GVEC exists to empower the people and communities we serve. This is our purpose, and it is a mighty one, built on a simple, yet powerful commitment to serving. Every GVEC employee believes deeply in this purpose—in this commitment—to building stronger communities, exceeding expectations and making a difference in the lives of all we serve.
GM & PRESIDENT’S MESSAGE

2022 will be remembered as a time of transition and a year of contrasts. GVEC faced considerable adversity, the most challenging of which were inflation and supply chain troubles. Restarting the interconnected system of global supply lines from pandemic lockdowns proved a long, complicated process. Although these difficulties started in 2021, they accelerated in 2022, creating extremely fluid supply dynamics that changed week to week. As one component would become available, another would then be delayed. Materials previously expected to arrive in days or weeks experienced months-long delays—sometimes longer. This environment greatly contributed to inflationary pressures not seen in over 40 years.

Meanwhile, Winter Storm Uri continued impacting the electric industry in 2022. In the storm’s immediate aftermath, state lawmakers implemented some reforms to the Texas energy market and statewide electric grid. Longer-term solutions, however, have required more time and patience. The Public Utility Commission of Texas began implementing mandates from Senate Bill 3, passed by the 87th Legislature in 2021, relating to tighter regulations and administrative and civil penalties in regard to preparing for, preventing, and responding to weather emergencies and power outages. Additionally, inflationary pressures sent natural gas prices, which are critical to electric generation throughout Texas, skyrocketing during parts of 2022. Fortunately, such difficulties are only part of last year’s story. No matter the obstacles, GVEC remained focused on what can be accomplished when the power of many work toward a purpose that’s larger and more important than any individual. Guided by that mighty purpose, we emerged from 2022’s adversities, overcoming or working around them, stronger and more resolved than ever.

GVEC managed supply chain difficulties through a combination of resourcefulness, persistence and continuous, proactive communication. Throughout the supply and demand crunch, the Cooperative’s Electric and Internet businesses benefited immensely from our affiliation with Texas Electric Cooperatives (TEC). We partnered with TEC in 2018 to run GVEC’s warehouses and do all our purchasing. Their extensive, pooled buying power and sourcing access were, in large measure, responsible for empowering us to surpass our Fiber buildout goals for 2022.

On the Beyond the Meter HVAC and Electrician services sides, our relationships with vendors, suppliers and manufacturers grew closer as we coordinated with them to overcome supply challenges; we also established new supply chain partnerships where necessary. Cooperative employees worked tirelessly to achieve practical, satisfactory outcomes for those we serve, adapting to shortages with great flexibility to find alternate, but comparable products wherever possible.

Near the end of 2022, we gained a seat on the board of the National Information Solutions Cooperative (NISC), an important “cooperative of cooperatives” providing advanced communications and IT-based solutions to members like GVEC.

Meanwhile, GVEC’s rock-solid commitment to returning to pre-Uri financial footing by 2025 remained firmly on track in 2022. The Board helped advance this goal by converting short-term Uri debt to longer-term loans. We completed this conversion before the federal government began hiking interest rates, allowing us to secure highly favorable terms and limit Uri’s year-over-year financial impact on member bills.

We also celebrated the completion of a fiber-optics “on-ramp” connecting Texas Lutheran University (TLU) to the prestigious, ultra-speed Lonestar Education and Research Network (LEARN). GVEC also became a founding member of the Texas Broadband Now (TBN) coalition in 2022, an organization promoting broadband expansion into underserved and unserved communities across Texas. In summer, we debuted Time of Use (TOU) electric rates for our solar and battery storage members, designed to help them save even more on electric costs and reduce overall demand on the grid during peak hours. We designed a Large Commercial Renewable Rate last year, too, for our industrial members, allowing these businesses to receive formal credit for sourcing part of their power from renewables.

These were hardly GVEC’s only successes last year. Near the end of 2022, we gained a seat on the board of the National Information Solutions Cooperative (NISC), an important “cooperative of cooperatives” providing advanced communications and IT-based solutions to members like GVEC. 2022 also marked the culmination of Cooperative programs and initiatives that local communities have come to expect and depend on. Our Power Up™ grant program, for instance, celebrated its 10-year anniversary. We also launched a new website to clearly convey the GVEC brand as one cooperative offering multiple services to members and the surrounding communities. In the pages ahead, you’ll read more about these and other notable happenings at your Cooperative in 2022.

Finally, this year’s Report will highlight a historic milestone for GVEC as long-time Board President Lewis Borgfeld and Vice President Melvin E. Strey stepped down from their roles on the Executive Leadership Committee in 2022. Lewis has represented District 2 since 1973, becoming President of the Board of Directors in 1986. Melvin became District 7 Director in 1977 and Vice President in 1992—that’s 36 years of executive leadership for Lewis, 30 for Melvin. Fortunately, both will remain on the Board as District Directors and continue to serve GVEC members into the future.

Their time with the Cooperative spans too many changes, accomplishments and years to summarize or properly acknowledge in this space. We’ve therefore reserved an entire section in this year’s Report. We end here by thanking both men for their steadfast commitment to and unwavering belief in the cooperative way. GVEC exists to build stronger communities, to empower and to improve quality of life. We hope you see your Cooperative is challenging the status quo and embracing change to go above and beyond for our members and customers.

Gary E. Birdwell
Board President

Darren Schau
General Manager and CEO
As GVEC and DeWitt Electric Cooperative were forging closer ties during the 1990s and into the early 2000s, a critical change was also reshaping the electric industry itself—deregulation. This transformation to the way of doing business across the energy sector led GVEC to reassess its power supply contract options. As GVEC navigated the new realities of deregulation, Lewis’ leadership again came to the fore. From its founding in 1938, the Cooperative had purchased power almost exclusively from the Lower Colorado River Authority (LCRA). After years of negotiating and analyzing alternatives, GVEC decided in 2016 to end its LCRA contract and begin managing its own power supply on the Texas energy market. Lewis was again instrumental in helping make this historic decision. The resulting transition has empowered GVEC to create a flexible, diversified portfolio of power suppliers that can be adapted over time as legal, regulatory and technological changes occur.

Throughout 85 years, GVEC has been led by a relatively small group of bright, visionary individuals committed to serving others. Many of these men and women, believing profoundly that ours is a mighty purpose, have spent decades here. The service of Lewis Borgfeld and Melvin E. Strey exemplifies such wise, enduring leadership. When they stepped down in 2022 as President and Vice President, respectively, of GVEC’s Board of Directors, it marked the end of an era. With this 2022 special section, we present a brief celebration of their tenure.

Lewis Borgfeld served 36 years as the third President of GVEC’s Board of Directors. His was the longest tenure not only of any Board President, but also of any Director or General Manager. When Lewis stepped down as President in 2022, he’d served as Director of District 2 since 1973—49 years. 2023, of course, marks his 50th year. 2023 will mark Melvin E. Strey’s 46th year on the Board. He was first elected as District 7 Director in 1977, becoming Board Vice President in 1992. He served in that capacity 30 years before stepping down alongside Lewis in July 2022.

A TRULY HISTORIC TENURE

During 36 years as President, Lewis helped guide GVEC through some of its most historic, consequential decisions. In 1986, for example, he and then General Manager Doyle Hines steered GVEC through the process of fully repaying all Cooperative debt to the Rural Electrification Administration (REA). This settlement made GVEC the first cooperative in the United States to pay its REA loan in full. It was a trailblazing move, freeing the Cooperative to seek financing in private capital markets. This decision has paid significant dividends ever since, while setting an example for other cooperatives to follow.

Additionally, Lewis was instrumental in leading the expansion of GVEC products and services during the 1990s. Under his guidance, the Cooperative debuted Internet service for local rural communities and Beyond the Meter products and services like HVAC as well as distributed energy resources (DER). He steadfastly championed GVEC’s economic development activities, too, playing a pivotal role in attracting and retaining numerous industrial businesses to GVEC’s service territory. The most recent example of his advocacy in this regard is the Aisin (AW Texas) factory that opened in Cibolo in 2021. In 2002, when GVEC consolidated with DeWitt Electric Cooperative, it happened largely thanks to years spent building trusting relationships between the Boards of both cooperatives. Lewis played a key role in fostering those relationships, leading ultimately to a successful merger that has greatly benefited GVEC.

As GVEC and DeWitt Electric Cooperative were forging closer ties during the 1990s and into the early 2000s, a critical change was also reshaping the electric industry itself—deregulation. This transformation to the way of doing business across the energy sector led GVEC to reassess its power supply contract options. As GVEC navigated the new realities of deregulation, Lewis’ leadership again came to the fore. From its founding in 1938, the Cooperative had purchased power almost exclusively from the Lower Colorado River Authority (LCRA). After years of negotiating and analyzing alternatives, GVEC decided in 2016 to end its LCRA contract and begin managing its own power supply on the Texas energy market. Lewis was again instrumental in helping make this historic decision. The resulting transition has empowered GVEC to create a flexible, diversified portfolio of power suppliers that can be adapted over time as legal, regulatory and technological changes occur.

Throughout the course of these monumental decisions and historic accomplishments, Melvin has been there too, serving alongside Lewis as Vice President, always delivering prudent advice and steady, dependable leadership. His capacity for detail and insistence on perfection improve everything he touches, be it the wording of Board minutes or a multimillion-dollar contract. His unique perspectives often challenge others to seek out the best solution. Moreover, Lewis and Melvin’s leadership can always be counted on to keep Boardroom discussion not only professional and focused, but also consistent with our Cooperative purpose: empowering others and improving the quality of life for those we serve.
ELECTRIC FOR EVERY GENERATION

Eighty-five years ago, when the sun went down across local communities, Rightail was unlike anything known today. Except for oil lamps—maybe a fire in the hearth—darkness was complete. Sunset meant bedtime for most people, while sunrise signaled time to wake and get working. The advent of electricity changed everything. Cooperatives like GVEC helped make it happen by democratizing rural electrification, taking “power” away from stock-owned utilities and shifting it to member-owners.

Sunrise over South Central Texas in 2022 illuminates a vastly different world. People live and work on a diverse array of schedules. Technology, connectivity and electricity pervade every corner of life. Through it all, neither GVEC’s nonprofit status nor our purpose of empowering lives have changed.

MIGHTY TECHNOLOGIES FOR ELECTRIC DISTRIBUTION

Solar electric is part of a relatively new product class called distributed energy resources (DER). Other DER technologies include battery storage, electric vehicles (EV), EV charging systems and others. Certain DERs can be incorporated to create a localized distribution system called a “microgrid.” Microgrids connect to larger electrical grids but are not dependent on them to keep power flowing to locally connected homes, businesses and infrastructure during outages.

Consumers purchased DERs in record numbers last year. This fact helped drive collaboration between the Public Utility Commission of Texas (PUCT), DER manufacturers and electric providers regarding DER policy and guidelines moving forward. The goal is to develop formalized DER interconnection, monitoring and usage processes, and criteria for quantifying the overall capacity of these devices. This ongoing work will be critical in helping determine how effectively DERs are used in coming years to enhance grid reliability. Locally, GVEC began exploring options in 2022 for posting DERs connected to our grid.

INFORMATION, MAINTENANCE AND SYSTEM IMPROVEMENTS

We’ve kept pace with explosive electrical demand and technological advances over the years not only by expanding our infrastructure and keeping it well-maintained, but also by continually upgrading it. With 194 distribution circuits in place as of December 31, 2022, and continual growth in customers and electric demand, constant inspection, maintenance, and improvement projects continued throughout the year. That scope of work included the following:

- 9,734 total pole inspections
- 1,108 pole replacements
- 489 miles of right-of-way maintenance (tree trimming, brush clearing and removal, cutting grass, and more)

USB IMPACTS CONTINUED DURING 2022

In response to legislation passed under the Public Utility Regulatory Act (38.074(b)(2)) and amendments to Title 16, Texas Administrative Code (25.520(b)(2)(A)), GVEC applied “critical load” status to a number of its industrial accounts. These accounts had received prior approval for said designation by the Railroad Commission of Texas (RRC). The RRC administered a new application process open to companies in the oil and gas sector integral to electric production, especially during emergencies. In the event of another Uri-like event, these accounts will be prioritized for continued power delivery if the need for rotating outages arises.

Loss of power to such facilities during Uri-related rotating outages exacerbated the industrial accounts. These accounts had received prior approval for said designation by the Railroad Commission of Texas (RRC). GVEC applied “critical load” status to a number of its industrial accounts. These accounts had received prior approval for said designation by the Railroad Commission of Texas (RRC). The RRC administered a new application process open to companies in the oil and gas sector integral to electric production, especially during emergencies. In the event of another Uri-like event, these accounts will be prioritized for continued power delivery if the need for rotating outages arises.

ELECTRIC IN EVERY SUNRISE

Every new day across our region in 2022 delivered another opportunity for the Cooperative’s rooftop solar owners to harness free electricity. GVEC’s rooftop solar capacity totaled around 25.4 megawatts (MW) in 2022, a 4.5 MW increase from 2021. What’s more, over the last few years, the Cooperative has consistently been a leader among all Texas electric providers in terms of rooftop solar electric capacity.

Our SunHub Community Solar project further increases GVEC’s supply of clean solar electricity by 2 MW annually.

CONNECTING WITH PURPOSE

We launched GVEC Fiber Internet in 2013 to deliver more local high-speed rural broadband. However, the considerable advantages of a Cooperative-owned, fiber-based communications system integrated into our grid have become sharply clear in recent years. To function correctly, for example, DERs require immense amounts of real-time data. Older, copper-based communications simply don’t have adequate capacity. With each new mile of fiber-optic cable added in 2022, we increased not only local fiber internet access, but also the capacity of our grid to properly coordinate future DER and microgrid implementation and usage. Fiber itself helps enhance grid resiliency and reliability by creating a system that can regulate itself, identifying, diagnosing and even repairing certain problems without human intervention.

PEAK-TIME PAYBACK (PTP)

PTP participants allow GVEC to use their internet-connected thermostats to help reduce overall power usage along the grid during peak-usage times between June and September. The program works with thermostats from Nest®, Ecobee, Amazon and Honeywell Home. Participants receive a one-time $85 bill credit for joining PTP and a $30 bill credit for each overall power usage along the grid during peak-usage times between June and September.

Participants receive a one-time $85 bill credit for joining PTP and a $30 bill credit for each

PEAK-TIME PAYBACK 2022 SIGNUPS AND SAVINGS

<table>
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<tr>
<th>Year</th>
<th>Total New PTP Signups for 2022</th>
<th>Total New Enrollments as of Dec. 31, 2022</th>
<th>Total Savings in Transmission Costs for 2022</th>
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<td>679</td>
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<td>8,843</td>
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MILES OF ELECTRIC LINE

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<th>UNDERGROUND</th>
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<td>8,452</td>
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TOTAL ELECTRIC METERS

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<th>Year</th>
<th>Total</th>
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<th>2021</th>
<th>2022</th>
<th>2020</th>
<th>2019</th>
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<tr>
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<td>97,630</td>
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<tr>
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<td>99,322</td>
<td>86,628</td>
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<tr>
<td>2022</td>
<td>1,188</td>
<td>101,021</td>
<td>87,763</td>
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</tr>
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</table>

ELECTRIC OUTAGE TRACKING

<table>
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<tr>
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<th>CAIDI</th>
<th>SAIPI</th>
<th>SAIDI</th>
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</thead>
<tbody>
<tr>
<td>2018</td>
<td>1.30</td>
<td>1.31</td>
<td>1.33</td>
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<tr>
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<td>1.41</td>
<td>1.29</td>
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</tr>
<tr>
<td>2020</td>
<td>1.18</td>
<td>1.19</td>
<td>1.20</td>
</tr>
</tbody>
</table>

SABF - average interruption cost per member SAIPI - average member outage time per year CAIDI - average outage time
CONTINUED GROWTH BEYOND THE METER

The Cooperative’s home services business faced significant obstacles during 2022, but that didn’t stop us from an overall successful year. We’re proud of the way our employees drew together as a cooperative family to find solutions for those we serve. Sometimes that meant establishing partnerships with new vendors. Sometimes it meant developing unique solutions with established vendors that were in the best interests of our members and customers. Regardless of the circumstances, we kept pressing and seeking ways to continue delivering more and exceeding the expectations of those we serve.

BEYOND THE METER BY THE NUMBERS

Although inflation and supply chain problems often created a difficult environment for our home services business, 2022’s final results were strong. We ended with a 31% increase in revenue compared to 2021. Although AC/heating sales revenue decreased slightly, we achieved a 9.5% increase in HVAC service calls and a roughly 37% increase in service call revenue. We also accomplished a 68% increase in the total number of solar panel systems sold and installed. We were pleased to introduce HVAC ductwork services last year, too, creating a more comprehensive experience for our AC/heating customers.

We sold and installed 40% more home battery systems in 2022, generating roughly 64% more revenue from these sales compared to 2021. Finally, our Electrician services team continued serving local communities and producing solid numbers last year, offering a range of electrical jobs for home and small business. This team also installed all our solar panel and battery systems and EV chargers. Consequently, more members took advantage of our EV charger rebate in 2022, with 57% more rebates honored last year compared to 2021.

The Electrician services team installed all our solar panel and battery systems and EV chargers. Consequently, more members took advantage of our EV charger rebate in 2022, with 57% more rebates honored last year compared to 2021.

2022’S FINAL NUMBERS FOR GVEC’S HOME SERVICES BUSINESS WERE STRONG

WE EXPERIENCED INCREASES IN THE FOLLOWING CATEGORIES COMPARED TO 2021:

- Overall Revenue Increase: 31%
- AC/Heating Revenue Increase: 37%
- HVAC Service Calls Increase: 9.5%
- Increase in Solar Panel Systems Sold and Installed: 68%
- Increase in Home Battery Storage Systems Sold: 40%
- Increase in EV Charger Installation Rebates Honored: 57%
We’re proud to note that materials shortages in 2022 caused zero delays in the installation of service for new GVEC Internet subscribers. Moreover, we ended the year with 7,661 Wireless Internet subscribers and 14,092 Fiber subscribers for a total of 21,753 between the two.

### GVEC FIBER EXCEEDS EXPECTATIONS

In 2022, we ended 2022 having added 4,461 new fiber internet passings. These passings were made possible by 250 miles of new overhead fiber and 24 miles of underground.

### DELIVERING MORE TECHNOLOGY WITH CBRS WIRELESS

We upgraded seven wireless towers in 2022 to Citizens Broadband Radio Service (CBRS): Falls City, Pleasanton, Floresville, Karnes Water Tower, Northern West Substation Tower, Cost Tower and Cheapside Substation Tower. We also launched two new wireless towers: The Delhi Substation Tower can deliver speeds of up to 25 Mbps, while the Westhoff Volunteer Fire Department Tower can hit up to 8 Mbps.

### GVEC FIBER EXPANDS ITS PRESENCE IN LOCAL EDUCATION

In May, GVEC Internet completed a fiber-optics ‘on-ramp’ for Texas Lutheran University (TLU) to join the Lonestar Education and Research Network (LEARN). Established by the Texas Legislature in 2004, LEARN is a collaboration of 300 educational, research and community anchor institutions that share a fiber-based network capable of speeds up to 200 Gbps, making it ideal for collaborative research and data sharing.

GVEC Network Engineering Manager Albert Villareal has a history of working with LEARN. In September 2021, when the organization received its second grant from the National Science Foundation, Villareal met with LEARN associates to explore possible candidates in GVEC’s service area. TLU’s extensive STEM-based programs (science, technology, engineering and math) ultimately earned it the award. GVEC, meanwhile, with its fiber infrastructure and close proximity to TLU, was well-positioned to do the work. This project allowed the Cooperative to expand its Fiber Internet infrastructure while bringing an important educational initiative into our service territory.

### LEADING THE WAY IN RURAL BROADBAND

In September, GVEC General Manager and CEO Darren Schauer presented the Broadband Trailblazer Award to Texas Gov. Greg Abbott, Comptroller Glenn Hegar, Senator Robert Nichols and Representative Trent Ashby. The award was established by the Texas Broadband Now (TBN) coalition, which includes a diverse group of industry partners working to promote the expansion of broadband infrastructure into underserved and unserved Texas communities. GVEC is a member and founding partner. Other founders include AT&T, Texas Telephone Association (TTA) and Amerigroup. The group presented the award to recognize the lawmakers’ efforts during the 87th State Legislature to prioritize broadband access for underserved and unserved Texans.

Abbott put the issue on the agenda during that session as an emergency item. Sen. Nichols and Rep. Ashby helped get related legislation passed, including HB 5, which created a state-level Broadband Development Office (BDO) within Hegar’s office. The BDO grants low-interest loans and other financial incentives to internet service providers (ISP) who expand rural broadband access. HB 1505, meanwhile, helps electric cooperatives pay for upgrading electric poles to expand fiber internet access into their communities.

In 2022, the Cooperative continued expanding its wireless coverage, offering up to 25 Mbps in the majority of our service territory. This has made us a leader in delivering access to underserved and unserved communities. It’s important to note, too, that GVEC’s commitment stretches far beyond delivering minimum broadband speeds. Of the Cooperative’s 21,753 internet subscriber base, 14,092 receive GVEC Fiber, which includes speed options of 250 and 500 Mbps, up to a maximum of 1 Gbps.
Whether we're delivering Cooperative products and services or community initiatives, our purpose is to empower and serve—to improve quality of life across local communities. As has been the case since GVEC’s founding, this mighty purpose guided all we did and accomplished throughout 2022.

THE POWER OF MEMBER GENEROSITY

GVEC’s Power Up™ community grant program celebrated its 10th anniversary in 2022 with a record amount of distributions, allocated to 22 local nonprofit community enhancement projects. Since inception in 2012, the program has supported 213 projects. It’s funded by GVEC members who voluntarily round up their electric bill each month to the nearest dollar, with the rounded amount donated to Power Up.

ONE COOPERATIVE, MANY SERVICES—ONE DOMAIN

We spent 2022 rethinking, redesigning and rebuilding our website. Our designers did a deep dive into analytics data and also incorporated information from focus group research. The new gvec.org debuted in December, offering a single hub built from the ground up with a mobile-centric mindset and maximum functionality on any screen. The new site connects and flows seamlessly between Electricity, Internet, AC/Heating, Electrician services, Solar & Battery and Community from a streamlined, all-in-one destination. Complete access to and information on every Cooperative product and service is always a few clicks away, with live online support available too.

The reason we made this upgrade is simple: As life gets more complicated, people seek greater simplicity and convenience. The new gvec.org delivers all GVEC offers into a single destination.

SERVICE, COMMUNITY, EMPOWERMENT

Pennies for Stronger Communities. Life, Electrified

Our cooperative purpose demands more of us than electricity delivery or offering Beyond the Meter products and services. That’s why we remained as engaged as ever in local communities throughout last year, committed to improving quality of life for those we serve. Here are just a few of the community services GVEC provided for and organizations we supported throughout 2022:

- Summer Chemistry Road Show
- Area Youth Show Donations
- $50,000 in Scholarships
- Community Events & Safety Education
- Local Food Banks
- Habitat for Humanity
- 213 projects funded
- 2022 Grant Funds: $348,706
- Grant Funds Since 2012: $3,408,203
- 2022 Financial Assistance: $48,681
- Financial Assistance Since 2012: $622,518
- 2022 Financial Assistance: $3,408,203
- Financial Assistance Since 2012: $622,518
A MIGHTY RESPONSIBILITY TO THOSE WE SERVE

The Cooperative’s Board and staff never lose sight of one immutable fact regarding GVEC finances: All Cooperative income ultimately comes from and belongs to our membership. Our role is one of financial stewardship, and we take that responsibility seriously.

In April 2022, the decision was made to transition the short-term debt incurred during 2021’s Winter Storm Uri to long-term loans. This move was made following months of discussion and careful deliberation, completing the financing just before interest rates began rising. This timing will save GVEC millions of dollars in interest over the course of the loan’s 20-year term. It will also help mitigate Uri’s year-over-year impact on Cooperative finances. This move marked an important step forward in our goal of returning to pre-Uri financial positioning by 2025.

We move forward with an optimistic view of GVEC’s financial future. We believe, as evidenced by the financials printed here, our optimism is justified. GVEC remains a strong, financially sound cooperative.

2022 Balance Sheet
Assets
Cash and Cash Equivalents $22,301,213
Other Current Assets 48,028,173
Property, Plant and Equipment Net 699,754,978
Other Long-Term Assets 189,968,576
Total Assets $960,052,940

Liabilities
Current and Accrued Liabilities $45,660,272
Short-Term Debt 10,000,000
Current Portion of Long-Term Debt 11,698,592
Notes and Bonds Payable, Long-Term Debt 483,667,609
Other Long-Term Liabilities 14,015,308
Total Liabilities $565,041,781

Member Equity
Total Patronage Capital and Other Equity $395,011,159
Total Member Equity $395,011,159

Total Liabilities and Equity $960,052,940

2022 Income Statement
Operating Revenue
Sales $339,379,095
Cost of Power 214,932,773
Gross Margin on Sales $124,446,322

Expenses
Operating Expense $52,713,627
Depreciation and Amortization 36,209,982
Interest Expense 11,402,466
Other Expense (Income) (314,359)
Income Before Tax Expense 27,844,606
Tax Expense (Benefit) 420,215
Net Income $27,444,391

Note: Guadalupe Valley Electric Cooperative, Inc. and Affiliates
Consolidated Financial Statements are audited by Bolinger, Segars, Gilbert & Moss, LLP.