

STRATEGIC PLAN SUMMARY

2019 - 2023

Rappahannock Electric Cooperative (REC) operates as a forward-thinking, innovative utility that is a nationwide leader in safety, reliability and member satisfaction. Among distribution cooperatives, REC benefits from its combination of stable growth; an excellent mix of residential, commercial, and industrial members; reasonable wholesale power costs; financial strength; and solid, experienced and diverse management and operational team members.

The future of REC promises to be both challenging and exciting. Throughout its 22-county service area, REC anticipates 1.4% annual growth of services over the next five years. With a diverse territory stretching from the mountains of the Shenandoah Valley through the Piedmont region and into the state's Coastal Plain, the Cooperative will continue to be influenced by Virginia's demographics, economic strength and regulatory landscape.

The 2019-2023 Strategic Plan provides a dynamic, flexible roadmap to effectively address the issues and demands of a changing environment, while also enabling REC to proactively focus on continuous improvement in all areas of the cooperative.

All planning undertaken by the Cooperative is designed to support and promote the following foundational statements:

- 1 Mission Statement**
Connecting our members and communities with safe, reliable, affordable, and sustainable energy solutions.
- 2 Core Values**
 - Caring
 - Integrity
 - Respect
 - Service
- 3 Vision Statement**
Exceed Member Expectations!
- 4 Signature Statement**
Outstanding Service from Caring People
- 5 Members' Bill of Rights**
Get Me Connected; Keep Me Connected; Treat Me Fairly; Provide Me Value; and Be My Energy Expert

The highest priority issues, opportunities, and risks were consolidated into five, high-level strategic themes:



Business Continuity and Cooperative Strength

Objective: Developing strategies to preserve critical business functions is core to the long-term success of an enterprise. REC will maintain, improve and strengthen business processes and the Cooperative culture to best serve our members and accomplish our mission well into the future.

Areas of focus: Safety, Reliability and Resiliency, Financial Strength, Facilities Planning, Workforce Development, Policy and Process Improvement, Proactive Legislative and Regulatory Engagement, Risk Assessment and Mitigation



Member and Community Engagement

Objective: REC exists to serve its members. Through continuous communication, the Cooperative will continue to enhance trust via education, transparency, accountability, visibility, and economic and social opportunities.

Areas of focus: Prominent Community Visibility, Exemplary Member Communication, Expanded Energy Services, Economic Development, Community Support Opportunities



Affordability

Objective: Affordability is always top-of-mind and a key performance metric in the members' satisfaction with their cooperative. REC will increase value through efficient operations, sound business decisions, and beneficial options for our members.

Areas of focus: Wholesale Cost Management, Cost Containment, Options Delivering Member Value



Technology Optimization

Objective: Technology holds great promise for electric cooperatives in overcoming the challenges of rural service territories. REC will investigate and adopt processes, tools and systems that optimize operations, energy delivery, workforce productivity and member access to information.

Areas of focus: Comprehensive Technology Planning, Distribution Modernization, Analytics, Fiber Utility Network



Environmental Stewardship

Objective: With a large territory and over 17,000 miles of distribution lines, REC understands that the decisions it makes each day can impact the environment. The Cooperative will minimize the ecological impact of its operations while supporting environmental sustainability.

Areas of focus: Environmental Consideration in Daily Operations, Energy Resource Options, Beneficial Electrification

These five strategic themes will shape annual business plans, future budgets, and construction work plans, and will directly align with REC's critical success factors. They will also provide a basis for establishing business priorities and reallocation of resources.
