

Ron Marshall's CEO Report – June 2024

Hello and welcome! It's been a while since we've been together for an in-person annual meeting. In fact, the last time was 2019.

I've been an employee of Walton EMC since 1989, so, if my math is correct, this is my 34th annual meeting. But this is my first in-person annual meeting since becoming your CEO in March 2023. And it's my first in-person opportunity to deliver the CEO's report to detail the co-op's performance.

Speaking of first times.... Though this is the 88th annual meeting of your co-op, we are still celebrating some firsts today. It's our first hybrid meeting. This year, members have the opportunity to choose to participate in person or by using the drive-through option.

And it's our first time to hold our annual meeting here at North Oconee High School. Thank you to Superintendent Dr. Jason Branch and his staff at Oconee County Schools for welcoming Walton EMC to this facility.

This is also the first year for your co-op's use of a new tagline: "Investing energy in what matters most." You may have already seen it in the Realite and other places. This guiding statement reminds that

Walton EMC invests time and resources in six key areas to move us forward in distributing safe, reliable, affordable and responsible electricity.

These areas are Reliability, Members, Safety, Employees, Community, and Service. There's no surprise there. It's what we've been doing all along. And, as you'll learn in my report, we did more of it in 2023.

I'll begin with Reliability.

As an engineer, I take special pride in reporting that your co-op again achieved more than 99% reliability in 2023. Achieving this near-perfect consistency doesn't come easily.

It requires both intensive attention to detail in our daily operations as well as preparation for the future. Walton EMC's leadership and management are committed to the investment, innovation, collaboration, and diversification needed to meet our members' existing and expanding electricity needs.

Our diverse portfolio of energy has expanded. Walton EMC is now receiving nuclear energy from Plant Vogtle units 3 and 4. These new units will help power Walton EMC customer-owners with reliable, clean energy for the next 60 to 80 years. That benefits not just those of us in

this room, but also our children and grandchildren.... power for the future.

Even with this significant power generation addition, Walton EMC must continue to diversify its generation resources to ensure you always have an adequate supply of electricity. We participate in the acquisition of generation resources alongside other electric co-op members of Oglethorpe Power Corporation. Last year, this included subscribing to additional power generation in Effingham County, Washington County and the city of Baconton.

Not only do we have to be concerned with the source of our wholesale power, but also the price of it. Our highest expense is purchased power. Nearly **80 cents of every dollar** you pay on your electric bill is used by Walton EMC to buy the electricity we distribute. Every other expense your co-op has — from payroll to power poles — must come from the slim remainder.

Despite this challenge, you'll be pleased to know that Walton EMC customer-owners are still paying less for your electricity than the average Georgia consumer. We're paying **7 percent less** than the statewide average and **15 percent less** than neighboring Georgia Power customers.

We are not the state's lowest, but your Walton EMC employees and leadership are constantly focused on providing you with reliable service at the lowest possible cost. Every employee works hard to keep our expenses down to provide the most value for our customer-owners. And we are continually seeking out the best price for wholesale power to keep rates low.

Now here's another 2023 statistic you'll want to remember: **9 million dollars**. That's the amount of the capital credit refund members collectively received in December 2023. These refunds are evidence of our success in controlling expenses — even in an economic environment where that's nearly impossible.

While we're talking numbers, here are a few more I want to share with you...

To keep the power flowing to members, Walton EMC employees installed **more than 100 miles** of new lines in 2023 — even against the backdrop of ongoing supply chain challenges. Your co-op now maintains more than 7,300 miles of overhead and underground power lines. For perspective, that's enough miles of line to stretch from here to Anchorage, Alaska — and back again.

Another important number from 2023 is this one: **2,330**. It's the number of new members the co-op added in 2023. This brings our total number

of residential, commercial, and industrial accounts to **more than 139,000** — our highest number of accounts ever and yet another indication of the growth our service area is experiencing.

All of these numbers add up to your member-owned electric cooperative being **one of the largest** of almost 1,000 electric co-ops in the country.

You can learn more about your co-op's performance in 2023 by reviewing the printed annual report that arrived with your May bill or view it online at waltonemc.com.

Several times today you've heard me use the word safe. Safety is, and must be, a priority in our work. And it is.

Honoring that commitment, your co-op team earned an exceptional score of **91 out of 100** on our three-year safety accreditation inspection. This score is more than a number or rating. It represents the exceptional diligence that goes into safeguarding individual well-being while also promoting cooperative efficiency and production.

Two Walton EMC crews received very special recognition in their attention to safety. For their diligence in safe excavation and avoiding underground utility damage, Walton EMC's Watkinsville and Monroe underground crews were each honored with one of the seven regional

2023 Golden Backhoe awards presented by the Georgia Utility Coordinating Council. Think of it as the SEC championship for underground crews — winning is a very big deal.

Additionally, and an even bigger deal, the Watkinsville crew was also named Georgia's very best crew last year, receiving the Lester Feathers Award. Thank you to these winners who benefit us all with their dedication to safety.

It's always gratifying to have others recognize what we already know: Your Walton EMC employees are second to none in every aspect of the co-op's operations.

From the frontline workers to those working behind the scenes in a variety of capacities, Walton EMC is powered by a team of individuals who each day demonstrate our values of service, integrity and excellence.

Besides their everyday work in ensuring the lights are always on, you'll often see Walton EMC employees volunteering out in the community. They help shine a positive light on Walton EMC and the cooperative principles by which we operate.

Speaking of light.... Your Walton EMC employees helped to bring and restore light to several places beyond our service area in 2023.

You may have read in the Realite about Nate Howell and Hollis Lucas, the Walton EMC linemen who traveled to Guatemala to help bring electricity to a small village for the first time.

After tornadoes hit south Georgia last June, Walton linemen were among the first to respond to help restore power in impacted areas. Then, in September, we had a crew deploy to Colquitt EMC to help them recover after Hurricane Idalia. Answering the call to help fellow co-ops in need is a testament to the cooperative spirit and speaks volumes about Walton EMC.

Our employees are scattered all over this meeting site today to handle registration, answer member questions, greet attendees, direct traffic, take photos and much more. Please, if you will, join me to let them know you appreciate their dedication.

It's been a pleasure to be able to speak with you in person to shed light on the areas that matter most at Walton EMC: reliability, members, safety, employees, community, and service.

I thank you, one and all, for being here today and for the ongoing support you give as your employees work daily to deliver reliable, safe, affordable, responsible electricity to power what matters most to you.