

**2021
Annual
Report**



**BRUNSWICK ELECTRIC
MEMBERSHIP CORPORATION**

Membership Makes a Difference

For Our Members

David Gore,
President

Joshua L. Winslow,
CEO

Membership Makes A Difference

Members come first at BEMC. It's that simple. Because BEMC belongs to the members we serve, we strive to be accountable, service-driven, and do more for our communities than provide electricity. In short, we aim to put your best interests over the bottom line. That's where the cooperative difference begins, but that's far from where it ends. There are several additional ways that your membership makes a difference. Below, we'd like to share four areas of focus where BEMC strives to add additional value and make a difference for you.

Membership makes a difference - in our communities. Community growth and sustainability are vital to Brunswick Electric's mission. And giving back to the people and organizations that keep our communities strong and growing is important to us. Over the past year, Brunswick Electric provided over \$120,000 in programs focused on advancing education, supporting youth opportunities, and promoting economic development. We're proud to help our neighbors and we'll continue to be actively involved in partnerships that build a brighter future for all of us.

Membership makes a difference - in our programs and services. It's you, our

member, that guides our cooperative. BEMC was built by members, for members. We listen to your suggestions. We hear your desires. And of course, being members ourselves, we understand your needs. We tailor our programs and services to make sure there are options available to meet them. There's no such thing as a one-size-fits-all solution. It's your priorities that have shaped the cooperative and will continue to guide our path ahead.

Membership makes a difference - in our resources. Brunswick Electric is one of 26 electric cooperatives in North Carolina and part of an alliance of more than 900 cooperatives across the United States. There's strength in numbers. We use our collective power to ensure we get the best rates on wholesale energy, and that we have access to the latest, most advanced technology available. And whenever we need help after a severe weather event, it's nice to know that we have a nationwide network of other co-ops we can call on for help.

Membership makes a difference - in our future. Recognizing and supporting the priorities of our members, we have launched efforts to achieve important sustainability goals. Brunswick Electric is on target to reduce carbon emissions by 50 percent from 2005 levels by

2030. And reach net-zero carbon levels by the year 2050. We're exploring and developing new technologies, programs and services to help reach these goals, but rest assured, we'll never sacrifice affordability or reliability to get there. And we will never lose sight of the fact that the brightest parts of our future are the people and communities we serve.

On the following pages of our annual report, you'll see several more highlights of ways that membership makes a difference. If there is ever a way that we can help make a difference in your membership, please don't hesitate to contact us. We appreciate you, as always.

Thank you for being a member.



Joshua L. Winslow, CEO



David Gore, President

Cooperation



Integrity



Agility



Service



Safety



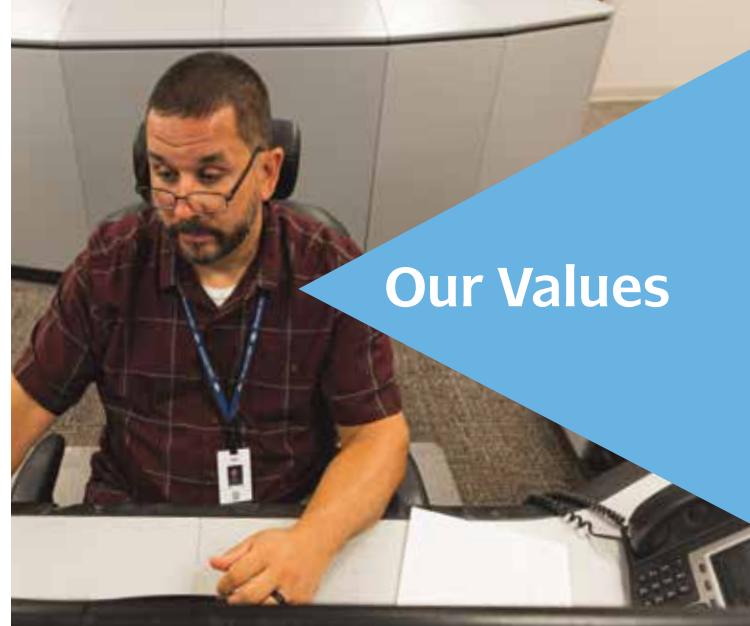
Innovation



Stewardship



Excellence



Our Values



Community



Warm Homes, Warm Hearts

\$80,000 in utility assistance for those in need

Brunswick Family Assistance's Lead Intake Worker Mary Williams (left) and Executive Director Stephanie Bowen



The Electric Cooperative Youth Tour

Sponsored two students for all-expense-paid trips – the 2021 tour was virtual

Bright Ideas Education Grants

\$34,372 to local teachers for innovative classroom projects

Whiteville High School cheerleaders, taken by "Sandspur" yearbook staffer Jada Williams with a camera purchased with a grant received by Mrs. Belinda Collins.



Scholarship Highway

\$10,000 in college tuition to local seniors

Left: Austin Booth enjoying a break from studies. Right: Helen Rippy Roehner sporting her college sweatshirt.



Community Grants

\$37,750 to local organizations serving our neighbors

Left to right: Girl Scout Troop leader Theodora and scouts Cynthia, Mary Claire, Giuliana, and Sonia, and North Brunswick Kiwanis' Project Dignity leader Barb Dullaghan, packing backpacks for foster children.

Community



The Shallotte Riverwalk opens

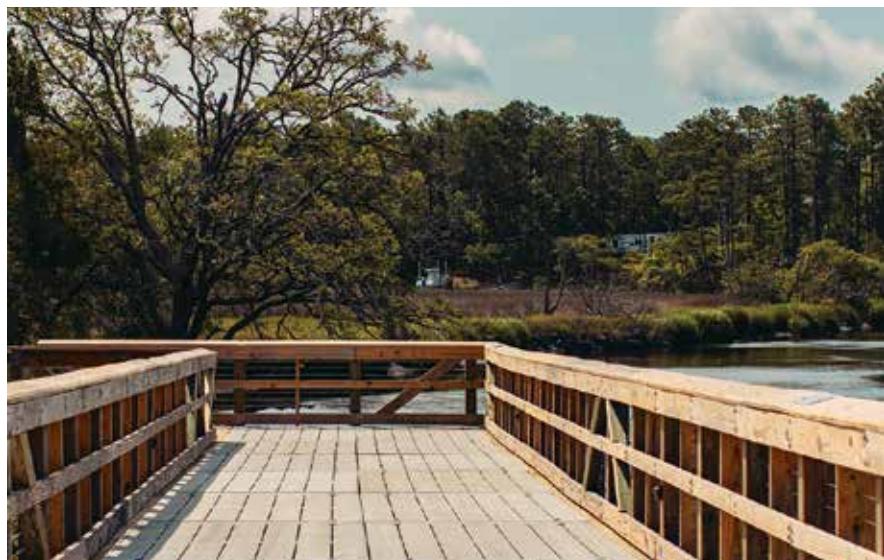
After more than a decade in development, the first phase of the Shallotte Riverwalk opened to the public in September 2021.

Brunswick Electric assisted the Town of Shallotte with funding for the purchase of its initial seven acres of riverfront land through the Rural Economic Development Loan & Grant program administered by the United States Department of Agriculture. We requested and were granted a \$1.7 million zero-interest USDA loan for the project, and these funds were loaned to the town of Shallotte, along with \$300,000 from our revolving loan fund.

Future development might include shops, restaurants, water access, residential units and a small hotel.

You'll find access to the Shallotte Riverwalk at 140 Cheers Street. It's a great place to take a break and enjoy the scenic views that change so beautifully and vary by time of day and season.

- ▶ **1/3-mile boardwalk**
- ▶ **17 acres** riverfront land
- ▶ **\$2 million** procured with help from BEMC



Five MW battery storage system underway at Zion Hill

BEMC is building a 5 MW battery storage system adjacent to our Zion Hill Substation that should be completed this fall. The system will charge during non-peak hours and release up to 5 MW of energy onto the grid during times of peak demand. This project will play a critical role in expanding the reach of renewable energy and reducing peak demand, which in turn lowers wholesale power costs, and reduces the need for future infrastructure projects.

It will be owned by North Carolina Electric Membership Corporation (NCEMC), the trade organization that uses our collective buying power to purchase wholesale power for the 26 electric co-ops in the state. All North Carolina electric cooperatives benefit from the wholesale power cost reduction achieved through any battery storage system NCEMC installs in our network.

Additionally, the Zion Hill system has the capability to be configured to provide power, during an outage, to a geographic location near the system. But it is its primary capacity, reducing peak demand, that will provide the initial, and substantial, return on investment.

- Generates enough energy to **Power 5 Walmarts**
- Discharges **5 MWs for 2 hours** during peak demand
- Adds **resiliency** to the system grid

Technology



Photos courtesy of Randolph Electric Membership Corporation, the first stand-alone battery energy storage across North Carolina's Electric Cooperatives.

Community



The return of The Columbus County Agricultural Fair

The Columbus County Agricultural Fair roared back to life last October, after a two-year, pandemic-related hiatus, delighting thousands each night of a six-night run. A year-long planning process that involved dozens of volunteers culminated in 60 acres of something for everyone, including rides, food, live music, dance troupes, award-winning produce and recipes, art, local crops and crafts, a livestock show and a demolition derby.

BEMC proudly participated as a Platinum sponsor of the fair, providing half-price admission and giveaways on Thursday night. We also started a new tradition in 2021 with a pole top rescue demonstration.

Mark your calendars for October 2022 and plan to join BEMC at the fair. You'll be glad you did! Details are available at columbuscountypfair.com.

- ▶ 6 nights of fun
- ▶ BEMC Night:
½ Price Admission
- ▶ New for 2021: Pole
Top Rescue Demos

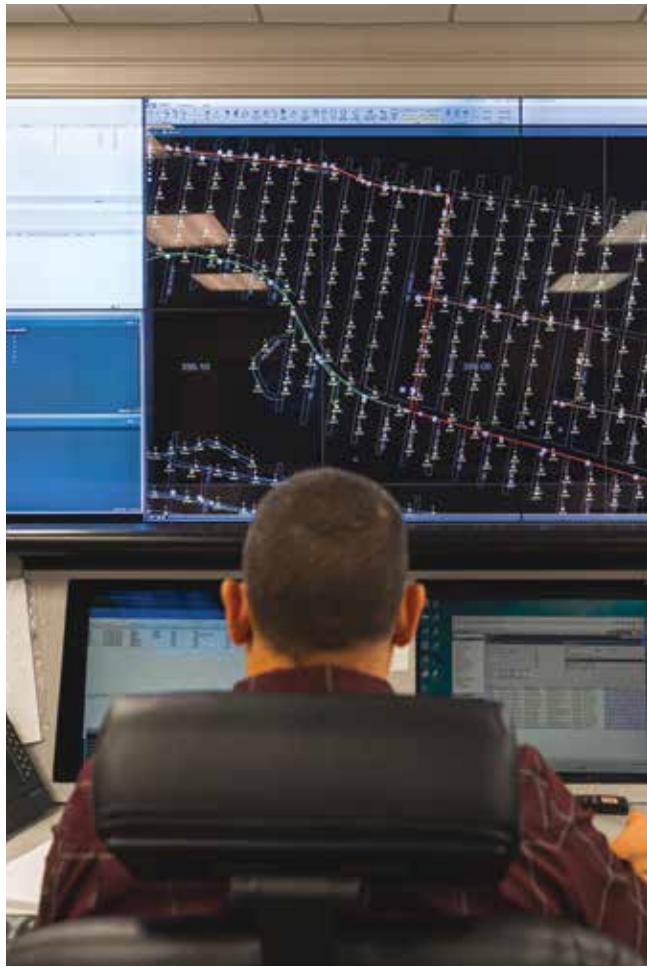


MEMBER SERVICES

- Installed 3,603 new services.
- Personally handled 50,559 phone calls.
- Assisted members with more than 44,729 service orders.
- Achieved an American Customer Satisfaction Index score of 8.9, compared to the national average of 7.7 for electric cooperatives in 2019.

TECHNOLOGY

- Implemented technology platforms for managing new peak energy reduction programs, including Beat the Peak and Bring Your Own Thermostat.
- Increased cybersecurity readiness through advanced firewall upgrades, backup enhancements, and periodic cybersecurity awareness training for employees.
- Deployed text messaging capability for members to report outages and request outage status updates.



Community



'Member' is a universal word

Electric cooperatives across the state and country work together for the benefit of members in a variety of ways, and mutual aid after weather events is one of the most visible to members.

Tarheel Electric Membership Association (TEMA) is a clearinghouse for North Carolina's co-ops, and when a co-op needs help, TEMA broadcasts a request for aid. If our weather outlook is positive and we're in a position to help, our crews are on their way.

When our linemen are helping other co-ops, they have the same desire to restore power as quickly as possible as if they are working on our own lines. They take pride in what they do, and their performance shows it. And when we need help, our members benefit from the same sense of urgency in others who come to get the power back on. It's another way membership makes a difference.

Who we helped in 2021

► Southside Electric Cooperative
Crewe, Virginia
Covering 18 counties

► Rappahannock Electric Cooperative
Culpepper, Virginia
Covering 22 counties

► Central Electric Membership Corporation
Sanford, North Carolina
Covering 4 counties



SAFETY & TRAINING

- Developed, implemented and facilitated Brunswick Community College's Lineman Program.
- Had no lost time injuries.
- Conducted a crisis response table top exercise.
- Cody Buck placed third in statewide Pole Top Rescue Competition.

POWER SUPPLY & ENGINEERING

- Upgraded 5.1 miles of conductor and poles from single phase to three phase for reliability and backfeeds during outages in the Whiteville District on and around Dulah Road, Wright Road and Hallsboro Road.
- Upgraded 2 miles of conductor and poles from single phase to three phase for growth and reliability in the Supply District on N. Mulberry Road, Mintz Cemetery Road and Sabbath Home Road.
- Doubled the size of the Sunset Beach Substation and added an additional transformer to prepare for the homes being built.
- Upgraded 1.5 miles of underground conductor in the St. James area for future growth and backfeeds for reliability.
- Upgraded 1 mile of conductor and poles on Maco Road, and upgraded 5 miles of transmission line in the Winnabow area to concrete poles and larger conductor to allow for backfeeds to other power sources.
- Added 107 miles of line for a total of 7,110 miles of line.
- Purchased and distributed 1.54 billion kWh for the membership.



Highlights



Technology



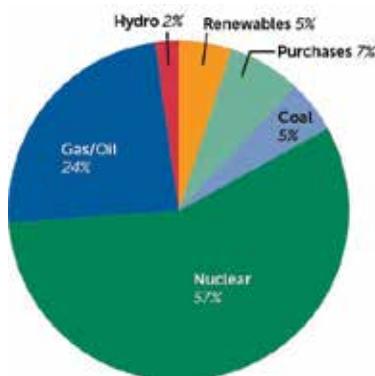
An update on our path toward a Brighter Energy Future

In 2021 we announced our plan to preserve reliability and affordability while achieving significant sustainability goals. By using new and existing resources and technologies we're well on our way to a brighter future.

Central to our efforts is our belief that for energy to be sustainable, it must be affordable. Rest assured, we'll make sure you'll always have the power you need. Eliminating the need for extra capacity has the dual benefits of not having to build additional carbon-emitting infrastructure, and saving on wholesale power costs. And that means a future that definitely looks brighter.

How we're getting there

A 5 MW battery will be in service at Zion Hill in 2022, and we're expanding our Connect to Save – Bring Your Own Thermostat program to include a direct installation option. We've also developed a residential battery pilot program, where we're paying a few members with these systems to dispatch their batteries at peak times to see how beneficial the impact is, and if it should be expanded. The members who sign up for our Time-of-Use rate option, and participate in Beat the Peak alerts, continue to contribute significantly to our sustainability goals.



2030 TARGET
50%

Reduction in carbon
emissions from 2005

2050 TARGET
NET-ZERO

Carbon emissions

Programs and options that make a difference

Connect to Save –

Bring Your Own Thermostat

Receive a \$50 bill credit, and a

\$4 credit each month when you enroll your smart thermostat.

Enrolling allows BEMC to make brief changes to your HVAC setting by three degrees on a limited number of peak demand periods, which helps us control wholesale power costs.

Time-of-Use rate option

This option offers you a lower rate for electricity when demand on our system is low, balanced with a higher rate when demand on our system is high.

You'll lower your bill by shifting your energy usage away from peak times, because you'll pay a lower rate than our standard rate all other times, and a much lower rate from 10 p.m. to 5 a.m.

Beat the Peak alerts

Participants voluntarily reduce their use of electricity during peak usage periods: a few critical hours when the most people are using the most electricity, all at the same time. This helps hold down power costs and keeps rates and bills low for all members.

Weatherization Loans

This program provides 5% loans for energy efficiency projects, up to \$8,000 for residential projects and \$10,000 for commercial projects. Terms can be as long as 60 months, and payments are included with your monthly electric bill. If you own your home, and have two years of service with a good payment history, the loan process is simple.

PrePay Power

With this option you pay for power in advance of when you need it. There's no monthly bill or deposit, and you always know how much you're spending on electricity. It's easy to check your account status, and add money to your account, any time of day or night. You'll also receive high energy use email notifications to help you control your usage.

Community



Our Board



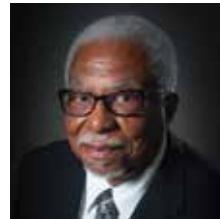
Your 2021 Board of Directors



District 1
Perry Sellers



District 2
Deborah Ahlers



District 3
Moses C. Herring



District 4
Glenn Humbert



District 5
Larry Fowler



District 6
David Gore



District 7
Dan Strickland



District 8
Calvin Duncan



District 9
Frederick Tedder



**At-Large
Brunswick County**
John Ward

2021 Board Officers

President - David Gore

Vice President - Frederick Tedder

Secretary/Treasurer - Larry Fowler

Asst. Secretary/Treasurer - Calvin Duncan

Financials

CONDENSED BALANCE SHEET

	2021	2020
Assets		
Net utility plant	\$ 355,428,266	\$ 343,223,212
Other property & investments	\$ 52,685,937	\$ 47,694,134
Current assets	\$ 75,821,811	\$ 69,053,485
Deferred charges	\$ 5,307,075	\$ 7,865,498
Total	\$ 489,243,089	\$ 467,836,329
Members' Equity & Liabilities		
Members' equity	\$ 187,719,950	\$ 180,261,183
Noncurrent liabilities	\$ 244,690,022	\$ 243,923,954
Current liabilities	\$ 44,124,178	\$ 37,645,810
Deferred credits	\$ 12,708,939	\$ 6,005,382
Total	\$ 489,243,089	\$ 467,836,329

CONDENSED STATEMENT OF OPERATIONS

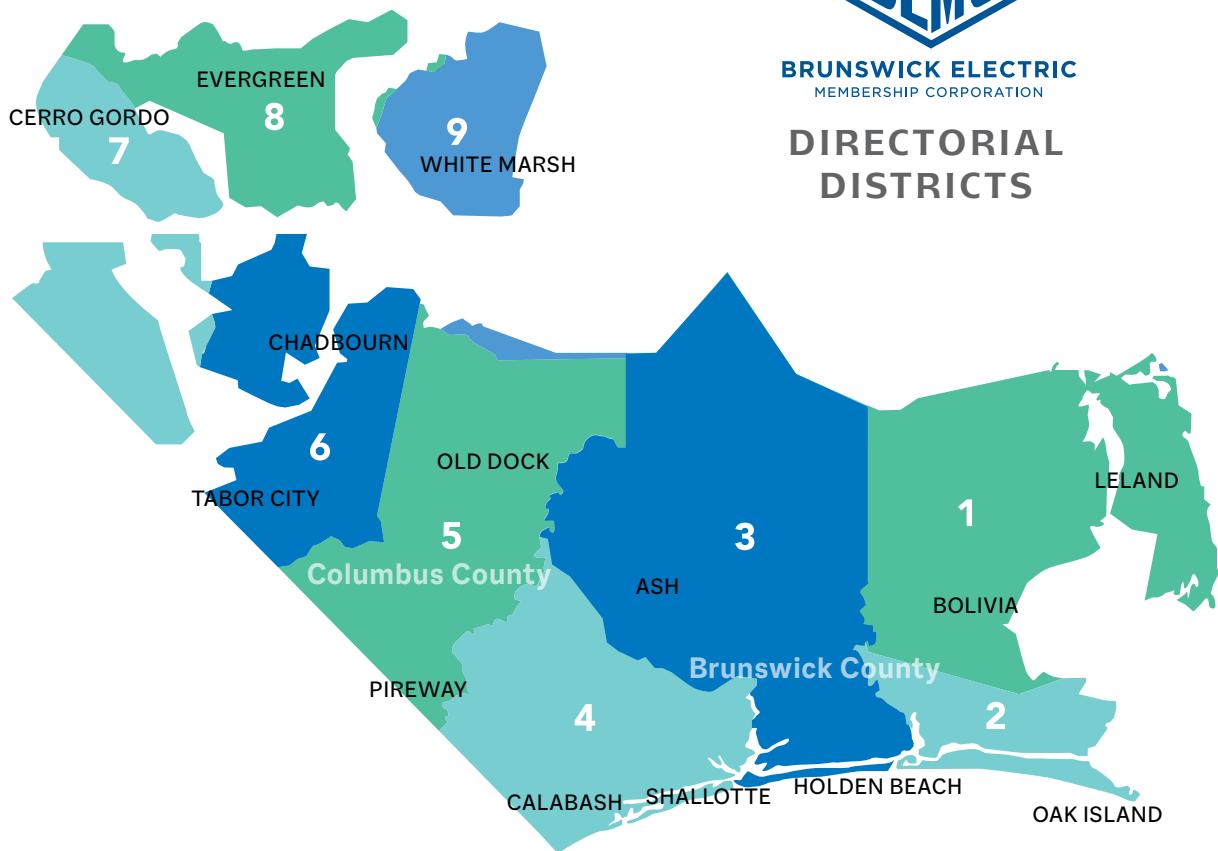
	2021	2020
Operating Revenues	\$ 188,410,635	\$ 186,007,920
Operating expenses:		
Cost of power	\$ 115,778,624	\$ 113,377,241
Other variable operating expenses	\$ 38,181,114	\$ 38,125,757
Depreciation	\$ 19,627,847	\$ 18,650,940
Interest	\$ 7,839,994	\$ 8,720,776
Total operating expenses	\$ 181,427,579	\$ 178,874,714
Net operating margins (before allocations)	\$ 6,983,056	\$ 7,133,206
Net non-operating margins	\$ 2,260,035	\$ 2,145,088
Total net margins (before allocations)	\$ 9,243,091	\$ 9,278,294
Patronage allocations	\$ 5,599,781	\$ 5,582,235
Total Net Margins	\$ 14,842,872	\$ 14,860,529

Our bond ratings are Fitch A+ and Standard & Poor's A



BRUNSWICK ELECTRIC
MEMBERSHIP CORPORATION

DIRECTORIAL DISTRICTS



P O Box 826, Shallotte, NC 28459

800.842.5871

bemc.org