



**SALEM ELECTRIC**  
AN ELECTRIC COOPERATIVE



**2023**  
ANNUAL REPORT

## Board of Directors

**Jeff Anderson**  
*President*

**Angie Villery**  
*Vice President*

**Dave Bauer**  
*Secretary/Treasurer*

**Jan Bargaen**

**Tim Klarr**

**John Taylor**

**Joe Van Meter**

Directors serve on behalf of the membership to provide mission-based leadership and strategic governance. The Board determines the strategic direction of the cooperative by establishing board policies, approving the budget, and setting rates.

## Salem Electric's Goals

Five goals guide our business decisions.

**Reliable Service**

**Good Customer Relations**

**Good Employee Relations**

**Financial Integrity**

**Low Rates**



**Jeff Anderson**  
*Board President*



**Tony Schacher**  
*General Manager*

## A Message to Salem Electric Members

The energy industry has long prioritized low risk, reliability, and rate stability. One of the key strategies to accomplish these goals in the Pacific Northwest has been to encourage and support energy efficiency and conservation. However, as regional and national initiatives to combat climate change intensify, a new approach emerges—beneficial electrification.

Beneficial electrification involves replacing direct fossil fuel use (e.g., propane, heating oil, gasoline) with clean, renewable, low-cost electricity. This transition from fossil fuels not only reduces costs but benefits the environment and enhances our quality of life.

Beneficial electrification is especially effective in the Pacific Northwest thanks to the hydropower system that energizes the grid with clean, carbon-free electricity. Without clean, affordable, reliable, hydropower, our region would have to increase reliance on emission-emitting sources to keep up with demand. Hydropower is worth fighting for.

Join us in advocating for affordable and clean power. Stay informed at [VoicesForCooperativePower.com/Oregon](https://VoicesForCooperativePower.com/Oregon). Your support is crucial in this fight, and together, we can make our voices heard for a sustainable energy future.



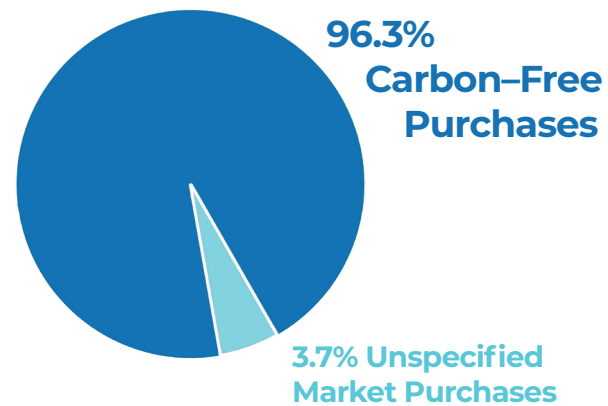


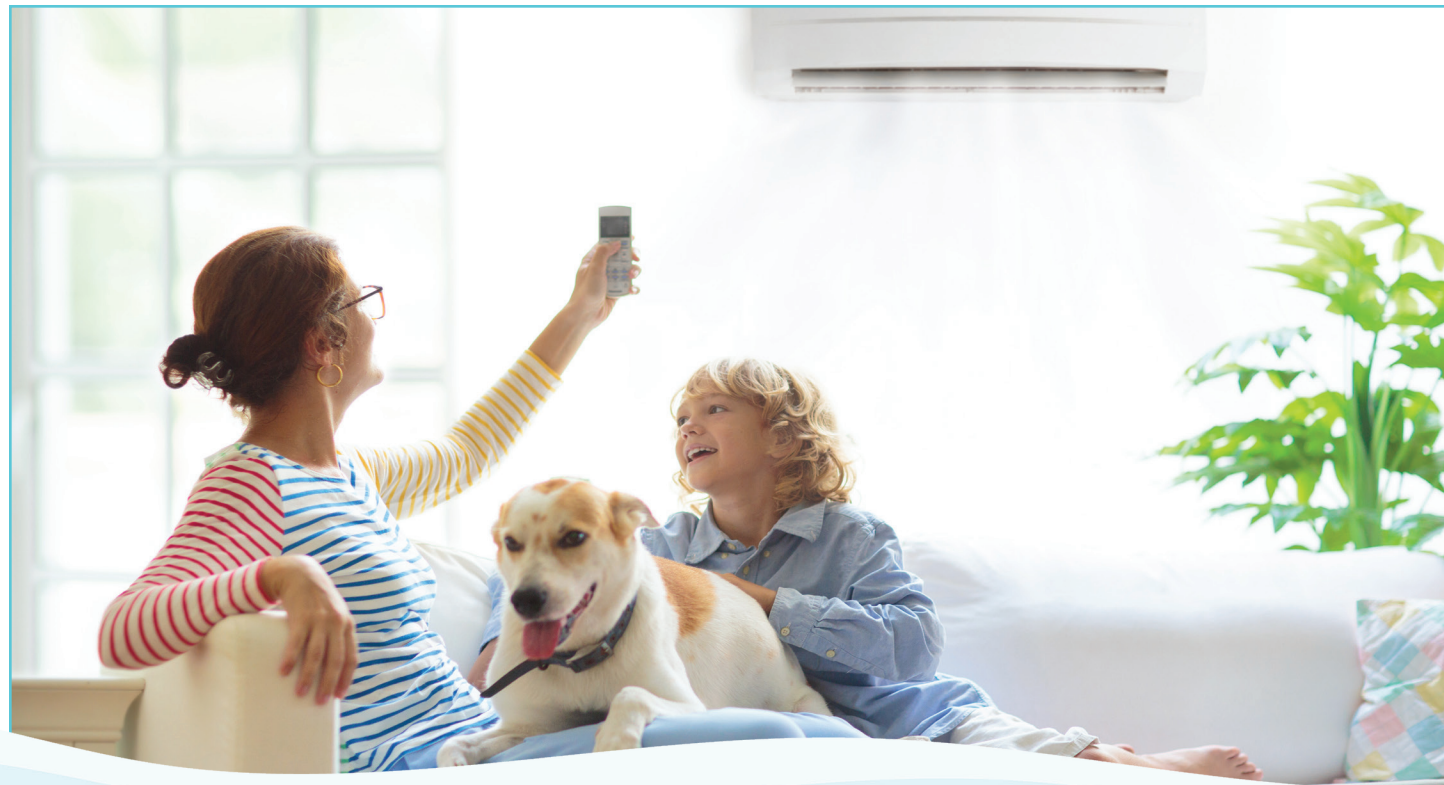
## Generation Resources

- 84.2% Large Hydro
- 0.7% Small Hydro
- 11.0% Nuclear
- 3.7% Market Purchases
- 0.4% Renewable without RECs
- 0.0% Natural Gas
- 0.0% Coal

*RECs: Renewable Energy Certificates*

*BPA Fuel Mix % Summary Calendar Year 2022*





## Beneficial Electrification

A heat pump's superpower is that it's more efficient than other heat sources, providing three times the heat for every kWh they consume.



No direct carbon emissions and triple the output make heat pumps beneficial for the environment, and low operating costs plus improved indoor air quality make them an excellent choice for your home.



In 2023, a growing number of Salem Electric members made a positive shift by choosing clean and affordable hydropower over direct fossil fuel usage. The latest advancements in heat pumps now make them an even more effective alternative to natural gas furnaces.

## Reducing Your Carbon Footprint



**\$513,364**

in energy efficiency incentives provided to members in 2023.



**35.6%**

of our members have opted to go paperless.

**1,411,829**

kWh saved. Enough energy to power 174 homes for one year.



## Reducing Your Carbon Footprint

The number of electric vehicles registered in our service territory increased

**20%**

in 2023 with members choosing a vehicle powered by our carbon-free hydropower.

Clean energy and electric vehicles are a perfect match.



## System Improvements



Approximately

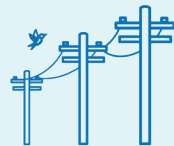
# 70

poles were replaced throughout our system due to age or condition.



**3,070** GPS coordinates collected for transformers and enclosures to pinpoint equipment in our Geographic Information System.

Crews completed a large circuit expansion in West Salem to redistribute and balance load between circuits to improve reliability and plan for future load growth.



## Reliability

**5.4 Minutes**  
average outage time per member in 2023. The U.S. median is over 232 minutes.



Celebrated our



# 28th Month

with no outages, March 2023.

## Commitment to Members & Community



**\$18,000**

in scholarships awarded to members. Ten \$1,500 undergraduate college scholarships and a \$3,000 lineworker scholarship to attend a vocational school.



**1,142**

members received financial assistance from Salem Electric, totaling \$199,850.



Presented Safety Town demonstrations to over

**1,400**

kids and families.

## Donations to Members & Community

**\$6,833**



donated by employees of Salem Electric to our 2023 adopted non-profit, The Boys & Girls Club of Salem, Marion and Polk Counties.

**\$44,838**

donated to local organizations.



**\$27,657**

donated by Salem Electric members to help pay the electric bills of fellow members facing financial hardships.



## Commitment to Members & Community

### 7 Cooperative Principles

All cooperative businesses adhere to seven guiding principles.

Open and Voluntary Membership

Democratic Member Control

Members' Economic Participation

Autonomy and Independence

Education, Training, and Information

Cooperation Among Cooperatives

Concern for Community

**\$2,059,142**

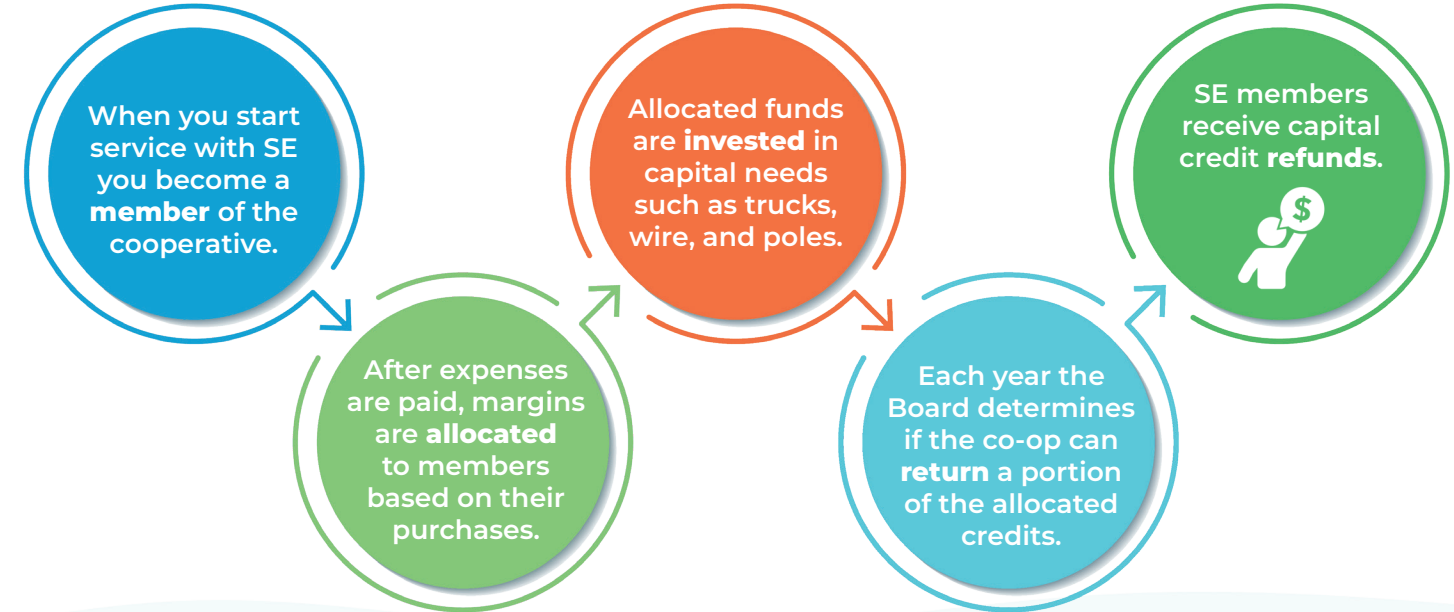
in capital credits paid to members in 2023.



**\$38,742,294**

in capital credits paid to members since 1978.

## Capital Credit Allocation & Refund Process

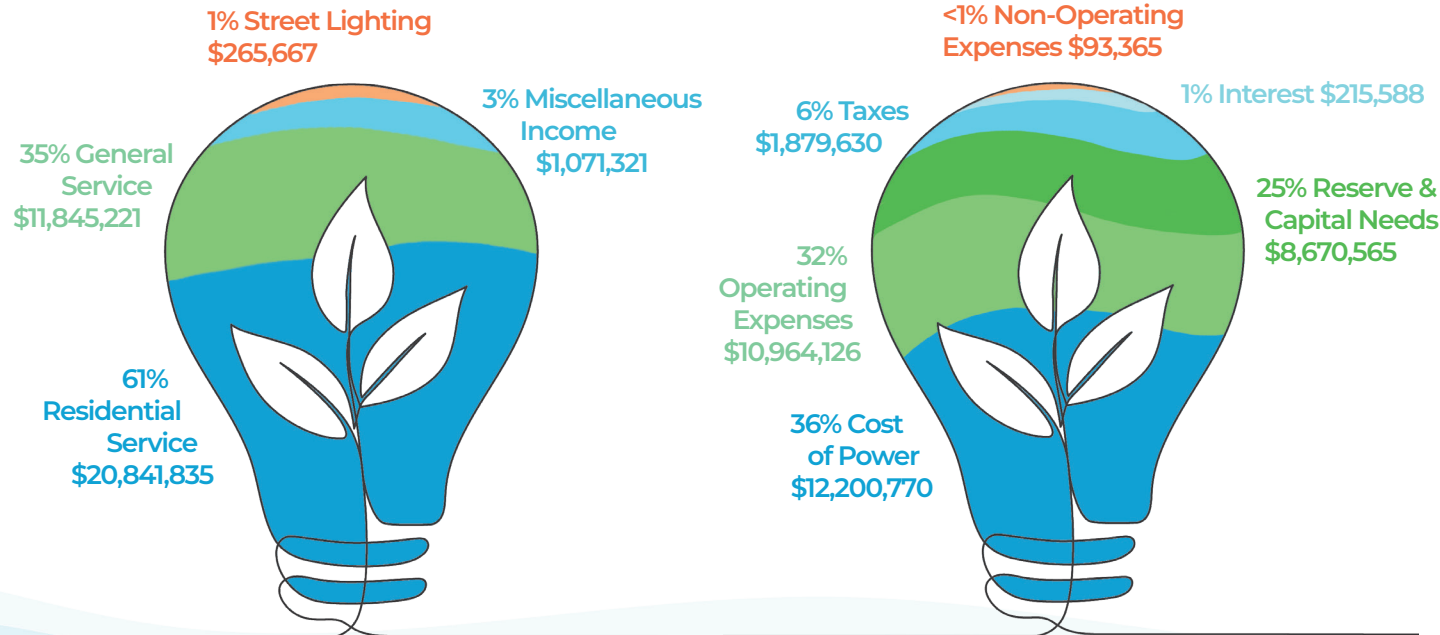




# Cash Flow

## Where It Came From

## How It Was Used



# 5-Year Highlights

	2023	2022	2021	2020	2019
Electric Plant in Service —Depreciated	\$56,153,882	\$53,013,525	\$51,566,434	\$49,221,478	\$46,745,832
Maximum System Peak Demand in MWs*					
Summer	79.40	74.70	80.90	73.68	74.10
Winter	65.20	72.60	74.29	63.92	72.19
kWhs Sold	330,174,810	330,922,563	329,730,347	316,665,945	318,968,443
Gross Revenue	\$34,024,044	\$33,158,621	\$31,188,724	\$30,949,220	\$29,278,617
Net Margin	\$6,511,980	\$3,855,086	\$3,436,155	\$2,473,051	\$1,721,704
Taxes	\$1,879,630	\$1,807,667	\$1,684,798	\$1,642,855	\$1,618,835
Number of Accounts Billed	20,745	20,674	20,631	20,412	20,052
Number of Employees	47	47	48	48	48
Capital Credit Refunds	\$2,059,142	\$1,601,256	\$1,644,316	\$1,638,914	\$1,757,822

## Balance Sheet

Assets	2023	2022	Liabilities & Equities	2023	2022
Distribution Plant in Service			Long Term Debt	\$5,548,446	\$5,884,189
—Depreciated	\$50,033,189	\$47,255,595	Accounts Payable BPA	909,800	1,120,182
General Plant in Service			Other Accounts Payable	279,647	78,401
—Depreciated	6,120,693	5,757,930	Member Deposits	624,815	580,292
Cash and Temporary Investments	15,437,402	14,556,231	Accrued Expenses	2,862,565	2,925,014
Receivables (Net)	2,433,521	2,568,401	Other Liabilities	6,148,611	7,182,802
Unbilled Revenue	1,501,643	1,466,567	Capital Credits Unretired (Member Equity in Co-op)	54,582,659	49,148,671
Materials and Supplies	1,578,183	1,394,115	Capital Credits Retired	6,101,262	5,774,464
Prepayments	857,533	816,160	Capital Credits Payable	1,926,595	2,061,834
Other Assets	1,022,236	940,850			
<b>Total Assets</b>	<b>\$78,984,400</b>	<b>\$74,755,849</b>	<b>Total Liabilities &amp; Equities</b>	<b>\$78,984,400</b>	<b>\$74,755,849</b>

## Statement of Income & Expenses

Income	2023	2022	Expenses	2023	2022
Residential	\$20,841,835	\$20,615,639	Cost of Power	\$12,200,770	\$14,711,456
General Service	11,845,221	11,743,824	Operating Expenses	10,964,126	10,275,886
Street Lighting	265,667	259,705	Depreciation	2,158,585	2,085,612
Miscellaneous	1,071,321	539,453	Non-Operating Expenses	93,365	210,003
<b>Total Income</b>	<b>\$34,024,044</b>	<b>\$33,158,621</b>	Taxes	1,879,630	1,807,667
			Interest	215,588	212,911
			<b>Total Expenses</b>	<b>\$27,512,064</b>	<b>\$29,303,535</b>
			<b>Net Margin</b>	<b>\$6,511,980</b>	<b>\$3,855,086</b>





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