


Balancing Reliability and Sustainability



LEC LaLens Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 

2023
Annual
Report



Charles Adair
CHAIRMAN OF THE BOARD



Matt Stanley
PRESIDENT AND CEO

Since 1939, Laurens Electric Cooperative has existed for the purpose of bettering our communities and the lives of our members. The energy industry is undergoing monumental changes, but our mission remains the same. We are ready to navigate these changes and ensure every step forward is in the best interests of our members.

South Carolinians know our state is growing at a rapid pace, as is the demand for electricity. At the same time, our members want sustainable energy options. The energy industry, environmental advocates, state, and federal lawmakers are grappling with ways to provide a path forward with both goals in mind.

Laurens Electric and co-ops across the state and nation know there must be a balance. We've been working to meet the energy needs of our members while also embracing sustainable practices.

Reliability

Providing you with reliable, affordable power is the bottom line.

We constantly monitor and assess energy industry challenges, changes, and policies that can impact our members, and work continuously to keep rates stable while keeping the power on.

We maintain rights of way year-round to lessen the chances of outages, but when storms approach or the potential for outages occurs, our line crews are on call and ready to work.

Beyond our work at home, we also assist other co-ops during times of great need. Co-ops helping co-ops is one of the Seven Cooperative Principles we adhere to, and ensures if we suffer a disaster here, other co-ops will return the favor.

Technology and innovation keep you informed.

Aside from our web site and social media channels, we also provide methods of communication that put the power in your hands.

Our Outage Center at laurenslectric.com allows members to sign up for outage alerts via text message, so you can report an outage or check the status of an ongoing outage with a cell phone.

Members can also sign up to receive customized notifications about electric usage, receive due date reminders and be notified in case of severe weather and emergencies by signing in to their account and selecting their preferences in the Member Portal.

Don't forget to get the LEC Connect App in your favorite app store – it's free.

Dispatch works day and night to help monitor, evaluate and assign restoration efforts.

"It's almost like the lineworkers are the unsung heroes. I don't know how they do it. They're out in the worst times, putting their lives on the line."

— Joseph F. Waterloo
Laurens Electric Member



There are challenges on the horizon.

Due to South Carolina's rapid population growth, the state's success in recruiting new industry, and the increasing electrification of the economy – particularly the growing adoption of electric vehicles – demand for electricity is rising.

Yet South Carolina hasn't built new, large-scale power generation to keep up. There is increasing demand for electricity at a time when there is decreasing reliable supply.

We support a diverse, all-of-the-above energy mix that includes nuclear, natural gas, hydro, coal, and renewables, and recommend delaying the retirement of power plants until adequate replacement generation is up and running.

Electric cooperatives are reaching out to lawmakers and providing them with the information they need to push this issue forward. We need your help, too. We are asking the public to join us in building awareness of this issue, both in conversations with neighbors and with elected officials. Get started at [voicesforcooperativepower.com](https://www.voicesforcooperativepower.com).



Laurens Electric's employees and board members visit our state representatives at the S.C. State House on Co-op Day.

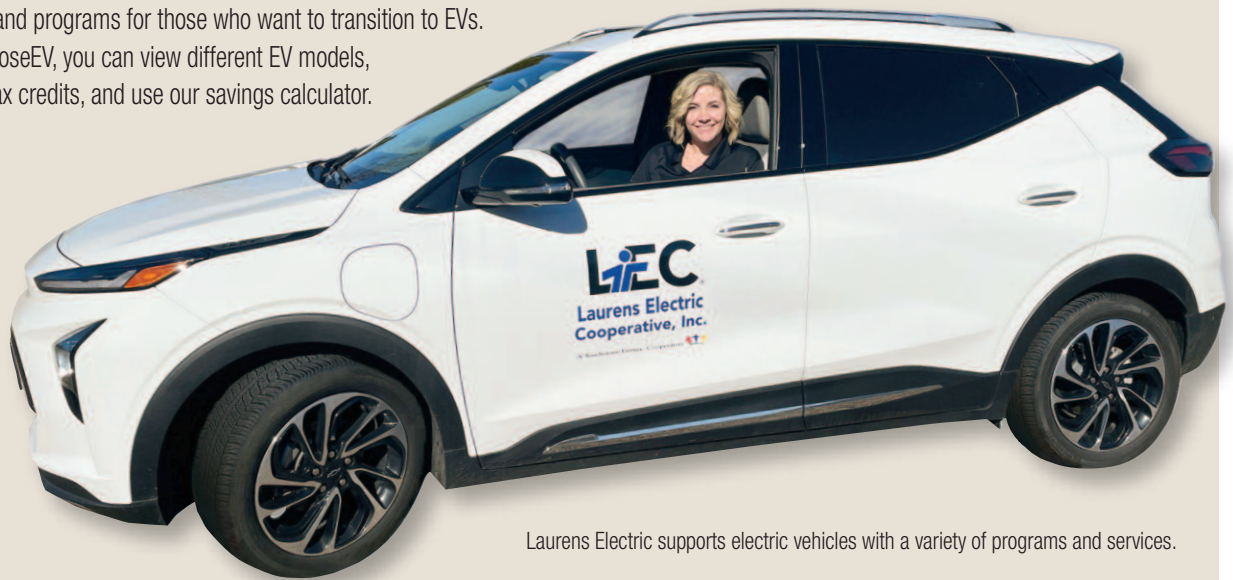
Sustainability

While our primary function is to provide reliable and affordable energy to our members, we are more than an electricity provider. Because we are a co-op, our mission is to enrich the lives of our members and to serve the long-term interests of our community. We feel we're doing both by investing in renewable energy sources, energy efficiency programs, and beneficial electric products.

In 2023, we went all-in on electric vehicles.

We offer a variety of tools and programs for those who want to transition to EVs.

At laurenslectric.com/chooseEV, you can view different EV models, compare pricing, identify tax credits, and use our savings calculator.



Laurens Electric supports electric vehicles with a variety of programs and services.

Electric Vehicle Charger and Rebate Program.

This program allows members to receive a \$600 rebate when they purchase a Level 2 electric vehicle charger from the co-op and agree to participate in peak load management efforts.

OptiWatt App.

This is a free app available to LEC members, which helps prioritize charging efficiency. The app allows EV owners to see how long their vehicle charged, how much the charge cost them, and sign up to become a "Watt Hero" for load control events and receive a bill incentive in return. Get started at [getoptiwatt.com](https://www.getoptiwatt.com) or download the app.

EV Verification and Enrollment.

Members may also choose to participate in this effort and let us know if they own an electric vehicle to help ensure future reliability as the transition to EVs expands.

“South Carolina's electric co-ops are proud of their commitment to renewable energy, currently developing 300MW of renewables with plans for more. The investments in renewables are designed to make a positive impact without significantly increasing cost.”

— South Carolina Power Team

Renewable energy options are available to members.

Our Solar Advisory and Installation Program helps members understand both the risks and rewards of going solar. We will walk you through the process and help you understand the economics. If you decide solar is right for you, you can choose to use Laurens Electric to install the solar panels at your home.

Another renewable option is a Geothermal heating and cooling system. It's one of the most environmentally friendly HVAC replacements available. It can reduce energy consumption and cut your power bill in half. And currently, members can receive 55% of the cost back in federal and state tax credits.

Energy Efficiency helps our members save on electric bills.

When you participate in the energy efficiency programs and incentives we offer, you're doing your part to save energy and better our environment. Through our Home Rewards program, residential members receive cash back for making energy-efficient improvements to their homes, such as upgrading their HVAC system, improving the energy efficiency of ductwork or an attic, and installing a dual-fuel heat pump.

And through our Smart Thermostat program, members can get an ecobee smart thermostat for as low as \$50 (installation available). Laurens Electric will sync with your thermostat to make small automatic adjustments based on peak times. Members also receive an annual \$50 incentive for their participation.



Enjoy convenience and control with Laurens Electric's Smart Thermostat program, enabling you to adjust your home's temperature anytime, anywhere.



Laurens Electric has services available for solar panel installation with trained solar panel installers.

In addition, through the LEC Connect app, we offer our members the convenience and ability to manage and monitor their energy use.

Demand management programs encourage energy reduction during peak times.

Peak demand is when the need for electricity is at its highest and most costly. By helping LEC reduce peak demand, you help keep electricity costs stable.

PowerSaver Rewards is a cash back program with smart switch technology that allows Laurens Electric to manage the energy use of members' central air conditioner through the thermostat and/or cycle off the electricity to your swimming pool pump during periods of peak electric demand.

And through our Smart Thermostat program, members can get an ecobee smart thermostat for as low as \$50 (installation available). Laurens Electric will sync with your thermostat to make small automatic adjustments based on peak times. Members also receive an annual \$50 incentive for their participation.

Service



Member satisfaction is our priority..

In 2023 you gave us our highest score ever on the American Customer Satisfaction Index (ACSI), which provides a uniform and independent measure of consumer experience. Laurens Electric, with a score of 90, far surpassed benchmarks set by other utilities, such as the Investor-Owned Utility Average and even Touchstone Energy Cooperatives.

“Myself and our church want to express our gratitude to you and your crews for an outstanding job this week helping our church to get the power changed over in a timely manner. We can’t thank you all enough... You all are without a doubt customer focused and there to serve your customers.”

— Ronny G. Walker
Walker & Whiteside Electrical Contractors

Capital Credits are a benefit of membership.

As a member-owned electric utility, last year the cooperative returned \$1,500,000 in patronage capital credits, which are similar in nature to the dividends paid to stockholders in investor-owned utilities. You could consider this money your dividend as a member-owner of the co-op. Members who are owed \$100 or less received the credit to their accounts in October. Call us to see if you have unclaimed credits.

Laurens Electric is able to present you with Capital Credits year after year because we continue to remain strong. That strength comes from the trust our members have placed in us and our commitment to excellent service you’ve come to depend on since 1939.

2023
ACSI
Score **90**



Growth and Economic Development

Economic Development means community development.

In 2023, South Carolina had its second-best year on record for economic development activity, announcing nearly \$9.2 billion in new capital investment and more than 14,000 new jobs.

Laurens Electric is a part of that success, working with businesses, industrial leaders, and economic development teams to bring growth and jobs to our area.



“Laurens Electric has been very supportive in helping us recruit new industries that will create jobs ... they are looking to invest in Laurens County and make it a better place as a whole.”

— Jonathan Coleman
Laurens County Development Corporation President and CEO

Progress continues on the Connexial Center, a 600-acre industrial park located in Laurens County owned by the co-op. Working in collaboration with Laurens County Economic Development and the SC Power Team, the park brings in capital investment, creates jobs, and grows electric load, which ultimately helps keep rates stable.

The cooperative has also new members at Bridgeway Station, a planned multi-phase, mixed-use development in Mauldin. Currently under construction, it's described as a future urban village along Interstate 385 with at least 1 million square feet of new apartments, offices, shopping, dining, lodging, and entertainment. High-density complexes such as this one add revenue and help lower costs.



Community

Commitment to community is a core value.

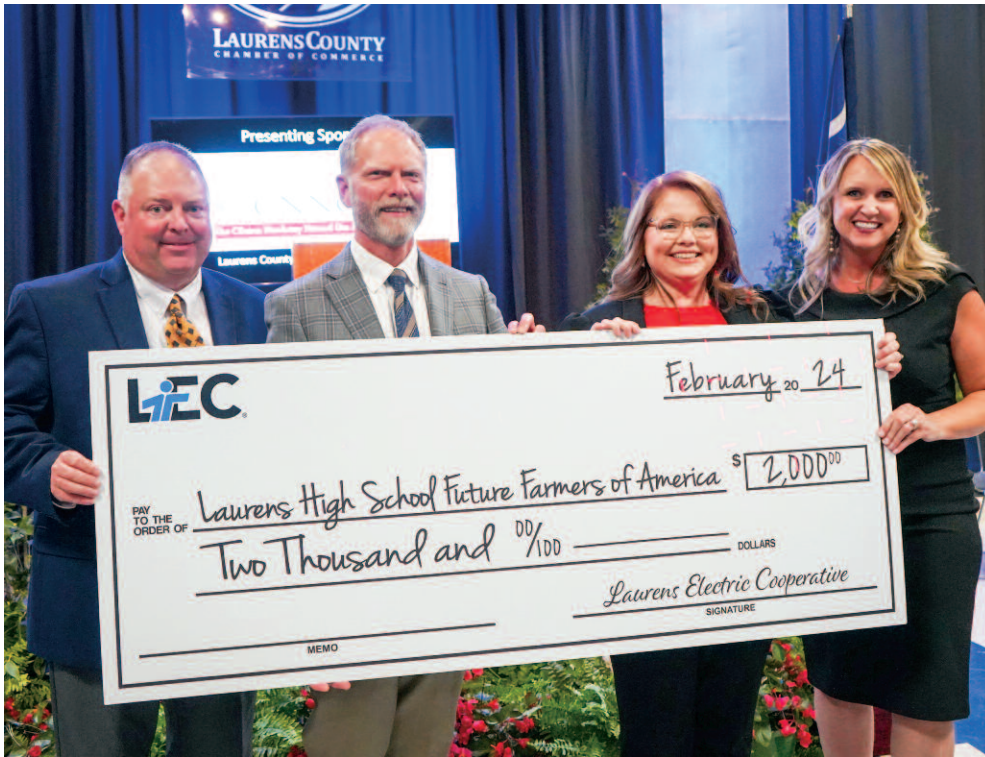
Throughout the year, Laurens Electric Cooperative organizes programs and charitable events. The co-op sponsors local high school students each year to attend Washington, D.C. Youth Tour and the South Carolina Cooperative Youth Summit. We hold an annual employee United Way fundraiser and reach out to the community through our women's charitable group, WIRE (Women Involved in Rural Electrification).

Unique to LEC is its employee Pay It Forward program and Community Impact Initiative grants. Through Pay It Forward, every Laurens Electric Cooperative employee is entered into a random drawing to receive \$500 to pay forward in any way they choose. Each month a new name is drawn, and the employee then has one month to apply the funds toward their own act of kindness.

“I love how involved in the community they are, how they really care about their customers.”

— Marnie Schwartz-Hanley, Fountain Inn Chamber of Commerce President





Laurens Electric donated a \$2,000 grant to Laurens High School for its' Future Farmers of America program.

“They donate money through their Cooperative Caring program to help Laurens Electric customers that are having difficulty with their utility bill. Since 2010 they have donated over \$110,000.”

— Kay Leagans, Director of the Laurens Baptist Crisis Center

The Community Impact Initiative provides grants up to \$2000 intended for public charitable purposes that enrich the quality of life of citizens in the communities the cooperative serves. Community members apply through their local Chambers of Commerce, which select winners. Projects should include innovative, creative, and practical solutions to current community needs, represent a new or unique community opportunity, and make a clear difference in the quality of life.

LEC also participates in school career days, litter pick-ups, and much more. Laurens Electric’s charitable programs are funded by community events, like our popular annual golf tournament, which employee volunteers make possible. In 2023, the co-op’s total community investment was \$191,000.

2023
Board of
Directors



Joe Nicholson DISTRICT 1



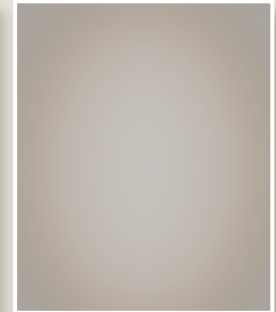
Bill Hendrix DISTRICT 2



Jim L. Perry DISTRICT 3



Charles Adair DISTRICT 4



DISTRICT 5 – VACANT



Eddie Abrams DISTRICT 6



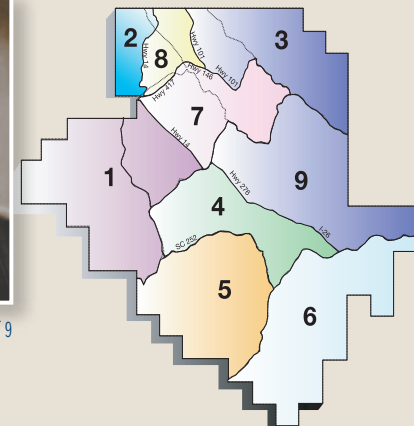
Marcus E. Cook DISTRICT 7



Reid Fisher DISTRICT 8

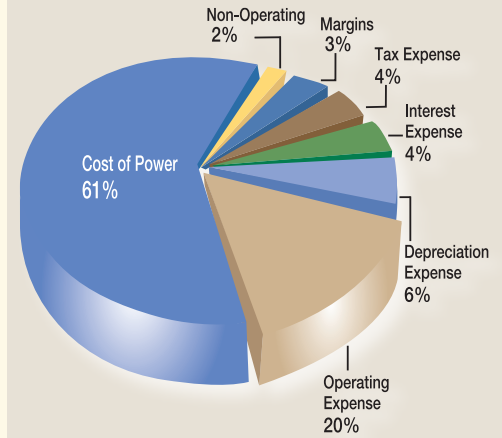


Mitchell Powers DISTRICT 9

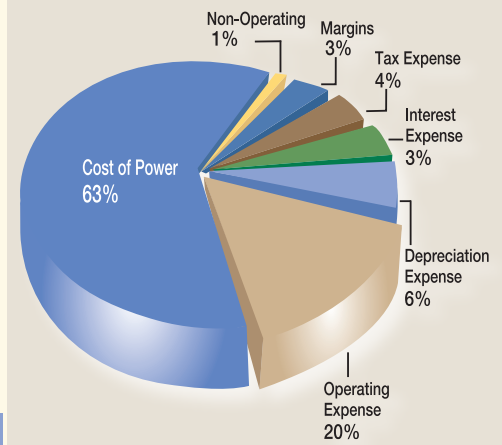


Balance Sheet

	2023	2022
Assets		
UTILITY PROPERTY, PLANT & EQUIPMENT		
Total Utility Plant	\$ 336,254,968	\$ 320,033,975
Less: Accumulated Depreciation	99,819,285	96,631,841
Net Utility Plant	236,435,683	223,402,134
Other Property & Investments	32,415,476	27,058,998
Total Property, Plant & Equipment	268,851,159	250,461,132
CURRENT ASSETS		
Cash & Cash Equivalents	6,167,212	17,825,038
Accounts & Notes Receivable	28,562,570	29,712,427
Materials and Supplies	3,310,863	3,074,839
Other Current Assets	694,004	756,071
Total Current Assets	38,734,649	51,368,375
DEFERRED DEBITS	0	0
TOTAL ASSETS	\$ 307,585,808	\$ 301,829,507
Liabilities & Equities		
EQUITY		
Memberships	\$ 340,500	\$ 334,410
Patronage Capital & Other Equities	112,712,000	104,138,894
Total Equity	113,052,500	104,473,304
LIABILITIES		
Long Term Debt	156,430,187	151,044,533
Accounts & Notes Payable	9,052,550	10,847,128
Member Deposits	2,998,005	2,862,014
Other Liabilities	26,023,149	29,521,402
Total Current Liabilities	194,503,891	194,275,077
DEFERRED CREDITS	29,417	3,081,126
TOTAL LIABILITIES & EQUITIES	\$ 307,585,808	\$ 301,829,507



2023 Operating Expense



2022 Operating Expense

Statement of Operations and Patronage Capital

	2023	2022
OPERATING REVENUE	\$ 148,567,941	\$ 147,432,413
OPERATING EXPENSES		
Cost of Power	93,557,126	94,525,984
Cost of Operations	31,359,564	29,387,293
Depreciation Expense	8,847,830	8,747,053
Tax Expense	6,677,833	6,613,269
Interest Expense	5,506,951	4,917,294
TOTAL OPERATING EXPENSES	145,949,304	144,190,893
NET OPERATING MARGINS	2,618,637	3,241,520
NON OPERATING MARGINS	2,585,066	1,719,453
TOTAL NET MARGINS	\$ 5,203,703	\$ 4,960,973
Margins & Equities, Beginning of Year	\$ 104,473,304	\$ 104,951,370
Retirement of Capital Credits	1,499,871	1,748,469
Margins & Equities, End of Year	113,052,500	\$ 104,473,304

