

**Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
November 16, 2020
SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on November 16, 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 in person: Andy Oakley, Bill Barber, Steven Bailey, David Poythress, Sam Woods, Randy Kinley and Cy Vernon; Steve Long, Elizabeth Townsend and Richal Vanhook participated via TEAMS. Also present in person 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 Chuck Lee, Manager of Energy Services.

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

Upon motion by Mr. Woods and second by Mr. Long, the Board approved the minutes from the October 19, 2020 meeting unanimously.

Upon motion by Mr. Kinley and second by Mr. Woods, the Board approved the summary minutes from the October 19, 2020 meeting unanimously.

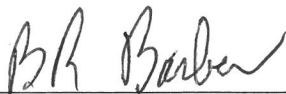
The following business was discussed on various levels of detail:

1. The Board approved the Monthly Safety Report.
2. The CEO discussed some favorable modifications to the Power Purchase Agreement (“PPA”) with Duke Energy Carolinas (“DEC”) resulting from an audit by another wholesale group. The resulting adjustments are approximately \$1.5 million credit to Piedmont spread over a five-year period realized by a reduction in the demand component of the wholesale power charges from DEC to Piedmont. Mr. Hamlin presented a resolution approving the changes in the PPA with DEC. The Board approved this resolution along with another authoring him as CEO to sign the final revised PPA when presented.
3. The CEO reported that the Piedmont coal ash remediation factor has been adjusted to .0015 per kwh and still resulted in a small over-collection.

4. The CEO reported that DEC will probably appeal an order finding that battery storage of power is not considered as generation for purposes of determining Demand Side Management. Piedmont will need a study performed by Duke Energy to determine if it is possible to interconnect a battery system with the transmission grid at a cost of approximately \$15,000 and is requesting the Board approve the study. The Board approved this study.
5. Mr. Parker presented resolutions required by RUS to approve the \$60 million AP8 FFB loan. The Board unanimously approved the resolutions as presented.
6. The CEO reported on a philanthropic organization interested in energy storage and possibly a renewable energy project on minority owned property.
7. Staff reported that six linemen assisted EnergyUnited in restoring power after a recent storm.
8. The Vice-President of Engineering reported that solar power in the area around Highway 54 in southern Orange County is causing voltage issues on the system from the large amount of solar generation in the area and requested an expansion of the moratorium on solar in the area until we are equipped to prevent overvoltage. The Board approved expansion of the moratorium on solar in this area unless, or until, the installation is equipped to prevent feedback on to Piedmont's system.
9. Staff gave an update on broadband and informed the Board that the proposed hotspot at the Cherry Grove Ruitan Club is waiting for DataWatt to install fiber to the location.
10. Staff updated the Board on the Rural Economic Development Loan and Grant Program ("REDLG").
11. Staff reported that the Piedmont Electric Helping Hands Foundation has provided a total of \$68,000 for assistance to members for their power costs with \$33,000 originally budgeted prior to the COVID 19 pandemic plus \$35,000 in additional assistance allotted at their May and August meetings. In addition, the Piedmont employees have contributed \$4,579 for member assistance; \$23,400 has been disbursed for member assistance to date.
12. Staff informed the Board that delinquent accounts receivables are currently \$1.3 million, a decrease of \$190,000 since the previous Board meeting. Disconnections of non-prepaid accounts began on October 26 with approximately 90 to 100 accounts per week being disconnected with most accounts being quickly reconnected.

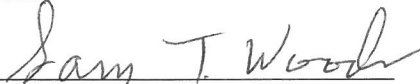
13. Staff reported that all the test meters for the new meter pilot program passed and manufacture is moving forward. Additionally, there is no new information on the Chapel Hill electric buses but they still expect a May 2021 delivery. The leases for the two charging stations for electric vehicles are in the hands of the property owners for review. Piedmont has requested an extension from the North Carolina Department of Energy Quality to submit the leases.
- Staff personnel are contacting builders and contractors about wiring homes to accommodate charging of electric vehicles. The cost of this wiring is about \$150 and the Board discussed a potential rebate of some of the additional expense.
14. The Vice-President of Financial Services presented the following to the Board:
- A. That 3.685% is the highest interest rate currently on long-term debt.
 - B. The general retirement of capital credits will occur around mid-December with all capital credits for 1993, the oldest remaining unpaid year, being retired. The total to be paid is approximately \$1.3 million either by check or a bill credit as appropriate.
 - C. The Financial Report for October 2020.
 - D. And, the Wholesale Power Cost Adjustment for October.
15. Mr. Parker reported on the Nominations Committee training session held on November 7, 2020. The Nominations Committee will meet on December 5 to nominate candidates for the Board election cycle in 2021. Several members have expressed an interest in running for the Board although some were in Districts not in this election cycle.
16. Staff noted there are a couple of new potential housing developments planned for the Mebane area and the facility charge that was delayed from May 2020 due to COVID 19 went into effect in October.
- 17.

Mr. Barber declared the meeting adjourned at 5:00 p.m. since there was no further business to come before the Board.



Chairman

Attest:



Secretary

PEMC\Minutes 11/26/20