

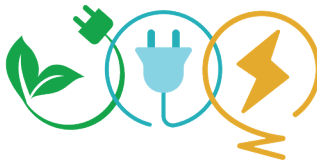


*Pictured:  
A rainbow crests  
over the horizon  
past Sussex REC  
power lines on Rose  
Morrow Road in  
Wantage.*



## ANNUAL REPORT

Find a recap of 2024  
inside this issue



[www.sussexrec.com](http://www.sussexrec.com)

973-875-5101

[info@sussexrec.com](mailto:info@sussexrec.com)



**Sussex Rural  
Electric Cooperative, Inc.**

A Touchstone Energy® Cooperative

SREC's Member Newsletter

2025, Issue 2 of 4

# Currents

## Outages & After Hours 877-504-6463

**Sussex Rural  
Electric Cooperative**  
[www.sussexrec.com](http://www.sussexrec.com)



**Sussex Rural  
Electric Cooperative, Inc.**

President & CEO - Christopher P. Reese

### Our Board of Directors

Chairman	- Jack Haggerty, Jr.
Vice Chairman	- William Kovach
Sec./Treasurer	- Ronald Dupont
Thomas Madsen	Barbara Miller
Brad Sparta	Joseph Barca
Michael Abate	Karen McDougal

## NJ's Only Co-op - What Sets Us Apart

You may have seen the headlines recently: "Electric costs in NJ to increase again" - NJ.com. "Electric bill increases due for NJ customers" - NJBIZ. "Blame game as electric bills jump this summer" - NJ Spotlight News.

This all refers to the NJ Board of Public Utilities (BPU)'s recent announcement that the yearly auction for electricity prices will result in rate increases for the four investor-owned utilities (IOUs) in the state: PSE&G, JCP&L, Atlantic City Electric, and Orange & Rockland. Beginning June 1st, 2025, their residential customers will face rate increases of 17-20% on their monthly electric bills, about \$25 per month.

Thankfully, Sussex REC and its members are exempt from the Electric Discount and Energy Competition Act (EDECA) of 1999, which set in motion the rules of deregulation in NJ and allowed customers to choose third

By Chris Reese, President & CEO  
[contactthecoo@sussexrec.com](mailto:contactthecoo@sussexrec.com)



party suppliers to cover the generation of their electricity. The IOUs were still required to provide Basic Generation Service (BGS) for those that wished not to "shop" for their generation.

Fast forward to 2025, and the competitive shopping market for generation never fully materialized. Most IOU customers still receive their power through BGS pricing, subject to open market prices in an annual auction overseen by the BPU. 2025's auction resulted in much higher prices and the headlines you've seen.

While Sussex REC receives a portion of its power supply from the open market, most (about 67%) of our power comes from our own generation and transmission cooperative, Allegheny Electric Cooperative in Harrisburg, PA. Through Allegheny, we have

>> Continued on pg. 2

10% ownership of the Susquehanna nuclear plant in Berwick, PA, along with the Raystown hydro facility in Huntingdon, PA. These two sites provide us with steady, around-the-clock, carbon-free power. Allegheny's contracts cover the remaining third of our supply needs through a mix of gas, coal, nuclear, hydro, and renewable sources. Market price fluctuations can affect the cost of these purchases, but that's just a portion of our power supply. The rest of the state is affected by market prices much more heavily.

Market supply costs played a part in our rate increases in January of this year and last year, but they were also needed because of a dramatic and continued rise in our material and equipment costs. Like almost every other industry, we are facing higher costs across the board to run our company. For this reason, we cannot guarantee that market prices won't affect our rates in the coming years. Right now, we are doing our best to manage costs and are keeping our members in mind. Our recent rate increases were not as high as the one that most of the state is facing now.

As a co-op, we are a cost-based company. We set our rates so we can meet our expenses and have some margin to invest in our people, supplies, equipment, and technology. We have no investors

or stockholders to whom we are looking to return a profit or a dividend. Our only responsibility is to our 12,000 members!

As a co-op member, you should know that as of June 1st this year, your electric rates will be one of the lowest in the state of NJ. In fact, your rates will be lower than about 99% of the state's households! At the same time, we are providing electricity to our members that is 80% carbon free. This is well above NJ's generation mix that is at about 57-60% carbon free.

On top of that, we continue investing in technology to improve our reliability, implementing features like automated line switching that isolates power outages and, for some outages, restores members in less than two minutes instead of two hours (look out for an article on this in an upcoming issue).

Since 1937, our mission has been to provide the highest quality of service at the lowest possible cost. This sets us apart from New Jersey's other utilities. While they wrangle with high power supply costs and other economic issues, the team at Sussex REC is focused on keeping the lights on and our rates as low as possible for our members. ⚡



Sussex REC's Annual Meeting is coming up! Our **Online Meeting** will be available **Monday, July 7th** and our **Member Appreciation Event** will be held at the NJ State Fair on **Monday, August 4th**. Here's all the important dates to remember!

### **Board of Directors Election - Late May**

Ballots for our board election will arrive by mail to all members in late May. Be sure to vote!

### **Early Bird Fair Tickets - Friday, June 13th**

Registration for free Fair tickets will open early this year! Between 6/13 and 7/7, register at [sussexrec.com/ann-mtg](https://sussexrec.com/ann-mtg) for a chance to win two demolition derby passes along with your Fair tickets! This extra prize is only available by registering between 6/13 and 7/7.



### **Online Meeting Launch - Monday, July 7th**

Visit [sussexrec.com/ann-mtg](https://sussexrec.com/ann-mtg) on 7/7 for business updates in our Online Meeting. You can also register for up to two free Fair tickets, available until Monday, 7/21 at midnight.

### **Member Appreciation Event at the Fair - Monday, August 4th, 12 - 8 pm**

All members are invited to join us at the Fair's BBQ Pavilion. Chat with us, earn a \$10 bill credit and giveaways, and enter our prize drawing, with the grand prize being free electricity for a year!\* For free Fair tickets, you must register before 7/21.

\*Prize valued at \$1,250.00 based on average, annual electricity usage of residential member. Winner will receive bill credit of \$1,250.00 for use between 09/2025 and 08/2026. To receive prize, winner must be member in good standing.





## President & Chairman's Report



**Chris Reese**  
*President  
& CEO*



**Jack Haggerty**  
*Chairman  
of the Board*

88 years ago, Sussex Rural Electric Cooperative was built by members of the community who were committed to bringing electric service to their farms and rural neighborhoods. While not a profitable choice for the investor-owned utilities nearby, these community members knew the value of bringing power to their homes and they made it happen. The territory has changed quite a bit since then, but at the core, our mission remains to provide our members with the highest quality of service at the lowest possible cost. We live in this community, as do many of the employees of the Cooperative and we are committed to continuing the legacy that began in 1937.

SREC continues to demonstrate resilience and innovation in the face of recurring challenges of rising power supply costs and economic inflation. Guided by steady board leadership and the dedication of our experienced employees, we faced numerous challenges, including ongoing inflationary pressures and supply chain issues, while maintaining our commitment to our core values.

The ever-changing government regulations that put power reliability in jeopardy plague our industry. In 2024, the SREC board approved a rate increase of 7%, including an increase in the System Connection Fee, the fixed monthly charge that covers the costs associated for your home to be connected to our grid, our "system." This increase was necessary because increasing operating costs, including materials, supplies and equipment, outpaced our ability to maintain operations under existing rates.

Our diverse power mix, over 80% carbon-free, is achieved through nuclear power from the Susquehanna Steam Electric Station (which provides the majority of our electricity) and hydropower from the Raystown Hydroelectric Plant and Niagara Power Project, plus additional fossil fuels, renewables, nuclear, and hydropower from the open market. This power mix has been the key to keeping our rate increase significantly lower than those of our neighbors.

Extreme weather events continued to affect our system in 2024, resulting in an increased number of outages due to the storms' impact on trees, which have been weakened by invasive species. For instance, two storms this past summer lasted under 20 minutes each and only hit parts of the territory, yet those 10-20 minutes of high winds caused extensive outages and together cost the Cooperative over \$500,000.

A multi-year project concluded in 2024, replacing all of our older hydraulic reclosers with newer electronic reclosers called TripSavers.<sup>®</sup> Older, hydraulic reclosers required costly maintenance every five years, which meant taking down the heavy device that weighed hundreds of pounds and sending it out for service. The new TripSavers<sup>®</sup> are much smaller, lighter, and need less maintenance. A TripSaver<sup>®</sup>, like a recloser, will blink the line if it experiences a fault but will keep the power on if the fault clears.

We spent over \$1.5 million on tree trimming in 2024. This is almost three times more than was spent just 10 years ago. In 2024, 102 miles of line were trimmed and over 1,200 poles were inspected. 150 miles of line were inspected by drone, a newer technology that we have been using the past few years. In 2024, the average Sussex REC member had their power on and available 99.5% of the time.

As we plan for the future, we continue to embrace innovation and use new technology to enhance the value of electricity for our members and the safety of our employees. Safety is critical to a company specializing in a hazardous trade. Our work not only continues during dangerous weather conditions, but often increases. Our FLISR system (Fault Location, Isolation, and Service Restoration) went live in 2024 after extensive testing of the system. This is a computerized, self-healing network that can restore electric service to a large portion of an outage within seconds and reduce the number of affected members. More details about FLISR will be published in a future *Currents* issue.

>> Continued on pg. 6



## Balance Sheet (Audited) For the years ended

**2024**

**2023**

### Assets:

Total utility plant in service  
Construction work in progress

\$ 82,939,472	\$ 80,022,317
1,192,848	2,342,353
<hr/> 84,132,320	<hr/> 82,364,670

Less: Accumulated provisions for depreciation

(45,113,794)	(43,942,869)
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### **Net electric plant**

<b>39,018,526</b>	<b>38,421,801</b>
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Total other investments

9,876,207	9,122,666
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### **Total utility plant & other investments**

<b>48,894,733</b>	<b>47,544,467</b>
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### **Current assets:**

Cash & short-term investments  
Accounts receivable, less provision for doubtful  
accounts of \$64,649 in 2024 & \$74,471 in 2023  
Materials & supplies  
Other current & accrued assets

1,090,934	1,060,766
2,921,988	2,162,808
1,163,500	1,272,484
1,536,109	1,624,651

### **Total current assets**

<b>6,712,531</b>	<b>6,120,709</b>
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### **Deferred charges**

4,441,318	4,229,263
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### **Total Assets**

<b>\$ 60,048,582</b>	<b>\$ 57,894,439</b>
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### Equities & Liabilities

#### Equities:

Memberships  
Patronage capital  
Other equities

\$ 56,030	\$ 55,785
12,466,568	11,778,604
13,993,638	12,940,132

### **Total equities and margins**

<b>26,516,236</b>	<b>24,774,521</b>
-------------------	-------------------

### **Non-current liabilities:**

Long term debt, less current portion  
Other

22,727,140	23,301,015
60,630	163,504

### **Total non-current liabilities**

<b>22,787,770</b>	<b>23,464,519</b>
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### **Current liabilities:**

Current portion of long-term debt  
Other  
Accounts payable  
Consumer deposits  
Other current & accrued liabilities

1,594,275	726,822
106,951	123,366
1,813,079	1,803,217
453,911	465,180
1,812,613	1,792,067

### **Total current liabilities**

<b>5,780,829</b>	<b>4,910,652</b>
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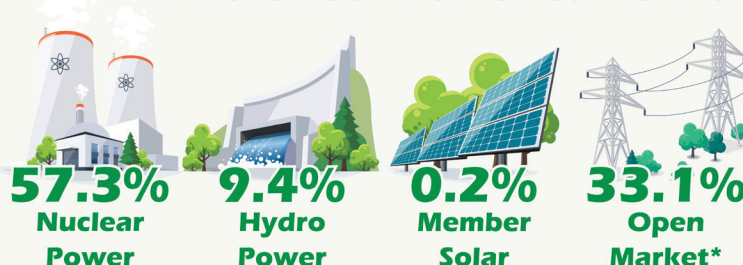
### **Deferred credits**

4,963,747	4,744,747
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### **Total Equities & Liabilities**

<b>\$ 60,048,582</b>	<b>\$ 57,894,439</b>
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## Where Your Power Came From in 2024:



\*Open Market purchases come from a variety of sources:

#### **2024's Breakdown:**

43.5% Natural Gas  
33.1% Nuclear  
14.1% Coal  
3.8% Wind  
1.8% Solar  
1.8% Hydro  
1.2% Other  
0.7% Other Renewables

**In total, we are 80.5% carbon free!**

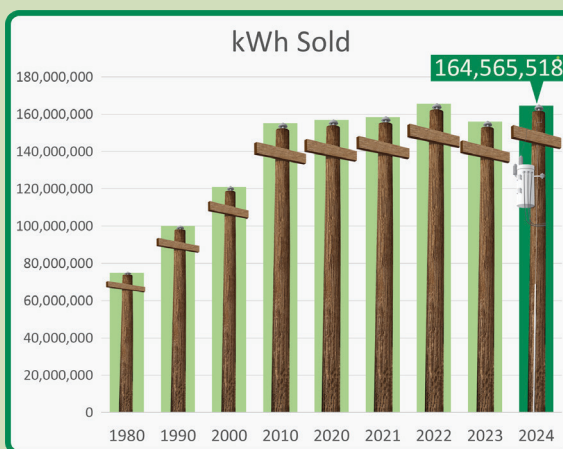
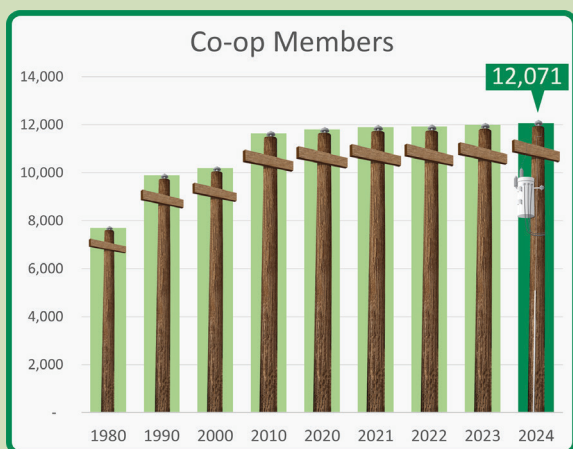




# 2024 Annual Report

## Income Statement (Audited) - For the years ended

	2024	2023
<b>Operating revenue</b>	<b>\$ 26,808,092</b>	<b>\$ 24,535,695</b>
<b>Operating expenses:</b>		
Cost of power	12,467,389	11,863,743
Transmission expense	—	16,706
Distribution expense - operation	2,452,044	2,521,866
Distribution expense - maintenance	3,900,083	3,308,964
Member account & service expense	1,203,758	1,161,562
Administrative & general expense	2,782,255	2,620,953
Depreciation & amortization expense	2,118,932	2,066,432
Taxes	1,541	1,527
Interest - other	207,740	146,971
<b>Total operating expenses &amp; interest</b>	<b>25,133,742</b>	<b>23,708,724</b>
<b>Operating margins before fixed charges</b>	<b>1,674,350</b>	<b>826,971</b>
Interest on long-term debt	(905,533)	(874,794)
<b>Operating margins after fixed charges</b>	<b>768,817</b>	<b>(47,823)</b>
Capital credits from other cooperatives	1,174,395	751,043
<b>Net operating margins</b>	<b>1,943,212</b>	<b>703,220</b>
<b>Non-operating margins:</b>		
(Loss) / Gain on sale of assets - net	34,927	33,698
Interest and other income	66,671	162,211
<b>Net margin for period</b>	<b>\$ 2,044,810</b>	<b>\$ 899,129</b>
<b>Total other comprehensive (loss) / income</b>	<b>(18,503)</b>	<b>85,839</b>
<b>Total comprehensive income</b>	<b>\$ 2,026,307</b>	<b>\$ 984,968</b>



Where It Comes From:		Where It Goes:	
Residential	77.9%	Purchased Power Cost	46.5%
Large Commercial	5.9%	Operating Expenses	31.5%
Small Commercial	5.8%	Depreciation	7.9%
Seasonal	2.0%	Vegetation Management	7.0%
Electric Thermal Storage	1.3%	Interest on Debt	4.2%
Security Lights	0.4%	Margins	2.9%
Other Income	6.7%		



Cybersecurity continued to be a focus in 2024 as cybercriminals are targeting utilities of all sizes as a key component to that critical infrastructure. Our diligence is crucial to providing you with reliable power. SREC invested in updating existing software, testing its network for vulnerabilities, and installing new technology to meet the continual challenge of keeping its network and data safe.

Sussex Rural Electric Cooperative is in year 23 of its 50-year contract with the U.S. Army to provide utility services within Picatinny Arsenal. Throughout 2024, many improvements, upgrades, and replacements were completed. This includes over two miles of improvements to circuits on base in multiple locations and multiple service transfers. Our contract with Picatinny continues to benefit the Cooperative, allowing us to maintain strong line crew coverage during storms and large jobs.

Our Annual Meeting Event will be coming up soon, once again split into an Online Meeting covering the business portion of the event and an in-person Member Appreciation Event held at

the NJ State Fair. Our Online Meeting becomes available on Monday, July 7th, and you will be able to register for our in-person event to reserve up to two free Fair tickets. We are also offering early registration this year for the chance to win demolition derby tickets. On August 4th at the Fair, SREC's employees and directors will be staffing our booth at the BBQ Pavilion at the Fairgrounds where we will be providing \$10 bill credits and giveaway items to registered members. We hope that you'll join us at the Fair!

As we look ahead to the opportunities and challenges that 2025 may bring, we do so with confidence, knowing that your Cooperative's greatest strength lies in its people. Our steadfast dedication to supporting the local economy, exercising financial prudence, and championing sustainability underscores our unwavering commitment to our members and the world around us. 🌱

**Christopher P. Reese**

**Jack Haggerty Jr.**

## OTHER 2024 UPDATES



**SREC  
RESOURCES, INC.**

PHONE: 973-875-1365 FAX: 973-875-2394  
EMAIL: RESOURCES@SUSSEXREC.COM

NJ LICENSED ELEC CONTRACTOR # 15375A

### SREC RESOURCES

Our wholly owned subsidiary SREC Resources continued to provide electrical contracting services to the area.

**21**

**Cummins home  
generators installed**

**6**

**ETS systems  
installed**

**23**

**GenerLink transfer  
switches installed**

Find more information on SREC Resources at [www.NoMoreOutages.com](http://www.NoMoreOutages.com)



## CAPITAL CREDITS

In 2024, we returned

**\$350,000**

to our members.

Over the last 10 years, we've  
returned over

**\$7.6 million**

through capital credit retirements.

## ELECTRIC THERMAL STORAGE

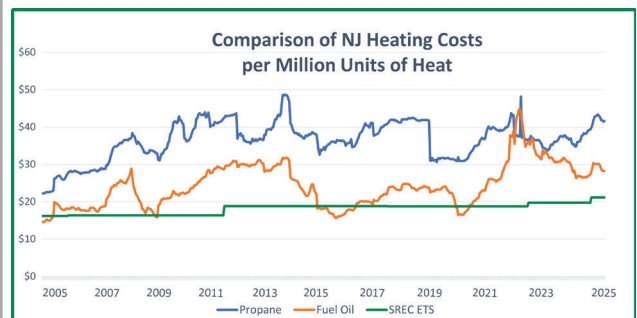
Electric Thermal Storage heat is available exclusively to Sussex REC members and provides electric heating at an off-peak rate. ETS's stable price helps Sussex REC members avoid price swings to heat their home with propane or fuel oil.

**348**

**total  
ETS  
systems**

**7.827 MWh**

**of demand  
capacity across  
our system**



Interested? Learn more about Electric Thermal Storage at [www.yes2ets.com](http://www.yes2ets.com)





## Your Candidates for Election

*SREC's service area is split into three districts with three directors per district. Each director, who must be a member of the Cooperative, serves a three-year term with 1/3 of the directors standing for re-election each year. Election of board members is held by mail-in ballots as required in our Bylaws. Ballots are sent to members in late May. Results are announced as part of our Online Meeting, which will take place on Monday, July 7th.*

### District 1 Incumbent **Brad Sparta**



**11 High Point Ter.  
Sussex, NJ 07461**

**Brad Sparta** is a lead in the development of a golf course renovation division for the Downes Group, responsible for growing this business unit from infancy to \$15 million in annual revenue in less than three years. He has also served as a board member of Sussex REC for over a decade.

Brad was first appointed to Sussex REC's Board of Directors in December 2014 and has been re-elected by the membership in 2016, 2019, and 2022. He has completed five national education courses needed to earn Credentialed Cooperative Director Certification and will be completing his Board Leadership Certificate this spring. Brad's extensive education includes a B.S. in Management and a B.A. in Economics from East Stroudsburg University in 1992.

Brad is one of the founding members of the Vernon Education Foundation and the first president to be elected. Brad served on the Vernon Township Board of Education from 2009 to 2012 and from 2015 to 2021. He also serves on the Vernon Town Council, first elected in 2022 then reelected to a four-year term in 2023. Brad is a lifelong resident of Vernon, where he and his wife of almost 30 years, Robyn, reside with their two daughters.

### District 2 Incumbent **Joseph Barca**

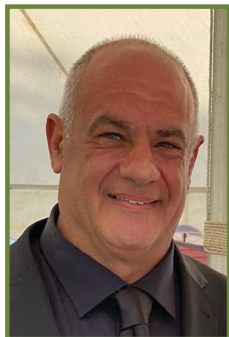


**4 Cherokee Trl.  
Vernon, NJ 07462**

**Joseph Barca** was raised in Vernon and is a 1988 graduate of Vernon Township High School. Joe graduated in 1993 from West Virginia University with a B.S. degree in Marketing and is a member of the Sigma Chi fraternity. He earned his Master's Degree in Management Information Systems in 2003 from Stevens Institute of Technology. In Joe's 29-year career in Information Technology, he was employed as a Vice President with Citigroup, JP Morgan Chase, and is currently employed as a Vice President for Bank of America in New York City specializing in Information Security and Cyber Security.

Joe was first elected to his seat on the SREC Board of Directors in 2019. Since then, he has received his Credentialed Cooperative Director (CCD) Certificate, Board Leadership Certificate (BLC), and Director Gold Certificate. In this day and age of Cyber attacks, with his background in Information Security and Cyber Security, one of Joe's main focuses is to protect the Co-op with his expertise, oversight, and governance from a Cyber Risk perspective. Joe resides in Vernon, NJ with his wife Allison and their three children Kayla, Dylan, and Lia. He enjoys spending time outdoors, traveling and hiking with his family, and is an avid sports fan.

### District 3 Incumbent **Michael Abate**



**23 Compton Rd.  
Wantage, NJ 07461**

**Michael Abate** has lived in Wantage for 18 years and resides on Compton Road. Michael easily fell in love with Wantage's countryside after previously living in Newton and finds the people of Wantage so friendly and giving. Michael's involvement with Sussex REC began in April 2014 as a member of the newly formed Member Advisory Committee. Through his eight years on this committee, Michael came to understand the values and principles that Sussex REC maintains.

Michael was first elected to his seat on the Board of Directors in 2022 and has received his Board Leadership Certificate as of this year.

He owns his own business in residential construction/renovations called Action Services & Contracting Incorporated, giving him over 30 years of knowledge and experience working with customers and employees which he brings with him to his role on Sussex REC's Board of Directors. His experience working with the Co-op's board members and key employees has shown that he shares the same American values and belief in always doing the right thing. In addition, his past experience with automobiles and knowledge of customers' household needs will prove valuable to SREC as it grows into the future of our electric world.

# IN THIS ISSUE: 2024 ANNUAL REPORT

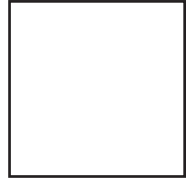


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Electric Cooperative, Inc.**

64 County Route 639  
Sussex, NJ 07461 A Touchstone Energy® Cooperative 

**973.875.5101**

**www.sussexrec.com**



Enjoy this issue of *Currents* - 2025, Issue 2 of 4



**NJ's Only Co-op - What  
Sets Us Apart**



**Sussex REC 2025 Annual  
Meeting Event Announcement**



**Annual Report: President  
& Chairman's Report**



**Annual Report: 2024  
Financial Report**



**2025 Election: Your  
Candidates for Election**



**The Ever-Changing, Fast-  
Growing Demand for Electricity**

## ENERGYMATTERS POWERING YOUR LIFE

*A column brought to you by Allegheny Electric Cooperative, Inc.*

### The Ever-Changing, Fast-Growing Demand for Electricity By Scott Flood

When rural electric cooperatives first strung power lines from farm to farm and through remote forests less than a century ago, most members had but a handful of lightbulbs to power. With time, they added appliances like refrigerators, but we're sure they couldn't begin to imagine the number and variety of electrical devices in today's homes and garages.

Across the U.S., people are using an increasing amount of electricity at work, at home and, with the growth of electric vehicles, even on the road.

The demand for electricity increased by 2.5% in 2024 and is expected to grow by 3.2% this year. That was after co-ops saw a 4.8% increase in 2022. Through 2029, the nation's peak demand is projected to grow by 38 gigawatts (GW). That would be like adding another California-sized state to our nation's power grid.

The rapid growth of artificial intelligence is driving the development of massive data centers, often placed in electric co-op service territories to take advantage of inexpensive land and fewer neighbors to complain. By 2022, these facilities accounted for 2.5% of the nation's consumption of electricity — and by 2030, they'll use 7.5% of all electric power.

*Read the full article online at: [sussexrec.com/EnergyMatters/demand](https://www.sussexrec.com/EnergyMatters/demand)*



### BALLOTS WILL ARRIVE IN LATE MAY!

Be sure to cast your vote in our 2025 Board of Directors Election and take part in Democratic Member Control of your Co-op, one of the principles that make co-ops like Sussex REC unique. You can find more about this year's candidates on page 7!



@sussexrec



@SussexREC



info@sussexrec.com