

**Piedmont Electric Membership Corporation**  
**Hillsborough, North Carolina**  
**Board of Directors Meeting**  
**September 18, 2023**  
**SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on September 18, 2023 pursuant to notice of date and time of said meeting at the headquarters of the Cooperative in Hillsborough, North Carolina.

The following members of the Board were present: David Poythress, V. Kay Scurlock-Ferguson, Cy Vernon, Steven Bailey, Richal Vanhook, Steve Long, Randy Kinley and Beth Townsend; Bill Barber attended via TEAMS. Also present were Steve Hamlin, President and General Manager, Susan Cashion, Vice-President, Compliance and Administrative Officer, Mike Parker, Attorney, and Scott Rowland, Manager of Information Technology. Participating via TEAMS were Leslie Brooks, Supervisor of Financial Accounting, Robert Riley, Vice-President of Operations and Larry Hopkins, Vice-President of Engineering. Participating via TEAMS was Lisa Kennedy, Vice-President of Financial Services.

Mr. Kinley, the Chair, called the meeting to Order.

1. Upon motion and second, the Board approved the minutes from the August 21, 2023 meeting.
2. Upon motion and second, the Board approved the summary minutes from the August 21, 2023 meeting.
3. Upon motion and second, the Board approved the Monthly Safety Report .
4. The President and General Manager reported that everyone had submitted names for the Nominations Committee.
5. At the request of the Board the President and General Manager submitted additional ratios from the 2022 Key Ratio Trend Analysis (“KRTA”) and asked the Board to let him know if they had any questions about those ratios.
6. The Vice President of Engineering reported that Thermo Fisher got an extension on start-up and are still operating at 1.5 megawatts. They agreed Piedmont could cancel the order for capacitors until Duke Energy upgrades its transmission.

7. He additionally reported that Piedmont has submitted a letter of interest for possible funding of grants from funds available for solar and battery installations through the Empowering Rural America (“New ERA”) program. If awarded, these grants would require a match from Piedmont.
8. The Vice-President, Compliance and Administrative Officer presented the Rural Economic Development Loan and Grant (“REDLG”) Program update. There are no new loan requests. The maximum loan request has increased to \$2 million. Piedmont has made 51 loans including 36 fire trucks and six ambulances and has loaned a total of approximately \$19.6 million to date.
9. Further she discussed the retirement of capital credits for the current year, noting it costs 76¢ for each check Piedmont mails. Currently the limit is a minimum of \$20.00 to receive a check instead of a bill credit for active members and she asked the Board to consider raising that minimum. The Board deferred action on this request.
10. The Vice President of Operations gave the operations report, informing the Board of several significant outages during the month.
11. The President and General Manager presented a revised Policy 110 on anti-nepotism with a change to the “grandfather” exception clause. Upon motion by Mr. Poythress and second by Mr. Long, the Board approved the policy as presented.
12. The Manager of Information Technology gave an update on fiber and in particular fiber repairs. He presented a map showing the fiber routes and the number of fibers in use by Piedmont, Electel, NCEMC and the two lessees with IRUs (Crown Castle and WindStream). The repair costs have increased significantly each year and those costs are \$177,740.75 for 2023 through July with \$46,431.50 recouped from lessees as compared to repair costs of \$175,880.77 for the entire 2022 year. The repairs are now done by an outside contractor. While there is sufficient repair work to justify one Piedmont employee dedicated to repairs, this would also require purchase or lease of a bucket truck and the other necessary equipment to do the repairs.
13. The President and General Manager noted that there is a strategic planning session for the Board and management / supervisory personnel on October 5 from 8:30 a.m. to 4:00 p.m.
14. The Supervisor of Financial Accounting presented the Financial Report for August 2023. She further presented the Wholesale Power Cost Adjustment (“WPCA”) for August

2023. The calculated October 2023 retail WPTA charge related to power cost is \$0.01254; the calculated WPTA charge related to the coal ash clean-up is \$0.00297 and the calculated WPTA related to TIER is \$0.00972 resulting in a net calculated WPTA charge for October 2023 of \$0.02523.

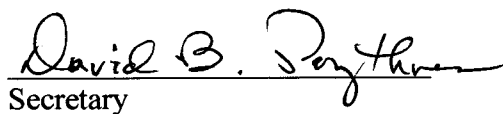
15. The President and General Manager reported that Duke Energy predicted that the Retail Cost Allocation Methodology ("RCAM") would result in increases wholesale power cost to Piedmont of \$4.16 million per year for 2028 through 20~~2~~<sup>3</sup>30, the last three years of the current Power Purchase Agreement. Per Enervision's calculations this results in a material adverse ruling ("MAR") for Piedmont and other independent members.

The staff was excused at 4:00 p.m. for an executive session that ended at 7:15 p.m.

Mr. Kinley declared the meeting adjourned at 7:15 p.m. since there was no further business to come before the Board.

  
Chair

Attest:

  
Secretary

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