

THE OUTLET

The Official Member Newsletter of CORE Electric Cooperative

September 2023

DIRECTOR NEWSLETTER

Dear member:

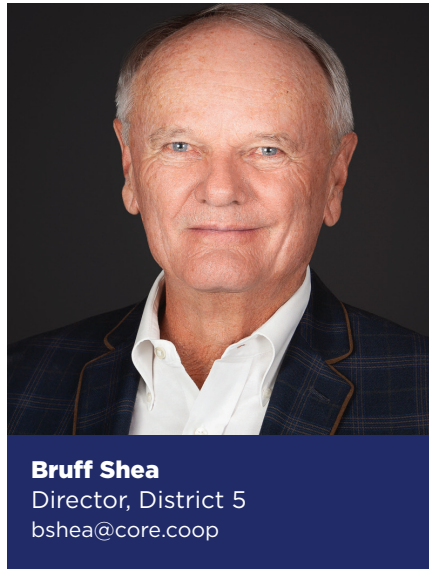
Last month, CORE celebrated 85 years of serving Colorado's Front Range. From just 23 members to nearly 180,000, our cooperative has during its nearly nine decades remained committed to providing members reliable electricity at affordable rates.

Part of that commitment is the return of profits in the form of capital credits. We have issued capital credits nearly every year since 1965 and, in the past 10 years, returned a combined \$120 million directly to members.

I am happy to report that the cooperative's financial condition – more on that below – is such that my fellow board members and I recently approved the return of \$5 million in capital credits this year. If you are eligible for a return, your capital credit will appear as a line-item credit on your September bill, unless you have opted out of the bill credit, are on Budget Billing, maintain multiple active accounts, or no longer have an active CORE account. In those cases, a check will be mailed to you.

Though CORE's commitment to members has remained consistent since 1938, the electric industry in which our cooperative operates has not. Today, the industry is on the threshold of its most transformative changes to date. CORE is ready to take on the opportunities and challenges those changes present.

New power supply agreements with Invenergy and other partners are the cornerstones of our cooperative's future as the cleanest, most reliable, most affordable electric company in Colorado, and signal our transformation into a fully independent utility with control of its power supply future. With



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these partnerships, CORE will exceed Colorado's objective of reducing carbon emissions by 80% by 2030; create more flexibility to implement additional battery storage and other technologies; and stabilize CORE's costs to keep members' rates low.

CORE also has launched a multiyear project to combine our many complex systems into an advanced distribution management system, or ADMS. This ADMS will allow modeling, monitoring and control of the distribution system in real-time, and optimize grid performance. It also will improve reliability

and support the evolving energy needs of our members.

New programs have been created to better serve our members. We have introduced new digital tools that give our members greater control over energy usage and payments, such as Advance Pay and Pay by Cash, and streamlined processes such as the interconnection of members' rooftop solar to our system. COREV, our residential electric vehicle program, recently launched and will support members interested in electric transportation options.

We continue to see extraordinary growth across all seven of CORE's director districts and, with it, the need to bolster our systems to meet new member demand. Numerous improvement projects are under way, including:

- Elizabeth Substation
- Elizabeth Substation Feeders

Continued on other side

Continued from other side

- Spring Valley 115-Kilovolt Transmission Line and Substation

On the financial side, our cooperative continues to keep rates affordable even as other electric utilities introduce multiple significant rate increases. CORE had no general rate increase in 2023, while many Colorado utilities – including some that operate for profit and are investor-owned – pushed onto their customers rate hikes in the double digits.

Our cooperative also pursues options that will allow us to maintain a tight but safe margin between revenue and costs. Fitch Ratings, a leading provider of credit ratings, recently assigned CORE a first-time long-term issuer default rating (IDR) of “AA-,” with a “stable” outlook. “AA-” is in the highest public rating tier achieved for electric distribution cooperatives assigned by Fitch Ratings. Fitch’s “AA-” rating recognizes CORE’s solid financial position and disciplined approach to operations. This excellent credit rating allows CORE to secure the most competitive interest rates from lenders, benefiting members by keeping our costs – and therefore, member rates – as low as possible.

We will continue to build a cooperative that connects our lives and communities through choice and innovation. Thank you for your membership, and please visit www.CORE.coop for the latest CORE news or to contact us.

Annual meeting set for April 20

The annual meeting of the membership of CORE Electric Cooperative will be held at 10 a.m. Saturday, April 20, 2024, at CORE headquarters, 5496 N. U.S. Highway 85, Sedalia, CO 80135. The meeting will include:

1. The presentation of reports covering the previous fiscal year.
2. All other business that may properly come before the meeting.

Please note: Registration is from 9 to 10 a.m. the day of the meeting.

How capital credits work



When you **establish service with CORE**, you also get a membership that is used to track your capital credits, or your portion of the cooperative’s profits (margin).

Each year, two things occur: allocations and retirements.



First, our net margin (funds left after expenses are paid) is **allocated** to members we served that year. Each member receives an allocation based, in part, on their usage that year, so amounts can vary.



The longer you are a member, the more allocations you will get. If you leave our service area, your allocation ‘bucket’ no longer grows, but is not deleted.



Second, the board of directors evaluates CORE’s financial obligations and operating needs to determine if we can **retire** a portion of the funds allocated to members. This retirement is money in your pocket!



The portion of capital credits not retired is used for **system improvements, maintenance and keeping your co-op running**.



Once a retirement is approved, it is **paid out on a percentage basis** to both current and former members.



Most current members will receive their capital credits as a **credit on their bill**. Current members who have opted out of bill credits and former members will receive checks.