



February 22, 2021

GEUS Customers and Community,

In the coming days, weeks, and months, details will emerge that paint a much clearer picture of how Texas' world-renowned electric system was battered by the brutal winter storm of 2021. Stories will be written from many perspectives—investor-owned generators, retail electric providers, renewable companies, municipal and coop utilities, regulators, and many other participants that won or lost in this event. At the end of the day all participants in ERCOT must do better for Texans. Our story, Greenville's story, is a rare one in this crisis.

GEUS increased preparations as soon as weather forecasts indicated a significant weather event could impact Texas. We had no information suggesting it would be as severe as it ultimately was. We reviewed procedures, staffing, equipment readiness, energy supply, inventory, communication plans, and everything else we do at GEUS to weather a winter storm. Our goals are keeping the lights on, the Internet working, and quickly addressing any problems that may arise for the members of our community.

When the storm arrived, we were blessed to have virtually no system damage directly related to the storm. No ice or freezing rain occurred that would have brought down powerlines and trees and limited our ability to rotate load-shedding (or "rolling blackouts") system-wide. We already had our generating plant running on secondary fuel due to gas curtailment. We had staff ready to deploy. We were as prepared as we could be.

ERCOT has emergency services on standby to help in energy shortage situations. What we didn't know was, given the changing conditions, whether those emergency services would be enough. We soon realized they were not. By early Monday morning as the weather intensified, many generation plants began failing and the ERCOT system was struggling to balance supply and demand. For the first time since 2011, ERCOT was forced to implement mandatory load-shedding to avoid a possible months-long blackout of the ERCOT grid. In 2011, blackouts were necessary for only seven hours to stabilize the system. This time it took 70 hours.

Our GEUS team began rotating load-shedding according to our plan. Staff members were scheduled to provide 24-hour service to respond to any customers' reports of extended outages and to quickly make repairs to minimize the time customers were without power. Additional staff were scheduled to monitor issues throughout the system and ensure our generation stayed operational.

Most importantly, we were able to ensure that not one customer's power was rotated off for more than one hour. This is a blessing whose value will increase every day, as our community recovers from water damage, which will be significantly less than other areas that endured extended outages. We were also able to isolate the hospital and the City's main water treatment plant.

GEUS received support from the community and many others, including customers who donated meals and provided encouragement for our GEUS employees. It is hard to express how much this

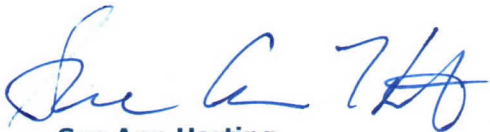
meant to the GEUS Team. The Public Utility Commission (PUC) of Texas stepped up and coordinated with the Texas Department of Emergency Management (TDEM) to get fuel oil to our generating plant. A lifeline indeed. We were only a couple of hours from running out of fuel when the first tanker arrived.

Many questions have been asked about why GEUS couldn't keep electricity uninterrupted since we have our own utility and generating plant. While the Greenville community does provide its own electric service, we are still part of the larger interconnected ERCOT grid. As part of that grid, we have obligations and many rules to follow. When we generate power locally, we sell that power into the ERCOT energy market and the resulting revenues offset the cost of energy we purchase. We also purchase energy from that grid when costs are lower than what we can produce at our generating plant. Due to major demands on the gas utilities to supply homes, hospitals, and other critical facilities that rely on gas for heat, they had to shut off the supply to our generating plant. Fortunately, GEUS was able to utilize alternative fuel to generate some electricity during this winter storm.

Now, the collective focus on the storm has shifted to its financial impacts. Keeping electric rates stable is a key priority for GEUS. Many utilities are struggling with enormous energy costs due to the extraordinary ERCOT energy price increases that occurred last week. While GEUS will also experience a financial fallout from this event, it is significantly less than many, many others. This is due in large part to GEUS' diverse energy portfolio, which includes not only local natural gas generating units but also wind, solar, and various fixed-price power contracts along with the energy we produced locally on alternative fuel throughout this storm.

I could not be prouder of the dedication and professionalism of the GEUS employees through this event. While some managed to make it home for a few hours between shifts to take care of their families and homes, others stayed in place at the Operations Center and Steam Plant, sleeping in offices and break rooms. All of the GEUS employees worked hard through the storm. Many sacrificed the comfort of their homes and time with their families to remain on deck to mitigate the storm's impact on our community as much as was humanly possible. Simply put—World Class performance.

Our hearts and our prayers go out to those families across Texas that were left in the dark and cold for days and are still suffering the effects of this brutal storm. We are truly blessed in the Greenville community.



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