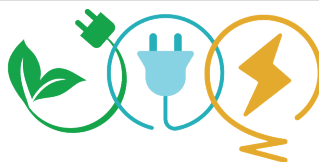




*Pictured:
Sussex REC Director
Karen McDougal,
hands a plastic hard
hat to a family of
members at the 2026
Member Appreciation
Day at the Fair. Read
more about this
event on page 3.*



**Sussex Rural
Electric Cooperative, Inc.**
A Touchstone Energy® Cooperative

SREC's Member Newsletter
2026, Issue 3 of 4

Currents

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Your At-Cost Utility

By Chris Reese, President & CEO, contactthecoe@sussexrec.com



Sussex Rural Electric Cooperative stands out from New Jersey's other electric utilities for many reasons. One major reason is a unique business model that defines our planning and operations, what we charge for our service, and our relationship with those we serve.

You may have heard Sussex REC described as an "at cost" utility before, but what exactly does this mean? In early July, I dove into this concept in a video for our 2026 Online Meeting. You can watch it at www.sussexrec.com/ann-mtg, along with our other Online Meeting videos which provide updates on your Co-op's operations.

Since our founding as a not-for-profit, member-owned cooperative in 1937, we've operated with an at-

cost model. We structure our budgets, rates, and processes differently from our neighboring, for-profit utilities. Our mission has always been to provide the highest quality of service at the lowest possible cost. We aim to provide the level of service our members deserve, with no markup beyond what's needed to operate. We prioritize high-quality service over profit, which is particularly relevant at a time when costs are rising for consumers and for-profit utilities are being questioned over their rates and profit margins.

Running an at-cost utility requires a lot of planning, forethought, and expertise. Through a year-round process, we forecast our expected costs. We account for both the costs

>> *Continued on pg. 2*

Your At-Cost Utility << Continued from pg. 1

we control directly, like maintenance, tree trimming, and staffing, and the costs we don't control, like power supply, essential materials and equipment, and costs related to storms. We make our long-term and short-term financial decisions based on all this information, keeping our budgets as low as we feasibly can while providing the best service possible to our members.

We purposefully make next to no profit on our operations. In 2025, we ended the year with only a 3% profit. 2026 is budgeted with just a 1.7% markup on \$27 million in costs and expenses. These are figures that are practically unheard of in the business world, especially for electric utilities.

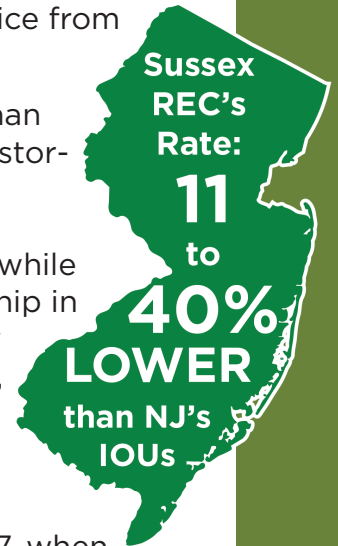
We make decisions based on safety, reliability, and affordability, and never based on profits. When we do make a profit, that money is returned to members as capital credits, putting money back in the pockets of the members who co-own the Co-op.

Costs to provide our high standard of service have risen in recent years, and this

has affected what our members pay each month. But through it all, we're proud to say that our at-cost nature continues to be a benefit. Our members are insulated from the magnitude of cost increases faced by most of the state, much of which goes to the shareholders who profit off of investor-owned utilities' operations and who often don't even receive electric service from those companies.

Our rates are 11 to 40% lower than those of New Jersey's four investor-owned utilities. That means our members enjoy lower costs for power than 99.5% of the state, while also benefitting from membership in a cooperative utility which they co-own, democratically control, and that is managed locally by members of their community.

We are living up to that same mission we've held to since 1937, when we were founded by the community to meet a need for power that only an at-cost, member-owned co-op could. 🌱



2026 Online Meeting

Even if you missed them when they launched in early July, you can still view the videos from our 2026 Online Meeting anytime! You can find our election results, Chairman's Report, Financial Report, and our explanation of how an at-cost utility operates at www.sussexrec.com/ann-mtg/



Your Board Officers

The Sussex REC Board of Directors holds a yearly Board Re-Organization Meeting as part of its efforts to best serve the membership and community its directors are elected to represent.

At 2026's meeting, held in late July, Jack Haggerty, Jr. announced he would not seek re-election as Chairman of the Board, a position he has held for 25 years. Jack will continue to serve on the Board as a representative of District 1 as he has since 1981.

Bill Kovach of District 2, previously the Vice Chairman, was elected by the Board to serve as its newest Chairman. Bill has served on the Board of Directors since 2000 and will dutifully carry out this new role.

Tom Madsen of District 1 was elected to serve as Vice Chairman. Ron Dupont of District 2 was re-elected to the role of Board Secretary/Treasurer, which he has served since 2022. 🌱



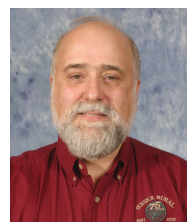
Jack Haggerty, Jr.,
Past Chairman
of the Board



Bill Kovach,
Chairman of
the Board



Tom Madsen,
Vice-Chairman
of the Board



Ron Dupont,
Secretary/
Treasurer



2026 Member Appreciation Day

By Claudia Raffay, Director of Marketing & Member Services
craffay@sussexrec.com

For Sussex Rural Electric Cooperative's Annual Meeting of Members, we once again held a Member Appreciation Day at the NJ State Fair.

Members from over 700 households joined us at the Fairgrounds' BBQ Pavilion throughout the day on Monday, August 3rd, breaking our attendance records from previous years.

Our directors and employees from multiple departments were present to speak with members, hand out giveaways, and answer members' questions about their service, our programs, and more!

To all members who joined us at the Fair—thank you for attending! Our relationship with our members, who are part-owners of the cooperative, sets Sussex REC apart from other utilities. We appreciate the kind words shared and the time spent with us at our event.

We hope to see you again at the Fair in 2027! 🌱

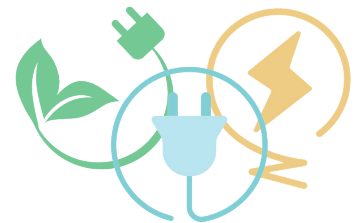


Sussex Rural Electric Cooperative, Inc.

President & CEO - Christopher P. Reese

Our Board of Directors

Chairman	- William Kovach
Vice Chairman	- Thomas Madsen
Sec./Treasurer	- Ronald Dupont
Jack Haggerty, Jr.	Barbara Miller
Brad Sparta	Joseph Barca
Michael Abate	Karen McDougal

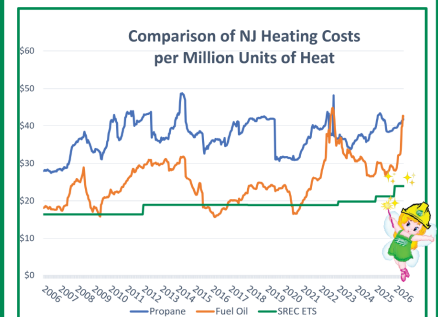


Don't be a VICTIM to fuel price fluctuations Have more say in what you pay:

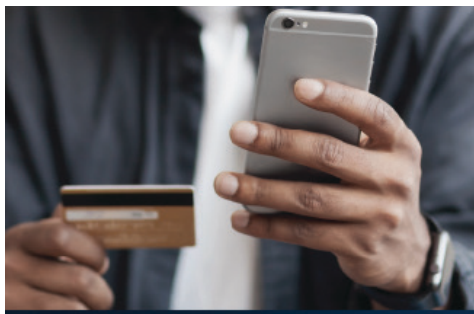


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An American Story: The Legacy of Rural Electrification



Guest column by Steve Brame
President & CEO, Pennsylvania Rural Electric Association
& Allegheny Electric Cooperative, Inc.

As America marks its 250th birthday, we'll hear a great deal about the people, principles, and events that shaped this nation. That is fitting. Milestones give us a reason to look back, not simply out of nostalgia, but to better understand the responsibility we carry forward.

For those of us who serve rural electric cooperatives, that history has a special meaning.

The American story has always been closely tied to rural places. Long before there were highways, power lines, broadband connections, or modern farm equipment, the strength of the country depended on the people who worked the land, built communities, and embraced self-reliance. Thomas Jefferson, one of the nation's Founding Fathers and the architect of the Declaration of Independence, once wrote that "cultivators of the earth are the most valuable citizens."

That view reflected something we should not forget today: Rural America was not separate from the nation's

future. It was central to it.

And yet, for much of our history, rural communities were too often asked to wait for progress. In the 1930s, while many cities and towns were being transformed by electricity, millions of farms and rural homes remained in the dark. Private utilities generally did not see the value of serving areas where homes were miles apart and the return on investment was uncertain.

Despite this, rural people did what they have done throughout American history: They organized and solved the problem together.

Rural electric cooperatives are also marking a milestone this year: the 90th anniversary of the Rural Electrification Act. With the signing of that legislation in 1936 and the determination of local citizens, electric cooperatives began bringing power to places that had been overlooked. Neighbors signed up neighbors. Communities set poles, strung lines, and built systems that changed daily life in ways that are hard to

overstate. Electricity made farms more productive, homes safer, schools stronger, and small businesses more viable.

That was not just an energy story. It was an American story.

Rural electric cooperatives were built on the belief that essential service should not depend solely on geography or profit potential. They were built on local control, democratic governance, and responsibility to the people at the end of the line. Those principles are as relevant today as they were when the first co-op lines were energized.

At the Pennsylvania Rural Electric Association and Allegheny Electric Cooperative, Inc., we see that legacy every day. Our 14 member cooperatives serve communities

that are essential to their states' — and the nation's — economy, food supply, workforce, and quality of life. We also know the challenges are different now. Reliability, affordability, energy policy, grid resilience, and new technologies all require careful decisions and steady leadership.

America's 250th birthday is a reminder that the work of building this country has never belonged to just one generation. Each generation inherits a promise and a responsibility.

For electric cooperatives, that responsibility is clear: They were created to bring power where it was needed most. Today, we carry that mission forward by keeping rural New Jersey and Pennsylvania connected, resilient, and ready for the future. 🌐



***Pictured:**
Fireworks fly in the distance as Sussex REC crews work on outage repairs during the 2026 Fourth of July weekend.*

Grid Power Players

Electricity is available with the flip of a switch, but it travels great distances and is coordinated among multiple entities before it reaches you.

1. Generation Owners & Operators



Power plants can be owned and operated by electric utilities, government entities, or other private companies. Power plants produce electricity by converting energy from various sources.

2. Transmission Owners & Operators



The transmission grid moves large amounts of power over long distances using high-voltage transmission lines. Like power plants, these lines can be owned by a variety of public and private entities.

3. Organized Wholesale Markets



Regional Transmission Organizations (RTOs) & Independent System Operators (ISOs) coordinate the flow of electricity across regions by balancing supply and demand in real time and managing the dispatch of electric generation and transmission.

4. Distribution Utilities (That's Us!)



Electric distribution utilities take electricity from the transmission system and deliver it to homes and businesses through lower-voltage distribution lines. They also maintain local power lines, poles, and other essential equipment.

5. End Users (That's You!)



End users consist of the homes, businesses, and industries that consume electricity. Their demand drives how much electricity is generated and how the grid is managed in real time. ⚡

KIDS' CORNER

with Pluggy the Pug

Lightning can happen fast and be very dangerous. Staying safe is easy when you know what to do! Read the safety tips here and circle the **bolded words** in Pluggy's puzzle!

⚡ When **thunder** roars, go **indoors**! If you can hear thunder, **lightning** is close enough to be dangerous.

⚡ Stay away **water** sources. Don't swim, use hoses, or play near standing water during a **storm**.

⚡ Avoid tall things and open spaces. Stay away from **tall trees**, poles, and open fields where lightning tends to **strike**.

⚡ Even if the rain stops, **wait** 30 minutes after the last sound of **thunder** before going outside.

H	M	E	K	H	I	S	O	D	G	W	R	D	A	Q
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E	G	J	R	T	Y	J	D	N	U	P	V	T	T	Q
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2026 Holiday Card Art Contest

If you're a member of Sussex REC with a young child or grandchild looking to show off their creativity, look no further! Ahead of this holiday season, we invite your young family members to submit their art to our yearly Holiday Card Art Contest.

Kids in Kindergarten through 5th grade can share their artwork for a chance to have it featured on our 2026 holiday card, along with 30 copies to send to friends and family. Our top three winners, selected by a committee of employees, also have a shot at winning Amazon gift card prizes!

Artists don't need to live on our lines if their grandparent is a member. The artwork should be in color, whether that's crayon, colored pencil, watercolor, or paint—whatever is preferred by your young artist!

Artwork should be no larger than 8.5" x 11". To be considered for this contest, all artwork must be winter or holiday themed and must be an original creation of the child. All entries are due by **November 3rd**. When mailing, please do not fold the artwork.

Send art to us at: *Sussex REC, Attn: Holiday Card Contest, 64 County Route 639, Sussex, NJ 07461*



**MORE INFO AND
APPLICATION
AVAILABLE HERE!**

**SUSSEXREC.COM/
HOLIDAY-CARD**



Youth Tour 2026: NJ Students Make Their Mark

By Steve Sokolowski, Marketing & Member Services Associate
ssokolowski@sussexrec.com



Each summer, over 1,800 high schoolers from all over the country gather at our nation's capital through Youth Tour, a unique opportunity made possible by their local electric cooperatives.

Youth Tour is a decades-long program that empowers rural America by teaching its students about their roles in our nation, in their local communities, and as members of electric cooperatives. On Youth Tour, students spend a week in Washington, D.C. to see its many famous sights, visit Capitol Hill to meet with elected officials and staff, and meet their peers from all over the country.

Over 1,800 students attended 2026's trip, including the seven local students sponsored by Sussex REC to represent our community—Anderson, Bri, Jake, Lia, Manny, Tessa, and Victoria.

Vernon's Tessa Pelak was elected by her peers from the New Jersey and Pennsylvania contingent to serve as New Jersey's Youth Leadership Council student for the year. As our state's representative, she will have the opportunity to speak at upcoming events for our statewide and national associations and will also organize a community service project.

Youth Tour is a lifechanging experience that opens doors for students. Youth Tour students have received scholarships from their co-ops, choose to go to school in D.C, or even find jobs in the government or with their co-ops!

If your son or daughter is entering their junior year, talk to them about Youth Tour! The application for 2027's trip will be coming this Fall at www.njyouthtour.com. Don't let your child miss this once-in-a-lifetime opportunity! 

IN THIS ISSUE OF Currents



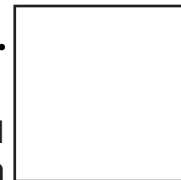
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-  **Get Ready for Next Heating
Season with ETS**

Get Ready for Next Heating Season with ETS

By Steve Sokolowski, Marketing & Member Services Associate, ssokolowski@sussexrec.com

It's the perfect time to think ahead to the coming heating season. Will you continue relying on fossil fuels to heat your home, or is now the time to make the switch to ETS?

"ETS" stands for Electric Thermal Storage, a form of home heating available exclusively to Sussex REC members.

ETS is available in room units, forced air furnaces, and hydronic furnaces. We provide all energy used for ETS systems at a discounted rate because it's supplied during off-peak hours, mostly overnight when there's less demand for energy. Your system charges with electric heat during those hours, for the cost of just 8 cents per kWh, to be used in your home whenever it's needed. ETS operates quietly, has no fumes to vent, and requires no routine maintenance.

We can provide a custom quote for a new ETS system for your home for free! We also offer financing for ETS projects. With financing, you can pay over time with 0% interest applied for five years.

ETS owners are rewarded for spreading the word through our Refer a Friend program! When an ETS unit is installed after a referral, the referrer and new ETS owner both receive a \$150 bill credit.

Is it time to rethink your home's heat? Let us know today! Call us at 973-975-5101 or visit www.yes2ets.com for more info. 



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