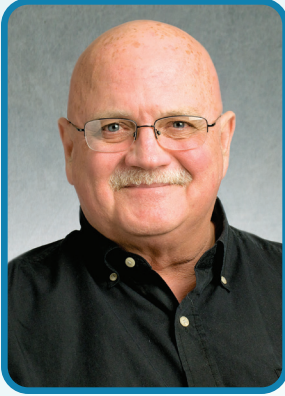




AMEA 85 YEARS

2025 ANNUAL REPORT





BOARD PRESIDENT LETTER

Dear Members,

It is an honor to serve as your Board President and to represent you, our member-owners, on the Matanuska Electric Association Board of Directors. On behalf of the Board, thank you for your continued trust, engagement, and participation in your cooperative.

Your Board plays a critical role in setting direction, providing oversight, and ensuring that every decision is made in the best interest of our members. As the energy landscape continues to evolve, our focus remains clear: maintain reliability, manage costs responsibly, and position MEA for long-term success.

Utilities across Alaska are facing rising fuel costs, inflationary pressures, and long-term supply uncertainty. At the same time, MEA stands apart as a growing service territory, with more families and businesses choosing to call our communities home. That growth is a sign of strength - but it also brings responsibility. Your Board is committed to ensuring our system grows with you reliably, efficiently, and responsibly.

To support that growth, we are making significant investments in infrastructure to strengthen reliability and expand capacity. This includes substation upgrades, underground cable replacement projects, and major system improvements like the Fishhook to Pittman project—featuring two new substations and a 22-mile looping transmission line. These projects are critical to ensuring we can continue to deliver safe, reliable power to our members today and into the future.

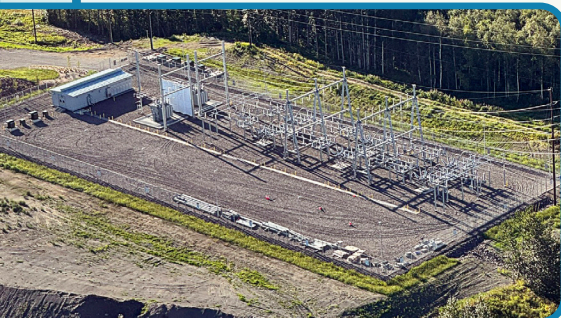
We also recognize that the future of energy requires careful, forward-looking decisions. The Board has directed MEA leadership to leave no stone unturned in identifying short-, mid-, and long-term power supply solutions. This includes evaluating a range of options to ensure we are balancing reliability, affordability, and risk—while maintaining the flexibility to adapt as conditions change.

Looking ahead, we know the decisions before us will not always be easy—but they will be made with care, responsibility, and a long-term perspective. As a Board made up of your neighbors, we take our responsibility to represent you seriously and to make decisions that serve both today's members and future generations.

Thank you again for your trust in your cooperative.

Sincerely,

Bill Kendig
Board President
Matanuska Electric Association



Established in 1941, MEA is Alaska's oldest and second largest electric co-op.





CEO LETTER

Dear Members,

MEA remains strong, stable, and well-managed. We ended the year above our financial targets, maintained a solid 31% equity position, and continue to operate as one of the most efficient utilities on the Railbelt. Even as sales fluctuated due to weather, our team reduced costs by more than \$1 million to help protect members from unnecessary rate impacts. We are proud to continue offering the lowest base rate on the Railbelt, along with one of the lowest average monthly bills. That doesn't happen by accident—it reflects disciplined decision-making, operational efficiency, and a deep commitment to serving our members.

As we reflect on the past year, I want to provide a clear picture of where we stand today, be transparent about the challenges ahead, and share how we are preparing for the future.

The biggest challenge ahead is Alaska's changing energy landscape. In 2022, utilities across the Railbelt were notified that long-term Cook Inlet natural gas supply could no longer be guaranteed beyond existing contracts. That moment reshaped how we plan for the future. While natural gas makes up roughly 35% of your total electric bill, rising fuel costs will continue to put upward pressure on rates. In the near term, this may mean modest increases of about \$8 per month for the average residential member.

Despite these challenges, reliability remains our top priority. MEA operates the largest dual-fuel power plant in the state, giving us the ability to maintain service even during emergencies. We are also taking proactive steps—securing gas supply through 2029, adding storage capability, and investing in system resilience—to ensure we continue delivering dependable power.

Looking ahead, we are preparing for multiple future scenarios. We are evaluating LNG imports, pipeline opportunities, additional generation, and a more diversified energy portfolio that includes renewables and storage. At the same time, our growing membership and regional development opportunities position us well—so long as growth benefits our members and supports long-term reliability.

Thank you for your trust and engagement in your cooperative. While challenges lie ahead, we are moving forward with a clear plan, a strong foundation, and a commitment to transparency. Together, we will continue building an energy future that is reliable, resilient, and built to serve our communities for generations to come.

Sincerely,

Tony Izzo
Chief Executive Officer
Matanuska Electric Association



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MATANUSKA ELECTRIC ASSOCIATION, INC.

2025 FINANCIALS

Balance Sheet as of December 31, 2025

Assets

Net Utility Plant	\$601,877,559
Other Property and Investments	19,040,360
Current Assets	57,904,204
Deferred Charges	1,564,831
Total Assets	<u>\$680,386,954</u>

Equities and Liabilities

Equities and Margins	\$211,246,353
Long-Term Debt, Net	423,110,385
Current Liabilities	40,854,363
Deferred Credits	5,175,853
Total Equities and Liabilities	<u>\$680,386,954</u>

Statement of Revenue and Patronage Capital Year Ended December 31, 2025

Operating Revenues	\$184,073,133
Less: Fuel and Purchased Power Cost	\$63,052,014
Other Operating Expenses	<u>112,341,775</u>
Total Operating Expenses	<u>175,393,789</u>
Operating Margins	8,679,344
Patronage Capital from Others	776,922
Non-Operating Margins, Net	285,006
Assignable Margins	9,741,272
Beginning Patronage Capital	198,039,291
Patronage Capital Returned	(3,761,171)
Ending Patronage Capital	<u>\$204,019,392</u>

MEA members may request a complete copy of the audited financial statements by calling (907) 761-9212.

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HOW THE DOLLAR WAS EARNED



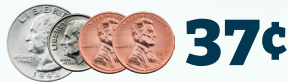
RESIDENTIAL SALES



62¢



COMMERCIAL SALES



37¢



LIGHTING & OTHER



1¢

HOW THE DOLLAR WAS SPENT



FUEL &
PURCHASED POWER



34¢



DEPRECIATION



14¢



MAINTENANCE
& OPERATIONS



13¢



LONG-TERM DEBT



11¢



ADMINISTRATIVE
& EMPLOYEE COSTS



10¢



POWER
PRODUCTION



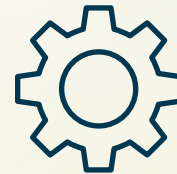
9¢



MARGINS



5¢



OTHER
(EX: PROPERTY TAX)



4¢

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MEA BY THE NUMBERS 2025



Powering more than **58,000** co-op members, **73,000** meters and **4,850** miles of power lines.

More than **\$220,000** awarded in Operation RoundUp® grants to 37 local organizations and non-profits.

\$35,000 awarded in scholarships to 10 MEA Members and their dependents.

\$3.7 Million in Capital Credits returned to our members.

Over **\$1.1 million** saved by employees in costs and expenses.

Lowest base rate charge in the Railbelt at **17 cents per kWh**.

2 overall quarterly rate decreases in 2025.

550 net metering members (up **50%** in 5 years) producing **3.6 MW** of renewable energy for our members in 2025.

74% of Members gave MEA an “A” grade for reliability in the annual member survey.



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