

2022 Annual Review

CAPACITY *for* CHANGE



The Cooperative Principles

Coastal Electric Cooperative is a not-for-profit, member-owned electric cooperative. We operate with the Seven Cooperative Principles at the core of everything we do. These principles are a key reason that Coastal Electric and other electric cooperatives across the nation operate differently from other electric utilities, putting members' needs first.



1. Open and Voluntary Membership

- Membership in a cooperative is open to all persons who can reasonably use its services and stand willing to accept the responsibilities of membership, regardless of race, religion, gender or economic circumstances.

2. Democratic Member Control

- Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. Representatives (directors) are elected from among the membership and are accountable to the membership.

3. Members' Economic Participation

- Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital remains the common property of the cooperative.

4. Autonomy and Independence

- Cooperatives are autonomous self-help organizations controlled by their members. If they enter into agreements with other organizations or raise capital from external sources, they do so on terms that ensure democratic control, as well as their unique identity.

5. Education, Training and Information

- Education and training for members, elected representatives (directors), CEOs and employees help them effectively contribute to the development of their cooperative. Communications about the nature and benefits of cooperatives, particularly with the general public and opinion leaders, helps boost cooperative understanding.

6. Cooperation Among Cooperatives

- By working together through local, national, regional and international structures, cooperatives improve services, bolster local economies and deal more effectively with social and community needs.

7. Concern for Community

- Cooperatives work for the sustainable development of their communities through policies supported by the membership.

Your Board of Directors



Your board of directors are elected by you, our members, and make decisions in the best interest of the membership as a whole. Our directors live and work in our communities and are co-op members themselves.

The board made crucial decisions in 2022 that not only affected Coastal Electric's day-in, day-out operations, but also laid the groundwork for a future of serving our members with excellence and value.

In December 2022, Board President Jack Waters passed away, having served on the board for more than 20 years. In January 2023, John Woods III was elected president. McIntosh County's Reagan Odom was voted

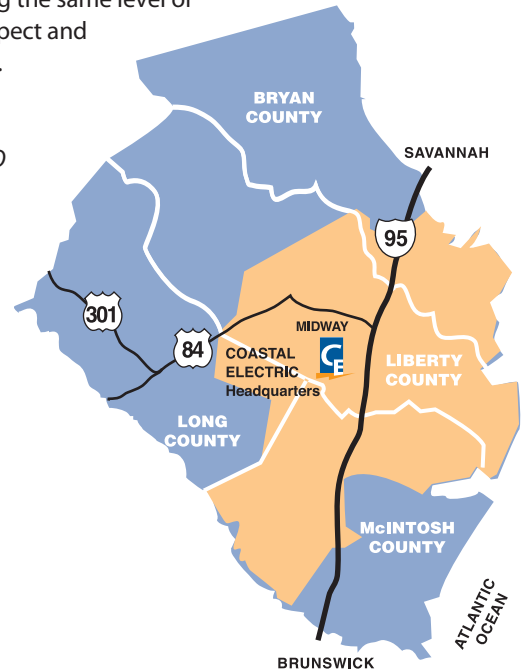
vice president, and Bryan County's Laura McGee will continue to serve as secretary/treasurer. A director search committee selected Joseph Fillmore Gill IV from Liberty County to complete Waters' unexpired term.

No matter what opportunities and challenges lie ahead for 2023, we are committed to enhancing the quality of life in our communities and providing the same level of service they've come to expect and enjoy from Coastal Electric.



Chris Fettes
Executive Vice President/CEO

Chris Fettes
Executive Vice President/CEO



John Woods III
Liberty County President



Reagan Odom
McIntosh/Long counties Vice President



Laura McGee
Bryan County Secretary/Treasurer



Chuck Gaskin
McIntosh/Long counties



Kyle Christiansen
Bryan County



Holly Fields
Liberty County



John B. Kearns
McIntosh/Long counties



Kenneth Luke
Bryan County

2022 Year in Review

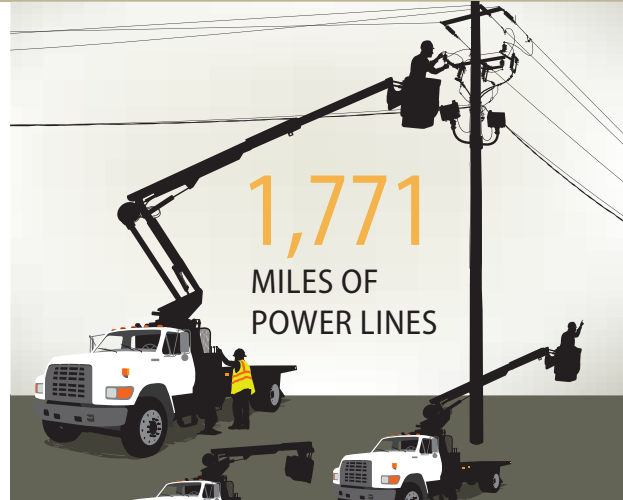
Our mission is to meet or exceed our member-owners' expectations by being an outstanding provider of energy services.



1 MILLION +
WORKING HOURS WITH
ZERO LOST-TIME
ACCIDENTS

4

COASTAL GEORGIA
COUNTIES SERVED



1,771
MILES OF
POWER LINES



1,301 NEW SERVICES
CONNECTED

66

FULL-TIME EMPLOYEES
WORKED MORE THAN

130,000

HOURS TO KEEP
THE COOPERATIVE
RUNNING SMOOTHLY



\$1.5 MILLION

IN CAPITAL CREDITS RETIRED
TO MEMBERS, FOR A TOTAL OF
MORE THAN



\$11.5 MILLION

IN RETIREMENTS TO DATE



24,142 METERS IN FOUR
COASTAL GEORGIA
COUNTIES

2022 Highlights



2022 was a year for change. In reality, every year is.

Change can rattle a community or infuse it with greater potential. Crumble a seemingly solid foundation or shore up the framework to build stronger and higher.

Whether change is beneficial or detrimental is largely swayed by approach. Perspective. Action. Preparation.

Coastal Electric approaches change—always—with members in mind.

CHANGE CAN MEAN GROWTH

Possibly the most significant single catalyst for change in our region was the May 2022 announcement of the \$5.5 billion manufacturing facility to be built in north Bryan County. Upon completion, Hyundai will employ 8,100 workers at this location and manufacture 300,000-plus electric vehicles each year—the largest single economic development project in Georgia history.

And although the mega plant broke ground just recently outside Coastal Electric's territory, we are already seeing growth as a result.

In 2022, we began negotiating power supply contracts with Tier 1 (direct) suppliers to Hyundai that are locating in Liberty and south Bryan counties.

We take pride in our ability to offer excellent service to new industries. Our co-op business model provides flexibility, the means to meet deadlines and the agency to make decisions that make what seems impossible, possible.

What's more, the benefits that come from industrial load growth reach beyond those with a stake in the industry. Industrial load growth aids our membership as a whole by lowering power costs for the entire electric system.

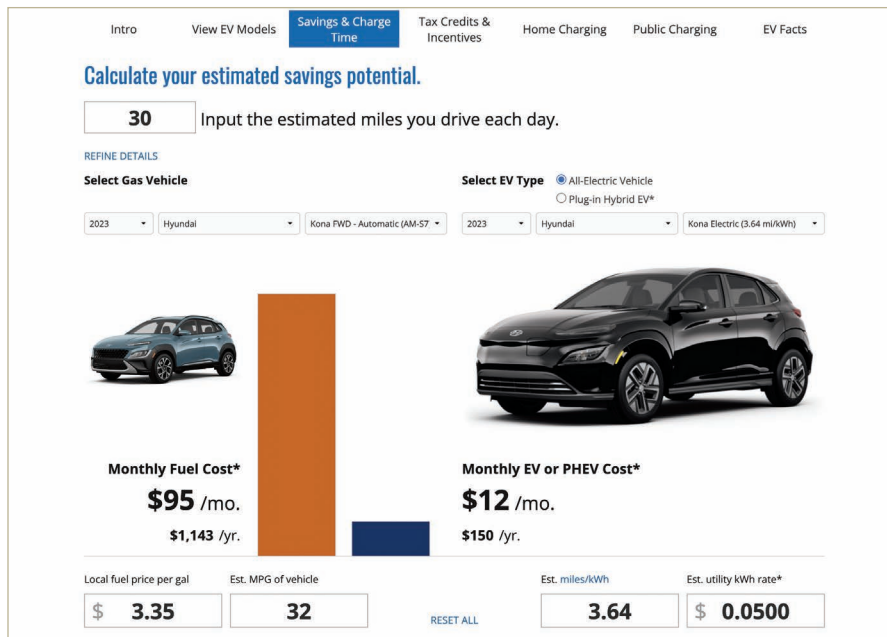
EVS BRING CHANGE, NOT STRAIN

Beyond Hyundai plant preparations, electric vehicles (EVs) themselves created a lot of buzz in 2022. As more people purchase EVs—we're beginning to see more on our local roads, too—we fielded questions from members who wondered if EV charging would eventually overwhelm the electric grid.

On the contrary, adding home EV chargers actually improves the efficiency of the grid.

EV charging improves load factor, which is the ratio of a user's peak demand to their average use. The typical residence has a poor load factor—often in the 40% range—meaning much of the installed capacity to serve the home during peak times (e.g., late afternoon on a hot summer day) goes unused 60% of the time.

2022 Highlights, *Continued from page 5*



SAVING WITH SOLAR

Solar has also been a hot topic over the last year. In the years leading up to 2021, about 100 members had installed solar at their homes, and in 2022, that number doubled. Members asked how solar could save them money, reduce their electricity use or lower their carbon footprint.

In response, Coastal Electric debuted a new online solar assessment tool. Members can plug in information about their homes and energy habits to get customized data like cost estimates for solar, system size recommendations and expected savings. Members can learn how adding solar will affect their bottom line, use and environmental impact.

At the end of 2021, 292 members subscribed to Cooperative Solar, and within the year, that number jumped to

443—and for good reason. Members who subscribed to two blocks of Cooperative Solar saved \$424.62 on their energy bills in 2022.

Electricity delivered through Coastal Electric's Cooperative Solar program is sourced through cooperative-owned solar sites across the state, one of which came on line in May 2022. The 68-megawatt Houston Solar Project brought Georgia's energy membership cooperatives' combined solar capacity to nearly 1,300 megawatts. That's enough energy to help power more than 209,000 co-op households annually.

FIBER TO YOUR FRONT DOOR

We made significant headway in meeting another member need in 2022, as the very first Coastal Fiber

Adding an EV Level II charger is roughly equivalent to adding a 240-volt clothes dryer, a little more than a water heater or about half the demand of an electric furnace.

While EV charging does not pose an immediate threat to the reliability of the grid, it can improve load factor, as most charging will happen in homes during off-peak hours.

To save EV owners on their electric bills and encourage beneficial off-peak charging, Coastal Electric rolled out a special time-of-use rate. Members opting in to this time-of-use rate enjoy lower rates during off-peak and super-off-peak hours, which allows them to save money when they charge their EVs overnight.

The time of use rate is actually available to any member who wants to lower their electricity bills by shifting use to off-peak times. For example, a member with a swimming pool could adjust their pool pump to run only at night to take advantage of off-peak rates.

The co-op is now installing customized meters for members signed up for the new time-of-use rate.

To help members make informed choices about EVs, Coastal Electric created a new ChooseEV webpage complete with a custom savings calculator, comparisons of available models, charge time estimates and more.

It's just one way we do our part to meet members' ever-changing needs.





1,598

MEMBERS PARTICIPATED IN COASTAL ELECTRIC'S MEMBER APPRECIATION DAYS

NEARLY 100

MEMBERS ADDED SOLAR PANELS TO THEIR HOMES IN 2022, DOUBLING THE TOTAL NUMBER OF COASTAL ELECTRIC MEMBERS WITH HOME SOLAR

customers finally began to reap the benefits of broadband fiber in underserved areas of Liberty County.

In 2022, Coastal Fiber installed 121 miles of overhead and 57 miles of underground fiber. When splicing is finished, 1,078 members will have access to fiber internet by mid-2023. Over the next few years, construction will continue until Coastal Fiber becomes available to every member served by a Coastal Electric meter.

NOT JUST POCKET CHANGE

Of course, nothing could detract from our mission to safely deliver reliable, affordable electric service. In addition to intentional system maintenance and necessary repairs, in 2022, we pushed to improve service reliability by continuing to convert overhead power lines to underground in areas where it would prove most beneficial. Major 2022 system improvements included line conversions in Riceboro, South Newport and Sunbury.

Even with all the changes we faced in 2022, one thing didn't change: Coastal Electric stayed true to the cooperative business model. As a result, members who paid their electric bills to the co-op any time from 2002-2004 enjoyed a \$1.5 million capital credits retirement in December 2022.

As a not-for-profit electric cooperative, members' electric bills collectively cover what is needed to supply power to their homes and businesses. When the co-op's elected board of directors determines it is financially feasible, Coastal Electric retires excess margins back to members who paid their bills during a specific period of time.

To date, Coastal Electric has retired a total of \$11.5 million in capital credits to members.

The co-op exists to benefit member-owners.

In 2022, national surveys showed Coastal Electric members continued to rate the co-op with high marks and another record-high satisfaction score.

COUNT ON CHANGE ... AND COUNT ON US

As we look toward the future, we approach change with members in mind. We take action to preserve our communities and help them thrive. We serve the people who have called Coastal Georgia home for generations, as well as new members from day one.

Coastal Electric was born for change—positive change—and to meet members' needs in a changing world. Fortunately, that will never change.



443

MEMBERS PARTICIPATED IN COASTAL ELECTRIC'S COOPERATIVE SOLAR PROGRAM—A JUMP FROM 292 IN 2021

291

LIVES SAVED THROUGH ON-SITE BLOOD DRIVES



MEMBERS CONTRIBUTED MORE THAN

\$100,000

—ALMOST \$27,000 MORE THAN THE PREVIOUS YEAR—TO OPERATION ROUND UP, A PROGRAM IN WHICH THEY ALLOW THEIR BILL TO BE ROUNDED UP TO THE NEXT DOLLAR AND DONATE THE CHANGE. THE ACCUMULATED MONEY GOES TOWARD MAKING OUR COMMUNITY A BETTER PLACE TO LIVE



2022 Coastal Electric Cooperative Treasurer's Report

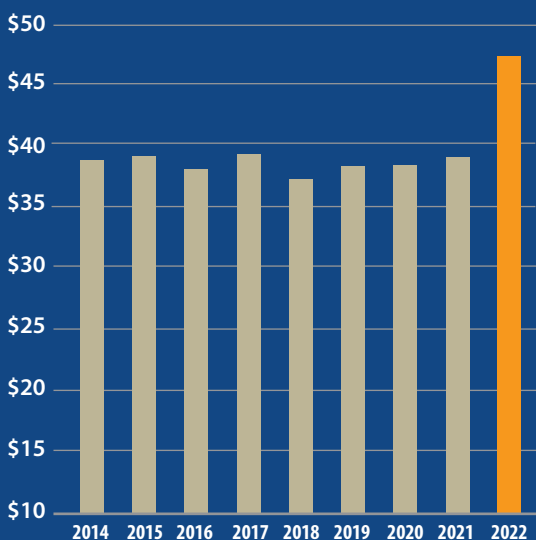
Financial statements for the fiscal year ending Dec. 31, 2022, reflect the sound status of Coastal Electric Cooperative. Each year, we retain the services of McNair, McLemore, Middlebrooks & Co., LLP, CPA, to perform an audit of the cooperative's accounting records.

This audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation. The figures in this report are from the audit and represent a summary of the auditor's complete report. Copies of the audit are on file at the cooperative's headquarters.

Laura McGee

Secretary/Treasurer
Coastal Electric Cooperative
Board of Directors

Cost of Purchased Power (in millions)



BALANCE SHEETS

(years ended Dec. 31, 2022, and Dec. 31, 2021)

ASSETS

Utility Plant

Electric Plant in Service—At Cost	\$ 147,096,251	\$ 136,828,518
Construction Work in Progress	3,160,956	2,770,119
Gross Utility Plant	150,257,207	139,598,637
Accumulated Provision for Depreciation	(35,854,378)	(33,038,615)
	114,402,829	106,560,022

Other Property and Investments

Investments in Associated Organizations	17,118,392	16,081,029
Restricted Funds	269,567	370,031
	17,387,959	16,451,060

Current Assets

Cash and Cash Equivalents	2,296,353	1,965,637
Restricted Cash	5,422,953	5,422,321
Accounts Receivable (Net of Accumulated Provision for Uncollectibles of \$629,164 and \$532,457 in 2022 and 2021, Respectively)	931,709	1,104,154
Accrued Utility Revenue	4,676,052	3,792,119
Materials and Supplies	6,328,686	4,830,379
Other	153,367	149,135

Deferred Debits

	424,413	459,835
Total Assets	\$ 152,024,321	\$ 140,734,662

EQUITIES AND LIABILITIES

Equities

Membership Fees	\$ 95,325	\$ 92,195
Patronage Capital	50,302,979	50,170,315
Other Equities	6,507,849	6,093,067
	56,906,153	56,355,577

Long-Term Liabilities

Long-term Debt	76,300,457	68,572,501
Deferred Compensation	269,567	370,031
	76,570,024	68,942,532

Current Liabilities

Current Maturities of Long-term Debt	3,158,870	2,297,694
Accounts Payable	6,044,949	4,930,986
Consumer Deposits	1,573,865	1,471,106
Other	1,654,527	1,113,589
	12,432,211	9,813,375

Deferred Credits

	6,115,933	5,623,178
Total Equities and Liabilities	\$ 152,024,321	\$ 140,734,662

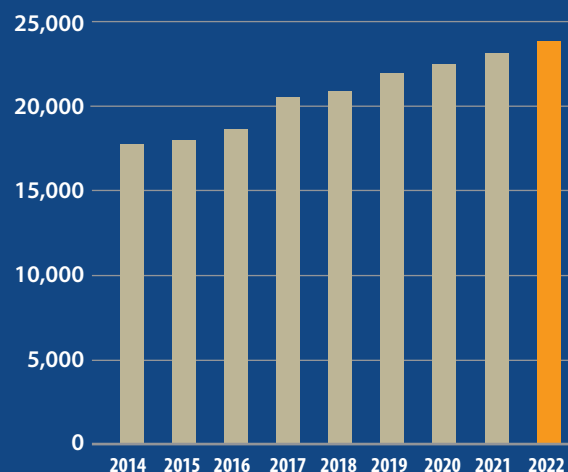
The complete financial annual report available upon request.

STATEMENTS OF OPERATIONS

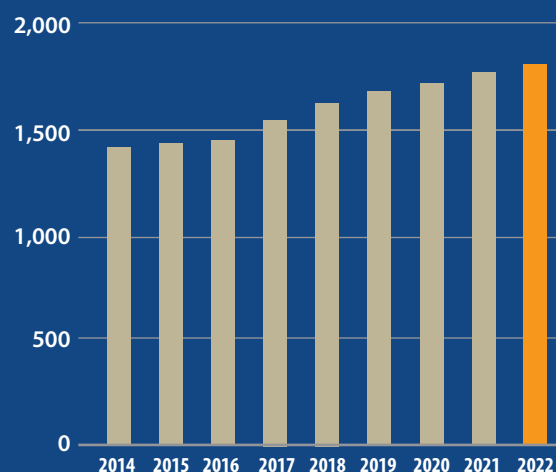
(years ended Dec. 31, 2022, and Dec. 31, 2021)

	2022	2021
Operating Revenues	\$ 67,142,416	\$ 62,368,655
Operating Expenses		
Cost of Power	47,577,443	38,784,710
Distribution Operations	3,214,309	2,710,383
Distribution Maintenance	1,800,638	1,563,361
Consumer Accounts	2,113,782	1,953,097
Consumer Service and Information	1,049,308	918,115
Administrative and General	3,383,621	3,489,574
Depreciation and Amortization	4,689,575	4,393,308
	63,828,676	53,812,548
Operating Margins Before Interest Expense	3,313,740	8,556,107
Interest Expense	2,544,425	2,455,293
Operating Margins After Interest Expense	769,315	6,100,814
Nonoperating Margins	230,471	56,094
Generation and Transmission Cooperative Capital Credits	780,783	845,789
Other Capital Credits and Patronage Capital Allocations	321,654	174,662
Net Margins	\$ 2,102,223	\$ 7,177,359

Growth in Meters



Miles of Line



STATEMENTS OF CHANGES IN EQUITIES

(years ended Dec. 31, 2022, and Dec. 31, 2021)

	Total Equities	Membership Fees	Patronage Capital	Other Equities
Balance-Dec. 31, 2020	\$ 52,069,975	\$ 85,380	\$ 46,339,380	\$ 5,645,215
Net Margins	7,177,359	—	7,177,359	—
Membership Fees	6,815	6,815	—	—
Retirement of Patronage Capital	(3,346,424)	—	(3,346,424)	—
Retired Capital Credit Gains	447,852	—	—	447,852
Balance-Dec. 31, 2021	56,355,577	92,195	50,170,315	6,093,067
Net Margins	2,102,223	—	2,086,426	15,797
Membership Fees	3,130	3,130	—	—
Retirement of Patronage Capital	(1,953,762)	—	(1,953,762)	—
Retired Capital Credit Gains	398,985	—	—	398,985
Balance-Dec. 31, 2022	\$ 56,906,153	\$ 95,325	\$ 50,302,979	\$ 6,507,849

LOCAL PRINCIPALS RECEIVED

\$24,000

TO USE TOWARD THE WELL-BEING OF STUDENTS AND FACULTY

\$44,010

TO ASSIST LOCAL AGENCIES AND INDIVIDUALS IN 2022

2022 Coastal Electric Cooperative Foundation Treasurer's Report

Financial statements for the fiscal year ending Dec. 31, 2022, reflect the sound status of the Coastal Electric Cooperative Foundation. Each year, McNair, McLemore, Middlebrooks & Co., LLP, CPA, perform an audit of the foundation's accounting records.

This audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. The figures in this report, which are displayed on this page, are from the audit and represent a summary of the auditor's complete report. Copies of the audit are on file at the cooperative's headquarters.

Runette Parker

Treasurer

Coastal Electric Cooperative Foundation

\$133,615

IN SCHOLARSHIPS AWARDED TO LOCAL STUDENTS IN 2022—ALMOST \$30,000 MORE THAN IN 2021

2022 Coastal Electric Cooperative Foundation Board of Directors

Bryan County

Runette Parker
Constance Riggins

Liberty County

Timothy Beaty
Jack Standard
Lynn Stevens

McIntosh County

Jerry Adkins
Gary Smith
Ray Williams

STATEMENTS OF FINANCIAL POSITION

(years ended Dec. 31, 2022, and Dec. 31, 2021)

	2022	2021
ASSETS		
Cash	\$ 356,071	\$ 324,805
Restricted Cash	20,000	20,000
Temporary Cash Investments	132,258	132,152
Contributions Receivable	14,610	5,586
Interest Receivable	12	12
Total Assets	\$ 522,951	\$ 482,555
NET ASSETS		
Net Assets Without Donor Restriction	\$ 502,951	\$ 462,555
Net Assets With Donor Restrictions	20,000	20,000
Total Net Assets	\$ 522,951	\$ 482,555

Notes, which are an integral part of this financial statement, are on file at the cooperative's headquarters.



2022 Coastal Electric Cooperative Foundation grants awarded

Bright Ideas grants winners by school:

Bradwell Institute:	\$2,865.70
Carver Elementary School:	\$3,592.60
Joseph Martin Elementary School:	\$1,985.83
Lewis Frasier Middle School:	\$1,823.88
Liberty Elementary School:	\$1,960
McAllister Elementary School:	\$763.32
McIntosh County Academy:	\$3,805.26
Midway Middle School:	\$1,999.55
Richmond Hill High School:	\$5,940
Richmond Hill Middle School:	\$13,531.21
Taylor's Creek Elementary School:	\$1,894.83



STATEMENTS OF ACTIVITIES

(years ended Dec. 31, 2022, and Dec. 31, 2021)

	2022	2021
Change in Net Assets Without Donor Restrictions		
<i>Revenue and Support</i>		
Contributions	\$ 385,327	\$ 302,529
Assets Released from Restriction	20,000	20,000
Contributed Services	7,390	6,238
Interest Income	106	469
	412,823	329,236
<i>Expenses</i>		
Program Services		
Community Assistance		
Bright Ideas Grants	41,860	39,627
Washington Youth Tour	18,443	14,000
Assistance to Other Agencies	144,969	54,000
The Principal's Fund	24,000	24,000
Scholarships	133,615	104,916
Individual Assistance	2,150	1,465
Supporting Services		
Administrative and General	7,390	6,238
	372,427	244,246
Change in Net Assets Without Donor Restrictions	40,396	84,990
Net Assets With Donor Restrictions		
Grants	20,000	20,000
Assets Released from Restrictions	(20,000)	(20,000)
Change in Net Assets With Donor Restrictions	-	-
Change in Net Assets	40,396	84,990
Net Assets, Beginning	482,555	397,565
Net Assets, Ending	\$ 522,951	\$ 482,555

STATEMENTS OF CASH FLOWS

(years ended Dec. 31, 2022, and Dec. 31, 2021)

	2022	2021
Cash Flows from Operating Activities		
Contributions Received	\$ 396,303	\$ 323,635
Donations Paid	(365,037)	(238,008)
Interest Received	-	34
Net Increase in Cash and Restricted Cash	31,266	85,661
Cash and Restricted Cash, Beginning	344,805	259,144
Cash and Restricted Cash, Ending	\$ 376,071	\$ 344,805
Balance Sheet Reconciliation		
Cash	\$ 356,071	\$ 324,805
Restricted Cash	20,000	20,000
	\$ 376,071	\$ 344,805
Reconciliation of the Change in Net Assets to Cash Flows from Operating Activities		
Change in Net Assets	\$ 40,396	\$ 84,990
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Change In		
Temporary Cash Investments	(106)	(439)
Contributions Receivable	(9,024)	1,106
Interest Receivable	-	4
Cash Flows from Operating Activities	\$ 31,266	\$ 85,661



\$41,860

IN BRIGHT IDEAS GRANTS
AWARDED TO LOCAL EDUCATORS
IN 2022, FUNDING INNOVATIVE
CLASSROOM PROJECTS



2022 Coastal Electric Cooperative Foundation Scholarship winners

Maya Giorgianni
Annabelle Hartley
Bailey Middleton
Andrew Mills
Theresa Santos
Ryan Wiebold



CAPACITY *for* CHANGE



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