



Keith Mathews
CEO

Understanding Capital Credits and What to Expect

A member recently asked an important question: *“As a co-op, members earn capital credits every year. But for the last two or three years, we haven’t received capital credit checks. Will members receive a capital credit check in 2026?”*

I appreciate this question because it gives us a chance to clarify how capital credits work and why they remain a valuable part of the cooperative difference.

Capital credits are a unique benefit of being served by a not-for-profit electric cooperative. Each year, SEI REMC allocates margins — the funds remaining after operating expenses — back to members based on their annual electricity use. These allocations stay on our books as member equity and are used to help fund system improvements that benefit everyone.

The decision to retire (or pay out) capital credits is made annually by your Board of Directors. This decision is based on several factors: financial strength, system needs, long-term planning, and the cooperative’s ability to maintain reliable service without borrowing more than necessary. While allocations continue every year, retirements occur only when the cooperative is in a financial position to do so responsibly.

Over the past few years, SEI REMC has focused heavily on major infrastructure investments, system upgrades, and fiber network expansion to support long-term reliability and member service. These are essential projects that strengthen our system, reduce future costs, and prepare us for continued growth.

Because of these ongoing investments, the Board does not anticipate issuing a capital credit retirement in 2026. This decision reflects the cooperative’s commitment to maintaining financial stability and ensuring we continue delivering safe, reliable service at the lowest possible cost.

Even though retirements may not occur every year, capital credits remain an important benefit of membership — and your allocations continue to grow. They represent your ownership in a strong, member-focused cooperative that plans carefully and invests wisely for the future.

As always, thank you for your trust and partnership.

Keith Mathews
CEO, Southeastern Indiana REMC