

2023 Annual Report

POWERING THE WAY





Dear Member,

Making life better for our members and our communities will always be at the heart of your cooperative as we seek to provide affordable, reliable, and sustainable energy.

In 2023 and today, our employees continue a tradition of providing members with reliable electricity and member service that rates among the best in the nation. We were also able to return \$5.9 million in capital credits last year and over \$6 million in 2024!

However, in 2023 we also began seeing unprecedented challenges due to inflation and wholesale power costs rising 12 percent in one year. These cost pressures continue this year, and are mostly originating from state and national energy policies which are moving too far, too fast to reshape the energy landscape in a way that puts electric reliability and energy costs for consumers at risk.

As we move to cleaner, renewable energy to reduce our nation's carbon footprint, your cooperative will continue advocating for your best interests to elected officials with a goal of ensuring that reliability and affordability is protected.

Among the reasons we've been able to reduce cost impacts to our members so far is thanks to the success of our subsidiaries. Members' rates would be much higher without the subsidiaries.

We want to thank our members for your continued support, particularly during these challenging times. We continue to focus on what matters most - the quality of the lives of our members and communities we serve so that together we can continue to build a brighter future!

Jeff Joines, President
Doug Johnson, CEO

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

Our monthly podcast, **Unplugged**, features stories straight from your cooperative with special guests to talk about challenges and opportunities within the electric industry.

JOIN US



2023 HIGHLIGHTS

99.99% - Blue Ridge Energy ranks among the most reliable providers in the nation.

The Members Foundation awarded over **\$180,000 in grants** to 26 community organizations that provide support services to our members and customers and promote community development.

Members received over **\$6 million** in May thanks to the capital credits retirement.

Blue Ridge Energy awarded more than **\$25,578 to 21 local classrooms** to supplement local budgets and fund innovative learning projects.

Blue Ridge Energy line technicians maintain over **8,617 miles** of power lines across seven counties.

The Members Foundation helped **1,265 households** with crisis needs to help pay electric and fuel bills.

GRANT-FUNDED BROADBAND PROJECT

Blue Ridge Energy and SkyLine/SkyBest continue to make excellent progress through our partnership to bring much-needed, high-speed internet to unserved areas of Watauga County. Over 800 residents now have access to high-speed Internet for the first time. Upon completion, this multi-year effort will provide access to approximately 1,700 homes and businesses. The project was funded with an American Rescue Plan grant awarded by the Watauga County Board of Commissioners.

THE COOPERATIVE DIFFERENCE



The concept of a member-owned cooperative is simple: local, local, local. It's what makes Blue Ridge Energy, and other cooperatives like it, special. Governed by a board of directors elected by membership, Blue Ridge Energy is staffed with local people providing essential services while empowering efforts to improve the quality of life in the communities we serve. It's your friends and neighbors serving your friends and neighbors.

Electric cooperatives are unique because they're owned by the members they serve, guided by a set of seven key principles. This helps provide at-cost service and keeps members' best interests at heart.

2023 SATISFACTION SCORE

9.3

Blue Ridge Energy continues to rank among the top utilities in the nation for overall satisfaction.



PROJECT UPDATE: RELIABILITY BOOST

In late 2017, Blue Ridge Energy embarked on the largest electric reliability project in the cooperative's history that was completed in 2023. The \$46 million investment includes a major upgrade to 17 miles of 230kV transmission to serve our mountain districts of Alleghany, Ashe and Watauga. It also includes the new Rutherfordwood substation in Watauga, which will go online in 2024. The project increases capacity and improves reliability for all members by converting an existing 100 kV line to a 230 kV line to meet current and future member growth and demand for electricity. The new substation will provide electricity and backup capacity for all our members and all parts of Blue Ridge Energy's system.



USDA RURAL ECONOMIC DEVELOPMENT LOAN & GRANT PROGRAM (REDLG)

As liaisons for the USDA REDLG program, we've helped qualifying local entities access over \$14 million of government funding to support critical community services and economic development over nearly 20 years. It's all part of our commitment to supporting the economic and social well-being of the communities we serve. In

2023, over \$1 million in zero-interest, federally funded loans were provided to Laurel Springs Volunteer Fire Department, Little River Volunteer Fire Department and Caldwell Memorial Hospital Foundation.



CAPITAL CREDITS

Members received over **\$6 million** in capital credits retirements in May, thanks to the sound financial decisions made by our Board of Directors. Our board reviews the cooperative's financial health each year and determines the amount of capital credits that can be returned to our members.

Since our inception as an electric cooperative, we've returned over **\$98 million** in capital credits retirements to members, demonstrating our commitment to operating as a not-for-profit cooperative.

FUELING OUR COMMUNITY

Ensuring the well-being of our cooperative's members lies at the heart of our subsidiary ventures. In 2023, Blue Ridge Energy's Propane and Fuels subsidiary played a pivotal role by giving \$2 million of excess cash to the parent company, aiding in stabilizing the rates for our valued members.

Amidst mounting challenges stemming from inflation and escalating pressures on wholesale power both globally and domestically, our cooperative faces unprecedented strains. The contributions from our subsidiaries are instrumental in mitigating these pressures, striving to keep rates at the lowest feasible levels. The infusion of cash from our Propane and Fuels subsidiary arrived precisely when the need was most acute, when cost pressure is at an all-time high.

The profits generated by our subsidiaries are not only pivotal for maintaining affordable rates but also serve a noble cause. Each year, a portion of these profits is dedicated to the Members Foundation, assisting in addressing urgent heating needs and supporting various quality-of-life initiatives led by local not-for-profit organizations.

We take pride in the essential energy solutions offered by our Propane and Fuels subsidiary, knowing that every sale not only fulfills crucial energy needs but also directly benefits our members.

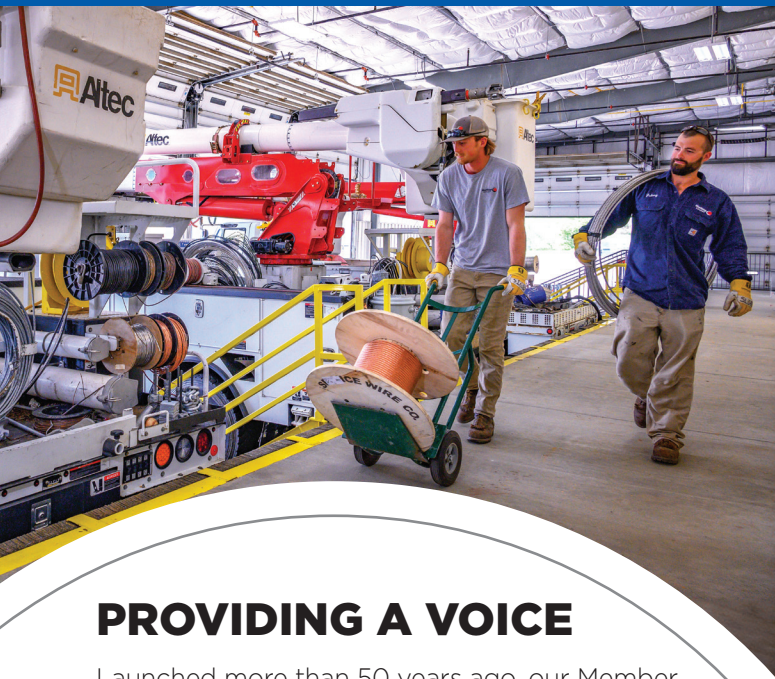
LINKING TO THE FUTURE

One of two Blue Ridge Energy subsidiaries, RidgeLink, LLC, was established in October 2008 to help provide value to members by more fully utilizing the fiber optic system the cooperative has put in place for its electric system. RidgeLink, LLC provides broadband and telecommunication services to other businesses that provide end-use internet access services. Not only is this venture benefiting members through the profits it brings back to the cooperative and its members, it's also a driving force for economic growth, quality of life for the region and positioning this area for the future.



ELECTRIC BILL BREAKDOWN

BASED ON A \$100 BILL



PROVIDING A VOICE

Launched more than 50 years ago, our Member Advisory Committees (MAC) have provided Blue Ridge Energy members a voice in the community. These committees meet on a regular basis, hearing insights about Blue Ridge Energy operations and offering perspectives on how best to serve our members.

Two groups made up of members from our four districts play an important role in the cooperative's success. Our Member Advisory Committees (MAC), serve as a sounding board and help us keep the pulse of the membership. The Community Leaders Council (CLC) assists Blue Ridge Energy with local, state and national issues that impact the cooperative and its service area.

VALUE TO MEMBERS

99.99%

Electric reliability

80,466

Electric meters in 2023

\$5.7 Million

Member benefit from Blue Ridge Energies, LLC (propane and fuels subsidiary) and RidgeLink, LLC (telecommunications subsidiary)

\$2 Million

Upstream of excess cash from Propane and Fuels subsidiary to the cooperative to help hold down rates and offset extreme rising costs

76

Member Advisory Committees members

295

Community Leaders Council members

1.06 Billion

Electric kilowatt hours sold in 2023





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

Angie Miller,

Watauga District

Tom Trexler,

Watauga District

David Boone, Ashe District

Cindy Price, Ashe District

James Young, Ashe District

Bryan Edwards,

Alleghany District

Mitch Franklin,

Alleghany District

COOPERATIVE CONSOLIDATED FINANCIAL REPORT

OPERATING STATEMENT

Year Ending Dec 31 (dollars in thousands)

2022

2023

INCOME

Operating Revenues \$172,573 \$176,621

LESS OPERATING EXPENSES

Cost of Power/Sales 86,817 89,811

Operations & Maintenance 45,496 50,658

Depreciation & Amortization 19,428 20,032

Taxes 2,189 2,143

Interest 8,307 8,489

TOTAL OPERATING EXPENSES

\$162,237 \$171,133

Margins from Operations 10,336 5,488

Non-Operating Margins 4,154 6,176

Income Tax Expense 1,645 764

Total Margins \$12,845 \$10,900

BALANCE SHEET

Year Ending Dec 31 (dollars in thousands)

ASSETS

Electric Facilities \$600,748 \$621,550

Less Accumulated Depreciation 207,837 222,564

Net Electric Facilities 392,911 398,986

Net Non-Utility Property 23,787 24,381

CURRENT ASSETS

Cash & Cash Equivalents \$16,386 \$19,873

Accounts Receivable (Net) 31,330 24,821

Inventory 8,745 9,670

Other Current Assets 4,791 4,020

Short Term Investments 21,000 0

TOTAL CURRENT ASSETS

\$82,252 \$58,384

Investments 15,260 16,044

Other Assets 14,130 15,439

TOTAL ASSETS

\$528,340 \$513,234

LIABILITIES & MEMBER EQUITY

MARGINS & EQUITIES

Memberships \$84 \$80

Other Equities 7,605 7,947

Patronage Capital 188,785 192,687

TOTAL MEMBERSHIP OWNERSHIP

\$196,474 \$200,714

CURRENT LIABILITIES

Accounts Payable \$16,163 \$13,262

Lines of Credit 0 0

Other Current & Accrued Liabilities 34,666 33,085

TOTAL CURRENT LIABILITIES

\$50,829 \$46,347

Long Term Debt 245,596 235,678

Other Non-Current Liabilities 35,441 30,495

LIABILITIES & MEMBER EQUITY

\$528,340 \$513,234

VISIT ONE OF OUR SHOWROOMS TODAY!

Located in each district office
and in Morganton.



Products We Offer:

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

FINANCIAL REPORT

The Blue Ridge Energy Members Foundation is another example of the people behind the power. You, our members, contribute to Operation Round Up® to help support the Members Foundation. Your Foundation is unique in that 100 percent of all donations go directly to help members, as well as funding community grants to small, local, not-for-profit organizations that help our members and improve their quality of life.

STATEMENT OF ACTIVITIES 2022 2023

Year Ending Dec 31

REVENUE

General Public Contributions	\$361,880	\$314,797
Value of Contributed Service	29,321	30,217

TOTAL \$391,201 \$345,014

EXPENSES

Assistance Provided	296,128	366,073
Administrative Services	29,321	30,217

CHANGE IN UNRESTRICTED NET ASSETS \$65,752 (\$51,276)

UNRESTRICTED NET ASSETS

Beginning of Year	\$87,917	\$153,669
End of Year	\$153,669	\$102,393

STATEMENT OF FINANCIAL POSITION 2022 2023

Year Ending Dec 31

ASSETS

Cash & Cash Equivalents	\$153,669	\$102,393
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TOTAL ASSETS \$153,669 \$102,393

LIABILITIES AND NET ASSETS

Unrestricted Net Assets	\$153,669	\$102,393
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TOTAL LIABILITIES AND NET ASSETS \$153,669 \$102,393

BLUE RIDGE ENERGY MEMBERS FOUNDATION

The Foundation is funded by member donations to Operation Round Up® and our subsidiaries; Blue Ridge Energy Propane and Fuels, and RidgeLink, LLC, both contribute a portion of their annual profits.

THE IMPACT OF YOUR GENEROSITY

Thanks to the generosity of our members and so many others, we're proud to report that the Blue Ridge Energy Members Foundation, now in its 18th year, continues making lasting impacts on the communities we serve. The Foundation has provided more than \$3 million in crisis heating assistance and fuel bill assistance for more than 23,500 local families. Fulfilling our guiding principle to make life better for the communities we serve, the Foundation also awarded this year more than \$180,000 in grants to 26 community organizations. This is all made possible through the support of more than 22,000 members, employees and board members who gave to the Foundation through Operation Round Up® and Operation Round Up Plus®.

The Foundation has provided more than \$3 million in crisis heating assistance and fuel bill assistance for more than 23,500 local families.

SOURCES OF 2023 FOUNDATION FUNDS



\$353,163

Operation Round Up®
(Includes Balance Forward From 2022
and other contributions)



\$50,000

Blue Ridge Energies, LLC
RidgeLink, LLC
Subsidiary Profits



\$65,303

Capital Credits Donations
to Operation Round Up®

\$468,466

DISTRIBUTION

OF 2023 FOUNDATION FUNDS



Member & Customer Assistance
\$151,073



Economic & Community
Development Grants
\$63,000



Health Wellness/Health
Treatment Grants
\$87,000



Education & Youth Grants
\$30,000



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



Heart of Program for Student Athletes
\$10,000

**Total Given Back to
Our Local Communities
\$366,073**



COMMUNITY HIGHLIGHTS

\$180,000

**COMMUNITY
PROJECTS**

MEMBER ASSISTANCE

Electric Bills and Fuel Assistance

1,265 Families