

**Piedmont Electric Membership Corporation**  
**Hillsborough, North Carolina**  
**Board of Directors Meeting**  
**December 19, 2022**  
**SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on December 19, 2022 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: Bill Barber, Randy Kinley, David Poythress, V. Kay Scurlock-Ferguson, Steven Bailey, Richal Vanhook, Steve Long, Beth Townsend and Cy Vernon. Also present in person was Steve Hamlin, President and General Manager, Mike Parker, Attorney, Ed Durham, Manager of Piedmont Energy Services, Angie Jones, Manager of Human Resources and Scott Rowland, Manager of Information Technology. Participating via TEAMS were Susan Cashion, Vice-President, Compliance and Administrative Officer, Lisa Kennedy, Vice-President of Financial Services, Robert Riley, Vice-President of Operations and Larry Hopkins, Vice-President of Engineering.

Mr. Barber called the meeting to Order.

1. Upon motion and second the Board approved the minutes from the November 21, 2022 meeting.
2. Upon motion and second the Board approved the summary minutes from the November 21, 2022 meeting.
3. Upon motion and second the Board approved the Monthly Safety Report .
4. Staff gave an update on the Rural Economic Development Loan and Grant (“REDLG”) Program. Staff noted that another Volunteer Fire Department loan closed and a Charter School submitted a request for a loan of 80% of the cost for a major renovation project. Upon motion and second the Board approved the Charter School loan request.
5. Staff reviewed several projects funded in part by the Infrastructure Investment and Jobs Act (IIJA). The Grassy Creek microgrid grant proposal would fund 50% of the project with Piedmont funding the other 50%. Duke Energy is considering a project that should resolve the issue at Grassy Creek but Piedmont still plans to submit the application. Several EV grant proposals are either approved or under consideration. Caswell County Schools and

Orange County Schools have received grants for EV chargers. Applications were submitted for additional Level 2 EV chargers at the Hillsborough and Roxboro Piedmont offices. A grant was approved with Piedmont matching funds for an additional EV charging station at Carrboro Plaza. Piedmont is also working with some of the apartment complexes in the Carrboro area served by Piedmont for possible EV chargers. The Energy Efficient Transformers Rebate Program provides a maximum annually with a cap.

6. The Vice President of Engineering informed the Board that:
  - a. Crews are currently working on the upgrades needed for our newest large commercial account's load and should have the work completed by the end of January 2023. This member has not yet pursued installation of a generator at the Mebane Oaks substation that had been previously discussed. He presented a contract for the modifications necessary at the Mebane Oaks substation to serve this large member including installation of two new circuit breakers. Upon motion and second, the Board approved the contract for the upgrades at Mebane Oaks substation.
  - b. No new meters have been installed since the November Board meeting. Some additional collectors will need to be added for the new meter system.
  - c. The recent high powered rifle damage to Duke substations in Moore County that resulted in an extended outage has received extensive coverage by media. Two articles about substation vandalism were included in the Board materials. Piedmont has requested additional surveillance by the local sheriff departments in each county Piedmont serves. He discussed possible protections such as building a wall around each substation that would cost an estimated \$5 million; building "bullet-proof" walls would cost in the vicinity of \$25 million. However, walls will not protect a substation from a drone strike. He is meeting with ShotSpotter, which immediately notifies law enforcement of a gunshot in the surveillance area, to get a proposal from them. Piedmont may add an additional surveillance camera at each substation.
7. The Vice President of Operations gave the update from operations, informing the Board of an outage in the Highway 54 West area caused by a fallen tree. Bivins substation was down for two hours thanks to a squirrel and an outage occurred at the Blackwood Station circuit out of the New Hope substation lasting 6½ hours.

8. The President and General Manager shared a possible fiber lease that could bring in \$189,000 plus \$10,500 annual maintenance fees; negotiations are in the early stage.
9. The Vice President of Financial Services presented the Financial Report for November 2022. Equity is 32.08% compared to 2021 year-end equity of 32.40. Deferred storm recovery costs to date are \$140,845.93 and Piedmont has recovered \$83,523.28 of those expenses through the storm recovery rider, leaving \$57,322.65 in unrecovered costs. She also presented the Wholesale Power Cost Adjustment (“WPCA”) for November 2022. When applied to the previous accumulated difference the negative recovery is (\$3,016,454.36). The calculated January 2023 retail WPCA credit related to power cost is \$0.01145 and the calculated WPCA charge related to the coal ash clean-up is (\$0.00472) resulting in a net calculated WPCA credit for January 2023 of \$0.00673.

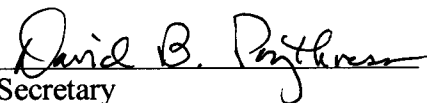
She also presented a revised budget that includes increasing the facilities charge from \$37.00 to \$38.50 per account and adjusts the 4<sup>th</sup> quarter capital expenditures from 25% to 35%. Also, the revised budget reflects retirement of the last half of capital credits for the 1996 year but eliminates the retirement of capital credits for the first half of the 1997 year. These changes should keep equity above 30%, the threshold for the retirement of capital credits without first obtaining RUS approval. She noted that the budget numbers do not include any of the anticipated load from two new large commercial members which should help. Upon motion by Mr. Vanhook and second by Mr. Kinley, the Board approved the revised budget for 2023.

The staff was excused at 4:00 p.m. for an executive session that ended at 4:35 p.m.

Mr. Barber declared the meeting adjourned at 4:35 p.m. since there was no further business to come before the Board.

  
Chair

Attest:

  
Secretary