



SALEM ELECTRIC
AN ELECTRIC COOPERATIVE

2022

ANNUAL REPORT

Board of Directors

Joe Van Meter
President

Dave Bauer
Vice-President

Jeff Anderson
Secretary/Treasurer

Jan Barga

Cindy Condon

Tim Klarr

Angie Onyewuchi-Villery

Directors serve on behalf of the membership to provide mission-based leadership and strategic governance. The Board determines the strategic direction of the cooperative by establishing board policies, approving the budget, and setting rates.

Salem Electric's Goals

Five goals guide our business decisions.

Reliable Service

Good Customer Relations

Good Employee Relations

Financial Integrity

Low Rates

7 Cooperative Principles

All cooperative businesses adhere to seven guiding principles.

Open and Voluntary Membership

Democratic Member Control

Members' Economic Participation

Autonomy and Independence

Education, Training, and Information

Cooperation Among Cooperatives

Concern for Community

A Message to Salem Electric Members

Hydropower is the foundation of the Pacific Northwest's power system, providing about 83% of the power distributed by Salem Electric and 50% of the region's annual energy generation. Fortunately, 2022 was a milestone year in the decades-long battle to protect this impressive resource.

As we kicked off 2022, U.S. Senator Patty Murray and Washington Governor Jay Inslee embarked on a joint federal-state process to determine if we could replace the regional benefits provided by the Lower Snake River dams. If the dams were removed, we could lose 3,000 MW of cost-effective, zero-carbon, on-demand hydropower during the middle of a climate crisis, worldwide energy shortages, and soaring retail electricity prices.

Salem Electric joined consumer-owned power utilities from across the region to push back. Most importantly, we worked to ensure the calculations, costs, and risks associated with removal were well understood, by both our members as well as decision-makers.

In what felt like the first victory for the hydropower system in a long time, politicians recognized the importance of the Lower Snake River dams and said the dams cannot come out until the region has adequate infrastructure to replace the benefits. The outcome shows that Salem Electric and our partners had an impact on keeping your power clean, reliable, and affordable.



Tony Schacher
General Manager



Joe Van Meter
Board President



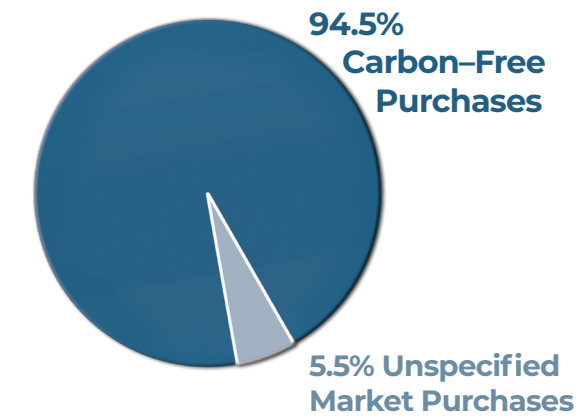
All power distributed by Salem Electric is purchased from the Bonneville Power Administration. Verified carbon-free purchases make up 94.5% of purchases, and market purchases are 5.5%. Market purchases are predominantly carbon free, but the exact percentage is not verifiable.

Generation Resources

- 82.1% Large Hydro
- 0.9% Small Hydro
- 10.9% Nuclear
- 5.5% Market Purchases
- 0.6% Renewable without RECs
- 0.0% Natural Gas
- 0.0% Coal

RECs: Renewable Energy Certificates

BPA Fuel Mix % Summary Calendar Year 2021





Fish ladders at Bonneville Dam, Cascade Locks, Oregon

Investments in Salmon Recovery

\$ 7.6 billion

has been funded by Bonneville Power Administration customers for fish and wildlife protection since 1981.



Upgrades to the lower Columbia and Snake river dams have led to a salmon survival rate past each dam of **93% to 99%**, depending on the fish species.



Climate change is the single greatest threat to salmon, and zero-carbon emission hydropower can help.

90% of the Northwest's renewable, carbon-free annual electricity production comes from hydropower.

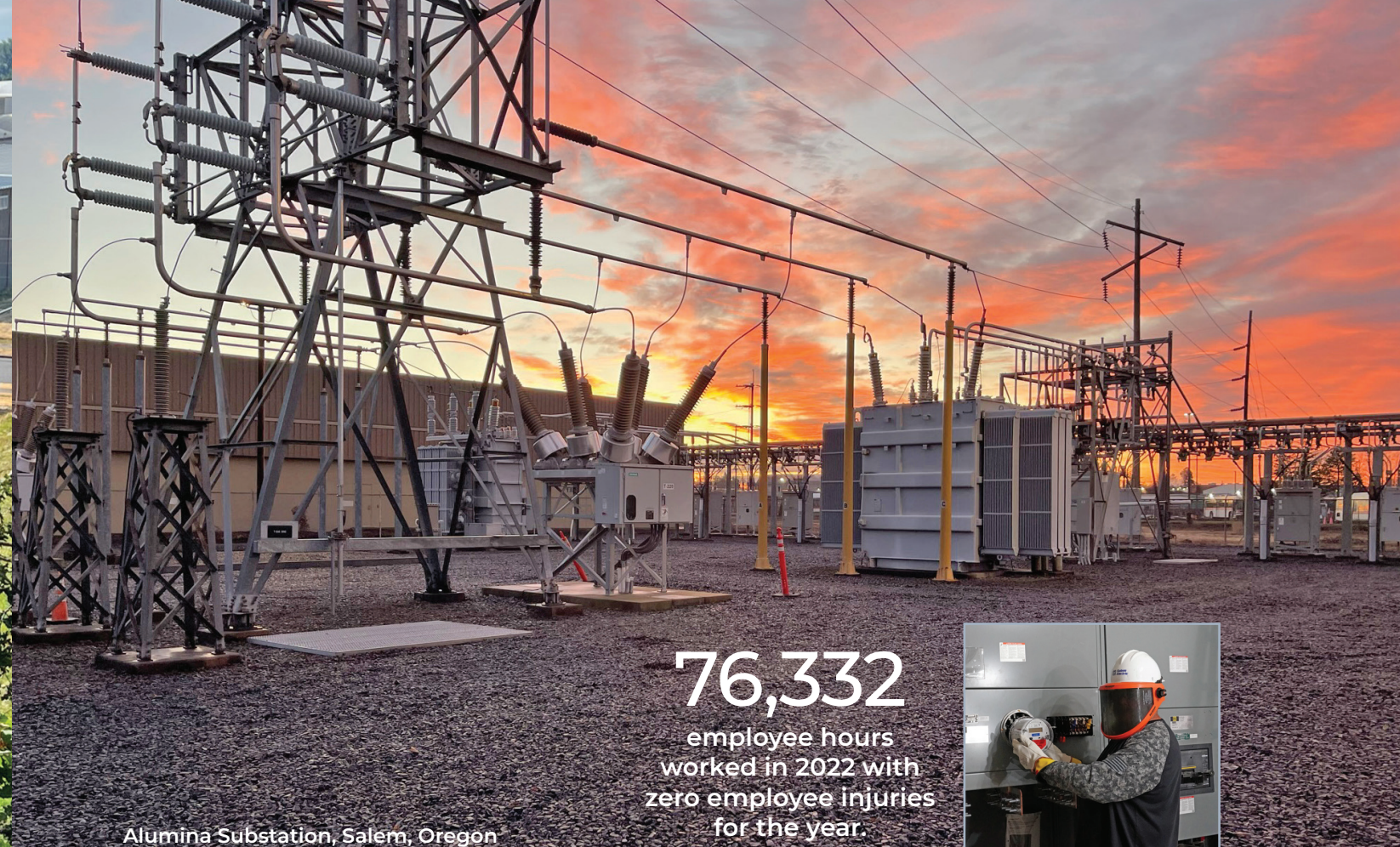


48.35

minutes—average outage time per member in 2022. Nearly 60% of the outage time came from a single outage event when a fallen tree tore down overhead wires and broke five poles.



Fallen tree near Glen Creek Road NW, and Patterson Street NW, Salem, Oregon



Alumina Substation, Salem, Oregon

76,332

employee hours
worked in 2022 with
zero employee injuries
for the year.





Salem Electric supports the communities we serve, including assisting Family Building Blocks to bring awareness to National Child Abuse Prevention Month in April, by hanging ribbons to represent victims of child abuse. (Photos above and right.)

1,142

members received financial assistance from Salem Electric, totaling \$199,850.

\$41,120

donated to local organizations.



\$8,335

donated by Salem Electric and our employees to the Center for Hope & Safety, our 2022 adopted non-profit. Funds will be used to further their mission and to furnish an apartment in the new Hope Plaza to serve survivors of domestic violence.



Ten \$1,500

scholarships given to students in Salem Electric's service area.

\$413,025

in program incentives provided to members, saving 1,342,184 kWh.

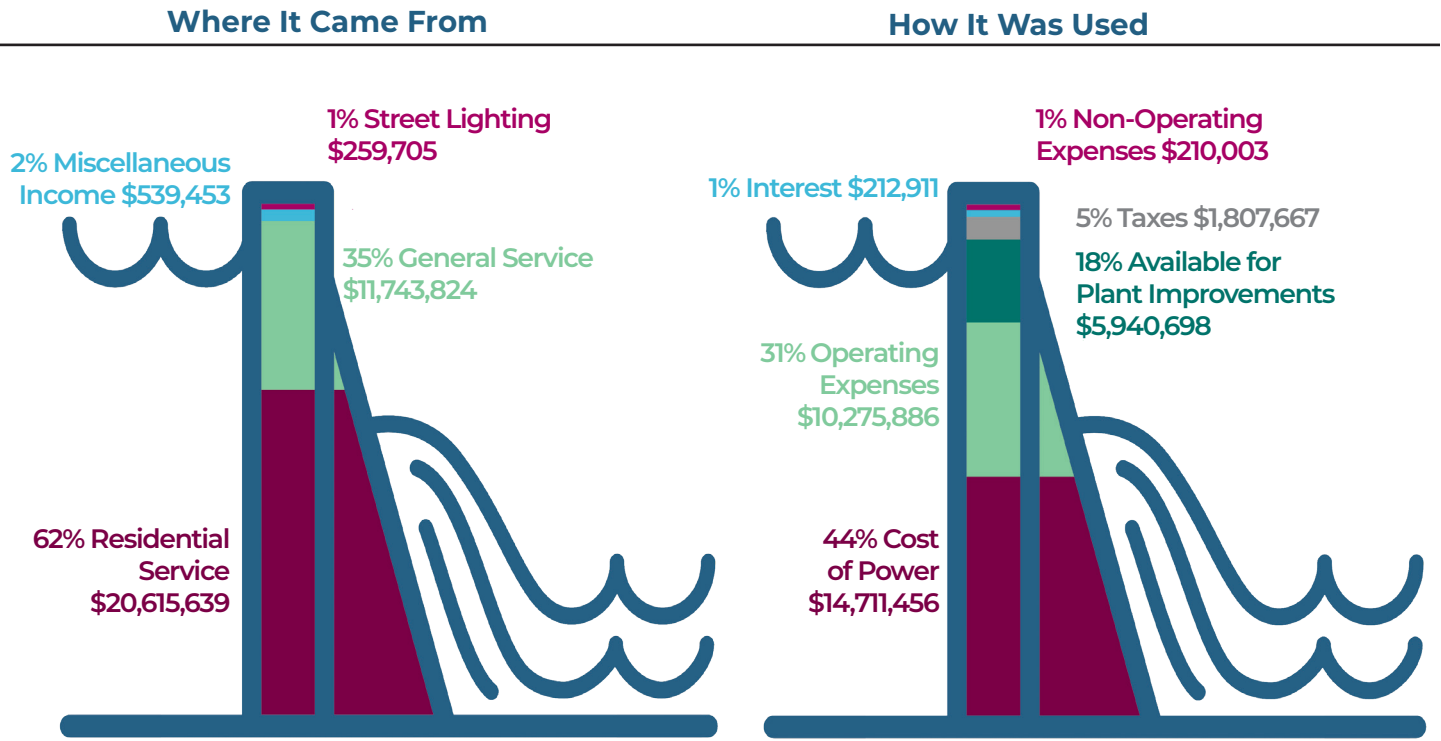


\$27,700

donated by Salem Electric members in order to provide a bill credit to fellow members facing financial hardships.



Cash Flow



5-Year Highlights

	2022	2021	2020	2019	2018
Electric Plant in Service —Depreciated	\$53,013,525	\$51,566,434	\$49,221,478	\$46,745,832	\$44,562,441
Maximum System Peak Demand in MWs*					
Summer	74.70	80.90	73.68	74.10	69.58
Winter	72.60	74.29	63.92	72.19	65.98
kWhs Sold	330,922,563	329,730,347	316,665,945	318,968,443	317,746,474
Gross Revenue	\$33,158,621	\$31,188,724	\$30,949,220	\$29,278,617	\$28,407,391
Net Margin	\$3,855,086	\$3,436,155	\$2,473,051	\$1,721,704	\$1,881,211
Taxes	\$1,807,667	\$1,684,798	\$1,642,855	\$1,618,835	\$1,607,221
Number of Accounts Billed	20,674	20,631	20,412	20,052	19,738
Number of Employees	47	48	48	48	48
Capital Credit Refunds	\$1,601,256	\$1,644,316	\$1,638,914	\$1,757,822	\$1,730,790

Balance Sheet

Assets	2022	2021	Liabilities & Equities	2022	2021
Distribution Plant in Service —Depreciated	\$47,255,595	\$45,974,612	Long Term Debt	\$5,884,189	\$4,700,185
General Plant in Service —Depreciated	5,757,930	5,591,822	Accounts Payable BPA	1,120,182	1,154,962
Cash and Temporary Investments	14,556,231	13,235,976	Other Accounts Payable	78,401	98,186
Receivables (Net)	2,568,401	2,632,176	Member Deposits	580,292	579,712
Unbilled Revenue	1,466,567	1,425,704	Accrued Expenses	2,925,014	2,785,921
Materials and Supplies	1,394,115	1,019,090	Other Liabilities	7,182,802	10,775,272
Prepayments	816,160	695,358	Capital Credits Unretired (Member Equity in Co-op)	49,148,671	43,582,123
Other Assets	940,850	372,647	Capital Credits Retired	5,774,464	5,481,882
Total Assets	\$74,755,849	\$70,947,385	Capital Credits Payable	2,061,834	1,789,142
			Total Liabilities & Equities	\$74,755,849	\$70,947,385

Statement of Income & Expenses

Income	2022	2021	Expenses	2022	2021
Residential	\$20,615,639	\$19,480,316	Cost of Power	\$14,711,456	\$13,868,797
General Service	11,743,824	11,115,046	Operating Expenses	10,275,886	9,491,215
Street Lighting	259,705	259,779	Depreciation	2,085,612	2,038,531
Miscellaneous	539,453	333,583	Non-Operating Expenses	210,003	495,687
Total Income	\$33,158,621	\$31,188,724	Taxes	1,807,667	1,684,798
			Interest	212,911	173,541
			Total Expenses	\$29,303,535	\$27,752,569
			Net Margin	\$3,855,086	\$3,436,155





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