



**TOGETHER,**  
**WE POWER FORWARD**



**2024**

**ANNUAL  
REPORT**

# Together, We Power Forward

At Rappahannock Electric Cooperative (REC), everything we do is rooted in our commitment to you—our member-owners. In 2024, the employee team and Board of Directors focused on delivering reliable service, supporting economic and residential growth, enabling broadband access, and protecting the value and affordability of our service to you.

These four pillars—Reliability, Affordability, Growth, and Advancement—guided every decision and innovation.

## RELIABILITY

With reliability at the core of our mission, we continued investing in technology and infrastructure to keep power flowing—safely and efficiently. Using drone inspections, satellite imagery, and grid analytics, we’re detecting potential issues before outages occur. These solutions help us work smarter for you.

Alongside fieldwork, in 2024 we inspected over 34,800 poles with drones, cleared 1,300 miles of rights-of-way, and removed 6,000+ hazard trees. We also installed 2,000+ new transformers and added 9,000 animal guards to prevent disruptions. Every action strengthens our reliability—because for REC, “on” is the default setting.

By the end of 2025, we expect to inspect nearly 40,000 poles and clear hundreds more miles of hazardous trees and vegetation—all to reduce outages and strengthen the grid.

## AFFORDABILITY

Thanks to our focus on cost control and looking for ways to keep more dollars in your pocket, powering a home cost less than \$7 per day on average. Last year, we returned \$3.65 million to members through capital credits. We also were selected for state and federal grants totaling more than \$44 million.

Affordability is also about empowering you with options and tools. Over 15,000 members use Budget Billing, and 4,200+ enrolled in the Summer Savings Plan to reduce peak demand. Members also rely on MyREC SmartHub to monitor usage.

Our affiliate, BrilliT, served clients in 13 states delivering IT and cybersecurity services that can help REC offset costs. BrilliT helps us maintain dependable service while earning revenue that can help the Co-op.

Whether you’re a homeowner, school, or business, REC delivers value through energy solutions. As energy demand grows, we remain focused on future planning to maintain affordability.

## GROWTH

(continued)

From agriculture to manufacturing, our territory is attracting investment and opportunity. In 2024, REC supported dozens of development partnerships and connected over 4,000 new members.

As an energy provider, we play a key role in powering facilities like Trader Joe’s distribution center in Caroline County, Unilock in Hanover, and new enterprises like data centers and Kalahari Resorts water park and convention center that broke ground in Spotsylvania. We also began or completed 4 new substations and added 23 employees and 6 interns to support expansion.

One of our most important growth strategies has been the launch of Hyperscale Energy Services—our affiliate designed to provide market power to serve large-scale data centers while shielding members from financial risk. We’re securing upfront payments for new infrastructure, introducing a new rate, and taking other steps to serve 20+ GW of forecasted future load from hyperscale facilities efficiently and responsibly.

REC’s growth mindset is built on cooperative values. Every connection and project is about strengthening our communities—for today and tomorrow.

## ADVANCEMENT

Through 2024, we enabled broadband access for over 8,400 members, with 12,000+ signups and 3,300 new pole attachments. To date, these connections are supported by major infrastructure upgrades: 1,600+ miles of fiber installed and 65,000+ pole attachments. These efforts have generated \$5.6 million in lease revenue—helping to offset system improvement costs for REC.

These upgrades do more than support internet access; they strengthen the electric grid. By modernizing our network, we improve power reliability and create new revenue streams.

Across counties from King William to Warren, we’re helping improve quality of life, thanks to a stronger, smarter grid that powers both electricity and internet access.

Together, we power forward.



**John D. Hewa**  
President & CEO



**Christopher G. Shipe**  
Board Chairman

# AFFORDABILITY



**Brielle Phillippe**  
Rappahannock County

## Focused on Keeping Costs Down

*"REC's team showed me small changes I could make at home that really added up. Knowing they are looking out for our wallets, especially with everything going on in energy markets, really means a lot."*

Clients in  
**13 states**

served by BrilliT in 2024, helping offset IT costs for REC.



**3,546**

solar installations with 582 new installs in 2024

**219,000**  
member inquiries

supported by phone or email



Launched affiliate to serve large-scale data centers shielding members from financial risk

# RELIABILITY



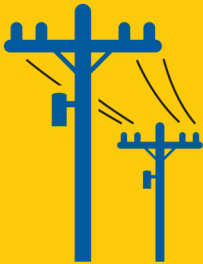
**Shannon Adams**  
Spotsylvania County

## Delivering Power When You Need it Most

*"I do see the yellow trucks around quite often, and I know they are working to improve our reliability. We have had exceptional service. We rarely lose power, and with kids, that's so important."*

**\$19.2 million**

invested in reliability improvements



**6,000**

poles added or replaced



**34,800+**

poles inspected with drones

**6,000+**

hazard trees removed



**9,000**

animal guards

added to prevent power disruptions

# GROWTH



**Christian Goodwin**  
County Administrator for Louisa County

## Investing Today to Power Tomorrow

*"REC serves as a reliable partner in helping Louisa attract and support positive commercial and residential growth. The Cooperative is a true team player, and we are grateful for their support."*



**4,044**

new meters added

**20 GW**

load forecasted for future data centers



**\$4 Billion**  
in kWh sales

**28**

economic development partnerships supported



# ADVANCEMENT



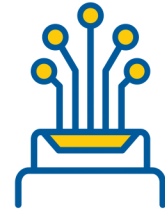
**Jen Hill**  
Greene County

## Empowering Members and Communities

*"Before getting broadband, I would find myself going to the library or sitting in the parking lot at a McDonald's to connect. By helping to bring high-speed internet to my home, REC has made my day and my year. I appreciate it so much. Thank you. It has been awesome."*

**\$1.47M+**

in revenue from pole attachments in 2024



**8,400+**

members connected through broadband partnerships



**\$4.2M+**

in revenue from dark fiber leases in 2024

**View REC's Enhanced Digital Annual Report**





# 2024 FINANCIALS

## BALANCE SHEETS

(CONSOLIDATED)	2024 (IN THOUSANDS)	2023 (IN THOUSANDS)
Assets		
Total Utility Plant	\$1,532,650	\$1,434,565
Accumulated Provision for Depreciation	(584,671)	(553,075)
Net Utility Plant	947,979	881,490
Investments	164,962	160,447
Current Assets	235,889	149,386
Lease Receivable	18,816	-
Deferred Charges	7,426	7,710
<b>Total Assets</b>	<b>\$1,375,072</b>	<b>\$1,199,033</b>
Equity and Liabilities		
Total Equity	\$458,320	\$442,069
Long-Term Debt	622,929	597,963
Current Liabilities	277,710	144,853
Other Liabilities	16,113	14,148
<b>Total Equities and Liabilities</b>	<b>\$1,375,072</b>	<b>\$1,199,033</b>

## STATEMENT OF OPERATIONS & PATRONAGE CAPITAL

(CONSOLIDATED)	2024 (IN THOUSANDS)	2023 (IN THOUSANDS)
Operating Revenue	\$521,602	\$507,005
Operating Expenses		
Cost of Power/Cost of Goods Sold	336,190	333,093
Transmission	561	1,004
Distribution – Operations	20,899	16,639
Distribution – Maintenance	37,838	39,717
Consumer Accounts	16,697	16,478
Consumer Service	3,114	3,202
Administrative and General	28,723	29,168
<b>Total Operating Expenses</b>	<b>444,022</b>	<b>439,301</b>
Other Expenses		
Depreciation	48,011	45,601
Interest on Long-term Debt	21,314	20,559
Other	3,396	1,588
<b>Total Other Expenses</b>	<b>72,721</b>	<b>67,748</b>
<b>Total Expenses</b>	<b>516,743</b>	<b>507,049</b>
<b>Operating Margins</b>	<b>4,859</b>	<b>(44)</b>
Non-Operating Margins		
Patronage Capital Assigned	5,600	5,329
Interest Income	3,487	3,236
Other	3,051	2,689
<b>Total Non-Operating Margins</b>	<b>12,138</b>	<b>11,254</b>
<b>Net Margins</b>	<b>\$16,997</b>	<b>\$11,210</b>
Times Interest Earned Ratio	1.8	1.5
Debt Service Coverage Ratio	1.9	1.8
Patronage Capital - Beginning of Year	\$443,048	\$435,255
Net Margins	16,997	11,210
Net Retired Patronage Capital	(1,575)	(3,417)
<b>Patronage Capital - End of Year</b>	<b>\$458,470</b>	<b>\$443,048</b>