

Piedmont Electric Membership Corporation

Hillsborough, North Carolina

Annual Meeting of the Members

April 19, 2024

MINUTES

The 2024 Annual Meeting of the Members of Piedmont Electric Membership Corporation was held online pursuant to notice to the membership. Board Chair, Mr. Randy Kinley, called the meeting to order. D. Michael Parker, counsel for the Cooperative, recorded the minutes for the Secretary, Mr. David Poythress.

Mr. Kinley welcomed the members participating virtually. He thanked the staff for a job well done in controlling costs and providing the membership with reliable and efficient service despite the inflation and supply chain issues and thanked those members who voted in the election. He then called upon Mr. Parker, who read the official notice of the Annual Meeting of the Members, together with proof of due mailing thereof to all members of the Cooperative. Mr. Parker announced the existence of a quorum with a total of 854 members voting by either mail-in ballot or online voting out of a total eligible membership of 28,842 members or 2.96% which exceeds the minimum required for a quorum. Mr. Parker stated the minutes of the Annual Meeting held on April 20, 2023 as recorded by the Secretary were posted on the Cooperative's website and, receiving no comments, would stand approved. Mr. Parker introduced Steve Hamlin, President and General Manager for the Cooperative. Mr. Steve Hamlin welcomed the members to the Annual Meeting and thanked those who were watching online and those who voted. He thanked those who participated in the election and informed the membership that the Annual Meeting video would be available on the website. He reviewed the reasons for a cost-of-service study performed for this past year to determine if rates are sufficient to meet expenses and loan requirements and to determine if rates are applied in a non-discriminatory manner to recover revenue appropriate to the cost of service. The study concluded that changes are necessary that will become effective with the May 2024 statements. He noted that rates have not changed for many years and, even with these changes, rates remain below state and national averages. The change will allow Piedmont to continue system upgrades to increase reliability of service. Inflation continues to increase the cost of service; a 15KVA transformer Piedmont bought for \$693 in 2020, cost \$1,258 in 2023, an 81.5% increase in three years. 350 underground wire that cost Piedmont \$1.99 per foot in 2020, cost \$2.71 in 2021, \$3.30 in 2022 and \$4.55 per foot last year, an increase of over 128% over three years.

52.8% of each dollar spent by the cooperative goes to purchase wholesale power from Duke Energy Carolinas, Duke Energy Progress and North Carolina Electric Membership Corporation. Natural gas constitutes about 39% of the generation of wholesale power purchased in 2021 these prices increased 92% over the previous year then increased another 66% in 2022. Piedmont has had a wholesale power cost adjustment on member's bills to recover those costs and, this past year, that adjustment changed to a wholesale power and TIER adjustment. This allowed Piedmont to meet its financial requirements until the rate study could be completed and rates adjusted. While this adjustment will remain on the bills, it will decrease significantly when the new rate goes into effect in May. The actual change in monthly power bills for members will be negligible due to the decrease in the adjustment. He also explained Piedmont will work with members needing assistance to help with paying their electrical bills.

Mr. Hamlin reviewed the audited financial statement for the cooperative, noting Piedmont returned capital credits of over \$1.2 million and is in good financial position. Piedmont had significant

growth in utility plant with 3,667 miles of power lines, with about 12% commercial and industrial accounts and 88% residential accounts. Piedmont kept the power on for its members 99.96% of the time despite hurricanes and other inclement weather.

Mr. Hamlin reviewed Piedmont's diverse energy portfolio that includes 46% nuclear, 39% natural gas, 8% renewable energy and 7% coal. Piedmont is on track to meet its goal of reducing carbon dioxide emissions by 50% by the year 2030 and to have net-zero carbon emissions by 2050. Piedmont offers numerous energy efficiency programs and promotes electric vehicle use by favorable time of day rates for recharging EV's. Piedmont has installed numerous charging stations in Carrboro, Mebane and at the Hillsborough office and added a Ford F150 Lightning EV truck to its fleet.

Piedmont has provided invaluable assistance to local fire departments, schools and libraries through the Rural Economic Development Loan and Grant Program. To date, Piedmont has facilitated around \$21.5 million in loans to assist with the purchase of 36 fire trucks, 6 ambulances, construction of 7 fire stations and enhancing 2 schools and a public library. He noted the support of rural broadband expansion including a grant of \$25,000 from the Piedmont Electric Helping Hands Foundation to Caswell County government for broadband expansion. He also noted nearly \$120,000 in grants to assist members in need with energy bill payments, the Bright Ideas teacher grants, college scholarships and other local non-profits that are helping make their communities a better place to live. He thanked the members who contribute to the Foundation by rounding up their bills and thanked the members of the Foundation Board for the sacrifice of their time as volunteers.

He noted phone system and website upgrades with a live chat feature. He reviewed several projects to improve service, including a new Eubanks substation and upgrades to North Roxboro and Mebane-Oaks to improve reliability. Piedmont finished replacement of all meters with new meters that allow better service information and faster outage responses.

Mr. Hamlin announced he will be retiring soon to pursue other opportunities and thanked the membership for the privilege of serving Piedmont as its President and General Manager for the past eight years and the opportunity to serve Piedmont for almost 3 decades. He concluded by thanking the employees and the membership for their continued support of the Cooperative to work together to build a better community. He then reintroduced Mr. Parker.

Mr. Parker announced the results of the balloting for each directorate district with an expiring term. Cy Vernon received 652 votes for District No. 3; Jimmy Thomas received 666 votes for District No. 7 and V. Kay Scurlock-Ferguson received 667 votes for District 8. Thus, Cy Vernon in District No. 3; Jimmy Thomas in District No. 7 and V. Kay Scurlock-Ferguson in District 8 were elected to serve as directors for their respective districts for a three-year term or until their successors are elected.

There being no further business to conduct, Mr. Parker declared the meeting adjourned. After the adjournment Susan Cashion, Vice-President of Compliance and Administrative Officer for the Cooperative, announced the two winners of the \$100 bill credits from among those who submitted ballots. The winners were Patricia Saunders who resides in Orange County and Shelba Johnson who resides in Durham County. Ms. Saunders won the bill credit for voting on-line and Ms. Johnson won the bill credit for mailing in her ballot.


Chair

Attest:


Secretary