capital credits of more than \$35.

A donation given to Operation Round Up® is an investment today on behalf of a brighter tomorrow. Approximately \$44,400 of capital credit refunds were donated last year and every penny went directly to help fellow members in need of crisis energy bill assistance.



VISIT ONE OF OUR SHOWROOMS TODAY!

Products We Offer:

- Gas Logs & Fireplaces
- Water Heaters
- Grills
- Space Heaters
- Outdoor Fireplaces
- Fire Pits & Tables
- Outdoor Furniture
- Outdoor Kitchens
- Patio Heaters

BOARD OF DIRECTORS

Jeff Joines

President
Caldwell District

John Wishon, Jr.

Vice-President
Alleghany District

Kelly Melton

Secretary-Treasurer
Caldwell District

James Burl (JB)

Lawrence
Assistant Secretary
-Treasurer
Watauga District

David Eggers

Caldwell District

Hope Caroselli

(appointed 4/28/2022)
Watauga District

Tom Trexler

Watauga District

Joy Coffey (retired 1/27/2022)

Watauga District

David Boone

Ashe District

Cindy Price

Ashe District

James Young

Ashe District

Mitch Franklin

Alleghany District

Bryan Edwards

Alleghany District

Electric Bill Breakdown

BASED ON A \$100 BILL

POWER COST

\$47.43

UTILITY PLANT COST

\$21.76

SUBSIDIARY PROFITS/INTEREST INCOME

(-\$3.01)

REDUCES BILL AMOUNT



LABOR/BENEFITS

\$16.67

OPERATING COST

\$9.89

MEMBER MARGINS

\$7.26

UNPLUGGED PODCAST

Take a break from true crime and politics during your next commute or walk and tune in to the Official Blue Ridge Energy Podcast, Unplugged. Our monthly podcast is both short and informative, taking less than 20 minutes of your day. You can also watch the podcasts on our YouTube channel. These are stories straight from your cooperative with special guests to talk about challenges and opportunities within the electric industry. **Get Unplugged today!** Unplugged is available on all podcast platforms.

Join Us



Unplugged

A PODCAST FROM BLUE RIDGE ENERGY



VALUE TO MEMBERS

99.99%

Electric Reliability

78,602

Electric meters in 2021

\$4 Million

Member benefit from subsidiaries Blue Ridge Energies, LLC and RidgeLink, LLC, the cooperative's telecommunications subsidiary

2013

Last rate increase

1.31 Billion

Electric kilowatt hours sold in 2021

Blue Ridge Energy line crews took on a new challenge in 2021 when a major transmission upgrade was needed for our mountain districts!

Blue Ridge is unique in that we're one of few cooperatives who must build and maintain our own transmission lines in addition to a distribution system. This is specialized work normally handled by contractors and a few experienced line technicians. Last year, we faced the challenges of high-cost contract bids coupled with a shortage of experienced contractors and the need to complete the project before severe winter weather. To solve the problem, our experienced crews worked side-by-side with a team of our newer line technicians to accomplish this upgrade necessary to ensure reliable service and meet power needs of our mountain district communities.

All of our line technicians deserve recognition for helping us achieve a record year in reliability in 2021 and for their efforts every day to keep power flowing, even in the most rugged terrain and severe weather!



In an effort to keep power costs and our member's bills down, we are inviting all Blue Ridge Energy members to voluntarily participate in our Beat The Peak program on the coldest or hottest days of the year. By making small changes such as adjusting your thermostat a few hours a day, you could even help eliminate the need for additional power plants!

Text "btp" to 70216 to receive text alerts on when to Beat the Peak or download our mobile app and enable notifications.

COOPERATIVE CONSOLIDATED FINANCIAL REPORT

OPERATING STATEMENT

Year Ending Dec 31 (dollars in thousands)

	2020	2021
INCOME		
Operating Revenues	\$163,816	\$163,518
LESS OPERATING EXPENSES		
Cost of Power/Sales	\$82,226	\$80,612
Operations & Maintenance	44,911	42,971
Depreciation & Amortization	18,241	23,209
Taxes	2,066	2,071
Interest	8,849	8,277
TOTAL OPERATING EXPENSES	\$156,293	\$157,140
Margins from Operations	7,523	6,378
Non-Operating Margins	4,008	4,189
Income Tax Expense	646	469
Total Margins	\$10,885	\$10,098

BALANCE SHEET

Year Ending Dec 31 (dollars in thousands)

ASSETS		
Electric Facilities	\$571,834	\$591,931
Less Accumulated Depreciation	194,543	212,181
Net Electric Facilities	377,291	379,750
Net Non-Utility Property	24,215	23,472
CURRENT ASSETS		
Cash & Cash Equivalents	\$16,967	\$23,791
Accounts Receivable (Net)	21,156	21,274
Inventory	5,905	7,182
Other Current Assets	3,158	3,979
TOTAL CURRENT ASSETS	\$47,186	\$56,226
Investments	14,158	14,801
Other Assets	11,354	13,096
TOTAL ASSETS	\$474,204	\$487,345

LIABILITIES & MEMBER EQUITY

MARGINS & EQUITIES		
Memberships	\$94	\$88
Other Equities	4,098	5,292
Patronage Capital	179,108	182,644
TOTAL MEMBERSHIP OWNERSHIP	\$183,300	\$188,024
CURRENT LIABILITIES		
Accounts Payable	\$11,877	\$10,689
Lines of Credit	0	0
Other Current & Accrued Liabilities	27,640	30,024
TOTAL CURRENT LIABILITIES	\$39,517	\$40,713
Long Term Debt	220,329	221,140
Other Non-Current Liabilities	31,058	37,468
LIABILITIES & MEMBER EQUITY	\$474,204	\$487,345

FINANCIAL REPORT



The Blue Ridge Energy Members Foundation is yet another example of how together we power on. Once again, in 2021 our members contributed to Operation Round Up® to help support the Members Foundation. Every dime donated goes toward helping our families and communities, and every year we're thankful for the generosity of our members. We never take it for granted!



STATEMENT OF ACTIVITIES

Year Ending Dec 31

2020

2021

REVENUE

General Public Contributions
Value of Contributed Services

\$340,037
26,967

\$294,919
27,847

TOTAL

\$367,004

\$322,766

EXPENSES

Assistance Provided
Administrative Services

324,156
26,967

302,632
27,847

CHANGE IN UNRESTRICTED NET ASSETS

\$15,881

(\$7,713)

UNRESTRICTED NET ASSETS

Beginning of Year
End of Year

\$79,749
\$95,630

\$95,630
\$87,917

STATEMENT OF FINANCIAL POSITION

Year Ending Dec 31

2020

2021

ASSETS

Cash and Cash Equivalents

\$95,630

\$95,407

TOTAL ASSETS

\$95,630

\$95,407

LIABILITIES AND NET ASSETS

Awards Payable
Unrestricted Net Assets

\$95,630

7,490
\$87,917

TOTAL LIABILITIES AND NET ASSETS

\$95,630

\$95,407

Blue Ridge Energy Members Foundation Reinstates Community Grants for 2021

One major bright side of 2021 was the economic improvement that allowed the Blue Ridge Energy Members Foundation to reinstate the community grant program. As a result of the Covid pandemic, we suspended the program in 2020 to provide special relief to 2,332 members needing assistance with their energy bills. Once we recognized that the need for assistance was waning, we were able to offer the community grants to local nonprofits beginning in July of 2021. Since its inception, the Foundation has awarded over \$3 million in grants, with \$150,000 given in 2021.

To continue our commitment to the community, our academic grants program, Bright Ideas Education Grants, is sponsored annually by Blue Ridge Energy. Educators were awarded \$25,000 to help further traditional academic learning by funding innovative scholastic projects that go beyond available school funding.



SOURCES OF 2021 FOUNDATION FUNDS



\$296,159

Operation Round Up®
(Includes Balance Forward From 2020)



\$50,000

Blue Ridge Energies, LLC
RidgeLink, LLC
Subsidiary Profits



\$44,390

Capital Credits Donations
to Operation Round Up®

\$390,549

DISTRIBUTION OF 2021 FOUNDATION FUNDS



Member Assistance
\$77,632



Economic/Community
Development Grants
\$112,678



Health Wellness/Health
Treatment Grants
\$24,000



Community Care
Organization Grants
\$63,322



Scholarships to Blue Ridge
Energy Leadership Track
Students
\$25,000

**Total Given Back to
Our Local Communities
\$302,632**

COMMUNITY HIGHLIGHTS

\$200,000
Community Projects



Member Assistance:
Electric Bills and Fuel Assistance
991 Families

