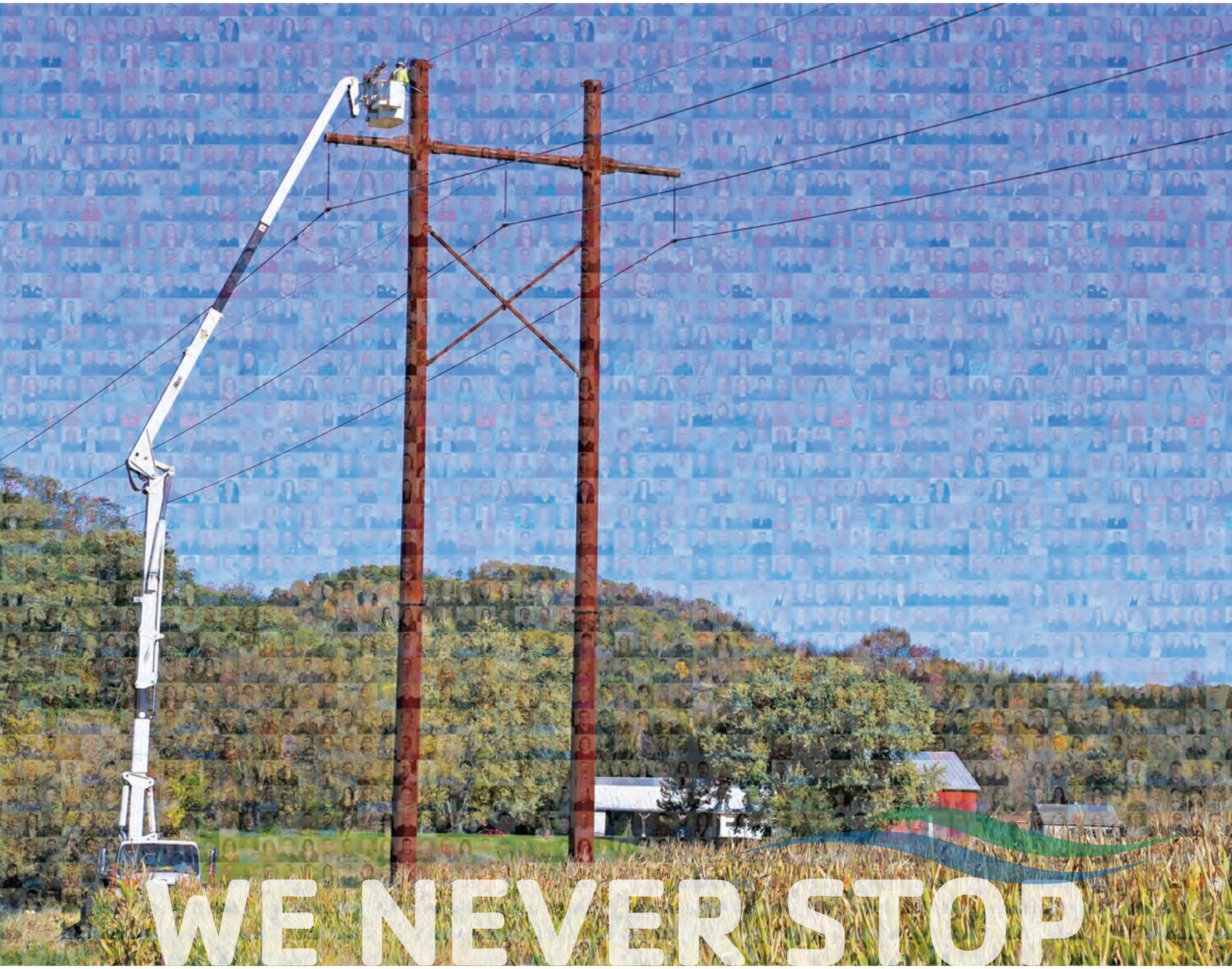
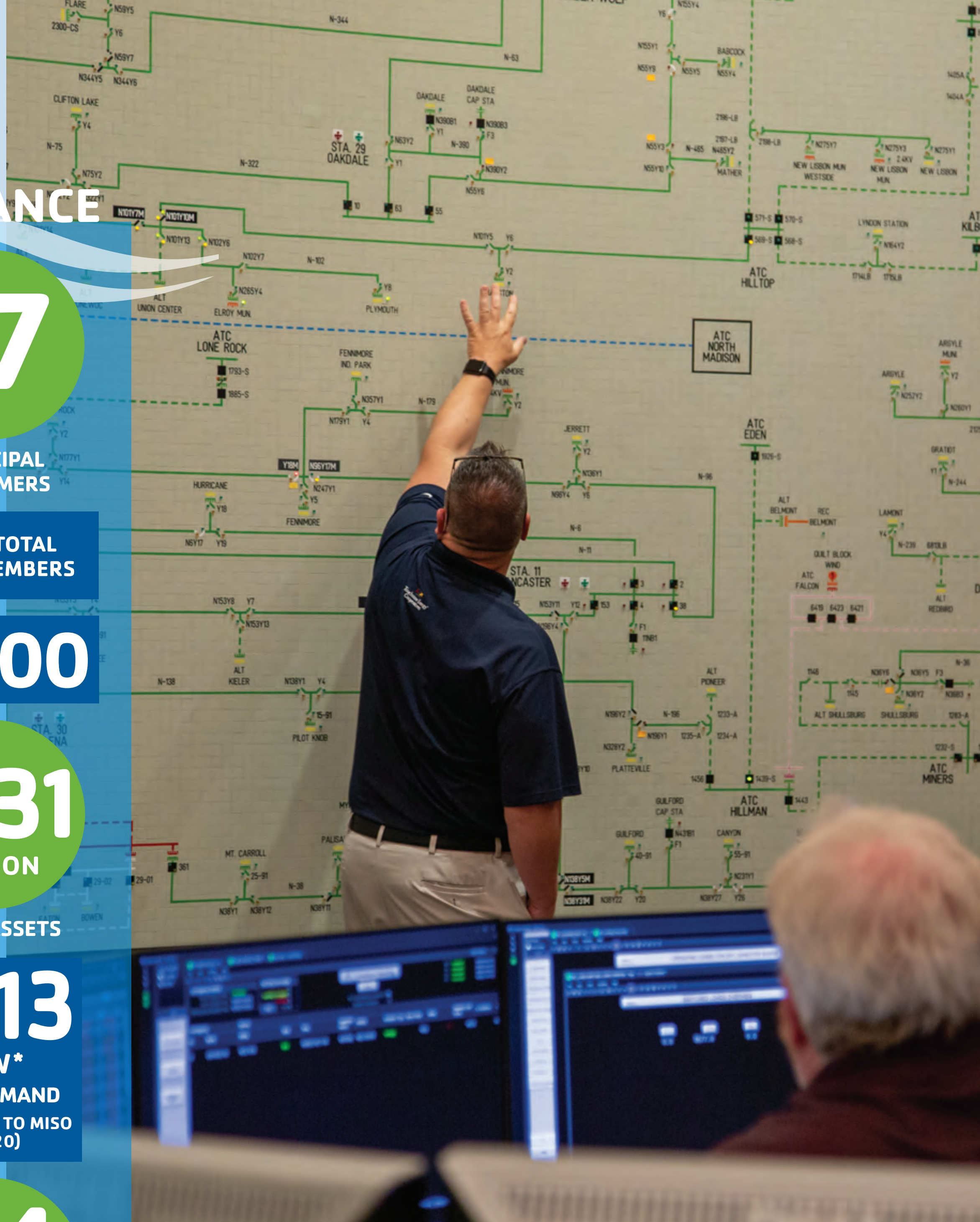
2020 ANNUAL REPORT



DAIRYLAND POWER
COOPERATIVE

A Touchstone Energy® Cooperative



2020 AT A GLANCE

24 DAIRYLAND MEMBER COOPERATIVES

17 MUNICIPAL CUSTOMERS

280,756 TOTAL MEMBERS

POPULATION SERVED: **600,000**

$15.7 MILLION MARGINS

$1.31 BILLION TOTAL ASSETS

1,171 MW* ALL-TIME PEAK (6/29/18)

1,113 MW* PEAK DEMAND (REPORTED TO MISO 7/8/20)

517 EMPLOYEES

6.4 BILLION kWh* POWER SALES

$442.4 MILLION TOTAL OPERATING REVENUE

*KILOWATT-HOUR AND MEGAWATT

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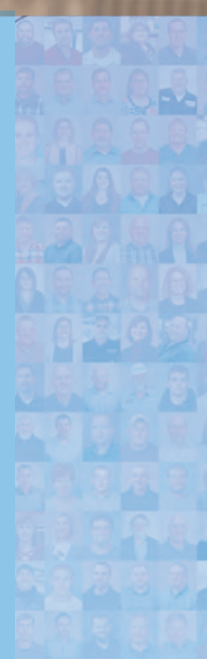


WE NEVER STOP

Throughout its 80-year history, Dairyland has never stopped standing strong for its members by safely and reliably delivering essential power during recessions, natural disasters and, more recently, the COVID-19 pandemic which impacted all of us in 2020.

Diligent planning positioned Dairyland to respond quickly to this health crisis to protect employees and continue to provide the critical power needed to serve our membership.

A smooth transition in leadership in mid-2020 assured Dairyland's agile and dedicated workforce remained steadfast on the cooperative's mission to improve the quality of life for cooperative members. Since 1941, Dairyland has never stopped focusing on its members…and never will.

ABOUT DAIRYLAND POWER COOPERATIVE

Dairyland Power Cooperative provides the wholesale electrical requirements and other services for 24 member distribution cooperatives and 17 municipal utilities in the Upper Midwest. In turn, these cooperatives and municipals deliver the electricity to consumers—meeting the energy needs of more than a half-million people.

Focused on a sustainable future, Dairyland has strategically and purposefully been diversifying its generating resources. Significant additions of wind and solar renewable energy will continue to be made, along with plans for a renewable-enabling combined-cycle natural gas plant. Other resources include coal, natural gas, hydro and biogas.

Electricity is delivered via nearly 3,200 miles of transmission lines and 281 substations located throughout the system's 44,500 square mile service area.

Dairyland Power Cooperative, a Touchstone Energy® Cooperative, is headquartered in La Crosse, Wis. Its service area encompasses 62 counties in four states (Wisconsin, Minnesota, Iowa and Illinois). Please visit www.dairylandpower.com and follow us on Facebook or LinkedIn for more information.

IN MEMORIAM

Our Dairyland family was saddened by the loss of Roger Gausmann (1959-2020).

Roger joined Dairyland on July 17, 2006.

He was a Mail Processing Technician in Publication Services at the time of his death on Nov. 10, 2020.

DAIRYLAND POWER COOPERATIVE

A Touchstone Energy® Cooperative

WE NEVER STOP

While much in the world had to pause during 2020, Dairyland Power Cooperative never stopped moving toward our mission—to improve the quality of life for cooperative members. The Dairyland team adapted swiftly to tackle the unprecedented challenges of COVID-19. Dairyland's ability for quick mobilization and disaster response is reflective of our cooperative's history of preparing for the unexpected.

Diligent planning prepared the team to navigate the challenges and complexities associated with the pandemic and protect mission critical operations. In March 2020, our Business Continuity Plan was activated to keep employees, members and our communities safe. To protect those employees working in critical onsite operations, nearly half of Dairyland's employees transitioned to work from home. As we return to the office, we are creating a more flexible and agile work environment. Whether working onsite, in the field or remotely—Dairyland employees are dedicated to safety, 24/7 reliability, resiliency and affordability.

PLANNING FOR A SUSTAINABLE FUTURE

The Board of Directors and Dairyland's leadership team never stop planning for the future. Dairyland's six Strategic Priorities support our overarching goal of *Sustainability*. To be sustainable, our cooperative must provide long-term value for Dairyland's members. We will accomplish this by implementing innovative solutions for ongoing changes in our energy industry known as the "Four Ds": Decarbonization, Deregulation, Digitalization and Decentralization.

Reliability and diversification are a priority as Dairyland transitions its energy resources to a lower carbon future. In 2020, Dairyland's Board approved a goal of 50 percent reduction in carbon dioxide intensity rate by 2030.

We will continue to add more renewable energy resources to our portfolio, while planning for natural gas to support the transition to a low-carbon future.

We recognize the importance of a balanced power supply for reliability, which became very evident as a polar vortex impacted power supply throughout the region. We were thankful our power plants were well-maintained for winter and operated reliably and safely to serve our members. In fact, the John P. Madgett Station broke production records twice in February 2021.

The prudent decision to retire Dairyland's coal-fired Genoa Station #3 (G-3) on June 1, 2021, was based on the tenets of the Sustainable Generation Plan. As we prepared for this milestone, we worked closely with employees and are very proud that the G-3 team never stopped focusing on safe and reliable operation until the useable coal supply was depleted in April 2021.

Our commitment to safety and reliability never stops. Without a culture of safety, nothing is sustainable, and safety remains our highest priority as we strive for an operational goal of zero incidents.

FOCUSING ON MEMBER VALUE

Providing value to Dairyland's members is central to our cooperative purpose. Aligned with our updated Mission, Vision and Core Values, Dairyland's People 1st culture is member-focused, clarifies employee roles and goals, and enhances communication throughout the organization.

We are being purposeful in managing costs and pursuing growth opportunities. The Dairyland team is focused on improving communities and the quality of life. As a cooperative, Dairyland makes positive impacts in our four-state region by supporting community organizations that assist those facing economic challenges.

We never stop pursuing financial and competitive strength, as they are critical to sustainability, and are pleased to report Dairyland has strong credit ratings with a stable outlook. Our average wholesale rate for our member cooperatives decreased by 2.6 percent on May 1, 2021, and a new rate design provides additional flexibility for our member cooperatives.

CORE VALUES

Relationships

Accountability

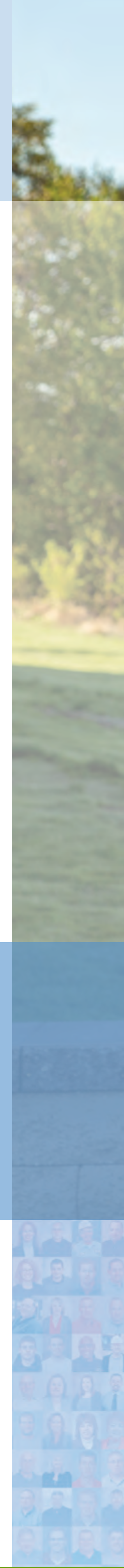
Integrity

Safety

Excellence

Dairyland implemented an innovative approach to foster sustainable business and seek new revenue opportunities for members through the creation of a new Business Development initiative. Dairyland and its members are also implementing strategies to support electric vehicle growth in the region.

Dairyland is well-positioned to provide its members long-term value by implementing business strategies, embracing new technologies and diversifying energy resources. Throughout this pandemic journey, we never stopped focusing on providing critical power to our members.



BRENT RIDGE
PRESIDENT & CEO

ED GULLICKSON
CHAIR,
BOARD OF DIRECTORS

OUR MISSION/ VISION

MISSION: **To power our communities and empower cooperative members to improve the quality of their lives.**

VISION: **To grow, innovate and deliver value as a premier member-driven energy cooperative through safe, reliable and sustainable solutions.**

STRATEGIC PRIORITIES

- Safety Culture
- Growth & Innovation
- People 1st
- Asset Reliability & Diversification
- Cooperative Principles
- Financial & Competitive Strength

COOPERATIVE LEADERS | Dairyland Power Cooperative

BOARD OF DIRECTORS

Member control of Dairyland is vested in its Board of Directors, consisting of representatives from each Class A member distribution cooperative. Selected by their local members, directors represent a broad spectrum of interests, including their members, the business interests of their local cooperative and, perhaps the most challenging of all, the affairs of a power supply system providing energy to more than a half-million people.

David Anderson
Riverland Energy Cooperative

Michael Baker
Barron Electric Cooperative

Clarence Boettcher
Eau Claire Energy Cooperative

Burt Magnuson
Freeborn Mower Electric Cooperative

Joseph Mattingley
Jo-Carroll Energy

Karen Newbury
Price Electric Cooperative

John Petska
Chippewa Valley Electric Cooperative

Neil Plourde
St. Croix Electric Cooperative

EXECUTIVE COMMITTEE

Ed Gullickson
Polk-Burnett Electric Cooperative

Jeff Monson
Richland Electric Cooperative

Jerry Huber
Jackson Electric Cooperative

James Hager
Clark Electric Cooperative

Sandra Davidson
Scenic Rivers Energy Cooperative

Larry Lamborn
Allamakee-Clayton Electric Cooperative

Chuck Zenner
Taylor Electric Cooperative

Tom Zwiefelhofer
Dunn Energy Cooperative

IN MEMORIAM:
Larry Lamborn represented Allamakee-Clayton Electric Cooperative on the Dairyland Board of Directors from June 2010 until his death April 9, 2021.

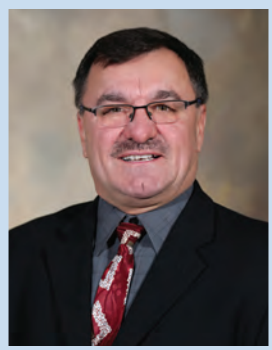
* Ken Wohlers of People's Energy Cooperative retired in March 2021.


Art Friedrich*
People's Energy Cooperative


Edward Hass
Pierce Pepin Cooperative Services


Robert Hess
Oakdale Electric Cooperative

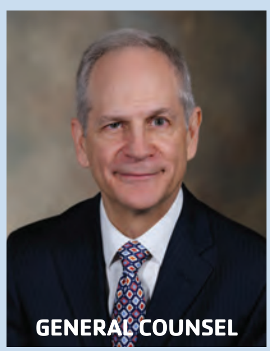

Mark Kingland
Heartland Power Cooperative


Daniel Korn
Vernon Electric Cooperative

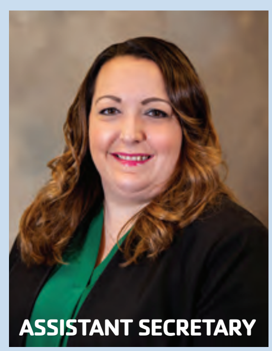

Barry Radloff
Bayfield Electric Cooperative


Jane Reich
Jump River Electric Cooperative


Jennifer Scharmer
MiEnergy Cooperative



Niles Berman
Wheeler, Van Sickle & Anderson



Courtney Cuta
Dairyland Power Cooperative

WE NEVER STOP

STAYING SAFE AT WORK AND HOME

During the COVID-19 pandemic, Dairyland joined organizations worldwide in navigating a swift transition from bustling business to quiet hallways and dark conference rooms. After activating its Business Continuity Plan for the first time, telecommuting began within hours for those who were able to work remotely.

All the buzzwords of the pandemic—new normal, unprecedented—were true for each employee, whether adapting to a virtual home office or adjusting to tightened wellness restrictions in critical operation areas.

Through it all, Dairyland has focused on one goal: ensuring the safety of employees and communities, while doubling down on our commitment as a reliable energy provider for member cooperatives.

President and CEO Brent Ridge leads with safety as his #1 job. In every circumstance, 200 percent accountability on safety is expected from all employees; 100 percent for the individual and 100 percent for the teammate. In 2020, Dairyland launched training on Human Performance Tools, safety error prevention strategies that help employees consider cause and effect in everything they do.

ZERO By Choice
EVERYONE HOME SAFE EVERY DAY

1

2

TRANSMISSION LINES

VOLTAGE IN KILOVOLTS (kV)	MILES AS CONSTRUCTED
345	22.41
161	627.93
69	2,533.59
34.5	0.46
TOTAL	3,184.39

SUBSTATIONS

Plant	6
Transmission	36
Distribution	239
TOTAL	281

1) Safety meetings and Service Award presentations were conducted safely at worksites or virtually for remote employees.

2) The last barge shipment of coal was unloaded at G-3 on October 7, 2020. The plant operated until the useable supply of coal was depleted on April 11, 2021.

3) Dairyland's Fleet Operations team provided essential support onsite during the pandemic, ensuring equipment and vehicles were operational to support critical transmission and maintenance projects.

DELIVERING CRITICAL POWER

We rely on electricity to power every facet of our lives. Reliability of the grid is essential during pandemics, storms and everyday life. Dairyland's power delivery professionals safely rebuild approximately 50 miles of its 69 KV transmission infrastructure annually. Through collaboration with other utilities in the Restoration of Power in an Emergency (ROPE) program, outage times are lessened during severe weather events.

The 2021 polar vortex underscored the importance of system planning to ensure a safe, reliable supply of power for member communities. Dairyland's annual Emergency Load Reduction Plan drill simulates a major system event as a hands-on learning experience with member cooperatives.

As energy needs evolve, so must the transmission grid. Dairyland is a 9 percent owner in the 345-kV Cardinal-Hickory Creek transmission line, which will extend from Dubuque, Iowa, to Middleton, Wis. Cardinal-Hickory Creek will be vital to the region's changing energy environment, greatly bolstering access to renewable resources for homes and businesses.

Dairyland and the nine other CapX2020 partner utilities renamed their organization Grid North Partners in 2021. The new name reflects the goal to identify collaborative solutions to meet the needs of the nearly 3 million consumers served by the Grid North Partners.

WE NEVER STOP

INVESTING IN THE NEXT GENERATION OF SERVICE

Dairyland established a Business Development Fund to seek potential new revenue opportunities for our cooperative. Growth in this area will tie to long-term competitive rates for our members and help cultivate strong communities.

Wholesale load growth, economic development and business development center around growth in services that will benefit member cooperatives. Opportunity areas include infrastructure construction projects and amplified Human Resources and IT services.

Fiber deployment projects in the communities Dairyland serves will boost broadband access, thereby impacting economic growth.

Dairyland's new energy-efficient Publication Services center provides high quality and affordable printing, graphic design and mail services. Of course, the mail never stops. During the COVID-19 pandemic, the team remained dedicated to ensuring safe, essential deliveries.

WAVE OF THE FUTURE

To support long-term sustainability, Dairyland pursues forward-thinking business practices that address four areas: environmental, economic, social and technological.

Beneficial electrification is a major focus. In 2020, Dairyland formed an innovative regional electric vehicle (EV) charging network with a group of electric cooperatives in its service territory. CHARGE EV, LLC, includes over 30 charging stations. By alleviating "range anxiety" for EV drivers looking for charging sites, EV market growth will be encouraged.

Dairyland recently launched a research project into the capabilities of utilizing an EV for two-way power. The Vehicle to Grid project will test an EV's ability to feed power back into the grid. Beyond testing the concept of a "smart" interface, the EV may prove useful in alleviating peak loads by providing energy back to the grid at times of high energy use.

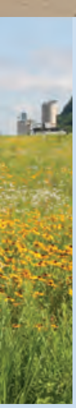
Longstanding programs still support sustainability. For years, Dairyland's Load Management program has offered benefits to members who have electric use controlled during times of peak demand, high energy prices or to help relieve system imbalance during an outage.

RECYCLING MILESTONE REACHED

For the first time, Dairyland recycled 100 percent of the fly ash captured by the precipitators at the Genoa Station #3 and John P. Madgett power plants in 2020. This amounted to over 39,000 tons of beneficially reused fly ash, which is commonly recycled as a replacement for Portland cement in concrete.

View Dairyland's Sustainability Report at DairylandPower.com to learn about more environmental achievements.

2



1) Pollinator habitat established at Dairyland's power plants, solar sites, substations and along transmission corridors supports bee and butterfly populations.

2) Celebrating the groundbreaking of Dairyland's new Publication Services facility in June 2020.

3) EV chargers at the new Publication Services facility are used by members and employees. Chargers are located throughout the Dairyland system and at member facilities.

3

MORE RENEWABLES, LESS CARBON

In 2020, Dairyland's Board of Directors approved a goal of a 50 percent reduction in carbon dioxide intensity rate by 2030 (from 2005 levels). Dairyland's Sustainable Generation Plan focuses on system reliability on the path to a low-carbon future.

Supporting the transition is Dairyland's latest wind energy investment. The Tatanka Ridge Wind Farm (Deuel County, S.D.) began commercial operation in January 2021. Dairyland has a power purchase agreement (PPA) with Tatanka Ridge Wind, LLC, for 51.6 MW of renewable energy—enough to power more than 16,000 homes. Tatanka Ridge joins Dairyland's nearly 200 MW of wind energy investments, reflecting a sustainable, cost-effective approach to diversification.

Already a solar leader in Wisconsin, Dairyland will be adding significantly to its renewable portfolio in the near term. Dairyland has a PPA for the entire 149 MW Badger State Solar facility, in development by Ranger Power in southern Wisconsin. Badger State is expected to be in service in 2023, with the ability to power 25,000 homes.

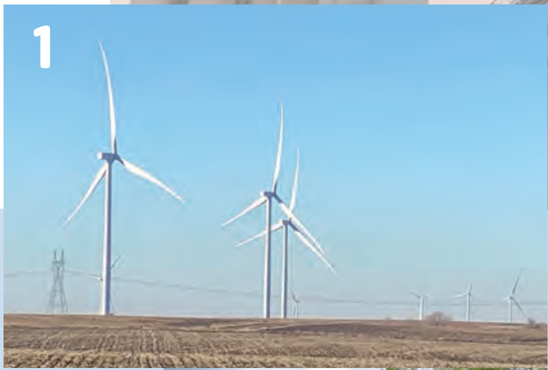
In addition, Dairyland and its member cooperatives support 2,625 consumer-owned distributed generation installations. Since private ownership of renewable energy generation can be limited due to cost or siting issues, the *Evergreen* program welcomes member cooperative consumers to participate in the regional green power program.

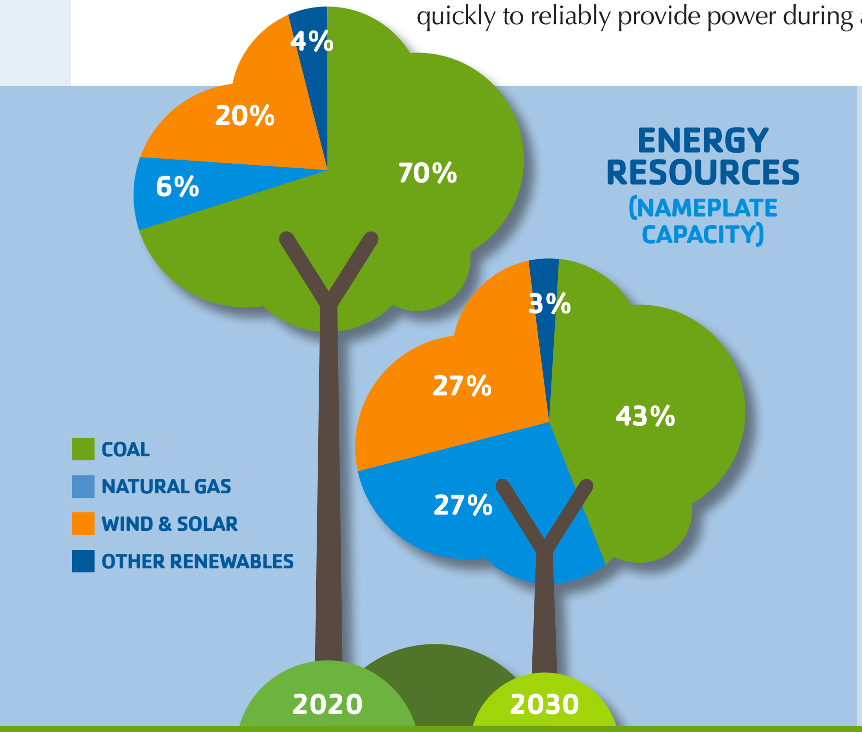
Dairyland's Flambeau Hydro Station (Ladysmith, Wis.) has quietly generated clean and reliable water-powered energy since 1951.

SAFE AND RELIABLE

Natural gas serves as a bridge resource, supporting renewable energy investments while new technologies come to fruition. Dairyland's Elk Mound (Wis.) natural gas/fuel oil combustion turbines have quick-start capability for times of peak energy demand.

Dairyland is joining with Minnesota Power/ALLETE on the Nemadji Trail Energy Center, a combined-cycle natural gas facility proposed in Superior, Wis. It will ramp up quickly to reliably provide power during any conditions.





WE NEVER STOP

POWERING THROUGH FOR YOU

The COVID-19 pandemic put a stark spotlight on the essential need for electricity to power homes, hospitals and communities. Dairyland's power delivery and power supply teams put safety first while consistently maintaining grid reliability.

Early 2021 brought a historic polar vortex that taxed systems in vast areas of the nation. Dairyland's baseload generating resources responded to market demands associated with the extreme temperatures, running at peak output for multiple days. The John P. Madgett coal-fired power plant set a gross daily generation record, an achievement due to excellent plant maintenance and operational practices.

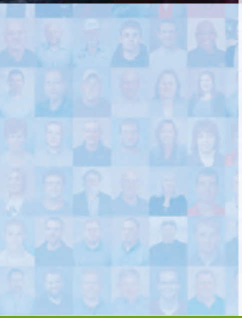
Standing strong behind cooperative-wide operations is Dairyland's Information Services. Now more than ever, keeping the lights on requires fluid and expert technical support for teams working in the field, plants or at home.

3

1) The Tatanka Ridge Wind Farm began commercial operation in January 2021, providing renewable energy to power about 16,000 homes in the Dairyland system.

2) Celebrations were conducted safely, but never stopped due to the pandemic. Donuts were delivered to employees on Lineworker Appreciation Day to say thank you for keeping the lights on.

3) The Facilities team maintained Dairyland's campus and made modifications throughout the pandemic to enhance safety and prepare for employees to return to the office.



WE NEVER STOP

SUPPORTING COMMUNITIES AND EACH OTHER

Dairyland had a smooth leadership transition during a turbulent time when Brent Ridge became President and CEO in July 2020, following the retirement of Barbara Nick. Throughout the pandemic, Dairyland's leadership, Board and staff never stopped putting people first.

Dairylanders were able to safely connect with local student groups to talk about stewardship and support community service organizations through donations and volunteerism.

Mutual respect is the foundation of Dairyland's People 1st culture. A sustainable workforce prioritizes diversity, equity and inclusion (DEI) at every turn. Navigating challenges as one Dairyland team that can adapt and persevere together has been critical during the pandemic.

Employee growth and education is a core value at Dairyland, led by the Cooperative Principle *Education, Training & Information*. Learning and training opportunities went virtual over the past year, ensuring employees did not miss a step. Dairyland graduated 36 new leaders from its Leadership Development Program, and the entire workforce engaged in regular online learning on safety, DEI, compliance and more.

1) Spreading holiday cheer never stopped as Dairylanders dropped off gifts tagged for safe delivery to neighboring nursing home residents.

2) Dairyland's Leadership Development Program continued online during the pandemic, with two virtual cohorts graduating in May 2021.

3) Dairyland provided financial support to alleviate economic hardship created by the pandemic through the United Way, Hunger Task Force and other organizations serving those in need in local communities.

STRENGTHENING RURAL PROSPERITY

The rural economy has suffered during the pandemic. By working with local, state and federal agencies, Dairyland staff helps secure economic relief as well as opportunities that will help member communities grow by adding businesses and jobs. Securing economic development projects, such as the Vortex Cold Storage facility under construction in Minnesota, is important for the entire Dairyland system.

Dairyland has helped its 24 member-cooperatives access 85 loans and grants totaling more than $26 million to assist them with economic development.

THE POWER OF HUMAN CONNECTIONS

As a founding regional member of Touchstone Energy® Cooperatives, a national network of cooperatives, Dairyland has been working with cooperatives across the country for decades to develop programs and tools to engage cooperative members and strengthen rural communities.

Touchstone Energy has helped cooperatives stay connected throughout the pandemic. With many employees and members continuing to work remotely, this continues to be essential. Brand advertising, social media, educational programs and technology such as the Co-op Web Builder tool exemplify the powerful capabilities of cooperatives working together.

America's electric cooperatives were built by and belong to the diverse communities they serve. Dairyland works with policymakers in both parties to find solutions to issues that could impact the cooperative membership.

Legislative and regulatory decisions regarding power delivery, the pace of energy diversification, infrastructure construction and the storage of nuclear fuel can significantly affect Dairyland's operations, reliability and the cost consumers will pay for electricity.

Touchstone Energy® Cooperatives

The power of human connections®

CAPITAL CREDITS RETIRED TO MEMBERS

2016	2017	2018	2019	2020
$3.9 Million	$4.1 Million	$4.4 Million	$4.4 Million	$11.5 Million

RATE DECREASE IN 2021

The Board approved Dairyland's 2021 budget that resulted in an estimated rate year decrease of 2.6 percent in the average wholesale rate for Dairyland's member cooperatives effective May 1, 2021. The budget supports the priorities outlined in Dairyland's strategic business plan to serve Dairyland's members.

A new wholesale rate design is providing additional flexibility for members beginning in May 2021. The Board also approved moving Dairyland's rate year to a calendar year beginning in 2022. This will improve efficiency of the annual budget process and add clarity for members.

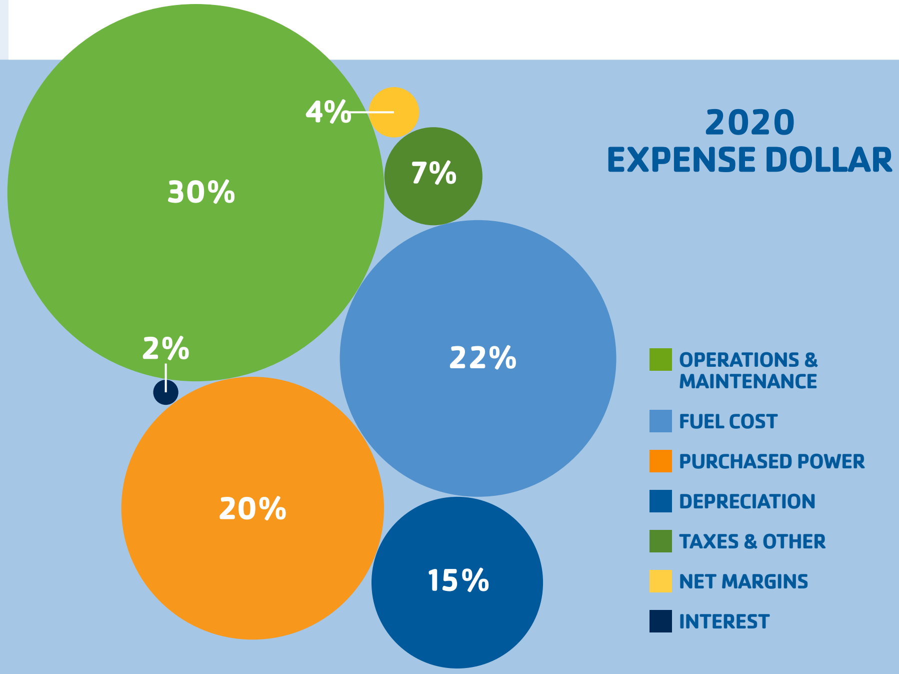
FLEXIBLE AND STRONG FOR MEMBERS

Despite the challenges of a pandemic year, Dairyland had strong financial margins in 2020. Key influences were a favorable regional energy market, reductions in budgeted operational costs and other factors.

As a result, Dairyland provided $6 million of rate credits to members in 2020, reduced future expenses and established the new business development initiative. In addition, Dairyland temporarily increased its cash retirement of Capital Credits to 5 percent (versus 2 percent) resulting in 2020 cash retirements of $11.5 million and had three power cost adjustment (PCA) credits totaling $2.8 million.

Dairyland has credit ratings of "A3" with a stable outlook from Moody's and "A+" also with a stable outlook from Standard and Poor's. Management of costs and risks while modernizing processes to enhance efficiency will remain key areas of focus.

Dairyland contracted with Energy*Solutions*, a national radioactive waste services contractor for the La Crosse Boiling Water Reactor (LACBWR) decommissioning. LaCrosseSolutions, LLC, temporarily holds the license and assumes responsibility for the decommissioning of the LACBWR site. The project is near 100 percent completion and the license is expected to return to Dairyland in 2021.



1) President and CEO Brent Ridge explains investments Dairyland is making in renewable resources and technology to be sustainable and provide cooperative members with safe, reliable and affordable energy. Carbon reduction and system reliability are central considerations.

WE NEVER STOP

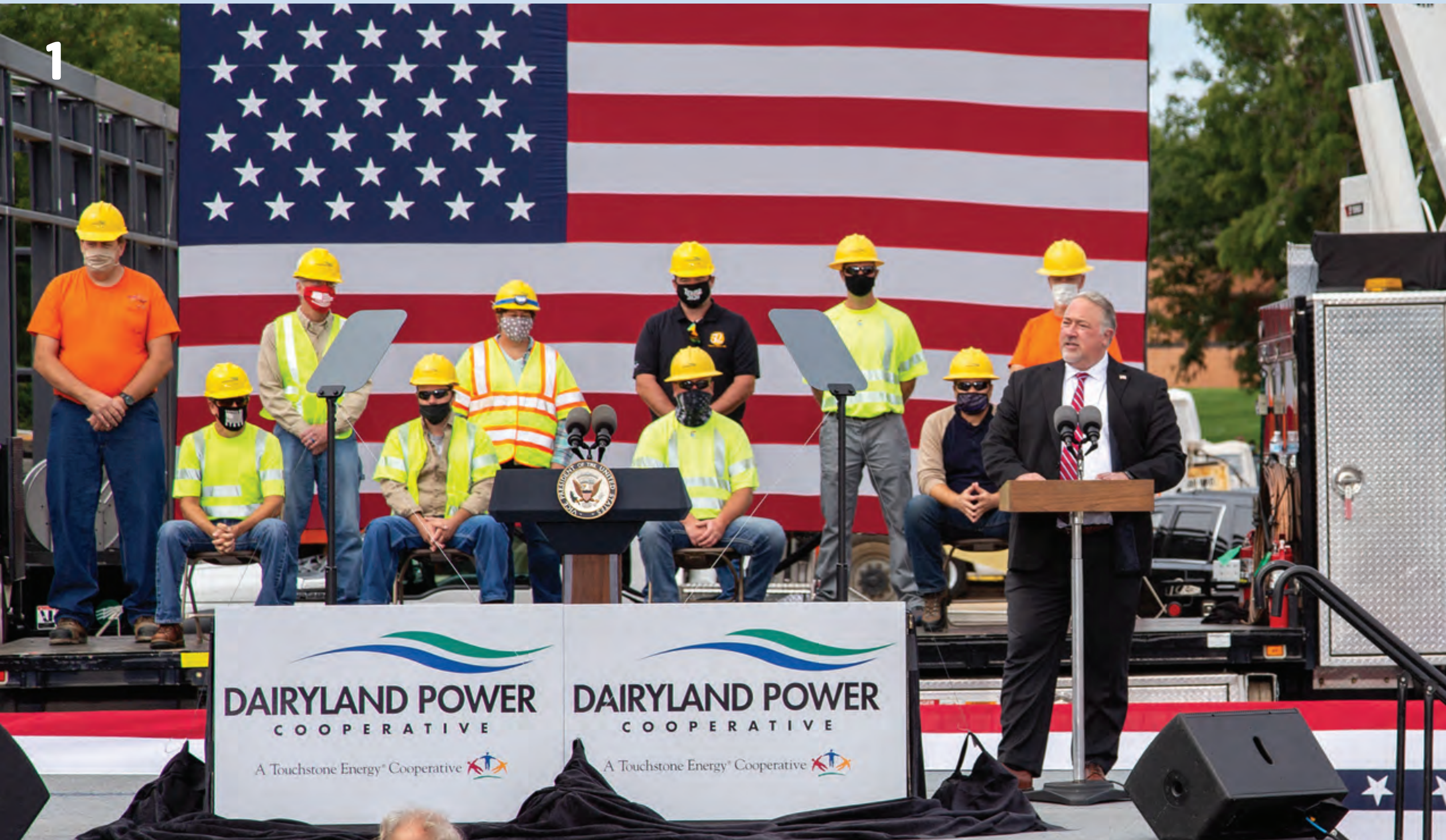
INVESTING IN THE FUTURE

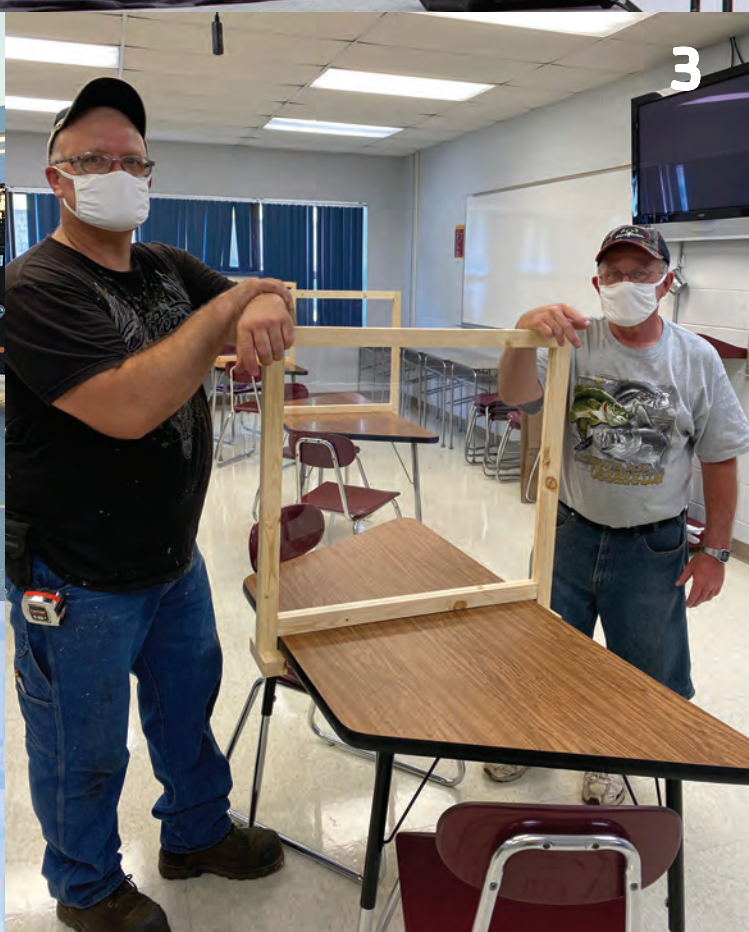
Enterprise risk management, cost management and business development initiatives are in place to build financial strength and foster long-term competitive rates for members. Dairyland's tenets of sustainability, safety and reliability are guardrails for future investments.

An example is Dairyland's investments in regional transmission opportunities that improve reliability, deliver renewable resources and add value for our members. By working with other utilities, regional transmission infrastructure has been strengthened to absorb changing generation sources such as wind and solar, while maintaining reliability.

	2016	2017	2018	2019	2020
EQUITY TO TOTAL ASSETS	18.4 %	20.7 %	22.3 %	23.8 %	25.0 %

	2016	2017	2018	2019	2020
MEMBER SALES (Billions of kWh)	4.79 kWh	4.86 kWh	5.47 kWh	5.34 kWh	5.14 kWh





WE NEVER STOP

MEMBERS AND COMMUNITY

ONE: Labor Day 2020 was an historic day at Dairyland. President and CEO Brent Ridge welcomed U.S. Vice President Mike Pence and Secretary of Labor Eugene Scalia at Dairyland's La Crosse Service Center to honor the critical service our employees provide. Dairyland is a nonpartisan organization and has hosted elected officials from all political parties.

TWO: Dairyland provided mutual assistance to Central Iowa Power Cooperative (CIPCO), after the utility suffered significant damage in their service territory during the August 2020 derecho. Dairyland's Power Delivery and Safety crews went to the Cedar Rapids, Iowa, area to restore power.

THREE: Back-to-School 2020 was better at De Soto Middle and High School, thanks to hardworking coworkers from the G-3 power plant. They installed plexiglass and made many modifications to make the building as safe as possible for students and teachers.

FOUR: Dairyland supported a community collaboration to help open a greatly needed dental clinic, operated by Scenic Bluffs Community Health Centers to serve low-income La Crosse County residents. Prior to the Scenic Bluffs Dental Clinic opening, there were over 1,700 names on the wait list.

FIVE: Dairyland hosted pizza parties for employees to celebrate G-3's long history of safe and reliable operation. After 52 years, the coal-fired power plant will officially retire June 1, 2021.

SIX: Social media shared the journey as Dairyland's all-electric Nissan Leaf hit the road for an extended road trip to identify gaps in the EV charging infrastructure within the cooperative service territory.

EXECUTIVE TEAM

Brent Ridge
President & CEO

Amanda Hoefling
Chief Member Relations & Human Resources Officer

Phil Moilien
Chief Financial Officer/ Executive Vice President

Ben Porath
Chief Operating Officer

John Carr
Vice President, Power Supply

Courtney Cuta
Senior Executive Assistant, Assistant Secretary to the Board

Nate Melby
Chief Information Officer

Rob Palmberg
Vice President, External & Member Relations

Brad Smalldridge
Vice President, Business Development

April Wehling
Chief Strategy Officer

John Young
Chief Risk Officer

INDEPENDENT AUDITORS' REPORT | March 26, 2021

BOARD OF DIRECTORS
DAIRYLAND POWER COOPERATIVE
LA CROSSE, WISCONSIN

We have audited the accompanying consolidated financial statements of Dairyland Power Cooperative and its subsidiaries (the "Cooperative"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of revenues, expenses and comprehensive income, member and patron equities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements | Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility | Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Cooperative's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion | In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dairyland Power Cooperative and its subsidiary as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Minneapolis, Minnesota | Deloitte & Touche LLP

CONSOLIDATED BALANCE SHEETS

As of December 31, 2020 & 2019 (All dollar amounts in thousands)

ASSETS

	2020	2019
Electric Plant:		
Plant and equipment—at original cost	$ 1,864,390	$ 1,810,057
Less accumulated depreciation	(821,525)	(729,224)
Net plant and equipment	1,042,865	1,080,833
Construction work in progress	68,812	85,461
Total electric plant	1,111,677	1,166,294
Other Assets:		
Nuclear decommissioning funds (Note 4)	1,988	1,984
Other property and investments (Note 8)	13,550	11,927
Investments in capital term certificates of National Rural Utilities Cooperative Finance Corporation (NRUCFC) (Note 8)	9,176	9,176
Regulatory assets (Note 1)	16,139	8,288
Investment for deferred compensation	1,530	1,873
Deferred charges (Note 1)	18,165	18,434
Total other assets	60,548	51,682
Current Assets:		
Cash and cash equivalents	19,535	28,465
Designated funds	8,000	-
Accounts receivable:		
Energy sales	35,541	40,810
Other	1,311	4,215
Inventories:		
Fossil fuels	41,327	36,119
Materials and supplies	20,908	21,711
Prepaid expenses and other	10,736	13,906
Total current assets	137,358	145,226
Total	$ 1,309,583	$ 1,363,202

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

As of December 31, 2020 & 2019 (All dollar amounts in thousands)

CAPITALIZATION & LIABILITIES

	2020	2019
Capitalization:		
Member and patron equities:		
Membership fees	$ 1	$ 1
Patronage capital (Note 9)	326,600	322,443
Accumulated other comprehensive income (Note 1)	1,376	1,928
Total member and patron equities	327,977	324,372
Long-term obligations (Note 6)	835,120	800,519
Total capitalization	1,163,097	1,124,891
Other Liabilities:		
Other deferred credits (Note 1)	2,519	53,649
Obligations under capital leases (Note 7)	6,623	5,058
Postretirement health insurance obligation (Note 11)	5,523	4,849
Decommissioning and asset retirement obligations (Note 13)	4,957	4,954
Other non-current liabilities	3,627	2,269
Total other liabilities	23,249	70,779
Commitments and Contingencies (Note 10)		
Current Liabilities:		
Current maturities of long-term obligations and obligations under capital leases	44,167	43,960
Line of credit (Note 5)	-	68,000
Nuclear decommissioning obligations (Note 13)	56	405
Advances from member cooperatives and other prepayments	13,704	13,826
Deferred credits (Note 1)	20,945	5,729
Other regulatory liabilities (Note 1)	8,000	-
Accounts payable	26,255	23,031
Accrued expenses:		
Payroll, vacation and benefits	5,897	6,956
Interest	-	22
Property and other taxes	3,201	3,797
Other	1,012	1,806
Total current liabilities	123,237	167,532
TOTAL	$ 1,309,583	$ 1,363,202

See notes to consolidated financial statements.

Consolidated Statements of

REVENUES, EXPENSES & COMPREHENSIVE INCOME

For the years ended December 31, 2020 & 2019 (All dollar amounts in thousands)

	2020	2019
Utility Operations:		
Operating revenues:		
Sales of electric energy	$ 425,214	$ 444,760
Other	17,217	25,884
Total operating revenues	442,431	470,644
Operating expenses:		
Fuel	96,273	106,389
Purchased and interchanged power	89,874	103,650
Other operating expenses	108,058	107,800
Depreciation and amortization	68,343	60,008
Maintenance	27,541	35,174
Property and other taxes	8,903	9,449
Total operating expenses	398,992	422,470
Operating margin before interest and other	43,439	48,174
Interest and other:		
Interest expense	29,785	34,210
Allowance for funds used in construction—equity	(1,008)	(936)
Other—net	(60)	(143)
Total interest and other	28,717	33,131
Operating Margin	14,722	15,043
Nonoperating Margin (Note 1)	984	3,286
Net Margin and Earnings	15,706	18,329
Other Comprehensive Loss		
Postretirement health insurance obligation adjustments	(552)	(559)
Comprehensive Income	$ 15,154	$ 17,770

Consolidated Statements of

MEMBER & PATRON EQUITIES

For the years ended December 31, 2020 & 2019 (All dollar amounts in thousands)

	Membership Fees	Patronage Capital	Accumulated Other Comprehensive Income	Total Member and Patron Equities
Balance—December 31, 2018	$ 1	$ 308,540	$ 2,487	$ 311,028
Net margin and earnings	-	18,329	-	18,329
Postretirement health insurance obligation adjustments	-	-	(559)	(559)
Retirement of capital credits (Note 9)	-	(4,426)	-	(4,426)
Balance—December 31, 2019	1	322,443	1,928	324,372
Net margin and earnings	-	15,706	-	15,706
Postretirement health insurance obligation adjustments	-	-	(552)	(552)
Retirement of capital credits (Note 9)	-	(11,549)	-	(11,549)
Balance—December 31, 2020	$ 1	$ 326,600	$ 1,376	$ 327,977

See notes to consolidated financial statements.

	2020	2019
Cash Flows from Operating Activities:		
Net margin and earnings	$ 15,706	$ 18,329
Adjustments to reconcile net margin and earnings to net cash provided by operating activities:		
(Gain) loss on disposal of assets	(1,279)	2,836
Depreciation and amortization:		
Charged to operating expenses	68,324	59,813
Charged through other operating elements such as fuel expense	3,363	3,336
Allowance for funds used in construction—equity	(1,008)	(936)
Unrealized loss (gain) on nuclear decommissioning trust investments	6	(15)
Changes in operating elements:		
Accounts receivable	8,173	(3,861)
Inventories	(5,068)	7,919
Prepaid expenses and other assets	3,170	4,593
Accounts payable	3,721	4,423
Accrued expenses and other liabilities	11,480	(9,203)
Deferred charges and other	(17,337)	1,462
Total adjustments	73,545	70,367
Net cash provided by operating activities	89,251	88,696
Cash Flows from Investing Activities:		
Electric plant additions	(54,021)	(50,434)
Purchase of investments	(6,247)	(10,928)
Proceeds from sale of investments and economic development loans	5,071	10,139
Net cash used in investing activities	(55,197)	(51,223)
Cash Flows from Financing Activities:		
Borrowings under line of credit	44,000	72,000
Repayments under line of credit	(112,000)	(83,000)
Borrowings under long-term obligations	79,958	-
Repayments of long-term obligations	(43,086)	(21,336)
Retirement of capital credits	(11,549)	(4,426)
Borrowings of advances from member cooperatives	378,670	390,776
Repayments of advances from member cooperatives	(378,977)	(388,621)
Net cash used in financing activities	(42,984)	(34,607)
Net (Decrease) Increase in Cash and Cash Equivalents	(8,930)	2,866
Cash and Cash Equivalents—Beginning of year	28,465	25,599
Cash and Cash Equivalents—End of year	$ 19,535	$ 28,465

See notes to consolidated financial statements.

As of and for the years ended December 31, 2020 & 2019 (All dollar amounts in thousands)

ONE | Nature of Business & Organization

Business | Dairyland Power Cooperative and subsidiary ("Dairyland" or the "Cooperative") is an electric generation and transmission cooperative organized under the laws of the states of Wisconsin and Minnesota. The Cooperative, whose principal offices are located in Wisconsin, provides wholesale electric service to Class A members engaged in the retail sale of electricity to member consumers located in Wisconsin, Minnesota, Iowa and Illinois, and provides electric and other services to Class C, D and E members.

Principles of Consolidation | The consolidated financial statements include the accounts of Dairyland and Dairyland's wholly owned subsidiary, Genoa FuelTech, Inc. All intercompany balances and transactions have been eliminated in consolidation.

Accounting System and Reporting | The accounting records of the Cooperative are maintained in accordance with the uniform system of accounts prescribed by the Federal Energy Regulatory Commission as adopted by the Rural Utilities Service (RUS), the Cooperative's principal regulatory agency.

Electric Plant | The cost of renewals and betterments of units of property (as distinguished from minor items of property) includes contract work, direct labor and materials, allocable overhead, and allowance for funds used during construction, and is charged to electric plant accounts. Included in accumulated depreciation are nonlegal or noncontractual costs of removal components. As a result, the cost of units of property retired, sold or otherwise disposed of, plus removal costs, less salvage, is charged to accumulated depreciation and no profit or loss is recognized in connection with ordinary retirements of property units. A provision for these nonlegal or noncontractual costs of removal components is recognized based on depreciation rates determined by a third-party depreciation study completed in November 2016 and approved by RUS in 2017 for rates effective in 2017. The Cooperative is unable to obtain the information to separate the cumulative removal costs as of December 31, 2020 and 2019. Maintenance and repair costs and replacement and renewal of minor items of property are charged to operations.

Depreciation | Depreciation, which is based on the straight-line method at rates that are designed to amortize the original cost of properties over their estimated useful lives, includes a provision for the cost of removing and decommissioning the properties. The provision for depreciation averaged 3.8% and 3.5% of depreciable plant balances for 2020 and 2019, respectively.

Allowance for Funds Used During Construction | Allowance for funds used during construction (AFUDC) represents the cost of external and internal funds used for construction purposes, and is capitalized as a component of electric plant by applying a rate (5.872% in 2020 and 5.321% in 2019) to certain construction work in progress. The amount of such allowance was $2,785 in 2020 and $2,524 in 2019. The borrowed funds component of AFUDC for 2020 and 2019, was $1,777 and $1,587, respectively (representing 3.747% and 3.345% in 2020 and 2019, respectively). The equity component of AFUDC for 2020 and 2019 was $1,008 and $936, respectively, (representing 2.125% and 1.976% in 2020 and 2019, respectively). The borrowed funds components were included as a reduction of interest expense in the consolidated statements of revenues, expenses and comprehensive income.

Designated Funds | In January 2021, the Board of Directors approved the creation of a regulatory liability revenue deferral plan in the amount of $8,000 pertaining to favorable results from market credits through transactions with the Mid-Continent Independent System Operator (MISO) in 2020 and cost savings realized with the decision to retire the Genoa #3 station. The Cooperative deferred $8,000 of 2020 revenue and plans to recognize this amount in 2021. The deferral plan was approved by RUS in February of 2021.

Regulatory Assets | The Cooperative's accounting policies and the consolidated financial statements conform to accounting principles generally accepted in the United States of America applicable to electric cooperatives.

The noncurrent portion of regulatory assets as of December 31, 2020 and 2019, include the following:

	2020	2019
Alma 4 & 5 unrecovered plant balances	$ -	$ 8,288
Genoa #3 unrecovered plant balances	16,139	-
Total regulatory assets	$ 16,139	$ 8,288

Alma 4 & 5 unrecovered plant balances | During 2014, the Cooperative established a regulatory asset related to unrecovered plant balances upon closure of the Alma 4&5 generating stations. This is being amortized through rates over 10 years beginning in 2015. In 2020, the Board of Directors approved early defeasement of this regulatory asset and the remaining amount was amortized into expense.

Genoa #3 unrecovered plant balances | During 2020, the Cooperative established a regulatory asset related to the unrecovered plant balances upon closure of the Genoa #3 generating station expected in 2021. A second regulatory asset was also established in 2020 in the amount of $10,000 and relates to the retirements and retention programs associated with the Genoa Station #3 closure. In 2020, Dairyland began accelerating depreciation of plant assets related to Genoa #3 which was recorded against the regulatory asset. Accelerated depreciation will continue to occur until the book value is zero at the closure date. The revenue recognition related to the GRE Prepayment (Note 1) was also accelerated to coincide with the expected plant closure date. This accelerated revenue recognition was recorded as an offset to the Genoa #3 regulatory asset.

The expected following year's portion of these regulatory assets is included in prepayments and other assets at December 31, 2020 and 2019, respectively.

Deferred Charges | Deferred charges represent future revenue to the Cooperative associated with costs that will be recovered from customers through the rate-making process. As of December 31, 2020 and 2019, the Cooperative's deferred charges are being reflected in rates charged to customers, except the deferred nuclear litigation as noted below. If all or a separable portion of the Cooperative's operations become no longer subject to the provisions of regulatory accounting, a write-off of deferred charges would be required, unless some form of transition recovery (refund) continues through rates established and collected for the Cooperative's remaining regulated operations. In addition, the Cooperative would be required to determine any impairment to the carrying costs of deregulated plant and inventory assets.

The noncurrent portion of deferred charges as of December 31, 2020 and 2019, include the following:

	2020	2019
Pension prepayment	$ 2,690	$ 5,380
Deferred nuclear litigation	6,271	3,958
Other	9,204	9,096
Total deferred charges	$ 18,165	$ 18,434

Pension prepayment | The voluntary prepayment to the Cooperative's multiemployer defined-benefit pension plan to reduce future funding amounts is being amortized to benefits expense over 10 years beginning in 2013 as prescribed by RUS.

Deferred nuclear litigation | Litigation expenses from the third nuclear contract damages claim against the United States government are being deferred pending the outcome of that litigation. See further discussion in Note 14.

Other | Costs relating to the Nemadji Trail Energy Center natural gas project are being accumulated in deferred charges. These charges will be amortized when the plant is in service (currently estimated for 2025).

Cash and Cash Equivalents | Cash equivalents include all highly liquid investments with original maturities of three months or less. Cash equivalents consist primarily of commercial paper, stated at cost, which approximates market.

Fossil Fuels and Materials and Supplies | Coal inventories, as well as materials and supplies inventories, are stated at the lower of average cost or net realizable value.

Deferred Credits | Deferred credits represent both future revenue to the Cooperative associated with customer prepayments and noncurrent obligations and reserves related to operations. As of December 31, 2020, the Cooperative's deferred credits are being considered when determining rates charged to customers.

The noncurrent portion of deferred credits as of December 31, 2020 and 2019, include the following:

	2020	2019
Unearned revenue—contract prepayment	$ -	$ 51,558
Other	2,519	2,091
Total deferred credits	$ 2,519	$ 53,649

Unearned Revenue - Contract Prepayment | During 2015, the Cooperative and Great River Energy (GRE) reached settlement terms amending a power agreement which shared costs and benefits of the Cooperative owned 345-megawatt coal fired generating unit located in Genoa, Wisconsin ("Genoa Station #3"). The settlement terms allowed GRE to end its purchase of power and energy under the agreement as of June 1, 2015, upon prepayment by GRE of $83,543 for certain obligations under the agreement. GRE is no longer entitled to any output from the unit. GRE will remain responsible for its share of eventual decommissioning costs and of any liability for disposal of coal combustion byproducts. The transaction received required approval from RUS during 2015.

The prepayment was setup to be recognized into operating revenues on a straight-line basis through 2029, the approximate time frame over which the prepayment amounts would have been billed. The amounts recognized as revenue under the straight-line basis were $5,729 during both 2020 and 2019.

Revenue recognition related to the GRE prepayment was accelerated in 2020 to coincide with the expected closing of the Genoa Station #3 facility (expected June 1, 2021). The accelerated revenue recognition was recorded as an offset to the regulatory asset established for the Genoa Station #3 facility. The amount of the accelerated revenue recognition for 2020 was $30,612. The remaining GRE prepayment balance of $20,945 was classified within current deferred credits as of December 31, 2020 due to the expected closure in 2021.

Sales of Electric Energy | Revenues from sales of electric energy are recognized when energy is delivered. The class A wholesale rates approved by the Board of Directors have a power cost adjustment that allows for increases or decreases in Class A member power billings based upon actual power costs compared to plan. For 2020 and 2019, the power cost adjustment to the class A members resulted in credits to sales billed of $2,770 and $239, respectively. These amounts are recorded in sales of electric energy in operating revenues on the consolidated statements of revenues, expenses and comprehensive income.

Other Operating Revenue | Other operating revenue primarily includes revenue received from transmission service and is recorded as services are provided.

Accounting for Energy Contracts | Contracts that did not meet the accounting definition of a derivative are accounted for as executory contracts. The Cooperative's energy contracts that qualify as derivatives continue to be accounted for at fair value, unless those contracts meet the requirements of and have been designated as "normal purchase normal sale." The Cooperative does not have any energy contracts that are required to be accounted for at fair value as of December 31, 2020 and 2019.

Nonoperating Margin | The nonoperating margin for the years ended December 31, 2020 and 2019, includes the following:

	2020	2019
Investment income	$ 603	$ 2,722
Investment income on nuclear decommissioning funds:		
Net earnings	9	112
Realized gains	-	77
Realized losses and losses due to OTTI	-	(33)
Provision—recorded as estimated decommissioning liabilities	(9)	(156)
Other	381	564
Nonoperating margin	$ 984	$ 3,286

Use of Estimates | The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates in the consolidated financial statements relate to postretirement benefit obligations, asset retirement obligation liabilities, fixed-asset depreciable lives, and litigation and contingencies. Actual results could differ from those estimates.

Accumulated Other Comprehensive Income | Accumulated other comprehensive income is comprised solely of a postretirement health insurance obligation. See additional information in Note 11. The components for the years ended December 31, 2020 and 2019, are as follows:

	2020	2019
Balance—beginning of year	$ 1,928	$ 2,487
Recognition in expense:		
Amortization of prior service cost	91	65
Amortization of unrecognized actuarial gain	(109)	(154)
Actuarial assumption changes	(534)	(470)
Net other comprehensive gain (loss)	(552)	(559)
Balance—end of year	$ 1,376	$ 1,928

Concentration of Risk | Approximately 42% of the labor force for the Cooperative is under a collective bargaining agreement that expires January 31, 2023.

Subsequent Events | The Cooperative considered events for the recognition or disclosure in the consolidated financial statements that occurred subsequent to December 31, 2020, through March 26, 2021, the date the consolidated financial statements were available to be issued.

TWO | Accounting Standards

Recently Adopted | The Cooperative adopted ASU 2018-13, Fair Value Measurement (Topic 820), Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement on January 1, 2020. The ASU modified fair value disclosure requirements including new disclosure requirements for Level 3 unobservable inputs and eliminated the requirement to disclose certain information relating to transfers between levels. The Cooperative determined that the adoption of ASU 2018-13 did not have a material impact on its disclosures.

The Cooperative adopted FASB ASU No. 2018-14, Compensation-Retirement Benefits-Defined Benefit Plans-General (Subtopic 715-20) on January 1, 2020. The ASU amends existing guidance to add, remove and clarify disclosure requirements related to defined benefit pension and other postretirement plans. Adoption of the ASU had no material impact on the consolidated financial statements.

Not Yet Effective | In February 2016, the FASB issued new accounting guidance for leases. The new guidance increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements in the financial statements. In January 2018, the FASB issued additional accounting guidance on leases, amending the guidance issued in 2016, to simplify the transition to the new guidance for land easements. The new guidance will be effective for the Cooperative in 2022. Early adoption of the accounting guidance is permitted and must be applied using one of the two prescribed methods. Management is currently evaluating the impact of adoption of this new guidance on the consolidated financial statements and disclosures.

In August 2018, the FASB issued ASU 2018-15, Intangibles-Goodwill and Other-Internal-Use Software: Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract. The new standard requires entities that are customers in cloud computing arrangements to defer implementation costs if they would be capitalized by the entity in software licensing arrangements under the internal-use software guidance. ASU 2018-15 is effective for the Cooperative in 2021 and early adoption is permitted. The amendments allow either a retrospective or prospective approach to all implementation costs incurred after adoption. The Cooperative is evaluating the expected impact of this standard on its consolidated financial statements.

THREE | Income Taxes

The Internal Revenue Service has determined that Dairyland is exempt from federal income taxes under Section 501(c)(12) of the Internal Revenue Code. Accordingly, the Cooperative's utility operations are generally exempt from federal and state income taxes and no provision for such taxes is recorded in the consolidated financial statements.

FOUR | Available-for-Sale Investments

Investments in the nuclear decommissioning trust (NDT) are classified as available-for-sale, recorded at fair value, and recorded within Prepaid expenses and other and Nuclear decommissioning funds as of December 31, 2020 and 2019. Investment balances as of December 31, 2020 and 2019, include the following:

	2020 Fair Value NDT	2019 Fair Value NDT
Cash and cash equivalents	$ 2,045	$ 2,017
U.S. government securities	-	183
Corporate bonds	-	189
	$ 2,045	$ 2,389

Information regarding the sale of available-for-sale marketable securities, included in the nuclear decommissioning trusts, for the years ended December 31, 2020 and 2019, is as follows:

	2020	2019
Proceeds from sale of securities	$ 787	$ 9,791
Realized gains	8	44

For the purposes of determining realized gains and losses, the cost of securities sold is based upon specific identification.

Securities in the portfolio are reviewed to determine whether they have been other than temporarily impaired. The Cooperative recorded no impairment write-downs of its investments in 2020 and 2019.

Investment income included in nonoperating margin on the consolidated statements of revenues, expenses and comprehensive income is net of investment fees of approximately $3 and $12 for the years ended December 31, 2020 and 2019, respectively.

FIVE | Lines of Credit

To provide interim financing capabilities, the Cooperative has arranged committed lines of credit with availability aggregating approximately $350,000. The Cooperative has a syndicated credit facility with CoBank originally executed on November 30, 2015, and amended on November 20, 2019. This amended facility has a five-year term and provides funds both for short-term working capital requirements and for capital projects until permanent financing can be obtained. Some capital projects will last longer than one year, but the intent is to pay down the line of credit as permanent funding is received. Compensating balance requirements and fees relating to the lines of credit were not significant in 2020 and 2019. Information regarding line of credit balances and activity for the years ended December 31, 2020 and 2019, is as follows:

	2020	2019
Interest rate at year-end	1.16%	2.80%
Total borrowings outstanding at year-end	$ -	$ 68,000
Average borrowings outstanding during year	$ 22,400	$ 58,900

The Cooperative also allows member cooperatives to prepay their power bills and pays interest on these prepayments based on current short-term borrowing rates. Advances from member cooperatives totaled $13,704 and $13,820 at December 31, 2020 and 2019, respectively. Interest expense on member cooperative advances was $191 and $301 for the years ended December 31, 2020 and 2019, respectively. These amounts have been included in interest expense on the consolidated statements of revenues, expenses, and comprehensive income.

SIX | Long-Term Obligations

Long-term obligations as of December 31, 2020 and 2019, consist of the following:

	2020	2019
Federal Financing Bank obligations—1.24% to 4.49%	$ 582,110	$ 527,723
Federal Financing Bank obligations—4.50% to 5.52%	202,964	220,672
Total Federal Financing Bank	792,074	748,395
RUS obligations—4.125% and grant funds	3,055	3,532
CoBank notes—2.9%, 4.3%	7,232	12,283
Private bonds placement obligations—3.42%	74,167	77,500
Long-term debt	876,528	841,710
Less current maturities	(41,408)	(41,191)
Total long-term obligations	$ 835,120	$ 800,519

Quarterly principal and interest payments on the long-term obligations to the Federal Financing Bank (FFB) extend through 2053. Long-term obligations to FFB are net of deposits in the RUS debt prepayment program of $0 and $809 as of December 31, 2020 and 2019, respectively. These deposits earn 5% interest and are used solely to pay principal and interest payments.

Long-term obligations to the RUS are payable in equal monthly principal and interest installments through 2024. Payments on the CoBank 2.6% and 4.3% notes are due quarterly and semi-annual through 2023. The private bond placement is an amortizing 30-year term loan at an interest rate of 3.42%. Quarterly principal and interest payments on this obligation extend through 2043.

The Cooperative executed, filed and recorded an indenture of mortgage, security agreement and financing statement, dated as of September 13, 2011 and as supplemented (the "Indenture"), between the Cooperative, as grantor and U.S. Bank National Association, as trustee. The perfected lien of the Indenture on substantially all of the Cooperative's assets secured equally and ratably all of the Cooperative's long-term debt with the exception of unsecured notes to CoBank (balances of $7,232 and $8,742 at December 31, 2020 and 2019, respectively). The Cooperative is required to maintain and has maintained certain financial ratios related to earnings in accordance with the covenants of its loan agreements as of December 31, 2020.

Scheduled maturities of the Cooperative's long-term obligations as of December 31, 2020, were as follows:

Years Ending December 31	
2021	$ 41,408
2022	42,628
2023	41,997
2024	42,309
2025	43,015
Thereafter	665,171
Total	$ 876,528

SEVEN | Leases

Operating Leases | The Cooperative has entered into lease agreements under which it is the lessee on operating leases for various fleet vehicles and six rail cars. These transactions are covered in the master lease agreement and have lease terms ranging from four to 15 years. At the end of the leases, the Cooperative can either purchase the equipment at fair market value, continue to lease the assets, or return the equipment to the lessor. Rent expense was $653 and $785 in 2020 and 2019, respectively. The schedule of future minimum lease payments as of December 31, 2020, is as follows:

Years Ending December 31	
2021	$ 677
2022	491
2023	369
2024	52
Total	$ 1,589

Capital Leases | The Cooperative has entered into several capital lease agreements for large vehicles and heavy equipment. The transactions are covered in the master lease agreement with lease terms not exceeding seven years. At the end of the lease, the Cooperative can purchase the equipment for a bargain purchase price. The original cost of the assets under capital leases as of December 31, 2020 is $19,120. The assets are amortized over the lesser of their related lease terms or their estimated productive lives. The schedule of future minimum lease payments as of December 31, 2020, is as follows:

Years Ending December 31	
2021	$ 3,038
2022	2,273
2023	1,600
2024	1,103
2025	1,038
Thereafter	1,064
Total minimum lease payments	10,116
Amounts representing interest	(734)
Present value of minimum lease payments	9,382
Current maturities	(2,759)
Long-term capital lease obligations	$ 6,623

EIGHT | Financial Instruments

The fair value of the Cooperative's financial instruments other than marketable securities and short-term borrowings, based on the rates for similar securities and present value models using current rates available as of December 31, 2020 and 2019, is estimated to be as follows:

	2020		2019	
	Recorded Value	Fair Value	Recorded Value	Fair Value
Assets:				
Other property and investments	$ 13,550	$ 13,550	$ 11,927	$ 11,927
Investments in capital term certificates of NRUCFC	9,176	9,176	9,176	9,176
Liabilities—long-term obligations	876,528	1,053,339	841,710	946,153

Assets and Liabilities Measured at Fair Value | Accounting principles generally accepted in the United States of America establish a framework for measuring fair value by creating a hierarchy for observable independent market inputs and unobservable market assumptions and provides for required disclosures about fair value measurements. Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that could be realized in a current market exchange.

A description of the inputs used in the valuation of assets and liabilities are as follows:

Level 1 inputs utilize observable market data in active markets for identical assets or liabilities. Level 2 inputs consist of observable market data, other than that included in Level 1, that are either directly or indirectly observable. Level 3 inputs consist of unobservable market data, which are typically based on an entity's own assumptions of what a market participant would use in pricing an asset or liability as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest-level input that is significant to the fair value measurement in its entirety. The Cooperative's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The following table summarizes the Cooperative's assets and liabilities measured at fair value on a recurring basis as of December 31, 2020 and 2019, aggregated by the level in the fair value hierarchy within which those measurements fall:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets and Liabilities	Significant Other Observable Inputs	Significant Unobservable Inputs
2020	Fair Value	(Level 1)	(Level 2)	(Level 3)
Assets—investments:				
Designated funds	$ 8,000	$ 8,000	$ -	$ -
Nuclear decommissioning funds	2,045	2,045	-	-
Other property and investments	13,550	4,035	1,419	8,096
Investments in capital term certificates of NRUCFC	9,176	-	-	9,176
Investment for deferred compensation	1,668	-	1,668	-
	$ 34,439	$ 14,080	$ 3,087	$ 17,272

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets and Liabilities	Significant Other Observable Inputs	Significant Unobservable Inputs
2019	Fair Value	(Level 1)	(Level 2)	(Level 3)
Assets—investments:				
Nuclear decommissioning funds	$ 2,389	$ 2,389	$ -	$ -
Other property and investments	11,927	1,070	-	10,857
Investments in capital term certificates of NRUCFC	9,176	-	-	9,176
Investment for deferred compensation	2,048	-	2,048	-
	$ 25,540	$ 3,459	$ 2,048	$ 20,033

In 2020, there were $353 of transfers from level 3 to 2 and $1,585 of transfers from level 3 to 1 after reassessment by management of market activity and the availability of observable market data. There were no transfers between levels 1, 2, and 3 in 2019.

The changes in Level 3 recurring fair value measurements using significant unobservable inputs for the years ended December 31, 2020 and 2019, are as follows:

	2020	2019
Other property and investments:		
Balance—beginning of year	$ 10,857	$ 10,188
New investment and loans made	25	550
Loan repayments received and current maturities	(949)	(25)
Patronage capital allocations	101	159
Refunds of deposits	-	(15)
Transfers from Level 3 to Level 1	(1,585)	-
Transfers from Level 3 to Level 2	(353)	-
Balance—end of year	$ 8,096	$ 10,857

The valuation of these assets involved management's judgment after consideration of market factors and the absence of market transparency, market liquidity and observable inputs.

NINE | Retirement of Capital Credits

The Cooperative's Board of Directors has adopted a policy of retiring capital credits allocated to members on a first-in, first-out basis. As part of an equity development strategy adopted in 2003, patronage capital retired will be limited to no greater than 2% of the total assigned patronage capital balance as of December 31 of the prior year. This policy is subject to annual review and approval by the Board of Directors and the RUS, and no cash retirements are to be made which would impair the financial condition of the Cooperative or violate any terms of its agreements. Since 2003, the amount of nonoperating margins assigned to members each year is at the discretion of the Board of Directors. Any unassigned nonoperating margins will become unallocated reserves and part of permanent equity. Patronage capital amounts for the years ended December 31, 2020 and 2019, are as follows:

	Assigned	Unassigned	Total
Balance—December 31, 2018	$ 221,293	$ 87,247	$ 308,540
Retirement of capital credits	(4,426)	-	(4,426)
Current year margins	14,107	4,222	18,329
Balance—December 31, 2019	230,974	91,469	322,443
Retirement of capital credits	(11,549)	-	(11,549)
Current year margins	13,713	1,992	15,706
Balance—December 31, 2020	$ 233,138	$ 93,461	$ 326,600

During 2020, as a result of the COVID-19 pandemic, the Board of Directors approved capital credit retirements at 5% of net patronage capital. This one-time increase was to provide relief to the Class A member cooperatives and enable them to provide relief to their end-use members. The Board determined that the one time increase would neither impair the financial condition of Dairyland nor violate the terms of the indenture of mortgage or any outstanding loan agreements that Dairyland is party to.

TEN | Commitments & Contingencies

The Cooperative is a party to a number of generation, transmission and distribution agreements, under which costs and/or revenues are recognized currently based upon the Cooperative's interpretations of the provisions of the related agreements. Differences between the estimates used in the consolidated financial statements and the final settlements are recorded in the year of settlement.

The Cooperative has entered into various coal purchase contracts with one- to four-year terms. The estimated commitments under these contracts as of December 31, 2020, is as follows:

Years Ending December 31	
2021	$ 49,418
2022	32,053
2023	26,268
2024	16,080
Total	$ 123,819

The Cooperative has been named as a defendant in various lawsuits and claims arising in the normal course of business. Although the outcome of these matters cannot be determined at the present time, management and legal counsel believe these actions can be successfully defended or resolved without a material effect on the consolidated financial position, results of operations or cash flows of the Cooperative.

ELEVEN | Employee Benefits

Multiemployer Defined-Benefit Pension Plan | Pension benefits for substantially all employees are provided through participation in the National Rural Electric Cooperative Association (NRECA) Retirement Security Plan ("RS Plan"). This is a defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. Pension benefits are funded in accordance with the provisions of the RS Plan and are based on salaries, as defined, of each participant. The Employee Retirement Income Security Act of 1974, as amended by the Multiemployer Pension Plan Amendment Act of 1980, imposes certain liabilities on employers who are contributors to multiemployer plans in the event of a plan termination or an employer's withdrawal. These plans have not been terminated, nor has the Cooperative undertaken any plans to withdraw from participation. Since the RS Plan is a multiemployer plan for accounting purposes, all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers. The Cooperative may be contingently liable for its share of the RS Plans' unfunded vested liabilities.

The Cooperative's contributions to the RS Plan in 2020 and 2019 represented less than 5% of the total contributions made to the plan by all participating employers. In 2013, the Cooperative made a voluntary prepayment of $26,899 to this plan to reduce future contribution amounts. Expense for the RS Plan was $12,724 in 2020 and $12,277 in 2019. The 2020 expense includes contributions to the plan of $10,034 and $2,690 of prepayment amortization. The 2019 expense includes contributions to the plan of $9,587 and $2,690 of prepayment amortization.

In the RS Plan, a "zone status" determination is not required, and therefore not determined, under the Pension Protection Act (PPA) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. In total, the RS Plan was over 80% funded on both January 1, 2020 and 2019, based on the PPA funding target and PPA actuarial value of assets on those dates.

Because the provisions of the PPA do not apply to the RS Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

Postretirement Health Insurance Obligation | Certain employees of the Cooperative retiring at or after age 55 are eligible to participate in a postretirement health care plan through age 65. Eligible dependents of the retired Cooperative employees are also eligible to participate in this plan through age 65. Retirees pay 100% of the premium amount for this coverage. The premium is based upon the combined medical claims experiences of all active employees and retirees. If premiums were determined based upon the medical claims experience of retirees only, the resulting premium for retirees would be higher. The difference between the premium paid by retirees and the potential actual premium amount is the basis for the postretirement benefit obligation. The Cooperative uses a December 31 measurement date for its plan. The postretirement health care plan is unfunded.

The accumulated postretirement benefit obligation (APBO) and the amounts recognized in the consolidated financial statements as of and for the years ended December 31, 2020 and 2019, are as follows:

	2020	2019
Amount recognized in the consolidated balance sheets:		
Total accrued qualified and nonqualified benefit obligation	$ 5,825	$ 5,166
Less current portion included in accrued expenses—other	(302)	(317)
Long-term portion	$ 5,523	$ 4,849
Change in benefit obligation:		
APBO—beginning of year	$ 5,166	$ 4,597
Service cost	297	260
Interest cost	145	176
Actuarial loss	534	470
Benefits paid	(317)	(337)
APBO—end of year	$ 5,825	$ 5,166
Funded status of plan—December 31	$ (5,825)	$ (5,166)
Accrued postretirement health insurance obligations recorded at year-end	$ 5,825	$ 5,166
Change in plan assets:		
Employer contribution	$ (317)	$ (337)
Benefits paid	317	337
	$ -	$ -
Change in accumulated other comprehensive income:		
Net income at prior measurement date	$ 1,928	$ 2,487
Actuarial assumption changes	(534)	(470)
Recognition in expense:		
Amortization of prior service cost	91	65
Amortization of unrecognized actuarial gain	(109)	(154)
Accumulated other comprehensive income	$ 1,376	$ 1,928
Components of net periodic postretirement benefit cost:		
Service cost—benefits attributed to service during the year	$ 297	$ 260
Interest cost on accrued postretirement health insurance obligation	145	176
Amortization of prior service cost	91	65
Amortization of unrecognized actuarial gain	(109)	(154)
Net periodic postretirement benefit expense	$ 424	$ 347

Employer cash contributions expected to be made to the plan during the fiscal year ending December 31, 2021, is $302. The amount of accumulated other comprehensive income expected to be recognized during the fiscal year ending December 31, 2021, is an actuarial gain of $58 and amortization of prior service cost of $0. All prior service costs have been fully amortized.

For measurement purposes, a 2.07% and 2.90% discount rate was assumed for 2020 and 2019, respectively, to determine net periodic benefit cost. The 2020 and 2019 annual health care cost increase assumed is 6.50% and 6.60%, respectively, decreasing gradually to 4.50% for 2030 and thereafter.

Estimated future benefit payments from the plan as of December 31, 2020, are as follows:

Years Ending December 31	
2021	$ 302
2022	281
2023	289
2024	277
2025	311
2026-2030	1,813

Defined-Contribution Plan | Dairyland has a qualified tax-deferred savings plan for eligible employees. Eligible participants hired prior to January 1, 2020 may make pretax contributions, as defined, with the Cooperative matching up to 2.5% of the participants' annual compensation. Eligible participants hired after December 31, 2019 may make pretax contributions, as defined, with the Cooperative matching up to 13% of the participants' annual compensation. Contributions to this plan by the Cooperative were $1,325 and $1,298 for 2020 and 2019, respectively.

Other Plans | The Cooperative offers key employees deferred compensation plans available through NRECA. The plans permit qualifying employees to defer a portion of their salary until future years. The accumulated deferred compensation balance is not available to employees until termination, retirement or death.

All amounts of compensation deferred under the plans and all income attributable to those amounts (until paid or made available to the employee or other beneficiary) are solely the property and rights of the Cooperative (not restricted to the payment of benefits under the plan), subject only to the claim of general creditors. Participants' rights under the plans are equal to those of general creditors of the Cooperative in an amount equal to the fair market value of the deferred account for each participant. The related assets and liabilities, totaling $1,668 and $2,048 as of December 31, 2020 and 2019, respectively, are reported at contract value, which approximates fair value.

The Cooperative also provides employees with medical insurance coverage, vision and dental insurance coverage, short-term and long-term disability, and life insurance, which are funded by employer and employee contributions. The Cooperative's costs related to these benefits were $10,562 and $10,277 for 2020 and 2019, respectively. The liability for these plans of $5 and $41 as of December 31, 2020 and 2019, respectively, are recorded in accrued expenses on the consolidated balance sheets.

TWELVE | Related-Party Transactions

The Cooperative provides electric and other services to its Class A members. The Cooperative received revenue of $384,984 and $401,877 in 2020 and 2019, respectively, for these services. The Cooperative has accounts receivable from its Class A members of $32,311 and $37,362 as of December 31, 2020 and 2019, respectively.

The Cooperative has advances from Class A members of $13,704 and $13,820 as of December 31, 2020 and 2019, respectively, related to the prepayment program. Class A members have the option of paying their electric bill in advance, and in turn, the Cooperative pays the members' interest income. The Cooperative's interest expense related to the prepayment program was $191 and $301 for the years ended December 31, 2020 and 2019, respectively.

THIRTEEN | Asset Retirement Obligations

An asset retirement obligation (ARO) is the result of legal or contractual obligations associated with the retirement of a tangible long-lived asset that results from the acquisition, construction, or development and/or the normal operation of a long-lived asset. The Cooperative determines these obligations based on an estimated asset retirement cost adjusted for inflation and projected to the estimated settlement dates and discounted using a credit-adjusted risk free interest rate. Upon initial recognition of a liability for ARO, the Cooperative capitalizes the asset retirement cost by increasing the carrying amount of the related long lived asset by the same amount as the liability. The Cooperative allocates that asset retirement cost to expense using the straight-line method over the remaining useful life of the related long-lived asset. The accretion of the obligation is recognized over time up to the settlement date. Any future change in estimate will be recognized as an increase or a decrease in the carrying amount of the liability for an ARO and the related asset retirement cost capitalized as part of the carrying amount of the related long-lived asset.

The Cooperative determined that it has AROs related to future removal and disposal of asbestos at its power plants. There are no assets legally restricted for purpose of settling the ARO related to future removal and disposal of asbestos.

The Cooperative has established a decommissioning trust to accumulate the estimated amounts necessary to decommission a nuclear power plant that the Cooperative formerly operated and the related Independent Spent Fuel Storage Installation (ISFSI). The assets of this trust in the amount of $2,045 and $2,389 as of December 31, 2020 and 2019, respectively, are outside the Cooperative's administrative control and are available solely to satisfy the future costs of decommissioning.

As the expected completion is planned for 2021, the balance of the trust as of December 31, 2020 of $56 is recorded as current in the consolidated balance sheet. The remaining $1,988 is related to the annual ISFSI costs that will remain after completion of the decommissioning.

Nuclear decommissioning and other asset retirement obligations as of December 31, 2020 and 2019, are as follows:

	Nuclear	Other	Total
Balance—December 31, 2018	$ 6,260	$ 2,970	$ 9,230
Increase in estimated obligation	156	-	156
Incurred costs on projects	(4,027)	-	(4,027)
Balance—December 31, 2019	$ 2,389	$ 2,970	$ 5,359
Increase in estimated obligation	9	-	9
Incurred costs on projects	(354)	-	(354)
Balance—December 31, 2020	$ 2,044	$ 2,970	$ 5,014

The Cooperative did not record a conditional ARO related to the dismantlement of the dam and drainage reservoir for the hydro generation plant at Flambeau, the restoration of land to preexisting condition at Genoa Station #3 site related to the land rights permit, and the removal of transmission lines in various corridors, because the Cooperative does not have sufficient information to estimate the fair value of the ARO.

FOURTEEN | Nuclear Reactor

License | The La Crosse Boiling Water Nuclear Reactor (LACBWR) was voluntarily removed from service by the Cooperative effective April 30, 1987. The intent was to terminate operation of the reactor, and a possession-only license was obtained from the Nuclear Regulatory Commission (NRC) in August 1987. LACBWR will remain in safe storage status (SAFSTOR) until the final stage of decommissioning of LACBWR, involving dismantlement and decontamination, can be completed. In May 2016, the NRC approved transfer of the license to La CrosseSolutions LLC (Solutions), a subsidiary of Energy*Solutions* LLC. Solutions will temporarily hold the license and assumes responsibility for the decommissioning of the site. The license will revert back to the Cooperative following completion of decommissioning activities. While Solutions undertakes decommissioning, the Cooperative retains a license for its continued ownership of the spent fuel.

Nuclear Waste Policy Act of 1982 (NWPA) | Under the NWPA, the United States government is responsible for the storage and disposal of spent nuclear fuel removed from nuclear reactors. By statute and under contract, the United States government was to have begun accepting spent fuel in January 1998, but has not yet licensed and established a repository.

The Cooperative filed an initial breach of contract damages claim against the United States government in the United States Court of Federal Claims to recover its costs generally incurred after 1998 through 2006 related to spent fuel remaining at LACBWR. In January 2013, the Cooperative received a damages award payment of $37,659 from the government for this claim.

The Cooperative filed a second contract damages claim in December 2012 to recover its costs generally incurred from 2007 through 2012. The Cooperative and the government agreed to settle the second claim in October 2016. Settlement proceeds of $73,500 were received from the government in November 2016, and at the direction of the Board of Directors, were recorded as a regulatory liability due to Class A members. The nuclear related regulatory asset of $16,700 and deferred charges for nuclear related litigation and plant costs of $9,164 were recovered from the regulatory liability as these amounts had not been collected in rates previously. The remaining net amount of $47,636 was refunded to Class A members in February 2017.

In late 2018, the Cooperative filed a third contract damages claim to recover its costs generally incurred from 2013 through 2018. The claim is proceeding through the legal process.

Subsequent damages claims will be filed to recover the continuing costs arising from the presence of the spent fuel.

ISFSI | The Cooperative completed the temporary dry storage facility project located on the LACBWR site and completed the move of the LACBWR spent nuclear fuel to this ISFSI facility in September 2012. The spent nuclear fuel will remain at the ISFSI until it is able to be transferred to the government. Annual ISFSI costs are recorded on an as incurred basis and incorporated into the annual budget and rate making process.

Decommissioning | The Solutions decommissioning plan anticipates completion of decommissioning LACBWR, not including the ISFSI, in 2021. The estimated costs of decommissioning the nuclear generating facility are based on the Solutions cost study and decommissioning plan filed with the NRC as part of the license transfer. Costs incurred for decommissioning projects are charged against the decommissioning liability. As costs are incurred, Solutions submits requests for withdrawals to the Cooperative for release of funds from the nuclear decommissioning trust.

FIFTEEN | Supplemental Disclosures of Cash Flow Information

The statement of cash flows includes the following supplemental information as of December 31, 2020 and 2019:

	2020	2019
Cash paid for interest	$ 32,096	$ 35,360
Electric plant additions funded through accounts payable and accrued expenses	$ 2,888	$ 2,509
Electric plant additions under capital leases	$ 4,758	$ 2,654
Non-cash payment of long-term debt	$ 809	$ 163,428

SIXTEEN | Revenue from Contracts with Customers

Sales of electric energy consists of sales to members pursuant to long-term wholesale electric contracts. Dairyland recognizes revenue based on the amount of energy delivered to each customer at agreed upon rates. The measurement of energy sales to customers is generally based on meter data, which is collected through the last day of the month. At the end of each month, amounts of energy delivered to customers is recognized.

We are an active participant in the MISO Energy Markets, where we bid our generation into the Day Ahead and Real Time markets and procure electricity for our wholesale customers and sell energy at prices determined by the MISO Energy Markets. Purchase and sale transactions are recorded using settlement information provided by MISO. Purchase transactions are accounted for on a net hourly position. Net purchases in a single hour are recorded as purchased and interchanged power. Sales of excess energy transacted through MISO are recorded on a gross basis in other sales. For sales to the MISO Energy Markets, we have no performance obligation until the energy is sold.

The Cooperative's members consist of Class A, C, D, and E members. Class A members purchase wholesale electric service and rates are set annually with approval by the Board of Directors. Contract term is determined by the Wholesale Power Contract that is in effect until December 31, 2060. The contract automatically extends an additional 2 years in each odd-numbered year beginning January 1, 2021 unless either the Cooperative or member give notice no later than the preceding September 1 of its election not to extend further. Class C member revenue represents contractual sales to GRE, being recognized through 2029. Class D member revenues are based on various contracts with wholesale municipal members. Class E member revenues primarily reflect sales to MISO.

The following table disaggregates revenue by major source for the years ended December 31, 2020 and 2019:

	2020	2019
Class A	$ 384,984	$ 401,877
Class C	5,729	8,261
Class D	10,151	12,653
Class E, Including MISO	24,350	21,969
Other Sales	17,217	25,884
Total	$ 442,431	$ 470,644

To the past and present employees of the Genoa Station #3 and to the Genoa community:

THANK YOU for 52 years of support & service

Dairyland Power Cooperative's Genoa Station #3 safely and reliably powered the region for five decades (June 1969 to June 2021).

GENERATING RESOURCES | YEAR-END CAPACITY IN MEGAWATTS (MW)

GENERATING STATIONS

Coal (Steam)	John P. Madgett	387
* Dairyland Share of Weston #4	Genoa #3 (retired 6/1/21)	345
	Weston #4*	165
Combustion Turbine (Gas/Oil)	Elk Mound 1-2	74
Hydro	Flambeau	17.6
Total Dairyland Capacity		**988.6**

UNDER CONTRACT

Digesters (Biogas)	Multiple Sites	3.14
Landfill Gas	Timberline Trail	5.6
	Central Disposal	4.8
Solar	Multiple Sites	26.7
Hydro	Sartell Hydro	10
Wind	Adams	17.4
** 5% Share of 100 MW Wind Farm	Barton Wind	80
	Gundersen	5
	McNeilus Dodge	5.7
	Prairie Star Wind**	5
	Quilt Block Wind	98
	Winnebago Wind Farm	20
	Small Wind (< 5 MW)	1.96
Total Under Contract		**283.3**
Total Capacity in Service		**1,271.9**

MEMBERS | Dairyland Power Cooperative

Class A Members

WISCONSIN

Barron Electric Cooperative | Barron
Bayfield Electric Cooperative | Iron River
Chippewa Valley Electric Cooperative | Cornell
Clark Electric Cooperative | Greenwood
Dunn Energy Cooperative | Menomonie
Eau Claire Energy Cooperative | Fall Creek
Jackson Electric Cooperative | Black River Falls
Jump River Electric Cooperative | Ladysmith
Oakdale Electric Cooperative | Oakdale
Pierce Pepin Cooperative Services | Ellsworth
Polk-Burnett Electric Cooperative | Centuria
Price Electric Cooperative | Phillips
Richland Electric Cooperative | Richland Center
Riverland Energy Cooperative | Arcadia
St. Croix Electric Cooperative | Hammond
Scenic Rivers Energy Cooperative | Lancaster
Taylor Electric Cooperative | Medford
Vernon Electric Cooperative | Westby

IOWA/MINNESOTA

MiEnergy Cooperative | Cresco & Rushford

IOWA

Allamakee-Clayton Electric Cooperative | Postville
Heartland Power Cooperative | Thompson & St. Ansgar

MINNESOTA

Freeborn Mower Electric Cooperative | Albert Lea
People's Energy Cooperative | Oronoco

ILLINOIS

Jo-Carroll Energy | Elizabeth

Special Services Members

Adams-Columbia Electric Cooperative | Friendship, Wis.
Central Wisconsin Electric Cooperative | Iola, Wis.
Oconto Electric Cooperative | Oconto Falls, Wis.
Rock Energy Cooperative | Janesville, Wis.

Class C Members

Great River Energy/Maple Grove, Minn.
Minnkota Power Cooperative/Grand Forks, N.D.

Class D Members

City of Arcadia, Wis.
Village of Argyle, Wis.
Village of Cashton, Wis.
City of Cumberland, Wis.
City of Elroy, Wis.
City of Fennimore, Wis.
City of Forest City, Iowa
Village of La Farge, Wis.
City of Lake Mills, Iowa
City of Lanesboro, Minn.
McGregor Municipal Utilities, Iowa
Village of Merrillan, Wis.
City of New Lisbon, Wis.
Osage Municipal Utilities, Iowa
City of St. Charles, Minn.
City of Strawberry Point, Iowa
Village of Viola, Wis.

Class E Members

Alliant Energy | Madison, Wis.
Northwestern Wisconsin Electric Co. | Frederic, Wis.
NSP-Minnesota | St. Paul, Minn.
NSP-Wisconsin | Eau Claire, Wis.
Southern Minnesota Municipal Power Agency | Rochester, Minn.

Facilities on Map

Headquarters | La Crosse, Wis.
Alma Generating Site | Alma, Wis.
Elk Mound Generating Station | Elk Mound, Wis.
Flambeau Hydro Station | Ladysmith, Wis.
Genoa Generating Site | Genoa, Wis. (retired 6/1/21)
Sartell Hydro Station | Sartell, Minn. (Eagle Creek Renewable Energy, LLC)
Weston 4 Generating Station | Wausau, Wis.

WIND FACILITIES

Adams Wind | Adams, Minn.
Barton Wind | Kensett, Iowa (Avangrid Renewables)
Gundersen Wind | Lewiston, Minn.
Prairie Star Wind | Austin, Minn.
Quilt Block Wind | Darlington, Wis. (EDP Renewables)
Tatanka Ridge Wind | Deuel County, S.D. (Tatanka Ridge Wind, LLC)
Winnebago Wind | Thompson, Iowa (Avangrid)

SOLAR FACILITIES

Wisconsin: Arcadia, Centuria, Conrath, Hallie, Hillsboro, Liberty Pole, Medford, Menomonie, Mt. Hope, Necedah, New Auburn, Phillips, Roberts, Viola & Westby
Minnesota: Albert Lea & Oronoco
Illinois: Thomson
Iowa: Decorah & Strawberry Point

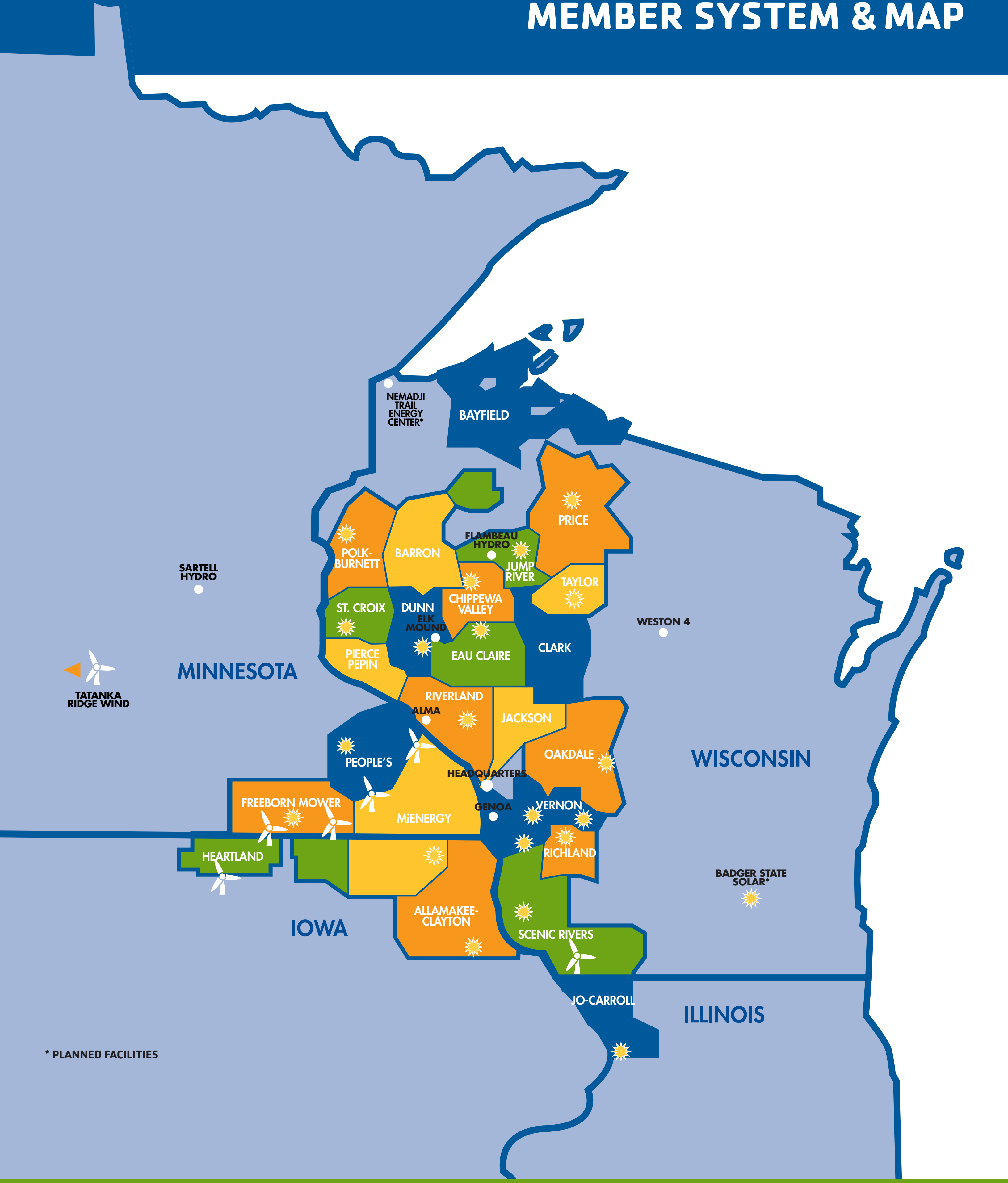
PLANNED ENERGY RESOURCES

Nemadji Trail Energy Center | Superior, Wis.
Badger State Solar | Jefferson, Wis. (Ranger Power)

FACILITIES NOT SHOWN

Waste Management, Inc., Facilities:
Central Disposal Landfill | Lake Mills, Iowa
Timberline Trail Landfill | Weyerhaeuser, Wis.

MEMBER SYSTEM & MAP



OUR COOPERATIVE PRINCIPLES

1 | Voluntary and Open Membership

2 | Democratic Member Control

3 | Members' Economic Participation

4 | Autonomy and Independence

5 | Education, Training and Information

6 | Cooperation Among Cooperatives

7 | Concern for Community

DAIRYLAND POWER COOPERATIVE

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