

# POWER, ENERGY & UTILITIES

## East Texas Electric Cooperative NACOGDOCHES, TEXAS

While Winter Storm Uri raged through Texas in early 2021, dropping snow along with temperatures and severely stressing the state’s electric grid, the team within the executive offices at East Texas Electric Cooperative was faced with extraordinary challenges.

The situation, after all, was dire: unprecedented below-freezing temperatures drove homeowners and businesses to their thermostats, spiking electricity use overnight. The resulting rolling power outages, forced by demand outstripping available supply, affected 4.5 million Texans.

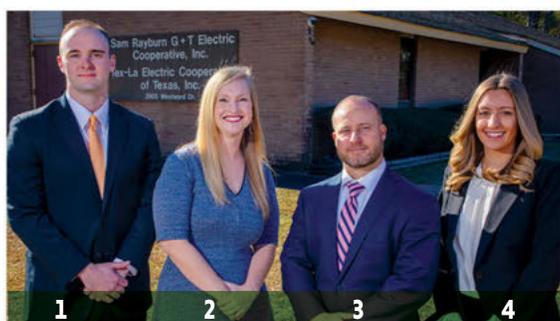
ETEC, a generation and transmission cooperative, struggled to keep its own generation facilities producing, and with employees stranded at home and equipment suffering in the elements, it was an uphill battle. With higher usage and a lack of available generation across the region, the storm forced ETEC to buy exponentially more power from the market at significantly higher prices. ETEC, however, was able to provide enough power to its member electric distribution cooperatives to keep their more than 350,000 customers’ lights on and heat flowing.

“Our power bill for that one week was more than our typical cost for a full year,” said Carrie Hawkins, ETEC’s CFO. “But we knew we had CoBank on our side through this challenge. There was one of the first calls we received after the storm hit, and they offered support for our liquidity needs right alongside genuine concern for our team, which meant the world to us.”

While all power suppliers in Texas struggled with the storm’s price tag, ETEC developed and implemented a financing plan to help mitigate costs to their consumers. CoBank expedited a \$200 million liquidity package in a mere two weeks to enable the G&T to meet its financial obligations stemming from Uri. ETEC also had the support of its 8 member cooperatives, which demonstrated their faith in their power supplier by immediately pledging to fund a combined 25% of the hefty storm bill.

Having successfully ridden out the once-in-a-century storm, ETEC plans to continue to strengthen its diversified power portfolio. This year, the power supplier put a 24-megawatt hydroelectric power plant into service and took a 75-megawatt ownership interest in a new high-efficiency natural gas facility. Next year, several distributed generation solar projects initiated by member distribution cooperatives will further supplement renewable production. As a result, ETEC has transitioned and reduced its carbon footprint by more than 40% over the past 10 years.

“Diversifying our power supply portfolio to include renewables and gas together with our legacy coal assets provides us a very good hedge when it comes to power cost,” said A.J. Goff, ETEC’s CEO. “We, as a cooperative and an industry, need to continue to provide reliable and affordable power while also being good stewards of our natural resources.”



**1 ROBERT GALENA**  
Relationship Mgr.  
CoBank

**3 A.J. GOFF**  
CEO  
East Texas Electric  
Cooperative

**2 CARRIE HAWKINS**  
CFO  
East Texas Electric  
Cooperative

**4 LEAH SPECK**  
Associate,  
Capital Markets  
CoBank

