

Information compiled by:
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2025 ANNUAL REPORT



2025 HEC HIGHLIGHTS

HEC PERSONNEL

Service Milestones Achieved:

J. Scott Dillard – 35 years

Craig Cook – 30 years

Franklin Gray – 25 years

Jason Conley – 25 years

Jeffrey Zirkle – 25 years

Levi Zirkle – 5 years

Reshelle Southerly – 5 years

Aaron Miller retired after 24 years of service as a Lineman

Diannah Campbell retired after 41 years of service as HEC's Operations Clerk

- Amanda Brown was named as her replacement

Jeffrey Zirkle – Reclassified to Underground Lineman

Martin Donaire – Promoted to Lineman

Dante Mazariegos – Promoted to Groundman

Brett Fix – Promoted to Groundman

Cole Wisman – Promoted to Groundman

HEC welcomed two new employees:

- Gabrielle Bragg
- Anthony Smith

Engineering Summer Intern – Brody Sigmon

SAFETY

Received 1st place in the 2025 APPA (American Public Power Association) Safety Awards of Excellence

No OSHA (Occupational Safety and Health Administration) reportable injuries – no lost time



74,476

Total Hours Worked

41

Average Employee Count

Completed monthly safety meetings for employees

Completed dielectric testing for all trucks, equipment, and hot line tools

TRAINING

Implemented a Learning Management System (Vector Solutions) for all employees to manage, track, and deliver training

Five employees are currently enrolled in the Lineworker Technician Apprenticeship Program through Northwest Lineman College and VMDAEC

Bucket/Pole Top Rescue Training for all linemen

Forklift Re-Certification for all trained employees

Fire Extinguisher Training for all employees

Enclosed Space Training for all affected employees

Completed VDOT Work Zone Re-Certification for all Operations crew

COMMISSIONERS*

Maria Papadakis completed two terms as of January 31, 2025

Gil Colman was sworn in for his first term in February 2025

Chris Weaver completed two terms as of February 28, 2025. Chris was Chairman for 2 years.

February 2025 Officer Appointments:

- Quinton Callahan, Chairman
- Michael Gochenour, Vice-Chairman
- Gil Colman, Secretary
- Andrew Hershberger, Treasurer

Kevin Comer was sworn in for his first term in March 2025

Quinton Callahan was approved for a second three-year term in November 2025

**Commissioner term length is 3 years, with the ability to serve for no more than 2 successive terms*



RELIABILITY

Received 2024 Certificate of Excellence in Reliability in March 2025

Top 25% of nationwide utilities based on SAIDI

Significant Outages in 2025

- Ice Storm on February 6, 2025, resulted in 11 separate outage events between 5am and 9am. All customers were restored by 11am on the 6th.
- Tree limb fell across a 3-phase line and caused an outage for 133 minutes, affecting 1,479 customers in August 2025.

AVERAGE OUTAGE TIME

**When there are NO IEEE major event days*



2025 Reliability Indices

HEC continues to have outstanding reliability, shown by the reliability indices being less than the regional averages for SAIFI and SAIDI and being greater than the regional average for ASAI. As a result of the ice storm damage in February and a tree locking out a circuit in the middle of the night in August, HEC's CAIDI indices rose to be slightly higher than the regional average this past year.

SAIFI – .171
(.61 – Region)

System Average Interruption Frequency Index represents the average number of times a customer experiences an outage during the year.

SAIDI – 17.919
(68.74 – Region)

System Average Interruption Duration Index represents the total number of minutes of interruption the average customer experiences.

CAIDI – 104.894
(97.81 – Region)

Customer Average Interruption Duration Index is the average time required to restore service.

ASAI – 99.9966
(99.987 – Region)

Average Service Availability Index is the ratio of the total number of customer hours that service was available during a given time period to the total customer hours demanded.



COMMUNITY ENGAGEMENT

\$27,523

Charitable Giving

\$35,173
TOTAL

\$7,650

Community Support

Energy Share Program

People Helping People

- Customer Donation – \$6,756
- HEC Match – \$6,756

The Salvation Army

- Customer Donation – \$6,155.5
- HEC Match – \$6,155.5

Bowl For Kids Sake Team Sponsor

**Hburg/Rham Dept. of Social Services
Santa Program**

Harrisonburg

Downtown Renaissance

**Sustaining Sponsor for Fireworks/
Skeleton Festival/Veterans Day Parade**

**Explore More Discovery Museum
Night at the Museum Sponsor**

Massanutten Technical Center

Harrisonburg Education Foundation

Harrisonburg Turks

SUSTAINABILITY

- VMEA (Virginia Municipal Electric Association) continued negotiations through 2025 with RWE to install a Battery Energy Storage System (BESS) in Harrisonburg for cost reductions. In June 2025, the HEC Commission approved a Resolution to City Council to authorize participation in a battery energy storage system project. City Council approved all resolutions for the HEC/VMEA battery energy storage system agreement during the July 8th meeting.
- HEC began conversations with Renew Rocktown around contributions for completing weatherization projects within the City. HEC funded Energy Audit Training.

HEC Weatherization Program through CHP (Community Housing Partners)



Multiple Single-Family Homes
in Queue for Services



9 Homes
Weatherized



2 Energy Audits
Completed

- Completed 2 in-house Energy Audits in 2025
- Recycled Utility Poles and Non-Treated Wood
 - **33,020 pounds** of Material Recycled
 - **50 Cubic Yards** Diverted from Landfills
 - **43 Trees** Saved
 - **2,172 pounds** CO2 Sequestered
- Friendly City Solar has been fully subscribed to
 - JMU has agreed to subscribe to the balance of the output not subscribed by residential customers.
 - New residential enrollments are still allowed and would modify JMU's subscription





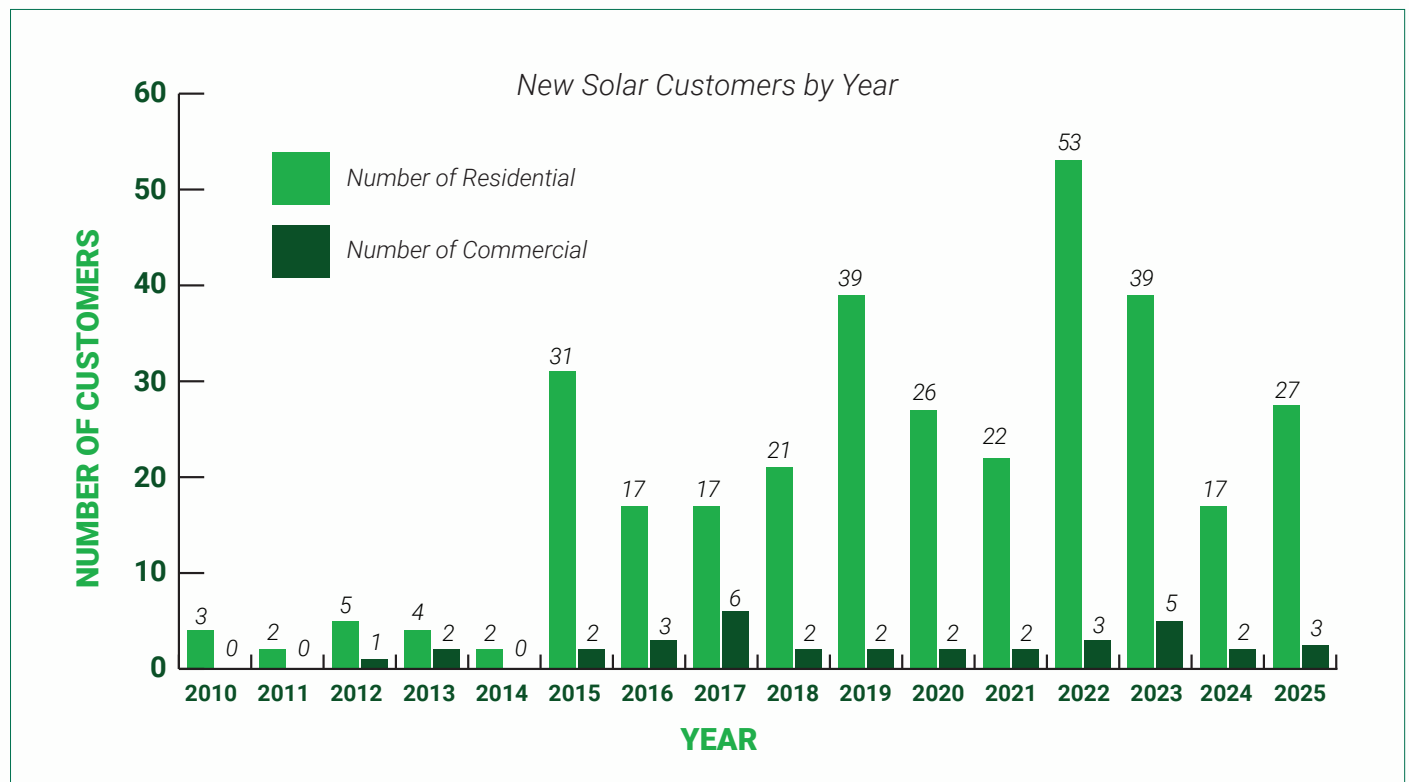
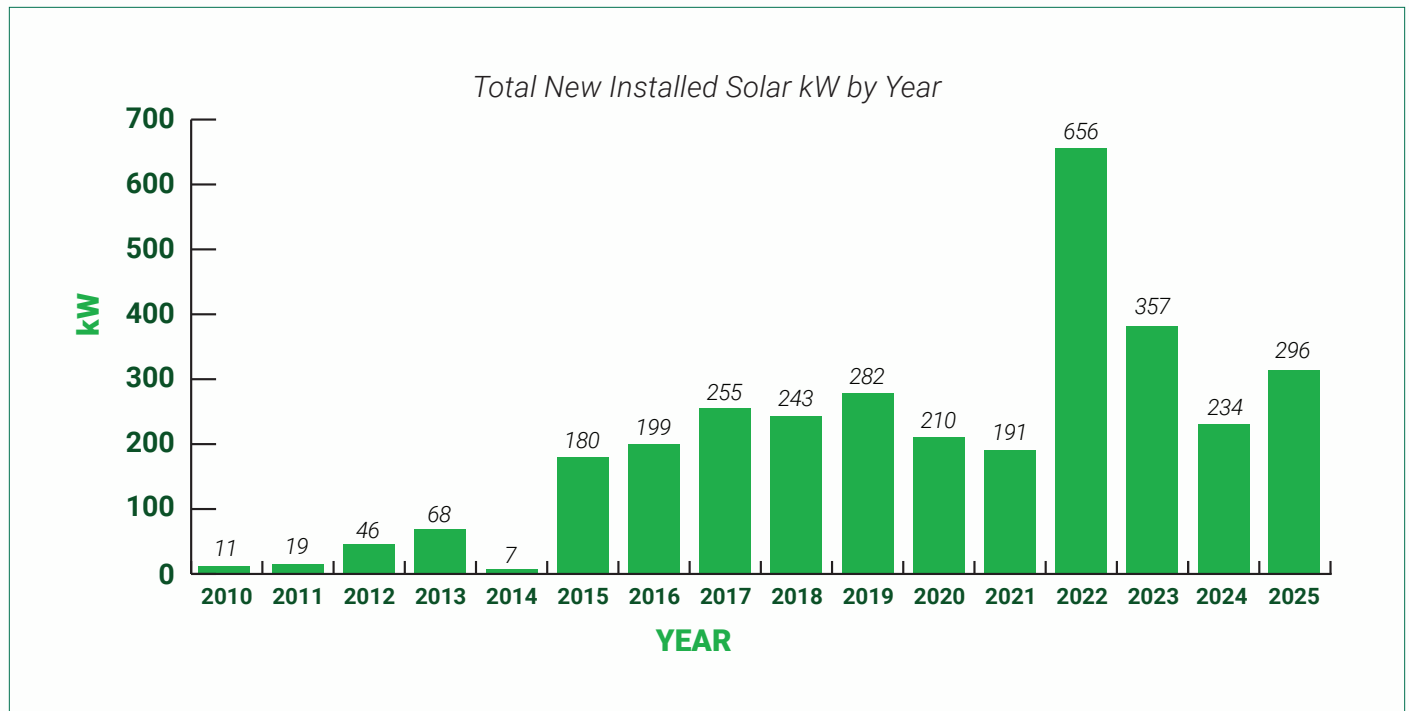
SUSTAINABILITY CONTINUED

HEC Energy Save & Earn Appliance Rebate Program 2025 Totals (29 Participants)

APPLIANCE TYPE	REBATE AMOUNT	QTY. ISSUED	TOTAL AMOUNT
Clothes Dryer	\$100	2	\$200
Clothes Washer	\$75	3	\$225
Water Heater <i>(standard)</i>	\$80	8	\$640
Water Heater <i>(heat pump)</i>	\$250	3	\$750
Air-Source Central Heat Pump	\$400	11	\$4,400
Mini-Split Heat Pump	\$175	1	\$175
Refrigerator	\$80	3	\$240
Chest Freezer	\$75	1	\$75
	TOTAL	32	\$6,705



Growth in Harrisonburg Solar



MAJOR CAPITAL PROJECTS COMPLETED IN 2025

- Ridgeville Substation was officially put into service in April 2025
- Reservoir Street Substation #2 Oil Circuit breaker replaced
- Installed Heating/Cooling Systems at Dead Horse, Charles Street, and East Market Street Control Houses
- Replaced Small Service Bucket Truck and 1-Ton Underground Truck
- Replaced parallel 1000 MCM cables from Paul Street Station to JMU Substation, shoring up our primary supply to JMU

MAJOR CAPITAL PROJECTS **STILL IN PROGRESS**

Installation of backup generator for Operations Center

Replacing SCADA Communications and Protection Relays at various Substations

Replacement of Dump Truck and 3/4-Ton Underground Truck

Replacement of Maryland Ave. Substation Transformer and ancillary Substation Equipment

Replacement of roofs at various Substations

Installing Heating/Cooling Systems at Switching Station, CISAT, and West Market Street Control Houses

Overhaul or Replacement of Pleasant Valley Turbine Generator

Replacement of IT Firewalls

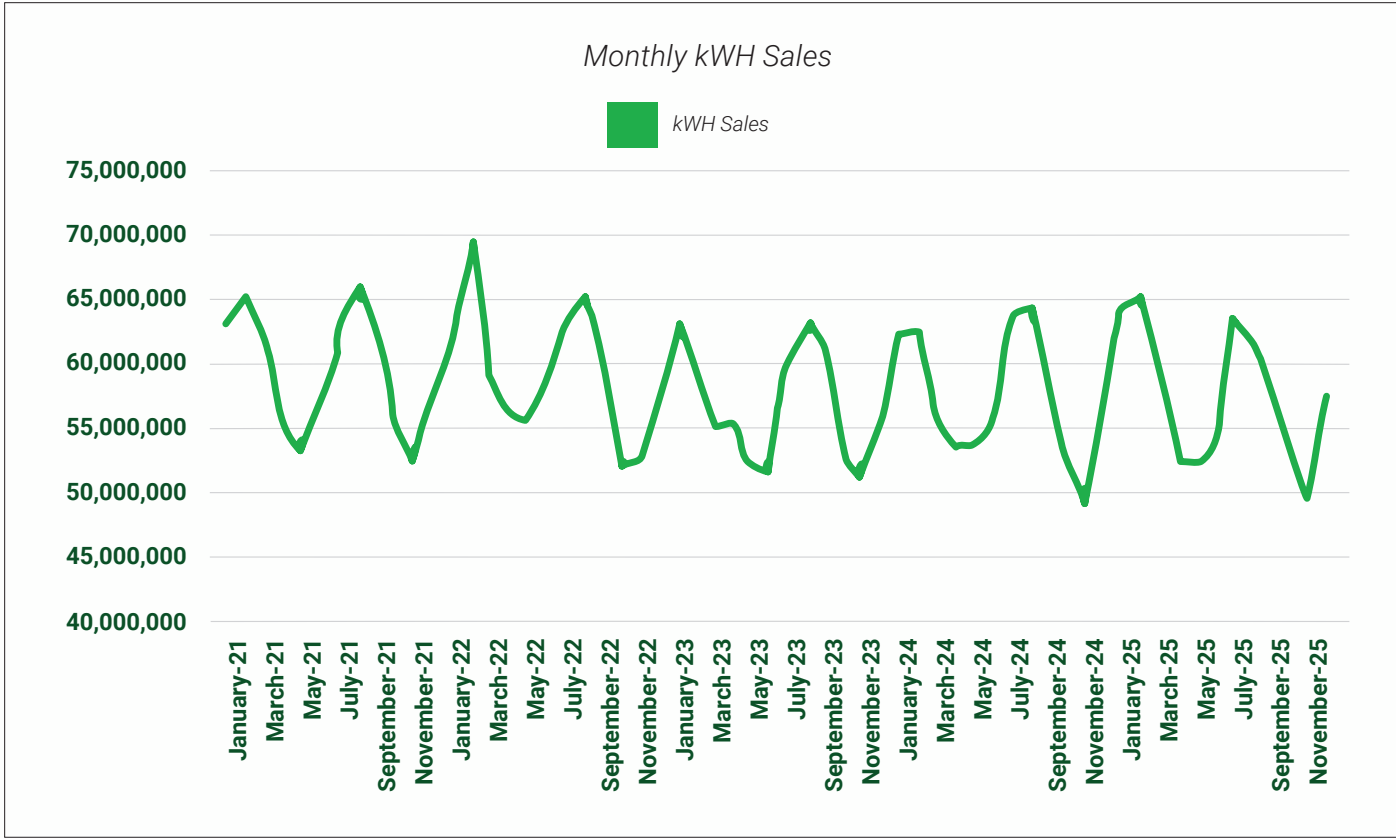
GENERAL HEC HIGHLIGHTS

- HEC and Manassas bought out the ownership rights for the 1/3 share that Sulzer held to the Manassas generator. This generator is now split 50/50 between HEC and Manassas.
- A compressor stage became damaged on the Mt. Clinton Pike generator during a run in October 2025. The engine was removed from the housing and shipped off-site for repair. The unit was put back into service at the beginning of December 2025.
- 2024 True Up for HEC amounted to \$1.45M payable to Dominion
- June-July 2025, HEC was called upon 5 times by PJM to run generation to help reduce the strain on the regional transmission grid. This was the first time HEC was called to run generation during the summer.
- The Virginia SCC approved a boundary line adjustment to the HEC Service Territory to allow HEC to serve some Rockingham County customers on the south end of town. This agreement was mutually agreed upon between Dominion, SVEC, and HEC, but needed final approval by the SCC. HEC will serve part of the new residential Development, Boulder Ridge.

Historical Customer Growth *(Number of New Connections)*

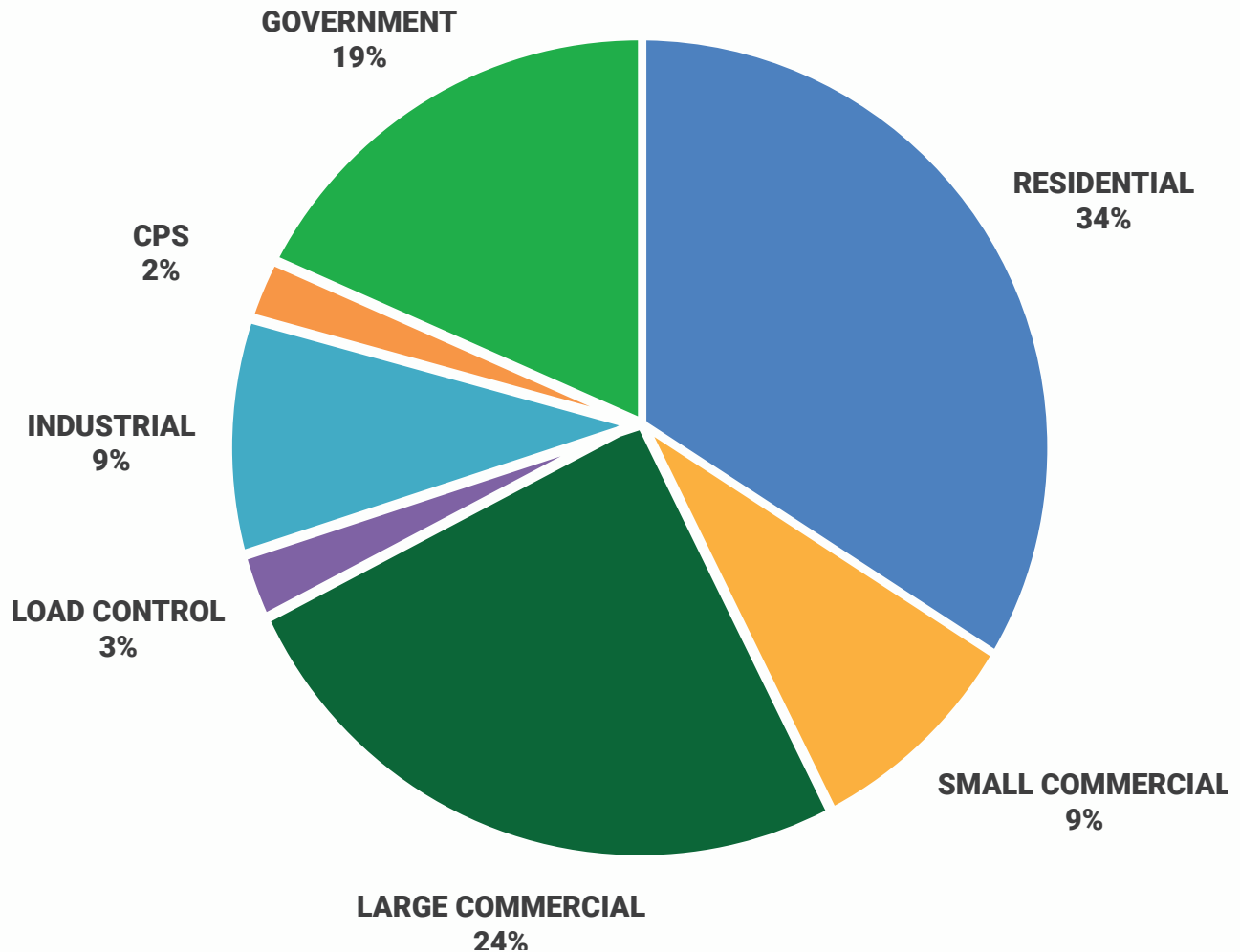
YEAR	RESIDENTIAL	COMMERCIAL	LOCAL GOV.	STATE	JMU	SYSTEM TOTAL
2021	36	33	0	3	0	72
2022	36	19	5	0	0	60
2023	94	24	5	0	1	124
2024	29	15	5	0	0	49
2025	113	44	3	1	0	161

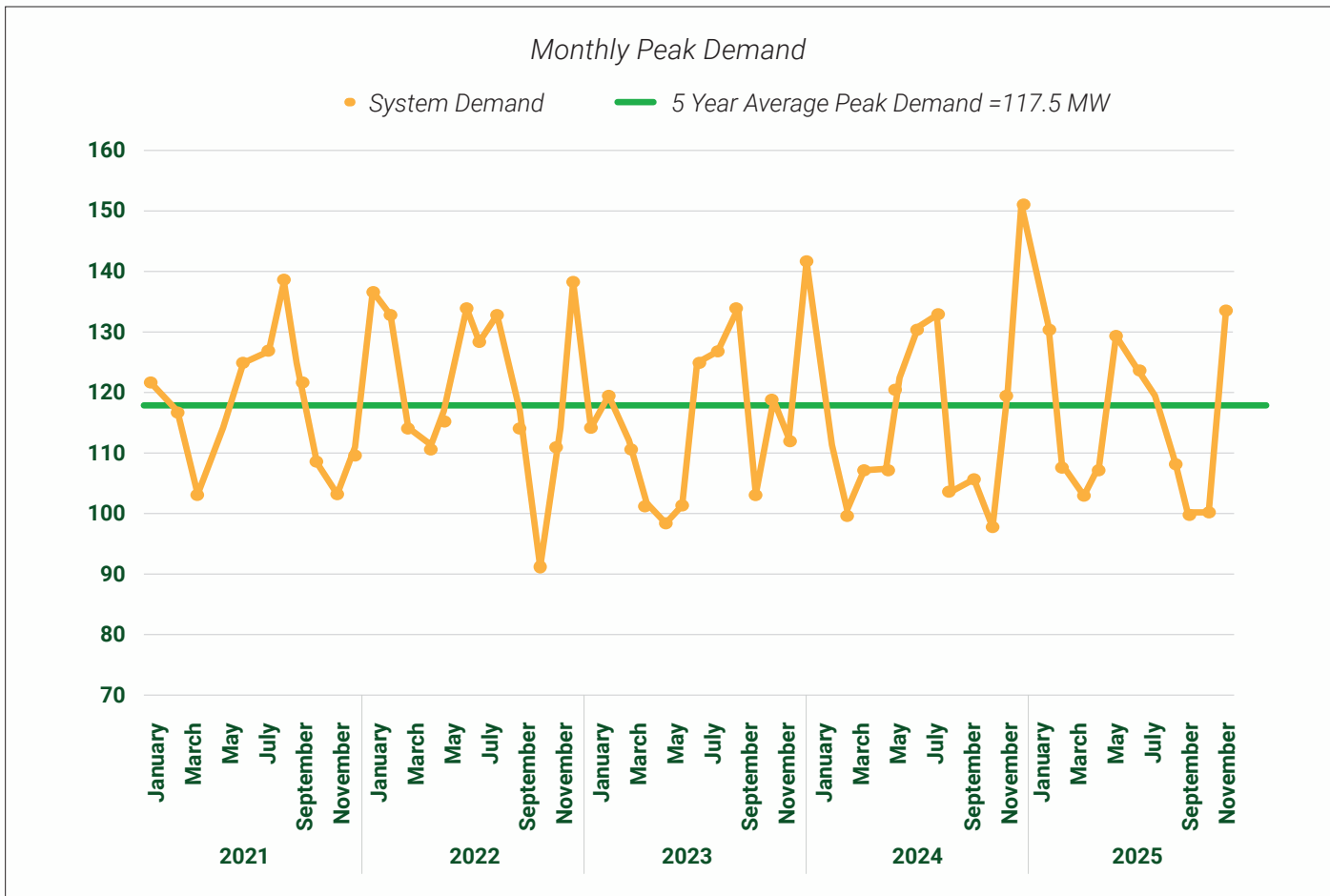
Historical kWh sales





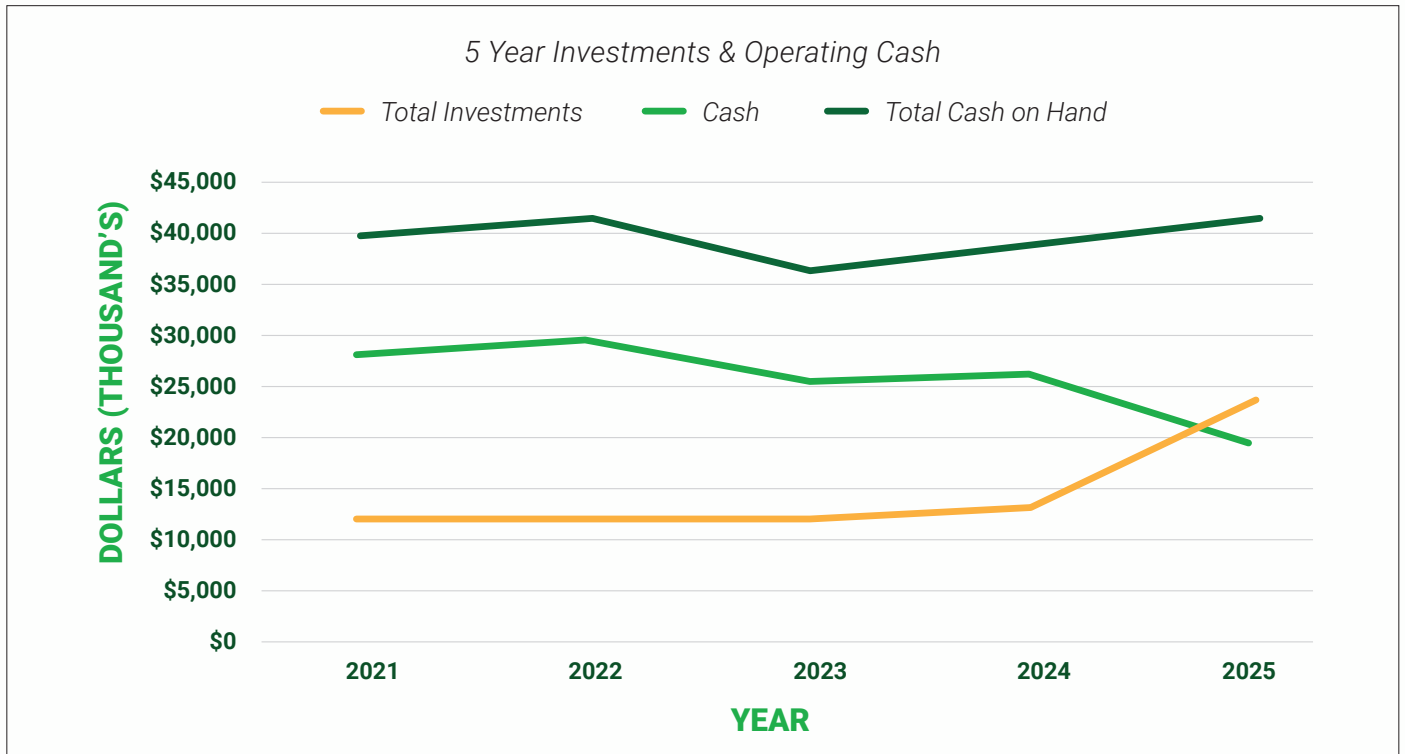
2025 Calendar Year Sales by Rate Class

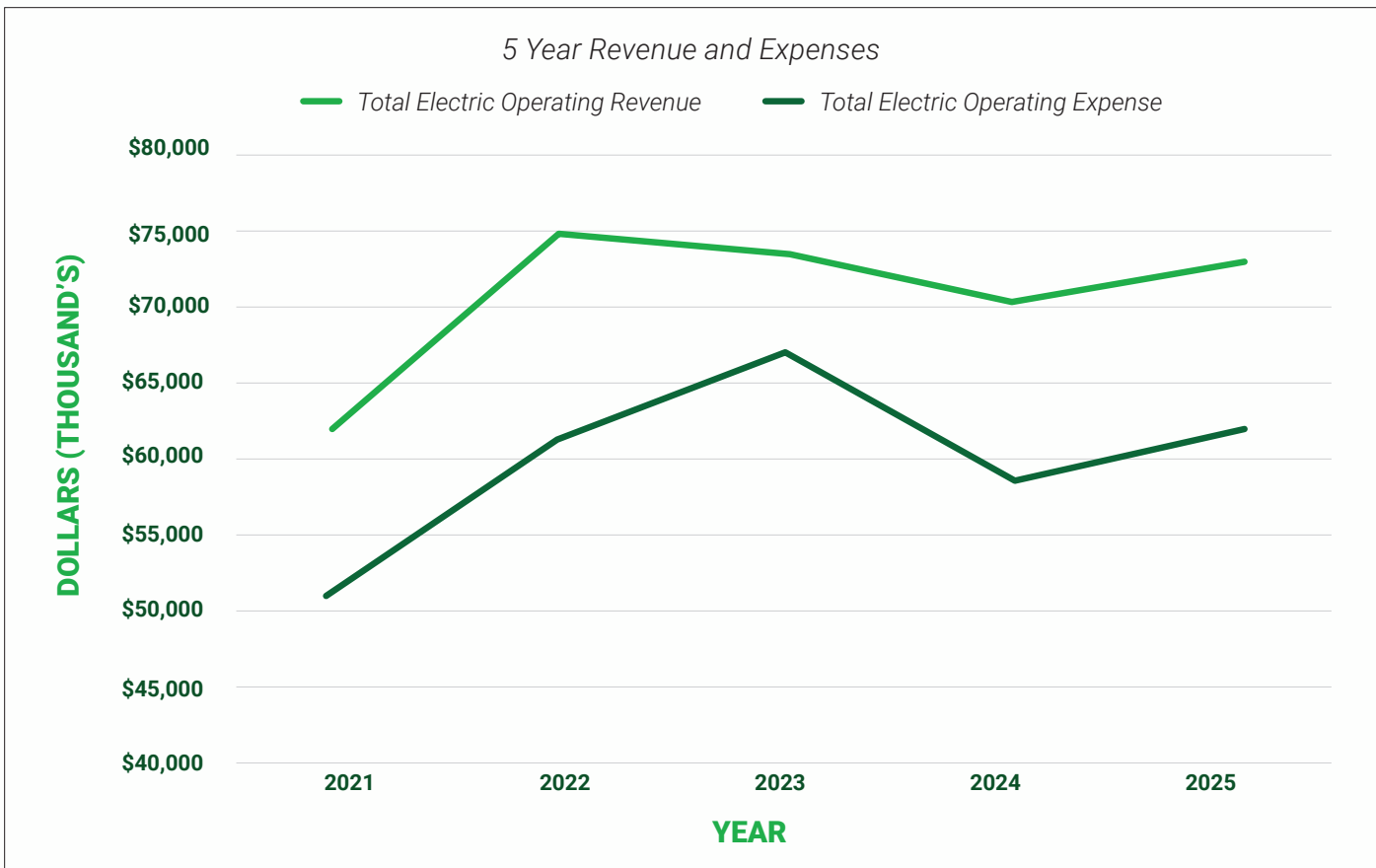
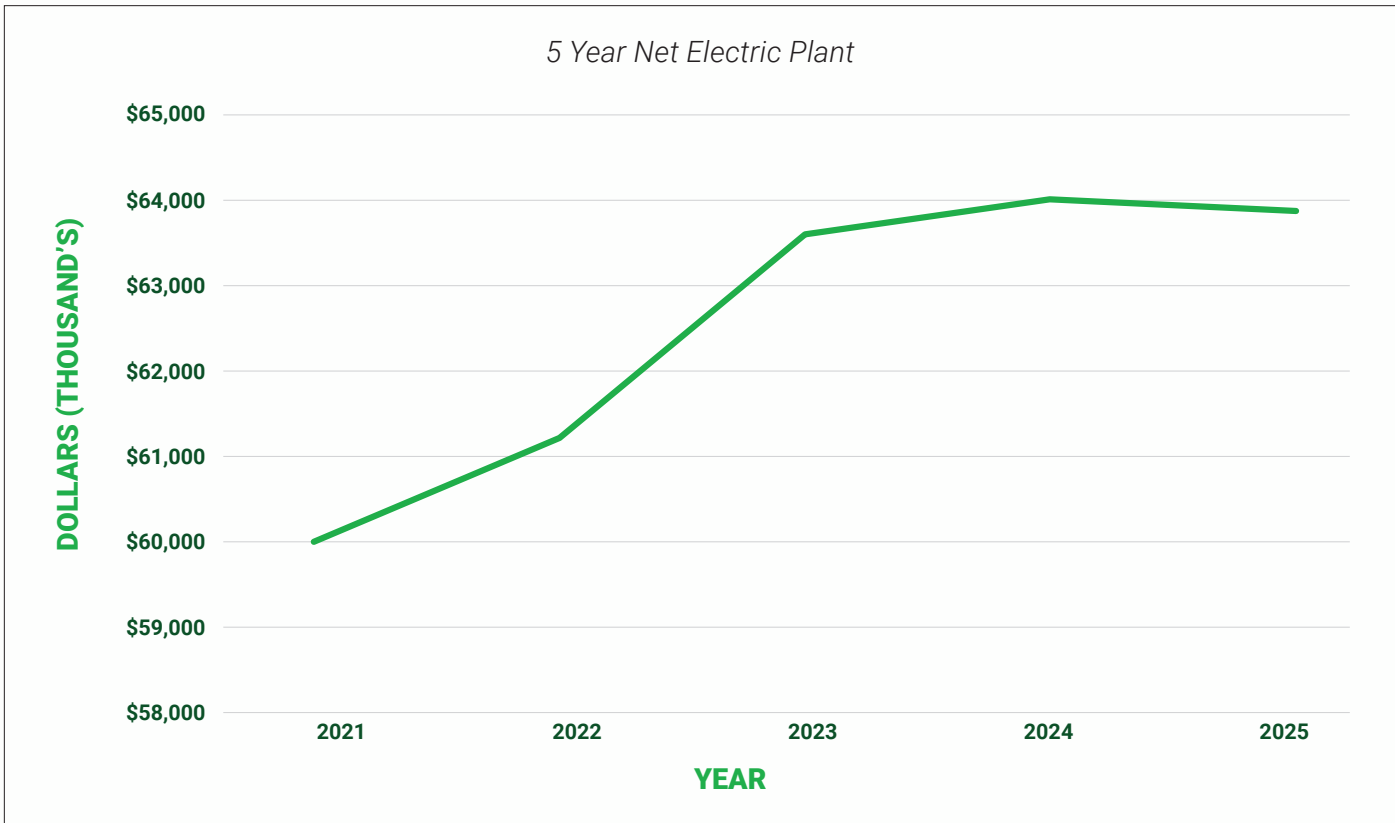




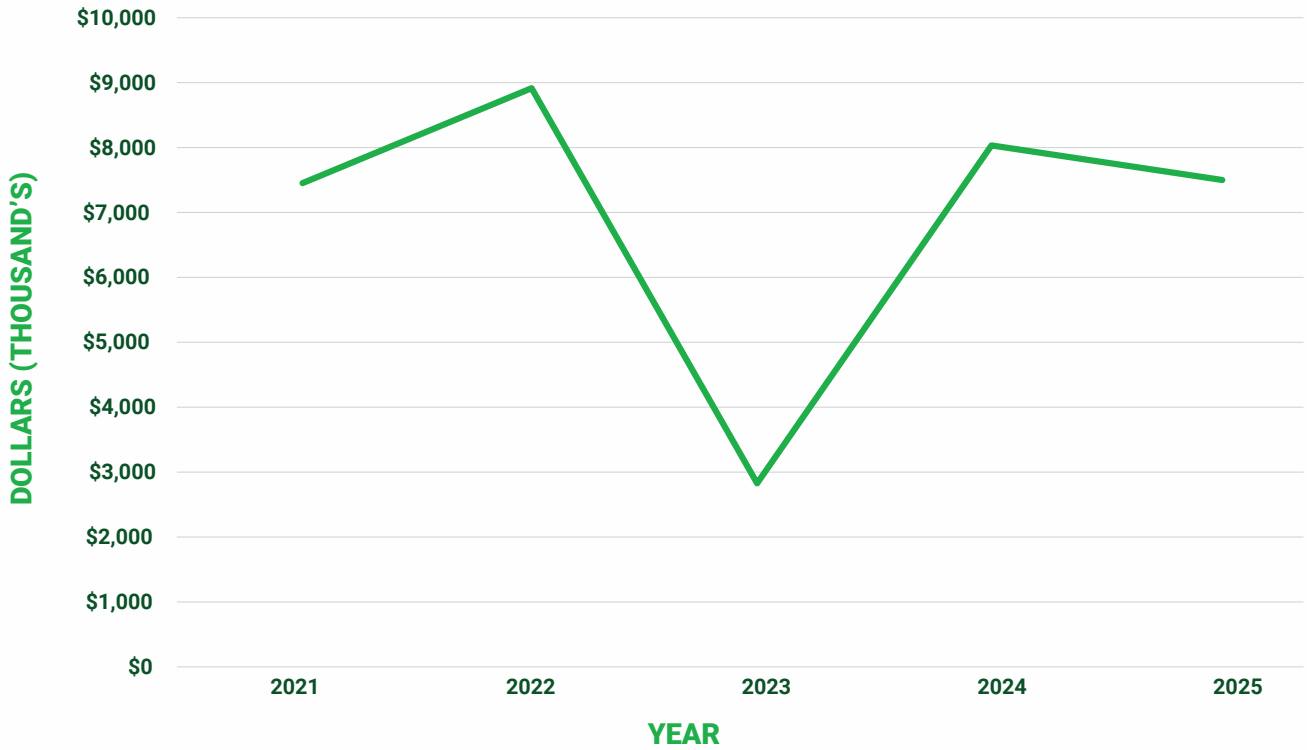
Financial Highlights

Transferred \$5 million out of operating cash to the LGIP Investment fund in August 2025.





5 Year Operating Income Before Contribution-In-Aid



Contributions to the City

HEC is required to contribute 5% of gross revenue to the City's General Fund

Fiscal Year 24-25, HEC contributed 7.5% of gross revenue to the City's General Fund

City Contributions and Equivalent Taxes Paid

