



December 2025 Board Highlights

CEO Opening Comments: Jeff Conrad reported December marks a busy and exciting period for Wabash Valley, with significant progress on energy storage projects. The first set of 5-megawatt batteries was delivered to the Kinnerk (Heartland REMC) substation on December 5, and installation is expected within the next month. The next sites in the pipeline include Greene and Mt. Zion substations, reflecting strong momentum and commitment to enhancing infrastructure for members.

Financially, the organization received positive news as Standard & Poor's reaffirmed WVPA's A credit rating with a stable outlook, citing strong management and member relationships. The team also discussed large load agreements and the successful transition of Tipmont REMC and Citizens Electric from members to customers. The 2026 budget vote was highlighted as a key action item for the December board meeting, with a slight rate decrease projected. Leadership noted that a rate stability fund may help smooth fluctuations in energy prices and allow WVPA to maintain more predictable rates for members.

Other updates included the upcoming PJM capacity auction, which could generate additional revenue, and several strategic agreements. Notably, the NIPSCO grandfathered agreement was extended, saving about \$1 million per month, and discussions continue on potential transmission asset sales to Northeastern REMC. The organization is also exploring a transmission partnership to finance growth projects efficiently.

Jeff noted Jasper County REMC hired interim CEO Violet Sistovaris to fill in after Jon Rich's retirement and Melissa Fischer from ACES will help WVPA with Risk following Joan Soller's retirement.

WVPA Values: Gavin Troyer reported the Manager's Corner led a collaborative process to revisit and modernize WVPA's company values to assist in talent attraction and retention in today's competitive environment. The new core values include: Family First (We prioritize people and support members with care and flexibility); Integrity (We lead with virtue); Responsibility (We take ownership); Service (We exist to serve); Teamwork (We move forward together); and Growth (We learn to grow).



Power Supply: Brian Fatch reported WVPA is forecasting a capacity shortfall in the 2030s, with market capacity becoming increasingly limited and expensive. Because generation development requires seven to ten years from concept to energization, planning must begin now. The development process is highly iterative, starting with defining the need for capacity and energy market forecasts, then selecting technology and location while continuously evaluating impact, cost, and risk. Technology options include solar and wind, which are low cost but unreliable due to their inability to be dispatched and offer limited capacity accreditation which would require significant overbuilding; coal, which is reliable but carries significant environmental risk; nuclear, which is highly reliable but extremely costly; and natural gas, which is currently the industry preference due to its flexibility and competitive cost, though it does have moderate environmental concerns. Within natural gas, reciprocating engines are suited for short-term, smaller loads with fast start-up but higher emissions, while turbines—simple or combined cycle—are better for long-term, larger loads and offer higher efficiency. Site selection will consider pipeline access, transmission lines, water supply, and land availability, with current opportunities including the St. Joe site, Project Domino, and consultant-led searches. This process will involve multiple decision points and off-ramps early on, but later stages will involve sunk costs. The board will receive regular updates and approve major decisions to ensure alignment throughout the process.

Financial Report: Jackie Perius reported that the month of October ended \$6.7 million over collected resulting in a \$7.2 million favorable variance to budget. In October, energy sales were 7.6% above budget while demand was 17.9% above demand. The projection for 2025 is \$10-\$15 million over collected.

Formula Rate Tariff Change: The Board of Directors approved a resolution to change capacity demand charge to reclass a portion of the Tipmont and Citizens bill to credit against capacity demand and remove references to specific RTOs and transmission zones.

2026 Budget: The Board of Directors approved the 2026 budget of 562.4 million in revenue requirements, the \$136 million capital budget and the \$200 million in long-term financing.



SCADA/Zayo Replacement: In April, Steve Jones presented plans to transition from Zayo to Comcast for business connectivity. The migration is underway with 10 sites activated, 7 in progress, and 4 experiencing minor delays due to carrier issues and construction costs, with full activation expected by February. Alongside this, Tech Services is upgrading infrastructure to enhance SCADA reliability and resilience, including replacing all desktops with Windows 11 systems, installing new firewalls and network equipment for improved cybersecurity and visibility, and deploying updated UPS units to maintain uptime during outages. Bandwidth is being increased from 1 gig to 10 gigs to support SCADA hosting for members and accommodate growth. Virtual desktop infrastructure is also being upgraded for better performance. Additionally, Wabash is exploring Starlink as a pilot program in early 2026 to improve connectivity in rural areas, supplementing traditional cellular solutions. These initiatives aim to strengthen resiliency, improve system performance, enhance remote access for field teams, and position Wabash for long-term reliability and security over the next decade.

Bylaw/Policy & Risk Oversight Committee: Jackie Perius reviewed revisions to B-16: Director Duties, Ethics and Standards of Conduct and D-13: Enterprise Risk Management. For B-16, the previous 21-page document was streamlined into a modernized four-page version aligned with best practices. The new policy introduces four clearly defined fiduciary duties—care, loyalty, obedience, and good faith—along with responsibilities such as annual conflict-of-interest disclosure, whistleblower reporting, and a prohibition on accepting gifts over \$100. It also establishes an expectation for continuing education for directors. The Enterprise Risk Management Policy was updated to clarify oversight roles and responsibilities, including the board, the Risk Oversight Committee, and the internal Risk Management Committee. A new role, Internal Risk Manager, was added to coordinate risk tracking and mitigation strategies. Melissa Fischer will temporarily fill this role on a contract basis, bringing extensive expertise and industry connections. The policy outlines objectives for managing enterprise risk and defines responsibilities for all parties involved.

Insurance Renewal & 2025 Compliance Report: Scott Berry reported the annual insurance renewal process was completed in September with strong results, delivering significant savings and enhanced coverage. The process began in April of key sites, including Wabash River Highland, headquarters, the Thorntown warehouse, and three substations. No major issues were identified, though improvements in smoke detection were recommended and are being addressed. The statement of values for insured assets



totaled \$1.4 billion, reflecting notable increases in generation-related assets and work in progress. Wabash maintained coverage with 10 carriers for \$250 million in property insurance but added \$100 million in additional property coverage, bringing the total to \$350 million to better protect against catastrophic events. Other enhancements included a stand-alone terrorism policy of \$250 million, increased directors and officers liability coverage from \$15 million to \$25 million, fiduciary coverage raised to \$5 million, and improved coverage with a lower deductible for test equipment. Despite some premium increases in liability and auto, overall savings for Wabash totaled approximately \$200,000 after credits. Looking ahead, a wildfire mitigation plan will be developed in response to underwriter inquiries. Additionally, a compliance update noted a minor cybersecurity review timing issue, which was self-reported and mitigated with process changes and a new NERC compliance analyst. The issue is expected to result in no financial penalty.