

**Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
May 20, 2024
SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on May 20, 2024 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: Randy Kinley, Cy Vernon, Steven Bailey, David Poythress, V. Kay Scurlock-Ferguson, Richal Vanhook, Steve Long, Darren Chalk and Jimmy Thomas. Also present in person were Steve Hamlin, President and General Manager, Susan Cashion, Vice-President, Compliance and Administrative Officer, Brandon Reed, Manager of Member Services, Mike Parker, Attorney, and Scott Rowland, Manager of Information Technology. Participating via TEAMS were Larry Hopkins, Vice President of Engineering and Lisa Kennedy, Vice President of Financial Services.

Mr. Kinley, Chair, called the meeting to order and offered an invocation.

1. Upon motion and second the Board approved the minutes from the April 15, 2024 meeting.
2. Upon motion and second the Board approved the summary minutes from the April 15, 2024 Board meeting with one correction in #6 to change "Vice President of Engineering" to Vice-President of Operation."
3. Upon motion and second the Board approved the Monthly Safety Report. The report included one injury from a dog bite and one knee injury during pole top rescue training.
4. The Vice-President of Engineering reported that the 100 KV conversion on the Mebane-Oaks substation is complete and the industrial member can proceed to full capacity.
5. The Vice-President, Compliance and Administrative Officer, reported that there are no new Rural Economic Development Loan and Grant ("REDLG") requests although she was contacted by the former City Manager for Mebane to discuss a potential project for the Town of Swepsonville. She noted that the Moriah Volunteer Fire and Rescue Department informed the community of an improved insurance fire rating. Also, the Allensville Volunteer Fire

Department loan should close before the next Board meeting. Additionally, she reported on the requirement by the USDA that a financial analysis be completed for each REDLG loan and the White Cross Volunteer Fire Department is working on meeting the necessary financial requirements for their loan. The request from the Orange Rural Fire Department has been submitted to the North Carolina REA for approval.

6. The Manager of Member Services presented the Member Satisfaction Survey for the first quarter of 2024. Cooperative Insights surveys between 200 and 250 members of both the general population and those who have specific interactions with the cooperative. He noted a significant drop in customer satisfaction in the last quarter of 2023 and the 1st quarter of 2024 due to the Wholesale TIER cost adjustment Piedmont implemented. He noted that Piedmont responds to those members who have specific issues or misconceptions. It helps with customer satisfaction when members identify as members, not just customers.

7.. The President and General Manager in the absence of Robert Riley, Vice President of Operations, reported that operations were “business as usual. Additionally, he informed the Board that there will be a Board retreat in conjunction with the June Board meeting including a trip to the ABB Transformer Plant in South Boston on June 18.

8. The Vice President of Financial Services presented the AR 45 Work Orders for January and February 2024 totaling \$1,761,475.12. Upon motion and second the Board approved the January and February 2024 Work Orders. Additionally, she presented the Financial Report for April 2024. Equity is 32.73% as compared to 2023 year-end equity of 31.88%. Piedmont has added 5.28 miles of line to date in 2024 and now has a total of 3,672.16 miles of line. She also presented the Wholesale Power Cost Adjustment for April 2024. The calculated June 2024 retail wholesale power cost adjustment related to power cost is 0.00031; the calculated wholesale power cost adjustment related to the coal ash clean-up is 0.00189, resulting in a net calculate wholesale power cost adjustment charge for June 2024 of 0.00220.

9. The President and General Manager presented a summary of history of the reasons that the independent cooperatives including Piedmont had made a request for proposals of wholesale power supply. He explained the changes in the method Duke Energy uses to determine demand charges and how Duke has shifted from a summer peaking system to a 12-month coincidental peak. This change will cost Piedmont approximately \$17 million in added demand costs over 5 years and will negatively affect the other independent members even more egregiously. Mr.

Parker gave a brief history of how Piedmont and the other independent cooperatives went from being all-requirements members of NCEMC to becoming independent members, negotiating for wholesale power. Staff from all four independent cooperatives met with the head of wholesale power with Duke Energy to discuss potential solutions. The independent members are looking at outside resources to offset the peak demand charges as well as other possible solutions such as battery storage. He noted these solutions are expensive and are subject to the 10-megawatt limit on outside wholesale power resources under the existing Power Purchase Agreements with Duke Energy,

The staff was excused at 5:00 p.m. for an executive session that ended at 6:00 p.m.

There being no further business to conduct, Mr. Kinley declared the meeting adjourned at 6:00 p.m.


Chair

Attest:


Secretary

