

Forging Ahead

CORE Electric Cooperative
2024 Year in Review



Introduction

As we navigate an era of rapid change, CORE's commitment to our members remains. By harnessing the power of cutting-edge technologies, fostering a culture of continuous improvement, and embracing new opportunities, we are accelerating toward a future of reliable, responsible and sustainable energy. Join us as we explore the milestones achieved and strategic initiatives that propelled us in 2024.

About CORE

CORE Electric Cooperative provides electric power to more than 375,000 residents along Colorado's Front Range. Our nearly 5,000-square-mile service area includes portions of 11 counties to the east, west and south of Denver.

We are the largest electric distribution cooperative in Colorado, and one of the largest in the U.S. As a member-owned cooperative, CORE operates on a not-for-profit basis. Earnings beyond expenses are invested in the infrastructure used to provide reliable electric service or booked as member equity. Some of this equity is typically returned to members each year as capital credit refunds.

CORE is governed by an elected board of directors. Our service area is divided into seven geographic districts based on population. Members within each district elect a fellow member to serve on the board and represent their interests regarding CORE business and policies, including service rates and regulations.

CORE's headquarters is located in Sedalia, about 20 miles south of Denver, and our district offices are in Bennett, Pine Junction and Woodland Park.

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Message from the Board President



Timothy White
Board President

On behalf of CORE's Board of Directors, we are honored to serve our cooperative members.

One of the most exciting updates in 2024 was establishing our new executive leadership team.

Pam Feuerstein was selected as CORE's new Chief Executive Officer. She has over 25 years of experience in the energy industry as an executive and engineer. Pam has been with CORE since 2010 and most recently served as Chief Operating Officer for the cooperative.

In addition to Pam, two new executives joined our leadership team. In late 2024, we welcomed Laurie Burkhart as Chief Financial Officer and Mark Jurgemeyer as Chief Operating Officer. The expertise and leadership these industry veterans bring to CORE will ensure the cooperative remains at the forefront of our industry.

One of the many benefits of the cooperative model is that our members are also our owners. Unlike investor-owned utilities that give their profits to shareholders, we return our margins to members in the form of capital credits based on their usage, reflecting their ownership stake in the cooperative. CORE's Board of Directors approved the retirement of \$12.25 million in capital credits to current and former cooperative members in 2024.

Thanks to prudent financial management, CORE remains in strong financial health, while continuing to invest in future enhancements. You can learn more about CORE's other significant 2024 accomplishments in this report.

Thank you for being a member and trusting CORE to provide you The Energy to Thrive!

Message from the Chief Executive Officer



Pam Feuerstein
Chief Executive Officer

It has been my privilege to serve as CEO beginning in 2024. In my two decades of experience in this industry, I have never seen such rapid change as we are seeing now. Demand is growing, the regulatory landscape is shifting, and technologies are evolving. Amidst these changes, we made great strides in preparing for our independent future. Power supply agreements provided us with a responsible mix of fuel types, ensuring a balanced and sustainable energy portfolio.

We also prepared for the grid of the future by executing integrations using advanced tools like artificial intelligence. These innovations are crucial as we work to provide safe, reliable, and rate-stable electricity to our members. Throughout this transformative period, we have also created new ways to better serve our members through process efficiencies, self-service tools, and programs designed to deliver value. I'm excited for you to learn more about these developments in this report.

This transformation requires a team effort, and our dedicated employees embody our mission to improve lives and communities through choice and innovation. I thank them, and thank you, our member-owners, for your continued support and trust in CORE.

Message from the Chief Operating Officer



Mark Jurgemeyer
Chief Operating Officer

A top priority for the cooperative is continued system maintenance to ensure reliability. CORE's line maintenance program continues to evolve and mature. In 2024 we completed the first cycle of system-wide pole testing, with over 152,000 poles being tested and/or treated. Of all the poles inspected, just under 2,300 poles showed significant decay and were either replaced or reinforced to ensure they maintain their intended strength.

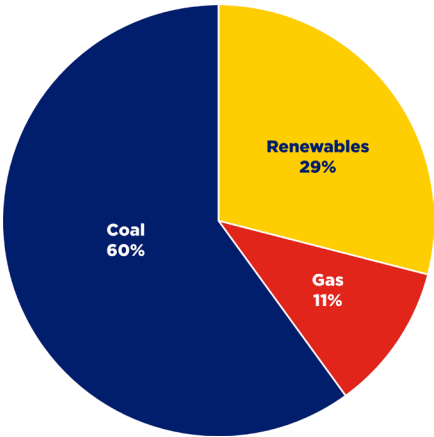
Drones help us inspect poles from above to complement our inspections from the ground. The proximity of the camera to our equipment has allowed us to find more minor defects before they become major issues. Patrol of all underground lines and associated equipment also continues on a regular cycle.

The combined efforts of our maintenance programs, vegetation management and wildfire mitigation initiatives have significantly advanced the resilience of CORE's distribution system. While outages due to equipment failure and vegetation decreased, outages from alternate relay settings (sensitive settings during high wind and elevated fire risk conditions) were up in 2024 due to drier weather. Outages caused by the public, such as digging into underground lines or cars hitting poles, continue to be one of the most common reasons for outages. Overall, we maintain much lower outage frequency and duration than similar electric utilities with 99.99% reliability.

Much of CORE's nearly 5,000-square-mile service area is at high risk for wildfires. New technologies — including a cutting-edge weather monitoring platform, advanced satellite imagery, non-expulsion fuses, covered conductors, line sensors, panoramic cameras, and procedures and protocols that facilitate quick emergency response and restoration — are also part of our robust wildfire mitigation strategy. The technologies we implemented, such as Pano AI cameras, have proven beneficial; in the summer of 2024 Pano AI cameras detected the Bear Creek lightning strike fire in Douglas County and alerted officials in such a prompt manner that containment was managed before the fire impacted communities.

With more families and businesses choosing to call CORE's service area home, the need to bolster our systems to deliver reliable, efficient services has never been greater. Several improvement projects were completed in 2024 to modernize our electric grid, increase the reliability and efficiency of our service, and minimize outages and service interruptions.

2024 Power Supply by Source



2024 System Improvement Projects Completed



Message from the Chief Financial Officer

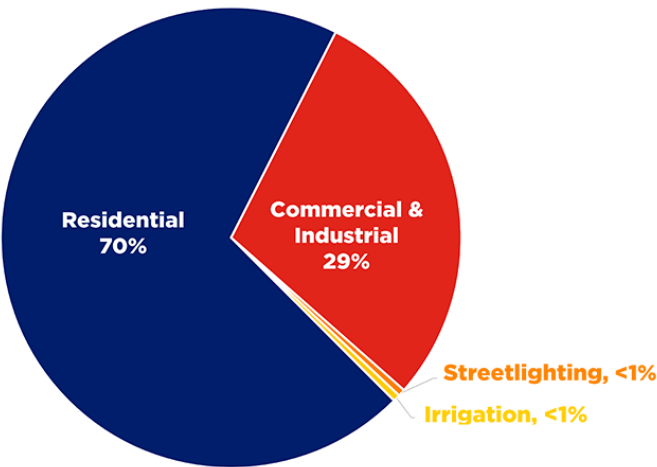


Laurie Burkhart
Chief Financial Officer

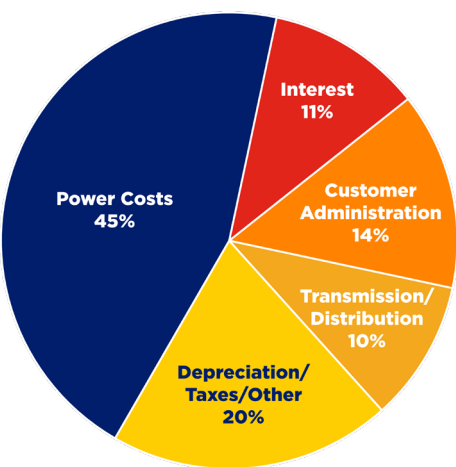
Our cooperative pursues strategies to maintain a tight but safe margin between revenue and costs. Fitch Ratings, a leading provider of credit ratings, reaffirmed CORE’s long-term issuer default rating of “AA-,” with a “stable” outlook in 2024. “AA-” is in the highest public rating tier achieved for electric distribution cooperatives assigned by Fitch Ratings. The reaffirmed rating recognizes CORE’s solid financial position and disciplined approach to operations and allows us to secure the most competitive interest rates from lenders.

Our cooperative works to keep rates competitive even with all of the upward pressures we are experiencing. In March 2024, residential members saw an average rate increase of approximately 3%. The monthly basic service charge increased to \$17.25, and the “on-peak” demand charge increased to \$3, while most residential services saw decreases to per-kilowatt-hour charges. In the last decade, CORE’s rates have gone up about 11%, even as inflation has grown 34% and our operational costs have increased 40%.

Sources of Revenue



Expenses by Type



Operating Statistics

	2024	2023
Active Services	180,898	177,329
kWh Generated, net	1,093,552,380	1,365,792,413
kWh Purchased	1,746,991,925	1,256,849,686
kWh Sold	2,720,285,713	2,537,939,551
Debt Service Coverage Ratio	1.41	1.36
Equity to Capitalization	35.64%	35.10%
Number of Employees	296	287
Number of Consumers per Employee	611	618

Balance Sheet

For the Years Ended December 31, 2024 and 2023 (Audited)

	2024	2023
Assets		
Utility Plant	\$ 1,255,557,233	\$ 1,183,182,130
Investments and Other Assets	38,285,751	36,355,968
Current Assets	136,328,759	116,772,849
Deferred Assets	10,125,260	15,413,576
Total Assets	<u>\$ 1,440,297,003</u>	<u>\$ 1,351,724,523</u>
Liabilities and Equity		
Memberships and Patronage Capital	\$ 371,081,327	\$ 364,090,520
Margins and Other Equity	36,813,993	33,222,648
Total Equity	407,895,320	397,313,168
Long-Term Debt	828,612,894	761,857,827
Other Non-Current Liabilities	19,034,269	19,189,161
Total Current, Accrued and Deferred Liabilities	184,754,520	173,364,367
Total Liabilities and Equity	<u>\$ 1,440,297,003</u>	<u>\$ 1,351,724,523</u>

Statements of Operations and Comprehensive Income

For the Years Ended December 31, 2024 and 2023 (Audited)

	2024	2023
Total Operating Revenue	\$ 372,181,406	\$ 339,135,147
Power Costs — Purchase and Production	162,508,545	137,585,739
Operating, Maintenance and General Expenses	84,283,358	87,353,829
Depreciation and Tax Expense	64,659,434	58,969,914
Regulatory Liability/Asset Expense	5,832,063	5,828,400
Total Operating Expenses	317,283,400	289,737,882
Interest on Long Term Debt	38,624,780	38,310,986
Operating Margin Before Capital Credits	16,273,226	11,086,279
Capital Credits	3,713,249	4,650,434
Operating Margin	<u>\$ 19,986,475</u>	<u>\$ 15,736,713</u>
Non-Operating Margins (Deficits)	(458,313)	1,710,061
Net Margin	<u>\$ 19,528,162</u>	<u>\$ 17,446,774</u>

Message from the Chief Member Experience Officer



Mandi Leshner
Chief Member Experience Officer

CORE Control is CORE's portfolio of member programs designed to help members manage their energy usage and account details effortlessly through the SmartHub app and other account options. Members can enroll in Auto Pay, Budget Billing, Advance Pay, and Paperless Billing to make the billing and payment process seamless. Tools like Usage Explorer and Usage Comparison provide detailed insights into energy consumption, allowing members to compare usage over different periods and identify ways to optimize energy habits and save money. Members can control how and where they receive notifications for billing, planned outages, promotions, and more. CORE Control offers members two-factor authentication and the ability to add additional users to their account, ensuring their information is secure and accessible only to those they trust. Members can also enroll in Clean Power Choice to support renewable energy generation and claim credits for renewable energy on the grid.

CORE's membership is predominantly residential, while large commercial and industrial members help balance revenue and keep rates competitive. We have a focused effort to strategically balance load by attracting the right commercial and industrial partners to our service area. A major win in 2024 was the announcement of a Flexential data center campus in the Parker area. CORE's ability to provide reliable power to meet the company's needs, along with the ease of working with a local, not-for-profit cooperative, contributed to Flexential's decision to locate within our service area.

CORE's electric vehicle program, COREV, continues to grow. The COREV program offers EV owners two options: COREV Connect allows members to share charging data with us so we can better understand EV impacts on our system, while COREV Charge provides members with an EV charger for their home for a monthly fee. Through our Community Charge program, we had 13 Level 2 and 3 EV chargers throughout our service area at the end of 2024. These chargers are open to the general public, but CORE members receive a highly discounted rate at these stations.

Message from the Chief Administrative Officer



Kathleen Solano
Chief Administrative Officer

The new CORE district facility in Pine Junction is now complete, replacing the outdated building that lacked the space and infrastructure to support the growing needs in that operating district. This facility provides ample equipment storage for maintenance and repair work that otherwise would take critical time to deliver from other offices. It will also allow for growth of our services in the developing Conifer area.

We also completed the remodel of our Woodland Park facility, creating more storage space to ensure equipment and labor resources are available as needed in the large Woodland Park operating district.

CORE is committed to protecting the integrity of the grid and our members' information. We continued to maintain strong security through key technology implementations and practice improvements throughout the organization. We have also expanded our data and artificial intelligence capabilities to increase efficiency in a safe and secure manner.

Finally, we continue to provide a premier employee experience. Learning and development opportunities, health and wellness initiatives, and leading benefit and compensation programs ensure the foundation of our cooperative, our people, remains strong.

Board of Directors



Mike Kempe
District 1



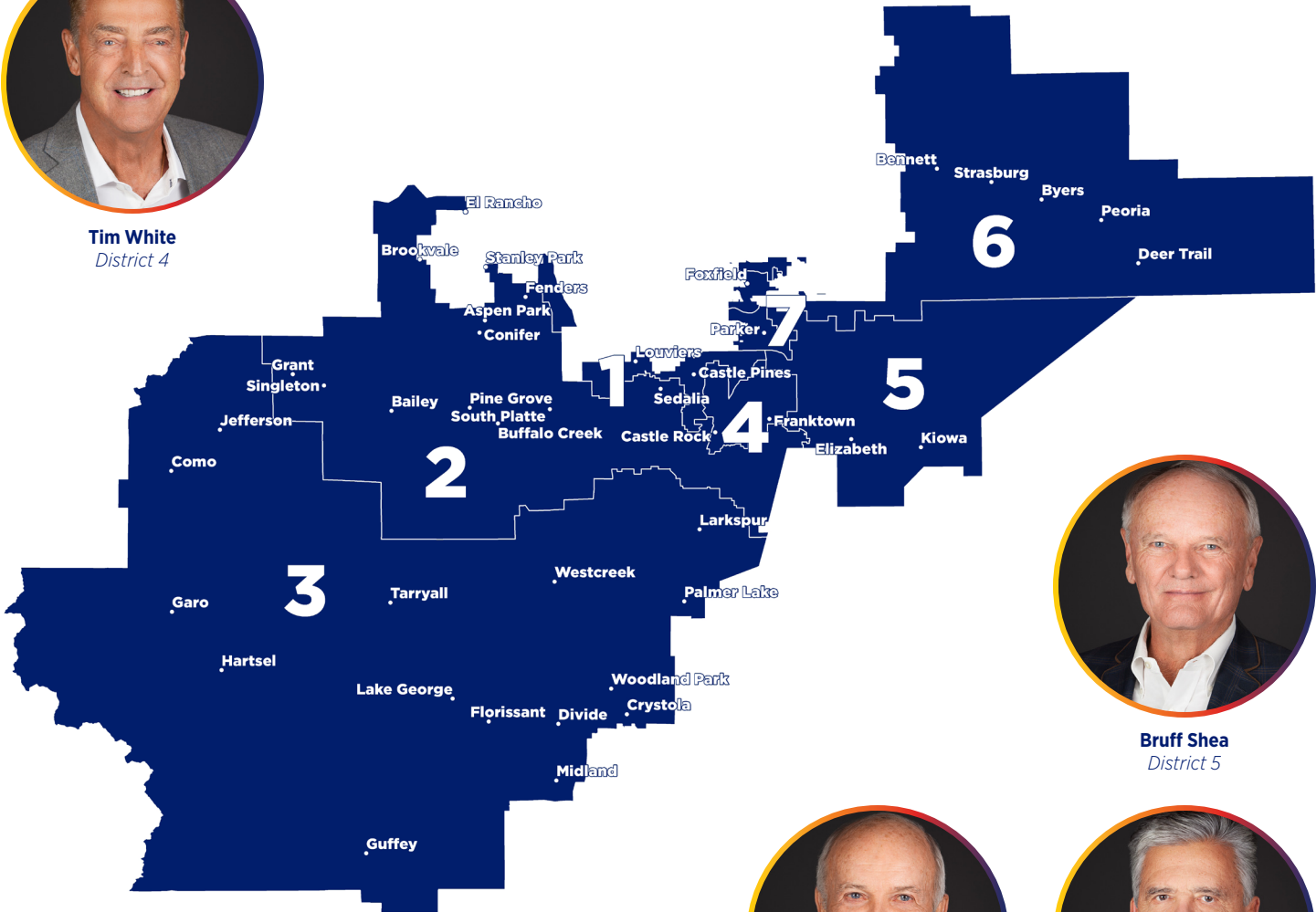
Ron Kilgore
District 2



Mike Sperry
District 3



Tim White
District 4



Bruff Shea
District 5



Robert Graf
District 6



James Anest
District 7