

ENHANCING OUR GRID THROUGH CAPITAL WORK PROJECTS

BY STEVE JOHNSON PRESIDENT AND GENERAL MANAGER



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Being at the helm of an electric co-op means I need to have my eye on tomorrow and always be planning for the future of the co-op. When we plan our budgets for the year, my focus is to make sure the co-op we have today is better than it was yesterday. The greatest way to achieve this is by hardening our system to ensure that when you turn on your lights, the power comes on.

Before we move into numbers, you may be wondering what hardening the grid means — it's the process involving a combined system of actions to create a strong infrastructure to better protect members and co-ops from weather-related outages. As we see more extreme weather events year-over-year, we recognize the importance of designating dollars to projects to help better protect us from wildfires due to dry conditions, storms with increasing intensity, drier weather patterns, or more intense snowstorms with higher winds and greater snow totals. When those storms hit and knock out power, hardening the grid matters. With upgrades to the system and better monitoring, there is greater potential to decrease the amount of time you are without power. With that, we'll now move into the specifics of the budget.

YVEA CAPITAL WORK PROJECT BUDGET

We pride ourselves on being your trusted partner in electricity. Our mission is to always provide value to member-owners through technology that delivers safe and reliable electrical service in an environmentally and financially responsible manner. We achieve this by committing to improving our systems as technology changes and creates opportunities for improvements. In 2021, we used our capital work project budget to hook our Hayden Substation to the Luminate

Fiber network. This was the first of several substations to receive this upgrade, and it meant greater connectivity to our grid. It will give us the ability to better understand where the outage is occurring and will help decrease the amount of time you would be without electricity.

In 2021, we announced we would be committing \$10 million per year to upgrades on our system through 2024. We recognized the potential opportunity to increase our budget this year and allow for us to make even more improvements to our system. For 2022, the board and YVEA have committed \$28.7 million to our Capital Work Project (CWP) for the year.

And with the Muddy Slide wildfire this year, we saw the importance of our continued work with wildfire mitigation and clearing vegetation in rights-of-way, which is why we allocated \$920,000 to these specific projects. As we get closer to the actual construction season, we will provide updates on what these projects will look like, where the construction will take place, and how these individual projects will harden our grid. Without these improvements, we wouldn't be living up to our mission statement, which would be a tremendous loss to our entire community.

LEADING THE WAY WITH BROADBAND

Luminate Broadband brought many improvements not only to YVEA but also to the communities we serve. Communities who had never been able to stream Netflix or hold a business call via the internet now can, thanks to the lightning-fast speeds of Luminate. When the pandemic hit in early 2020, everything moved online, and rural communities saw that broadband wasn't just a creature comfort — it was essential to live their lives. We knew this need for broadband

in our communities was important, and the pandemic showed us just how vital it was.

To increase our service area in 2022, we committed \$4.3 million to the build-out of Luminate. We have heard from many customers how amazing the speeds are, and we are excited to bring Luminate to more communities. As we get closer to making plans on where to go, we will provide updates.

If we haven't made it to your neck of the woods yet, you can show your interest in Luminate Broadband by going to luminatebroadband.com/service-areas/, selecting your city of residence and clicking on "sign up."

GRANTS AND INFRASTRUCTURE BILL

We are incredibly fortunate to have amazing teams in place to help us apply for and receive grants for broadband, wildfire mitigation and EV chargers. This money helped us expand our scope of work for CWP, Luminate Broadband and wildfire mitigation. As more information about the infrastructure bill becomes available, we will update you on how we see any money being spent in our service territory.

As we plan the budget every year and identify areas where we want to focus our spending, how this will benefit the co-op and our membership is at the forefront of our minds. YOU are what drives us to keep improving our system and earn the trust you place in us every time you turn on a light, join an online meeting for a presentation, or just enjoy your time in our beautiful corner of the world.

Steve Johnson

President and General Manager