



# 2021 YEAR IN REVIEW | ANNUAL REPORT



Your Community.  
Your Co-op. Your Choice.

# A NOTE FROM YOUR BOARD CHAIR



**Dave Munk**

CHAIR  
Southern District  
Hometown: Carbondale  
Current Term: 2019-2022

Dear Friends and Members,

Perhaps more than ever, I am excited to share the status and outstanding performance that our cooperative achieved in 2021. Despite the ongoing impacts of the pandemic on our local businesses, along with rising economic challenges from canyon closures, housing costs, labor shortages, and other factors, HCE has had another great year.

Your Board of Directors is charged with ensuring our financial health while maintaining high performance levels in our core business. The Board has also charged the staff with advancing ambitious new initiatives to meet ever-changing Member needs, technology advances, and market developments.

For more than 80 years, Members like you have counted on HCE for safe, reliable, affordable, and sustainable electric service. And, we have delivered.

Even as we set our industry-leading 100x30 goal to achieve 100% clean energy by 2030, your Board has maintained its commitment to lead a responsible transition to our clean energy future, as outlined in our vision. Carefully balancing progress with costs, we support our outstanding staff, who work diligently to meet these goals while they cover all the aspects of utility operation.

Please notice these exceptional 2021 results in the four pillars of our mission:

- Our **safety** record continues to remain exceptional, with less than three reportable work-related injuries in 2021
- **Reliability** remains at the gold standard of 99.98% service availability
- Rates have remained **affordable** despite significant upward cost pressures
- The **sustainable** and renewable content of our power supply increased to 52%, with 4% coming from Member participation in PuRE

After recognizing these outstanding results, I am most proud of the tremendous results our power supply team has achieved to meet our 2018 goal of increasing our clean energy content without increasing our power supply costs. In fact, their dedication has resulted in savings of \$19 million since the initiative was launched.

These savings have enabled us to expand and improve in critical areas like wildfire mitigation, cyber security, and operational resilience through expanding fiber infrastructure.

I invite you to look through the attached report for more specifics across our operations, and as always, please feel free to contact the HCE Board or staff with any questions or concerns. Enjoy this report on the 2021 achievements of YOUR electric cooperative!



**Your Community. Your Co-op. Your Choice.**



OUR VISION

Holy Cross Energy is leading the responsible transition to a clean energy future.

OUR MISSION

Holy Cross Energy provides safe, reliable, affordable, and sustainable energy and services that improve the quality of life for our members and their communities.


Adam Quinton

TREASURER

Northern District

Hometown: Edwards

Current Term: 2020-2022




Keith Klesner

DIRECTOR

Northern District

Hometown: Eagle

Current Term: 2021-2024




David Campbell

DIRECTOR

Northern District

Hometown: Vail

Current Term: 2020-2023




Kristen Bertuglia

VICE CHAIR

Northern District

Hometown: Edwards

Current Term: 2021-2025



TO GRAND JUNCTION

70

Parachute

13

Ridgely

133

Silt

New Castle

70

Glenwood Springs

82

Carbondale

133

Redstone

Marble

82

El Jebel

Basalt

Old Snowmass

Snowmass Village

Aspen

82

Ruedi

Meredith

Thomastown

70

Wolcott

131

Edwards

Avon

Vail

Minutemen

70

TO DENVER


Alex DeGolia

DIRECTOR

Western District

Hometown: Carbondale

Current Term: 2020-2023




Robert H. Gardner

SECRETARY

Southern District

Hometown: Basalt

Current Term: 2021-2025




Dave Munk

CHAIR

Southern District

Hometown: Carbondale

Current Term: 2019-2022



Your Community. Your Co-op. Your Choice.

# YOUR CO-OP | 2021 AT A GLANCE



**160** Employees

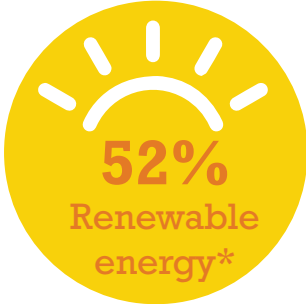
**\$374,050**  
Pandemic funds  
distributed to members

**6,000+**  
Hours worked by HCE  
Operations crews after hours

**2,957**  
Miles of  
underground and overhead  
line



**6** Fleet EVs, 207 total  
fleet vehicles + trailers




**52%**  
Renewable  
energy\*

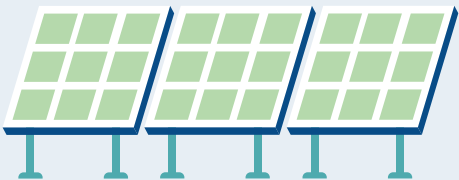


**3,528**  
Commercial members

**41,730**  
Residential  
members



**43,021**  
Inbound calls handled  
by our Member Service  
Representative team



**112,514 MWh**  
Local renewable energy sources  
account for 9% of total power supply

\* PuRE participation accounts for 4% of the renewable energy in HCE's power mix.



# WE'RE HERE TO SERVE YOU

**PROGRAMS /** As an HCE member, you get to decide how you interact with us.

By enrolling in one of our programs, you not only help yourself but the entire membership.

## PURE

PuRE allows members to offset the portion of their electricity coming from fossil fuels with 100% renewable energy. 4% of HCE's overall renewable energy comes from PuRE participation.

**2,351**  
participants

## PEAK TIME PAYBACK

Peak Time Payback (PTP) rewards members for reducing their electricity usage during peak hours. We pay you, in bill credits, for using less electricity.

**2,629**  
participants

## POWER+

Power+ offers a new resilience option helping members use Tesla's Powerwall 2 battery energy storage system by providing upfront installation costs to be paid over time through on-bill financing.

**112**  
participants

## CHARGE AT HOME. CHARGE AT WORK.

Charge at Home. Charge at Work supports our members' transition to electric vehicles by offering rebates, rate design and on-bill financing support for EV charging infrastructure.

**335**  
participants


**MEMBER SERVICES /** As a member-owned cooperative, HCE is here to meet your needs. If you have any questions about your account, how to save on your bill, or how to use energy more efficiently, we're here to help. There's always a voice at the end of the line. **Call 970-954-5491 to talk with us Monday - Thursday, 7:00 a.m. - 5:30 p.m.**




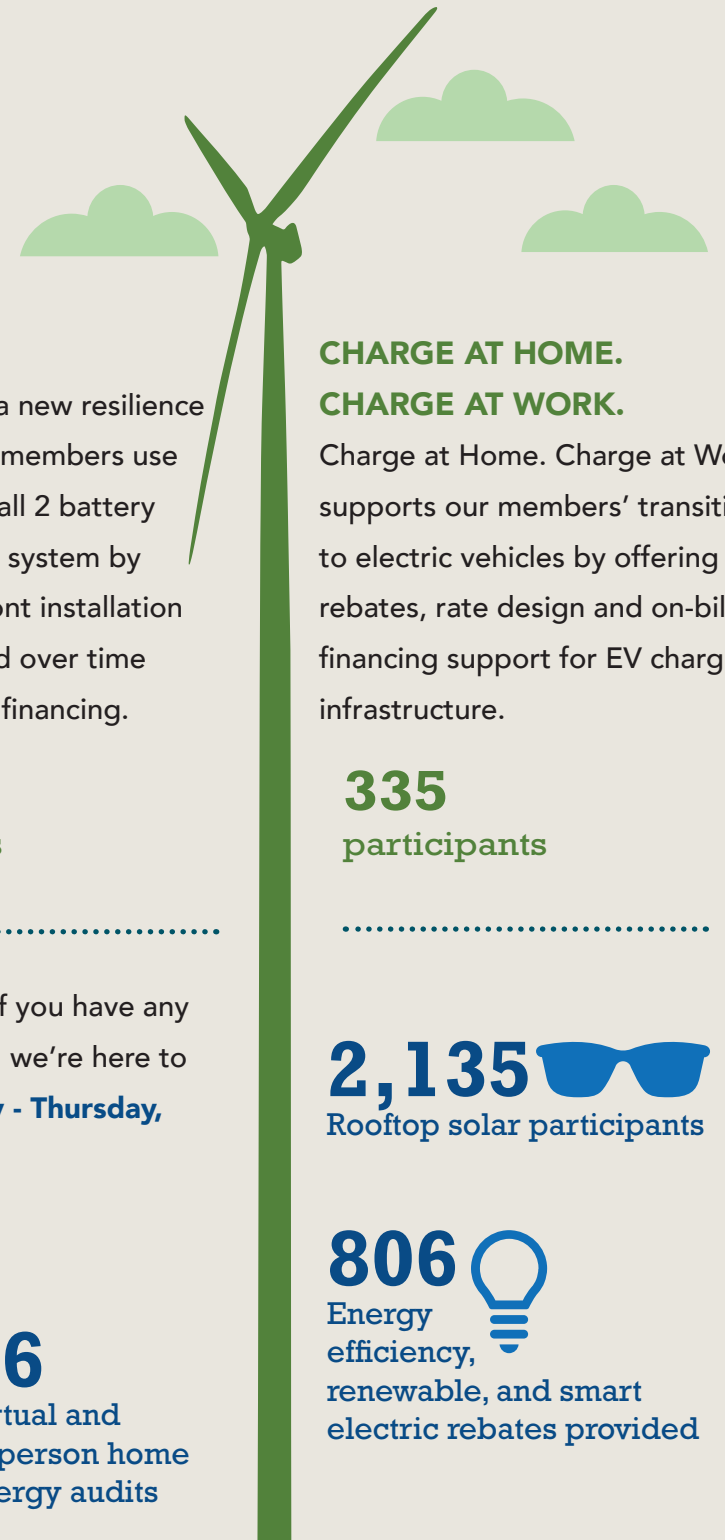
**43** Peak Time  
Payback events called,  
creating opportunities  
for members to earn  
credits on their bills



**66**  
Virtual and  
in-person home  
energy audits

**2,135**   
Rooftop solar participants

**806**   
Energy  
efficiency,  
renewable, and smart  
electric rebates provided

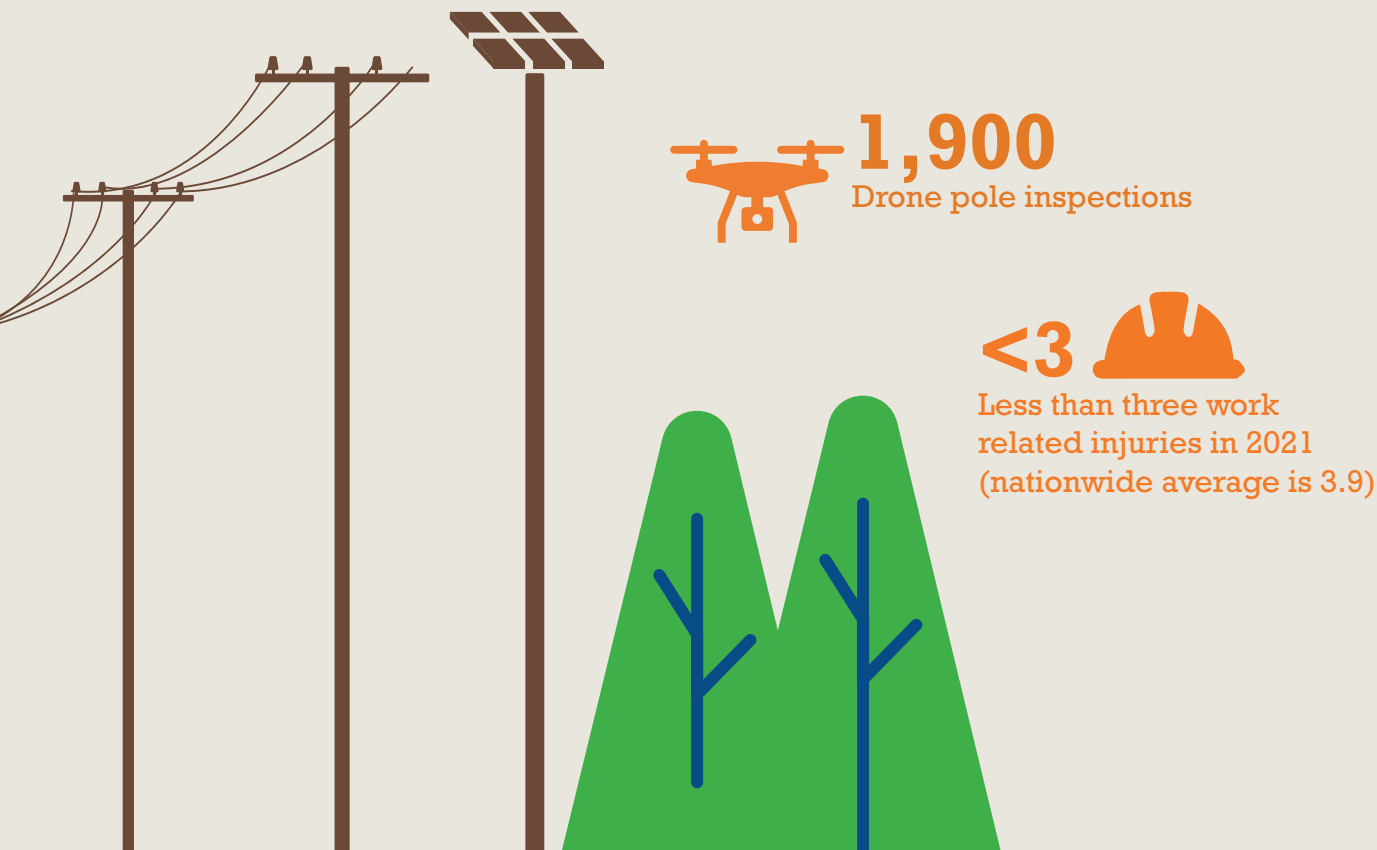


# OUR COMMITMENT TO SAFETY

**SAFETY /** We are committed to the safety and welfare of all employees, members and our local communities through education, awareness, training and prevention.

**MAINTENANCE /** Each year we take steps to protect our electric infrastructure by conducting safety inspections and ongoing maintenance. **“With drought and wind intensifying, we can always be proactive on maintenance of our lines and the system.” - Cody O’Neil, Vice President of Operations**

**RESILIENCY /** We’re hardening our system against wildfires by investing in new methods of wildfire mitigation efforts, including the aggressive removal of vegetation surrounding our poles and wires, a 5-year cycle of inspection, and wrapping poles in fire resistant material in vulnerable areas.



## SYSTEM RELIABILITY STATS

### 99.98% system reliability

The Average Service Availability Index (ASAI) is the ratio of the total number of member hours that service was available during 2021 to the total member hours demanded.

### Members experienced less than 1 outage per year

.91 System Average Interruption Frequency Index (SAIFI). SAIFI measures the average number of times that a member experiences an outage during the year.

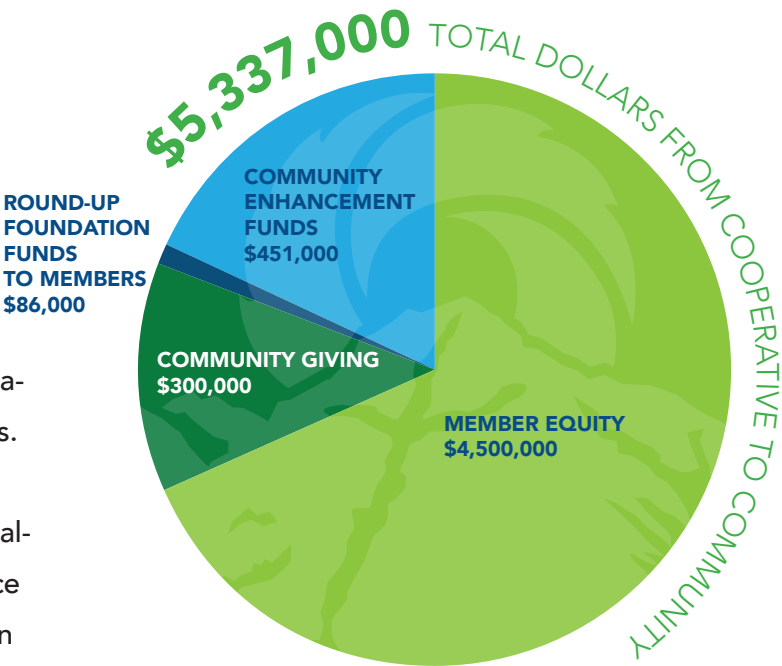
### If a member experienced an outage it took an average of 1 hour and 8 minutes to restore power

The System Average Interruption Duration Index (SAIDI). SAIDI describes the total duration of the average service disruption (nationwide average is 1 hour 30 minutes).

# ENGAGING WITH MEMBERS

**HOW WE GIVE BACK /** HCE has been committed to serving our community for over 80 years, providing support to the organizations who contribute to the greater well-being of our region. Through community giving, community enhancement funds, and member equity we help our members thrive.

**ROUND-UP FOUNDATION /** HCE's Round-Up Foundation is a separate non-profit organization providing funding assistance to the residents of Eagle, Garfield and Pitkin Counties. Funded through members rounding up their bill to the nearest dollar, matching funds from HCE and employee contributions Round-Up income totaled \$100,386. Catholic Charities, Salvation Army, Lift-Up, The River Center, Garfield School District #16, and the Family Resource Center of the Roaring Fork School District were just a few of the organizations supported in 2021.



## OUTREACH & EVENTS /

We are active and involved in the communities we serve. We invite you to meet with us throughout the year at our Annual Meeting, one of our Brats and Kilowatts, or our virtual event series, Kilowatt Talks.

**1,402**   
Members attended virtual and in-person events

**376**   
Members attended energy efficiency workshops

**5,185**  
Members donated to Round-Up

**\$100,386**  
Raised including matching funds from HCE, HCE employees and other grants.

**37**   
Members qualified for income-qualified solar



# OUR FINANCIAL HEALTH

**OUR FINANCIAL HEALTH** / HCE leadership has a strong commitment to maintaining the financial integrity and strength of your cooperative, in a way that balances competitive rates with reliable and safe service as we lead the transition to a clean energy future.

SYSTEM STATS	2021
Total kWh purchased	1,258,558,490 kWh
System Peak (Dec.)	258,196 kW
Total PTP peak reduction	10,500 kW
Power+ capacity added	350 kW
Average residential hours used	1,138 kWh
PTP credits issued	\$159,526.00
Average residential bill	\$ 130.31

MEMBER EQUITY	
Returned since 1963	\$164.7 M
Returned capital credits	\$ 4.5 M



**\$4.1 million**  
In revenue to be used in 2022  
and 2023 to slow rate increases

## STATEMENT OF OPERATIONS

<b>Operating revenue</b>	
Residential sales	\$ 76,209,370
Commercial sales	54,689,720
Public lighting	114,679
Other electric revenue	11,627,258
<b>Total operating revenue</b>	<b>\$142,641,027</b>
<b>Operating expenses</b>	
Power supply	\$ 70,771,872
Transmission	4,188,065
Distribution	17,039,160
Member service	6,996,756
Administrative	14,061,059
Depreciation and interest	20,700,814
<b>Total operating expenses</b>	<b>\$133,757,727</b>
<b>Margins</b>	
Net operating margins	\$ 8,883,300
Other margins	983,377
<b>Total margins</b>	<b>\$ 9,866,677</b>

# HCE'S LOCAL RENEWABLE RESOURCES

## LEGEND



SOLAR/  
STORAGE



METHANE  
CAPTURE



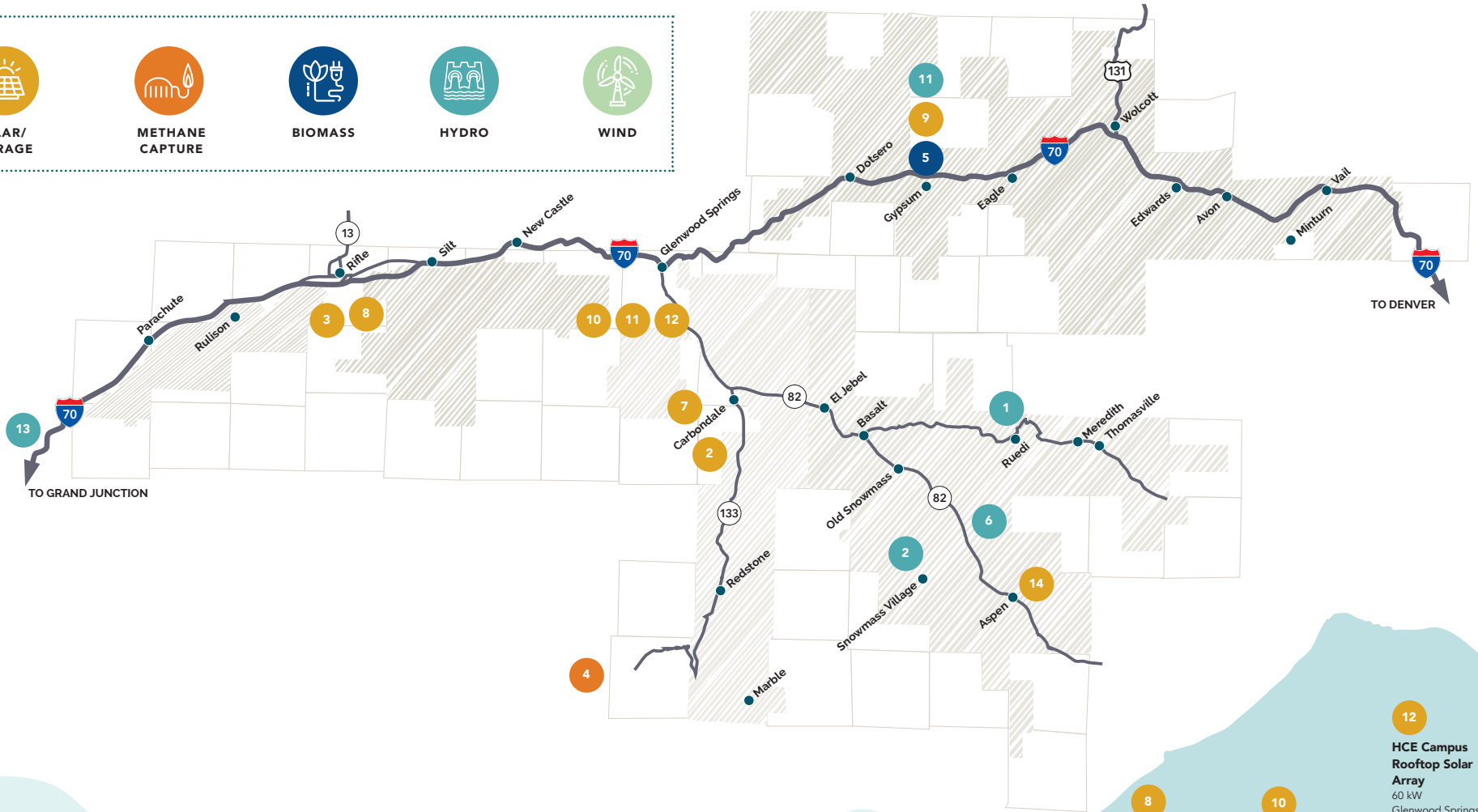
BIOMASS



HYDRO



WIND



## ABOUT THE MAP

The resources in this map represent a portion of HCE's local clean energy power supply. Projects within our generation tariff are not included.

1  
Ruedi Creek  
Hydro  
25 kW  
Basalt (Ruedi)

2003

2  
HCE Solar Array  
78 kW  
Carbondale

2010

3  
Rifle Garfield  
County Airport  
Solar Array  
858 kW  
Rifle

2011

4  
Vessels  
Methane Capture  
3.1 MW  
Sommerset

2012

5  
Gypsum  
Biomass / Wood  
12 MW  
Gypsum

2013

6  
Woody Creek  
Hydro  
25 kW  
Woody Creek

7  
HCE Solar Array  
1.8 MW  
Carbondale

2015

8  
Cooley Mesa  
Income Qualified  
Solar Array  
145 kW  
Gypsum

2016

9  
HCE Campus  
PowerField  
Solar Array  
208 kW  
Glenwood Springs

2020

10  
HCE Campus  
Rooftop Solar  
Array  
99 kW  
Glenwood Springs

2021

11  
HCE Campus  
Rooftop Solar  
Array  
60 kW  
Glenwood Springs

12  
Grand Valley  
Hydro  
1.5 MW  
Palisade

13  
Pitkin County  
Solar  
5 MW  
Aspen

# STRATEGIC PLAN | ACHIEVEMENTS

## GOAL 1

**Provide carbon-free electricity to our members**

- The carbon-free content of HCE's power supply increased to 48% in 2021, with an additional 4% clean energy content coming from members participating in PuRE.
- HCE supported the deployment of nearly 3 MW of new distributed solar PV systems on our members' homes and workplaces, well in excess of our stated strategic goals.
- The 5MW Pitkin County solar project began delivering clean energy to members in 2021 and we made progress on the interconnection and construction of an additional 30MW of solar + storage and hydro resources.
- We developed a comprehensive plan to reduce HCE's operational emissions. Staff across all departments participated in creating the Net Zero GHG Emissions Work Plan.

## GOAL 2

**Operate a modern, reliable and resilient electric distribution system**

- We inspected 75% of our high-risk poles in 2021 using drone technology.
- We continued to strengthen our network infrastructure by installing fiber optic cable for our use in both the Eagle River and Roaring Fork River Valleys.
- We continued to identify areas of potential wildfire risk by leveraging data to develop a scoring system to identify high-risk structures. We removed vegetation around the base of those structures.
- We evaluated new microgrid partnerships, including two art centers, the Town of Snowmass Village, Aspen Airport, and the Town of Gypsum.

## GOAL 3

**Enable new and efficient uses of electricity**

- HCE provided 129 home and workplace EV chargers and helped with the installation of 13 community fast charging stations, making our service area #1 in the country in density of EV charging stations.
- HCE initiated a new program, Power+, to provide members with an option for energy resilience using battery energy storage systems. In the first year, 67 systems were installed enabling 335 kW of demand response for the HCE system.
- Our Peak Time Payback demand response program avoided over 100 MWh of on-peak electric consumption in 2021, saving members money by helping HCE avoid the need for purchasing electricity at the most expensive times of day.
- More than 3.8 million MWh of electricity consumption was saved last year through HCE's energy efficiency programs for residential and commercial use, with a specific focus on multi-family units and income-qualified members.



# STRATEGIC PLAN

HCE's strategic plan identifies six goals that guide the activities that support HCE's vision and mission for the benefit of its members.

## GOAL 4

**Maintain low cost service through sound business and financial practices**

- In 2021 alone, HCE saved 12 million dollars through our diverse power supply portfolio, smart contract negotiations and increased renewable energy resources.
- The Board of Directors began considering new and innovative utility business models to be used during our transition to a clean energy future.

## GOAL 5

**Provide exceptional service and value to our members and communities**

- In 2021, our Community Relations team had over 25,000 engagement touchpoints with members. We hosted our annual meeting as a hybrid in-person and virtual event, premiered our new virtual series, Kilowatt Talks, connected with members through social and digital media, and resumed our popular Brats & Kilowatts events.
- Our Member Satisfaction score was 9.25 (out of 10), along with an American Customer Satisfaction Index (ACSI) score of 89 (out of 100).
- We identified opportunities to reduce the energy burden faced by HCE's low- and moderate-income members and communities.

## GOAL 6

**Be an exceptional employer of choice in our region**

- We conducted an internal Pay Equity Analysis, a self-audit of our compensation practices, in partnership with the Employers Council.
- We completed our Annual Affirmative Action Report and updated our annual plan.
- An internal Diversity, Equity, and Inclusion (DEI) Committee was formed with employees representing each department. The committee met monthly to review HCE activities, programs, procedures, and policies to recommend new initiatives and policy changes to further foster DEI at HCE.



# THE JOURNEY CONTINUES



**Your Community. Your Co-op. Your Choice.**

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