

Current Communicator



MEMBER NEWSLETTER
OF CENTRAL VIRGINIA
ELECTRIC COOPERATIVE

December 2023 VOLUME 31, NUMBER 4

Annual Meeting Recap and Election Results

Rate Increase First in Half of a Decade

Farewell, Henry CVEC Director Stepping Down

A Letter from the CEO

As we reflect on 2023, the management team at Central Virginia Electric Cooperative, Directors, and employees are most grateful to all of our member-owners for the opportunity to deliver electricity to your home each and every day.

CVEC held its 86th Annual Meeting on September 20 at the Headquarters office. Member-owners were able to exercise one of the cooperative principles, democratic member control, by voting in person or by mail-in ballot to elect the directors who will represent them over the next three years.

Upgrades to AEP and Dominion's transmission system resulted in an unusually aggressive work plan for CVEC.

Because of the increased voltage on major transmission lines for both companies, several of the Cooperative's substations and connecting transmission lines are being rebuilt so they can handle the higher voltages and continue receiving power via the transmission systems. The total cost for substation and transmission projects will be \$35 million. Member rates will have to increase to fund the upgrades.

As a result of rising costs other than the previously mentioned substation and transmission projects, **CVEC had to implement its first rate increase in five years.** Effective October 1, members saw an increase in non-power supply charges. The increase equates to 1.6% of total revenue from rates or 5% of non-power supply costs. The average household will see an increase of \$3.39 per month. In addition to this rate change, CVEC anticipates another rate increase in 2024 of about 4% of total revenue to offset the costs of the large substation and transmission projects.

Strategic planning is well-underway and our employees and staff are eagerly working on projects that will help us better serve our member-owners. As part of the current strategic planning initiatives, CVEC adopted a new vision and mission statement: **Transforming lives by connecting our members and communities through reliable power and broadband services.**

We are bidding farewell to our longest serving director this year. Henry Chiles has represented the western district and our members for 46 years. In October, he announced his plan to step down, but agreed to serve until his replacement is chosen in early 2024. CVEC is thankful to Mr. Chiles for the service, time, and talent he has dedicated to CVEC and its members over the years.

The new year is upon us and you can rest assured that your Cooperative is working hard to manage costs and continue providing affordable, safe, and reliable electric service. We look forward to serving you in 2024!

Gary Wood
President & CEO

2023 Annual Member's Meeting

CVEC's 86th Annual Meeting was a success!

CVEC held its 86th Annual Meeting at the Headquarters location on September 20, marking the first time the Cooperative has held the meeting inside one of its offices.

Members attended both in-person and via live stream to hear about the Cooperative's challenges and successes over the past year. Board Chairman Kinckle Robinson reviewed the Cooperative's history of being an industry leader and Treasurer Dr. Brian Bates delivered the financial report.



Before opening the floor for a question and answer session, President and CEO Gary Wood (*left*) provided an update on current and upcoming work plan projects, the Cooperative's focus on serving our communities, as well as the completion of CVEC's fiber broadband project.

During the meeting, members also voted to re-elect the following directors who will serve for the next three years:

Jace Gooding to the West District,
Kinckle Robinson to the South District, and
George Goin to the East District



Members returned 1,954 proxy ballots by mail. Those who mailed in ballots were entered into a drawing to win a \$100 bill credit. One grand prize winner received a check for \$500.

\$100 Bill Credit Winners

Chauncey E. Brown | Louisa, VA
James W. Carter, Jr. | Afton, VA
Susan K. Catron | Naples, FL
George W. Herbaugh | Glen Allen, VA
Jewel Huff | Earlysville, VA
Helen Moe | Palmyra, VA
Ogden Family Trust | Scottsville, VA
Thomas Radtke | Troy, VA
Mark Stapleton | Nellysford, VA
Christopher S. Tyler | Charlottesville, VA

\$500 Check Winner

William G. Frank | Norfolk, VA

Congratulations

View a recording of the 2023 Annual meeting at www.mycvec.com.



CVEC is a member-owned electric cooperative. Each year, CVEC holds an Annual Meeting to elect members to serve as directors and represent the membership in setting policies and making decisions.

For information on running for a director position, please view Section 4.4 of the Bylaws located at www.mycvec.com.

The 2024 CVEC Annual Meeting date will be posted in the next **Current Communicator** and at www.mycvec.com once it has been set.

Member Advisory Council

CVEC hosted Member Advisory Council (MAC) meetings at the end of October.

CVEC Directors and staff met with Member Advisory Council members to gain valuable insight regarding the Cooperative and future programs and projects that are being explored.




CVEC hosted a total of four meetings: one in-person meeting in each of the three districts, as well as an online meeting for MAC members who were unable to attend in person.

The in-person meetings offered dinner for participants, as well as updates from the executive team and staff members. Those in attendance were encouraged to participate by asking questions and voice their opinions.

We are most grateful to the members who took the time to attend. The feedback and questions asked by members during these meetings are invaluable to the Cooperative.

If you are interested in participating with your Cooperative by joining the Member Advisory Council, email comm@mycvec.com.

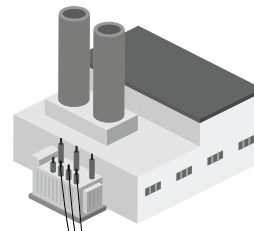


DON'T GET LEFT IN THE DARK!

Sign up to receive outage notifications via text messages or download the MyCVEC mobile app.

For more information, visit www.mycvec.com.

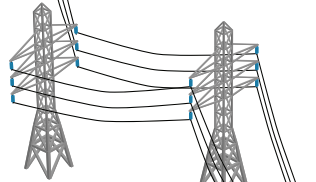
How do AEP and Dominion Energy transmission lines affect my electric service with CVEC?



GENERATION

Electricity is produced at a generation facility using either renewable or non-renewable energy sources.

CVEC is a distribution cooperative, so we must purchase power from these generation facilities to deliver to our members.

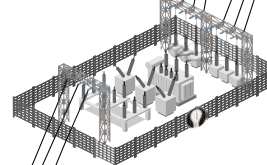


Transmission

Transmission lines carry high voltages over long distances. CVEC relies on AEP and Dominion-owned transmission lines to get power from generating facilities to CVEC-owned substations. CVEC pays a transmission cost for using these transmission lines.

When faults occur or maintenance is needed on the AEP or Dominion equipment that delivers electricity to CVEC's substations, CVEC members can experience outages.

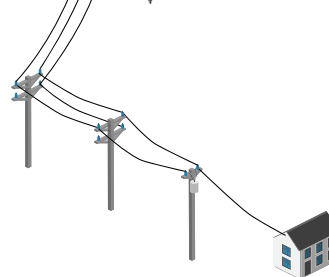
Power is restored to CVEC members once electricity flow resumes to CVEC's substations.



Substation

Once electricity is delivered to CVEC's substations, the voltage is lowered to a usable level for distribution.

There is a meter at each substation that measures the amount of electricity that is delivered to the substations.



Distribution

CVEC owns and maintains the distribution lines that deliver electricity to members. This includes all poles, wires, and devices such as transformers, reclosers, and fuses that work together to provide reliable electricity to homes and businesses.

CVEC performs maintenance, trims rights-of-way, repairs equipment, and restores outages from our substations to the member's electric meter.

Members See First Rate Increase in Five Years

Increased non-power supply rates went into effect on October 1 to help recover the rising costs associated with providing electric service.

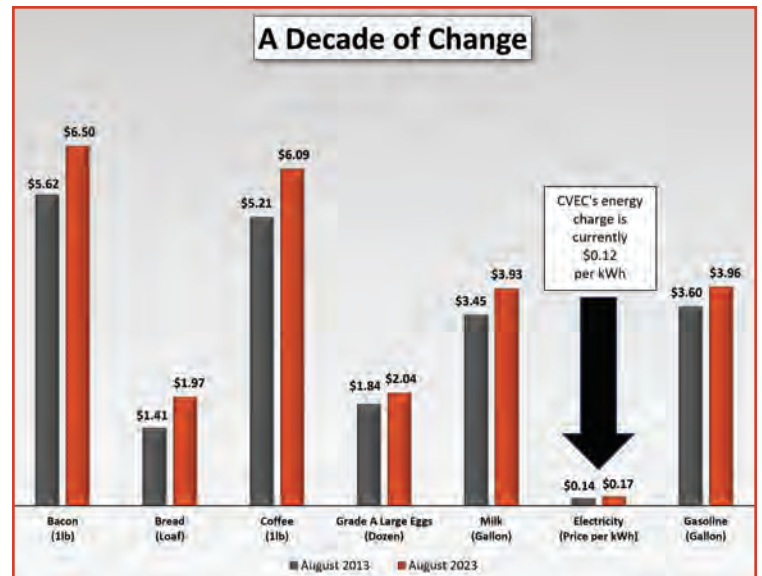
Looking out for your best interest is what makes CVEC and other electric cooperatives different from investor-owned utilities. Our end-of-year goal is never to turn a large profit, but to serve our members by providing affordable, safe, and reliable electric service while managing costs and providing high-quality service.

Cooperatives, like all businesses and households, have faced increased costs due to inflation over the past five years. CVEC has endeavored to manage rising costs within the revenue from its rates, carefully balancing the need for investment in work force, equipment, staff training, maintenance, contracted support, and many other categories of expenditures.

Programs to improve reliability, expand member services, and offer a community solar program have continued and CVEC has been successful in limiting the impact of rising costs to members for half a decade. Because of our strategic approach to managing costs, CVEC is in a unique class of two cooperatives in Virginia that have not implemented a general rate increase since 2018.

Unfortunately, the accumulated inflation has increased costs to the point that the present retail rates do not recover adequate revenue to offset all costs for distribution services. To ensure CVEC meets the financial goals set in our equity management plan and to comply with loan covenants from our lenders, a rate increase was deemed necessary. "The Board of Directors and management understand the hardship that any increase can pose to households and didn't make the decision lightly. Our responsibility is to adhere to the financial goals for the cooperative and the increase in non-power supply costs is necessary at this time," stated President and CEO Gary Wood. The rate increase equates to 1.6% of total revenue from rates or 5% of non-power supply costs. For average residential accounts, bills increased about \$3.39 per month.

The increase in 2023 helps address the accumulation of increased costs in recent years. The requirement to invest \$35 million in upgrading substations and transmission lines caused by Dominion and AEP raising the voltages on their transmission systems will force an additional rate increase in 2024. As that rate change is finalized, CVEC will notify members of the amount of increase and the timing.



How can I reduce my energy consumption and help offset the increased rates?

CVEC offers tips for how to monitor and reduce energy usage. Visit www.mycvec.com to learn more about energy efficiency, billing and payment options, and account notifications to help monitor your energy use.



Fiber Internet for Members: A Whole New World

Over 20,000 CVEC members are connected to fiber internet and the possibilities are endless online – for the good and the bad.

For many CVEC members, having access to affordable, reliable high-speed internet has been transformational. To date, over 20,000 CVEC members have subscribed to internet from Firefly Fiber BroadbandSM, CVEC's wholly-owned subsidiary, expanding life as they know it for education, business, telehealth, security and entertainment. Access to this new online world comes with many perks and allows rural residents to take advantage of the same amenities those in larger cities have had for years. However, this access also comes with dangers as scammers try to steal information.

October was Cybersecurity Month, intended to raise the profile of the dangers of criminals who are now hunting for their next victim on the internet. CVEC warns its members to “think before they click” and be vigilant about protecting themselves from scammers and predators online. Using the rule “if it is too good to be true, it probably is” and not opening attachments from unexpected senders are good guidelines to help steer clear of pitfalls online.

STAY CYBER SAFE

Enable multi-factor authentication.



Avoid using pet names as passwords.



Update your software regularly.



Learn to recognize phishing attacks.



**Think before
you click!**

Ensure carbon monoxide and smoke detectors are working properly.

If your detectors are battery-operated, replace the batteries annually. Test the detectors once a month and give them a good dusting to ensure the sensors are clear of dirt and debris.



Scholarship Opportunities Available for CVEC Students



Any high school senior graduating in the spring of 2024, and whose primary residence is served by Central Virginia Electric Cooperative, is eligible to apply for a Worth

M. Hudson Scholarship or the Roberta I. Harlowe Scholarship. Applicants must be entering his or her first semester at a post-secondary or technical/trade school in the fall of 2024 and scholarship funds must be used towards tuition, student fees, room and board or textbooks.

For more information, visit mycvec.com. Applications open on February 1, 2024 and the deadline to apply is April 1, 2024!

CVEC's Longest Serving Director to Retire

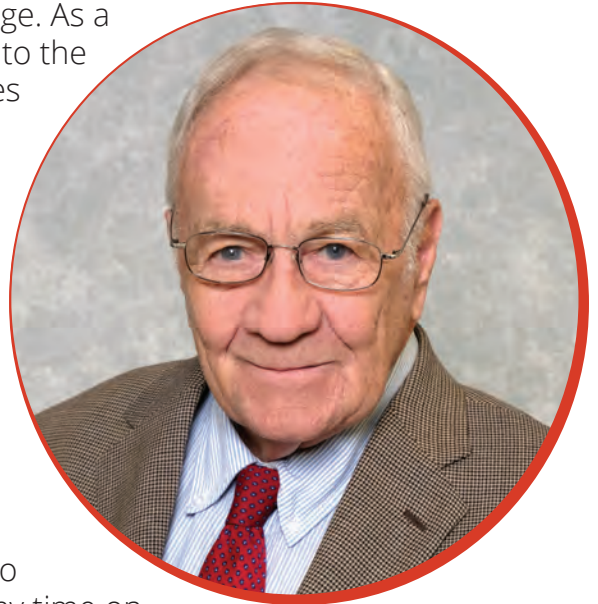
Henry Chiles, local orchardist and businessman, will retire from the CVEC Board of Directors after an impressive 46-year tenure.

Mr. Chiles' history with the Cooperative started at a young age. As a boy, he helped to "cut the line in" for CVEC to run electricity to the cold storage shed at his family's apple business. Henry Chiles has been no stranger to hard work, speaking directly, and applying common sense.

Since joining the CVEC board 46 years ago, he has represented the West District and served as a dedicated leader with excitement and enthusiasm for the Cooperative's business model, mission, and its member-owners. Using his business-savvy approach throughout nearly five decades of service, he has never wavered from his dedication to CVEC members and his goal of keeping energy bills as low as possible.

"Serving on the CVEC board has been an honor and I am very grateful to the members for continuing to entrust me to represent their best interests," stated Chiles. "Throughout my time on the board, I've had the privilege of working with multiple CEOs and fellow directors and have seen the Cooperative take on significant changes in the industry from regulations to technology to power supply. I'm thankful to have served on the board during CVEC's rural broadband project and to have witnessed and been a part of so many accomplishments. I'm confident that the Cooperative is in excellent hands and will continue its member-focus and mission to transform lives."

Mr. Chiles and his children have continued the family's apple business known as Crown Orchard - a legacy that began with both of his grandfathers. Mr. Chiles also owns Chiles Peach Orchard and Carter Mountain Orchard, and is recognized nationally as a business leader among fruit growers. In 2014, he was selected as America's Apple Packer of the Year by the U.S. Apple Association.



Transforming Lives Through Safety



CVEC lineman Matt Wilbun recently visited Appomattox Elementary School to provide a tabletop live line demonstration to 5th grade students. He explained the dangers of overhead and underground electrical lines using props representing birds, squirrels, motor vehicles, boats, ladders, and humans. He also taught students about the flame resistant (FR) safety clothing and equipment used to protect line workers.

Throughout the conversation, Wilbun shared information about "powerful" careers, including the education/training path to become a lineman, as well as other career opportunities in the electric industry. Thank you, Appomattox, for allowing us to share electrical safety tips with students and transform lives.

Girl Power Camp 2023 Highlights Co-op Careers

A record-breaking 150 people, including 80 students, more than 30 employees from 10 Virginia electric co-ops, and VMDAEC associate members attended Girl Power Camp held on November 3 at the VMDAEC Training Center in Palmyra, VA.

The day began with a safety lesson presented by CVEC using our live line demonstration trailer. Attendees were able to see personal protective equipment that lineworkers use, as well as see the components used to deliver electricity to their homes in action.

Participants attended classroom sessions to hear from industry professionals about best interview practices, managing finances, and resumé building. The largest portion of the day was spent outside as students learned about electric work and flying drones. Each participant used a pogo stick, operated a bucket truck, and suited up in lineworker gear to practice climbing a utility pole.

The goal of Girl Power Camp is to connect young women with the energy industry and introduce them to many “powerful” career opportunities available at electric cooperatives. CVEC was proud to participate in this event and help transform lives in our communities.



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HAPPY
Retirement



Robert Bradley (L)
Fleet Maintenance Coordinator

Thank You

FOR PROVIDING
30 YEARS
OF DEDICATED SERVICE
TO CVEC AND ITS MEMBERS!



Central Virginia Electric Cooperative

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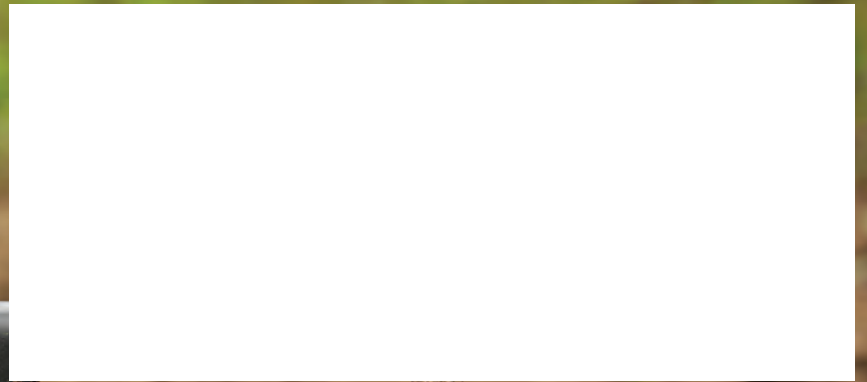
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Are You Prepared for Winter Weather?

When temperatures drop and winter storms hit, it can be challenging to stay safe and warm. Here are a few tips to help make sure you are prepared.

Have a plan to stay warm. Alternative heating sources such as fireplaces or fuel-burning heaters are great options to help you stay warm and take some of the strain off the electric grid (and your electric bill) during extremely cold temperatures. However, it is important to know how to use them safely. Never leave alternative heating sources unattended and remember that fuel- and wood-burning sources of heat should always be properly ventilated. Always read the manufacturer's directions before using.

Stock your outage kit. Check the batteries in radios and flashlights. Have a multi-day supply of non-perishable and easy-to-prepare foods, necessary medications, and an ample supply of water for you, your family, and your pets. Charge electronics and power banks ahead of inclement weather.

Be safe on the road. Cold temperatures can present added challenges when traveling. Bring a survival kit and car charger for your phone. If you come across any downed power lines, stay as far away as possible and report it to emergency personnel.

Stay up to date. Download the MyCVEC mobile app or sign up for outage notifications via text message. Make sure that the contact information on your account is updated. Follow us on Facebook for more tips!

Need Heating Assistance?

Members who are having trouble paying their energy bill are encouraged to call 211 to learn about local services and assistance in their area.