

NIPCO

A Touchstone Energy® Cooperative



2023 Annual Report



**ONE
MISSION!**

Many Facets. One Mission.

The journey to electrify rural western Iowa faced significant obstacles, but a grassroots movement emerged during the Great Depression to bring electricity to homes, farms, and businesses. Rural Electric Cooperatives (RECs) realized that forming a power supply cooperative was essential to provide affordable electricity, avoiding higher costs from original suppliers. On January 17, 1949, representatives from thirteen western Iowa RECs met at the Lewis Hotel in Cherokee, Iowa, marking the beginning of NIPCO's story, now celebrating its 75th anniversary.

"Many Facets. One Mission." commemorates NIPCO's diamond anniversary, acknowledging its resilience and adaptability.

As we celebrate our diamond anniversary, we reflect on the rare gems' extraordinary formation—a result of the perfect convergence of time and pressure. The true value of our journey is evident in the clarity and brilliance of our carefully crafted, multi-faceted design: owned and democratically governed by the distribution cooperatives who use our services to power and empower western Iowa with safe, reliable, competitive, and environmentally sustainable delivery of electricity. As part of the NIPCO family of electric cooperatives, we are shaped by individuals who recognize that the radiance of our service shines brightest through the diverse facets of our directors' and employees' daily efforts in serving our members.

*We invite you to join us for this historic occasion
and continue making history together.*

2024 Northwest Iowa Power Cooperative

Annual Meeting Agenda

8:00 AM	Registration Opens / Continental Breakfast.....	Salon B
9:00 AM	NIPCO Business Meeting	Salon A
9:30 AM	Mid-West Electric Consumers Association Update - Jim Horan, <i>Executive Director</i>	Salon A
10:00 AM	Basin Electric Power Cooperative Update - Todd Brickhouse, <i>Chief Executive Officer & General Manager</i>	Salon A
10:30 AM	BREAK	Salon B
10:45 AM	Northwest Iowa Power Cooperative Update - Matt Washburn, <i>Executive Vice President & General Manager</i>	Salon A
11:15 AM	The Proposed U.S. Energy Transition: National Security Implications and a Call for Realism - David Gattie, <i>Associate Professor, College of Engineering; Senior Fellow, Center for International Trade & Security, The University of Georgia</i>	Salon A
12:15 PM*	Lunch & Recognitions	Salon B & C

*NIPCO Directors will meet in the Dakota Room at 12:15 for a brief re-organizational meeting. Anticipated adjournment is approximately 1:45 PM.

Annual Meeting Presenters



Jim Horan

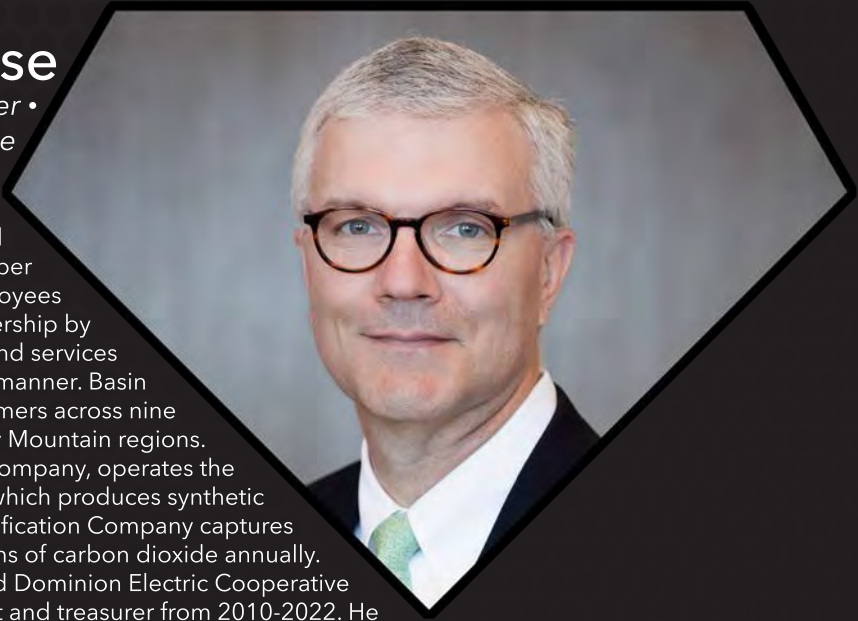
Executive Director • Mid-West Electric Consumers Association

Jim Horan serves as the Executive Director of the Mid-West Electric Consumers Association. Mid-West is a customer group of 314 municipal and cooperative utilities from nine Upper Great Plains and Western States. Prior to joining Mid-West, Jim managed regulatory affairs for NRECA in Washington, D.C. He also served as Director of Government Affairs and General Counsel for the Minnesota Rural Electric Association (statewide). Jim got his start with consumer-owned utilities in Eastern Oregon, managing energy efficiency programs, communications, member services and government affairs at a distribution cooperative. He earned his law degree from William Mitchell College of Law in Minnesota and his master's degree in Organizational Leadership from Fort Hays State in Kansas.

Todd Brickhouse

Chief Executive Officer & General Manager • Basin Electric Power Cooperative

Todd Brickhouse, chief executive officer and general manager, joined Basin Electric in 2022 as its senior vice president and chief financial officer. He was named chief executive officer and general manager in December 2023. Brickhouse leads a team of nearly 1,800 employees who work to provide value to the cooperative's membership by providing affordable and reliable power, products, and services produced in a safe and environmentally responsible manner. Basin Electric's service territory includes 3 million consumers across nine states in the Upper Midwest, Great Plains, and Rocky Mountain regions. Basin Electric's largest subsidiary, Dakota Gasification Company, operates the Great Plains Synfuels Plant, a coal gasification facility which produces synthetic natural gas and 12 additional products. Dakota Gasification Company captures and sequesters approximately 2 million metric tons of carbon dioxide annually. Brickhouse started working in the utility industry at Old Dominion Electric Cooperative in 2000 and served as Old Dominion's vice president and treasurer from 2010-2022. He spent his early career in the financial services industry and has a background in securities trading, investment banking, and investment management. Brickhouse holds a bachelor's degree in economics and business from the Virginia Military Institute, Lexington, Virginia.



Matt Washburn

Executive Vice President & General Manager • Northwest Iowa Power Cooperative

In his 20-plus year career with NIPCO, Matt has served as the Vice President of Management Services & Chief Financial Officer for the generation and transmission cooperative and held the position of Senior Vice President and Chief Operating Officer before being named to lead NIPCO in 2015. Matt also served as the Chief Operating Officer of NIPCO Development Corporation, a subsidiary of the cooperative, from 2006 until its operations were merged into the Cooperative in 2011.



David Gattie

Associate Professor, College of Engineering; Senior Fellow, Center for International Trade & Security • The University of Georgia

David Gattie is an Associate Professor of Engineering in the University of Georgia's College of Engineering, and a Senior Fellow in the University of Georgia's (UGA) Center for International Trade and Security and School of Public & International Affairs. He earned his B.S. and Ph.D. from UGA and has 14 years of private industry experience as an energy services engineer and environmental engineer. His research is in the area of energy policy and integrated energy resource planning for the power sector and he teaches graduate and undergraduate courses in energy systems and energy security. David currently works with his colleagues in UGA's Center for International Trade and Security on an Energy Security Initiative focused on the geopolitical and U.S. national security implications of energy and energy technologies within the challenges of 21st century great power competition. He also has provided testimony before the U.S. House Energy and Commerce Committee on energy, climate and nuclear power policy, various state legislative committees and the Georgia Public Service Commission.

However, the most important thing about David is that he's been married to his high school sweetheart, Zoe, for over 42 years. Together, they have three children and five grandchildren with a grandson on the way.

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NIPCO Board of Directors



Ronald Steinhoff
Vice President
Woodbury County REC



Thomas Wagner
Treasurer
Basin Electric Representative
North West REC



Dr. James Else, D.V.M.
Western Iowa Municipal
Electric Cooperative Association



Louis Reed
President
Western Iowa Power Cooperative



Brenda Lundergard
Harrison County REC



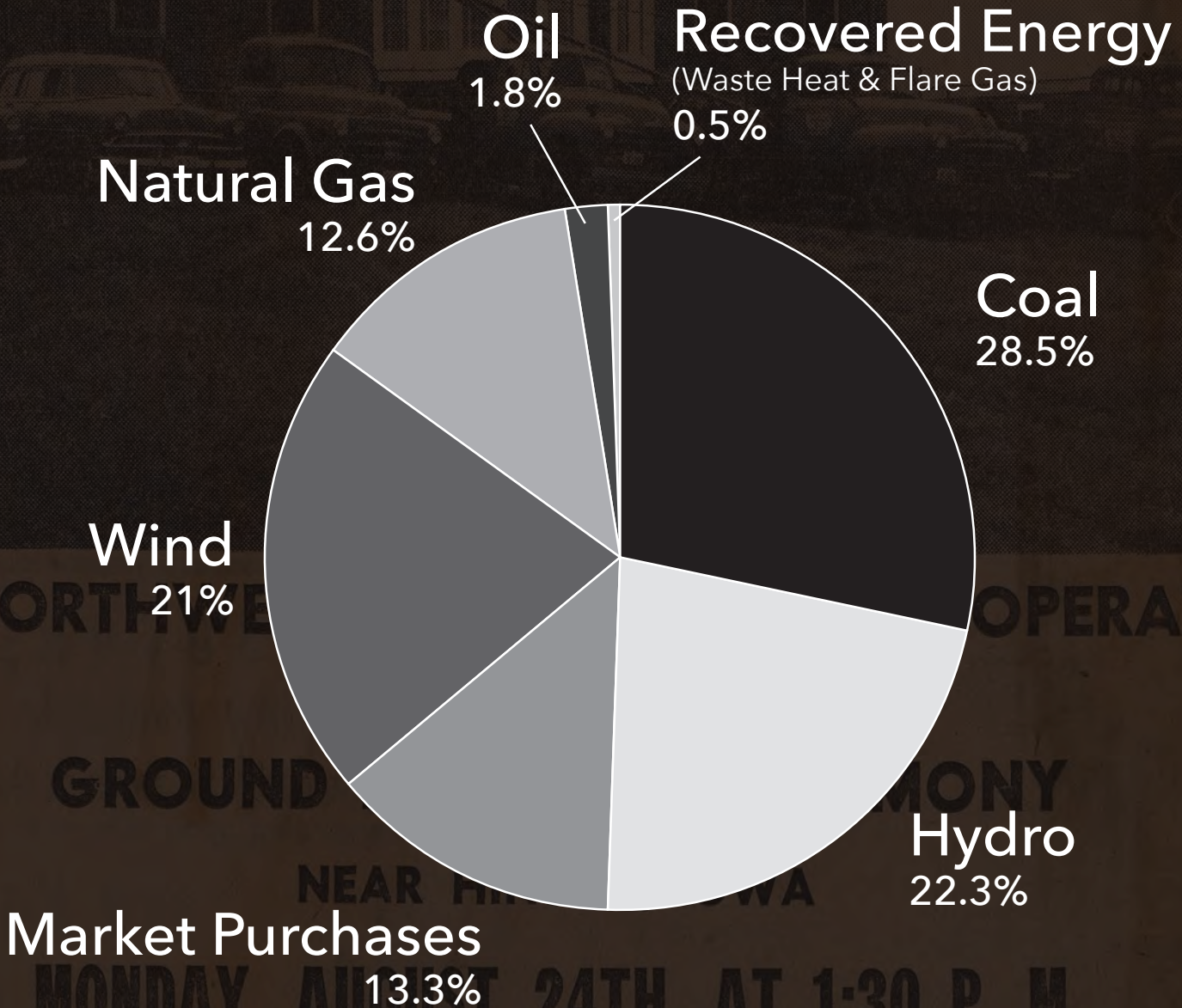
Bryan Greve
Nishnabotna Valley REC



Trent Will
Secretary
Iowa Lakes Electric Cooperative

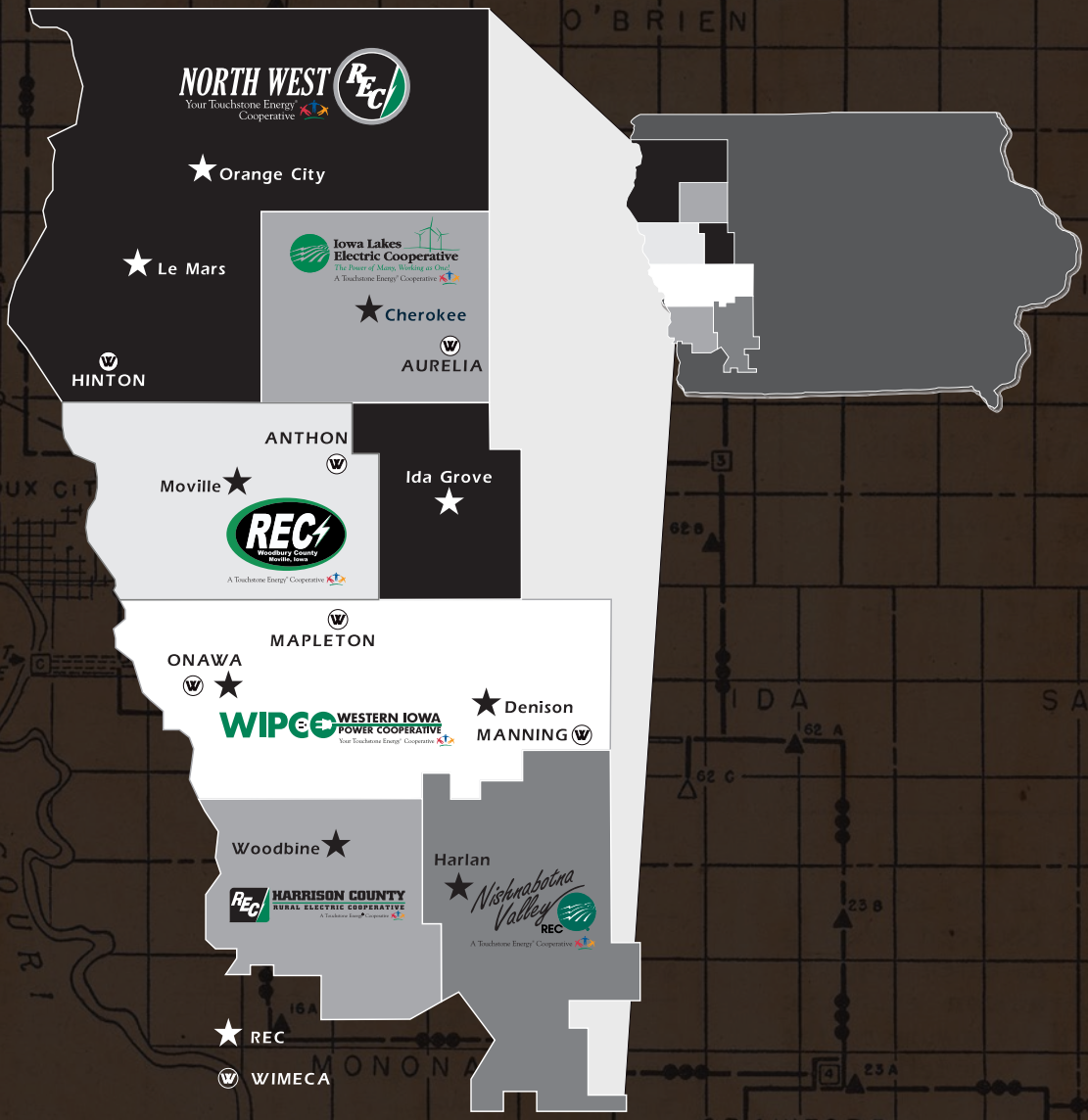
2023 NIPCO

Generation Portfolio



NIPCO

Member Map



NORTH WEST REC
Your Touchstone Energy Cooperative

★ Orange City

★ Le Mars

Iowa Lakes Electric Cooperative
The Power of Nature. Working on Grid. A Touchstone Energy Cooperative

★ Cherokee

★ AURELIA

★ HINTON

★ ANTHON

★ Merville

★ Ida Grove

REC
Western Iowa
A Touchstone Energy Cooperative

★ ONAWA

★ MAPLETON

★ Denison

WIPCO WESTERN IOWA POWER COOPERATIVE
Your Touchstone Energy Cooperative

★ MANNING

★ Woodbine

★ Harlan

REC HARRISON COUNTY RURAL ELECTRIC COOPERATIVE
A Touchstone Energy Cooperative

Nishnabotna Valley
REC
A Touchstone Energy Cooperative

★ REC

★ WIMECA

EXPLANATION

PROPOSED SUBSTATION

EXISTING SUBSTATION

UNITY IN RESILIENCE:

Grid Reliability

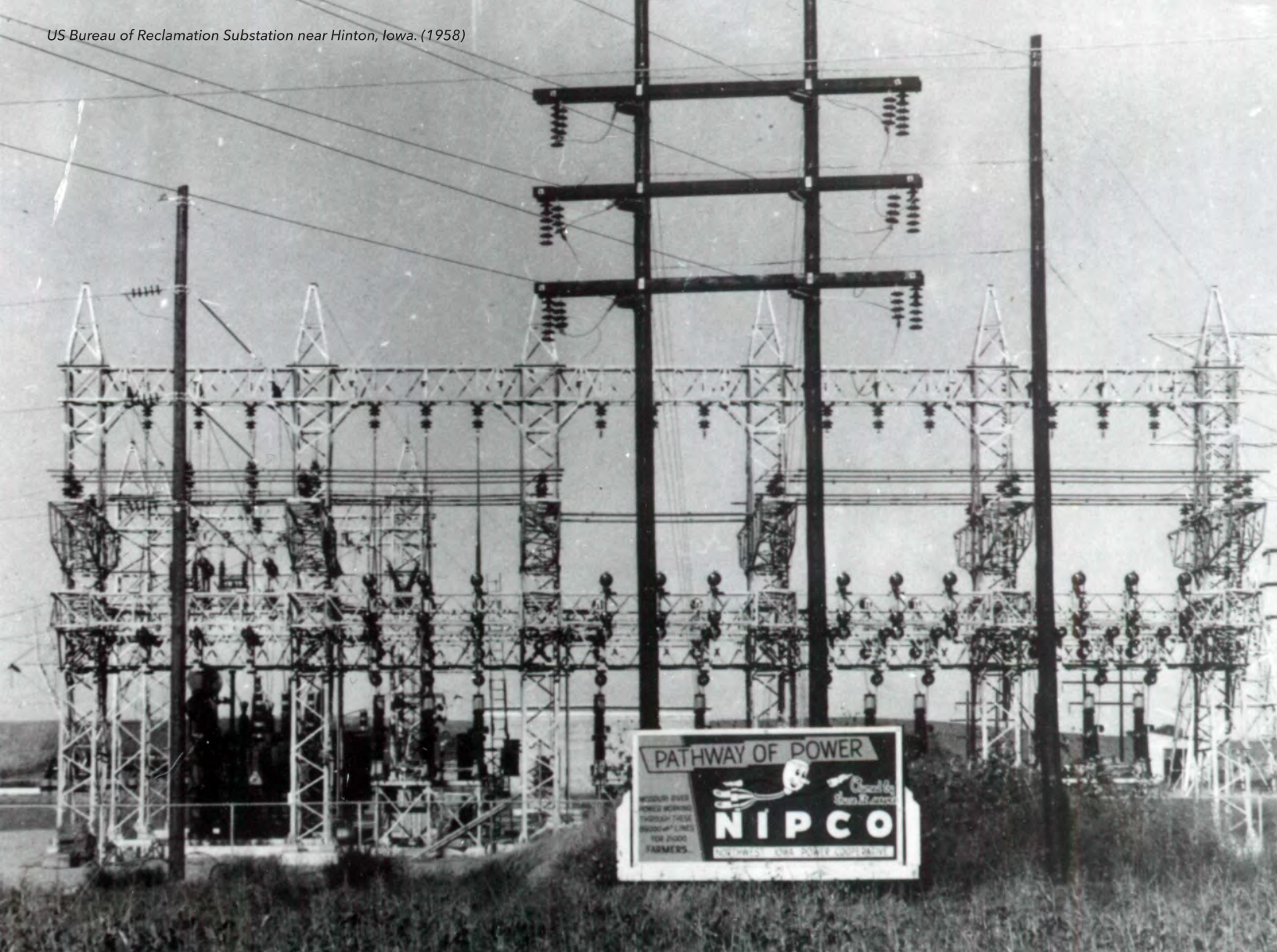
1951 was the first mention of a "69 kV system to be built by and for Northwest Iowa Power Cooperative," which appeared in the October 24 board minutes. By March 1952, discussions focused on NIPCO's plan to construct and own its transmission system to provide power to cooperative members. In August 1952, the engineering firm of Buell & Winter was selected to begin the design and development of NIPCO's electric transmission system.

NIPCO celebrates the setting of the first pole. (1953)



NIPCO contractor sets poles. (1954)

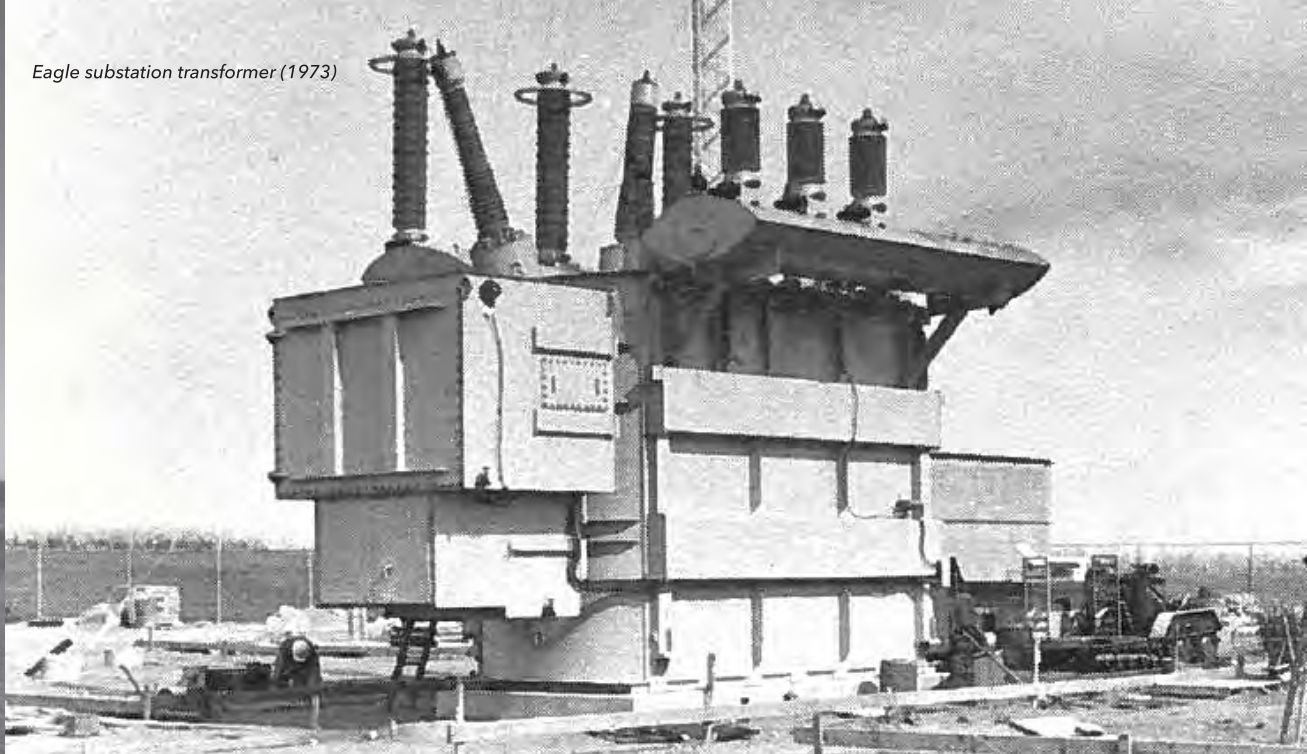




NIPCO's 1954 annual report noted: "Construction of the approximately 650 miles of 69,000 volt transmission line was started in August 1953. At the end of 1954 there were roughly 310 miles of line completely built by our contractors. Another 140 miles is now being built making a total of 450 miles or 69% of the total 650 miles." By the end of 1954, 19 substations, five major switch stations, and 14 minor switch stations had been completed.

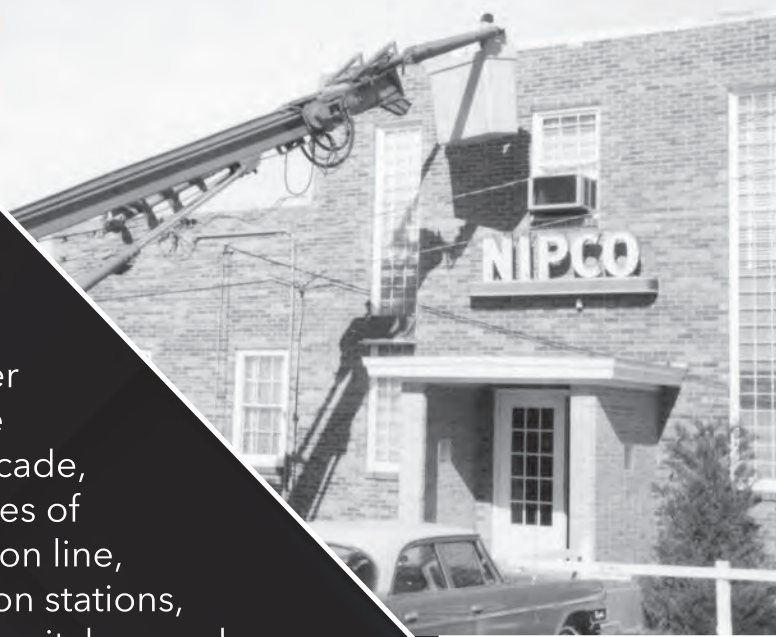
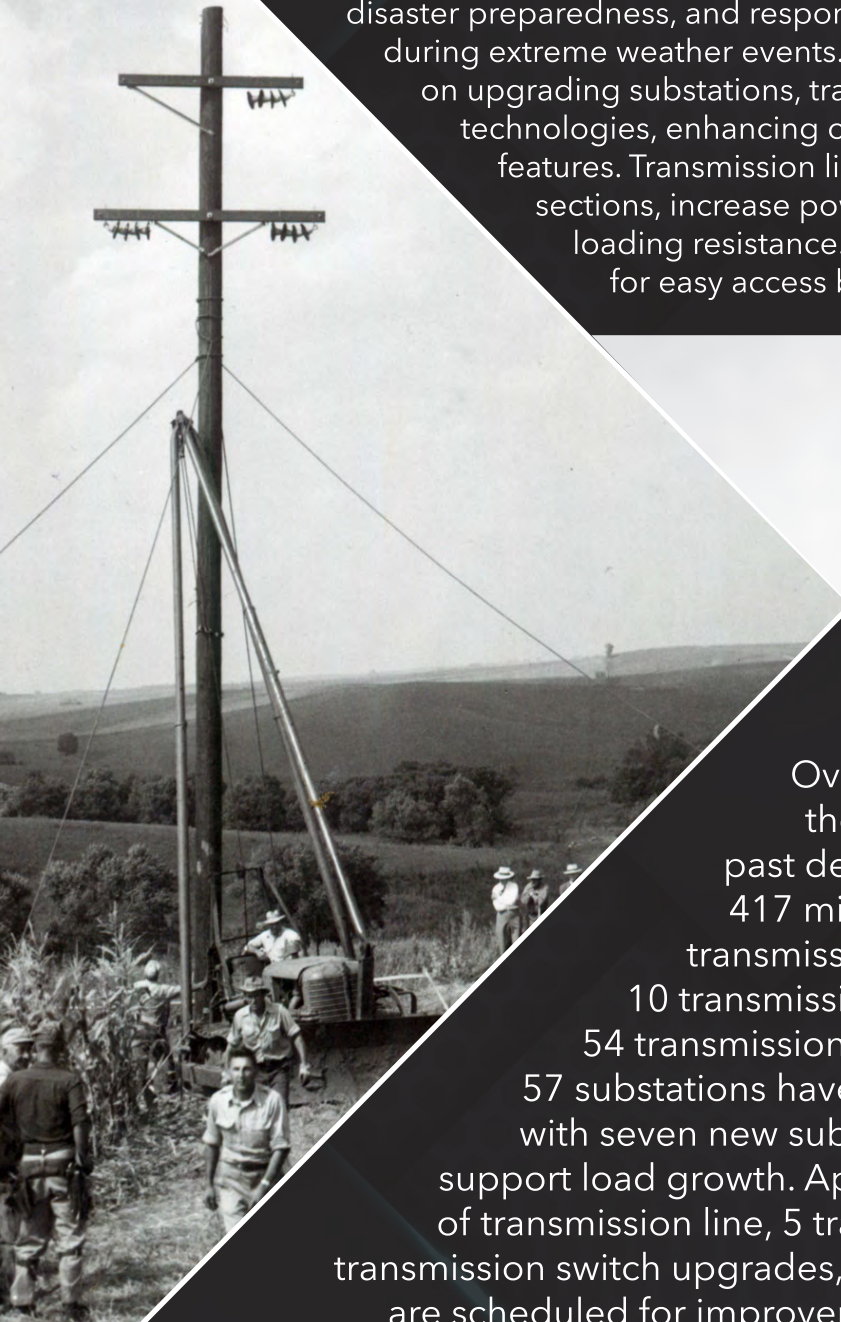


Eagle substation transformer (1973)



Throughout the generation and transmission (G&T) cooperative's history, NIPCO leaders have diligently developed and improved a resilient infrastructure, recognizing the need to withstand challenges from increasing energy demand, security risks, and natural forces. The theme "Many Facets. One Mission." aligns with our reliable infrastructure—the core of our service. Similar to the facets of a diamond forming its structure, our commitment to grid reliability involves ongoing efforts to renew and replace transmission infrastructure that is over 50 years old.

A three-year Federal Emergency Management Agency (FEMA) hazard mitigation project, which retrofitted 151 miles of NIPCO's oldest transmission lines, was completed in 2014. This project catalyzed the launch of a multi-year Renewal and Replacement Project initiated in 2017. Since then, NIPCO has prioritized investments in infrastructure hardening, disaster preparedness, and response strategies to minimize service disruptions during extreme weather events. The Renewal and Replacement Project focuses on upgrading substations, transmission lines, and switches with newer technologies, enhancing capacity, physical strength, and communication features. Transmission lines are rebuilt to address end-of-service life sections, increase power flow capacity, and improve ice and wind loading resistance. Some switches and powerline spans are relocated for easy access by line crews and minimal impact on landowners.



Over the past decade, 417 miles of transmission line, 10 transmission stations, 54 transmission switches, and 57 substations have been upgraded, with seven new substations added to support load growth. Approximately 265 miles of transmission line, 5 transmission stations, 58 transmission switch upgrades, and 25 substation upgrades are scheduled for improvement in the coming years.



TECHNOLOGICAL ADVANCEMENTS:

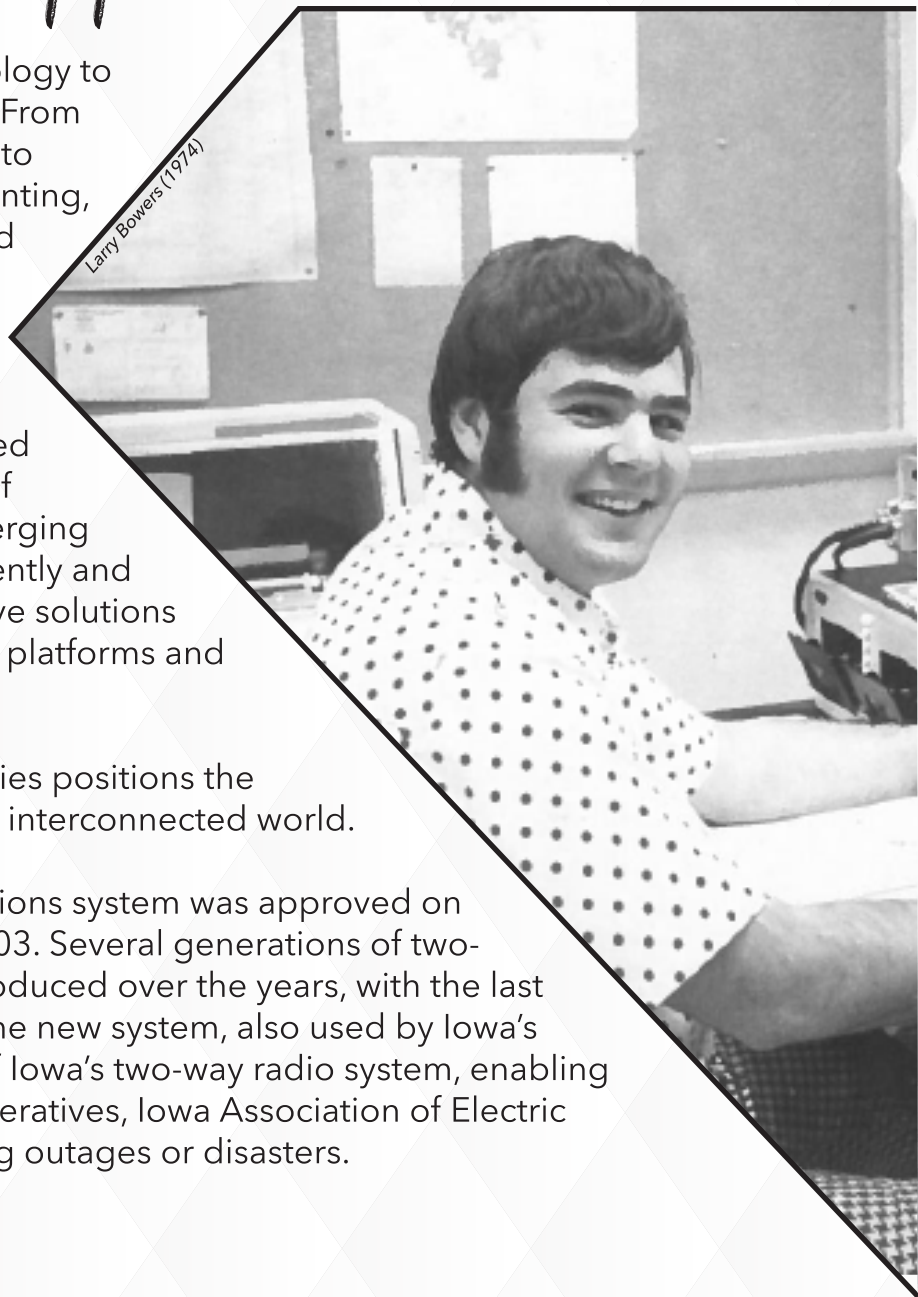
A Precision-Cut Approach to Innovation

NIPCO embraces innovation and technology to enhance service to its member systems. From early manual and mechanical processes to simple digital systems that served accounting, billing, and engineering to utilizing cloud technology and data for day-to-day operations and communication, tapping web-based platforms for meetings, and monitoring the health of the power grid, NIPCO remains dedicated to leveraging technology. Generations of NIPCO Directors have had to adopt emerging technology to improve operations efficiently and accurately, placing their trust in innovative solutions and adapting their acceptance of newer platforms and resources as the technology advances.

The diversity of NIPCO's digital capabilities positions the organization for continued success in an interconnected world.

NIPCO's first two-way radio communications system was approved on May 26, 1953, at a total cost of \$14,230.03. Several generations of two-way communication platforms were introduced over the years, with the last upgrade being implemented in 2023. The new system, also used by Iowa's first responders, connects to the State of Iowa's two-way radio system, enabling NIPCO to communicate with other cooperatives, Iowa Association of Electric Cooperatives, and federal officials during outages or disasters.

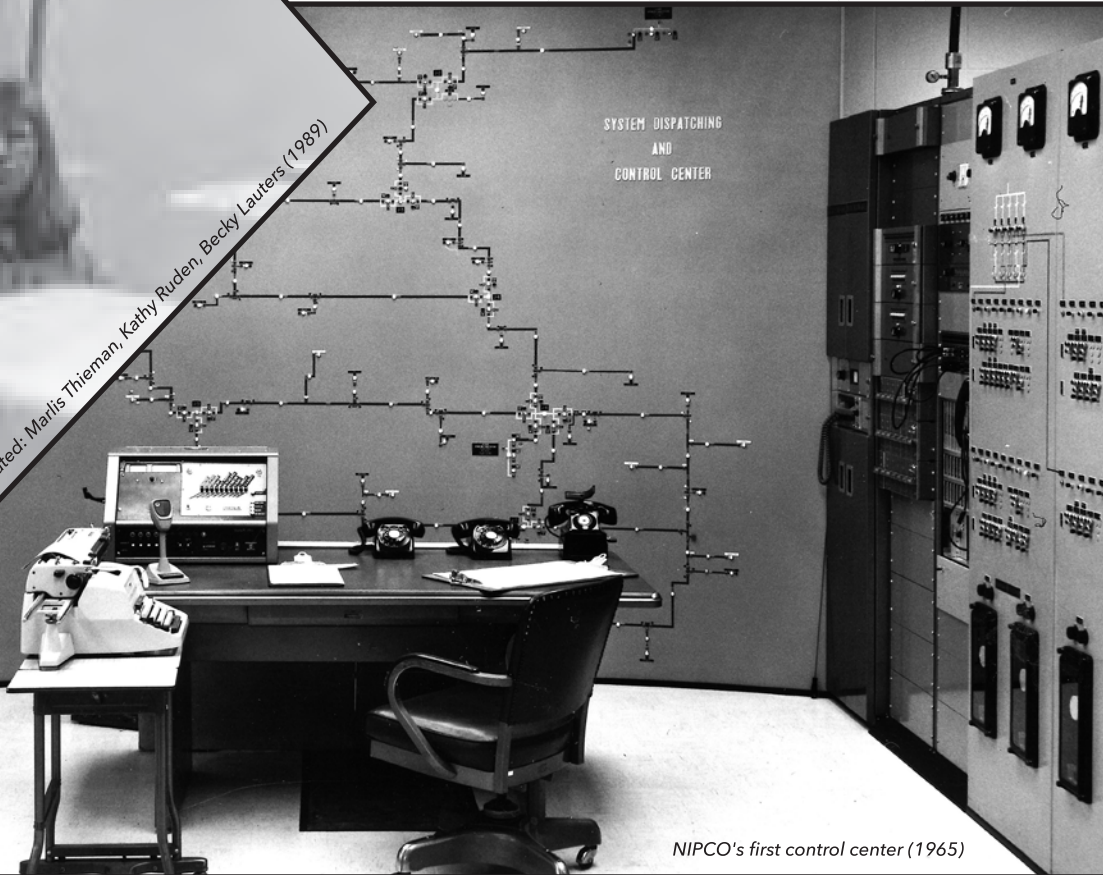
Larry Bowers (1974)



The evolution of IT services has significantly improved the operation of NIPCO's electric and telecommunications infrastructure, enhancing grid reliability through digital communication and cybersecurity measures. Phase I of installing firewalls in all substations has been completed, with Phases II and III scheduled for 2024 and 2025, respectively. Firewalls bolster defense mechanisms that block unauthorized access to NIPCO's infrastructure, including substations, switches, and buildings that house telecommunications. Some of NIPCO's members also tap NIPCO's firewall technology to protect their own offices and systems.



Seated: Marlis Thieman, Kathy Ruden, Becky Lauters (1989)



NIPCO's first control center (1965)



NIPCO's line crews now utilize tablets connected via cellular networks, enabling them to access drawings and documents directly in the field. Substation inspections are conducted digitally on these tablets, eliminating the need for paper and reducing physical storage requirements.

The introduction of a cloud-based digital asset management resource known as Minmax facilitates asset management and maintenance scheduling. Minmax sends email notifications when maintenance is due, streamlining operations.

The inventory process has been digitized using a barcode system, replacing manual methods. Barcode scanners automatically update inventory counts in NIPCO's accounting system, enhancing efficiency and accuracy across departments.



NIPCO is committed to implementing a load management system, advanced metering, and battery energy storage operation, paving the way for a safer and more sustainable energy future.

NIPCO made substantial upgrades to its Control Center, transitioning from a system of analog tiles to a dynamic “live” wall format with system maps powered by advanced telecommunications technology. Other operational enhancements to the Control Center include the adoption of modern Solid State SEL products in Relaying & Protection, enabling remote operation and fault history reporting. Efforts were made to shift from manual to remote switching, utilize tablets for Flying Line inspection recording, and upgrade CAD systems for improved efficiency and performance.



NIPCO's control center after recent update (2023)

Information Technology (IT) is the precision cut that enhances efficiency, ensuring cross-departmental operations can work together seamlessly and securely.

MEMBER ENGAGEMENT:

Clarity Through Connections

NIPCO's first Public Relations effort to create an educational brochure about NIPCO's services was approved by NIPCO Directors in July of 1953. Enhancing member engagement through various communication channels, resources, and programs highlights NIPCO's ongoing commitment to forging connections with members far beyond poles and wires.

Outreach efforts that educate, entertain, and promote reliable and affordable energy and community development that powers and empowers the communities of western Iowa played a valuable role throughout NIPCO's history. The intent of NIPCO's engagement programs and resources remains the same. However, how we connect to our members today

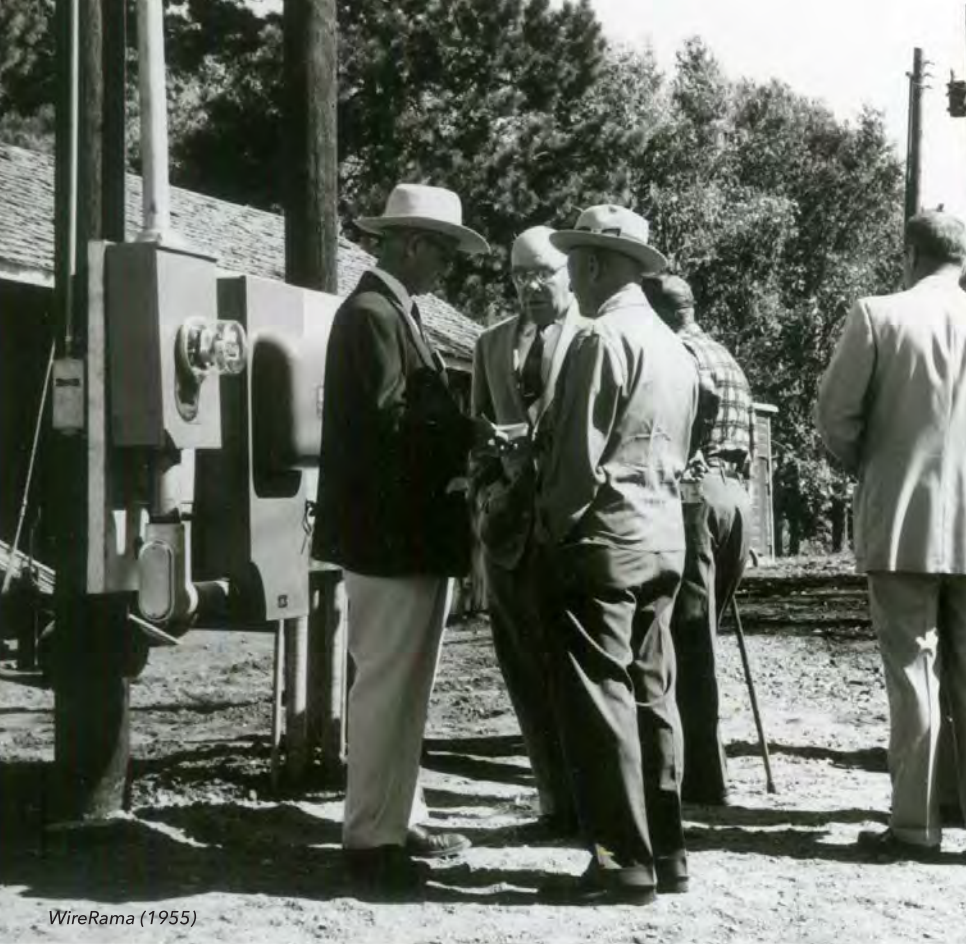
versus seven decades ago is vastly different. NIPCO has adapted to meet the evolving needs of our members, providing support for economic and community development, legislative advocacy, technological advancements, energy efficiency, sustainability initiatives, community engagement, education, and transparent communication.

A local appliance store welcomes Miss Hot Point (circa 1950s)



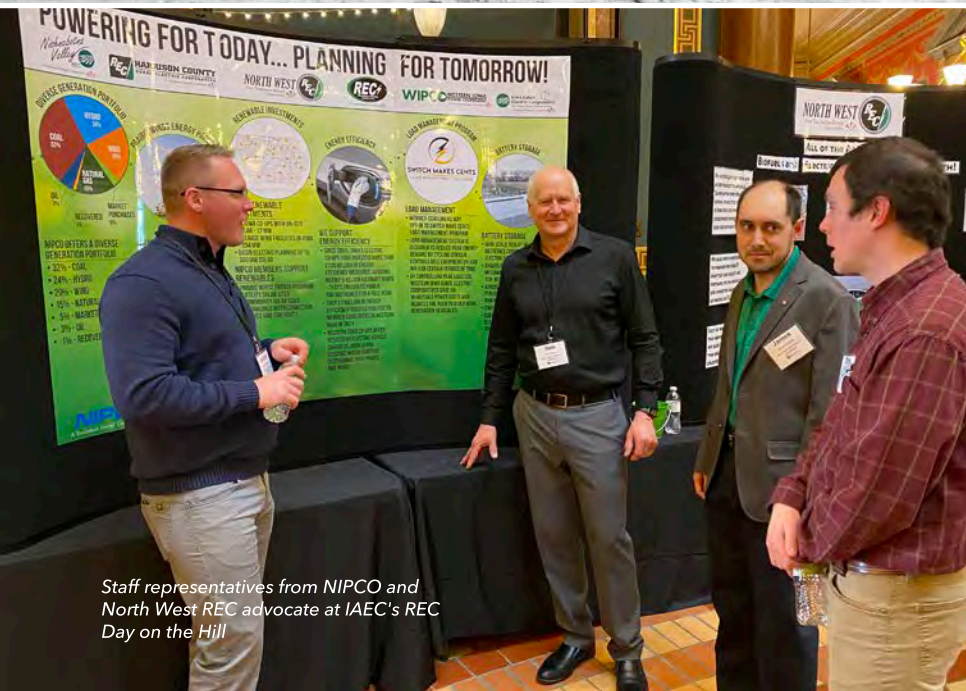
NIPCO's Electric Show (1957)





WireRama (1955)

Engagement and education are deeply rooted in NIPCO's history. In 1955, NIPCO and its Member Cooperatives pioneered Iowa's inaugural "Wire Rama," revolutionizing farm wiring for general operations, home heating, and appliances. The event, held on George Hoffman's farm in Ida County (coincidentally, the father of North West REC Director Dan Hoffman), marked the beginning of NIPCO's outreach efforts at shows, county fairs, and festivals across western Iowa, promoting the advantages of rural electrification for a strong, healthy rural America. This legacy endures to this day.



Staff representatives from NIPCO and North West REC advocate at IAEC's REC Day on the Hill

In the area of community and economic development, NIPCO has established policies that offer a variety of programs that support Class A Member efforts to cultivate and diversify load growth, create and retain jobs, and support community development in the communities we serve.

Community engagement is vital, with electric cooperatives strengthening ties through various activities, including events, educational programs, and outreach initiatives. NIPCO staff actively engages in advocacy endeavors and member events, facilitating one-on-one interactions with electric vehicles, educating on crucial regulatory matters affecting reliability, and offering immersive experiences such as Lineman 360's virtual reality simulations.



NIPCO provides resources that empower members to engage effectively through websites, social media, a monthly Smart Choices digital Newsletter, and digital insights. NIPCO focuses on energy efficiency and sustainability, conducting regular reviews with members to offer incentives, rebates, and education on energy-saving practices.

For seventy years, energy education tours have been instrumental in enlightening members about the intricacies of hydroelectric generation on the Missouri River, powering homes and farms across western Iowa. The inaugural Power Supply Tour embarked for Fort Randall Dam in Pickstown, South Dakota, on

June 14, 1954. Over time, this single-day excursion evolved into today's Energy Trail Tour, spanning three days and encompassing stops at the Oahe Powerhouse and Dam, Basin Electric Power Cooperative's Antelope Valley Station, the Great Plains Synfuels Plant, and Dakota Coal Company's

Freedom Mine. These tours remain a valued resource for strengthening relationships with NIPCO's member systems and their member-owners, fostering a deeper connection, and creating advocates for those involved in power supply and delivery from the generation source to the light switch.

Power Supply Tour (1954)

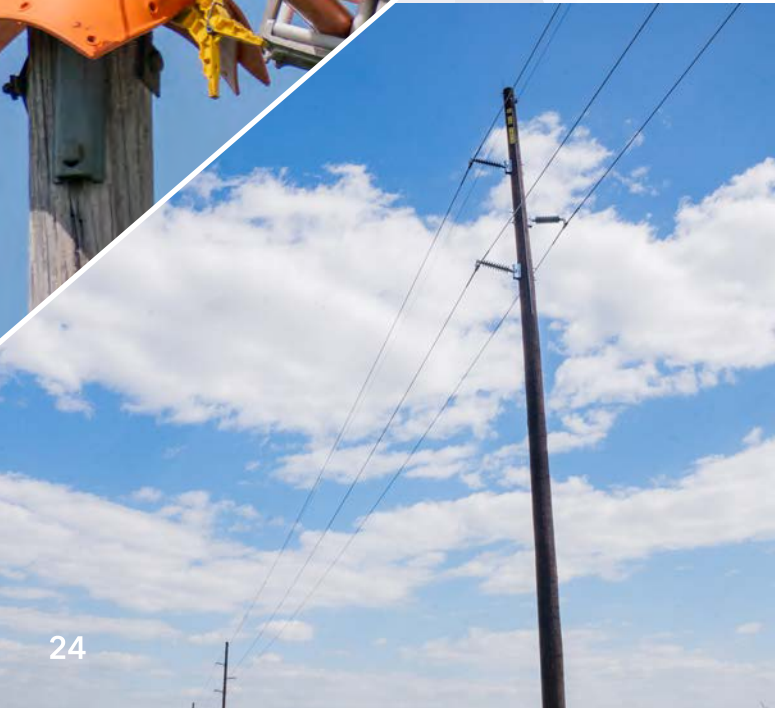


Each aspect of member engagement acts like a facet of a diamond, offering clarity and brilliance in our connections and forging a deeper sense of transparency and trust with our members.

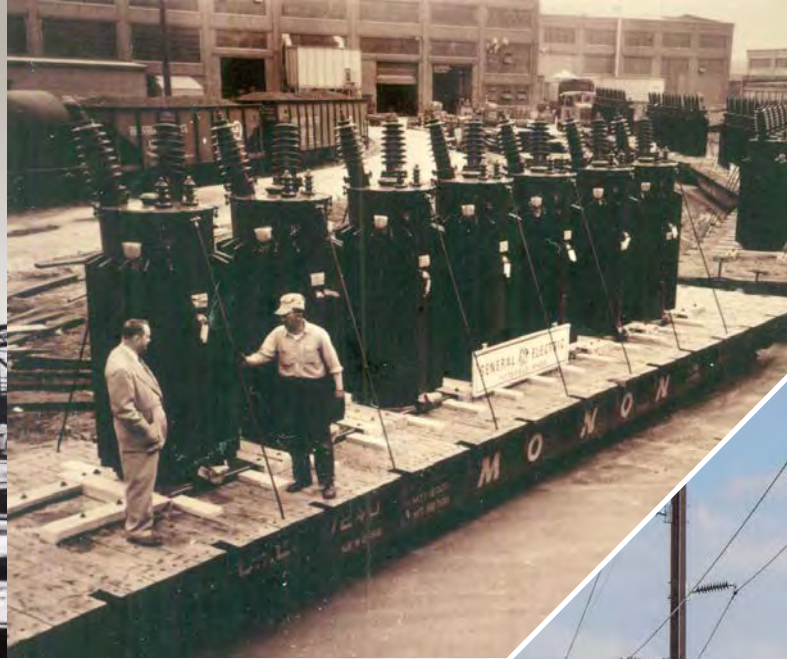
FINANCIAL STRENGTH:

A Unified Setting That Shines

Owned by the Members we serve, we are governed by the seven cooperative principles and our seven electric cooperatives who entrust us with the safe, reliable, and competitive delivery of power and related services. For seventy-five years, NIPCO's dedicated employees have devoted their operations to its "Members First" promise to be responsive to members and provide the best return on their investment.



G&T cooperatives have expanded transmission capacity and interconnection points to support the growth of renewable energy and accommodate new generation sources, improving overall grid reliability. NIPCO became a member of Southwest Power Pool in October of 2015. With almost one decade of membership in SPP, NIPCO continues to experience positive economic results by allowing us to generate revenue from many of our transmission assets.



Much of NIPCO's history is shaped by financially driven implications. NIPCO's mission has expanded from its original purpose to "generate, manufacture, purchase, acquire and accumulate electric energy" and to "transmit, distribute, furnish, sell and dispose of such energy". Today, NIPCO's mission is to provide wholesale energy supply, communications, and related services for the benefit of the member cooperatives and the communities of western Iowa in a safe, reliable, competitive, and environmentally responsible manner.



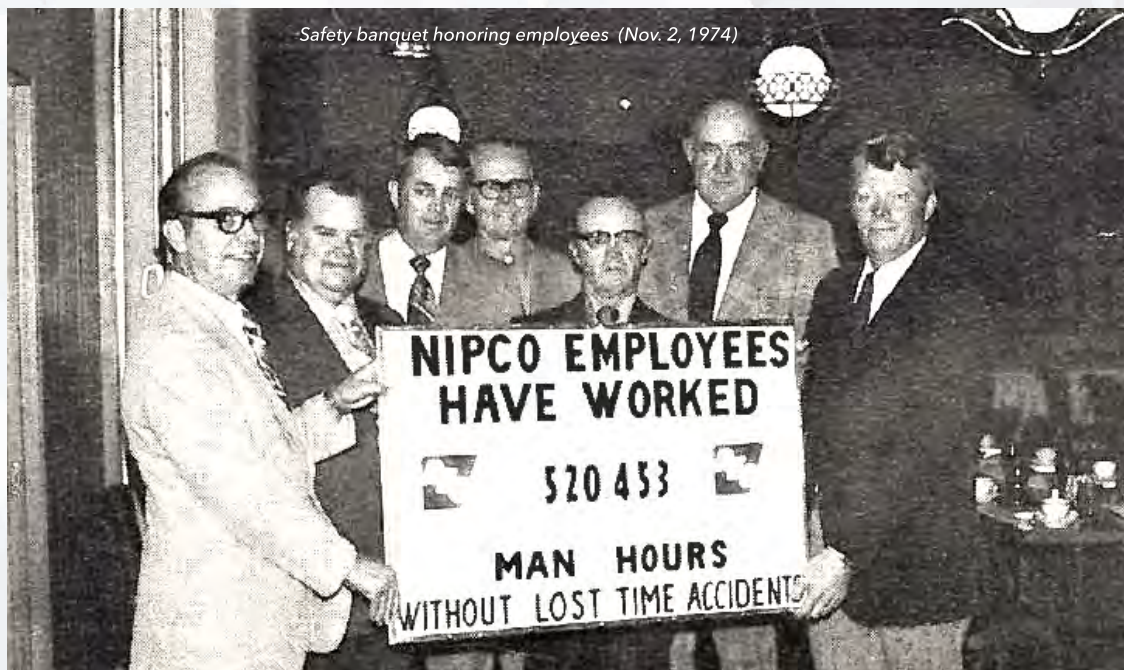


NIPCO Headquarters, staff, and fleet vehicles (circa 1955)

With increasing rates and the ongoing pressures for purchased power from its power providers, NIPCO's Directors have grappled with keeping rates stable for decades. In December of 1961, NIPCO's Board of Directors established a "Rate Stabilization Fund" to protect its Member Cooperatives against high rate increases that would occur because of NIPCO's membership in Basin Electric Power Cooperative. Decades later, NIPCO Directors balance delivering on its mission while maintaining competitive rates.

While the Rate Stabilization Fund no longer exists, rate pressures from Basin Electric and Western Area Power Administration (WAPA) continue to impact decisions in the Board Room.

Directors continue to consider revenue deferrals to offset potential future rate increases. In 2023, the NIPCO Board decided to defer \$1.2 million of the current year's revenue to 2025.



Safety banquet honoring employees (Nov. 2, 1974)



Elk Horn Substation



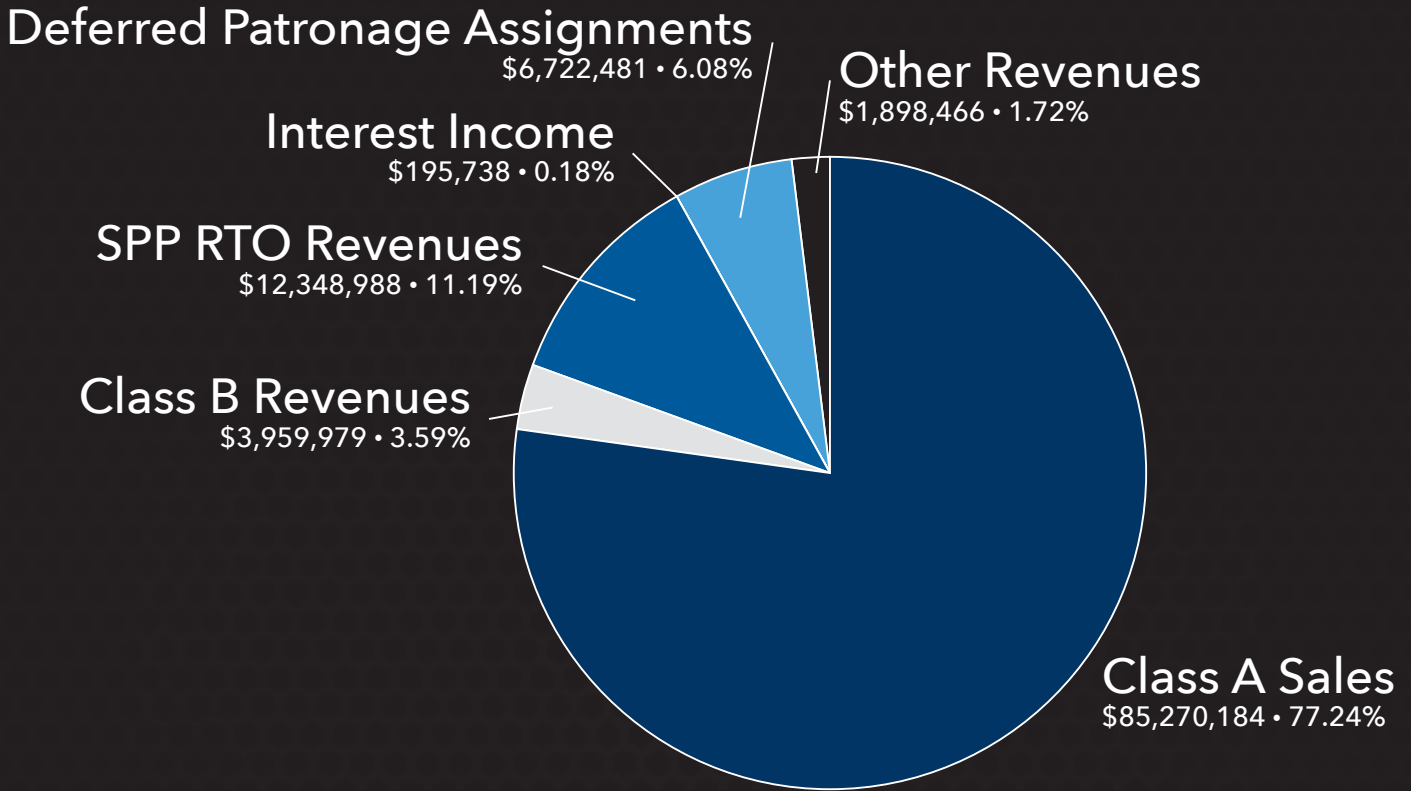
NIPCO finished 2023 in a solid financial position. 2023 book margins totaled \$7,308,812, which includes the 2023 patronage assignment from Basin Electric Power Cooperative of \$6,189,511. In the November 2023 Board Meeting, Directors approved a patronage retirement totaling \$2,412,854 from the remaining 2010 and a portion of the 2011 patronage assignments to the membership.



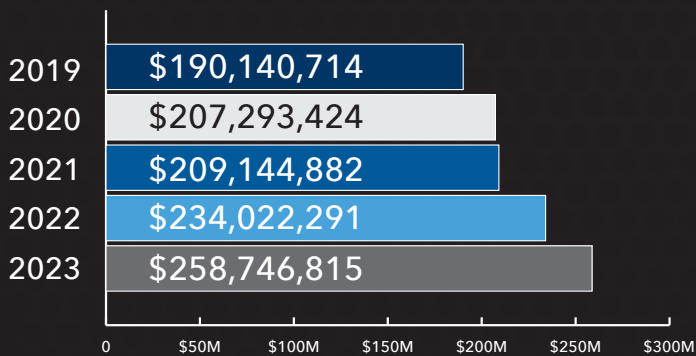
Bringing J7 back online

Being a member of an electric cooperative not only spreads adverse risks across multiple entities but also enables the sharing of strong financial results across all Member Cooperatives. The recognition and appreciation of the long-term value fundamental to the cooperative business model were evident to NIPCO's founding incorporators in 1949 and continue to be a cornerstone of our beliefs today. Despite economic uncertainties, prudent financial management has provided a solid "setting" for NIPCO's value. This foundation has allowed NIPCO to weather storms and continue investing in the operations that define our service, allowing us to remain a trusted partner with our Member Cooperatives.

2023 INCOME

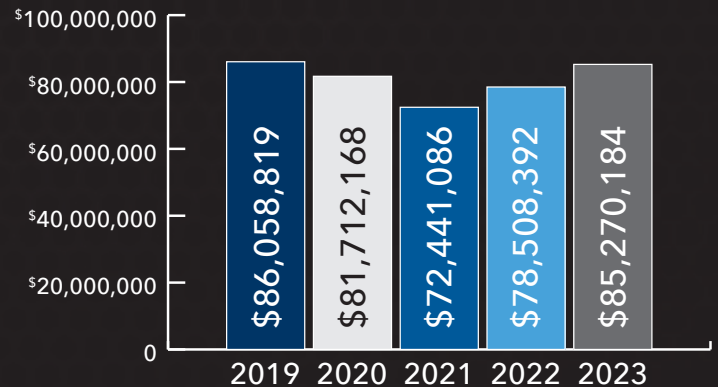


2019-2023 TOTAL ASSETS

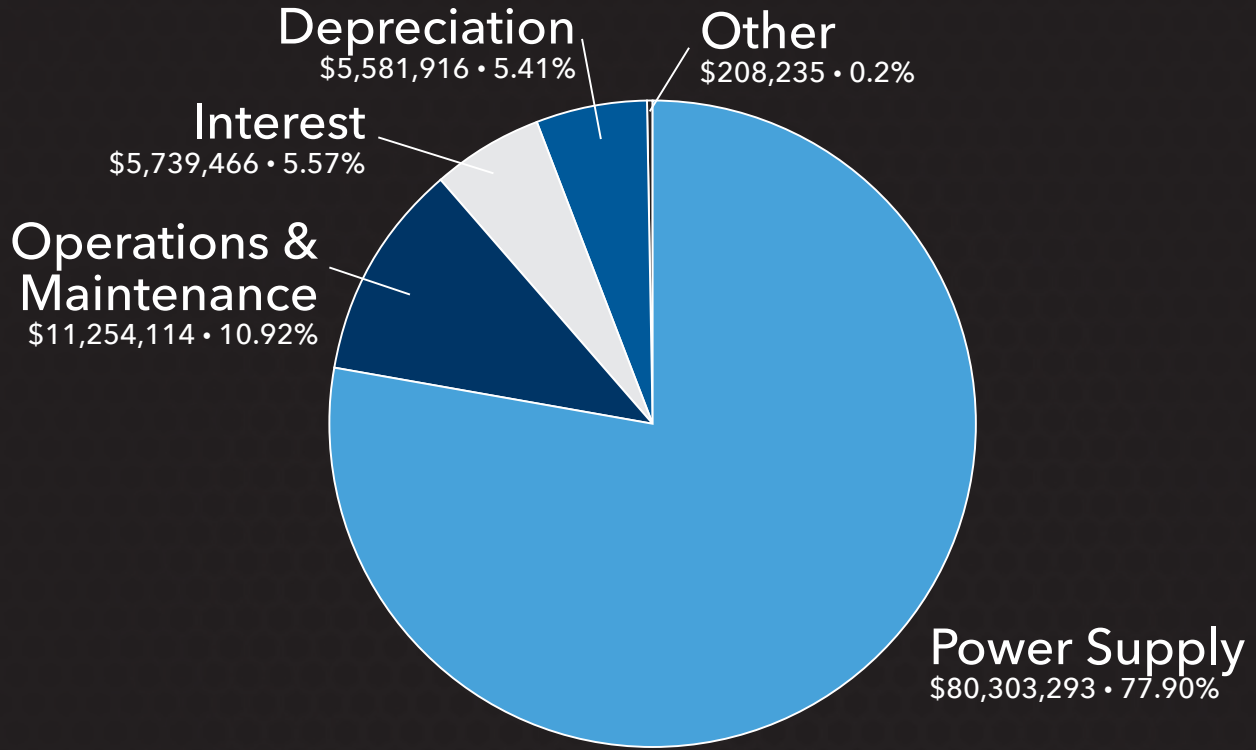


2019-2023 CLASS A SALES

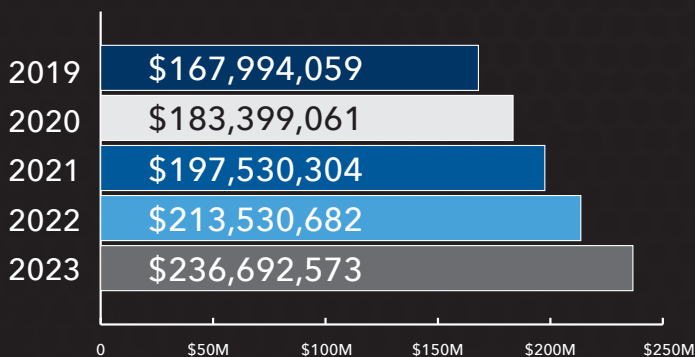
Dollar Value



2023 OPERATING EXPENSES

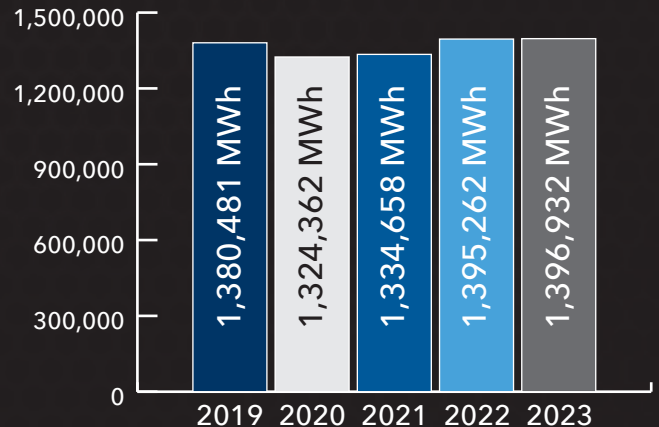


2019-2023 TOTAL UTILITY PLANT (GROSS)



2019-2023 CLASS A SALES

MWh



*Subsequent pages contain the Independent Auditor's Report.

Many Facets. One Mission.



MATT WASHBURN
Executive Vice President &
General Manager



JAYME HUBER
Vice President of
Engineering and
Operations



JANE SCHEITLER
Chief Financial Officer



STEVE SPIELER
Chief Information Officer



CHAD BARTHMAN
ROW, Inspection, Safety Coordinator



ERIC BERKENPAS
Journeyman Lineman



TOM BERKENPAS
Transmission Superintendent



DARWIN BETSWORTH
Control Operator



BRANDON BROTHERTON
Journeyman Lineman



ANGELA CATTON
Manager Member Relations & Development



LUCAS ELSE
Journeyman Lineman - Outpost



JODI EMERSON
Staff Accountant



AMY GRAGE
Administrative Assistant



LAUREN HANNASCH
Office Assistant



TIM HANSEN
58telecommunications Technician



BJ HETZEL
Crew Foreman



JOSH HEWITT
Control Operator



KEVIN HUBBARD
Substation Technician



DON JENNINGS
Sr. SCADA Technician



JACOB JOCHIMS
Journeyman Lineman - Outpost



LISA KARR
Accounting Services Manager



JEFF KOONS
SCADA Technician



CHRIS LARSON
System Planning and Protection Engineer



KYAN LUDWIG
IT Administrator



JENNIFER MACK
Human Resources Administrator



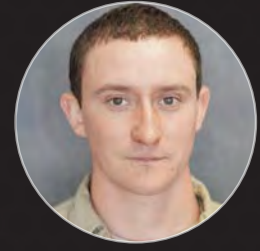
JIM MARCO
General Projects Coordinator



BRIAN MYERS
Control Operator



MARK NELSON
Power Dispatching Manager



JORDAN NEWCOMB
Journeyman Lineman - Outpost



GRANT OLIVER
Crew Foreman - Outpost



JUSTIN OTT
Sr. Meter Technician



NATHAN PAULING
Substation Electrician



ANDREW PAULSEN
System Project Engineer



JEFF PERSINGER
Apparatus Services Manager



RACHEL ROGERS
Communications Specialist



MARC SCHEITLER
Sr. Telecommunications Technician



JOSH SCHIFF
Electrician Foreman



JOE SITZMANN
Procurement & Equipment/Facilities Manager



JASON STOCK
Sr. Relief Control Operator



BILL THOMPSON
Crew Foreman



ADAM TYLER
Control Operator



BRETT WASHBURN
Control & Relay Technician



JEFF ZETTEL
Engineering Technician



Northwest Iowa Power Cooperative is an equal opportunity provider, employer, and lender.

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