

# ANNUAL REPORT

You Can Count on Us.



20  
22

**BRUNSWICK ELECTRIC**  
MEMBERSHIP CORPORATION

# TRUSTED PARTNER | You Can Count On Us



**Josh Winslow**  
CEO

**David Gore**  
President

In January we were pleased to announce that we had no plans for a rate increase in 2023. This is despite inflationary pressures, and a growth rate of almost 5%. Everything is more expensive, and neighboring electric co-ops and Duke Energy are raising their rates, so you may be wondering how it's possible we have no plans to raise ours. We're driven by our mission to deliver best-in-class reliability at the lowest possible cost, and provide customer service and engagement that is meaningful. We'd like to tell you how your board and management's focus on rate stability in 2022 and before, and your collective action, made stable rates a reality.

Our demand control programs have contributed significantly to cost containment. We designed them precisely to give you control over your consumption, and the opportunity to have a positive impact on our wholesale power costs. These programs connect us all, allowing for collective action that makes us stronger than we are as individuals. Your participation in our Connect-to-Save thermostat programs, Beat the Peak action alerts and Time-of-Use rate option made a difference. Because we worked together, these programs saved us approximately \$700,000 in 2022. As more members participate, and we roll out more programs, the impact will be even greater. These programs save money, and increase reliability for us all.

Our efforts to cut controllable costs also had a substantial effect on rate stability. We're continually striving to maximize efficiency across all departments; reducing expenses that won't impact reliability or service has been a top priority. Our collaboration with the other NC cooperatives has resulted in favorable wholesale power costs for the next few years. And through our statewide organization, NCEMC, because of our early investment in nuclear energy, we were able to make sure that legislated carbon reduction goals didn't put an undue burden on our membership. We continue to work internally, and with our North Carolina colleagues, for your best outcomes.

In good times and in uncertain times, we strive to be the energy partner you can depend on. The cooperative business model is more relevant today than ever, as we work together to drive down costs and provide superior reliability. Our member-owned business structure allows us to reinvest in our system, making it more robust, and gives you the power to impact our rates. This means you have more reliable power, and more control. That's the bottom line of the cooperative difference, and it's something you can count on every day.

A handwritten signature in black ink, appearing to read "D. L. A.", written over a light blue horizontal line.

President, BEMC

A handwritten signature in black ink, appearing to read "J. Winslow", written over a light blue horizontal line.

CEO, BEMC

# MISSION WITH A VISION | Board of Directors



**Dan Strickland**  
District 7



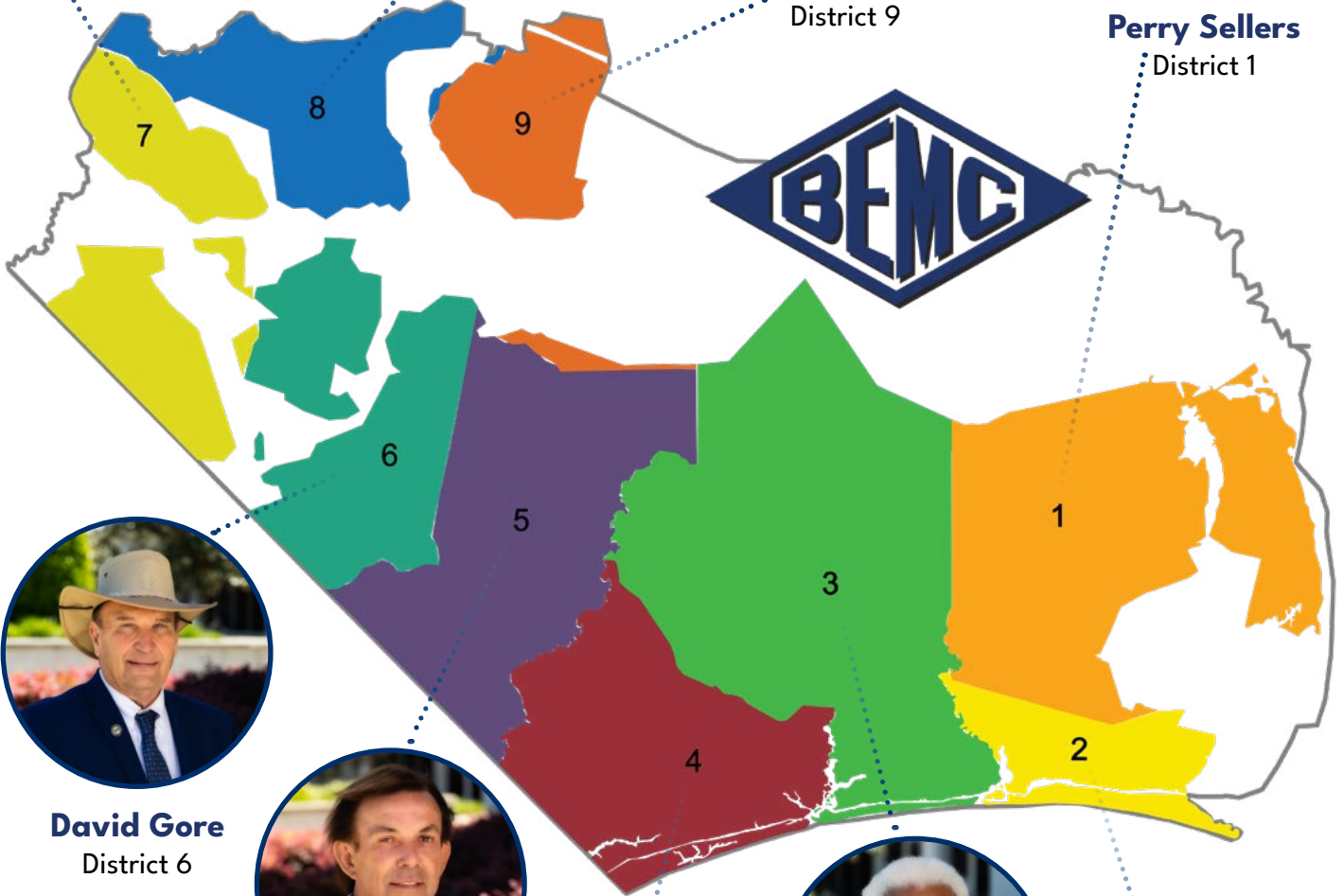
**Calvin Duncan**  
District 8



**Frederick Tedder**  
District 9



**Perry Sellers**  
District 1



**David Gore**  
District 6



**Larry Fowler**  
District 5



**John Ward**  
At-Large,  
Brunswick County



**Glenn Humbert**  
District 4



**Moses C. Herring**  
District 3



**Deborah Ahlers**  
District 2



**200** Employees

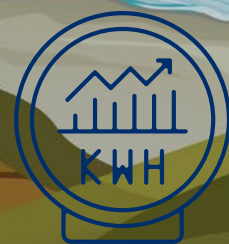


**60% Faster**  
Outage restoration  
time compared to  
the national average



**2<sup>nd</sup> Largest**  
of 26 in NC

**1.5  
Billion**



kWh sold in 2022

**7,248+**

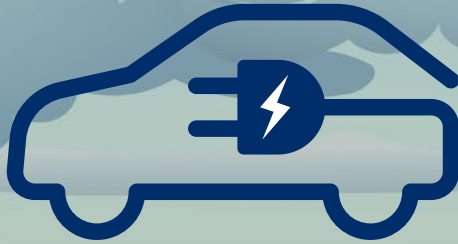
Miles of  
underground  
& overhead  
line



**3 Years**  
of no lost-time  
accidents



**34<sup>th</sup> Largest** of more than 900 in the United States



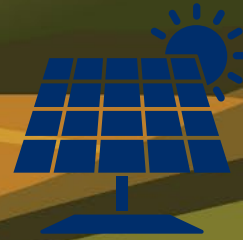
**8 EV** Charging stations



**11,139**

Commercial meters

**99.9%**  
Reliability



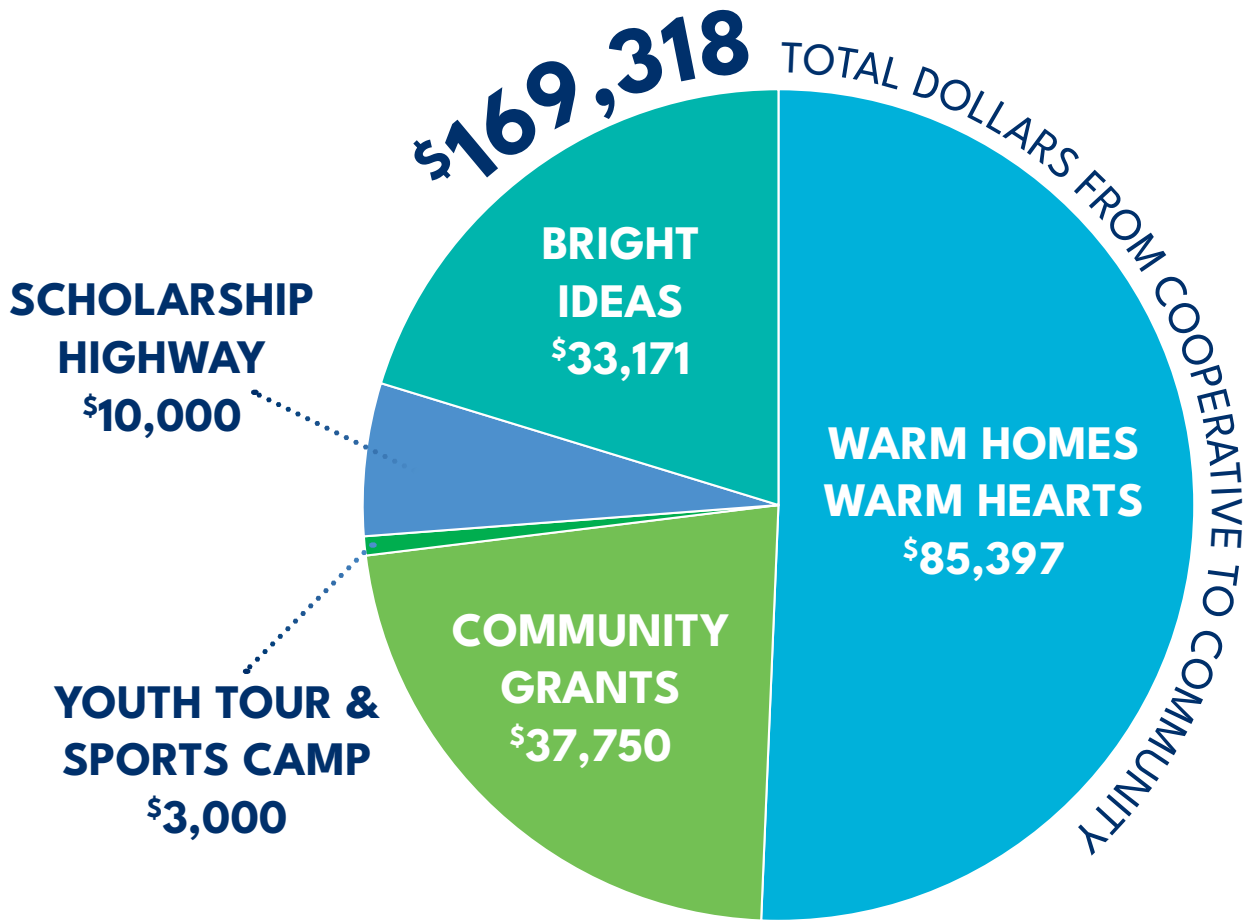
**738**

Community solar panels subscribed



**94,108**  
Residential meters

# COMMUNITY PROGRAMS | Making An Impact



## COMMUNITY GRANTS

Provided **32 organizations** financial support for family services, civic and community programs, cultural and arts programs, emergency services and economic development.



## WARM HOMES WARM HEARTS

Provided funding assistance to over **650 families** with Brunswick Family Assistance and the Columbus County Department of Aging.



## BRIGHT IDEAS EDUCATION GRANTS

Funded **43 teachers** innovative classroom projects that offer students inspiring, hands-on learning experiences.



## SCHOLARSHIP HIGHWAY

Emma Stone (Brunswick) and Peyton Blosser (Columbus) received college scholarships.



## SPORTS CAMP SCHOLARSHIPS

Provided full scholarships for Mylee Sneed to attend the Wolfpack Women's Basketball Camp in Raleigh, and for Lucas Banks and Tayven Turnage to attend the Carolina Basketball School in Chapel Hill.



## ELECTRIC COOPERATIVE YOUTH TOUR

Jordyn and Madilyn Smith went on an all-expense paid trip to Washington, D.C., to learn about the cooperative difference.

## TOWN OF OCEAN ISLE BEACH RECEIVES NEW ASCENDANT FIRE TRUCK

BEMC worked with the USDA to obtain funding through the Rural Economic Development Loan and Grant program to enable the Town of Ocean Isle Beach to purchase a new ascendant ladder truck for their fire department. The Town of Ocean Isle Beach suffered a direct landfall from Hurricane Isaias in July 2020. During the storm the Town was also faced with seven devastating home fires at the same time. Due to the severe flooding on the roadways during this storm all responding apparatus was damaged. The Fire Department responds to over 1,000 incident calls annually. Emergency response activities include fire suppression, high and low angle rescues, water rescues, mutual aid response calls, and life safety and medical assistance. The USDA loan funding has enabled to Town to continue to effectively provide vital services to its residents and the multitude of tourists that frequent the Town every year.



## MEMBERS IN NEED RECEIVE NEW HVAC UNITS THROUGH THE AMERICAN RESCUE PLAN ACT



Brunswick Electric was selected by Advanced Energy, a nonprofit that works with electric utilities and the government, to identify members who would receive a new HVAC unit and installation, for free. To qualify, they had to have received benefits through the Low Income Energy Assistance Program or Crisis Intervention Program in the last 12 months, have high energy use, and an inefficient HVAC system. Funding came from the American Rescue Plan Act, made available through the federal Coronavirus Aid, Relief, and Economic Security Act. Members who qualified were invited to apply, and those who passed a site visit and durability check were then selected by Advanced Energy. Four members in Columbus County and two in Brunswick County received new Daikin HVAC units.



EV Day for Members



Columbus County Fair



W. Brunswick Friday Night Lights



S. Columbus Friday Night Lights



Watermelon Festival



Science is Elementary



Career Days

## MAINTENANCE

Each year we take steps to protect our electric infrastructure by conducting safety inspections and ongoing maintenance.



**3,817**

new homes connected

**171,243**

personally handled phone calls



**43,795**

service orders processed

**87**

American Customer Satisfaction Index Score compared to national average of 74 in 2022



**5,910**

total new members

**120**

miles of new underground lines installed



## ENERGIZED BATTERY SYSTEM

Energized the 5 MW battery storage system at Zion Hill Substation, deploying it in December to reduce overall peak demand of the system.

## MAINTENANCE PROGRAM

Initiated an extensive maintenance program for our substations to prevent equipment failures, mitigating 8 potential costly failures.

## WHITEVILLE DISTRICT

Worked with state and federal agencies to bury overhead lines in the Boardman area that were difficult to access and were prone to storm damage.

Completed 6 miles of overhead replacement construction to upgrade lines in the Hallsboro, Dulah Rd. and Wright Rd. area.

## SUPPLY DISTRICT

Completed a DOT project for the future Mulberry Rd. DOT project. Completed 3.5 miles of overhead replacement construction to upgrade lines.

## OAK ISLAND DISTRICT

Continue to support the DOT in relocation efforts for the Midway Rd./211 road expansion.

Completed 2 miles of overhead replacement construction to upgrade lines.



# MEMBER PROGRAMS | We're Here To Serve You

**PROGRAMS** / As a BEMC 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.

## CONNECT TO SAVE

Provides members with two options to save! Receive a \$50 bill credit, and a \$4 credit each month when you enroll your existing smart thermostat. Or, get one at a reduced price, have it professionally installed for free, and get a \$50 annual incentive. Enrolling allows BEMC to make brief changes to your HVAC setting by three degrees on a limited number of peak demand periods, which helps us control wholesale power costs.



**5,155**  
participants

## TIME-OF-USE RATE

Offers members a lower rate for electricity when demand on our system is low, balanced with a higher rate when demand on our system is high. You'll lower your bill by shifting your energy usage away from peak times, because you'll pay a lower rate than our standard rate all other times, and a much lower rate from 10 p.m. to 5 a.m.



**89**  
participants

## PREPAY POWER

You pay for power in advance of when you need it. PrePay Power gives you control over your energy usage and provides flexibility, allowing you to choose when and how much to purchase. There's no monthly bill or deposit, and you always know how much you're spending on electricity. It's easy to check your account status, and add money to your account, any time of day or night. You'll also receive high energy use email notifications to help you control your usage.



**9,543**  
participants

## WEATHERIZATION LOANS

Provides 5% loans for energy efficiency projects, up to \$10,000 for residential projects and \$10,000 for commercial projects. Terms can be as long as 60 months, and payments are included with your monthly electric bill. If you own your home, and have two years of service with a good payment history, the loan process is simple.

**\$1,016,467** granted for 148 loans



## BEAT THE PEAK

Offers our members the option to voluntarily reduce electricity use during peak usage periods: a few critical hours when the demand and wholesale cost for electricity is the highest. This helps hold down power costs and keeps rates affordable. If 1,500 of us participate, we can lower our monthly cost by \$100,000.



# FINANCIAL BREAKDOWN | Power & Worth

**61¢**  
COST OF  
POWER

**20¢**  
VARIABLE

**10¢**  
DEPRECIATION



**5¢**  
INTEREST

**4¢**  
MARGINS

What can you get for a penny's worth of power? A lot!



**2.5 Hours**

of television on a 40-watt, 32" LED TV



**30 Minutes**

on a 200-watt desktop computer



**18 Full**

charges of an iPhone



**11 Hours**

of reading using a 9-watt LED bulb

# OUR FINANCIAL HEALTH | Strength & Integrity

**OUR FINANCIAL HEALTH /** BEMC 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 and ongoing maintenance.

## CONDENSED BALANCE SHEET

| <b>ASSETS</b>                | <b>2022</b>          | <b>2021</b>          |
|------------------------------|----------------------|----------------------|
| Net Utility Plant            | \$368,607,969        | \$355,428,266        |
| Other Property & Investments | \$56,523,234         | \$52,685,937         |
| Current Assets               | \$73,404,894         | \$75,821,811         |
| Deferred Charges             | \$143,302            | \$5,307,075          |
| <b>TOTAL</b>                 | <b>\$498,679,399</b> | <b>\$489,243,089</b> |

| <b>MEMBER'S EQUITY &amp; LIABILITIES</b> | <b>2022</b>          | <b>2021</b>          |
|--|----------------------|----------------------|
| Members' Equity                          | \$201,745,315        | \$187,719,950        |
| Noncurrent Liabilities                   | \$238,759,181        | \$244,690,022        |
| Current Liabilities                      | \$46,249,357         | \$44,124,178         |
| Deferred Credits                         | \$11,925,546         | \$12,708,939         |
| <b>TOTAL</b>                             | <b>\$498,679,399</b> | <b>\$489,243,089</b> |

## CONDENSED STATEMENT OF OPERATIONS

|  | <b>2022</b>          | <b>2021</b>          |
|--|----------------------|----------------------|
| <b>OPERATING REVENUES</b>                  | <b>\$205,414,064</b> | <b>\$188,410,635</b> |
| Operating Expenses:                        |                      |                      |
| Cost of Power                              | \$128,876,833        | \$115,778,624        |
| Other Variable Operating Expenses          | \$42,425,790         | \$38,181,114         |
| Depreciation                               | \$20,515,962         | \$19,627,847         |
| Interest                                   | \$7,693,089          | \$7,839,994          |
| Total Operating Expenses                   | \$199,511,674        | \$181,427,579        |
| Net Operating Margins (Before Allocations) | \$5,092,390          | \$6,983,056          |
| Net Non-Operating Margins                  | \$898,493            | \$2,260,035          |
| Total Net Margins (Before Allocations)     | \$6,800,883          | \$9,243,091          |
| Patronage Allocations                      | \$5,960,081          | \$5,599,781          |
| <b>TOTAL NET MARGINS</b>                   | <b>\$12,760,964</b>  | <b>\$14,842,872</b>  |

Our bond ratings are Fitch A+ and Standard & Poor's A

20  
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