2020 ANNUAL REPORT
During a year like no other, the resilience, strength and commitment of America’s electric cooperatives to your members and communities shone through. NRECA’s 2020 Annual Report tells our story, but it’s also your story. It reflects what we can achieve when we partner with members and allies to further our common cause. The result is a testament to what it looks like when we Power On Together.

We’ve included a special photo feature in this year’s report that highlights how you went above and beyond your members’ expectations to serve communities across the country when they needed you most.
Throughout our long history, America’s electric cooperatives have defined themselves by rising to the occasion. First, by bringing electricity to rural areas where no other provider would venture. Then by developing local economies, thwarting challenges to their service territories and becoming technology leaders.

In the past year, cooperatives again have distinguished themselves in the communities you serve. You maintained your commitment to providing affordable and reliable electricity to your members, even when presented with an unthinkable avenue of obstacles: a global pandemic, the most active tropical storm and wildfire seasons ever, a once-in-a-lifetime derecho that ripped through the Midwest and economic distress in communities nationwide.

I am extraordinarily proud of your dedication to your members and communities and to the commitment that we shared in 2020 to embody the cooperative principles and stand true to our historical underpinnings. These pages tell that story.

NRECA responded to the pandemic by adjusting our programs and member engagement activities to deliver superior value to you. We shifted our in-person events to online platforms, pivoted our advocacy and communications efforts and enhanced our benefits offerings to support you during the “new normal.”

I am most proud of the resilience and ingenuity of the NRECA staff to persevere through this extraordinary period and prove our strength as a bipartisan organization that gets results in Washington. These efforts directly reflect the mission of America’s electric cooperatives and our steadfast commitment to you.
2020 NRECA BOARD OF DIRECTORS
(as of Dec. 31, 2020)

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Curtis Wynn
President, North Carolina

Chris Christensen
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Legislative relief and measures taken by NRECA provided benefit program flexibilities for co-ops and their employees. Collectively, these actions made it easier for participants and their families to navigate the unique challenges they faced in 2020.

Relief Measures

NRECA put several benefit initiatives in place to support our members, including:

- Initiating the transition from eight-month to 12-month billing for the Retirement Security Plan.
- Easing in-network requirements for medical, prescription drug access and claim deadlines to assist members under statewide emergency declarations due to tropical storms and wildfires.
- No increase in NRECA’s group insurance base premium rates for 2021.

2020 was the year of the unexpected, but I’m thankful for NRECA being on top of all the legislative impacts, promptly answering our questions and adding relief elements to the benefit plans. I was able to concentrate on the daily challenges I faced, knowing my co-op’s employees didn’t have to worry about their benefit programs.”

Stephanie Deal | Director of Human Resources
Central Electric Cooperative Inc.
Leveraging a variety of strategies to ensure our nation’s leaders were aware of the impact of COVID-19 on electric cooperatives was crucial to ensure co-op policy priorities were included in relief legislation. Despite the inability to be physically present on Capitol Hill, NRECA’s strategic policymaker and media outreach transitioned seamlessly to a virtual format, allowing co-op voices and stories to be heard by lawmakers, federal agencies and the media.

**Consolidated Appropriations Act**

With industry partners, NRECA successfully advocated for inclusion of $5.8 billion for broadband project funding in the year-end COVID-19 relief package.

**Personal Protective Equipment Procurement**

NRECA worked with the Department of Energy and the Federal Emergency Management Agency to send 71,000 masks to 439 co-ops in 30 states.

**Getting Out the Vote in Co-op Communities**

NRECA coordinated safe and creative ways to support voter registration efforts at participating co-ops across the country, doing our part to contribute to 1.5 million new and updated voter registrations completed on National Voter Registration Day.

**Flexible Financing for Rural America Act**

NRECA gained bipartisan congressional support for the Flexible Financing for Rural America Act of 2020. Designed to reprice $42 billion in Rural Utilities Service loans without prepayment penalties, co-ops would realize $10.1 billion in savings through this legislation, which continues to be a legislative priority in 2021.

In 2020, NRECA’s advocacy efforts resulted in:

- **$349 billion** for the Paycheck Protection Program.
- **$45 billion** for the Federal Emergency Management Agency’s Disaster Relief Fund.
- **$900 million** for the Low Income Home Energy Assistance Program.

NRECA’s quick response to share PPE face mask requests with our statewide office was crucial to ensure that our hardworking essential employees received the protection that they needed during the pandemic. Without the extremely quick response of our co-ops’ group purchasing representatives and NRECA, our co-ops would not have had the opportunity to provide for their employees or the ability to lend a helping hand to the Navajo Nation.”

Hannah Capozzi | CHES® Member & Public Relations Manager Grand Canyon State Electric Cooperative Association Inc.
Throughout 2020, NRECA partnered with members to connect local co-op voices to national and regional media—enhancing the reputation of co-ops and amplifying our stories in support of shared policy priorities. Thanks to virtual press conferences, timely media outreach and strong messaging, we gained notable traction and raised awareness about co-op challenges and contributions when it mattered most.

NRECA has been invaluable to BARC in helping us adapt and modernize member outreach efforts. When ‘Full Measure’ with Sharyl Attkisson took an interest in sharing the challenges of broadband deployment to rural America, NRECA’s communications team was with us the whole way, facilitating the telling of our unique story. ‘Full Measure’ provided us a national platform to share our story in a way we never could have done without NRECA.”

Mike Keyser | CEO
BARC Electric

Local Stories, National Coverage

Local stories received national press, shining a spotlight on key co-op issues and policy priorities during the pandemic. Examples include:

- **Coronavirus Collateral Damage Hits Rural Power Providers**
  - Reuters
- **North Dakota’s Electric Cooperatives Seek Federal Relief**
  - Associated Press
- **The Internet Divide**
  - Featured on “Full Measure,” airing on 100+ Sinclair Broadcasting stations

**TOTAL REACH:** 198 million readers and viewers

**TOTAL COVERAGE VALUE:** $1.47 million

148,418 pageviews
for COVID-19-related news on cooperative.com and electric.coop

Extending the Impact of Co-op Stories

NRECA published more than 80 news stories in 2020 on the impact of the pandemic and co-ops’ response. We amplified the stories on social media and leveraged many to generate regional media coverage on behalf of our members.
Customizable Communications Resources
NRECA and Touchstone Energy® Cooperative, Inc. collaborated to equip co-ops with more than 100 customizable employee- and member-facing communications tools, from sample press releases to Instagram-ready social distancing reminders and more.

Business continuity plans, remote employee engagement strategies, early guidance for electric co-op mutual assistance—these were just a few of the COVID-19 resources NRECA provided for our members. Through frequent collaboration calls with members and a COVID-19 resource hub on cooperative.com, members could share ideas and quickly locate information and a variety of tools to help them manage the complexities stemming from the pandemic.

"I just wanted to pass along how appreciative I am of your team’s communication efforts. I have heard many positive comments from our members and employees regarding the opportunities and resources available regarding NRECA communication. I think you are all doing an outstanding job!"

Josh Kramer | Executive Vice President & General Manager
North Dakota Association of Rural Electric Cooperatives

Cooperative.com COVID-19 Hub
NRECA created a one-stop virtual resource center on cooperative.com, including:
- Communications resources.
- Reports and advisories.
- Legislative/policy updates.
- Industry resources.
- News articles.

ESCC Coronavirus Resource Guide
NRECA collaborated with Electricity Subsector Coordinating Council (ESCC) members to develop the ESCC’s pandemic resource guide featuring business continuity and pandemic plans for utility operators.

5,000+
Resource Downloads

21,600+
Pageviews

ESCC Coronavirus
Resource Guide

Assessing and Mitigating
the Novel Coronavirus
(COVID-19)
AMID THE CHALLENGES IN 2020, AMERICA’S ELECTRIC COOPERATIVES SHOWED THE WORLD HOW... WE POWER ON TOGETHER.
Crafting an online education strategy and phasing in a new portfolio of online learning programs were top priorities for NRECA as 2020 began. The pandemic dramatically accelerated those efforts. Staff quickly pivoted to embrace new online learning platforms and practiced sound risk management to mitigate financial impacts. While some 140 in-person education programs were canceled, they were replaced by more than 160 online programs that delivered quality learning experiences for electric cooperative directors and employees.

**Education and Training Programs By the Numbers**

- **576** NRECA education programs delivered, including **163** online programs.
- **34,298** members attended NRECA events, nearly **1,000** more than in 2019.

**Innovating While Protecting the Bottom Line**

NRECA saved $4.8 million in potential penalties from canceled in-person events by leveraging event cancellation insurance and collaborative relationships with hotels.

**Discovering New Ways to Connect**

Networking and idea sharing were alive and well in the online format, as evidenced by the always enthusiastic crowd at CONNECT.

What better way for NRECA’s Electric Cooperative Youth Tour to engage the next generation than a virtual dance party?

More than 3,000 co-op leaders were able to keep their professional goals on track with 125 director’s courses available online in 2020.

**NRECA CEO Jim Matheson moderated a discussion with keynote speaker Gen. Colin Powell, USA (Ret.) during Online Regional Week with 2,300+ in attendance.**

**Regardless of the topic area, NRECA training always carries the common thread of cooperative principles. That helps to reinforce our values and align our board and employees toward our purpose to provide value to our members. Faced with the pandemic, we committed to maintaining the same high level of service and reliability our members expect. With limited in-person learning opportunities and remote work, the availability of online NRECA courses made the training and development of our employees possible.”**

Josh Winslow | CEO
Brunswick EMC
DELIVERING ACTIONABLE CYBERSECURITY SOLUTIONS

With an approach focused on people, process and technology, NRECA continued to help members prepare and defend their systems against cybersecurity threats. With limited IT staff at hundreds of America’s electric cooperatives and sharp increases in cyberattacks during the pandemic, empowering co-op staff with practical, scalable solutions to help protect our nation’s power grid is more important than ever.

DOE Awards NRECA $7.5 Million Cybersecurity Grant

NRECA was awarded $7.5 million by the Department of Energy (DOE) to further develop its Essence 2.0 cybersecurity tool, which uses sophisticated real-time anomaly detection to identify and warn of possible network breaches.

Co-ops Test Their Cyber Resolve

190 attendees from 29 co-ops registered for CyberSEEC 2020, NRECA’s first virtual cybersecurity exercise.

“This was the most realistic cyber exercise I have been through, and I appreciated the involvement required by multiple staff members as well as the ‘stress’ level this test induced.”

CyberSEEC 2020 Participant

Rural Cooperative Cybersecurity Capabilities (RC3) Program*

Since 2016, more than 720 co-ops have benefited from the RC3 Program’s focused, affordable and accessible cybersecurity solutions.

2020 Highlights

712 attendees from 500 co-ops attended the RC3 Online Self-Assessment training webinar series.

520 co-ops participated in the RC3 Online Self-Assessment License Program.

750 downloads of the RC3 Cybersecurity Tabletop Exercise Toolkit.

114 co-ops completed advanced cybersecurity training through the RC3 SANS™ Voucher Program.

*This material is based upon work supported by the Department of Energy National Energy Technology Laboratory under Award Number DE-DE0000807.
With grants awarded from federal agencies including the Department of Energy (DOE) and the Department of Defense (DOD), NRECA continued advancing energy technologies in 2020. NRECA’s work with member co-ops fueled numerous initiatives, providing groundbreaking and affordable energy solutions across rural America.

Achieving Cooperative Community Equitable Solar Sources (ACCESS) Program*

NRECA launched this three-year project, funded by the DOE with the goal of making solar energy affordable and accessible for low- and moderate-income consumers.

NRECA’s ACCESS project has supported our efforts to address housing challenges by integrating solar access to low-to-moderate income member-owners throughout our system.”

Marshall Cherry | Chief Operating Officer
Roanoke Electric Cooperative

*ACCESS is funded by the U.S. Department of Energy’s Office of Energy Efficiency and Renewable Energy (EERE) under the Solar Energy Technologies Office (SETO) Award Number DE-EE0009010.

Battery Storage Pilot Projects

With $1.3 million in DOE funding and technical assistance from Sandia National Labs and Pacific Northwest National Lab, NRECA launched the Rural Energy Storage Deployment Program. The program’s goal is to transfer lessons learned in battery storage planning, procurement and operation from battery storage pilots to the electric cooperative family.

Military Microgrids

The DOD selected NRECA to develop a scalable planning tool to support deployment of microgrids at military bases. We will work with three utility privatization contract-holding members on this three-year, $1.9 million project.

Beneficial Electrification

NRECA completed nine state-level beneficial electrification meetings reaching thousands of stakeholders and introduced new resources to help co-ops communicate with their members about the benefits of increased electrification.

Rural Area Distributed Wind

Working with Pacific Northwest National Laboratory and industry partners, NRECA evaluated experiences and lessons learned from 30+ co-ops that have deployed more than 130 MW of distributed wind projects. This research will inform the development of tools to help make distributed wind a more economically competitive resource for rural utilities.

INNOVATING ACROSS THE ENERGY SPECTRUM
In 2020, wildfires in four states burned 8.2 million acres, and 30 named storms raged—including more than a dozen hurricanes that made landfall—creating major challenges for electric co-ops and their members. From coordinating with federal agencies to providing dynamic public relations support to co-ops in the crosshairs, NRECA stood with our members in their time of need.

With multiple hurricanes and tropical storms hitting Louisiana’s coast in 2020, every electric cooperative in the state suffered damage. Amid dealing with substantial damage to systems and transmission lines, we battled faulty communication channels in our hardest hit areas. Thankfully, NRECA came to our aid in full force—providing press releases, social media content and strategic recommendations. We could not have made it through a year filled with such widespread disaster without your support!”

Addie Armato | Director of Member Engagement Association of Louisiana Electric Cooperatives

Member Support

NRECA’s support initiatives took on many forms in 2020:

- Serving as a liaison to the Department of Energy to help secure generators for Louisiana co-ops that suffered significant damage from Hurricane Laura.
- Facilitating Federal Emergency Management Agency Administrator Pete Gaynor’s visit with Oregon co-ops impacted by wildfires.
- Contacting more than 80 co-ops to offer communications support in response to weather crises.
- Conducting weekly meetings with statewide storm coordinators, assessing personal protective equipment needs and mitigating pandemic-related challenges to mutual assistance.
- Publishing storm restoration content to share the co-op perspective and demonstrate their commitment to the communities they serve.

2020 Witnessed

- $11 billion in damage from the Midwest derecho.
- 8.2 million acres destroyed by wildfires in four states.
- The most active hurricane season on record.

A tent city at Beauregard Electric Cooperative in Louisiana housed hundreds of mutual assistance workers from cooperatives from 11 states for Hurricanes Laura and Delta.
CARES Act
In addition to the provisions outlined on page 12, the Coronavirus Aid, Relief and Economic Security (CARES) Act included several broadband-specific provisions advocated by NRECA and its members:

- RUS ReConnect Broadband Loan and Grant Program
  » 12 NRECA members won more than $71 million in round two, which provided an additional $100 million in CARES Act funding for broadband deployment.

- RUS Distance Learning and Telemedicine Grant Program
  » $25 million to expand investments in telemedicine and distance learning services in rural areas.

- FCC COVID-19 Telehealth Program
  » $200 million to provide broadband to healthcare facilities.

Federal assistance has made it possible to accelerate the buildout of broadband to many rural electric cooperative regions that otherwise may never have received service. NRECA has been instrumental in obtaining federal funding to support broadband buildout, as well as providing crucial guidance on associated regulatory obligations of receiving federal support."

Mike Casper | CEO
Jo-Carroll Energy

Consolidated Appropriations Act
The year-end COVID-19 relief bill included more than $5.8 billion in broadband support initiatives:

- $1.585 billion for new deployment programs at the National Telecommunications and Information Administration.

- $920 million for existing deployment programs.

- $98 million for broadband mapping.

- $3.2 billion for affordability/emergency connectivity program.

Rural Digital Opportunity Fund (RDOF) Phase I Reverse Auction
$11 billion in funding will be distributed over 10 years to approximately 115 electric cooperatives across 27 states—delivering robust broadband service in more than 616,100 locations.

DATA Act
This legislation requires the FCC to update broadband service maps, equipping co-ops with information needed to support a more connected rural America. As a result, related legislation has been set in motion as part of the Consolidated Appropriations Act.

The pandemic shone a spotlight on the disparity created by rural America's lack of high-speed internet access. This heightened awareness aided NRECA's continuing efforts to advocate for policy changes that assist cooperatives in deploying broadband to underserved and unserved communities. Following passage of the Broadband Deployment and Technological Availability (DATA) Act and with new federal broadband funding initiatives in place, the number of co-ops offering broadband solutions grew to more than 200.

The pandemic shone a spotlight on the disparity created by rural America's lack of high-speed internet access. This heightened awareness aided NRECA's continuing efforts to advocate for policy changes that assist cooperatives in deploying broadband to underserved and unserved communities. Following passage of the Broadband Deployment and Technological Availability (DATA) Act and with new federal broadband funding initiatives in place, the number of co-ops offering broadband solutions grew to more than 200.
In March 2020, NRECA transitioned all but a small number of its workforce to a telework environment to protect the health and safety of our employees. To preserve our transparent, collaborative and member-centric culture, our IT, building operations, communications and HR teams doubled-down on staff support, communication and engagement. As employees remained focused on delivering outstanding member value and rallied to support one another, NRECA’s Arlington and Lincoln locations were recognized as top workplaces for 2020.

Keeping Remote Employees Engaged

Throughout the year, NRECA supported staff with dozens of activities and resources, including:

- K-12 parents remote learners support group.
- Virtual walk-a-thon and shoe/clothing drive.
- Virtual yoga sessions, a Well-Being BINGO Challenge and training on topics such as ergonomics and managing change.
- NRECA’s Got Talent, featuring talented musicians, baton twirling and a stellar recreation of the famous foot-operated piano scene from the ‘80s hit movie, “Big.”

2020 Highlight Reel

IT to the Rescue of Remote Employees

NRECA’s IT team needed only six days to shift 13 Lincoln call center employees to a remote work environment, enabling them to successfully answer more than 59,000 inbound calls during 2020. Other noteworthy contributions:

- Increased network bandwidth systems by 500% to support remote workers without latency.
- Launched Microsoft Teams software to enhance virtual collaboration among staff and members.
- Completed more than 16,000 requests to support remote staff.

Let’s Talk About It!

In the summer of 2020, NRECA’s new Inclusion Diversity Equity Advocates & Leaders (IDEAL) committee hosted powerful roundtable discussions on the challenging topic of race relations in America, with nearly 100 employees participating. Our growing team of IDEALists continues to drive change from within.

Concern for Community Week

Employees raised $76,900 for NRECA International and the Cooperative Development Foundation’s Disaster Recovery Fund.

Karen Wong wows her colleagues playing “Chopsticks.” Tom Hanks would be proud!
SUMMARY OF OPERATIONS (REVENUE BY SOURCE)

NRECA ended 2020 with total revenue of $251.3 million and total operating expenses of $247.9 million before the Retirement Security (RS) Plan Voluntary Contribution Acceleration Program (VCAP) payment. After the VCAP payment, NRECA ended 2020 with a net margin of $60,000.

Revenue of $25.9 million was generated from member fee-for-service programs, including annual and regional meetings, TechAdvantage®, training and conferences, consulting and RE Magazine. These programs ended the year with a net margin of $1.8 million.

Revenue of $47.6 million was generated from non-member fee-for-service programs, including the buildings owned by NRECA, fees for managing the Homestead Funds and NRECA International. These non-member programs ended the year with a net margin of $8.3 million.

Membership programs consist of government relations, communications, business and technology strategies and other programs. Dues and other income for the year of $35.3 million partially funded the $42 million cost of these programs. NRECA funded the remaining $6.7 million from margins earned on fee-for-service programs.

NRECA is the plan sponsor and plan administrator of three multiple employer plans. NRECA provides plan administration services on a cost reimbursable basis. Office space is provided at market rates.

NRECA Research conducts research to accelerate technological innovation, which is primarily funded by member research dues, federal contracts and cooperative agreements. Revenue is recognized to the extent program expenses are incurred.
Dues paid to the Association cover approximately 76% of the cost to run these programs, and the remaining approximately 24% is subsidized by fee-for-service programs, primarily rental income margins from the buildings.

### 2020 Financial Highlights

#### [NRECA Multiple Employer Plans]

The pension and welfare programs administered by NRECA consist of three multiple employer plans: the RS Plan, the 401(k) Pension Plan and the Group Benefits Program. During 2020, NRECA remained committed to controlling costs while delivering high-quality products and services to member cooperatives and participants.

#### Funding Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>2020 Financial Highlights</th>
<th>2020 Financial Highlights</th>
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<tbody>
<tr>
<td>Retirement Security Plan</td>
<td>$10.9 billion</td>
<td>$1.3 billion</td>
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<tr>
<td>401(k) Pension Plan</td>
<td>$13.5 billion</td>
<td>$758.9 million</td>
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<tr>
<td>Group Benefits Program</td>
<td>$729 million</td>
<td>$643.8 million</td>
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<tr>
<td>Totals</td>
<td>$25.1 billion</td>
<td>$94.6 million</td>
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- **Net Assets**: $10.9 billion, $13.5 billion, $729 million, $25.1 billion
- **Contributions/ Premiums**: $977.9 million, $791.4 million, $714.2 million, $2.5 billion
- **Benefits Paid**: $1.3 billion, $758.9 million, $643.8 million, $2.7 billion
- **Plan Paid Administrative Expenses**: $25.3 million, $36.8 million, $32.5 million, $94.6 million

*Includes $36.1 million in insurance premium payments.

Financial information is preliminary and may change. Expanded financial information is available at electric.coop/annualreport.