



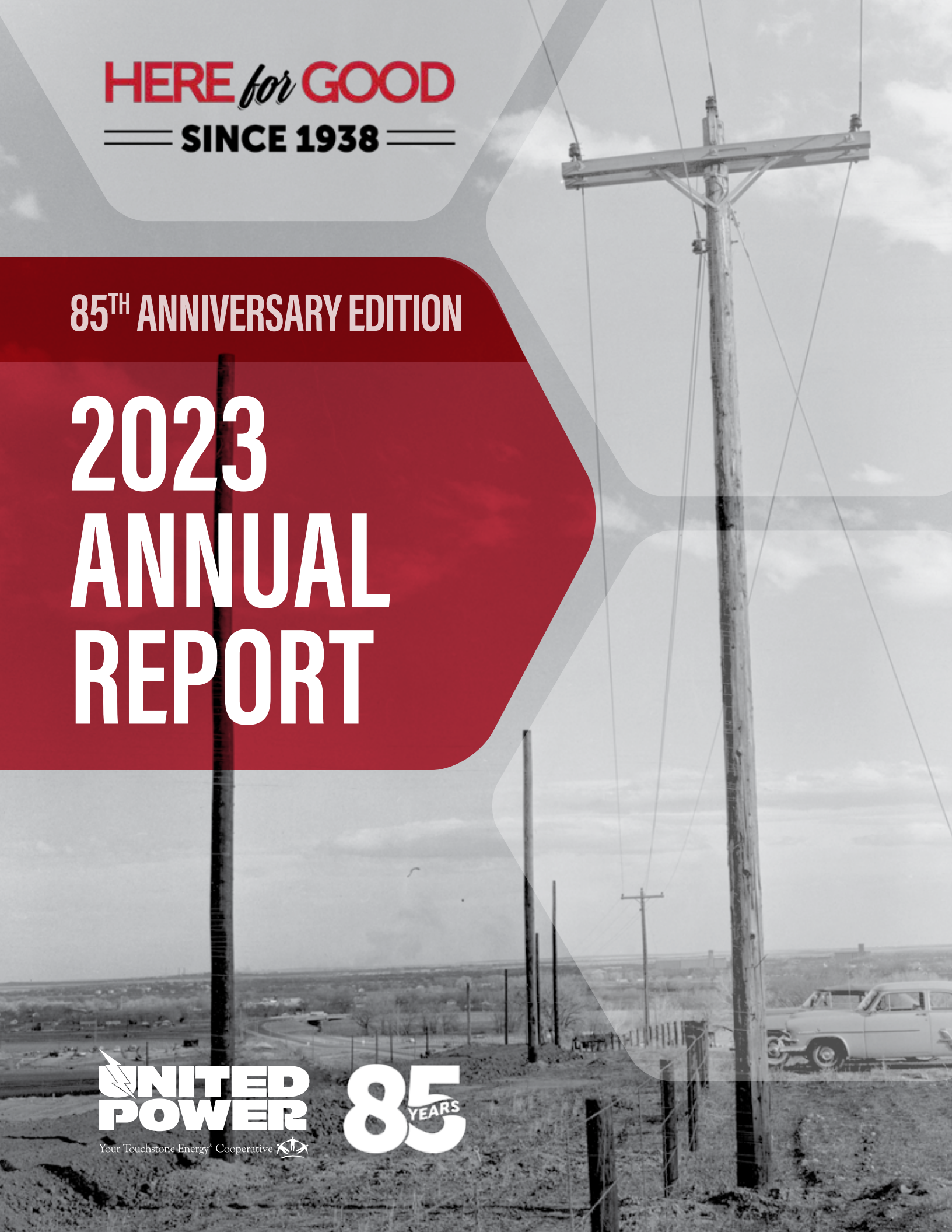
**HERE** *for* **GOOD**  
— **SINCE 1938** —

**85<sup>TH</sup> ANNIVERSARY EDITION**

# **2023 ANNUAL REPORT**

  
**UNITED  
POWER**  
Your Touchstone Energy® Cooperative 

**85**  
YEARS



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Beth Martin  
Board Chair

## FROM THE BOARD CHAIR

For 85 years United Power has been "Here for Good." At the end of 2023, we served more than 110,000 meters as well as 11,400 member-owned solar rooftops, approximately 5,000 registered EVs and hybrid vehicles, and 260 battery walls in member homes across 17 communities. We might be the smallest Colorado co-op by land mass, but we are the largest co-op by load with a 634 MW system peak. We remain one of the fastest growing cooperatives in the nation adding what amounts to an average size co-op to our system every year.

Our progress and successes in the face of astounding growth and change are a testament to the innovation, vitality, and purpose-driven people at United Power. Our CEO has assembled a superlative team that has established "Habits of Excellence" in safety, operations, engineering, system design, legal, public affairs, energy resources, technology, communications, finance, procurement, member services, and human resources. Those habits define and permeate all our work.

I encourage you to look at our first *Social Responsibility Report* which outlines the many things our cooperative is doing to mitigate safety risks, support local control, promote sustainability, and champion the members and communities we serve. It outlines our accomplishments in key operational areas and is a great way to learn more about how our cooperative operates.

Our current wholesale power supply contract was entered into when our industry was much different than it is today. Our energy landscape is now complicated by changes in regulations, legislation, generation, the escalating needs of our members, and the ability of members to self-generate power. We have monitored the currents, identified the patterns, and then attempted to amend the confines of our contract. When those efforts were rebuffed, we tried a

different strategy. We wanted to better manage future costs, maintain peak business agility and resilience, optimize our electric distribution system, empower and engage our membership and communities, while providing the highest levels of flexible, affordable, sustainable power and services. Clearly, we had to take our cooperative back.

Our contractual obligations and subsidizations with our power supplier, coupled with its projected capital expenditures of \$1 billion by 2027, increasingly revealed that our governance and business models do not align.

United Power has always demonstrated a spirit of innovation and keeping our members' needs at the core of our operations, and we will continue to do so. We are proud to be ranked among the top utilities in power delivery and availability measures nationally. This is no small accomplishment considering the continued growth our service territory has experienced.

We remain steadfast in our commitment to our core principles of cooperation, democracy, and community. As a member-owned organization, your voice and participation are essential in shaping the direction of our cooperative.

In closing, it has been my honor and privilege to serve as Chair of the Board again this year. As a fellow member, I am deeply committed to upholding our cooperative values and guiding us through these times of change with integrity and foresight. I am confident we will overcome any challenges and emerge stronger and more resilient than ever before.

Here for Good,  
Beth

Mark A. Gabriel  
President & Chief Executive Officer

## FROM THE PRESIDENT & CEO

Walking to my office many days, I pass through a long hallway that contains photographs from the earliest days of United Power, then known as Union Rural Electric Association (Union REA), right up until today. These pictures tell the story of an 85-year journey of risk, reward, and visions for the future. Union REA was an independent utility bracing for the future in a new electrifying world.

In the early days, it was a handful of visionary folks who wanted to better the lives of people in their community. The photos show the cooperative breaking ground on the first power poles in the region, the early trucks and equipment, and men working to string lines across farmlands. In the beginning, it was about a dozen brave individuals who made the decision to deliver power in a cooperative fashion. My favorite photo is of a tombstone which reads in part: "Here lies a coal-oil lamp...a symbol of the drudgery and toil which its member-families bore far longer than necessary or right but with the energization of their own power system are now abolished for all time."

The journey in the hallway continues through the decades - photos of linemen doing their jobs; the serious faces of utility leaders considering the challenges of the day; celebrations of milestones; and progress, as United Power matured along with the communities it supports. Then, as now, we have been "Here for Good." The good of our members; the good of our neighbors; and the good of the communities we are proud to serve.

Just as in the early days of your cooperative, the leadership and vision from 85 years ago is present in the spirit and actions of United Power as we follow *Our Cooperative*

*Roadmap.* Today, and over the decades, challenges are being met with an eye toward the future, deploying technologies and business practices that make us one of the best operating utilities in the nation.

In 2023, we began the 85th year in serving our members with a long list of accomplishments. The number, frequency, and length of outages United Power members experienced bettered the national average by half; our wildfire mitigation plan has been replicated by dozens of other utilities; we completed the addition of three major transformer installations, as well as many miles of line upgrades; we reached (and surpassed) 10,000 solar interconnections; and we returned nearly \$975,000 in rebates to our members, just to name a few accomplishments of 2023.

The past year was as pivotal as 1938 when we were founded, as United Power received the final decision on departure from our power supplier, freeing us from the severe restrictions and burdens of a limited future. Just as in 1938, the vision for an independent utility will come to fruition in the coming year. The foresight that created this cooperative 85 years ago and the leadership of the Board of Directors in envisioning a different, powerful future will come to pass in support of our members.

My walk down the hallway will soon contain a photograph representing the return to freedom as a stand-alone utility. I am honored to be part of this amazing organization and working for our members every day.

Here for Good,  
Mark

# SECURING FLEXIBLE POWER

United Power will leave its current wholesale power contract in May 2024, officially ending a contract exit effort to achieve more stable and affordable rates and greater localized control. The exit announcement came with the issuance of a request for proposals from providers with sufficient generation capacity to supply power to Colorado's largest cooperative by load. United Power's peak demand surpassed 630 megawatts (MW) in the summer of 2023, and significant growth is expected in the coming years.

The cooperative received dozens of proposals, indicating that United Power's load profile and membership base present an attractive opportunity for power suppliers. Through 2023, United Power announced new power supply contracts and strategic partnerships that ensure reliable distribution well into the future, including an innovative local battery storage deployment.

United Power signed a 15-year contract with Denver-based provider Guzman Energy to supply one-third of its power supply at a fixed wholesale cost and announced wholesale power agreements with Whetstone Power and OneEnergy that will provide more than 40 MW of solar energy beginning

in 2024. Other agreements will supply additional renewable energy to the cooperative's growing portfolio in the coming years.

Contracts with Ameresco and Whetstone Power will connect more than 100 MW of dispatchable battery storage to United Power's distribution system. Batteries strategically located throughout the service territory will charge during periods of low consumption and discharge during peak hours, saving the cooperative money when wholesale power costs are highest. These innovative battery storage deployments are expected to go online in 2024 and will be the largest of their kind in the country.

This past year, the cooperative established its in-house legal department and hired a chief legal counsel. The legal department will continue to manage all cooperative contracts, mitigate litigation risks, and provide strategic counsel to every department working hard to meet the growing demands, challenges, and opportunities ahead for United Power.

Power contracts that provide a reliable source of energy at affordable rates while meeting members' expectations for environmental responsibility are tangible ways that United Power is HERE *for* GOOD.



## BATTLE TO SURVIVE

A small group of local farmers from the rural communities north of Denver established the cooperative as Union Rural Electric Association (Union REA) in 1938 to provide power to an area where investor-owned utilities had shown little interest. Sparsely populated rural land was not an attractive financial proposition for utilities with a goal of generating income to satisfy stakeholders.

Union REA completed construction on its first distribution lines in 1940. The newly energized lines provided power to 110 members. The cooperative grew gradually over the next decade and eventually Public Service Company of Colorado (PSCo) developed an interest in the service territory, as the towns and communities northeast of Denver became less rural over time. Seeing an opportunity, PSCo began its initial attempts to serve homes within the cooperative's footprint, leading Union REA to petition the Colorado Public Utilities Commission (PUC) for certification as a utility in the 1950s. The co-op would not be officially recognized until legislation in 1961 gave utilities the right to serve defined territories, but it would also not be the end of PSCo's efforts to obtain Union REA's service area.

The investor-owned utility began an aggressive buyout attempt in 1987. Cooperative members eventually voted to reject PSCo's offer and placed their confidence in the co-op's future. An agreement between the two utilities in 1990 traded undeveloped land east of Denver where the new airport would soon begin construction for the Platte Valley division, which included the communities of Brighton, Fort Lupton, Hudson, and Keenesburg.

After the agreement officially ended territorial battles between the cooperative and PSCo, Union REA changed its name to United Power. The new name reflected the co-op's new direction and a shift from the traditional rural cooperative to an electric distribution utility poised to grow into the future as the "*utility of choice*."

Today, the cooperative has the same pioneering spirit to energize the community and is always looking ahead to make sure its members' best interests are protected.

# MITIGATING RISK

Operating an electric distribution system has an inherent amount of risk, but it can be mitigated with effective strategies that proactively address risk management.

Reports from this past year documented increased break-in attempts and injuries at utility substations nationwide, including unauthorized entry into extremely dangerous areas. United Power proactively monitors and studies these threats, weighing the cooperative's risk for similar incidents. The cooperative continues to explore preventative measures and invest in industry leading technology to provide the best oversight and protection of its electric infrastructure.

Delivering reliable electricity is not United Power's only responsibility as an electric utility. It must also ensure it is delivered safely. The cooperative has a number of safety policies and plans in place, such as its robust wildfire mitigation plan. The plan is updated annually to reflect the latest technology improvements and system enhancements to mitigate wildfire risks. For example, one element of the plan is vegetation management. The cooperative removed hazardous vegetation from approximately 30 miles of line in the mountain territory in 2023. Several projects were started or completed to replace miles of aged, uncovered powerlines with an insulated conductor, install current limiting fuses, and wrap poles with protective fire mesh.

United Power's wildfire mitigation plan has been so successful, for both its implementation of effective strategy and its partnerships with local safety officials, that the cooperative was selected to fill a role on the state's Wildfire Resiliency Code Board in 2023. The cooperative's appointee to the code board represents all nonprofit electric utilities, including municipalities and other co-ops, sharing knowledge and expertise with utilities across the state.

United Power is proud of its record of excellence in financial monitoring and oversight. The cooperative has strategically navigated financial uncertainty over the past few years, through a global pandemic and, recently, through rising inflation rates. Inflation impacted the cost of materials to maintain the distribution system, as well as the cost to purchase wholesale power – two of the cooperative's largest budget items.

Aware of these potential risks and uncertainties, the financial team developed a scenario planning tool. The loan comparison tool allows the cooperative to project debt schedules and payoff periods to maximize cash flow and reduce costs. Successful financial management and advanced planning helped United Power achieve a high degree of confidence from Fitch Ratings in 2023. Fitch Ratings, one of the top three international credit rating agencies, evaluates the viability of investments for the financial sector.

Protecting members' investment in the cooperative and proactively planning for risk management is another way United Power is HERE *for* GOOD.

# LEVERAGING GROWTH & LOCAL CONTROL

The cooperative has been among the fastest growing electric co-ops in the country for many years, recently surpassing 110,000 meters.

Sustained growth coupled with the nimbleness that comes with being locally owned and governed has provided United Power the flexibility to invest in its system and outpace other utilities in technology advancements. United Power is leading the charge among cooperatives – and even many investor-owned utilities – in adopting and deploying innovative technology, such as the implementation of advanced metering infrastructure (AMI).

United Power fully deployed its AMI in 2015, which allows the cooperative to better monitor its system and limits the need to collect meter data manually. It also provides members with detailed access to electrical usage information. Larger investor-owned utilities are only just beginning to fully implement AMI systems.

The cooperative's strategic maintenance plan debuted nearly a decade ago and combines proactive, data-driven improvement projects with automated

field devices to monitor and improve reliability and resiliency. The result is a robust distribution system that today ranks among the best performing systems in the country.

These automated devices also provide a critical component to United Power's wildfire mitigation plan. The plan is updated annually to reflect emerging technology the co-op has deployed on the system in addition to automated devices, such as cameras used to detect hot spots and report early warning signs.

United Power's size and financial security enabled it to provide members with rate stability even through financially uncertain times surrounding the COVID-19 pandemic, unpredictable supply chain delays, and rapid inflation. The co-op continues to leverage its unique advantage as a fast-growing, locally controlled cooperative as it pursues a place at the forefront of the new and evolving energy industry.

# SETTING THE STANDARD

Safely providing the highest level of reliability is United Power's core responsibility as an electric cooperative. In 2017, the cooperative implemented an innovative plan to refocus its maintenance strategy on the distribution system. It shifted internal line crews, who had more knowledge and experience with the system, from new construction projects to preventative maintenance.

The new strategy relied on analyzing data – collected by automated field devices being deployed throughout the system – and targeting improvement projects on the worst performing segments. This provided immediate improvements in system reliability and resiliency, while adding functionality for remote power restoration.

Years of system statistics are evidence that the strategy works, even exceeding the cooperative's expectations. United Power has dramatically reduced both the number of outages experienced across the system and the average outage duration. Recently released numbers demonstrate that the co-op is among the best performing electric utilities in the country, and significantly ahead of where it was in 2017.

Electric utilities like United Power measure system performance using a variety of indicators, such as the System Average Interruption Duration Index (SAIDI), a measurement of total outage time, and the System Average Interruption Frequency Index (SAIFI), which measures the average number of outages.

The national average SAIDI score is around 120 minutes, or two hours of expected outage time over the course of a year. United Power's SAIDI score fell below 57 minutes for the second consecutive year, down from approximately 118 minutes in 2017. The cooperative's SAIFI score of 0.65 in 2023 means the average meter on the distribution system experienced fewer than one outage throughout the year.

Put another way, many members did not experience an outage last year. This is a statistic the cooperative continues to improve upon year after year.

Advancing strategies that enhance system performance, including improved reliability and resiliency, and delivering electricity safely to members' homes and businesses demonstrate that United Power is HERE for GOOD.



## WAKE-UP CALL

In the early 1990s, the cooperative renewed its commitment to members. It promised to improve reliability and lower rates, areas that had been identified as weaknesses.

Reflecting this promise, Union REA became United Power, leaving behind the image of the traditional cooperative and becoming the "utility of choice" in the communities it served. New standards were developed to trim costs, lower rates, and improve reliability. Employees' annual performance increases were tied directly to meeting or exceeding reliability targets, ensuring engagement at all levels and a cooperative-wide commitment to moving reliability in the right direction.

The cooperative officially welcomed the communities of Fort Lupton, Hudson, and Keenesburg in 1990 as part of a territory swap. The lone holdout was Brighton, which remained skeptical of the service transfer. Three years later, the cooperative had delivered on the promise of lower rates and improved reliability. Brighton residents,

who were paying 6% more than cooperative members, held a vote to establish United Power as the city's electric service provider. The vote added 6,000 new meters to the co-op.

United Power hosted its first Customer Appreciation Day a couple years later to celebrate its growing membership and provide educational opportunities. The annual event was discontinued after an increase in community fairs and festivals throughout the territory. Instead of hosting its own event, the cooperative began sponsoring community events in members' hometowns, establishing its presence in the local communities and shaping its identity as more than just an electric utility.

Concerted efforts to improve reliability, stabilize rates, and meet members where they are has always been a key focus at United Power.

# PRIORITIZING MEMBERS

United Power is dedicated to promoting initiatives that enhance engagement and improve member interactions with the cooperative. New programs implemented this past year prioritized effective two-way communication between the co-op and its members, simplified the availability of online information, and improved digital functionality.

Most members new to the cooperative last year were enrolled in United Power's updated welcome series, a sequence of informative emails sent to new members covering topics ranging from how to manage their new electric account to the benefits of cooperative membership. Members can now apply for new service – or discontinue existing service – using the cooperative's online account portal, simplifying the process and opening the window when requests can be submitted.

An update to its online account portal was launched alongside a refresh to the cooperative's public website in June. Although not a complete redesign, the updates enable members to more quickly locate information, reducing unnecessary calls to the United Power member services team and ensuring members find what they need when they need it.

United Power has a dedicated and knowledgeable team of member services representatives available to assist members with account inquiries and cooperative information over the phone, but for quick

assistance, the co-op launched a new chat feature on its website. More than 6,400 chat interactions were recorded in 2023. Approximately 87% were resolved through self-service options, reducing call volume to the cooperative and helping members access what they need on their first inquiry.

Members who interact with the cooperative's member services team or access the website are given the opportunity to provide feedback to help the co-op continue improving member engagement and communications. Surveys are distributed to any member who reaches out to a member services representative at the cooperative, and are also available to members who visit the website. The feedback helps the cooperative continue to improve based on members' preferences and demands.

United Power's goal is to implement effective communication strategies that deliver important information about the cooperative's activities to its members when and where they like to receive that information. The initiatives implemented within the past year demonstrate a commitment to the cooperative's member-first approach, and members are encouraged to continue providing feedback as the co-op pursues this goal.

Prioritizing communication that engages members and provides them with valuable information that enhances their experience with the cooperative is another way that United Power is HERE *for* GOOD.



## BRACING FOR GROWTH

The mid-1990s to early 2000s ushered in a period of rapid growth and development across the United Power service territory. Construction was completed on the new Denver International Airport and E-470 was opened, crossing the territory and connecting growing communities around the sprawling Denver metroplex. It created new opportunities for development and more traffic through the cooperative's service territory.

A vision formed to take advantage of the opportunities that existed in this new era of growth. The cooperative began pursuing active relationships with cities and towns it served, providing support to enable healthy economic development and encourage community growth. It supported infrastructure planning conversations and began working with local chambers of commerce to attract and retain new businesses.

The cooperative implemented a new customer information system to handle the rapid influx of new

members moving to the service area. The distribution system also needed to transform to meet increasing demand without sacrificing reliability improvements made over the previous years. United Power was an early adopter of technology and installed an advanced monitoring system, the supervisory control and data acquisition (SCADA) system, to capture outage information and proactively mitigate grid failures. United Power also began exploring newly available automated devices – which were advanced for the time and are still critical to reliability and resiliency improvements today.

The cooperative was one of the fastest growing in the nation during this time. United Power surpassed 50,000 meters, doubling the size of the cooperative in just ten years, and paid off its last Rural Utilities Service loan, establishing its financial security and confidence in preparation for continued growth.

# 1938-1989



**OCTOBER 21, 1938**  
 Union Rural Electric Association Certificate of Incorporation signed. The cooperative's first board meeting is held the following day.

**MARCH 23, 1939**  
 First loan application for \$270,000 submitted to the Rural Electrification Administration in Washington.

**APRIL 24, 1942**  
 Severe ice and snow storm causes extensive damage to Union REA's lines. Dozens of poles are knocked down, and lines are severed in more than 50 places.

**MAY 19, 1952**  
 Union REA joins with 24 other REAs to form Tri-State Generation & Transmission.

**OCTOBER 1959**  
 Union REA moves its Brighton headquarters from Main Street to a larger facility on Highway 7.

**APRIL 22, 1961**  
 The Colorado PUC rules that Union REA is a public utility.

**OCTOBER 1950**  
 The National Rural Electric Cooperative Association's Willie Wiredhand is copyrighted – a symbol used to unify REAs.



**JANUARY 24, 1940**  
 Union REA energizes its first power line. The line serves 110 members and is energized 1 year, 3 months, and 3 days after incorporation.

**1946 & 1947**  
 Union REA constructs first distribution line in the Coal Creek Canyon.



**MAY 1, 1973**  
 Opening of Crescent Village office (Coal Creek office) in former post office and store.



**JANUARY 28, 1987**  
 Union REA Vice President Alvin Lesser and Secretary-Treasurer William Dersham go missing in a plane crash.

**MARCH 5, 1987**  
 Remains of the plane with missing United Power directors and lobbyist are found. There are no survivors in the crash.

# 1990-2018



**APRIL 1990**  
 Union Rural Electric Association changes its name to United Power.

**AUGUST 3, 1993**  
 Brighton joins the United Power family, and an additional 6,000 meters are added to the cooperative.



**APRIL 1998**  
 United Power joins Touchstone Energy® – the brand representing a nationwide alliance of consumer-owned electric cooperatives.



**MAY 30, 1992**  
 Fort Lupton office opens on Denver Ave.

**APRIL 1996**  
 United Power registers the website www.unitedpower.com.

**NOVEMBER 1990**  
 United Power acquires the Platte Valley division from PSCo and adds over 6,000 new members with the addition of Fort Lupton, Hudson, Keenesburg, and surrounding rural areas.

**JANUARY 1995**  
 United Power launches the Operation Round Up program. Members contribute by "rounding-up" their electric bills and the funds support members and organizations in the service area.

**JANUARY 1999**  
 Green Power Partners launches and members who choose to invest can purchase renewable energy in 100 kWh blocks for \$2.50/block.



**MAY 30, 2006**  
 The cooperative moves its headquarters facility to 500 Cooperative Way in Brighton.



**MAY 15, 2009**  
 United Power energizes Sol Partners®, the nation's first cooperative solar farm.

**OCTOBER 2012**  
 United Power implements advanced metering infrastructure with plans to upgrade all meters by 2016.

**FEBRUARY 2013**  
 United Power reaches a milestone 70,000 electric meters served.



**SEPTEMBER 2013**  
 Unprecedented 500-year flooding in Colorado. Widespread outages caused by submerged underground equipment in the northern plains while the mountain territory never loses power.



**2016**  
 In partnership with Silicon Ranch, United Power energizes a total of 20.5 MW of utility scale solar – a 13 MW field in Fort Lupton and a 7.5 MW field in Mead.



**MAY 9, 2016**  
 United Power opens the new Fort Lupton office on Dexter Street.

**APRIL 2017**  
 United Power purchases a 130,000 sq. ft. facility in the rapidly growing west district.



**DECEMBER 2018**  
 United Power works with ENGIE to energize two utility battery storage projects. The 4 MW system at the Carbon Valley Service Center is the largest battery storage project in Colorado.

**DECEMBER 7, 2012**  
 The 2 MW Hangar 160 Solar Field is energized just south of Hwy 7 on Colorado Blvd. It is the largest cooperative utility scale system tied directly to the local distribution grid.

**MAY 2010**  
 United Power awards first Lois Lesser Education Scholarship in honor of Lesser's nearly 20 years of service on the board from September 1989 to April 2009.

**JUNE 2008**  
 United Power offers its first renewable energy incentives on solar electric and solar hot water installations.

**SEPTEMBER 6, 2011**  
 United Power, in partnership with Waste Connections, Inc., Landfill Energy Systems, and the Town of Erie, energizes the 3 MW Methane to Megawatts Erie Landfill project.



**FEBRUARY 2015**  
 United Power named the Rural Electric Cooperative of the Year by the Colorado Solar Energy Industries Association.

**MARCH 2017**  
 United Power reaches 80,000 electric meters.

**NOVEMBER 2017**  
 Platteville Solar, a third Silicon Ranch solar project, is energized, adding 16 MW of solar. It is the largest cooperative-owned solar farm in the state.



**DECEMBER 2018**  
 United Power begins operations from its Carbon Valley Service Center located on Interstate 25, just south of Highway 119.

**JANUARY 2015**  
 The Operation Round Up program celebrates 20 years and \$1.5 million in charitable grants.



**NOVEMBER 2015**  
 United Power completes full deployment of advanced meters – one year ahead of schedule. The co-op upgrades 73,256 meters in three years.



# 2019-2023



**JANUARY 2019**  
The transfer of Town of Frederick members is complete – adding 2,400 new members to the co-op. United Power purchased the Town of Frederick's municipal utility and voters approved the sale in July 2018.

**MARCH 13, 2019**  
Historic bomb cyclone slams into Colorado, bringing hurricane force winds and blizzard conditions. At the height of the storm, just over 10,000 members were without power.

**MARCH 2020**  
In response to the COVID-19 pandemic, United Power closes all office locations to walk-in visitors and disperses nearly half of the workforce to remote work locations.

**MAY 2020**  
United Power establishes the Co-op Cares Fund, using unclaimed capital credits. The Co-op Cares Fund provided \$550,000 in direct assistance to 3,004 members facing financial hardships due to the pandemic.



**JUNE 2021**  
United Power becomes 31st cooperative in the country to reach 100,000 meters served.

**MARCH 2022**  
United Power publishes *Our Cooperative Roadmap*, an action plan guiding the cooperative through the next decade.

**MARCH 2023**  
United Power celebrates its 10,000th member rooftop solar interconnection accounting for 11% of residential members.

**JULY 5, 2023**  
The first of several wholesale power agreements is announced. The power will serve members upon the co-op's exit from its wholesale power supply contract on May 1, 2024.

**JULY 10, 2023**  
Groundbreaking battery storage contract with Ameresco announced. The multi-site battery storage project is considered the first of its kind.

**JULY 2019**  
The co-op's first public DC fast electric vehicle charger is installed at the Coal Creek office where public charging options are limited.

**DECEMBER 2020**  
United Power energizes 6 MW of utility-scale solar adjacent to Platteville Solar farm.

**JUNE 6, 2020**  
Colorado's first derecho brings winds reaching 110 mph. Nearly 40 poles were snapped by wind or objects thrown by the wind.



**2022**  
United Power is named a 2022 Solar & Storage Champion by the Colorado Solar & Storage Association.

**OCTOBER 2021**  
A 625 kW generator on the Gilpin County School District complex goes online. The generator serves as emergency back-up power for isolated mountain communities.

**APRIL 29, 2022**  
United Power files its non-conditional Notice of Intent to Withdraw from its current power supply contract, with an exit date planned for May 1, 2024.

**OCTOBER 21, 2023**  
United Power marks 85 years of cooperative electric service.



**SEPTEMBER 2023**  
United Power publishes its inaugural *Social Responsibility Report*.



## HISTORICAL COMPARISON

|                     | 1950  | 1970  | 2018   | 2019   | 2020   | 2021    | 2022    | 2023    |
|---------------------|-------|-------|--------|--------|--------|---------|---------|---------|
| METERS SERVED       | 2,134 | 6,957 | 87,528 | 93,527 | 97,704 | 102,305 | 106,943 | 110,502 |
| MILES OF LINE       | 625   | 1,474 | 5,941  | 6,205  | 6,384  | 6,551   | 6,790   | 6,925   |
| KWH SOLD (MILLIONS) | 5     | 67    | 2,447  | 2,739  | 2,872  | 2,902   | 2,994   | 3,237   |
| EMPLOYEES           | 12    | 51    | 171    | 169    | 172    | 180     | 190     | 195     |

## FINANCIAL COMPARISON

|                                | 1942      | 1978         | 2018          | 2023          |
|--------------------------------|-----------|--------------|---------------|---------------|
| ANNUAL OPERATING REVENUE       | \$59,272  | \$6,248,761  | \$255,682,734 | \$334,977,107 |
| ANNUAL COST OF PURCHASED POWER | \$13,555  | \$3,064,051  | \$191,749,770 | \$242,588,937 |
| GROSS PLANT INVESTMENT         | \$407,333 | \$22,816,311 | \$347,984,980 | \$586,038,969 |
| LONG TERM DEBT                 | \$397,522 | \$12,744,368 | \$195,461,636 | \$344,534,790 |



# INNOVATING DISTRIBUTION

The distribution of energy resources is evolving and becoming increasingly local. The availability and affordability of controllable assets, like rooftop solar and residential battery storage systems, are just a few examples. United Power's departure from its existing power provider is also facilitating the co-op's transition to becoming a distribution system operator (DSO), which will give the cooperative autonomy in managing local energy resources. As a DSO, the co-op will have flexibility to incentivize members for participation in load control and demand response programs that work in conjunction with member-owned generation, storage technologies, and smart devices.

Utilities refer to these member-owned energy generation and management resources as distributed energy resources (DER). Utility systems designed to manage DER are known as distributed energy resource management systems, or DERMS. A fully deployed DERMS program at United Power will engage both residential and commercial members and can positively affect the flow of power throughout the distribution system, improving grid health and sustainability, increasing reliability and resiliency, and reducing energy use during peak power windows.

The cooperative has been on the leading edge in rooftop solar penetration for many years. It surpassed 10,000 installations in 2023, accounting for approximately 11% of United Power residential

members. The combined production of these systems exceeded 70 MW – more than 10% of the cooperative's peak load this past year. Interest in pairing solar systems with home battery storage has increased, and members now have access to a new battery storage pilot program. Qualifying battery systems are eligible to receive monthly bill credits, depending on capacity, in exchange for allowing the cooperative to discharge up to 70% of the battery onto the grid during peak hours.

Thousands of members are enrolled in the co-op's original DERMS program, Smart Rewards, which manages air conditioning load during peak times. Members who allow the cooperative to access their controllable energy assets also share in the benefits.

Since launching its first innovative renewable project in 2009 – Sol Partners®, the nation's first cooperative solar farm – United Power has energized other beneficial projects, including five utility-scale solar farms, a methane capture project, and the state's first cooperative battery storage facility. These projects produced nearly 50 MW of renewable energy in 2023 saving the cooperative nearly \$1.3 million in wholesale power costs. In the spirit of innovation, the cooperative announced partnerships with Ameresco and Whetstone Power last year that will supply more than 100 MW of additional battery storage, designed as a utility-level demand response program.

Surveying the industry landscape for emerging trends that support local power generation while also maintaining an established record for beneficial electrical innovation are further proof that United Power is HERE for GOOD.



## NEW ENERGY ERA

The early 2000s ushered in a new energy era, introducing consumers to the heightened importance of energy efficiency, while raising concerns about environmental responsibility. Technology was improving and the internet was becoming a gateway to energy savings information. The ENERGY STAR® label – which is now the standard in energy efficiency – was quickly gaining recognition.

United Power launched its own energy efficiency campaign in 2007. The New Energy Program plan incorporated education and incentives to encourage members to adopt new electric technology while helping to balance grid demand. Two members were selected to participate in the co-op's Home Energy Makeover that summer. Each home was retrofitted with energy efficient electric appliances and savings were tracked over the next two years. Soon afterward the cooperative launched an expanded menu of rebates and programs. These programs included solar incentives and the cooperative's first summer peak control program, Cycled Air, the precursor to Smart Rewards.

The cooperative entered uncharted territory with the launch of its first renewable energy project in 2009. Sol Partners® was the nation's first cooperative solar farm,

allowing members to lease panels and benefit from the system's output as monthly credits. The popular project quickly sold out and a second phase was added in 2010. Cooperative solar farms are now abundant across the country thanks to United Power's innovation. Some renewable energy projects were more successful than others as the cooperative sought to balance economic feasibility and grid reliability. A partnership with Gilpin County and the Colorado State University Extension Office to explore affordable wind energy was discontinued after just four years due to underwhelming energy generation.

Over the next few years, United Power led the charge toward renewable energy options to offset traditional carbon intensive coal power generation. A partnership with the Town of Erie launched an innovative methane capture project generating 3 MW of energy annually. The cooperative's first utility-scale solar farm, Hangar 160, was energized a year later.

United Power has always sought to deliver the most innovative, economically prudent, and sustainable programs and services to its members.

# COOPERATIVE DIFFERENCE

United Power serves residential, business, and commercial and industrial members across a 900-square mile footprint. Although it is the smallest geographic footprint of any cooperative in Colorado, it serves the largest load. That means its members have diverse and sometimes complex energy needs. It is the cooperative's duty to meet those needs in the way it sources and delivers electricity and how it supports members and communities, including key accounts who are among the largest electrical loads served by the cooperative.

The cooperative refocused the efforts of its key accounts strategy in 2023 to cultivate stronger relationships with key accounts and further support their contributions to local communities. The team communicated with more than 100 key accounts throughout the year about changes at the cooperative, including rate adjustments, and hosted a breakfast event to foster conversation with these valuable members.

The first ever *Social Responsibility Report* highlights United Power's dedication to conducting business ethically, responsibly, and sustainably. It demonstrates the myriad ways the cooperative is active locally – including its support for member engagement and efforts to drive economic development – and its commitment to transparency to its members. The report also details how the cooperative practices

environmental responsibility and sustainability through its standards, member programs, and innovative energy projects.

United Power maintains a strong commitment to its members and communities. The cooperative was once again the presenting sponsor of the Adams County Fair in 2023, which remains one of the highest attended county fairs in the country. It also supported local events throughout the service territory, including the Southeast Weld and Gilpin County Fairs; heritage celebrations in Frederick and Fort Lupton; holiday festivals, parades, and lighting ceremonies in Coal Creek Canyon, Brighton, Hudson, and Keenesburg; and even movie nights at the park in Firestone. The cooperative distributed \$12,000 to local nonprofits nominated by members for Member Choice Grants, awarded 20 scholarships worth more than \$20,000, and employees raised \$5,000 for food banks serving families in local communities. United Power hosted educational opportunities for local students, empowered economic development, coordinated public safety demonstrations, and supported leadership training.

Your local electric cooperative has a constant presence in the communities it serves. United Power supports academic success, business growth, and community engagement. The cooperative is your local power company, but it provides power in more ways than one. We are HERE for GOOD. Now. And tomorrow.



## POWERING COMMUNITIES

A commitment to members and the communities the co-op serves is woven throughout United Power's history, beginning as early as the 1950s when the cooperative assisted Adams County with setting up decorations for the summer fair.

The cooperative established its first annual member event, Customer Appreciation Day, in the mid-1990s. Before long, however, residential growth spurred local communities to create fairs and festivals that competed with the co-op for attendance. Funds were redirected to support and grow these new local events instead. Around the same time, United Power also established the Round Up Foundation to help cooperative members facing hardships. Members who opt into the program have their monthly statements "rounded up" to the next whole dollar. Those funds are then distributed to local nonprofits that are meeting community needs. The program has provided more than \$3 million in support since its inception.

Membership in Touchstone Energy® a few years later provided access to educational training and professional development for employees, as well

as a variety of marketing and communication tools to reach cooperative members. Members gained access to a discount program, Co-op Connections, providing savings on everyday purchases, such as prescriptions, restaurants, groceries, entertainment, and more.

When the COVID-19 pandemic hit in 2020, United Power leaned heavily into this commitment to members and communities in pursuit of best outcomes. The cooperative managed its finances to avoid a rate increase and held rates stable for two years amidst uncertain financial times. The Board of Directors approved the creation of the Co-op Cares Fund, using \$550,000 from unclaimed capital credits to assist members who were having trouble making utility payments due to job loss or illness because of the pandemic. The cooperative also moved capital credit retirements from August to May to provide a little extra financial relief early in the pandemic. Finally, as many communities transitioned to virtual events, the cooperative contributed vital support to make them a reality.

**MISSION**

To safely and efficiently provide reliable electric power and outstanding service to our members.

**VISION**

Powering Lives, Powering Change,  
Powering the Future —  
the Cooperative Way.

**EXECUTIVE  
LEADERSHIP  
TEAM**

**Mark A. Gabriel**  
*President & Chief Executive Officer*

**Laurie Burkhart**  
*EVP & Chief Financial Officer*

**Jan Kulmann**  
*SVP & Chief Operating Officer*

**Robin Z. Meidhof**  
*SVP & Chief Legal Counsel*

**Trista L. Fugate**  
*SVP & Chief Marketing Officer*

**Dean Hubbuck**  
*SVP & Chief Energy Resource Officer*

**Alie Beauchamp**  
*SVP & Chief Information Officer*

**Troy Whitmore**  
*VP & Public Affairs Officer*

**BOARD OF  
DIRECTORS**

**Beth Martin**  
*Chair*  
South District



**James Vigesaa**  
*Vice-Chair*  
South District



**Keith Alquist**  
*Treasurer*  
Central District



**Tamra Waltemath**  
*Secretary*  
Mountain District



**Stephen Whiteside**  
*Asst. Sec./Treas.*  
Mountain District



**Ginny Buczek**  
North District



**Brad Case**  
South District



**Steve Douglas**  
South District



**Tim Erickson**  
Central District



**Brian A. McCormick**  
North District



**Ursula J. Morgan**  
North District

**HERE**  
=*for*=  
**GOOD**  
=**SINCE 1938**=

**2023  
FINANCIAL REPORT**

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Financials at a Glance **24**

**UNITED  
POWER**  
Your Touchstone Energy® Cooperative

**85**  
YEARS

# COMPARATIVE BALANCE SHEET

|  | 2023                 | 2022                 |
|--|----------------------|----------------------|
| <b>ASSETS</b>                          |                      |                      |
| Utility Plant                          |                      |                      |
| Electric Plant                         | \$586,038,969        | \$530,666,941        |
| less: Depreciation                     | (129,451,800)        | (120,026,785)        |
| Depreciated Value                      | 456,587,169          | 410,640,156          |
| Investments and Other Property         | 152,049,290          | 149,084,196          |
| Current Assets                         |                      |                      |
| Cash & Cash Equivalents                | 3,901,210            | 3,379,790            |
| Receivables                            | 10,261,837           | 8,181,602            |
| Materials                              | 14,881,176           | 12,277,293           |
| Prepayments and Other Current Assets   | 27,623,187           | 27,352,732           |
| Total                                  | 56,667,410           | 51,191,417           |
| Deferred Debits                        | 47,217,011           | 38,507,562           |
| <b>Total Assets</b>                    | <b>\$712,520,881</b> | <b>\$649,423,331</b> |
| <b>LIABILITIES &amp; CAPITAL</b>       |                      |                      |
| Capital Equities                       |                      |                      |
| Patronage Capital                      | \$255,672,982        | \$245,667,597        |
| Other Capital                          | 2,256,853            | 597,069              |
| Total                                  | 257,929,835          | 246,264,667          |
| Long-Term Debt                         | 333,327,826          | 319,839,067          |
| Current Liabilities                    |                      |                      |
| Current Maturities of Long-Term Debt   | 11,206,964           | 10,460,940           |
| Notes Payable                          | 59,000,000           | 16,100,000           |
| Accounts Payable                       | 22,992,873           | 26,409,475           |
| Accrued Expenses                       | 11,921,459           | 14,036,313           |
| Accrued Taxes                          | 7,015,177            | 8,478,824            |
| Customer Deposits                      | 2,426,046            | 2,204,572            |
| Total                                  | 114,562,519          | 77,690,124           |
| Deferred Credits                       | 6,700,701            | 5,629,473            |
| <b>Total Liabilities &amp; Capital</b> | <b>\$712,520,881</b> | <b>\$649,423,331</b> |

# STATEMENT OF OPERATIONS & PATRONAGE CAPITAL

|   | 2023                 | 2022                 |
|---|----------------------|----------------------|
| <b>OPERATING REVENUE</b>                                    |                      |                      |
| Operating Revenue   | \$334,977,107        | \$314,575,926        |
| <b>OPERATING EXPENSES</b>                                   |                      |                      |
| Cost of purchased power                                     | 242,588,937          | 229,750,040          |
| Operating expenses – distribution                           | 11,134,016           | 7,923,196            |
| Maintenance of distribution plant                           | 9,612,488            | 8,589,866            |
| Consumer accounting and collection expenses                 | 7,688,673            | 6,062,385            |
| Other customer expenses                                     | 3,762,790            | 3,265,762            |
| Administrative & general expense                            | 14,165,212           | 15,000,373           |
| Directors fees and expense                                  | 580,154              | 480,292              |
| Depreciation  | 16,514,708           | 15,323,400           |
| Property taxes  | 7,003,376            | 8,470,698            |
| Other expenses  | 470,300              | 491,608              |
| Total Operating Expenses                                    | 313,520,654          | 295,357,620          |
| Operating Margins before Interest Expense                   | 21,456,453           | 19,218,306           |
| Interest Expense  |                      |                      |
| Interest on long-term debt                                  | 13,509,927           | 11,830,654           |
| Interest charged to construction (credit)                   | (1,556,538)          | (691,240)            |
| Other interest expense                                      | 1,630,344            | 264,113              |
| Total Interest Expense                                      | 13,583,733           | 11,403,527           |
| Operating Margins Before Capital Credits                    | 7,872,720            | 7,814,779            |
| G&T and other capital credits                               | 6,098,439            | 3,727,958            |
| Operating Margins   | 13,971,159           | 11,542,737           |
| Interest revenue  | 276,511              | 324,701              |
| Allowance for funds used during construction (equity)       | 664,861              | 416,378              |
| Other revenue (expense)                                     | 473,475              | 1,240,150            |
| Nonoperating Margin   | 1,414,847            | 1,981,229            |
| <b>Net Margins</b>  | <b>\$15,386,006</b>  | <b>\$13,523,966</b>  |
| <b>PATRONAGE CAPITAL AND OTHER EQUITY</b>                   |                      |                      |
| Net Margins   | \$15,386,006         | \$13,523,966         |
| Patronage Capital & Other Equities, Beginning of Year       | 246,264,667          | 236,719,303          |
| Subtotal  | 261,650,673          | 250,243,269          |
| Retirement of Capital Credits and Other Contributions (Net) | (3,720,837)          | (3,978,603)          |
| <b>Patronage Capital &amp; Other Equities, End of Year</b>  | <b>\$257,929,835</b> | <b>\$246,264,667</b> |

## TOTAL REVENUE

(THOUSANDS)



|      |           |
|------|-----------|
| 2019 | \$285,599 |
| 2020 | \$300,271 |
| 2021 | \$303,309 |
| 2022 | \$314,576 |
| 2023 | \$334,977 |

## TOTAL ASSETS

(THOUSANDS)



|      |           |
|------|-----------|
| 2019 | \$510,498 |
| 2020 | \$549,851 |
| 2021 | \$596,297 |
| 2022 | \$649,423 |
| 2023 | \$712,521 |

## ENERGY SALES - KWH

(THOUSANDS)



|      |           |
|------|-----------|
| 2019 | 2,739,378 |
| 2020 | 2,871,674 |
| 2021 | 2,902,460 |
| 2022 | 2,993,636 |
| 2023 | 3,236,716 |

## TOTAL PLANT INVESTMENT

(THOUSANDS)



|      |           |
|------|-----------|
| 2019 | \$399,341 |
| 2020 | \$450,148 |
| 2021 | \$482,721 |
| 2022 | \$530,667 |
| 2023 | \$586,039 |

## MILES OF LINE



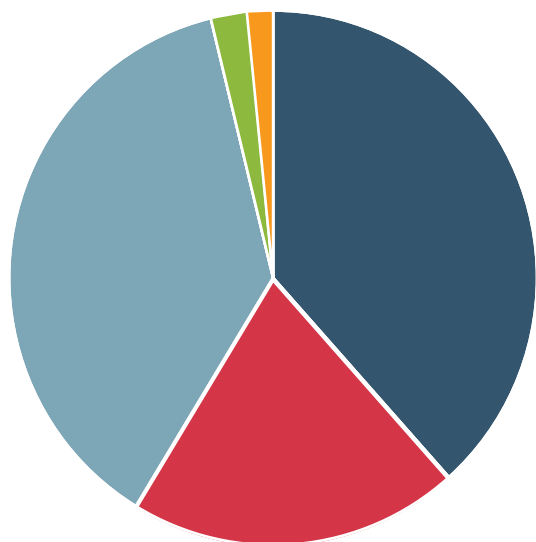
|      |       |
|------|-------|
| 2019 | 6,205 |
| 2020 | 6,384 |
| 2021 | 6,551 |
| 2022 | 6,790 |
| 2023 | 6,925 |

## NUMBER OF METERS SERVED



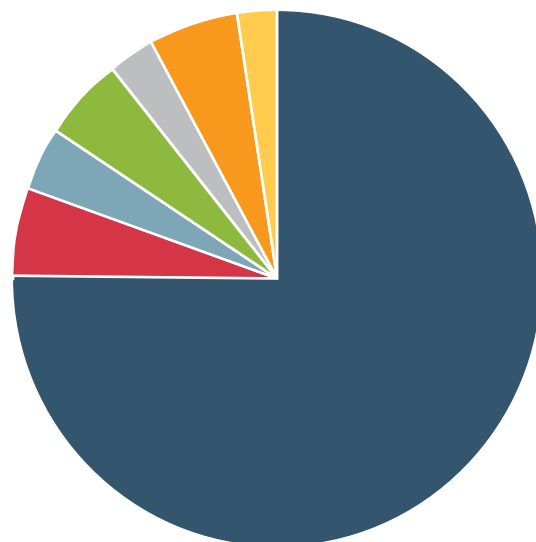
|      |         |
|------|---------|
| 2019 | 93,527  |
| 2020 | 97,704  |
| 2021 | 102,305 |
| 2022 | 106,943 |
| 2023 | 110,502 |

# FINANCIALS AT A GLANCE



SOURCES OF INCOME

|                                       |               |       |
|---------------------------------------|---------------|-------|
| Residential                           | \$125,368,190 | 36.7% |
| Small Commercial                      | \$66,948,029  | 19.6% |
| Large Commercial                      | \$138,836,538 | 40.6% |
| Other Operating Revenues              | \$4,574,336   | 1.3%  |
| Tri-State Allocations (non-cash)      | \$1,794,422   | 0.5%  |
| Other Allocations & Income (non-cash) | \$4,304,017   | 1.3%  |



STATEMENT OF EXPENSES

|                          |               |       |
|--------------------------|---------------|-------|
| Cost of Power            | \$242,588,937 | 74.2% |
| Depreciation (non-cash)  | \$16,514,708  | 5.0%  |
| Interest                 | \$13,583,733  | 4.2%  |
| Operations & Maintenance | \$20,746,504  | 6.3%  |
| Consumer Accounts & Info | \$11,451,463  | 3.5%  |
| Admin, Gen'l & Other     | \$15,215,666  | 4.7%  |
| Taxes                    | \$7,003,376   | 2.1%  |

## YOUR ENERGY DOLLAR

For every dollar you spend on electricity, three-quarters goes toward the cost of wholesale power.

**73¢**

Cost of Wholesale Power

**27¢**

Depreciation (5¢), Interest (4¢), Operating Expense (14¢), Taxes (2¢), Operating Margins (2¢)



R&A  
CO-OP

HERE LIES A  
COAL-OIL LAMP  
BURIED HERE MAY 3, 1941  
BY THE ADAMS  
ELECTRIC COOPERATIVE  
AS A SYMBOL OF THE  
DRUDGERY AND TOIL WHICH  
ITS MEMBER-FAMILIES BORE FAR  
LONGER THAN WAS NECESSARY  
OR RIGHT BUT WHICH, WITH THE  
ENERGIZATION OF THEIR OWN  
POWER SYSTEM ARE  
NOW ABOLISHED FOR ALL TIME



**UNITED  
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**85**  
YEARS



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