

OHIO'S ELECTRIC COOPERATIVES

Your Touchstone Energy® Cooperatives

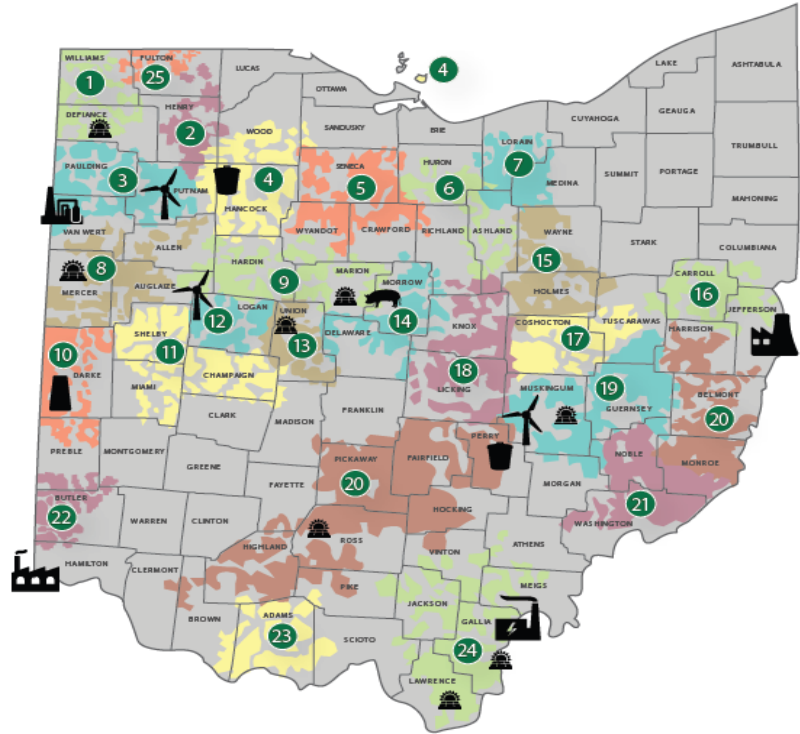


2025 OEC Winter Conference Pre-Conference Session

With Craig Grooms



OHIO'S ELECTRIC COOPERATIVES AND BUCKEYE POWER



GENERATION RESOURCES

	Solar		Cardinal Plant
	Wind		Kyger Creek Generation Station
	Biodigester		Clifty Creek Generation Station
	Landfill		Robert P. Mone Peaking Plant
			Greenville Peaking Plant

25 MEMBER-OWNER COOPERATIVES

1. North Western	14. Consolidated
2. Tricounty	15. Holmes-Wayne
3. Paulding Putnam	16. Carroll
4. Hancock-Wood	17. Frontier
5. North Central	18. The Energy Co-op (Licking)
6. Firelands	19. Guernsey-Muskingum
7. Lorain-Medina	20. South Central
8. Midwest	21. Washington
9. Mid-Ohio	22. Butler
10. Darke	23. Adams
11. Pioneer	24. Buckeye
12. Logan	25. Midwest Energy (MI)
13. URE	

- 25 cooperative members
- Serving ~ 400,000 member-consumers in OH/IN
 - 1 million Ohio residents
 - 1,905 MW peak demand (12/23/22)
- Generation Sources
 - Coal (1,600 MW)
 - Cardinal – Jefferson County
 - (OVEC) Kyger Creek – Gallia County
 - (OVEC) Clifty Creek – Madison, IN
 - Natural Gas (650 MW)
 - Mone – Van Wert County
 - Greenville – Darke County
 - Renewables (71 MW)
 - Hydro – Niagara Falls / St Lawrence River
 - Power Purchase Agreements:
 - Landfill methane (2), Biodigester (1)
 - Several small solar and wind projects at member sites
- 365 employees at 5 sites

OEC GENERATION

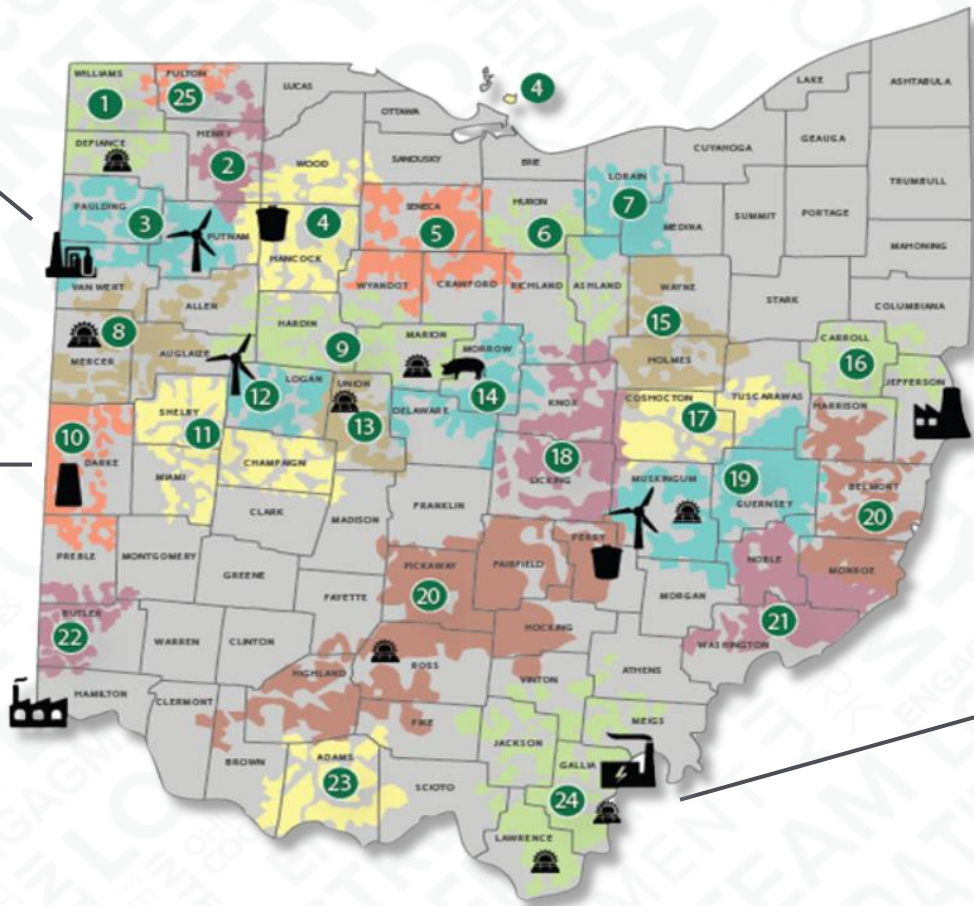
Mone Plant (NG)



Greenville Plant (NG)



OVEC - Clifty Creek Plant (C)



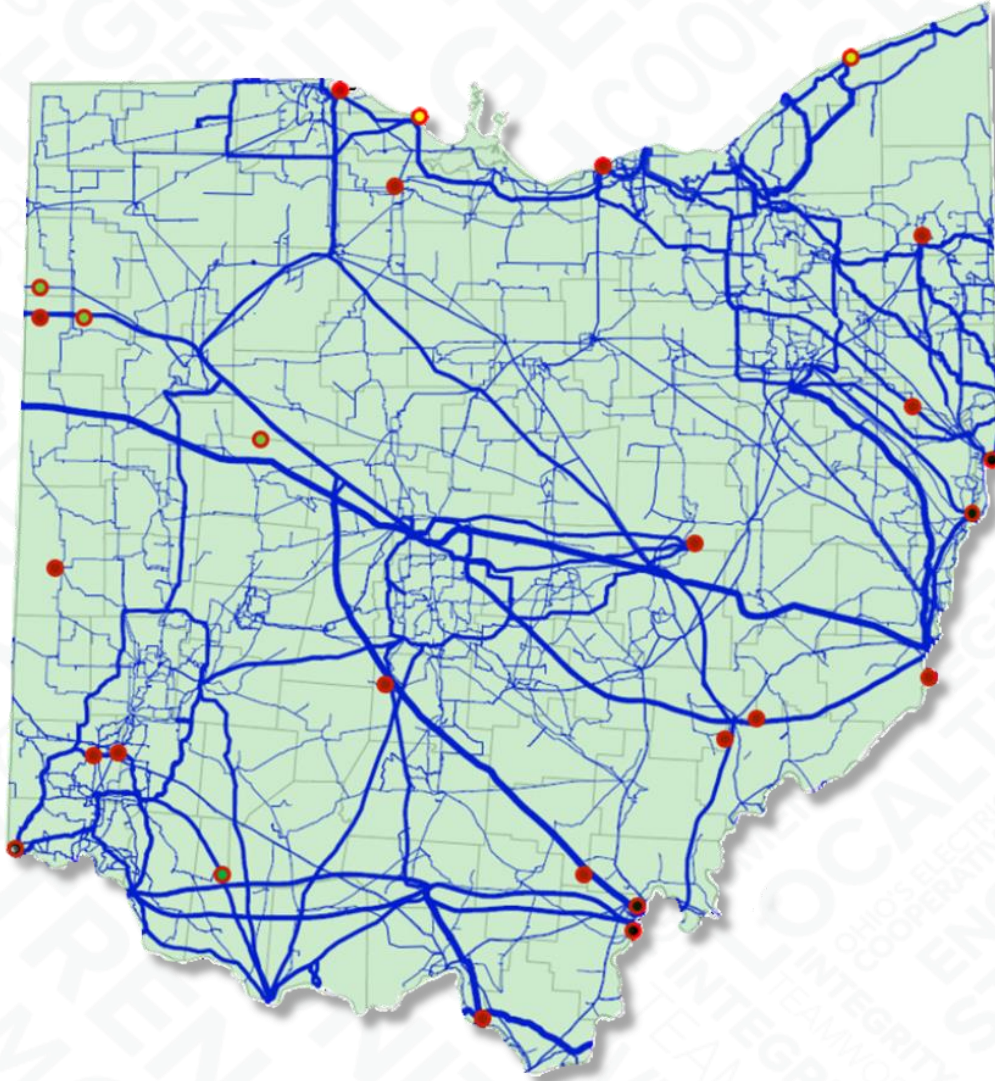
Cardinal Plant (C)



OVEC - Kyger Creek Plant (C)



OEC TRANSMISSION



Transmission Dependent Utilities (TDU)

- Buckeye arranges for transmission service from the 4 owners:
 - AEP
 - AES
 - ATSI
 - Duke
- 435 delivery points to cooperative systems

STATEWIDE SERVICES

Strategic partner with Ohio's electric cooperatives

- Provide services that support electric co-ops and benefit their communities
- Unify the cooperative network in Ohio
- Legislative & Government Affairs
 - Influence legislators for reasonable laws/rules and advocate for sensible EPA regulations
- Communications
 - Help members understand their role as owners and the value and benefits of co-op business model
- Safety Training / Loss Prevention / COLT
 - Safety #1
 - Lineworker development
- Cooperative Development
 - Marketing, Workforce & Trustee Education/Development, Youth Development



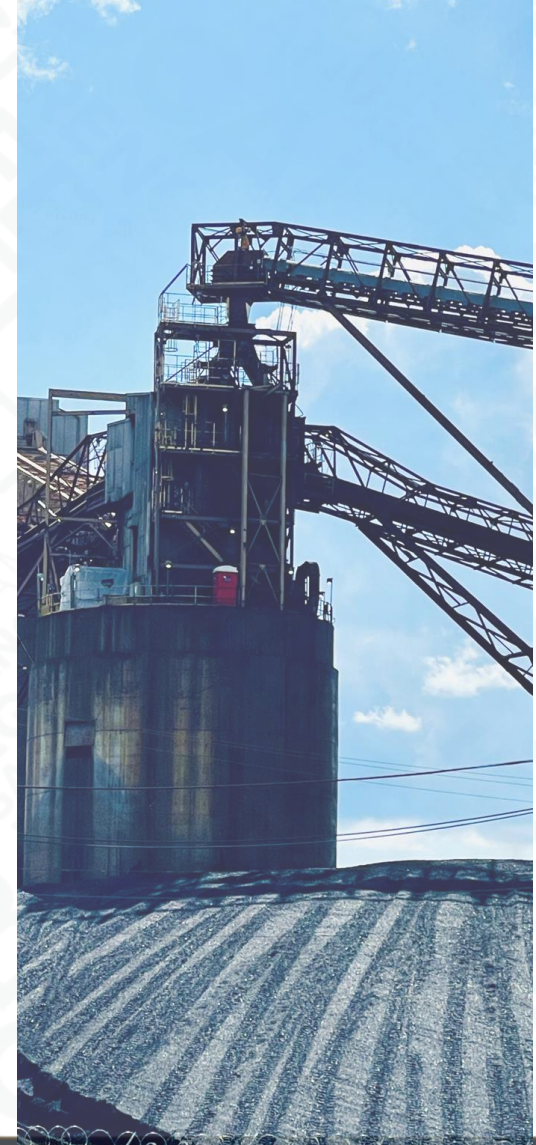
RECENT HIGHLIGHTS

- ***Maintaining stable and competitive rates during volatile and changing markets***
 - Long-term rate projections expected to be competitive against Ohio IOU's
- ***Power plant performance has been good***
 - Cardinal plant: Record runs last year, solid performance during recent cold
 - Gas Plants:
 - Backup fuel capability at Greenville and Mone plants provide assurance on cold days when gas delivery is questionable
 - Investing in reliability continues to pay off
- ***Defending reliable & affordable power supply***
 - Participating in litigation challenging EPA rules: GHG, ELG and CCR
 - Working with NRECA, G&T partners and several states
 - Engaging with new administration to repeal/replace EPA rules



RECENT HIGHLIGHTS

- ***Continue to execute on our plan to provide reliable power supply at a competitive rate to our members while managing our long-term stranded cost exposure***
 - Continuing accelerated depreciation, amortization, expensing and write down of Cardinal & OVEC investments
 - Substantially reducing Cardinal debt
 - OVEC on a path to eliminate debt by 2030
- ***Planning for exit of AEP from Cardinal plant by EOY 2028***
 - AEP has a legal obligation to shut down unit 3 (EPA compliance issue as well)
 - Both would need to be addressed for U3 retirement plans to change
 - No impact to coop members – Buckeye will own/operate units 1&2
 - New ERA program awardee: possible federal funding option



RECENT HIGHLIGHTS

- Mutual Aid
 - Ohio / North Carolina / South Carolina
- 2024 Haggard Award – *Ohio Cooperative Living*
 - Awarded in 2018 & 2022 & 2024
- Project Ohio in Guatemala
- Farm Science Building
- New Cyber Risk Assessment program
- Legislative & Gov't Affairs
- COLT & COLD



INDUSTRY UPDATE



PJM—REGIONAL TRANSMISSION ORGANIZATION



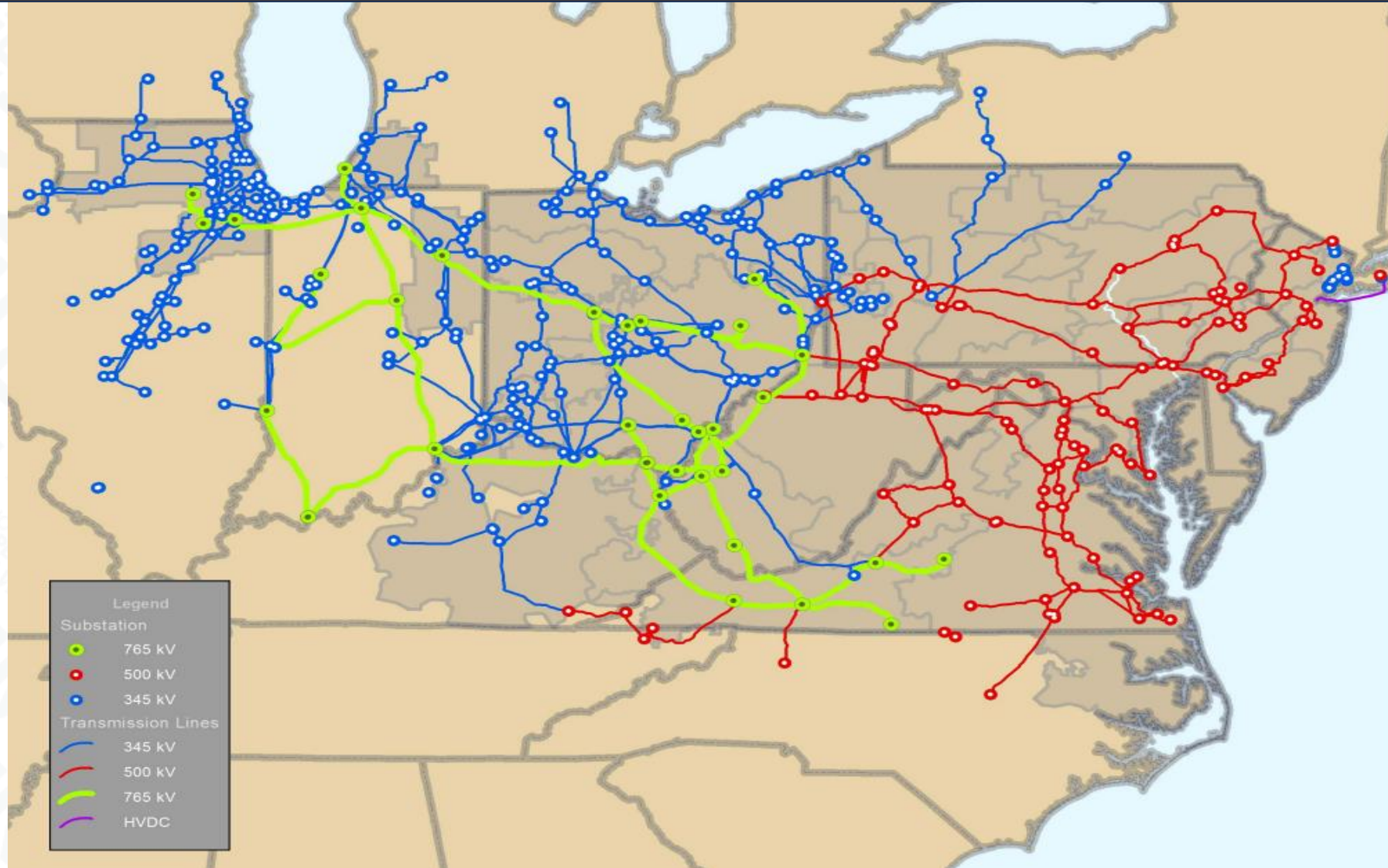
What does PJM do?

- Balancing Authority
- Reliability Coordinator
- Transmission Planning Authority
- Competitive Market for Energy & Capacity

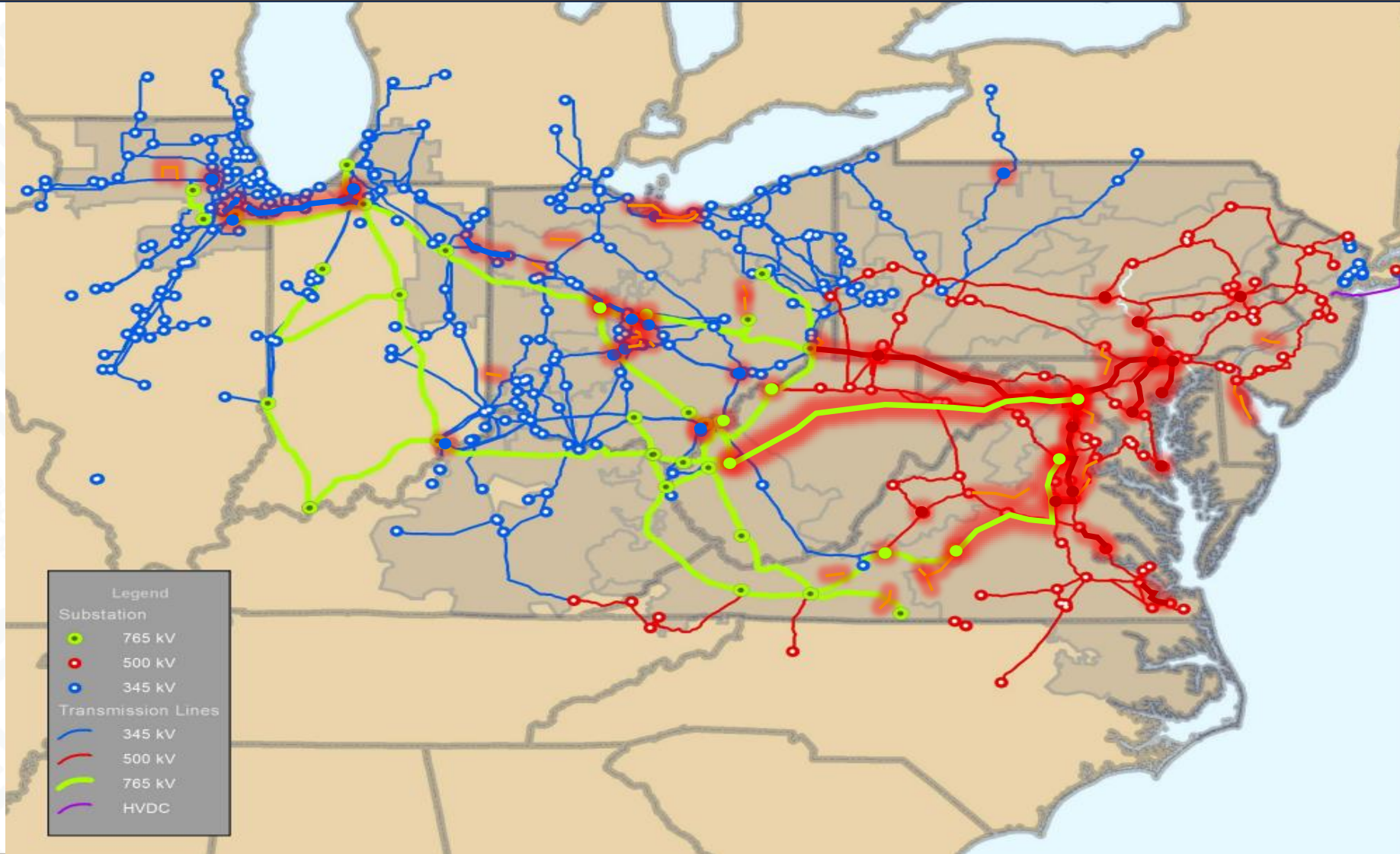
TRANSMISSION

- ***2024 was a great year for transmission reliability***
 - Combination of less severe weather and transmission investments
 - Buckeye staff works closely with the TO's to address cooperative reliability issues and advocates for reasonable investments and cost allocation
- ***Transmission: One of the biggest costs drivers for OEC***
 - Significant investments have been made recently and there is no end in sight
 - Aging infrastructure
 - Mega-loads: Data Centers / Intel / Manufacturing
 - Power flow changes: retired power plants, new generation, new load centers
 - ***Opportunity:*** FERC approved formula rate allows TO's to invest and earn ~ 10% ROE

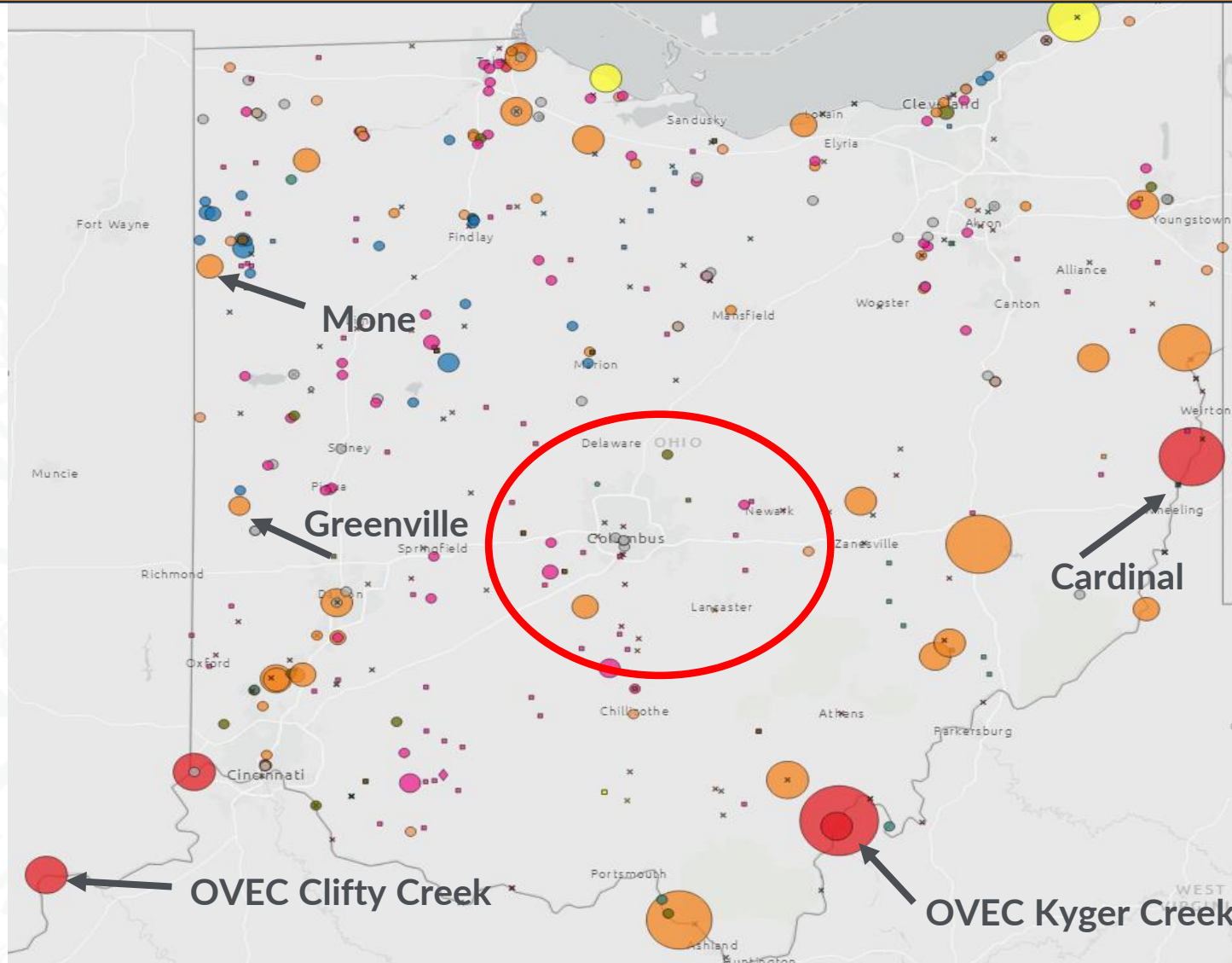
TRANSMISSION EXISTING SYSTEM



TRANSMISSION PROJECTED UPGRADES



CENTRAL OHIO

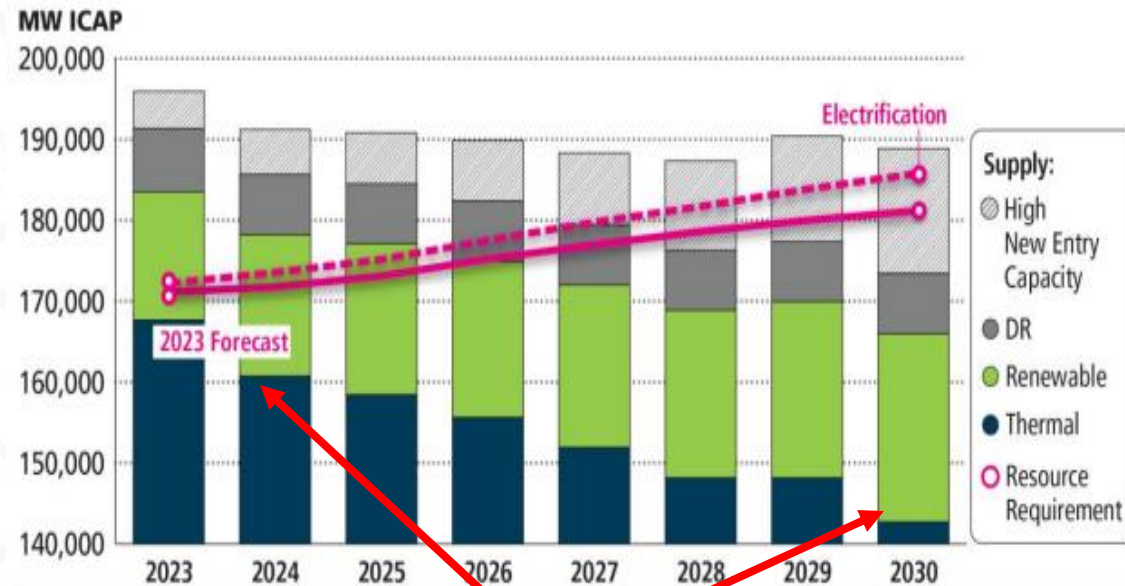


- Low amount of power generation
- Significant load growth expected in central Ohio
 - Intel
 - Data Centers
 - People
 - Electrification
 - Manufacturing
- Few power plants mean additional transmission must be built to import power
 - Ohio is dependent on the PJM market for new generation

RESOURCE ADEQUACY—SUPPLY VS. DEMAND

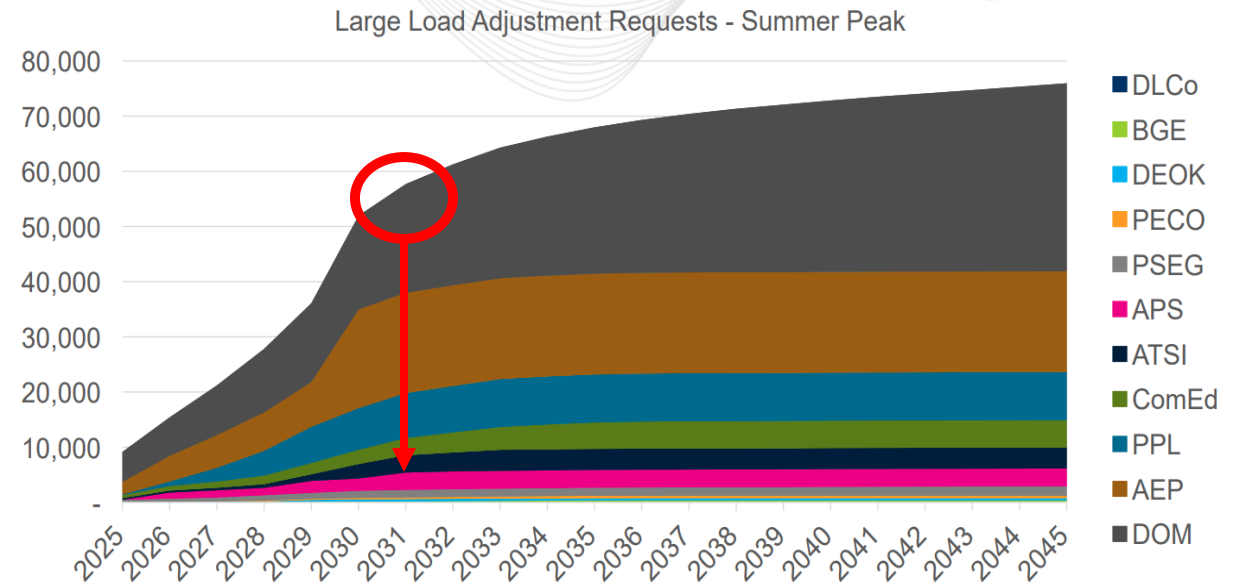
2023: PJM projection of generation-load by 2030

- Load growth ~ 10,000 – 15,000 MW
- Generation reduction ~ 25,000 MW



2025: PJM projection of generation-load by 2030

- Load growth ~ **50,000 MW**
- Generation reduction ~ 25,000 MW



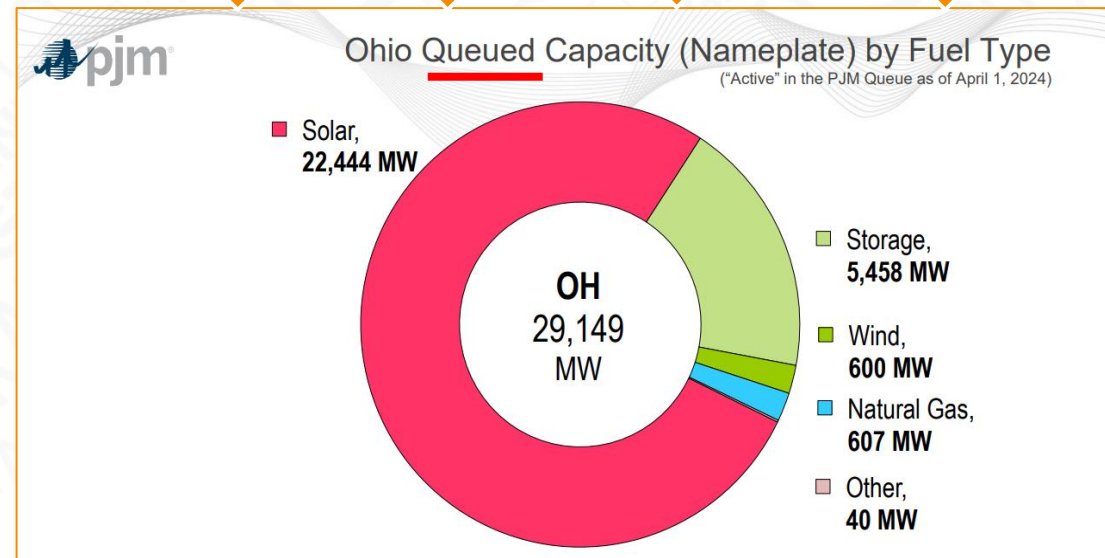
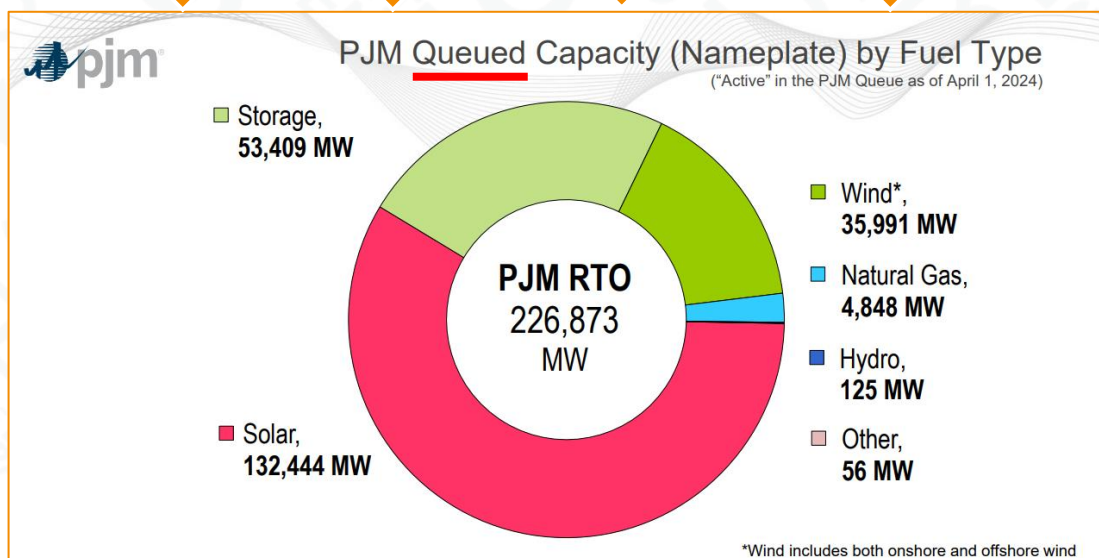
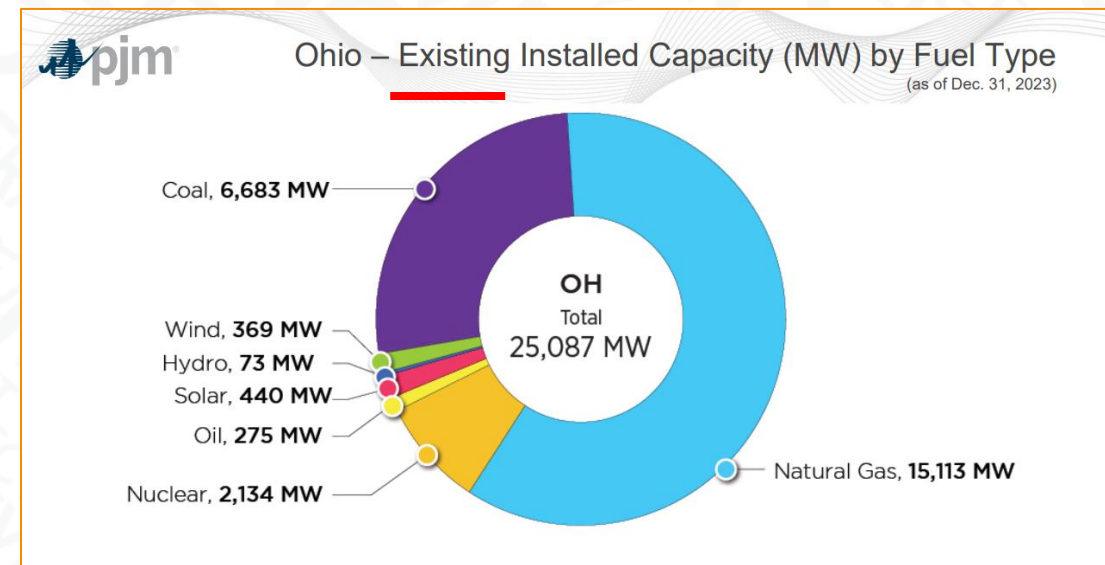
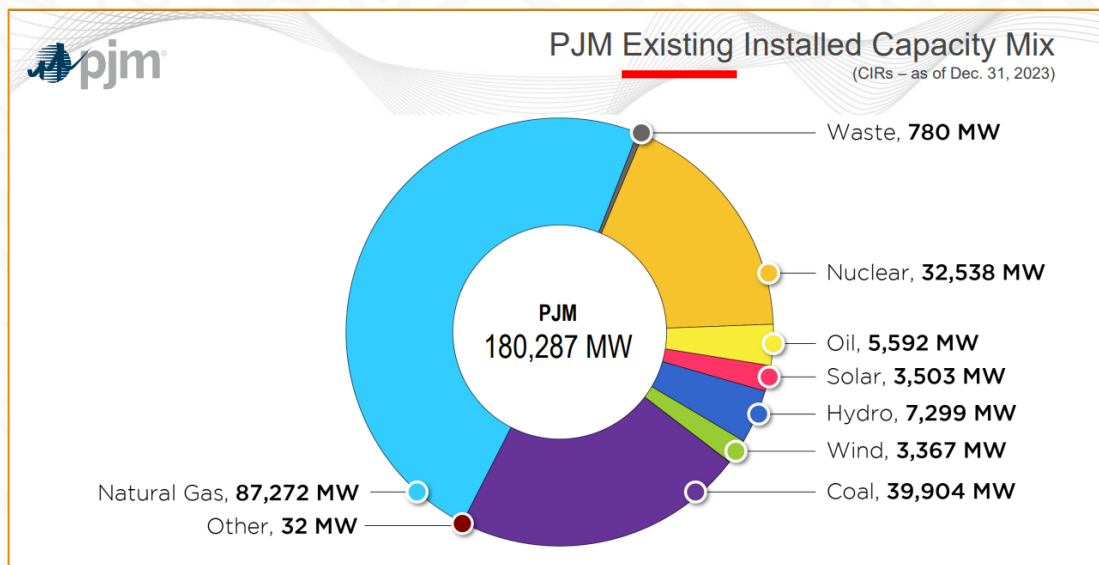
Expected reduction of thermal resources (coal/gas) due to:

- EPA regulations
- State renewable and CO2 laws

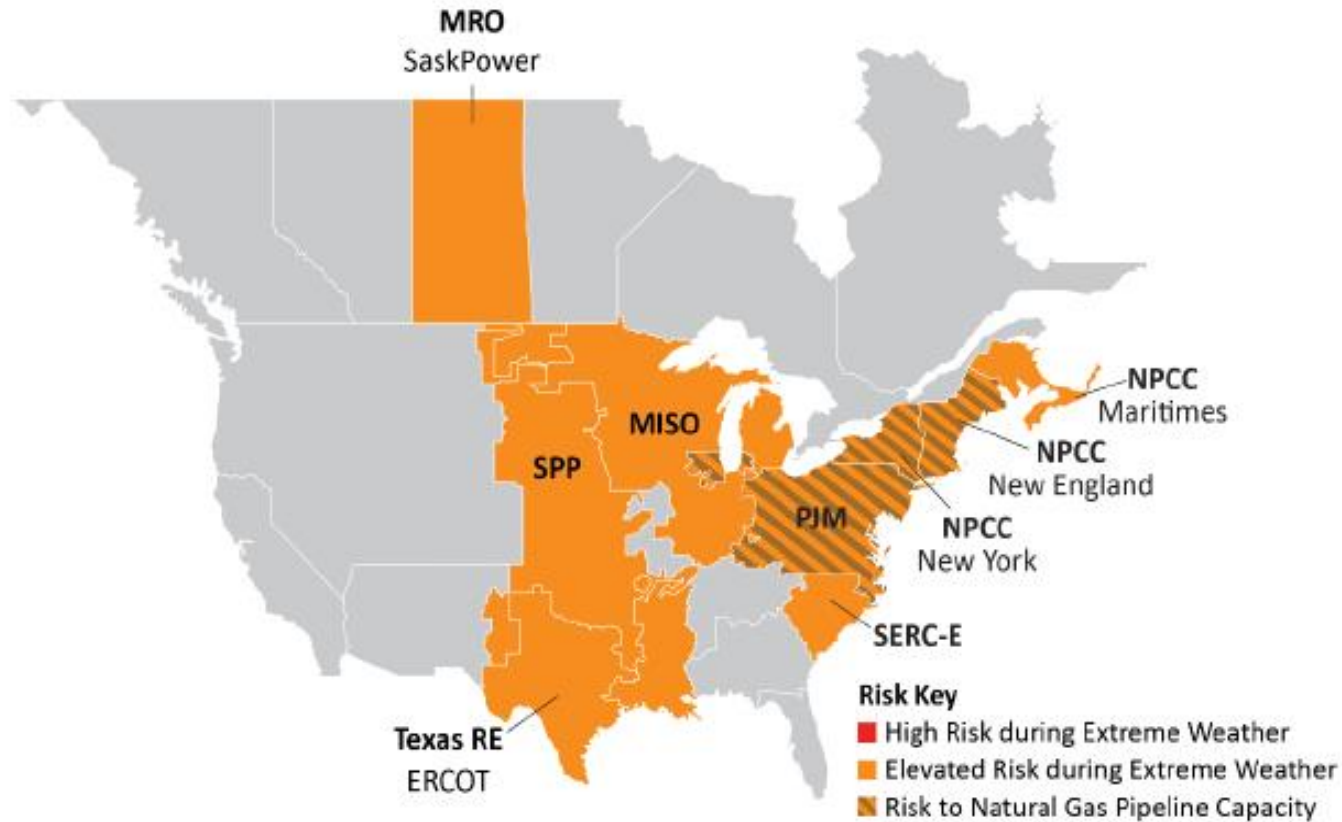
Primary drivers for high load projections:

- Data Centers
- Manufacturing
- Electrification

RESOURCE ADEQUACY—How are we going to supply more load?



RESOURCE ADEQUACY—NERC Winter Assessment 2024-2025



General Themes:

- Adequate resources for “normal” cold weather
- Electricity supply shortfalls possible during severe cold weather over a wide area

PJM / New York / New England:

- Heavy reliance on natural gas
- Load growth in PJM

Other Areas:

- Reduction in coal/gas generation since last winter
- More reliance on wind and imports
- High load growth

NERC Reliability Risk Priorities Report

- Highest Risk = Energy Policy
 - Federal (EPA) / State Renewable Mandates
 - State laws to force retirement of fossil fuel generators

RESOURCE ADEQUACY—Summary

Sounding the Alarm:

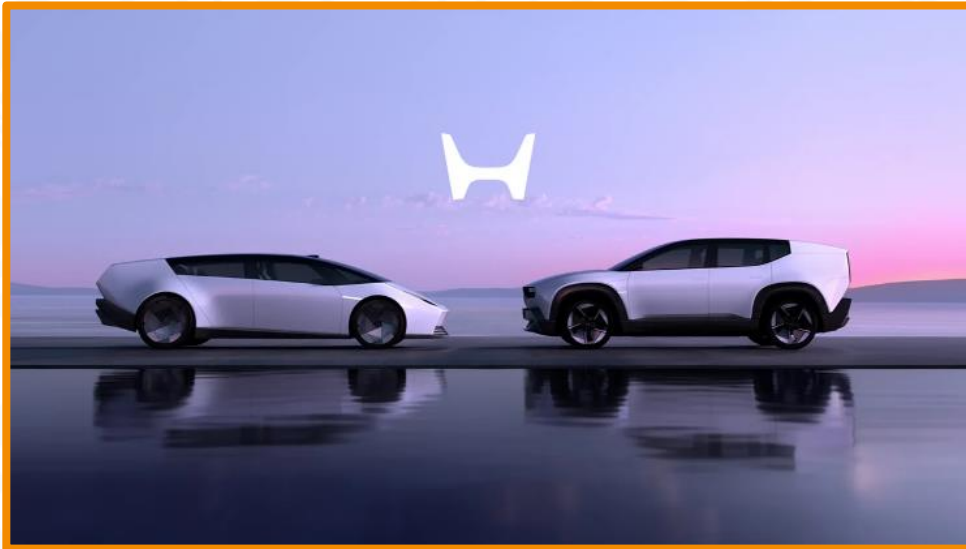
- **PJM**
 - New process to allow shovel-ready dispatchable generation to move forward
 - Testifying at FERC and other forums about EPA rules and need to retain existing generation
- **NERC**
 - Increasing its reporting and outreach efforts to educate officials
- Electric cooperatives and NRECA have led efforts to spread awareness
- **FERC**
 - New FERC chairman Mark Christie has been vocal about the need to retain existing resources
- Trump administration has acknowledged the concern and issued Executive Orders signaling they intend to help
 - Expect further actions to repeal/rewrite 2024 EPA rules

RESOURCE ADEQUACY—Summary

What does it mean for OEC?

- OEC is well-positioned to navigate concerns about resource adequacy and higher electricity demands
 - Long-term focus of owning, operating and investing in resources is paying off
 - Helps provide stable, affordable and reliable power
 - ***OEC power generation assets are expected to provide significant value and stability to members***
- Need to continue advocating for sensible rules that contribute to a more reliable power grid
 - We are all electrically connected and we need reasonable operating standards
 - Environmental rules / PJM market rules / Gas-Electric coordination

ECONOMIC DEVELOPMENT



EMPLOYEE DEVELOPMENT



Leadership *Edge*



Leadership *Elevate*

Leadership *Excellence*

COLT

MUTUAL AID



PROJECT OHIO 2025



**PROJECT
OHIO**

**VILLAGE OF BAREJONES,
GUATEMALA**



EXPECTATIONS FROM TRUMP ADMINISTRATION

- **Executive Orders**

- National Energy Emergency
 - Remove barriers to development / provide regulatory relief / retain existing resources
- Unleashing American Energy
 - Encourages increased domestic production of energy / eliminate EV mandate
 - 90-day funding pause under IRA and IIJA
 - Impact to Buckeye's USDA/RUS New ERA grant is uncertain
- Not legally binding but signals the direction the administration is going

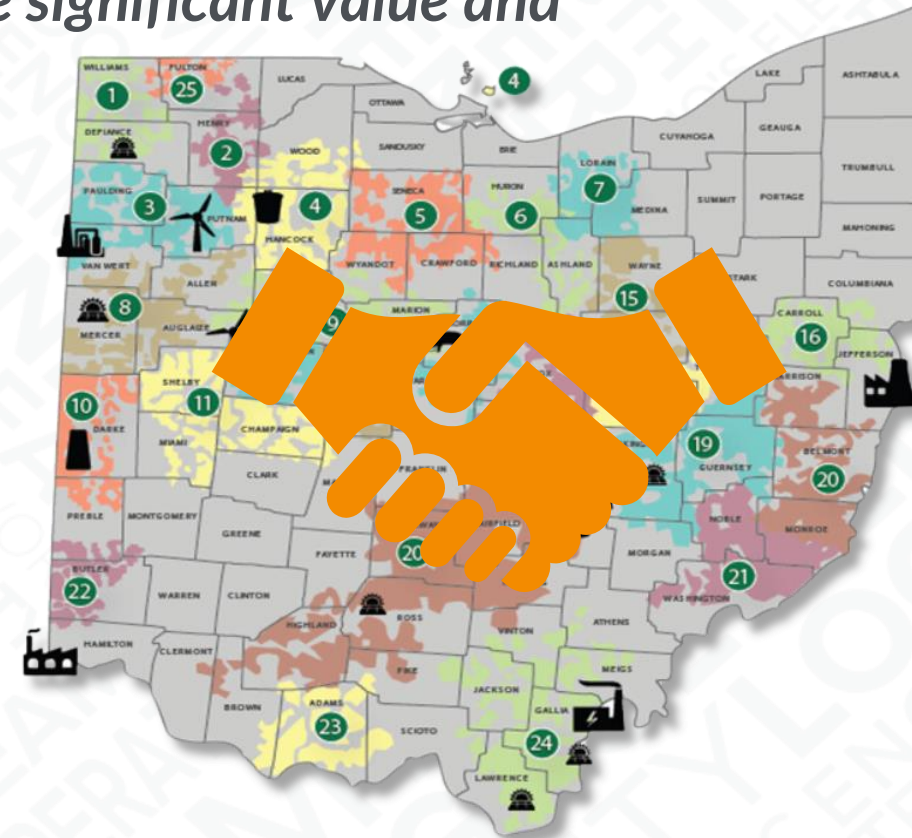
- **EPA**

- Rewrite/Repeal 2024 CCR, ELG, GHG rules



SUMMARY

- Long-term focus of owning, operating and investing in resources is paying off
 - *OEC power generation assets are expected to provide significant value and stability to members*
- Need to continue advocating for sensible rules that contribute to a more reliable power grid
- Stay unified and support each other
- ***The cooperative program in Ohio is on a solid foundation***
 - Excellent employees / development opportunities are building new leaders
- Coop business model is strong and providing benefits to members
 - Focus on member satisfaction and service



THANK YOU

QUESTIONS ??