

2026-2030 Strategic Plan



Pedernales Electric
Cooperative



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Letter from the Board President



Pedernales Electric Cooperative is more than a utility. We are members bound together by a mission instituted by founding ranchers and farmers over eight decades ago. They believed then, as we believe now, that safe and reliable delivery of affordable electric power is fundamental to the preservation of life here in the Texas Hill Country. They authored our mission, and we uphold it, adjusting and adapting to an ever-changing landscape, ensuring what they bequeathed to us will be passed on to future generations.

To safeguard the cooperative's legacy, we must study our history and plan for our future. Our success has been in carrying forward our defining values, marrying tradition to the new approaches that keep us at the top of our industry. Since the PEC Board of Directors began strategic planning in earnest over a decade ago, we have learned how to prioritize our most pressing needs and deploy resources effectively toward them. This discipline and focus allow us to grow while simultaneously protecting our financial health.

As PEC embarks on our newest five-year plan, we have our sights set on substantial investment in our core functions. We have been responding to enormous growth for

over a decade, and while that pace continues, we must turn our attention to reinforcements within to gain long-term durability. We will spend these next five years mastering our internal systems and structures. Our aims are to protect hard-earned progress, maximize value to our members, and align our efforts with the industry as it moves and changes.

The years ahead will require a relentless commitment to building efficiency and redundancy within our infrastructure, our systems, and our workforce. We must make PEC as strong and stable as possible so that service to our mission and our members remains as steadfast a promise as it was at our inception.

It is with humble appreciation for you, our members, that the PEC Board introduces our 2026 Strategic Plan. You have given us the tremendous responsibility of preserving the excellence of Pedernales Electric Cooperative. Through the successful execution of this plan, may we emerge after these next five years as prepared and resilient as we have ever been.

Emily Pataki
District 2 Director/President

Introduction



PEC is the largest electric cooperative in the nation, and we aim to be the best. By prioritizing member-focused service, be it through exceptional reliability or providing a helping hand in the community, we deliver outstanding customer satisfaction. To define the priorities that lead to such results, PEC must continuously assess its operations, the needs of the membership, and the evolving state of the electric industry.

The accompanying five-year plan is the product of planning efforts between PEC leadership and the board of directors. It outlines PEC's mission, vision, values, and strategic initiatives and provides our valued employees with the guidance they need to achieve them. We carefully evaluated the cooperative's operations and structure to ensure alignment with these goals, which were developed to address immediate concerns and those that may arise in the future.

While our mission today is the same as it was in 1938, the strategies we must employ to fulfill it have changed dramatically. What was once a region so sparsely populated that investor-owned utilities would not provide it with electric service is now one of the fastest-growing areas in the country. In 2023, we hit the 400,000-meter milestone, and by the time this five-year plan is completed, we will likely have surpassed 500,000.

Growing our operations to meet the demands of growth is not enough. We must also focus on keeping our systems safe, raising our standards for serving our members, and maintaining competitive rates. As stewards of our members' cooperative, it is our responsibility to protect PEC's assets and the financial health of the business. Doing so provides us with the necessary resources to achieve the rest of our goals.

This strategic plan was developed with a holistic approach to balancing these priorities. It provides a road map for the future that also honors the legacy our success is built upon. Our primary goals over the next five years are:

- » Maximize Value to Our Membership
- » Achieve Operational Excellence
- » Protect the Financial Health of the Cooperative
- » Advance Workforce Continuity, Safety, and Security
- » Pursue Enterprise Optimization

The 2026-2031 strategic plan provides the guidance needed to meet our mission, our standards, and our members' expectations. We look forward to building on the success of previous plans and will periodically update the membership on our progress.



Organization and History

In 1938, with the assistance of then-Congressman Lyndon B. Johnson, local farmers and ranchers came together to form the Pedernales Electric Cooperative and bring electric service to the Texas Hill Country when no other utility would.

Our identity, forged by the first generation of PEC members, defines how we serve the membership and their communities to this day. PEC is guided by seven cooperative principles:

- Voluntary & Open Membership
- Democratic Member Control
- Members' Economic Participation
- Autonomy & Independence
- Education, Training, & Information
- Cooperation Among Cooperatives
- Concern for Community

The paths of PEC and the communities we serve have always been intertwined; giving back helps ensure a brighter future for the cooperative and its membership. Our members pitch in, too! They've helped us raise over \$1 million through the Power of Change, funding community grants, member assistance, and more.

PEC has experienced tremendous growth in recent years, currently serving more than a million Central Texans in some of the fastest growing regions in the U.S.

Today, CEO Julie C. Parsley leads a team of more than 1,000 employees. Under her leadership, PEC is protecting the legacy of its rich history while preparing us to meet the challenges to come.

PEC Service Territory



8,100
Square Miles

45
Cities

25
Counties





Pyramid of Strategy Terms





Mission

We are committed to delivering low-cost, reliable, and safe energy for our members.

Vision

PEC is a high-performing organization, providing exceptional customer service and value to our members and communities.

| Values

» Integrity

We earn and maintain the trust of our members through transparent business and operational practices.

» Safety

We ensure the personal and information safety and security of our members and employees.

» Service

We deliver safe, reliable energy and services to our members.

» Accountability

We are good and responsible managers of cooperative resources for the benefit of the members.



Board of Director Goals



1. Maximize Value to Our Membership

Objective 1 – Member Communications

Deliver member messaging campaigns that regularly distribute compelling and educational cooperative information in order to surpass the American Customer Satisfaction Index (ASCI) industry benchmark for member satisfaction.

Objective 2 – Community Partnerships

Establish enhanced partnerships with municipalities and local governments to bolster project planning and emergency operation preparedness for optimized system resiliency that benefits members.

Objective 3 – Member Experience

Enrich the member experience by aligning business processes, technologies, and systems to support members, including preferences for self-service and modernized interactions.

2. Achieve Operational Excellence

Objective 1 – System Reliability and Resiliency

Advance proactive and responsive policies and programs to ensure distribution and transmission system reliability and resiliency in order to exceed industry standards in system availability, including the development of a system sectionalization plan.

Objective 2 – System Expansion

Enhance the framework and processes for the acquisition and disposition of real estate and land rights for PEC system expansion to prepare for member growth. Plan and construct a new distribution control center and backup transmission control center.

Objective 3 – System Planning

Optimize resource planning for system efficiencies to include cost control, accessibility, and responsive service. Draft a five-year facility and system plan to address capacity needs.

3. Protect the Financial Health of the Cooperative

Objective 1 – Power Supply

Advance power procurement capabilities and ongoing review and refinement of hedging strategies to maintain competitive power costs while meeting the growing power demand of the membership.

Objective 2 – Transmission Investment

Develop a strategic transmission investment and funding plan to ensure overall system reliability, resiliency, and support timely recovery of transmission investment implemented through an annual capital plan.

Objective 3 – Controls and Processes

Review and enhance financial metrics and control processes to ensure they adequately protect cooperative resources while maximizing efficiencies.

4. Advance Workforce Continuity, Safety, and Security

Objective 1 – Workforce Development and Stability

Develop the workforce through tailored training programs, talent acquisition strategies, and effective succession planning to prepare the cooperative through transitions of leadership.

Objective 2 – Safety Culture

Maintain ongoing prioritization of employee safety through fostering proactive hazard identification, reporting, technical training, and employee engagement.

Objective 3 – Integrated Security

Develop effective integrated physical and cyber security programs to protect cooperative assets, data, intellectual property, facilities, and employees.

Objective 4 – Business Continuity and Emergency Preparedness

Implement ongoing enterprise-wide risk mitigation and emergency preparedness initiatives to support crisis avoidance and recovery management from potential operational disruptions.

5. Pursue Enterprise Optimization

Objective 1 – Technology Advancement and System Efficiencies

Design scalable enterprise technologies to create efficiencies in automation, integration, and operations, including the evaluation and optimization of core systems.

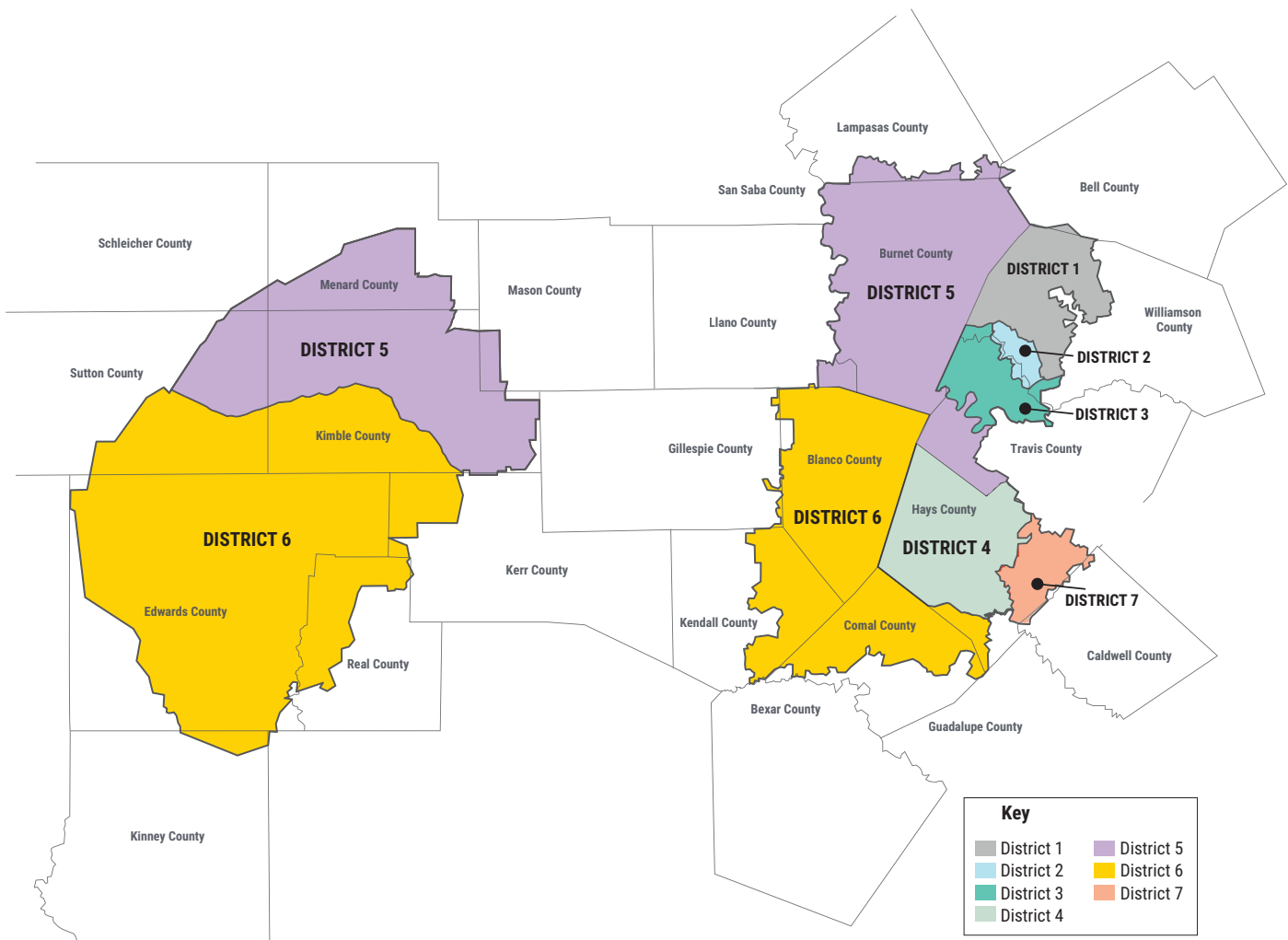
Objective 2 – Planning and Analytics

Execute methodologies for cost-benefit-analysis and organizational scaling, with objective consideration of member value and industry standards in financial and long-term strategic planning.

Objective 3 – Process Improvement and Resource Allocation

Leverage enterprise technologies, optimize workflows, and streamline operations to enhance efficiency, reduce costs, improve quality, and drive organizational success.

Board of Director Map



PEC Board of Directors



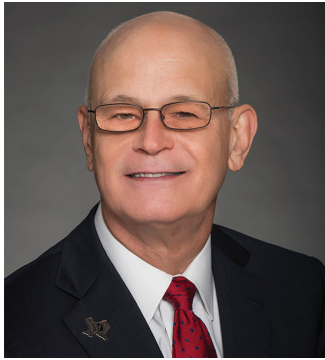
Emily Pataki
President &
District 2 Director



Travis Cox
Vice President &
District 4 Director



Mark Ekrut
Secretary-Treasurer &
District 3 Director



Milton Rister
District 1 Director



James Oakley
District 5 Director



Paul Graf
District 6 Director



Amy Akers
District 7 Director



Executive Team



Julie C. Parsley
Chief Executive
Officer



Eddie Dauterive
Chief Strategic
Officer



Andrea Stover
General Counsel



Randy Kruger
Chief Financial
Officer



Nathan Fulmer
Chief Operations
Officer:
Distribution



Jonathan Greene
Chief Operations
Officer:
Transmission

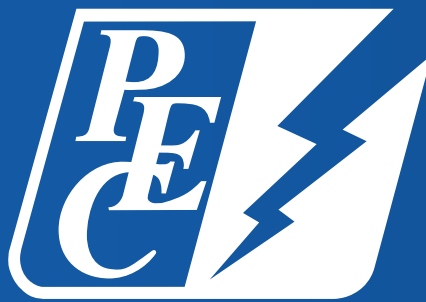


Christian Powell
Chief Compliance
Officer



JP Urban
Chief
Administrative Officer





**Pedernales Electric
Cooperative**