

Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
November 20, 2023
SUMMARY MINUTES

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on November 20, 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, Steve Long, Randy Kinley, Bill Barber and Richal Vanhook. Also present were Steve Hamlin, President and General Manager, Susan Cashion, Vice-President, Compliance and Administrative Officer, Mike Parker, Attorney, Angie Jones, Manager of Human Resources, and Scott Rowland, Manager of Information Technology. Participating via TEAMS were Lisa Kennedy Vice-President of Financial Services, Robert Riley, Vice-President of Operations, and Larry Hopkins, Vice-President of Engineering.

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

1. Upon motion and second, the Board approved the minutes from the October 16, 2023 meeting with the addition of details of the work to be performed on the Roxboro substation.
2. Upon motion and second, the Board approved the summary minutes from the October 16, 2023 meeting with the same addition as for the full minutes.
3. Upon motion by Mr. Vernon and second by Mr. Bailey, the Board approved the Monthly Safety Report. There were no accidents during the month.
4. The President & General Manager discussed several ratios from the 2022 Key Ratio Trend Analysis (“KRTA”) and that the KRTA ratio of employees to members does not include the employees of subsidiaries.
5. The Vice-President of Engineering:
 - a. Explained to the Board how line loss is calculated. He noted most of the line loss is due to voltage drop from heat loss along the power lines, particularly in single phase taps, and also due to conductor size.
 - b. Reported that nothing of significance has changed with Thermo Fisher; they are still

starting up machinery. Duke Energy has begun construction of the required transmission line. Piedmont is still looking at May 2024 to install the new transformer.

- c. Reported that Piedmont is very close to acquiring a new substation site.
- d. That additional meter reading data gateways will be installed next week and only 1% of the new meters remain to be installed.

- f. Additionally, he reported on issues caused by inconsistent requirements from the various governmental inspection departments on whether an inspection is required any time an electrician pulls a meter.

6. The Vice-President of Operations gave the operations report, noting it was an uneventful month. Lewis Tree should finish all of the right of way work scheduled for both 2022 and 2023 within a month. Jacob Denny and Donald Neems represented Piedmont in the pole top rescue exercises. Duke Energy has a planned outage scheduled for 5:00 a.m. on December 9th that will affect the Camp Springs, Baynes and Cherry Grove substations. He expects the outage will be 30 minutes or less.
7. The Vice-President, Compliance and Administrative Officer presented:
 - a. The Rural Economic Development Loan and Grant (“REDLG”) Program update noting that \$2,382,787 is available for loans under the 5% cap and \$496,569 in the revolving fund. There are no new loan requests. The loan to the City of Roxboro closed on October 12, 2023 and there are still several pending loans.
 - b. She asked the Board to approve the reappointment of the members of the Piedmont Electric Helping Hands Foundation (“PEHHF”). The current PEHHF Board members are Heidi York, Gwen Vaughn, Doris Carver, Jeff Cabe, Keith Epstein and Aaron Nelson. Upon motion by Mr. Vanhook and second by Mr. Barber, the Board unanimously approved the reappointment of all the current Board members to the PEHHF Board.
 - c. Additionally, she noted a \$25,000 grant to aid in broadband from the PEHHF Board

to Caswell County will be delivered on November 22nd .

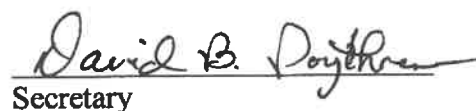
- g. She further noted that Vice President of Engineering had received an email asking for additional information on the application submitted for grant funding consideration under the Infrastructure Investment and Jobs Act for two solar battery projects.
8. The Vice-President of Financial Services presented:
 - a. The Financial Report for October 2023. Equity is 31.89% compared to 2022 year-end equity of 30.75%.
 - b. The calculated December 2023 retail WPTA charge related to power cost is \$0.01319; the calculated WPTA charge related to the coal ash clean-up is \$0.00297 and the calculated WPTA charge related to TIER is \$0.00973 resulting in a net calculated WPTA charge for December 2023 of \$0.02589.
9. The President & General Manager:
 - a. Shared a memorandum setting forth the background of the independent members (Piedmont and Haywood) and their Wholesale Power Contracts with Duke Energy Carolinas and Duke Energy Progress. It explains the retail cost allocation methodology set forth in the contracts. It also explains the criteria for determining if a MAR (Material Adverse Ruling) has occurred allowing the wholesale customer to give notice of termination.
 - b. He also reminded the Board of the Board retreat planned for December 5 and 6, 2023.
10. Mr. Barber formally announced his resignation from the Board of Directors effective following the regular Board Meeting scheduled for December 18, 2023.

The staff was excused at 5:10 p.m. for an executive session that ended at 7:10 p.m.

Mr. Kinley declared the meeting adjourned at 7:10 p.m. since there was no further business to come before the Board.


Chair

Attest:


Secretary