



EMEC 2025 Annual Report



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EASTERN MAINE ELECTRIC COOPERATIVE, INC.

Eastern Maine Electric Co-op is a nonprofit utility built by and belonging to the communities it serves in Aroostook, Penobscot, and Washington Counties, on Maine's Eastern Border with Canada. The primary goal of a rural electric cooperative is to deliver reliable, safe electricity at the lowest cost consistent with sound management.

BOARD OF DIRECTORS

<i>Earl C. Hill, Jr. - Vice President and Acting President*</i>	<i>Zone 4</i>
<i>John L. Gallant, Jr. - Secretary</i>	<i>Zone 5</i>
<i>Timothy R. Peters - Treasurer</i>	<i>Zone 8</i>
<i>David W. Johnson</i>	<i>Zone 1</i>
<i>Dana R. Hatton</i>	<i>Zone 2</i>
<i>Lawrence E. Clark</i>	<i>Zone 3</i>
<i>John C. Leighton</i>	<i>Zone 6</i>
<i>Bart F. Chandler</i>	<i>Zone 7</i>
<i>Dwayne A. Young</i>	<i>Zone 9</i>
<i>David A. Harbison</i>	<i>Zone 10</i>
<i>Elijah B. Arbo</i>	<i>Zone 11</i>

**A new board president will be chosen by a vote of the Board of Directors later this summer.*

CHIEF EXECUTIVE OFFICER
AUDITOR

W. Tom Moholland
Berry Dunn



2025 ANNUAL REPORT TO THE MEMBERSHIP

OPERATIONAL DEVELOPMENTS

Eastern Maine Electric moved approximately one mile of line roadside on Route 6 in Topsfield. The project was funded with a combination of EMEC investment and Hazard Mitigation funds from FEMA, granted to EMEC following the December 2023 windstorm. By moving the line roadside, the Co-op will cut maintenance and repair costs on the affected section of line, which had been at the top of a steep hill.

Eastern Maine Electric continued its aggressive vegetation management program of 1 the transmission and distribution rights of





This stretch of the Springfield circuit along Route 6 was originally constructed on the side of a hill. By moving the line closer to the road, EMEC crews have made faster repairs possible. This will also lower the cost of maintaining and upgrading the line.

way. In addition to tree work done by the Co-op's linemen, the Co-op spent approximately \$560,000 in 2025 for contractors to trim, clear, and maintain the distribution rights of way. An additional \$195,000 was spent on the transmission line right of way, for a total of \$755,000 spent on tree trimming, clearing, and spraying contractors. These ongoing efforts are critical to reducing storm-related outages, when trees and branches threaten power lines. This importance is underscored by the fact that Eastern Maine Electric serves the most rural delivery territory in the most tree-shaded state in the country.²

In October of 2025, EMEC conducted a five-hour planned power outage to install the spare 10/14 MVA backup substation transformer in the Topsfield substation. The new transformer will likely remain in place for the five years of its warranty. It can also be used in the Calais, Baileyville, Princeton, and Topsfield substations. The Co-op has other backup transformers that are usable in the Ludlow and Patten substations, which still operate at 44 kV.



In the near future, the Co-op will face significant costs at its Patten and Ludlow

substations, which will have to be upgraded to accommodate an increase in voltage on the Versant Power transmission line over which they receive electricity. Versant Power is converting the voltage on its transmission line from 44 kV to 69 kV.

ELECTRIC CO-OP YOUTH TOUR

The Co-op continued its participation in the Electric Co-op Youth Tour. Electric cooperatives across the country work together to send 1,500 or more high school students to Washington, D.C. to learn about government, the law, and electric cooperatives. Leo Whittemore of Washington Academy and Coburn Morris of Washington Academy represented Maine at the Youth Tour in June 2026.

INDUSTRY DEVELOPMENTS

Residential Standard Offer Supply Prices ² (in cents/kWh)					
Utility	2022	2023	2024	2025	2026
EMEC	5.90 ¢	5.90 ¢	5.90 ¢	5.90 ¢	9.748 ¢
CMP	6.45 ¢	11.82¢	16.63 ¢	10.64¢	12.721 ¢
VERSANT (MPD)	6.03 ¢	11.09 ¢	14.88 ¢	11.29¢	12.954 ¢
VERSANT (BHD)	6.20 ¢	11.68¢	15.44 ¢	10.26¢	14.876¢
<i>*EMEC's new Standard Offer contract expires on 10/31/2028</i>					

Standard Offer Supply Prices

On November 1, 2025, the price that EMEC members pay for Standard Offer Supply¹ rose to 9.748 cents/kWh. From 2020 to 2025, Co-op members enjoyed much lower pricing than what most Maine electricity users paid. During that period, EMEC members enjoyed cumulative savings of \$25 million in the Standard Offer price alone. Even with the price change in November of 2025, EMEC members pay about 23% to 34% less per kWh than most Maine consumers. The new Standard Offer contract will end on October 31, 2028.

FINANCIAL DEVELOPMENTS

Financial Developments in the past year reflect Eastern Maine Electric’s ongoing efforts to maintain and improve operations while keeping costs down for the Co-op’s members. Where possible, the Cooperative seeks grants and low-interest loans to cover costs and expenditures in ways that minimize the impact on rates.

In 2024, Eastern Maine Electric was conditionally granted a \$2 million Grid Resilience Grant from the State of Maine to improve its delivery grid by upgrading approximately ten miles of distribution line on Routes 191 and 214. The total project cost is estimated to be \$3 million. This strategic upgrade will strengthen the line and greatly increase the areas that could be served from alternate substations in emergency situations. The Co-op anticipates construction on this project to begin in mid to late

In October 2024, EMEC was also conditionally approved for a transmission line grant from the Department of Energy through its Grid Resilience and Infrastructure Partnership (GRIP) program. The grant would fund \$4 million of an estimated \$8.7 million improvement project to rebuild approximately 7.5 miles of the Co-op's 69 kV transmission line. The Co-op is still waiting on the Department of Energy to finalize the grant details.



In October 2025, Eastern Maine Electric issued \$100,000 in general retirements of capital credits to present and past Co-op members. The process of retiring capital credits is very similar to that of issuing a dividend at a for-profit company. An electric cooperative converts a small portion of its equity to an asset (cash) and distributes that to the members based on each member's contribution to revenue in the relevant allocation years. Present EMEC members who received electric service prior to 2025 received their portion of the capital credit retirement as a credit on their October bills as a credit line item labeled "Capital Credit Retirement." Because former members of the Cooperative no longer have active electric accounts, EMEC mailed checks to their last known addresses.



EMEC had a positive margin of \$557,862 in 2025. The Cooperative's 2025 financial ratios were: TIER³ of 1.56; OTIER⁴ of 1.21; and MDSC⁵ of 2.05.

Endnotes

1. According to an analysis of the data from the US Forest Service, about 89% of Maine has forest coverage, six percent more than its closest competitor, New Hampshire. "Forest Cover by State and Territory in the United States; Wikipedia, 4/25/25; https://en.wikipedia.org/w/index.php?title=Forest_cover_by_state_and_territory_in_the_United_States&action=history
2. "Standard Offer" is a default supply of electricity with guaranteed availability. Delivery utilities like EMEC issue the bill for both the delivery and electricity charges, but the amount collected for electricity supply charges is forwarded to the supply provider. Without Standard Offer as a guaranteed supply, some consumers might not be able to get electricity supply at all.
3. TIER (Times Interest Earned Ratio) measures the relationship between the margin and the interest expense on long-term debt. EMEC's lenders require the Co-op to meet a minimum average TIER of 1.25 on a two-out-of-three-year basis.
4. OTIER (Operating Times Interest Earned Ratio) measures the relationship between the operating margin and the interest expense on long-term debt. EMEC's lenders require the Co-op to meet a minimum average OTIER of 1.10 on a two-out-of-three-year basis.
5. MDSC (Modified Debt Service Coverage) ratio measures the relationship between the operation-related cash flow and debt service payments. EMEC's lenders require the Co-op to meet a minimum average MDSC of 1.35 on a two-out-of-three-year basis.

EASTERN MAINE ELECTRIC COOPERATIVE, INC.

BALANCE SHEET

FOR THE YEARS 2025 AND 2024

ASSETS

Utility Plant:

Electric Plant in Service - at Cost	\$82,355,209	\$78,379,163
Construction Work in Progress	843,918	1,358,151
Total Utility Plant	83,199	79,737,314
Less: Accumulated Provisions for Depreciation	46,094,290	43,754,844
Net Utility Plant:	37,104,837	35,982,470

Other Assets:

Other	4,001,006	4,031,220
Investments in Associated Organizations	1,054,610	1,049,377
Total Other Assets:	5,055,616	5,080,597

Current Assets:

Cash and Cash Investments	7,448,118	6,655,901
Accounts Receivable - Net	2,465,396	2,521,634
Materials and Supplies	1,449,123	1,427,785
Other Current Assets	548,743	512,586
Prepayments	7,239	7,033
Total Current Assets	11,918,619	11,124,939

Deferred Debits:

	2,251,177	2,598,056
Total Assets:	56,330,249	54,786,062

LIABILITIES & EQUITY

Equities:

Memberships	51,530	\$51,540
Patronage Capital	15,764,067	15,286,438
Total Margins & Equities:	15,815,597	15,337,978

Long Term Debt, Excluding Current Maturities

Rural Utilities Service (RUS)	7,816,195	5,924,675
Cooperative Finance Corp. (CFC)	3,159,454	3,587,115
Federal Financing Bank (FFB)	16,207,472	16,727,698
Total Long Term Debt:	27,183,121	26,239,488

Current Liabilities:

Current Maturities of Long-term Debt	1,052,000	1,004,000
Line of Credit	0	381,250
Accounts Payable	1,473,361	1,062,530
Consumer Deposits	172,753	175,366
Accrued Interest	47,829	58,034
Accrued Expenses and Other Current Liabilities	464,888	408,544
Total Current Liabilities	3,210,831	3,089,724
Deferred Credits:	10,120,700	10,118,872

Total Liabilities & Equities:	56,330,249	54,786,062
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EASTERN MAINE ELECTRIC COOPERATIVE, INC.

STATEMENT OF OPERATIONS

FOR THE YEARS 2025 AND 2024

	2025	2024
Operating Revenues		
Residential	11,553,097	9,906,761
Seasonal	1,511,993	1,224,169
Commercial	5,667,034	5,129,909
Street Lighting and Public Auth.	411,357	356,240
Industrial & Other	209,707	321,030
OtherElectric	509,594	1,024,656
Total Operating Revenues:	<u>19,862,782</u>	<u>17,962,765</u>
Operating Expenses:		
Purchased Power	7,415,255	6,711,126
Transmission	<u>235,460</u>	<u>106,213</u>
Distribution, Operations	2,269,559	2,236,356
Distribution, Maintenance	1,445,055	1,565,451
Consumer Accounts	833,330	740,011
Customer Service & Informational Exp.	199,968	211,905
Administrative & General	3,501,973	2,799,101
Depreciation	2,535,875	2,385,325
Amortization, Regulatory Asset	249,643	249,643
Interest - Long-term, Net	964,396	571,123
Other Interest and Expenses	7,572	260,832
Total Oper. Exp. Without Purchased Power:	<u>12,292,831</u>	<u>11,125,96</u>
Total Operating Expenses:	<u>19,708,086</u>	<u>17,837,086</u>
Net Operating (Loss) Margin	<u>154,696</u>	<u>125,679</u>
Nonoperating Margins:		
Interest Income	286,971	352,723
Patronage Dividends	100,666	59,019
Other	15,529	5,281
Net Nonoperating Margins:	<u>403,166</u>	<u>417,023</u>
Net Margin:	<u>557,862</u>	<u>542,702</u>
OTIER	1.21	1.22
TIER	1.56	1.70
MDSC (Average 2 of 3 highest)	2.05	2.34

AUDIT REPORT: the annual audit of records for the columns marked 2025 and 2024 were made by Berry Dunn, CPA's, 100 Middle Street, Portland, ME 04101. Copies of the audit report are on file with the Maine Public Utilities Commission, Augusta, Maine; the Rural Utilities Service, Washington, D.C; and are available for inspection at the Cooperative's offices in Calais, Maine.

FIVE YEAR COMPARISONS

GENERAL STATISTICS

	2025	2024	2023	2022	2021
Average Number of Active Accounts	13,246	13,194	13,072	12,995	12,864
Total Miles of Electric Lines	1,803	1,798	1,790	1,781	1,772
Amount Allocated for Bad Debts	\$31,688	\$30,844	\$30,702	\$79,698	\$76,234
(% of retail revenue)					
Bad Debts Written Off	\$77,567	\$47,193	\$63,532	\$63,563	\$94,409
(actual for year)					

REVENUE & EXPENSE STATISTICS

	2025	2024	2023	2022	2021
Average Annual kWh/Member (residential)	7,738	7,507	7,509	7,290	7,023
Average Annual Billing/kWh (Residential)*	18.426	16.365	16.109	16.089	15.942
Avg. # of Consumers Per Employee	378	377	373	371	368
Operations & Maint./Mile of Line	\$2,060	\$2,114	\$1,920	\$1,868	\$1,742
Average Number of Employees	35	35	35	35	35
kWh Losses	10.10%	10.56%	8.84%	9.27%	9.90%

*Includes standard offer electricity supply

REVENUE CLASS SUMMARY

	KWH DELIVERED	% OF TOTAL DELIVERY	% CHANGE FROM 2024
Residential Sales	62,700,111	59.6%	3.6%
Seasonal Sales	4,795,218	4.6%	1.5%
Commercial Sales	35,651,150	33.9%	0.7%
Street Lighting & Public Auth.	1,998,518	1.9%	6.8%
Total Retail Delivery	105,144,997	100.0%	3.1%

