SEC
Santee Electric Cooperative Inc.

santee.org

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Kingstree, SC 29556
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SANTEE ELECTRIC COOPERATIVE NEWS
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FIND US ON

SANTEE ELECTRIC IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER.

A Touchstone Energy® Cooperative



"The good news is that all the current forecasts give us reason to believe the cost of wholesale power will level off after 2027."

Wholesale power cost adjuster explained

WHILE I WOULD love to wrap up our last column of the year with something lighthearted and fun, I believe it is my obligation to talk about the cost of wholesale power, because this is what drives the rates that Santee Electric charges you.

Almost 75% of the revenue your cooperative brings in goes to pay for the power we purchase each month. We periodically adjust our charges to address changes in this wholesale power cost. Santee Electric's bills and published rate schedules all refer to a wholesale power cost adjuster (WPCA) for this purpose.

The wholesale power cost adjuster currently sits at 3 cents per kilowatt-hour (kWh), meaning the energy portion of our residential rate is now 9.5 cents per kWh. This increase toward 3 cents has come over time, starting near the end of 2024, and all our forecasts show rates will need to be adjusted one more time next year before things level off.

First, the increase is not because Santee Electric is running inefficiently. In fact, the portion of our income statement that has to do with the actual "running" of Santee Electric has not increased much at all. The accounting folks among our readers know that operations, maintenance, administrative, general, customer service, accounts and sales expenses all amount to what we need to operate this cooperative. Those line items are where we pay our huge property tax bills, the cost of trimming trees, personnel, etc. That total figure is only about 10% higher than it was 10 years ago—an average cost increase of approximately 1% per year.

On the other hand, what we pay for the wholesale power we deliver to all our consumers was $85 million in 2024. It is on track to be $113 million this year and is forecasted to be $120 million in 2027. That's a 41% increase in three years. I think you all know the state's electric cooperatives purchase about 75% of our power from Santee Cooper and about 25% from Duke. I am not making excuses, but the costs of infrastructure and fuel have gone up considerably, not just in our state, but all over the country.

The good news is that all the current forecasts give us reason to believe the cost of wholesale power will level off after 2027. But that does not help the fact that this three-year period has been quite rough.

As always, we are doing everything we can to manage our internal costs, as well as the cost of the power we purchase. Economic development efforts and any peak-shaving initiatives are specifically focused on managing the wholesale power cost, but this has been an uphill battle.

Again, I apologize for not being able to share something lighthearted in my last column of the year. I do wish all of you a Merry Christmas and a Happy New Year. I will do my best to have more positive news to report in 2027!

ROBERT G. ARDIS III
President and Chief Executive Officer

Supporting students, strengthening communities

Investing in student safety, literacy and essential needs

IN 2026, Santee Electric Cooperative, through Cooperative LIGHT and support from CoBank's Sharing Success program, provided significant funding to three local organizations: Williamsburg County School District, Georgetown County School District and Black River United Way. The donations helped support student safety, meet essential needs and strengthen literacy efforts throughout the cooperative's service area.

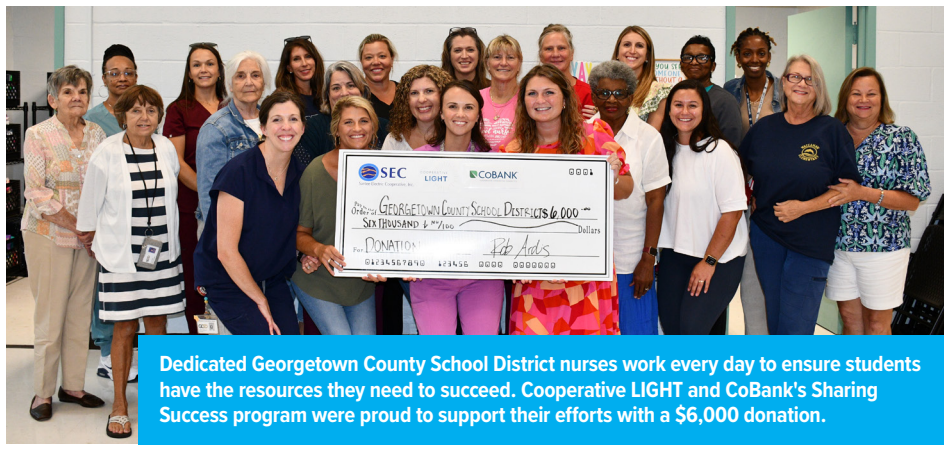
Supporting student safety

In May, Williamsburg County School District received a $5,000 donation from Cooperative LIGHT that was matched by CoBank's Sharing Success program, bringing the total contribution to $10,000. The funds helped the district purchase new automated external defibrillators (AEDs) for its schools.

"We are so grateful for this donation. AEDs are critical, life-saving devices, particularly during athletic activities where the risk of sudden cardiac events can increase," says Jennifer Lamb, Williamsburg County School District's Coordinator of Help Services.

Immediate access to an AED can significantly improve survival outcomes and may mean the difference between life and death. By ensuring every campus is equipped with this essential technology, the district is creating a safer environment for students, staff and visitors.

"We are proud to continue supporting our school districts in purchasing new AEDs," says Megan Blackburn, Santee Electric Cooperative executive assistant. "We were able to help Florence County School District 3 with this same initiative last year, so donating to Williamsburg County for the same cause was a natural fit."



Dedicated Georgetown County School District nurses work every day to ensure students have the resources they need to succeed. Cooperative LIGHT and CoBank's Sharing Success program were proud to support their efforts with a $6,000 donation.

Essential needs for students

Also in May, Georgetown County School District received a $3,000 donation from Cooperative LIGHT. Matched through CoBank's Sharing Success program, the gift totaled $6,000 and was used to provide clothing, personal hygiene products and other essential items for students in need. Distributed through school nurses' offices, these resources help students who may otherwise go without necessities or who encounter unexpected situations at school and need access to a change of clothing.



Santee Electric Cooperative CEO Rob Ardis is one of several employee volunteers helping inspire young readers through Black River United Way's Read and Lead program at Hemingway Elementary School.

Strengthening student literacy

Earlier in the year, Black River United Way received a combined $4,000 donation from Cooperative LIGHT, Santee Electric Cooperative and SEC's WIRE Chapter. After being matched by CoBank's Sharing Success program, the contribution totaled $8,000. The funds support the organization's Read and Lead program, a relationship-based literacy initiative that pairs volunteers with kindergarten and first-grade classrooms every nine weeks. Each May, participating students receive summer book packs that encourage reading and help prevent learning loss during the school break. In addition to the financial contribution, six SEC employees volunteer with the program, reading regularly with kindergarten students.

Founded in 2022, Cooperative LIGHT is Santee Electric Cooperative's nonprofit foundation. Its mission is to empower children by providing access to essential resources and opportunities, ensuring that no child is limited by their circumstances. The foundation works closely with schools to identify needs and serves communities in Williamsburg, Clarendon, Georgetown and Florence counties.

CoBank, a national cooperative bank, partners with Santee Electric through its Sharing Success program, which matches contributions of up to $15,000 to eligible organizations. Santee Electric has participated in the program for 13 years.

While each donation addresses a different need, they all share a common goal: helping local children thrive. From providing life-saving safety equipment and essential resources to fostering a love of reading, these partnerships demonstrate the power of community support and the lasting impact of investing in the next generation throughout Santee Electric's service territory.

2027 Nominating Committee Information

SANTEE ELECTRIC COOPERATIVE will hold its 2027 Drive-Thru Annual Meeting on April 20, 2027, at SEC Headquarters, 424 Sumter Hwy, Kingstree, SC 29556.

Nominating Committee to meet

In accordance with Article IV, Section 3 of the co-op's bylaws, excerpted below, the member-owners listed at the right have been duly appointed to the Nominating Committee. The committee will meet December 30, 2026 at SEC's headquarters for the purpose of nominating trustees for Districts 1, 3, 5, and 9.

Nominations by petition

Article IV, Section 3 also gives member-owners the right to nominate board candidates by petition. At least one percent of the co-op's membership, acting together, can nominate a fellow member. Petitions must be filed with the cooperative at least 80 days prior to the annual meeting.

Applicable bylaws

Article III: Meeting of Members

SECTION 1: ANNUAL MEETING. The annual meeting of members shall be held on such day in each year, beginning with the year 1952, and at such place within a county served by the Cooperative as shall be fixed and determined by the Board of Trustees, and as shall be designated in the notice of the meeting for the purpose of electing trustees, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture and dissolution of the Cooperative.

Article IV: Trustees

SECTION 3. NOMINATIONS. It shall be the duty of the Board of Trustees to appoint, not less than one-hundred-and-seventy (170) days or more than one-hundred-and-ninety (190) days before the date of a meeting of the members at which Trustees are to be elected, a committee on nominations consisting of not less than five (5) nor more than eleven (11) members who shall be selected from different sections of the project area so as to ensure equitable representation. No member of the Board of Trustees may serve on such committee. Incumbent Trustees seeking reelection shall not directly or indirectly influence the nomination or credentials process. Said Trustees shall recuse themselves from participation in appointing members to such committee(s), and Cooperative members from their Trustee Districts shall be selected without their input or participation. Trustees may not appoint, direct or cause a family member to become a member of such committee(s). For purposes of this Section, "family member" includes a spouse, parent, brother, sister, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild and a member of the individual's immediate family. The committee on nominations shall prepare and post at the principal office of the Cooperative at least one hundred (100) days before the meeting a list of nominations for Trustees, but 1% or more of the members of the Cooperative, acting together, may make additional nominations in writing over their signatures, listing their nominee(s) in like manner and filing the same with the Cooperative, not less than eighty (80) days prior to the meeting and the Secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. The Board of Trustees shall, by policy, adopt a process allowing petition signatures to be collected electronically according to procedures or standards approved by the Board. The Secretary shall mail with the notice of the meeting a list of the number of Trustees, shown by District, to be elected and the names and addresses of the candidates nominated for each District, specifying separately the nominations made by petition, if any. The names are to be arranged by Districts and in alphabetical order, except that incumbents shall be placed first on the list so arranged. At the meeting of members, the Secretary of the Cooperative shall place in nomination the names of the official candidates for each District. Election of Trustees shall be by ballots. The ballots shall list the candidates selected by the Nominating Committee and by petition. The names shall be arranged by Districts and in alphabetical order, except that the incumbents shall be placed first in order on such ballot. Each member of the Cooperative present at the meeting shall be entitled to vote for one (1) candidate for each District for which a Trustee is to be elected at that particular meeting. The candidate receiving the highest number of votes for each District at this meeting shall be considered elected as Trustee. In the event that the number of candidates seeking election does not exceed the number of Trustees required in a particular District, balloting may be dispensed with in respect to that District and, if there are no objections, the nominee may be elected by acclamation.

Nominating Committee appointments for 2027 Annual Meeting

Angela Bartell
306 Scotland Road
Lake City, SC 29560

Wanda J. Johnson
1438 Lake Shore Drive
Manning, SC 29102

Delores Franklin Williams
4804 Nesmith Road
Nesmith, SC 29580

Gwenevere Moody
2256 White Oak Road
Kingstree, SC 29556

Kasey Feagin
4803 Pine Oak Road
Effingham, SC 29541

Frankie M. Davis
296 Walnut Avenue
Georgetown, SC 29440

Olin Dukes
365 McCollough Loop
Kingstree, SC 29556

Clifford Gamble
1389 Edwin Road
Salters, SC 29590

Penny S. Gamble
2212 Santee Road
Andrews, SC 29510

Account management made simple

FROM PAYING your bill to reporting an outage, managing your account is simple with SEC's convenient self-service options.

SmartHub

- Pay your bill right from your phone
- Sign up for paperless billing
- Check your account balance
- Easy to request a payment extension
- View your hourly usage
- Report an issue or power outage

For step-by-step how-to explanations on SmartHub features visit **santee.org/how-to**.

Download the SmartHub app in the App Store or Google Play Store.

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Call 1 (855) 940-3807 to pay your bill over the phone, check your account balance, or set up a payment extension.

VanillaDirect Pay

With VanillaDirect Pay, you can conveniently pay your electric bill at your favorite retail locations. Just look for the VanillaDirect barcode on your bill and start paying at Dollar General, Family Dollar, CVS and more! For more information, visit **santee.org/billing**.

Text us!

SEC has a free texting service provided to our members that allows you to check your account balance, report outages, check the status of your outage, receive restoration notices and important updates by text message.

Opt into our texting service by texting SECIN to (843) 355-6187. For more information about our texting service, visit **santee.org/text**.

Winter peak hours

WINTER PEAK HOURS (6–9 a.m.) began Nov. 1 and will continue until March 31.

Your peak charge is based on the highest single hour of energy use during the billing cycle.

The three easiest ways to shift energy use off peak hours and save are:

- Avoid using multiple high-energy appliances, such as your water heater, HVAC system and clothes dryer, at the same time during peak hours.
- Adjust your thermostat so your HVAC system runs less during peak hours. Pre-cool or pre-heat your home before peak hours to reduce usage. A programmable or smart thermostat can automate this.
- Limit hot water use during peak hours. Consider installing a timer on your water heater to shift energy use to off-peak hours. You'll still have hot water, but the heater won't be running during peak hours.

Learn more about peak hours at santee.org/rate-structure or call (843) 355-6187.



Partnerships to power communities

BY RONALD CARTER, ECONOMIC DEVELOPMENT MANAGER



ALLIANCE CONSULTING ENGINEERS

Every major project starts somewhere. This vacant site would later become a 150,000-square-foot spec building, ready to attract new industry and economic growth to the community.

ECONOMIC DEVELOPMENT is a deliberate process that takes years of planning, even though it can seem like things happen quickly once the press release announcing a new plant is issued. We wanted to give you an idea of how some of these projects happen.

When Santee Electric decided to take a proactive approach to economic development, our first calls were to the four county governments that comprise our service territory. They embraced the concept because we share the same goals—we want to create jobs for our members, tax base for our communities and downward pressure on residential electric rates by recruiting industrial users to our service territory and by supporting existing industries that are expanding. While Santee Electric has always been a good corporate citizen and a major taxpayer, getting involved in industrial buildings and parks was not something that we wanted to do without them.

We compete on a global scale against thousands of counties and hundreds of utilities that want the same economic development projects that we are seeking. While your cooperative is one of the larger ones in the country, it still needs partners. Years ago, the electric cooperatives created their own statewide economic development organization, the South Carolina Power Team. Our relationship with the Power Team has evolved to include active collaboration on business development efforts, marketing and in the financing and development of economic development assets.

Santee Electric also coordinates many of its economic development efforts with the regional economic development organization, the North Eastern Strategic Alliance (NESA), which has provided us with staff and material support for years. Both groups bring professionals and resources that have been a force multiplier for our efforts, substantially benefiting our membership.

On the private sector front, Santee Electric continues working with our industrial members to grow their operations. A great example of that is the partnership between our cooperative and Zilmet USA. Scott Jacobsen, Zilmet USA's general manager, and Chris Van Haaren, Zilmet USA's principal engineer, worked with Santee Electric to take an under-construction dirt building pad and transform it into a 150,000 square foot world-class manufacturing facility.



PHOTO PROVIDED BY ZILMET USA

Through a strong partnership with Santee Electric Cooperative, Zilmet USA has continued to grow and invest in the community. Scott Jacobsen credited Chris Van Haaren's focus and dedication as instrumental in bringing the company's U.S. manufacturing facility to life. With the plant now established, Van Haaren is helping lead plans for Zilmet USA's anticipated expansion in 2027. Pictured are (left to right) Chris Van Haaren, Riccardo Benettolo and Scott Jacobsen.

This was not an overnight project, nor was it an easy one. From early 2023 until the plant grand opening in mid-2025, numerous visits, meetings, engineering engagements, construction coordination and coordination with other utilities had to happen. Santee Electric provided a "concierge-like" service throughout the process to keep things running as smoothly as possible.

"Santee Electric Cooperative was there for our organization on day one," says Jacobsen, "providing economic support and competitive utility services, as they had the vision of seeing our company grow from 15 employees in Rhode Island to 32 employees today. Their commitment to innovation and community investment is second to none and a major factor in our decision to build in the community."

We look forward to working with Van Haaren and Jacobsen again to help them continue growing in our community. Our economic development program continues bringing value to the companies and communities that we serve.

Optimize your HVAC system

AS NOVEMBER SETTLES in and temperatures continue to drop, your HVAC system will again become one of the biggest drivers of your winter power bill. Before your heating system takes on the extra workload this winter, now is a great time to make sure it is ready to run efficiently.

Start with something simple

"One of the easiest and most effective measures you can take is checking return filters," says Jay Kirby, SEC vice president of public affairs and longtime energy expert. "A clogged or dirty filter makes it harder for air to move through your system, which can cause it to work longer and harder than necessary."

Check filters regularly and replace them according to the manufacturer's recommendations. Depending on the filter type, your heating system and household conditions, replacement may be needed every one to three months or more frequently if the filter becomes dirty.

Vents matter, too. Look around your home to make sure furniture, curtains, rugs and other household items aren't blocking any supply or return vents.

If you have a heat pump, your outdoor unit also deserves extra attention this time of year. Falling leaves, limbs and other debris can collect around the unit and restrict airflow, so keep the area around your outdoor unit clear. Follow the manufacturer's instructions for cleaning recommendations. If you have a traditional central air conditioning system, your outdoor unit will likely remain idle during winter months, but it's still good practice to keep it clear of debris.

Don't overlook what you can't see

If your home has ducts and vents (known as a forced-air system), that ductwork plays an essential role in delivering heated air throughout your home. Leaks, gaps or disconnected sections can allow conditioned air to escape before it reaches the rooms where you need it. If you have rooms that never seem to get comfortable or have noticed unusually high energy use, ask an HVAC professional to inspect your ductwork.

Fall is an ideal time for a professional tune-up. A technician can inspect your heating system, identify potential problems and make sure it is operating safely and efficiently before the coldest weather arrives. Regular professional maintenance can also help extend the life of your equipment, which makes the cost of that maintenance well worth it.

Finally, members can take steps to manage their electricity use during winter peak hours, from 6 a.m. to 9 a.m. Consider using a programmable or smart thermostat to pre-heat your home before 6 a.m., helping maintain a comfortable temperature while reducing the need for your heating system to run during peak hours. If you have a heat pump, avoid large temperature adjustments that could trigger auxiliary electric resistance heat, which can use significantly more electricity. Set your thermostat to make gradual adjustments that balance comfort and energy efficiency.

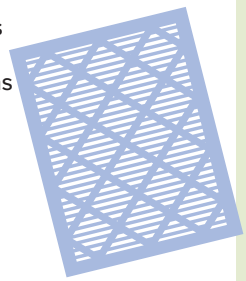
"Your home heating system has an important job this winter," says Kirby. "Give it a little extra attention this fall to help reduce unnecessary energy use and potentially prevent an inconvenient breakdown on a cold winter night."

Maximize performance. **Minimize** waste.

Regular maintenance can keep your heating system running efficiently and keep energy costs in check.

FILTER CARE

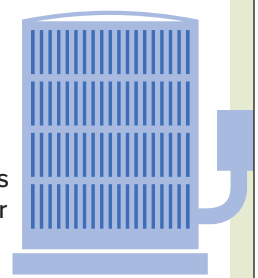
- Check air filters monthly and replace them as recommended or when dirty.
- Keep return and supply vents clear of obstructions.



OUTDOOR UNIT CARE

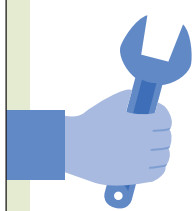
Twice per year

- Clear debris from around the unit.
- Follow the manufacturer's instructions for cleaning and maintenance.



PROACTIVE SERVICE

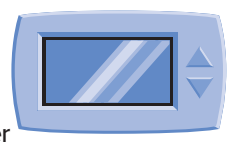
Twice per year



- Schedule a professional tune-up each spring and fall.
- Have ductwork checked for leaks and disconnections.

THERMOSTAT SMARTS

Year-round



- Consider preheating your home before winter peak hours, from 6 a.m. to 9 a.m.
- A programmable or smart thermostat can help.

> "Give your home heating system a little extra attention this fall to help reduce unnecessary energy use and potentially prevent an inconvenient breakdown on a cold winter night"
>
> **–JAY KIRBY,** SEC VICE PRESIDENT OF PUBLIC AFFAIRS