CAPITAL CREDIT RETIREMENT APPROVED

Clark Electric Cooperative returns $1,010,000 to members

By Tim Stewart, CEO/Manager

It is my privilege to announce that the Clark Electric Cooperative Board of Directors approved a $1,010,000 retirement to be made in January 2024. This marks the 61st consecutive year that capital credit retirement has been made totaling in excess of $31,472,000 being returned to the membership.

As a rural electric cooperative member, you are part owner of Clark Electric Cooperative. Basically, you've pooled money (through paying your electric bill) with thousands of other members and created equity for your rural electric cooperative to deliver you electricity and to provide services at an affordable cost.

As we are a member-owned, operated, and not-for-profit utility, one of the fundamental principles we follow is a commitment to returning excess revenues. This is done in the form of capital credits. Since Clark Electric Cooperative operates on a not-for-profit basis, we return margins to members and former members through the capital credit allocation and retirement process. The amount returned is in relation to the individual member's transactions with the cooperative. Capital credits are returned to cooperative members on a rotating schedule. Currently the cooperative is retiring 4.25% of our allocated capital and applying that amount against the oldest capital credits assigned to the members. This retirement will affect the cooperative's capital credits assigned in 2003 and 2004 and the Dairyland Power Cooperative capital credits assigned for 1997 and 1998.

Our goal is to provide you with electricity at a price that is as close to cost as possible. We don't aim to maximize profits like investor-owned utilities do. This way, more of your money stays in your pocket—up front. In short, you are receiving a vital resource, electricity, from a business owned and operated by you, your friends, and neighbors. Working together, we provide you with the highest level of service we can while striving to keep your electric bills affordable—the best possible service at the best possible price

Clark Electric Cooperative (CEC) tracks how much energy you buy and how much money you pay throughout the year.

CEC completes financial matters and determines whether there is excess revenue (margins).

CEC allocates margins (revenue above cost) to members as capital credits based on revenue you paid during the year.

After a time, when CEC's financial condition permits, the board of directors decides to retire capital credits.

Eligible members receive their capital credit retirements as a check or a credit on your bill.

ACE FOUNDATION AWARDS $29,200 TO COMMUNITY PROJECTS

The Adler-Clark Electric Community Commitment Foundation recently awarded $29,200 to 23 different community-based projects located throughout the Clark Electric Cooperative service area. Some of this year's awards helped fund area food pantries, Christmas Wish Program, community enhancement projects, House of Mercy, playground improvement projects, defibrillators, and local police departments.

Tim Stewart, chief executive officer of Clark Electric Cooperative and one of the trustees of the Adler-Clark Electric Community Commitment Foundation, indicated that "The purpose of the ACE-Community Commitment Foundation is to support programs and events which enrich the lives of people of Clark County and the surrounding area communities. Our mission is to invest in the future of the Clark County area by helping create opportunities for philanthropy and community enrichment. We are pleased to be a part of these community enrichment programs."

The ACE-Community Commitment Foundation was established in 2004 by Clark Electric Appliance and Satellite Inc., to strengthen local communities by aiding not-for-profit and community organizations in funding projects that will enhance the quality of life of local residents of this area. To date, the Foundation has awarded $665,910 for community enrichment projects.

ANNUAL MEETING SET FOR MAY 8, 2024

Clark Electric Cooperative's annual meeting is scheduled for May 8, 2024, at the Neillsville American Legion, 6 Boon Blvd., Neillsville, starting at 9:30 a.m.

The annual meeting is an important event for the cooperative. Members will hear reports about the cooperative and the electric industry, review financials, conduct business, and elect their representatives to serve on the board of directors.

The governance process is summarized below and is not intended to replace the details found in the bylaws.

Nominations by Petition

- Candidates for director shall be nominated exclusively by petition. For a candidate to be validly nominated, the petition shall contain the signatures of no less than ten (10) members. The signature of either or both members holding a joint membership shall constitute the signature of one (1) member. To be valid, a petition must be received by the cooperative not less than 60 days prior to the annual meeting (In 2024 that date is March 8, 2024).

Voting in Person or by Absentee Ballot

- If there is only one (1) nominee for a seat, election may be by unanimous consent or by voice vote or similar process at the annual meeting, without the need to cast written ballots. Where there is more than one (1) nominee, the election will be by ballot, members may vote in person or by absentee signed ballot. Absentee ballots shall be provided to all members. To be counted, absentee ballots must be received by the cooperative or designee no later than noon on the last business day preceding the day of the annual meeting.

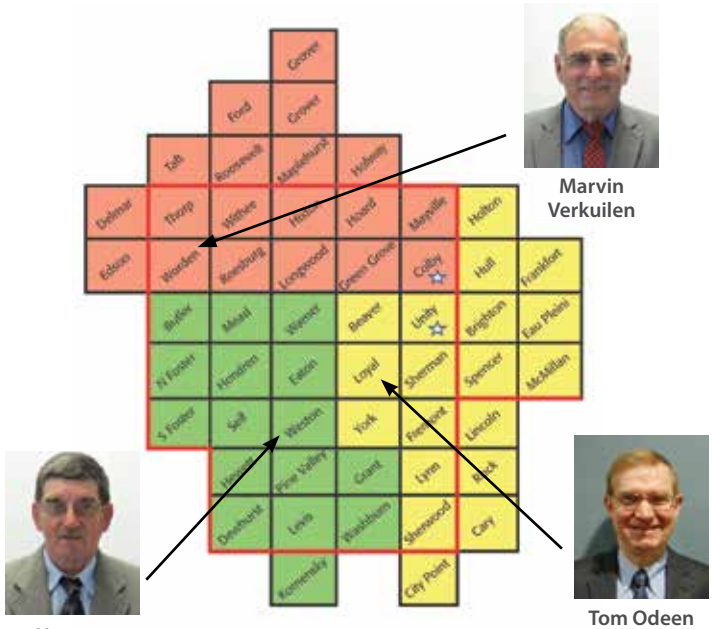
Director Districts

- Director district boundaries are intended to balance the number of members in the respective districts while endeavoring not to split towns, villages, or cities between districts. See map of director districts.
- The cooperative has seven (7) directors, two of which serve from each district and one (1) serving in an at-large position.

This year members will be asked to elect three directors for a three-year term: one position from district one (1), one from district two (2), and one from the at-large district. These seats are currently held by Marvin Verkuilen, town of Worden (District 1); Herman Seebandt, town of Weston (District 2); and Thomas Odeen, town of Loyal (District – at-large). These directors are eligible for re-election.

Any advisory resolutions must be received by the cooperative at least 15 days prior to the annual meeting

The cooperative's bylaws establish the minimum qualifications for being a director as well as broader detail on the election process. A copy of the bylaws is available on the cooperative's website at www.cecoop.com or by contacting the business office at 715-267-6188. If you have any additional questions about becoming a director, please contact Tim Stewart, CEO/GM, at the business office.



Marvin Verkuilen

Herman Seebandt

Tom Odeen (at large)

Directors are expected to attend monthly board meetings; represent the cooperative in state, regional, and national affairs; and take advantage of NRECA educational opportunities such as classes, seminars, and workshops. Directors need to read, study, and analyze a lot of information throughout the month to keep informed on the electric industry. Directors will spend approximately 20 to 35 days a year in the performance of their duties.

Mark your calendar and plan to attend the annual meeting, enjoy a nice lunch, register for a $25 door prize, and help conduct the business of your electric utility. Member involvement is critically important to the success of your cooperative.

SCHOLARSHIP REMINDER

Scholarship applications must be returned to the Cooperative by **Monday, March 4, 2024**. For more information, go to cecoop.com scholarships.

A BEGINNER'S GUIDE TO THE ELECTRIC GRID

Electricity plays an essential role in everyday life. It powers our homes, offices, hospitals and schools. We depend on it to keep us warm in the winter (and cool in the summer), charge our phones and binge our favorite TV shows. If the power goes out, even briefly, our lives can be disrupted.

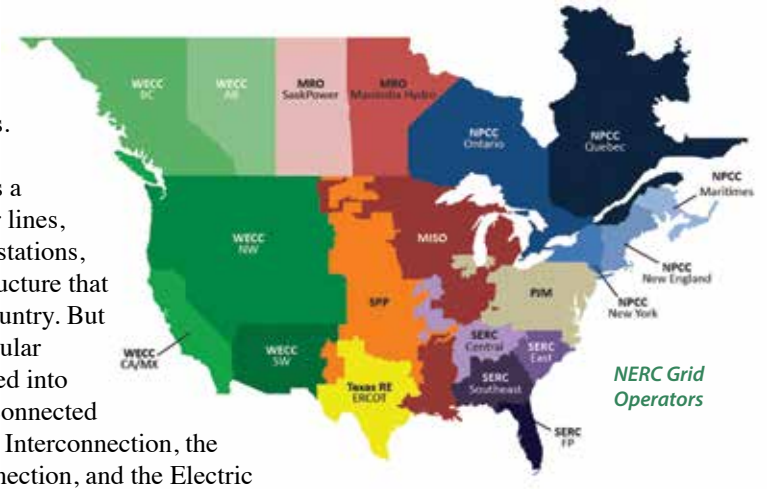
The system that delivers your electricity is often described as the most complex machine in the world, and it's known as the electric grid.

What makes it so complex? We all use different amounts of electricity throughout the day, so the supply and demand for electricity is constantly changing. For example, we typically use more electricity in the mornings when we're starting our day, and in the evenings when we're cooking dinner and using appliances. Severe weather and other factors also impact how much electricity we need.

The challenge for electric providers is to plan for, produce, and purchase enough electricity so it's available exactly when we need it. Too much or too little electricity in one place can cause problems. So, to make sure the whole system stays balanced, the electric grid must adjust in real time to changes and unforeseen events.

At its core, the electric grid is a network of power lines, transformers, substations, and other infrastructure that span the entire country. But it's not just a singular system. It's divided into three major interconnected grids: the Eastern Interconnection, the Western Interconnection, and the Electric Reliability Council of Texas. These grids operate independently but are linked to allow electricity to be transferred between regions when backup support is required.

Within the three regions, seven balancing authorities known as independent system operators (ISOs) or regional transmission organizations (RTOs) monitor the grid, signaling to power plants when more electricity is needed to maintain a balanced electrical flow. ISOs and RTOs are like traffic controllers for electricity. In our region it is the Midcontinent Independent System Operation (MISO).



NERC Grid Operators

The journey of electricity begins at power plants.

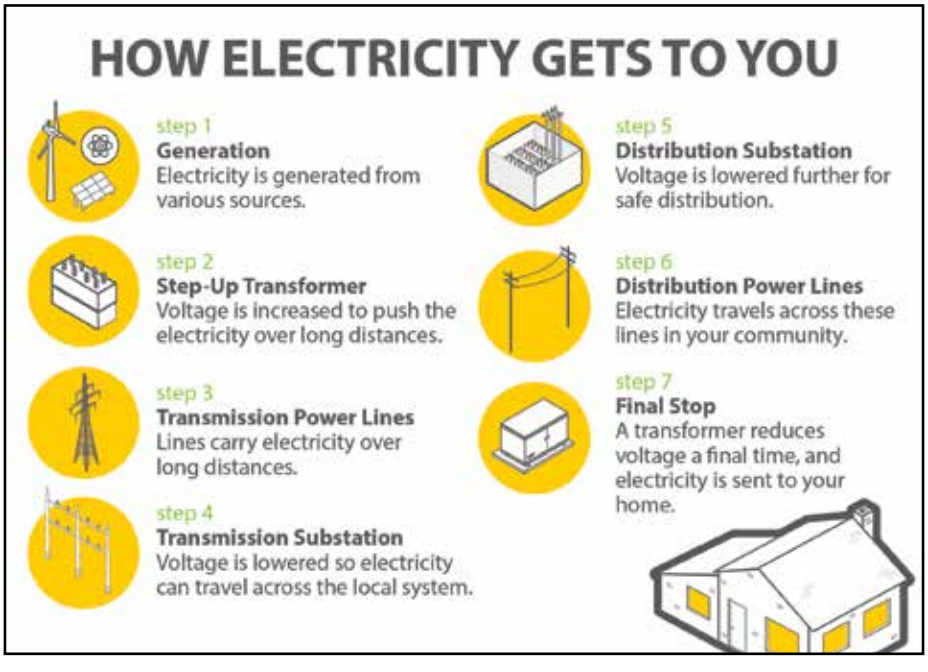
Power plants can be thought of as factories that make electricity using various energy sources, like coal, natural gas, solar, hydro, wind, and nuclear energy. Across the U.S., more than 11,000 power plants deliver electricity to the grid.

Clark Electric Cooperative receives power from our generation and transmission (G&T) co-op, Dairyland Power Cooperative located in La Crosse. We work closely with Dairyland to provide and distribute electricity. To get the electricity from power plants to you, we also need a transportation system.

High-voltage transmission lines act as the highways for electricity, transporting power over long distances. These lines are supported by massive towers and travel through vast landscapes, connecting power plants to electric substations.

Substations are like pit stops along the highway, where the voltage of electricity is adjusted. They play a crucial role in managing power flow and ensuring that electricity is safe for use in homes and businesses.

Once the electricity is reduced to the proper voltage, it travels through distribution power lines, like the ones you typically see on the side of the road. Distribution lines carry electricity from substations to homes, schools, and businesses. Distribution transformers,



which look like metal buckets on the tops of power poles or large green boxes on the ground, further reduce the voltage to levels suitable for household appliances and electronic devices.

After traveling through transformers, electricity reaches you—to power everyday life.

We're proud to be your local, trusted energy provider. From the time it's created to the time it's used, electricity travels great distances to be available at the flip of a switch. That's what makes the electric grid our nation's most complex machine—and one of our nation's greatest achievements.

A Deeper Look into the Grid

In November, the North American Electric Reliability Corporation (NERC) issued a report warning that prolonged, widespread cold snaps across the United States could threaten the reliable performance of the nation's power grid. The winter assessment identified the eastern two-thirds of the United States at an elevated risk of having insufficient energy supplies to meet demand in extreme operating conditions (the risk scale is three-tiered: low, elevated, high).

While NERC's report offers a high-level view of North America's grid operators, the regional grid operator, Midcontinent Independent System Operator (MISO), offered a more tempered prediction for winter reliability in their own assessment. MISO expects above-normal temperatures in its North and Central regions (where we live), and to have enough electricity supply to meet demand under typical winter conditions. While that statement brings some peace of mind, MISO still cautions that there is always the potential for "high risk, low probability events" occurring, such as extreme weather across most of the U.S. (i.e., the December 2022 holiday storm and cold snap), intense winter storms, and/or fuel supply issues.

"We take the NERC and MISO winter reliability assessments and winter weather very seriously," CEO/GM Tim Stewart said. "The measures taken by MISO to improve their forecasting methods and available generation resources, as well as the work by Dairyland to winterize their power plants and maintain their transmission lines to our system, are crucial to reliability. We have taken our own measures to do everything we can to keep the power on this winter. We know there may be power outages, but we do our best to minimize the duration of any outages and appreciate our members' understanding and cooperation during those scenarios."

Last spring, Dairyland's John P. Madgett power plant in Alma conducted a scheduled outage to overhaul the turbine and generator, and upgraded the precipitator equipment to double the amount of fly ash collected during the coal combustion process. Power plant maintenance is planned during the spring and fall when energy loads are typically lower due to moderate seasonal temperatures that require less heating and air conditioning.

"Dairyland has always taken our duty to providing safe, reliable, and affordable electricity seriously, so when seasonal weather assessments suggest there is a risk to grid reliability, we pay attention," said Ben Porath, Dairyland's executive vice president and chief operating officer. "Annual maintenance plans help keep our generation resources available for peak performance in all weather conditions and our 3,200 miles of transmission lines in top condition."

Going into the winter season, JPM has built up its coal reserves. The Elk Mound Combustion Turbines and RockGen Energy Center in Cambridge are also ready to be called upon during extreme weather. These units are not designed to run all the time, but to fill gaps in demand when needed. They can also run on fuel oil if natural gas supplies are low or diverted to home heating during a winter storm.

To read NERC's full winter reliability assessment, go to nerc.com, click on Reports, scroll down to 2023/2024 Winter Assessment and click.

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