

## 2022 Board President and General Manager's Report

I would like to invite you to your 84<sup>th</sup> Annual Meeting for the member-owners of T.I.P. Rural Electric Cooperative. The board of directors have decided to have your annual meeting in person this year. The annual meeting will be held in the BGM High School Auditorium on Saturday August 27, 2022.

Our scholarship committee was excited to award ten scholarships to High School graduates in May. This is the second year of our scholarship program. Next year the committee will also be awarding one scholarship to a High School graduate that will be attending an accredited Lineman School.

T.I.P. REC has outgrown our main office facilities which was built in 1953 and has served the cooperative well for almost 70 years. Since the initial office and shop was constructed, we have added onto the office twice (1968 and 2002). Your board and staff have been working with Martin Gardner Architecture and Merit Construction to design and build a new office building, shop, and pole yard in the Brooklyn Industrial Park. This new facility will serve the cooperative's needs for decades to come.

Our power supplier, Central Iowa Power Cooperative, (CIPCO) is committed to providing member-owners, like T.I.P. REC, with wholesale power and services in a safe, reliable, and cost-effective manner. In order to accomplish this, CIPCO maintains a diverse generation portfolio to ensure all members are covered 24/7 through fluctuating energy and capacity demands, extreme weather events, unexpected generation issues, and when the sun doesn't shine, or the wind doesn't blow to produce intermittent energy. To support energy diversification, CIPCO has steadily added intermittent wind and solar into the generation mix, starting with 2MW of wind in 2004 to over 340MW of wind and solar in the CIPCO portfolio today. This includes the recent deployment of the 100 MW Wapello Solar LLC and the 54 MW Independence Wind power purchase agreements - both projects enhance CIPCO's generation mix as a source of low-cost power, providing needed energy and capacity across the system. CIPCO is also investing in an additional 100 MW of solar with Coggon Solar LLC in Linn County. CIPCO's diverse energy portfolio also expanded in 2021 with the \$85 million Summit Lake repowering project to add efficient-natural gas reciprocating engines that serve peak electric demand.

Your cooperative, like each of you, has been experiencing higher prices for material, trucks, and supplies. As we reported in our June newsletter, the power cost from CIPCO is higher due to rising fuel costs. Intermittent resources such as wind and solar must continue to be supplemented by always-available baseload energy resources like coal and natural gas. T.I.P. has started our Cost-of-Service Study with National Rural Utilities Cooperative Finance Corporation (NRUCFC). We will be communicating the results of this study to you as we prepare our rates and rate structure to mirror CIPCO's new rates, rate structure, and increasing costs. Maintaining the exceptional reliability and affordability that our member-owners expect and deserve is the goal of your board and employees.

This year, your cooperative again demonstrated one of the benefits of your member-owned, non-profit organization as it paid 25% of 2005, 75% of 2006, and 10% of 2021 patronage dividends. These dividends totaling \$590,386.71, were distributed in August as bill credits if you were an active member and with checks to inactive members. With this year's payment your cooperative has paid a grand total of \$11,592,598.15.

We appreciate our T.I.P. member-owners and will continue to focus on our mission of providing safe, affordable, and reliable power to you.