

**Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
May 18, 2020
SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on May 18, 2020 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: Cy Vernon who participated via teleconference; Randy Kinley, Andy Oakley, Elizabeth Townsend, Richal Vanhook, David Poythress, all of whom participated via TEAMS and Steve Long, Sam Woods, Steven Bailey and Bill Barber who were present in person. Also present were Steve Hamlin, President and CEO and Mike Parker, Attorney and the following staff members who participated via TEAMS: Susan Cashion, Vice-President, Chief Compliance and Administrative Officer, Larry Hopkins, Vice President of Engineering, Lisa Kennedy, Vice-President of Financial Services, Robert Riley, Vice-President of Operations and Kirk Metcalf, Director of Human Resources.

Mr. Barber, Chairman, called the meeting to order.

Mr. Parker administered the oath of office to Mr. Bailey, the newly elected Director from District 5, and he was welcomed to the Board of Directors.

The Board by consensus agreed to postpone the election of officers to the next regular Board meeting in anticipation that the restrictions due to COVID 19 would be lifted and they could all meet in person.

The Board approved the minutes, summary minutes, and the minutes from the 2020 Annual Meeting held on April 17, 2020.

The following business was discussed on various levels of detail:

1. The Board approved the Monthly Safety Report.
2. The CEO reported that Piedmont currently has over-collected \$846,153.73 for coal ash remediation.
3. The CEO presented and the Board approved Resolutions regarding the 6th Amended and Restated Partial Requirements Service Agreement with Duke Energy Progress. He

explained that, among other changes, it contains benefits in reduction of wholesale power costs due to a decrease in tax rates but also imposes additional expenses due to plant retirements. It authorizes the CEO to execute the Agreement on behalf of Piedmont.

4. The Vice-President of Engineering presented and the Board approved the 2020 load forecast covering the period of 2020 through 2039. The Load Forecast is used for a number of purposes including the Construction Work Plan for four year demand load growth, the Long Range Plan for 20 year demand load growth, for budget calculations of yearly consumer sales and growth in sales, by DEC and DEP for their long term generation planning, the North Carolina Utilities Commission for Demand Side Management and Energy Efficiency and by RUS for Construction Work in Progress, Long Range Planning and for loans.
5. The Vice-President of Engineering explained a problem with distributed energy resources (“DER”) over-voltage in the area west of Jo-Mac Road and Bethel Hickory Grove Church Road due to the large amount of solar generation in that area. Mr. Hopkins updated the Board on the Cherry Grove substation. The soil has such low load bearing capacity that foundations had to be installed for the transmission poles. Piedmont hopes to energize the substation in June 2020.
6. The CEO discussed collection issues from COVID 19. The Governor has said that utilities should give consumers six months to bring their accounts current. The Board indicated Piedmont may want to give longer periods for members making a good faith effort to pay arrearages to avoid disconnections. The Board approved a policy change to apply any deposit Piedmont holds for an account to a delinquent bill that would otherwise be subject to cut-off.
7. Staff updated the Board on the Rural Economic Development Loan and Grant Program (“REDLG”). There remains \$1,092,513 available for loans under the 5% cap and \$83,609 in the revolving fund.
8. Staff updated the Board on Wi-Fi and discussed the potential of adding a few Wi-Fi hot spots in and around our service territory.
9. Staff presented an overview of drug testing. After discussion, the Board agreed by consensus to add a third annual drug test but not to do a hair test.
10. The Vice-President of Financial Services presented the April financial results and the Wholesale Power Cost Adjustment for April 2020 noting that Piedmont paid \$2,628,471.60 in Wholesale Power Cost for the month. The calculated June 2020 retail

WPCA charge related to power cost is (\$0.00461) and the calculated WPCA related to the coal ash clean-up is \$0.00800 resulting in a calculated WPCA for June 2020 of \$0.00339.

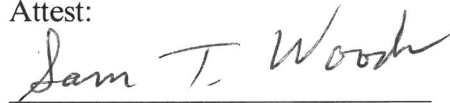
11. The CEO suggested and the Board agreed that the Board Retreat be postponed until the pandemic ends or is manageable.

The Chairman declared the meeting adjourned at 5:35 p.m. since there was no further business to come before the Board.



Chairman

Attest:



Secretary

PEMC\Minutes 05/18/20