

CORDOVA  
ELECTRIC  
COOPERATIVE, INC



2025  
ANNUAL REPORT



# Report to the Membership

Dear Customers of Cordova Electric Cooperative (CEC):

This year marks the 48<sup>th</sup> anniversary of Cordova Electric Cooperative (CEC). This year realized another significant gain in hydro production and reduced diesel consumption and cost with a new record high hydro production of 83.47%, record high diesel efficiency of 14.02 kWh/gallon, and record low diesel use of 327,185 gallons. The hard work of our power generation department has installed new diesel generators and made efficiency upgrades from LED lighting to heat loop optimization to improved maintenance and operations. We installed significant underground conduits in with the support of Cordova Telecom Cooperative and will be installing wire in these new conduits in 2026. These new circuits replace some of the oldest underground circuits in our system. The miles of new utility construction and private construction projects contributed to a few power outages, but circuits were quickly replaced and returned to service, and our overall reliability was good. Our Humpback Creek submarine hydro transmission line was also damaged but CEC crews were able to repair the cables and restore this hydro to our grid in two weeks. For perhaps the first time in CEC history, not a single outage was attributed to power generation. Please note that we update outage information during outages on our CEC Facebook page, or in the 'Outage Center' on our webpage for those who don't do Facebook. We discourage customers from calling CEC employees who are diagnosing and fixing the issue as quickly and efficiently as possible.



CEC continued to advance grant-funded upgrades to our Humpback Creek plant which will increase the energy output and reliability of the plant by upgrading aged turbines, hydraulics, and valves. The grant was awarded to the Native Village of Eyak who continues to be a strong partner in securing grant funds for CEC and collaborating on other areas of community benefit. The tribal consortium of Native Village of Eyak, The Eyak Corporation, and the Chugach Alaska Corporation has secured over \$1,100,000 of funding for extending power to new areas and increasing the reliability of circuits on the grid and we appreciate the long and successful partnership with those organizations. We are crafting a loan fund program for heat pumps with a CEC awarded USDA revolving loan fund to offer 0% interest loans for heat pump installations as the loan funds are released. The new rate structures approved for 2026 encourage energy use to grow our sales against high fixed costs to keep pressure off increasing rates. Numerous organizations including seafood processors and those mentioned above and elsewhere in the annual report contributed to these projects and programs and this year's successes for the community's benefit.

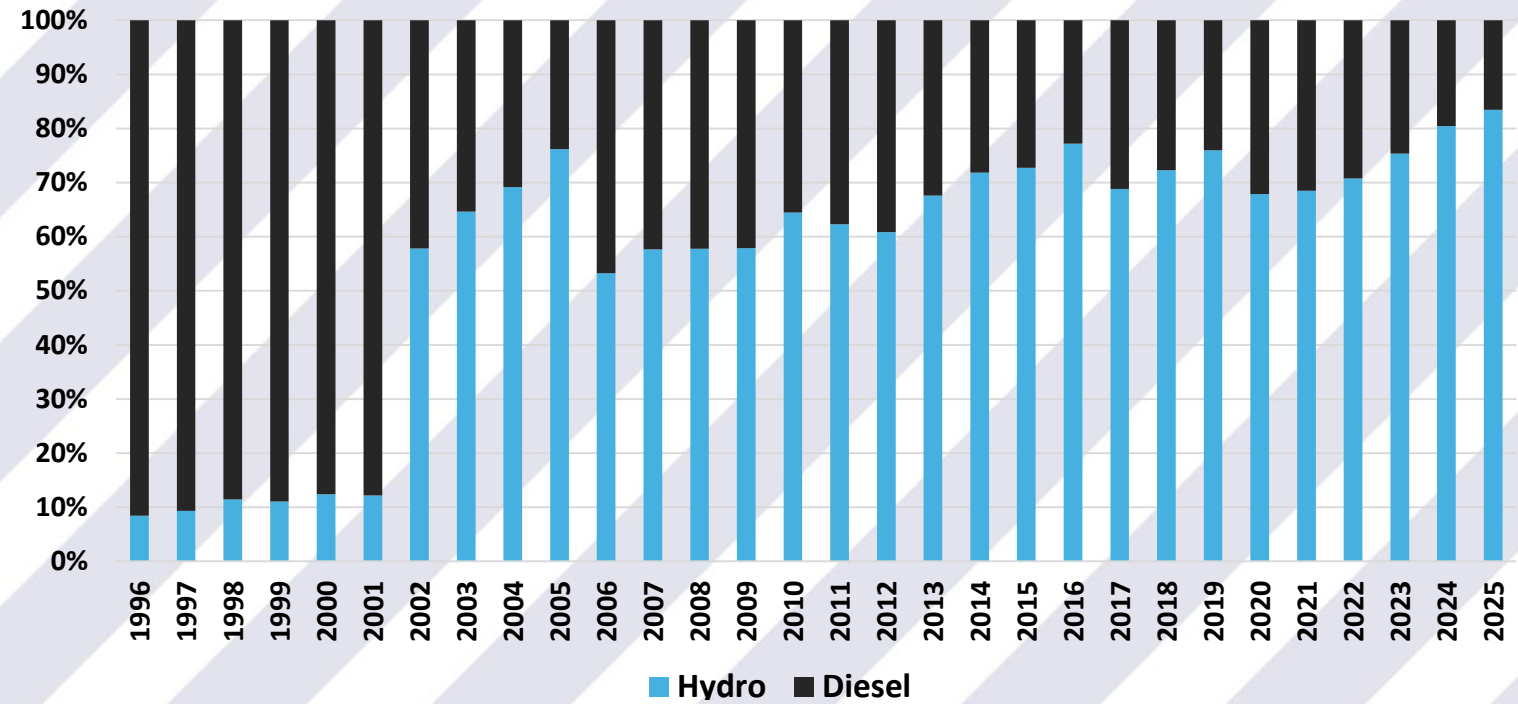
As we look forward to the coming year, we continue to upgrade our diesel plant with another generator replacement, and our hydro production with the Humpback Creek plant upgrade. We will continue to replace aged underground wire in conjunction with State Highway projects, CTC fiber installations, tribal consortium partners, and new customer lines. We continue to work to attract new industries and energy use to the community and hope to see progress in this area. None of this work is possible or successful without the efforts of the dedicated board and staff of CEC and our community partners as we work to assure safe, reliable, and reasonably priced energy for the community. I am grateful to work with such a dedicated team.

We look forward to seeing you at the annual meeting on March 16<sup>th</sup> at the Cordova Center, and our annual customer appreciation event later this year. Respectfully, Clay Koplin, CEO



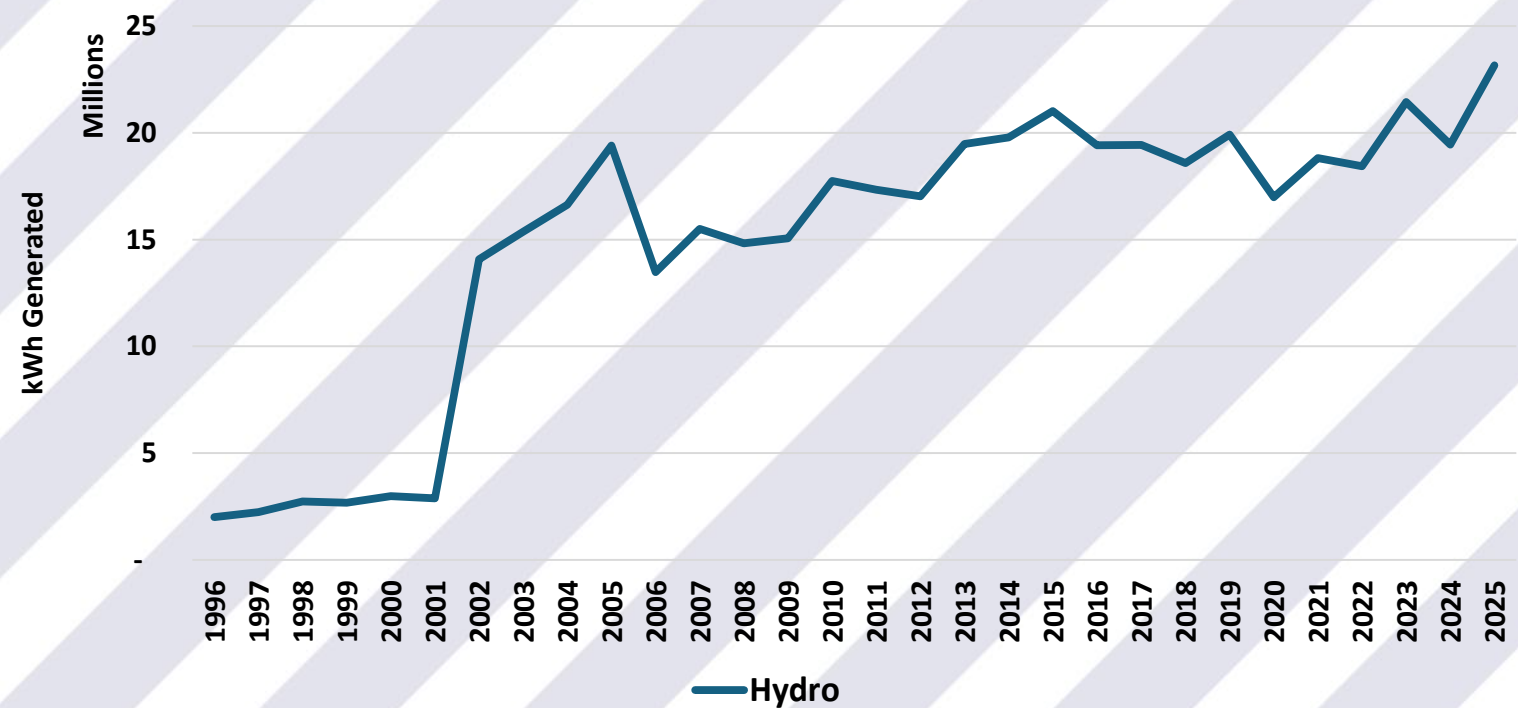
# Power Generation

## Power Generation Percentage



In 2024, CEC broke a record by producing 80% of Cordova's power with hydro. In 2025, we broke a new record, exceeding 83%. This accomplishment is the culmination of many different efforts to maximize our hydro resources and improve efficiency of our diesel, which helps keep the cost of power down for all of our members.

## Kilowatt Hours (kWh) Generated by Hydro



While percent hydro is the main metric we track, kWh generated by hydro is a better measure of how we maximize our hydro. Since hydro infrastructure is already in place and the fuel (water) is free, every additional kilowatt-hour we squeeze out of our plants is essentially free, which contrasts with diesel where we pay for the fuel.

# Concern for Community

## CoBank Sharing Success

Each year, CEC participates in the CoBank Sharing Success program. The funding for this program is split 50/50 between CEC and CoBank and this is the 12th year in a row that CEC has participated. In 2025, CEC awarded four local organizations \$7,500 each.



Cordova Pounders Club



Mavis Island Project



Iceworm Swim Team



Cordova School District

## City of Cordova Partnership

Since there is a lot of overlap between CEC's membership and Cordova citizens, it makes sense to work with the City of Cordova to find win-win partnerships. 2025 was a banner year for collaboration with the city:

**Power Plant Land Sale:** The city agreed to sell the land our power plant resides on. This offers security for our assets and a decent amount of funds for the city.

**Second Street Contribution:** The State of Alaska is going to be reconstructing Second Street in the coming years with a match from the city. CEC is helping support the city match with a significant contribution. The project includes upgrades to CEC infrastructure, so our contribution is an investment in CEC and the community!



# Heat Pumps in Cordova



In 2025, the CEC Board created a heat pump incentive program that provides \$5,000 towards the purchase and install of a heat pump. Beginning in 2026, there is a new heat pump rate class. We're looking forward to seeing what the future of heat pumps in Cordova holds. Here's a Q&A to get you up to speed:

**What is a heat pump?** A heat pump is a heating/cooling system that uses a refrigeration cycle to extract heat/cold from outside and bring it inside. Electric heaters use resistive heat, which is very inefficient compared to heat pumps that use electricity to run the fans and refrigeration cycle. It's counter-intuitive, but the refrigeration cycle is able to extract heat from cold air outside and then turn that into heat inside of your house. There are many different types of heat pumps, but the most common for residential uses is air-to-air, meaning it uses a fan inside and outside to transfer heat through the air.

**Do they work in Cordova?** Yes, there are at least eight heat pumps operating in Cordova. All of the photos on this page are in Cordova. Heat pumps are more popular in southeast Alaska, where they have been around longer. Heat pump technology has improved a lot recently, particularly with models that work better in cold climates.

**Do we want them in Cordova?** CEC is looking at ways of modestly and sustainably growing sales, and heat pumps are a good opportunity for us to do so. Even though we have to burn a lot of diesel in winter, there are many times when we have excess hydro power and increasing energy sales during those times helps all of our members.

**How can I get one installed ?** As with anything that requires skilled labor in Cordova, it can be challenging to find people able to do this work. There are vendors locally and in the state, and hopefully as heat pumps become more popular it will be less difficult to get one.

**How can I find out more information about the heat pump incentive program and rate class?** We have the application for the incentive program on our webpage and are happy to talk to you if you have any questions.



**CEC Employees are Proud Community Members!**

Our employees are involved in the community in the following roles:

- Clay Koplin - Copper River Ducks Unlimited Committee
- Brian Wagner - 8 Ball Tournament League
- Leif Stavig - Cordova Chamber of Commerce Board
- Garrett Collins - Harbor Commission, CR/PWS Fish and Game Advisory Committee
- Ben Simpler - Cordova Telecom Cooperative Board, Cordova Community Baptist Church Deacon
- Emma Merritt - Cordova School Board

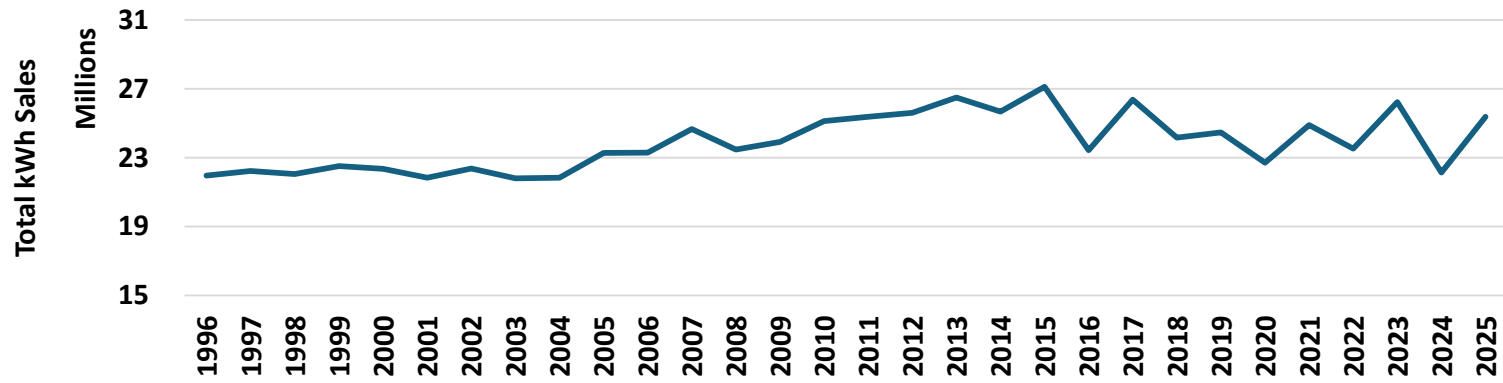
# 2025 Annual Meeting

A big thank you to all of our members who engage with the cooperative and participated in our St. Patrick's Day themed Annual Meeting last year. Other cooperatives are floored when they learn that 30% of the members vote in elections and over 15% attend the Annual Meeting. CEC's success is our community's success. Keep it up!



# Data Analysis

## Annual Kilowatt (kWh) Hour Sales

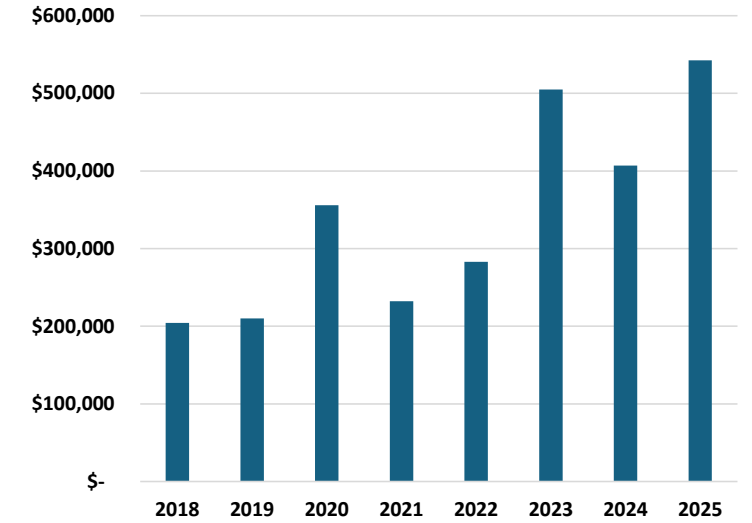


kWh sales have been slightly trending down over the last 10 years. Seafood processing is the reason for the swings from year to year, with odd years having more sales than even.

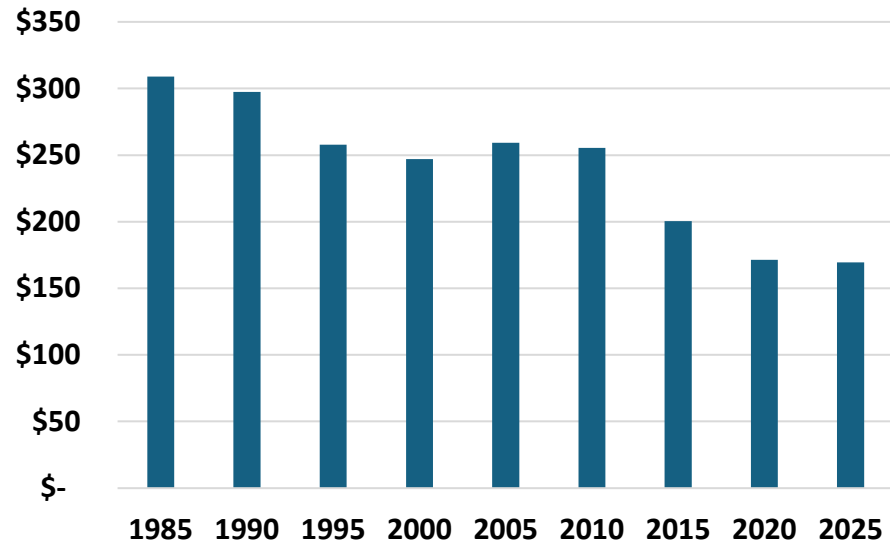
## Capital Credit Retirement

CEC retired capital credits again in 2025, from the years 1983, 1984, and 2020. Current members automatically had the credit applied to their bills.

Capital credits are the hallmark of cooperative membership and retirement of the credits demonstrate our strong financial performance. Profits, or margins, are allocated to each member on a yearly basis, and get returned back to members at a later date. CEC is proud to return capital credits to our fellow members of the cooperative. CEC has retired nearly \$3 million in capital credits since 2018.



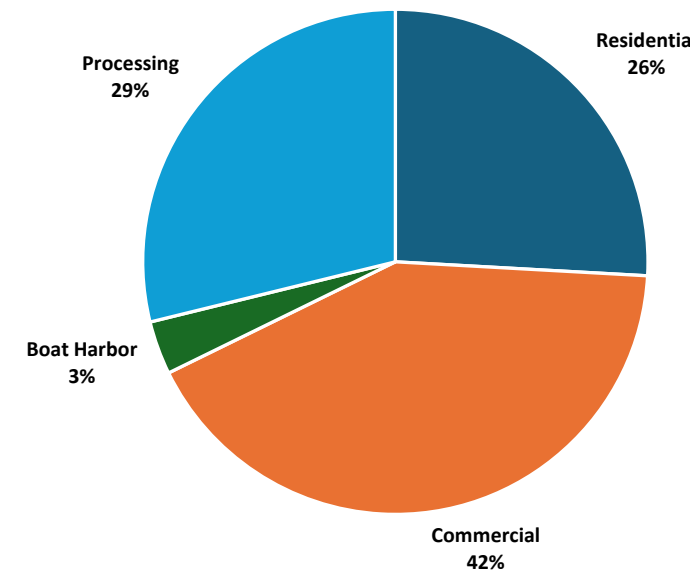
## Average Monthly Residential Bill Adjusted for Inflation



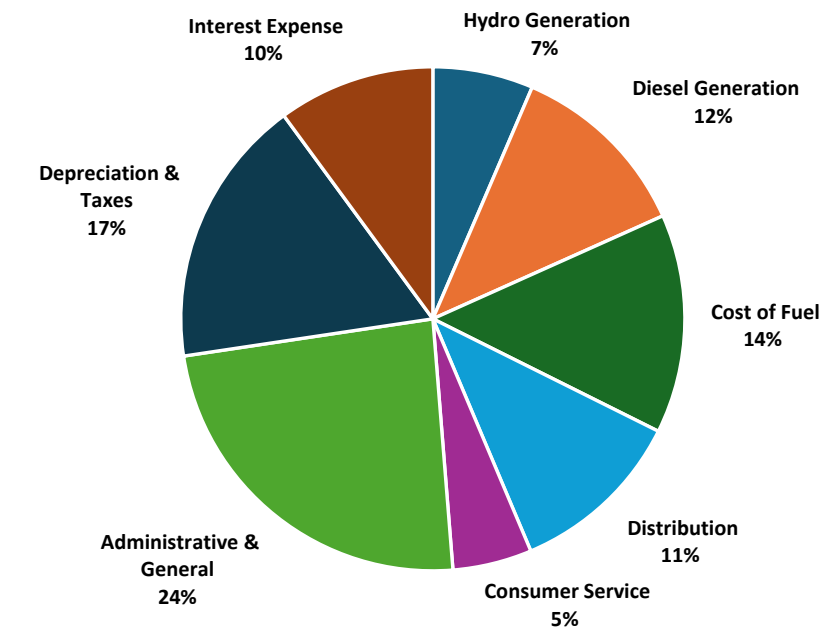
We get it, energy isn't cheap in Cordova. In recent years, nation-wide energy costs have been increasing at a rate higher than inflation. Despite all of the factors working against us, over the last 40 years, CEC has been able to consistently keep our rates lower than inflation and improve our reliability.

If our rates increased at the same rate as inflation since 1985, residential bills would be nearly double what they are today.

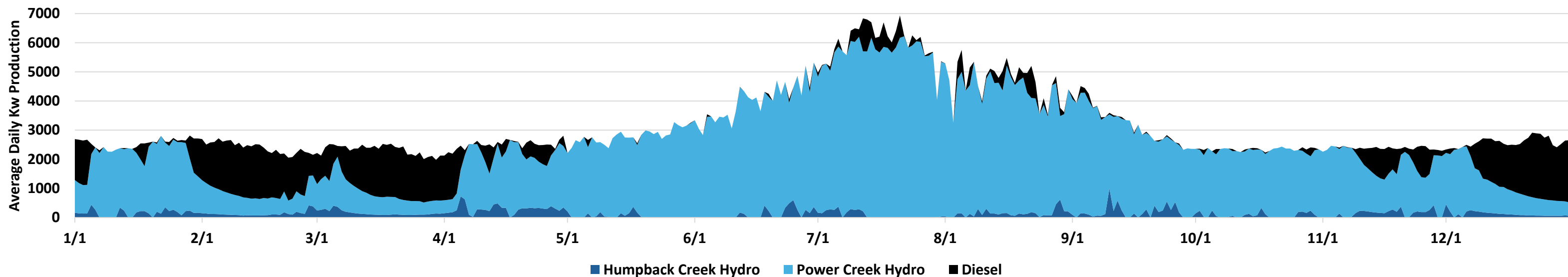
## 2025 Revenues



## 2025 Expenses



## 2025 Power Generation



# Customer Appreciation Day

CEC held the annual Customer Appreciation Day in October. We cooked up ribs, pulled pork, dogs, and burgers and fed what felt like the entire town! Cookies from Meadow Cottage Bakery and sides from Copper River Couch Potatoes sealed the deal. We'll see you again this year, don't plan on leaving town in October!



# Board Candidates

The CEC Nominating Committee nominated four members of the cooperative to run for the CEC Board of Directors. The top two candidates will be elected to serve three-year terms. The following information was submitted by each candidate.

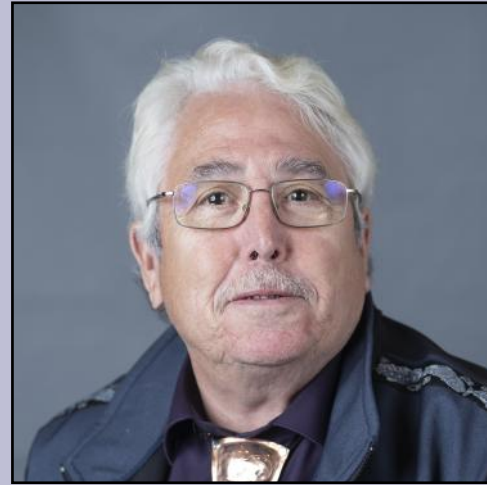
## Joe Cook (Incumbent)

**Community Involvement:** I have served on the Igloo 19 - Cordova Harbor and Labor Hall board Presently, CEC, Alaska Power Association, and the AREC Insurance Board

**Why are you interested in serving on the CEC Board?** A few years ago, I decided not to run for the board. I found I missed the Company, the staff, and the Statewide people I have worked with over the years. I have found that just about all the co-ops in the state have trouble finding cheap money or grants or people to work for them, no easy task even here in Cordova Sometimes they have to borrow it, as we have, long term low interest when we can find it.

We have a great staff, plus workers who keep our lights on at the lowest price the company can afford -and still pay for the fuel, insurance, parts & people we need I am willing to serve if elected - I could say it used to be fun, but it wasn't. Except for the Workers at CEC, plus the statewide people I have met and worked with over the years, there have been a lot of them. Their main goal is to keep the lights on at the lowest rate possible

Thank You  
Joe Cook



## Rob Campbell (Incumbent)

**Community Involvement:** As a working scientist I spend a lot of time on outreach activities, trying to share the results of my and my colleagues' work with anyone who is interested. As well as basic research and oceanography I have been lucky enough to be involved with some applied projects to improve fisheries management decisions and increase fishing opportunities in the region. I joined the board of CEC to help support the community and make use of the problem solving and critical thinking skills I have developed over the years.

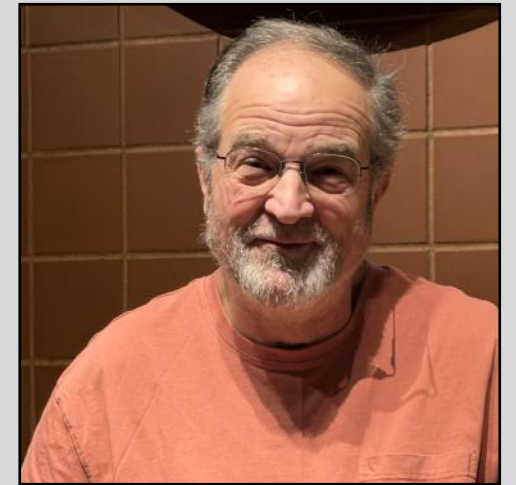
**Why are you interested in serving on the CEC Board?** Over my last term I took myself to Electric Co-op school and completed the Credentialed Cooperative Director Certification. I learned a lot, but the amount of it that was not new is a real testament to the training that CEC provides new directors, and how well staff gives us the information we need and the tools and context to understand it. I've also become more involved with lobbying the Legislature and become Vice Chairman of the board. I think that Cordova's ability to survive and thrive in the future is tightly tied to our cost of living, and the price of power is a big cost. We need to burn less diesel: it is about seven times more expensive than hydropower. I think our path to success is to develop stored hydropower to help get us through the winter months without the big fuel surcharges. I would like to continue working with staff and the board to make that happen if the membership agrees.



## Jeff Guard

**Community Involvement:** I served on the Cordova City Council for 8 years.

**Why are you interested in serving on the CEC Board?** I see this as a dynamic time for CEC. I would like to help develop value for its customers.



## Jake Holley

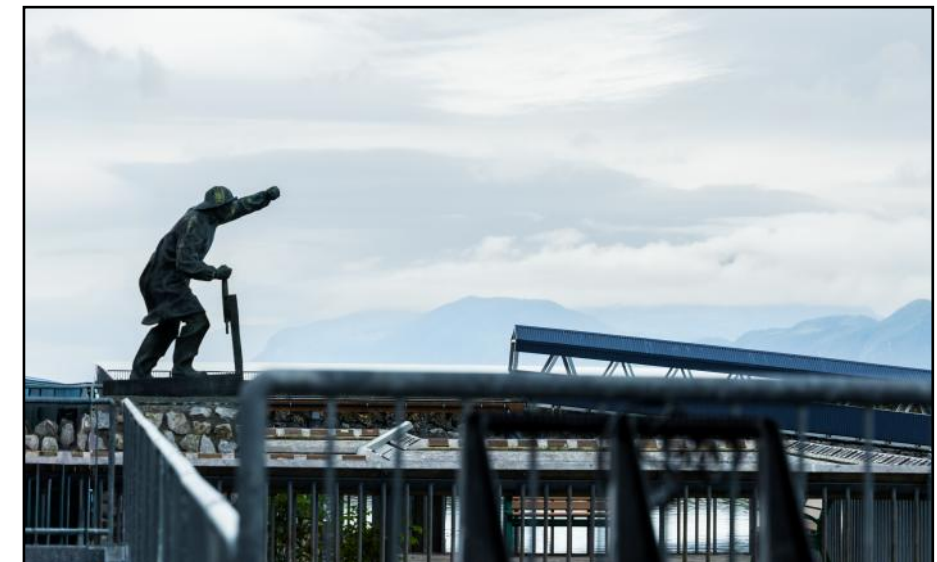
**Community Involvement:** My parents moved our family to Cordova in 1996, and I graduated from Cordova High School in 1999. I currently work for AML/Lynden moving fish and groceries in and out of Cordova for the last 20 years. I'm a current homeowner for the past 11 years and I have 2 amazing sons.

**Why are you interested in serving on the CEC Board?** To be completely honest I never even thought about it until 2 members of the nominating committee asked me if I would be interested. I greatly appreciate that they would consider me for this position. I believe that I bring a unique perspective to the board which I'm excited to share given the opportunity. It's amazing when you get a group of individuals together with different perspectives what they can accomplish. One of my skills is logistics as we all know getting supplies in and out of a remote town in Alaska is very challenging. I love a good challenge and utilizing the many resources available to get the job done. Serving on the board would help me to learn new skills and to be part of a resource that we all rely on.



Thank you to everyone who agreed to run for the board and the members of the Nominating Committee:

- Bill Lindow
- Kasey Kinsman
- Kate Morse
- Guido Casciano
- Sean Den Adel



# Cordova Electric Cooperative 2026 Annual Meeting

Monday, March 16, 2026 - Cordova Center  
Registration @ 5 pm - Meeting @ 6 pm

Cordova Electric Cooperative invites all members to participate in the 2026 Annual Meeting. Please bring the invitation included in your Annual Report packet for faster check-in!

The Annual Meeting will be held on Monday, March 16th, 2026 at the Cordova Center. Registration will begin at 5:00 pm. The meeting will start promptly in the theater at 6:00 pm and will last approximately one hour with the drawings for prizes at the end. Following the meeting, food will be served in the atrium.

At the meeting, members will select one of three grand prizes to be drawn. All members will be entered to win 20+ additional prizes. Members must be present to win.

## Annual Meeting Agenda

1. Call to Order and Determine Quorum
2. Reading of Notice of Meeting
3. Approve 2025 Annual Meeting Minutes
4. Election of Board Directors / Bylaw Proposition Results
5. Reports of Officers
6. Unfinished Business
7. New Business
8. Adjournment

CORDOVA ELECTRIC COOPERATIVE  
2025 ANNUAL MEETING  
MARCH 17, 2025  
DRAFT MINUTES

### 1. CALL TO ORDER

Chair **Joe Cook** called the 47<sup>th</sup> Annual Meeting of Cordova Electric Cooperative to order at 6:00 PM on March 17, 2025. Cook stated there were 1027 members of record, making 50 members present a quorum. 117 members were present so there was a quorum.

### 2. READING OF NOTICE OF MEETING

With no objection, **Cook** waived the reading of the meeting notice.

### 3. APPROVE 2024 ANNUAL MEETING MINUTES

With no additions or corrections, **Cook** stated the minutes were approved as presented.

### 4. ELECTION OF BOARD OF DIRECTORS / BYLAW PROPOSITION RESULTS

**Cook** introduced the current board members: **Stephen Phillips**, **Steve Ranney**, **Rob Campbell**, **Andrew Smallwood**, **Natasha Casciano**, and **Lynnette (Lohse) Wright**. **Cook** introduced the board nominees: **Ranney**, **Smallwood**, **Penny Oswalt Stimson**, **Jeremy Botz**, **Pete Mickelson**, and **Heather Thorne**. **Cook** provided the nominees to the board the opportunity to speak and none chose to. **Cook** asked the members if everyone wishing to vote had done so, and declared the ballot closed.

### 5. REPORTS OF OFFICERS

**Cook** provided a report on 2024. **Cook** recognized CEC employees and board directors for service milestones: **Phillips** – 5 years, **Campbell** – 5 years. **Michael Rovito**, Deputy Director of the Alaska Power Association, provided an update on statewide electric utility issues. **Emma Merritt**, Chief Financial Officer, gave the Treasurer's Report. **Clay Koplin**, Chief Executive Officer, gave a CEO Report.

### 6. UNFINISHED BUSINESS – none.

### 7. NEW BUSINESS – none.

### 8. ADJOURNMENT

**Cook** announced that the Election Committee was still tallying the ballots and the election results would be posted on the website and CEC Facebook page as soon as they were completed. With no further business, **Cook** declared the meeting adjourned at 6:45 PM.

## Statement of Operations

	2023	2024	2025
Energy Charges	6,301,635	6,309,675	6,966,108
Fuel Surcharges	1,838,545	1,148,747	1,052,678
<b>Operating Revenue</b>	<b><u>8,140,180</u></b>	<b><u>7,458,422</u></b>	<b><u>8,018,786</u></b>
Hydro Generation	631,029	417,374	482,759
Diesel Generation	1,029,085	903,965	887,081
Cost of Fuel	1,838,545	1,148,747	1,052,678
Distribution	827,900	638,203	844,547
Consumer Service	359,849	354,325	380,478
Administrative & General	1,451,051	1,592,886	1,789,774
<b>Total Operating &amp; Maint Expenses</b>	<b><u>6,137,459</u></b>	<b><u>5,055,500</u></b>	<b><u>5,437,317</u></b>
Depreciation & Taxes	1,286,795	1,299,201	1,294,563
Interest Expense	686,766	754,627	753,758
Other	3,572	6,717	37,582
<b>Total Cost of Electric Service</b>	<b><u>8,124,592</u></b>	<b><u>7,116,045</u></b>	<b><u>7,523,220</u></b>
<b>Operating Margins</b>	<b>15,588</b>	<b>342,377</b>	<b>495,566</b>
Non-Operating Margins	354,918	(437,742)	119,228
Patronage Dividends	253,758	323,877	208,830
<b>Patronage Capital or Margins</b>	<b><u>624,264</u></b>	<b><u>228,512</u></b>	<b><u>823,624</u></b>

## Balance Sheet

ASSETS	2023	2024	2025
<b>Plant</b>			
Plant & CWIP	54,049,208	53,496,559	56,062,009
Depreciation	(23,195,104)	(22,496,983)	(23,717,546)
<b>Net Plant</b>	<b>30,854,104</b>	<b>30,999,576</b>	<b>32,344,463</b>
<b>Current Assets</b>			
Investments	3,363,408	3,522,875	3,576,053
Cash	2,450,583	1,004,129	3,114,819
Other Assets	2,001,511	1,656,155	2,053,526
<b>Total Other Assets</b>	<b>7,815,502</b>	<b>6,183,159</b>	<b>8,744,397</b>
<b>TOTAL ASSETS</b>	<b>38,669,606</b>	<b>37,182,734</b>	<b>41,088,860</b>
<b>EQUITY &amp; LIABILITIES</b>			
Margins & Equity	19,356,710	19,283,008	20,737,762
Long Term Debt	18,614,845	17,268,335	19,722,608
Current & Accrued Liabilities	698,051	631,391	628,490
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>38,669,606</b>	<b>37,182,734</b>	<b>41,088,860</b>

# Board of Directors

Stephen Phillips - Chair

Rob Campbell - Vice Chair

Steve Ranney - Secretary/Treasurer

Joe Cook

Andrew Smallwood

Natasha Casciano

Lynnette (Lohse) Wright

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## Attorney

Andy Leman

*Kemppel, Huffman & Ellis, P.C.*

## Auditor

Julie Desimone

*Baker Tilly*

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# Employees

## Management

Clay Koplín - Chief Executive Officer

Russ Goss - Manager of Generation

Emma Merritt - Chief Financial Officer

Trever Kudrna - Technology Manager

Leif Stavig - Executive Assistant/HR

## Distribution Department

Ben Simpler - Journeyman Lineman

Christopher Platt - Apprentice Lineman

## Finance Department

Angela Jeppson - Lead Customer Service Rep.

Sheldon Ryan - Customer Service Rep.

Kaleb Rubner - Staking Tech/Warehouse

## Generation Department

Brian Wagner - Generation Foreman

Garrett Collins - Maintenance Operator

Jason Borland - Apprentice Maint. Operator

Royce Landeen - Apprentice Maint. Operator

Arnold Barbaza - Apprentice Maint. Operator

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